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BLUE LINES

In politics as in economics, 2018 will be the year of the variable-speed Africa, as our special survey of the year ahead makes clear. Sometimes, the sharp differences are between regions: high-growth economies in Ethiopia, Tanzania and Kenya in the east compared with slow growth South Africa, Angola and Zimbabwe in the south. Sometimes, there are sharp differences within regions: Côte d'Ivoire, Ghana and Senegal are growing strongly but Nigeria's forecast growth for the year barely exceeds population growth. Nigeria's lacklustre economic revival points to a continuing negative trend: some of the continent's biggest economies, such as Angola and Algeria, are chronically under-performing.

The political contrasts across Africa are sharper still. South Africans are following in minute detail the constitutional and judicial manoeuvring aimed at removing Jacob Zuma from the state presidency. In Ghana, Côte d'Ivoire, Kenya and Nigeria, constitutional and electoral reform is on the table, even extending parliamentary oversight of presidents' spending. But in Somalia, Sudan, South Sudan, Central African Republic, and Libya, the contest for power is more about armed groups than amendments to the constitution. To that list must now be added Congo-Kinshasa, where President Kabila's obduracy is sparking several disparate rebellions, and Cameroon, where four decades of misrule are coming home to roost as rebellion takes hold in the country's western provinces.

ZIMBABWE

Old ZANU-PF in new bottles

Post-Mugabe optimism faces a reality check. Bolstered by fresh funds, Emmerson Mnangagwa is set for electoral victory

As the first new leader that Zimbabwe has had in 37 years, President **Emmerson Mnangagwa** begins the year riding a wave of goodwill, having removed the apparently eternally-entrenched **Robert Mugabe** from power, cleared the streets of the despised police roadblocks and ushered in what looks like a new political dispensation. However, the euphoria of the post-Mugabe street party will fade and Mnangagwa will find it increasingly difficult to manage expectations.

Having begun his time in office with a widely applauded budget which cut government costs while revoking indigenisation laws which had limited foreign investment, Mnangagwa has established that he is committed to reform and to better economic policy than his predecessor. Yet the aspirations of the budget are not reflected in the realities of the economy.

Within the first few months, it will become evident that the new government is unable to deliver on its promise that the economy will grow by 3.7%.

In spite of an Afreximbank loan specifically targeted at replenishing Zimbabwe's nostro accounts (which enable companies to make foreign payments), thereby increasing liquidity and the potential for international trade, the cash crisis and economic failure will not abate.

Between January and September 2017 alone, the government issued US\$1.75 billion in Treasury bills (AC Vol 58 No 24). New government or no, debtors will be unwilling and unable to pay back

the Treasury bills purchased, leaving a hole in the economy, unsupported by money in the national reserve. Even with the support for the nostro accounts, there will be no surge of confidence in the Zimbabwean economy. The continued lack of cash will help fuel growing disillusionment with Mnangagwa's government that will reach the streets.

NEW INTEREST

There will be a renewal of interest from local and international businesses. On 18 December Mnangagwa met the Harare business community, and the next day the Minister of Foreign Affairs and International Trade, **Sibusiso Moyo**, saw **South African** business leaders in Pretoria. South African firms will be particularly interested in Zimbabwe as their own economy falters in the continuing tussle for power in the ruling African National Congress. **British** businesses will be similarly keen.

This revived interest will increase the availability of easy money and exciting deals for economic and political elites, but the flow of cash will not trickle down and out of the well-guarded suburbs of Harare.

The mining sector, which has the potential for rapid development, will be limited by platinum and diamonds being the only industries which are not exempt from the old indigenisation laws, under which 51% of every local company must be owned by a Zimbabwean. This will inhibit international interest in the country's platinum and diamond reserves.

The Zimbabwe Consolidated Diamond

SOUTH AFRICA 3

Cyril presses his advantage

The new ANC leader will need all his negotiating skills to edge Zuma out of the Union Buildings

NIGERIA 4

All about votes and the naira

The government will struggle to kick-start the economy and deal with security threats

MALI 5

Wanted: change and security

President Keïta may well win this year's election but popular resentment is growing

MOZAMBIQUE 6

Maputo faces off with the Fund

Frelimo believes it can stare down donors and lenders, hanging tough over the secret loans

PLUS EGYPT,

MOROCCO, ALGERIA,
CONGO-K, TANZANIA,
KENYA, GHANA,
ETHIOPIA, SOMALIA

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Company will be dissolved under the new budget's proposal to privatise or wind up most parastatals. This will enable the military to regain access to the diamond deals they made with Chinese firms before members of the G40 group pushed for the creation of the ZCDC to block the Mnangagwa faction's interests in diamond mining.

Again, this wealth will be confined to the small pool of elite interest groups that control the deals. Mining will continue to have a particularly detrimental effect on communities close to the mineral deposits, as local and now international companies ride roughshod over human rights and the environment. The military will be used to enforce compliance by local people with the requirements of the mining companies.

In March 2018, the 100-day challenge that Mnangagwa imposed on his cabinet will end. Ministers were instructed to come up with a service-delivery-focused target to achieve within their first 100 days. Most of the goals are either too vague or too ambitious; they will have to be implemented through ministries which have not functioned efficiently in years, and particularly not during the faction-fighting of the past few years. Very few

of the ministers will make substantial progress in their tasks, which will weaken their credibility.

Meanwhile, once **Constantino Chiwenga** retires from his post as Commander of the Zimbabwe Defence Forces, Mnangagwa will have to manage his relationship with the military very carefully (AC Vol 58 No 25). Chiwenga's successor as ZDF Commander, **Phillip Valerio Sibanda**, is a professional soldier who is less interested in politicking than Chiwenga, a former Zimbabwe African National Liberation Army deputy commissar. Without Chiwenga to draw the military into active politics, Mnangagwa will have to take care not to lose their support. However, as Vice-President, Chiwenga will be building his own political support base to maximise his chances of succeeding Mnangagwa as President. There will also be pressure from **Kembo Mohadi**, the other Vice-President, who has indicated that he wants to succeed Mnangagwa.

The precariousness is increased by Mnangagwa's tenuous relationship with the Central Intelligence Organisation, the body which has always reinforced the presidency. Having appointed a CIO director from outside the organisation, Mnangagwa will be hoping that **Isaac Moyo** will quickly make it a force loyal to his interests, rather than those of his predecessor. The death of Moyo's deputy, **Nixon Chirinda**, on 30 December in a suspicious car accident, however, can only thicken the fog of paranoia surrounding Zimbabwe's intelligence services.

Although enthusiasm for Mnangagwa is bound to fade, the ruling Zimbabwe African National Union-Patriotic Front's hold on Zimbabwe will not loosen (AC Vol 58 No 24).

The planned 2018 election will go ahead but it is likely to be no freer than those of the recent past. Mnangagwa will use the poll to strengthen his legitimacy as President and to bolster his power base in parliament. He will win the election through a combination of strong-arm tactics and the residual goodwill of the electorate. His close aide **Chris Mutsvangwa** has already said that the army will play an important role in ZANU-PF's campaign.

This is an ominous threat, given the crucial role that the military played in ensuring that voters supported Mugabe in the 2008 run-off after they failed to vote for him in the first round of elections.

As things stand, the opposition cannot win in 2018, whether or not ZANU-PF deploys the state to help. Its leadership is too fractured to pose a threat to the ruling party.

There will be a change of leadership in the biggest opposition party, the Movement for Democratic Change-Tsvangirai, but the factions that support the three Vice-Presidents of the MDC-T – **Thokozani Khupe**, **Elias Mudzuri** and **Nelson Chamisa** – are at loggerheads with each other (AC Vol 57 No 9). It is unlikely that **Morgan Tsvangirai**, who has been seriously ill, will have the strength to shepherd the party into a new leadership, so leaving the factions to fight it out among themselves.

The fracturing of the opposition will be deepened and exacerbated by acrimonious, anti-opposition messaging from disaffected social media commentators. The social media activists who came to prominence during the 2016 civil protests, and who have built up a strong following in the middle class and the diaspora, will cease to be politically relevant in 2018. Those activists who were originally in ZANU-PF will be absorbed without trace back into the party, following the example of **Acie Lumumba**, who posted a photograph of himself with Mnangagwa days after the military takeover, and **Temba Mliswa**, who attended the ZANU-PF congress dressed in the party's regalia in spite of his position as an independent MP.

Other activists will be either discredited through exposure in social media scandals or quietly repressed by the militarised state. The window of political opportunity that appeared to have opened in November 2017 will be firmly shut, and ZANU-PF will be able to justify the closing down of political space by reminding investors and donors that their chief concern is the economy – which, the party will argue, is more important than human rights or democratic ideals. ●

MNANGAGWA PURGES THE PARTY

While the world concentrates on Zimbabwe's 'new' government, staffed by President **Emmerson Mnangagwa's** allies and senior military figures, scant attention will be paid to the losers in the fight for the leadership of the Zimbabwe African National Union-Patriotic Front. In the last weeks of 2017, senior ZANU-PF figures, including **Walter Chidhakwa**, former Minister of Mines, and **Ignatius Chombo**, former Finance Minister, were arrested and charged with corruption. Once the New Year began, the arrests gathered pace. Into the bag went: **Makhosini Hlongwane**, former Minister of Sports and Recreation; **Supa Mandiwanzira**, former Minister of Information; **Jason Machaya**, former Minister of Midlands Province. Members of parliament **Psychology Maziwisa** and **Masango Matambanadzo** were detained, as were others.

Acting against corruption may be positive publicity for Mnangagwa's new government, but the trivial sums involved in the cases mentioned so far reveal the political motivations behind the arrests. The Zimbabwe Anti-Corruption Commission is being used as a weapon against Mnangagwa's political enemies, rather than as an independent body fighting corruption and fraud. Once the 90-day grace period for the repatriation of externalised funds ends on 28 February, the net will be further widened and many more Mnangagwa rivals – both within and outside ZANU-PF – can expect to be arrested on similar charges. ●

SOUTH AFRICA

Cyril presses his advantage

The ANC's new leader will need all his legendary negotiating skills to edge Zuma out of the Union Buildings

The centre of gravity in the governing African National Congress has shifted towards its new President, **Cyril Ramaphosa**, who now has a decisive tactical advantage over the national President, **Jacob Zuma**.

Nowhere was this clearer than in Zuma's statement on 9 January announcing the creation of the judicial inquiry into 'state capture' which he has resisted for so long. The inquiry will now proceed while prosecutorial authorities dust off their reports on alleged malfeasance by Zuma and his family and followers, which could result in a battery of corruption trials. Already, Zuma supporters in the ANC are switching allegiance to Ramaphosa, we hear.

South Africa's New Year dawns with a new leader committed to a clean break with the policies of patronage and corruption that have characterised Zuma's near decade in power. Yet beneficiaries of rent-seeking policies, from 'tenderpreneurs' to humble municipal employees, as well as admirers of the national president in party and government, are going to make a clean break with the past all but impossible.

However, Ramaphosa has a solid track record as a strategist and tactician as leader of the mineworkers' union and chair of the post-apartheid constitutional negotiations, and in building a vast business empire. He is going to rely on persuasion and process to bring about the changes he desires, rather than dramatic confrontations. He has a chance of succeeding and will probably lead a more unified party into the 2019 national elections.

What the Ramaphosa camp has been most anxious to avoid is Zuma's annual State of the Nation address, which sets a stamp on government policy for the year ahead, clashing with Ramaphosa's objectives.

Zuma appears to have accepted that he will remain as a figurehead leader doing the bidding of ANC headquarters until his status is resolved. Otherwise he could face immediate 'recall by the party' (the fate of **Thabo Mbeki** in 2008) or the longer drawn-out vote of no confidence or impeachment by Parliament.

Whatever compromises he makes with the Zuma loyalists, Ramaphosa cannot fully establish his credibility unless he can purge the ministers most strongly associated with the government's business deals and favours with the Guptas.

First in the firing line would be: Public Service and Administration Minister **Faith Muthambi**; Minerals and Mining Minister **Mosebenzi Zwane**; Energy Minister **David Mahlobo**; Minister of Public Enterprises **Lynne Brown**; Minister of Social Development **Bathabile Dlamini**; Co-operative Governance and Traditional Affairs Minister **Des van Rooyen**; State Security Minister **Bongani Bongo**; and Water and Sanitation Minister **Nomvula Mokonyane**.

Ramaphosa will also need to remove the head of the South African Revenue Service (SARS), **Tom Moyane**, as well as the Director of Public Prosecutions, **Shaun Abrahams**, whose main task was to protect Zuma from prosecution (AC Vol 58 No 1). If Ramaphosa follows through on the authorisation from the High Court empowering him to appoint a new national prosecutor, a flood of court cases against Zuma acolytes could begin. He could also appoint **Thuli Madonsela**, the former public protector whose 'state capture' report Zuma has now acted on, as the new national prosecutor (AC Vol 57 No 22).

Elsewhere, Ramaphosa will take a hands-off approach to the trials and investigations of senior state officials accused of conniving in the looting of state institutions, leaving the law to take its course.

SLOW GROWTH

Relaunching the economy could be the toughest challenge of all. The markets reacted enthusiastically to Ramaphosa's conference victory and he is likely to retain market support during the year. But turning the ship around will be slow. Growth last year was a paltry 0.7%. With a new president at the helm, it is expected to increase to 2% in 2019, still far short of the 3.5% regarded as the minimum to avoid serious social unrest. Unemployment has reached 28.7%, the highest level in 13 years, and in some provinces youth unemployment has reached 50%.

Ramaphosa will need to kill the trillion-rand nuclear deal with **Russia**, which has been blocked by the courts but which the Zuma faction is doing everything possible to push through, even though it is crippling expensive and compares poorly with renewable energy options. The deal is so vast that ending it should not be too difficult for Ramaphosa, especially as key contracts have not yet been signed.

One way to start winning back the hearts and minds of business and investors would be to reinstate **Pravin Gordhan** as Finance Minister, in place of **Malusi Gigaba**, but this may have to wait. Gigaba was a supporter of the Guptas as Home Affairs Minister, and is widely regarded as being part of Zuma's inner circle of patronage. However, he has earned some credit by broadly observing the guidelines for fiscal consolidation initiated when Gordhan had his job.

At the end of February, Moody's, the only one of the three major rating agencies which has not downgraded South Africa's sovereign debt to 'junk' status, is due to review its rating. This is a crucial test for Ramaphosa. He will then need to move ahead with an ambitious economic agenda which accelerates the ANC's long-standing policy of 'radical socio-economic transformation' – still a slogan with limited delivery.

HOW TO DELIVER

Ramaphosa's central challenge with the economy will be how to deliver some populist measures within a viable macroeconomic framework which wins back the confidence of foreign investors and gets buy-in from the business community in terms of public-private partnerships.

The shape of the battles to come between Zuma and Ramaphosa is exemplified by the clash over higher education. On the eve of December's ANC conference Zuma announced – without prior consultation with the party, the government or the Treasury – free tertiary education, the cost of which has been estimated at 12.4 billion rand (US\$1 billion). The policy was carried at the ANC conference. Ramaphosa's response has been to promise to broaden the classification of poor and working-class students eligible for free education.

Ramaphosa will also have to navigate around the conference vote to alter the national constitution to enable expropriation of land without compensation, which he opposed.

Many believe that Ramaphosa is the ideal leader to juggle the deep contradictions in the ANC's ranks, establish dialogue with the key

opposition parties – the right-of-centre Democratic Alliance and the leftist Economic Freedom Fighters – and prepare for coalition politics at national level in the event that the ANC fails to

get 50% of the vote in 2019. Coalition arrangements at municipal level are already established.

Sipho Pityana, the former senior ANC official, businessman and founder

of the protest movement Save South Africa, recently likened the party to a 'rotten cake' (AC Vol 58 No 4). 'It doesn't make any difference how good the icing is, the cake remains rotten.' ●

NIGERIA

All about votes and the naira

The government will struggle to kick-start the economy and deal with security threats as electioneering begins

Politics and everyday life in Nigeria in 2018 will be dominated by concerns about security, corruption and the still sluggish economy. All three core issues will weigh heavily on campaigning for the next national elections, due in February 2019.

A strengthening sense of regionalism – whether from clashes between herders and farmers in the Middle Belt or from secessionist agitation in the south-east – will rise up the agenda. So will the politicians' responses.

President **Muhammadu Buhari** went out on the road in the second half of last year, reinvigorated after lengthy medical leave in London (AC Vol 58 No 23). In 2018, he will undertake many more trips to Nigeria's far-flung regions, say his advisors, to counter opposition claims that he has little interest in anywhere outside its troubled north (AC Vol 58 No 14).

It will be a difficult balance. Buhari has a devoted following in the northern states, a block of well over ten million votes. But to win the presidency he has to placate erstwhile fans in the Middle Belt and the south-west whose lives have been unsettled by insecurity and the economic slump.

By the end of 2018, all the leading parties will have chosen a presidential candidate and the election campaign will be well under way. Although the main battle will be between the governing All Progressives Congress (APC) and the opposition People's Democratic Party (PDP), both parties have pockets of dissidents in their ranks. These will prompt a busier cross-traffic of defectors between the two largest parties, but there will be nothing to rival the walkout by five state governors from the PDP in 2014 which torpedoed the party's presidential campaign 18 months later.

Some will quit the two big parties to form spin-offs, hoping to gain political traction by bringing in money and votes

from outside the mainstream arena. Others will join civil society groups trying to influence governance through single-issue campaigns and activism against official malfeasance.

Still others will get drawn into secessionist organisations such as Indigenous People of Biafra (IPOB) in the south-east, sundry militant groups in the Niger Delta and a resurgent Yoruba nationalism in the south-west (AC Vol 58 No 20). Most of these groups grew out of a sense of ethnic or regional grievance. They campaign alternately on social media, via some fairly scurrilous claims, and sometimes on the street, clashing with police and soldiers.

EXPECTATIONS FOR 2019

Despite the growing resonance of such movements and a wider sense that the government has fallen well short of voters' heady expectations, the 2019 presidential election is still Buhari's to lose. He and his advisors know that well, as do most of the ambitious barons in the APC (AC Vol 58 No 8).

All the likely successors to Buhari – Senate President **Bukola Saraki**, former Kano State Governor **Rabiu Kwankwaso**, Sokoto State Governor **Aminu Tambuwal** and Kaduna State Governor **Nasir el-Rufai** – will bide their time in 2018. None is likely to oppose a Buhari nomination to run for a second presidential term.

Even the godfather of south-west politics and former Governor of Lagos State **Bola Tinubu** is positioning himself as a loyal party man, despite having expressed an interest in a run for the presidency early last year. Tinubu will remain outside but will demand to have some influence over a cabinet reshuffle. Whatever Buhari's personal views about the mercurial Tinubu, he has no interest in inciting a rebellion in the APC's south-west base.

The biggest party-political game-changer will be the effect of former

Vice-President **Atiku Abubakar's** defection to the opposition PDP, on whose presidential ticket he wants to run. The question is whether Atiku, from Adamawa State in the north-east and a veteran ally of **Umaru Yar'Adua's** north-western political dynasty, can rejuvenate the north-south axis which, with the help of a formidable rigging machine, secured four presidential election victories for the PDP.

The Buhari camp dismisses Atiku's support in the north as much reduced since its high-water mark a decade and a half ago. Yet Atiku is a nimble politician, skilled at picking up on trends and building support networks. He has tapped in to many of the new regionalist movements and is already promising yet another national conference to restructure the federation.

Atiku is also up against a field of serious would-be candidates from the north for the PDP ticket. They include the former Kano State Governor **Ibrahim Shekarau** and former Jigawa State Governor **Sule Lamido**. The PDP is in better shape after resolving a leadership fight between **Ahmed Makarfi** and **Ali Modu Sheriff**, Makarfi handing over to the new National Chairman, **Uche Secondus**, after December's much-awaited party convention.

The pursuit by the Economic and Financial Crimes Commission (EFCC) of former President **Goodluck Jonathan's** allies, such as former Oil Minister **Diezani Allison-Madueke**, will weigh on the party's electoral prospects (AC Vol 58 No 16). Some APC activists have been calling for the prosecution of Jonathan and his wife, **Patience**.

The PDP dismisses efforts to target Jonathan and his old allies as politically driven. It concentrates its fire on the dysfunctional relations between the EFCC, Department of State Services (DSS) and National Intelligence Agency (NIA). With the disarray in the security agencies and a still ineffectual judiciary, PDP officials argue that the rhetoric of the Buhari government's anti-corruption credentials has not translated to reality.

Security officials say those criticisms will be countered by a spate of effective anti-corruption prosecutions in 2018. There is likely to be a final decision on the fate of Allison-Madueke, who remains stuck in London while the police continue investigations into her

British interests (AC Vol 58 No 7).

Expect also another offensive against fighters for the Islamist *Boko Haram* in the north-east, on the borders with **Chad** and **Cameroon**. In recent months there has been an uptick in *Boko Haram*'s attacks and suicide bombings. One of its leaders, **Abubakar Shekau**, continues to claim credit for recent operations.

A fall in Niger Delta pipeline attacks, allowing oil production to rise sharply, brought a quieter start to this year. It won't guarantee peace, however, unless there is a comprehensive deal on resource control, industry jobs and government jobs.

Instead, there will be more short-term fixes. The approach of elections will turn up the heat in Delta politics (AC Vol 58 No 23). Militants are already claiming that demands they made in the Pan Niger Delta Forum a year ago have not been met. Some groups such as Niger Delta Avengers could easily switch back to attack mode, knowing that they have more influence this way. But the government can ill afford another decline in oil revenues in 2018.

Other security flashpoints to watch for in 2018 are protests by Biafra supporters; campaigns for the release of the leader of the Islamic Movement of Nigeria, **Ibrahim el-Zakzaky**; and clashes between farmers and herders, most of them Fulanis, particularly in Benue, Ondo and Kaduna States.

Another wild card, largely outside Buhari's control, is the arrival in south-east Nigeria of **Cameroonians** fleeing clashes between Anglophone militants and **Paul Biya's** regime in Yaoundé. The mysterious disappearance of seven Anglophone Cameroonian politicians in Abuja on 6 January augurs ill.

Some economic revival will be key to secure Buhari's electoral prospects. Although Nigeria is formally out of recession, all economic sectors aside from oil and agriculture are still shrinking.

NEGLECTED GROWTH

Government budget predictions of 3.5% real GDP growth look unrealistic. The International Monetary Fund forecasts that growth for 2018 will be 2.1%, but that is negligible in per-capita terms. The prediction is also dependent on increased oil output and prices – a worrying sign for a government determined to diversify the economy.

The IMF has also warned Nigeria off more borrowing, noting that debt servicing costs will consume over 60% of revenues next year. Finance Minister **Kemi Adeosun** insists that the shift to longer-term, US dollar-denominated debt should reduce these costs. Yet non-performing loans have trebled since mid-2015, and the banking sector would experience even more trouble if export revenues were hit again.

With planned spending for 2017 only partly completed, the Buhari government will struggle to manage a proposed budget of 8.6 trillion naira. Equally problematic will be the deficit exceeding 2 trillion naira, to be financed mostly with borrowing and proceeds from privatisation. Budget battles in the National Assembly will start early in the year.

Central bank Governor **Godwin Emefiele** remains a paid-up optimist, pointing to rising foreign exchange reserves, an improved forex outlook, slowing inflation and an interest-rate cut in 2018. He is now under far less pressure than his fellow economics chiefs **Emmanuel Kachikwu**, Minister of State for Petroleum Resources, Nigerian National Petroleum Corporation managing director **Maikanti Baru** and Power, Works and Housing Minister **Babatunde Fashola** (AC Vol 58 Nos 11 & 21).

Industry sources now doubt that Buhari and his team will receive the pre-election boost of Aliko Dangote opening an oil refinery capable of producing 650,000 barrels per day in Lagos by the end of 2018. They also question whether the remaining three prongs of the Petroleum Industry Bill will be passed by the National Assembly and offshore projects such as the Totalled, 200,000 bpd Egina project will be completed this year as anticipated. ●

MALI

Wanted: change and security

President Keita may well win this year's election but security is poor and popular resentment is growing

Two events in Bamako in June 2017 point to what 2018 holds in store. The first was the attack on the Kangaba Resort, just outside the capital, which killed four. The other was the wave of mass protests against President **Ibrahim Boubacar Keita's** proposed changes to the constitution, which would have seen him appointing the judge presiding over the Constitutional Court and most of the members of the newly created Senate. Public fury forced him to withdraw the proposal.

'2018 will be the year of change,' say the leaders of last summer's protest movement. Activists like **Sy Kadiatou Sow**, who heads the Platform *An tɛ A Bana* and **Mohamed Youssouf Bathily** (known everywhere as Ras Bath), who plays a leading role in the *Collectif pour la défense de la République*, regard

the summer protests as one more step towards ousting a sclerotic elite at the polls this year. Postponed local elections are due in April, followed by legislative and presidential elections three months later (AC Vol 42 No 12).

LOST SURGE

The 72-year-old Keita has frittered away the surge in public goodwill that saw him elected in 2013 with 77% of the vote. He has been unable to contain the relentless chain of attacks by different armed groups which target government representatives and soldiers of the *Forces armées Maliennes* (FAMA), the **French** anti-terrorist *Opération Barkhane* and the UN's *Mission multidimensionnelle intégrée des Nations unies pour la stabilisation au Mali* (MINUSMA).

He has done little to reduce the

exodus of young people seeking their fortunes in Abidjan, Luanda and Europe. Never a country with the highest reputation for public probity, Mali is now seen by its citizens as incurably corrupt, with the rot extending from the polity into civil administration, the police force and education. They largely blame Keita for this state of affairs, leaving him a mountain to climb if he is to achieve the second term in office he so desperately desires.

His best chance of being re-elected, if only by default, lies in the probable failure of the opposition to unite behind a single candidate. Opponents of the government like ex-foreign minister **Tiébé Dramé**, former Prime Minister **Modibo Sidibé** and **Oumar Mariko**, the Secretary General of the *Solidarité africaine pour la démocratie et l'indépendance* are likely to run but they will fail to convince a large enough part of the electorate (AC Vol 53 No 8). A second round is therefore a virtual certainty, probably pitting Keita against either **Soumaïla Cissé** or **Moussa Mara**.

Cissé is a sharp-tongued veteran opposition leader who lost to Keita in 2013. He was highly visible in the June protests but many will be wary

of his long-standing connection with the political establishment he now so vociferously denounces (AC Vol 52 No 24). Moussa Mara is the youthful former Prime Minister who made history when he made his ill-fated trip to the northern town of Kidal, which remains in armed opposition hands (AC Vol 55, No 11). The trip earned him reprobation from the political establishment and their foreign backers but made him a hero for young Malians fed up with the festering conflicts (AC Vol 58, No 2).

Mara's long-standing alliance with President Keita may turn out to be a handicap, however, adding weight to the argument of Sow, Bathily and other activists, that changing the figureheads while the system stays in place will not be enough. Their problem is twofold. Nobody will adopt their demands to overhaul the political system but they won't run for office themselves.

The danger is that this year's elections will provide no decisive basis for change. If Keita gets a second term it will be with a dramatically reduced majority amid widespread allegations of vote rigging. He will, however, ignore the calls for change at his peril: if he does, he may find himself removed by the street, as happened to one of his predecessors, **Moussa Traoré**, in 1991

and more recently to **Blaise Compaoré** in **Burkina Faso** in 2014.

The army is unlikely to step in: the debacle of the 2012 coup of **Amadou Haya Sanogo**, still on trial for murder, is still fresh in its memory (AC Vol 57 No 24). The losses it continues to sustain against a plethora of armed groups in the North and the Centre mean it will struggle to maintain what is left of its morale.

TOO MANY MILITIAS

Neither the two foreign armed forces – *Barkhane* and MINUSMA – nor the FAMA have delivered any tangible security improvements. The *Coordination des mouvements de l'Azawad* continues to hold the northern town of Kidal, in spite of occasional clashes with competing forces, the result of intra-Touareg family feuds as well as the propensity of the Malian army to use proxy militias (AC Vol 58 No 7). Raids by groups of fighters in off-road vehicles and motorbikes and roadside bomb attacks on troops are so frequent it is hard to tell who is responsible. The culprits could be jihadist groups, militias, criminal gangs or opportunistic freelancers. Even less clear is the situation in the Centre, where swathes of land have been abandoned by the state following

attacks on government representatives by armed groups. The city of Mopti now resembles an island of tranquillity surrounded by unpredictable violence, which has extended into neighbouring Burkina Faso. This is set to continue.

The joint regional G5 force of 3,500 personnel drawn from the armies of **Mauritania**, **Chad**, **Niger**, Burkina Faso and Mali is unlikely to bring any improvement, even though France, its main backer, is keen for it to take over some of the tasks currently carried out by *Barkhane* (AC Vol 58 No 11). The G5 mission remains undefined and its force underfunded, while the disparities among the participating armies mean that it will be some time before it has the required command-and-control structure to be operational. It also lacks enthusiastic political support, not least from Bamako, in the countries supplying the troops. French ambition remains high, however, and Paris wants to transfer major resources from the Somali theatre to the Sahel.

When Mali manages to control the entirety of its territory, it will have great difficulty getting all of its citizens to recognise its authority. For whomever is President by the end of 2018, that will pose a greater challenge than winning an election. ●

MOZAMBIQUE

Maputo faces off with the Fund

Frelimo believes it can stare down donors and lenders, avoiding reforms and hanging tough over the secret loans

The final year of **Filipe Nyusi's** difficult tenure as President of Mozambique is unlikely to end on a high note. As the 2019 elections approach, a dose of cold reality is in store for a government that has tried to talk its way out of economic crisis, filling the state-controlled media with fulsome exaggerations of any spark of light in what remains a dark tunnel. They make much of the strengthening of the currency, a decline in inflation, and gas-sector deals bringing in windfall taxes (AC Vol 58 No 6). Yet none of these small victories can make up for the government's abject failure to rise above special interests in the ruling elite, to permit the rule of law, or put the country first.

The verdict of the International Monetary Fund in its statement on 14 December, following a week-long mission, was unusually damning and

a stark warning of the trials to come. Senior diplomats and *Frente de Libertação de Moçambique* (Frelimo) officials alike say, 'It's going to be a terrible year.' The IMF expects the economy to grow by only 3% in 2018, and has little confidence that the government will cut spending despite falling revenues and having nowhere to go for extra credit.

DEBT TROUBLES

State companies are bankrupt and the government cannot pay salaries or its debts. The Fund stresses the importance of restructuring the debt, but suspects the creditors of the US\$2 billion in hidden loans have no interest in negotiation. The government still has no intention of filling in the information gaps in the audit demanded by the IMF and performed by Kroll Associates, which complained of obstructiveness by the interested

parties (AC Vol 58 No 14).

The IMF's December mission was a waste of time, insiders say, because the Fund found no willingness to grasp the nettle. Domestic debt, which is at least 20% of GDP, is climbing fast. Fuel and bread subsidies were cut, but the rest of the policy scene is 'a disaster', they say.

Maputo appears to believe it can muddle through the current fiscal crisis without IMF or donor support; that if they simply hang tough, the foreigners will cave (AC Vol 57 No 17). They underestimate the damage this position can cause to investment and business, including the gas sector. Broken relations with the IMF are a bigger obstacle to investment than the government perhaps imagines, and could even hinder the gas projects that the government is so reliant on. Some see it as Mozambique's chance to wean itself off donor dependency, but, after decades of support, it is a bad time to go cold turkey.

The arrests on 6 December of former Transport Minister **Paulo Zucula**, former chairman of *Linhas Aéreas de Moçambique* **José Viegas**, and former Mozambique head of South African oil company Sasol **Mateus Zimba** on corruption charges were an attempt to distract attention from the loans

scandal. The three men are accused of taking an \$800,000 bribe in 2009 from **Brazilian** aircraft manufacturer Embraer, which supplied national airline LAM with two \$32 million Embraer 190 jets (one of which was deliberately crashed by a suicidal LAM pilot).

The arrests served only to highlight the government's continued inaction over the loans scandal, from which around half the money is still unaccounted for. The chief executive officer of the three companies which received the loans, **António Carlos do Rosário**, was dismissed from his senior position with the Mozambican intelligence service, *Serviço de Informações e Segurança do Estado* (SISE), as the IMF arrived in Maputo in December. Do Rosário may have been centrally involved in the murky deals, but his sacrifice should not be interpreted as evidence that the state is getting to the bottom of the scandal (AC Vol 57 No 10). That the government is still pursuing the fiction of the viability

of the companies is evidenced by the announcement last month that the notorious founder of security company Blackwater, **Erik Prince**, who now runs the Hong Kong-based Frontier Services Group, is to form a joint venture with the tuna-fishing company Ematum. This will not save Ematum – Prince's main interest is believed to be in security anyway. No matter how thin the fiction of the companies' commercial viability becomes over the next year, Frelimo can be expected to maintain it.

COSMETIC CHANGE

If Do Rosário's sacrifice was meant to give an appearance of reform, the government took back with the left hand what it gave with the right. Long-serving foreign minister **Oldemiro Baloi** was replaced by Agriculture Minister **José Pacheco** in a de facto declaration of Frelimo's intention to change nothing of substance in governance. One source close to Frelimo called him 'the least competent person to do the job' and branded him a 'disaster' in every post he

has had. Senior diplomats even called his appointment a slap in the face to the international community.

Though the economy casts the biggest shadow over 2018, security concerns linger. The ceasefire with the *Resistência Nacional Moçambicana* (Renamo) continues to hold, and the fragile economy means Nyusi will try to keep the peace for another year. A lasting peace is still a long way off. While the situation may be relatively stable, recent attacks on police and security forces in the northern area of Mocímboa da Praia, which the government blames on radicalised Muslims, cause new concern. They are a worrying sign of local disaffection with the changes in store for local poor people when the development of the gas projects gets going. The government has reacted in a typically ham-fisted way by closing local mosques, which could result in provoking the very thing they wish to avoid without dealing with the grievances of local people who fear displacement and unemployment. ●

EGYPT

Bombs, votes and petrodollars

Buoyed by Gulf money, the President is certain to be re-elected. But Islamic insurgents pose a growing threat

The presidential election, to be held on 26-28 March, and all but certainly resulting in a second term for **Abdel Fattah el Sisi**, will be the major event of 2018. El Sisi and his backers in the military and intelligence agencies will seek to give the electoral process a veneer of democratic legitimacy by using financial inducements and subtle forms of intimidation, such as spreading rumours that failing to vote could affect benefits or job prospects, to engineer a relatively high turnout.

The security state has already shown its fear of allowing credible rivals to El Sisi to stand. **Khaled Ali**, a human rights lawyer who has declared his candidacy, faces judicial obstacles owing to his conviction for an indecency charge relating to his campaign against handing over two Red Sea islands to **Saudi Arabia** (AC Vol 57 No 14). **Ahmed Shafiq**, a former air force commander who retains some support among anti-Sisi figures in the military, made an abortive bid to run, but was effectively sidelined by a combination of the **United Arab Emirates** and Egyptian security authorities, and has retracted

his pledge to stand (AC Vol 53 No 12). El Sisi is likely to repeat his vow to step down after serving his second four-year term, as mandated by the constitution, but this will not stop speculation about a possible amendment to allow him to serve longer, or about an effective surrogate being groomed to serve one term, after which El Sisi would return in 2026 (AC Vol 58 No 19).

SINAI TENSE

The conflict between state security forces and various Islamist insurgents will continue in northern Sinai and the Western Desert. After the attack in November on a mosque in the northern Sinai town of Bir al-Abed, which killed more than 300 people, El Sisi gave his military commanders three months to eliminate the Islamist insurgents in this area. The attack had appeared to be a form of retribution from the Sinai Province arm of the Islamic State (IS) against local tribal leaders for co-operating with the army. However, it could have the effect of strengthening the resolve of some of the main tribal groups in Sinai to work with the authorities against IS. Whether this will

work will depend on the willingness of the government to risk arming tribal militias, and on the level of economic support provided to the area. A number of Islamist groups affiliated to *Al Qaida* will continue to pose a security challenge in the Western Desert, using logistical bases in **Libya**, and Muslim Brotherhood-linked armed groups such as *Hassm* and *Liwa al-Thawra* will mount sporadic operations in Cairo and other population centres (AC Vol 58 No 1).

Elsewhere, El Sisi is likely to continue with his policy of cautious alignment with Saudi Arabia and the UAE in regional conflicts in the Middle East, while avoiding direct engagement. The dispute with **Ethiopia** over the Grand Ethiopian Renaissance Dam will prompt speculation about the risk of military conflict, but Egypt is likely to focus its energies on negotiations to lengthen the time taken to fill the dam reservoir, and on adjusting its own water policies to achieve greater efficiency.

The coming year will provide critical tests of whether the painful adjustments made as part of the November 2016 agreement with the International Monetary Fund will deliver the promised benefits of sustainable economic growth and more social equity (AC Vol 57 No 22). Inflation averaged almost 30% during 2017, mainly as a result of the 50% devaluation triggered by the flotation of the Egyptian pound as part of the IMF deal. However, inflation started to fall in November, and should be close to single

digits by the end of 2018. This will give the central bank room to lower interest rates, which it hiked by 700 basis points in response to the surge in inflation. Cutting interest rates will boost local businesses, and result in budget savings, as servicing domestic debt has become the largest item of government expenditure. Falling inflation, lower interest rates and a stable exchange rate will also boost private consumption, helping to keep real GDP growth above 5%, and this should also mean that unemployment will continue to fall from its present level of 12%.

The IMF agreed to provide waivers for missed targets in its first review of the US\$12 billion loan programme in mid-2017, but it is likely to take a more rigorous approach in its mid-2018

review, which will include an assessment of the 2018/19 budget. The Fund will probably insist on further deep cuts to energy subsidies before it approves the release of fresh tranches from the loan. Egypt's current account deficit fell to about \$8.5 bn. in 2017 from \$20 bn. in 2016, thanks to higher revenue from exports and tourism, lower import costs and a big increase in remittances – all of which stemmed in some degree from devaluation. These trends are likely to continue in 2018. External debt is likely to remain at about \$80 bn., as any fresh borrowing will be offset by repayments, particularly to Gulf Arab creditors whose deposits made in the wake of the removal of **Mohamed Mursi** from the presidency in 2013 are starting to mature.

Natural gas production will continue to rise rapidly during 2018 as the Zohr field and other fields recently brought on stream in the Mediterranean are ramped up toward their plateau output levels (AC Vol 57 No 1). Test production at Zohr, a huge field discovered by **Italy's ENI**, started at the end of 2017. It is planned to reach production of 1 bn. cubic feet per day by the end of 2018, and to reach its plateau of 2.7bn cu ft/day 12 months later. Gas production began to increase in late 2016, after several years of decline, and rose by about 25% in 2017 to about 5.2bn cu ft/day. With the recent start-up of BP's Atoll field and the rising contribution from Zohr, production is likely to reach about 6.4bn cu ft/day by end-2018, roughly equal to projected domestic demand. ●

MOROCCO

Forward on the southern front

The Kingdom sees a big future for itself south of the Sahara, but it may not have the resources to ensure success

King **Mohammed VI** (M6) has invested a huge amount of political capital – and the biggest Moroccan banks and corporations' money – in making one of Africa's most notable strategic pivots of recent years: changing his kingdom's traditional focus on Europe, the Maghreb and the Arab world, to seeing the future rooted in Morocco's sub-Saharan business, social and political connections. This received a major boost when the kingdom rejoined the African Union, which it left when the Polisario Front's Saharawi Arab Democratic Republic (SADR) became a member in 1984.

Morocco is investing heavily in its 'southern provinces', seeking to involve them in everything from its renewable energy investment programme to wider African integration. A grandiose plan to link eleven West African economies via a gas pipeline from **Nigeria** to Morocco – which officials in both countries have said is moving ahead, despite no obvious sources of gas or finance – would further integrate the disputed territory. There are hopes that with intense lobbying for more countries to drop recognition of the SADR and an offer of greater regional autonomy for the territory within a decentralised kingdom, the dispute can finally be settled to Morocco's satisfaction. This still looks like wishful thinking.

Delays in the king's application to join the Economic Community of

West African States (Ecowas) reflect a recognition by Ecowas member governments that Moroccan membership could harm their trade and their status as a gateway for its European and North American partners. Morocco – almost certainly unrealistically – expects that its Africa policy will carry all before it with the minimum of risk. Moroccan banks insist they are robust enough to counter any problems in their burgeoning sub-Saharan markets. Yet a devaluation of the CFA franc in Central Africa could prove costly for banks who have filled a vacuum left as French banks retreated following the global financial crisis.

HIRING AND FIRING

Foreign Affairs Minister **Nasser Bourita** is under pressure to deliver, in a political environment where M6 is again playing a very hands-on role in hiring and firing state officials (AC Vol 58 No 25). New friendships with leaders such as Nigerian President **Muhammadu Buhari** will be put to the test. M6 cannot afford to fail in his turn to the south.

Within the kingdom social discontent is rising, especially in marginalised areas. A majority of Moroccans still seem to support their monarch, but many feel alienated from government and there are rumblings about too much focus on the south. A build-up of migrants looking for jobs in the kingdom or heading to Europe have led to clashes with locals in marginalised neighbourhoods

of Casablanca. The great fear of the *Makhzen* (ruling establishment) is that social unrest will get out of control. At the end of 2017, security forces and officials piled into the deeply depressed coal-mining town of Jerada to counter demonstrators and hear their complaints.

Continuing to take a very hands-on role in local politics, M6 wants action from his government to answer a popular protest movement that has focused on poor services and marginalisation. This emerged in Al-Hoceima a year ago, and has found an echo far beyond the Berber-speaking Rif (AC Vol 58 No 12). Morocco's political vocabulary has adopted a dialect word that first gained traction in Algeria: *hogra*, meaning officials' contempt for ordinary citizens. With public education and health services seen to be under-performing and living costs rising, how to satisfy the population's aspirations is a question which will find no easy answers in the coming year.

Under pressure from M6, reforms are expected to push ahead in 2018, implemented by the governing coalition led by the Islamist *Parti de la justice et du développement*, which has come under tighter palace control. Prime Minister **Saad Eddine el Othmani** is more compliant than his predecessor **Abdelilah Benkirane**, who like other 'populist' politicians faces political isolation, and policy is driven by M6 allies such as Agriculture Minister **Aziz Akhannouch**, in a return to prominence of *Makhzen* figures (AC Vol 58 Nos 2 & 21).

The government has a hole in its budget. A New Year visit by Bourita and International Cooperation, Economy and Finance Minister **Mohammed Boussaid** to deliver messages to key allies **Saudi King Salman bin Abdelaziz**, **Kuwaiti Emir Sheikh Sabah al-Ahmed al-Jaber al-Sabah** and **Abu Dhabi Crown**

Prince **Sheikh Mohammed bin Zayed Al-Nahayan** was linked to reports that Rabat is looking for as much as \$8 billion it from Gulf Cooperation Council allies to help fill the 2018 financing gap.

What will not change is heavy spending on armaments in a region that has invested heavily in its own Cold War, with **Algeria**, and tension tends to spike regularly. (Still to be explained is how Morocco has financed an estimated \$400 million satellite). The Moroccan economy has recorded stronger growth and is more

diversified than its Algerian rival, but while its phosphate giant *Office Chérifien des Phosphates* (OCP) is a global-scale player, Algeria's oil and gas exports still make it the region's biggest economy: the International Monetary Fund forecasts Algerian GDP will reach US\$179.6 bn. in 2018, compared to \$121 bn. for Morocco and \$43.9 bn. for its smaller neighbour **Tunisia**. OCP and other resources are helping to pay for M6's foreign expansion.

Under its veteran and highly respected governor, **Abdellatif Jouahri**,

Bank Al-Maghrib (BAM), the central bank) is anxious to maintain economic balance, to keep the current account deficit at roughly 3.6% of GDP, down from 9.5% in the post-Arab Spring year of 2012. Jouahri has frozen a plan to make the dirham more convertible, showing an unaccustomed lack of finesse at BAM. A bout of nerves is also evident at the top over whether Morocco's increasingly sophisticated financial sector really is sufficiently robust to underpin the many demands being made of it. ●

ALGERIA

Cold war and glacial change

Hostility to Morocco will persist and the political system will stay frozen, as the Western Sahara issue languishes

Speculation around the scheduled 2019 presidential election says much about the snail's pace at which Algeria's political class moves. *Front de libération nationale* (FLN) loyalists are arguing for President **Abdelaziz Bouteflika's** re-election even though he has been enfeebled since a stroke in 2013. 'Boutef' is sentient but still largely confined to his residence in Zeralda, and FLN Secretary General **Djamel Ould Abbas** told ruling party members in Souk Ahras on 30 December that the President was 'on his way to remission' (AC Vol 58 No 5). Sceptics think this overstated, although Bouteflika was seen to use both hands when signing the Finance Act 2018 on 27 December.

Bouteflika will turn 81 in March and his supporters point to **Tunisia's** President **Béji Caïd Essebsi**, who is widely expected to stand for re-election in 2019, just before his 93rd birthday. Potential successors to Bouteflika, currently led by Prime Minister **Ahmed Ouyahia**, may have to wait.

In a highly centralised, personalised system, Bouteflika's infirmity places ever more responsibility on the battle-hardened Ouyahia, backed by Army Chief of Staff Lt. Gen. **Ahmed Gaïd Salah**, the nominal Deputy Defence Minister, who has de facto control of Algeria's security services. Their loyalty – so far – has allowed the 'presidential clan' to maintain its dominance, giving huge influence to the President's brother **Saïd Bouteflika** and his close allies, such as **Ali Haddad** (AC Vol 58 No 17). Haddad, who leads the business lobby *Forum des chefs d'entreprise* (FCE), rose from steering a relatively small construction company to become a

prominent 'oligarch', one of the handful of businessmen who have made fortunes in the partial liberalisation of Algeria's still hydrocarbons-dependent economy.

Many of these moguls are close to Saïd Bouteflika; the few who have taken a more confrontational approach – notably self-made billionaire **Issad Rebrab** – have had problems with the authorities. The strategy in 2018 will be to reinforce business, with a cautious embrace of public-private partnerships, in a political deal supported by the FLN, Ouyahia's *Rassemblement national démocratique* (RND) and the *Union générale des travailleurs algériens* (UGTA) labour federation. Army power-brokers seem generally comfortable about this.

LOCAL PROTEST

Algeria's lively press makes sure readers stay informed about these relationships, and social media adds to the criticism, although very low bandwidths and censorship weaken its impact. Protests triggered by economic and social complaints will remain frequent in 2018, although probably local. Calls for regime change are muted in a country where memories of the 1990s conflict are deeply rooted and a flow of images of chaos in Syria and Libya limit the public appetite for confrontation. Political violence and security service operations involving Al Qaida in the Islamic Maghreb and other jihadist groups – which recruit across North Africa from a huge pool of marginalised young men – will continue to reflect a low-level insurgency.

Most foreign embassies argue that Algeria could do better with improved governance and genuine efforts to

grow the economy by liberating talent, but there is not much scope for an alternative. Few dare make more robust open criticisms, so it was notable that **Emmanuel Macron's** first official visit to Algiers as President of **France**, on 6 December, was pointedly brief. He spent time at the Zeralda residence, in private conversation with Bouteflika and then with **Gaïd Salah**, where thorny subjects included another French appeal for Algeria to offer more help in **Mali** – Algeria still refuses to supply troops or back the G5 multinational Sahel counter-terrorism alliance. This is unlikely to change.

In his fourth term as Prime Minister, Ouyahia has manoeuvred himself from running the President's private office to being the most likely establishment candidate if Bouteflika does not stand again. The army, the guardian of Algeria's 'republican' traditions, remains resistant to another move to promote Saïd Bouteflika (AC Vol 57 No 13). Some senior officers, however, may balk at Ouyahia becoming president because he is a Kabyle. Gaïd Salah, 78, is thought to have ambitions of his own. If he is to impress the electorate and *décideur* factions, Ouyahia must navigate a very tough year carefully. He will be helped by increased gas output, an economic pick-up in the Eurozone and higher oil prices, but the cost of living will continue to rise.

Anxious about stirring up an already restive population, the government is ignoring the International Monetary Fund's demands for further public spending cuts. Instead, Ouyahia's main contribution since returning to the premiership in August has been to amend the Money and Credit Law 1990 to allow *Banque d'Algérie* (BdA), the central bank, to print dinars that the state will use to cover ballooning budget deficits. BdA has also finally allowed state banks to offer sharia-compliant products, to channel funds out of the vast informal economy while appealing to Islamic sentiment. Ouyahia's argument that his flirtation with quantitative easing as an alternative to

UN IS ALONE IN SEEING HOPE IN THE WESTERN SAHARA

Algeria's unquestioned support for the Polisario Front liberation movement in the Western Sahara has increased as a result of King **Mohammed VI's** energetic self-promotion in sub-Saharan Africa. **Morocco's** return to the African Union fold, as well as Rabat's cultivation of bilateral relations that go far beyond the kingdom's historical handful of key francophone relations, is meant to isolate Polisario further (AC Vol 58 No 25). Yet the net effect is to increase Algeria's determination to prevent Polisario suffering diplomatically or being expelled from the AU.

Under former guerrilla commander **Brahim Ghali**, Polisario will stick to its old, highly centralised leadership structure. A repeat of the tensions that built up at Morocco's defensive wall at Guerguerat, near the disputed territory's southern border with **Mauritania**, cannot be ruled out; after many years of Polisario threatening action before retiring, the United Nations-supervised ceasefire in place since 1991 could yet break.

United Nations Secretary General **António Guterres** has been looking to give peace talks new impetus, supported by the former **German** President and former IMF Managing Director **Horst Köhler** as his special envoy. Both men are more trusted by Rabat than Guterres's predecessor **Ban Ki-moon** and his envoy **Christopher Ross**, but Guterres seems in no position to break the impasse. Not only are both sides firmly entrenched on the issue, but it also serves as a proxy dispute in Algerian-Moroccan relations, which are as stuck as ever (AC Vol 58 No 6). ●

hefty foreign borrowing will not drive up inflation will be sorely tested in the election build-up.

Ouyahia's other reforms are more tentative. Revisions to the hydrocarbons law and the state oil giant Sonatrach's approach are expected to make life

easier for international oil companies (IOCs), although the '51/49 rule', which limits foreign participation in any project's equity, is expected to remain in place. Better IOC relations are being promoted by the Sonatrach chief executive, **Abdelmoumen Ould**

Kaddour, appointed last March. Also closely watched will be Bouteflika's old friend **Chakib Khelil**: the former Energy Minister is still trying to revive a career in public life following the Sonatrach corruption crisis, which reached its peak in 2015 (AC Vol 44 No 5). ●

CONGO-KINSHASA

The electoral mirage

Credible elections are no more likely this year than last but worsening living standards could trigger open revolt

The year begins with a distinct sense of déjà vu from a year ago. Postponed elections, originally supposed to take place in late 2016, are now promised for the end of the year to replace an unloved president who has overstayed his welcome, as well as his constitutionally allotted time. Yet, as the months roll on, it will become ever more apparent that the vote won't happen and **Joseph Kabila** isn't going anywhere.

Publishing an updated electoral calendar in November, which fixed presidential and parliamentary polls for 23 December 2018, the electoral commission (*Commission électorale nationale indépendante* – CENI) warned of further delays if key dates aren't respected (AC Vol 58 No 24). On the agenda are audits of the electoral roll, enrolling the diaspora, acquiring election materials, training personnel and securing sufficient funds. Deadlines will be missed, through incompetence or the intervention of the president's allies.

We've been here before. In the absence of cancelled polls and following Kabila's refusal to leave power on 19 December 2016 at the end of his second term, his ruling coalition – the *Majorité*

présidentielle (MP) – and the main opposition parties struck an agreement on New Year's Eve one year ago. The president, they accepted, could have an extra year in office if elections took place at the end of 2017. Yet the MP, the government and CENI showed no sign of honouring the deal.

BATTLEGROUND

In 2018, election financing will be a key battleground. Already, government ministers are criticising Congo-Kinshasa's international partners, especially the European Union, for reneging on promises to help finance the polls, while diplomats say they are happy to cough up if CENI presents them a comprehensive budget and the regime stops harassing and killing its opponents. But it isn't immediately clear why Congo-K needs foreign money because the government has allocated about US\$500 million to electoral operations in the 2018 budget.

Nonetheless, it is likely that the refusal of the international community to fund the elections will be blamed for their failure to take place. An alternative theory doing the rounds is

that the government will fund and run the polls. It is easier to fix the results if you are footing the bill.

The New Year's Eve agreement barred Kabila's supporters from holding a constitutional referendum to remove term limits and allow the president to stand again but it would be no surprise if calls for such a plebiscite begin to amplify in the coming months. Team Kabila would have to cheat on a monumental scale to win either a referendum or election but showed themselves willing in 2011 when the president secured his second mandate. The opposition parties may well boycott both campaigns and make the regime's grubby work easier.

The opposition, meanwhile, will continue to disappoint. With honourable exceptions, such as **Martin Fayulu** and **Jean-Marc Kabund**, its leaders prefer pontificating in Washington DC, New York and the capitals of Europe than doing the hard work of mobilising the impoverished Congolese people. Since the security forces gunned down more than 50 protesters in Kinshasa in September 2016, the government has outlawed public demonstrations and threatened harsh punishment for anyone taking to the streets. This, combined with a lack of inspiring opposition leadership, meant that all attempts at protest in 2017 were damp squibs swiftly extinguished by the police and army. It's difficult to see things changing unless a new moral authority – the Catholic Church for example – steps up or the ever-worsening socio-economic conditions trigger open revolt.

The main opposition groups, led by the *Rassemblement* coalition, have rejected the electoral calendar and boycotted debating a new law which will significantly reduce the number of parties represented in parliament. Such obstinacy is understandable but could play into the hands of Kabila and the MP, allowing them to paint the opposition as the enemies of the electoral process. Their demands that Kabila leave before the end of 2017 and make way for a short transition period under an interim head of state were swatted away with ease and the regime looks set to continue trampling all over the opposition's red lines.

Away from the political wrangling in Kinshasa, Congo-K's social and economic woes are deepening. More than 4 million people – about 5% of the population – are displaced and nearly 8 million are food insecure. Aid agencies warn that hundreds of thousands of children may starve in 2018 in the Kasai region, where conflict broke out in August 2016 between the government and a militia loyal to a slain customary chief (AC Vol 58 No 15). Fighting has calmed for now but the missed planting seasons it led to have caused a famine.

In the east, long a playground for rebels, there are currently more than 120 armed groups in the two Kivu provinces alone. Many of these are ragtag ethnic

self-defence militias, or *Mai-Mai* groups, but others are forming coalitions and Kabila's perceived illegitimacy is increasingly being used to justify their violence. Veteran commander **William Amuri Yakutumba** has cobbled together the *Coalition nationale du peuple pour la souveraineté du Congo* (CNPSC), which has scored impressive victories over the national army in South Kivu and neighbouring Maniema.

METAL HOPES

The non-mining economy is in the doldrums and respite looks unlikely in 2018. Nestlé left in 2017 and Heineken announced a major cost-cutting exercise after shutting down two of its six factories. But after several years of low mineral prices, the government is hoping for a bonanza from the recent surge in copper and cobalt prices. Most of the world's cobalt, a key ingredient in electric car batteries, is in Congo-K.

The government is fixated upon passing new legislation to govern the mining sector which would introduce higher royalty rates and a profit windfall tax. The draft law was adopted by the National Assembly in December and has been sent to the Senate. Kabila has summoned parliamentarians to an extraordinary session in January where Senators will be expected to approve the bill. The mining industry

fiercely opposes the reform, claiming it will damage already fragile investor confidence and kill off rafts of potential future projects. The companies' lobbying efforts are currently being directed at the Upper House, in particular its influential but aging president **Leon Kengo wa Dondo**.

A headache for the regime in 2018 will be the tightening of the sanctions regime around Kabila's enforcers and enablers. The EU and **United States** have already slapped asset freezes and travel bans on more than a dozen of the president's top securocrats and ministers for human rights abuses and blocking the electoral process. The Americans raised the stakes on 21 December when President **Donald Trump** sanctioned **Dan Gertler**, an **Israeli** billionaire who is friends with Kabila and has acted as a gatekeeper for major deals in mining and oil (AC Vol 58 No 5). Gertler's US-based assets have been blocked and Americans are prohibited from engaging in transactions with him or his companies.

Other Kabila money men, such as **Albert Yuma**, the head of state-owned mining company Gecamines, and **Francis Selemani Mtwale**, the president's brother and boss of the Congolese subsidiary of **Gabonese** Groupe BGFI Bank SA, would be well-advised to reduce their dollar holdings. ●

TANZANIA

Crushing the enemies within

President Magufuli's clampdown on political opponents and the media will continue unabated, which won't help the economy

A tough twelve months lie ahead in Tanzania. The economy will continue to slow down. Under-pressure tax collectors will continue to squeeze domestic investors while foreign businesses understand that, although the regime is markedly less friendly than that of ex-President **Jakaya Kikwete**, informal negotiated settlements will remain the basis of much investment and taxation. We may see investment trickling back from the non-traditional investors who are more accustomed to such approaches. For women and sexual minorities, it will be a particularly difficult year. They will continue to feel the force of President **John Magufuli's** social conservatism. Politically, the state will double down on recent efforts to cripple opposition parties, and to stifle civil society and freedom of expression.

The economy will prove the greatest challenge. Growth has been slowing since Magufuli's administration came to power – a relatively high 6.8% annual growth rate for the first six months of 2017 compared with 7.7% for the same period in 2016. This year will be dominated by attempts to reach a settlement between an aggressively statist government and the private sector, both domestic and foreign. Ambitious budgets have led to aggressive taxation of businesses at all levels. The government's investigation into Acacia Mining's alleged under-reporting of the gold content of its gold-copper concentrate exports made the headlines in 2017, but businesses at all levels have horror stories to tell about their dealings with the Tanzania Revenue Authority (AC Vol 58 No 12, 13 & 15).

The economic slowdown will worry

Finance Minister **Philip Mpango**, and officials at the Ministry of Industry, Trade and Investment. With Magufuli entering the second half of his five-year term, he will need to show that his promises of industrialisation are being delivered (AC Vol 58 No 1). This should translate into some progress on the private sector's main concerns, which include aggressive taxation, action on Value Added Tax refunds, and the settlement of public sector arrears with suppliers. The latter currently stands at 6% of GDP.

Meanwhile, former Energy Minister **Sospeter Muhongo's** dream of Tanzania being a 'gas economy' will remain distant in 2018. Negotiation of the Host Government Agreement for the Liquefied Natural Gas (LNG) project in Lindi will continue fitfully through the year with little prospect of success. Similarly, talks with Acacia Mining over the exact details of their settlement will drag on. One possible outcome is a buy-out by an investor with a greater appetite for risk and more willingness to carry state participation.

There may be better prospects for smaller natural gas projects. Onshore and nearshore gas reserves are being eyed by fertiliser manufacturers. A

consortium led by **Germany's** Ferrostaal Group will move closer to a Final Investment Decision on its proposed Kilwa plant in 2018, though **Morocco's** OCP Group is also showing interest. The 2017 award of a fertiliser import contract to the firm may have opened the door to further investments here.

The LGBT community will continue to feel the wrath of President Magufuli's aggressive homophobia. The 'don't ask, don't tell' approach taken by most Tanzanians to sexuality has been challenged by Magufuli's determination for government authorities to actively persecute the LGBT community. As 2017 came to a close, a couple were arrested and detained for 'lesbianism'. Earlier in the year, twelve activists were detained for preparing a court case challenging the withdrawal of HIV and AIDS services targeted at sex workers

and LGBT people. More such cases will occur in 2018. Western diplomats will be under pressure to raise these issues with Magufuli, and his ministers. Strained relations will result.

'INDECENCY'

Women, too, can expect a tough year. In December Magufuli railed against 'nakedness' in music videos, and urged his party to enforce moral standards. We can expect such dog-whistle prejudice to lead to 'indecently' dressed women and girls being stripped and beaten at bus stations and markets in 2018. The rest will remember to follow the government's dress code that is increasingly enforced in government offices at all levels, from health clinics to State House.

Politically, things will change little. As in 2017, opposition party activists will

continue to be harassed and detained by the authorities, or offered inducements to join the ruling party *Chama Cha Mapinduzi*, though it is unlikely that the attempted assassination, in broad daylight, of *Chama Cha Demokrasia na Maendeleo* legislator **Tundu Lissu** in September, will be repeated elsewhere (AC Vol 58 No 20). If Lissu returns from Nairobi, where he has undergone 17 operations since the shooting, he may provide a boost to flagging opposition morale.

The media clampdown will also continue. With four newspapers having been banned or suspended in 2017, proprietors and editors will be unwilling to take risks in 2018. Online and offline channels are also increasingly well policed and will remain unable to fulfil their potential as platforms for dissent (AC Vol 58 No 22). ●

KENYA

Political rift will linger

The unrest and instability of the prolonged electoral crisis will continue to dominate politics as Kenyatta looks to his legacy

The political tug-of-war between the governing Jubilee Party of Kenya and the opposition National Super Alliance (Nasa) which dominated 2017 is expected to continue through the rest of this year. The aim of Nasa leader **Raila Odinga** will be to keep the political pot boiling by declaring himself the 'people's president' and announcing an alternative government, despite repeated appeals from **United States**, **British** and **European Union** diplomats not to take this course. They fear Odinga's policies increase instability in Kenya, which is bad for geopolitical reasons – the jihadist conflict in **Somalia** especially – as well as the country's own future.

In mid-December Attorney General Professor **Githu Muigai** announced that anybody swearing himself in as president, in the way Nasa wants to do, would be charged with treason. The US has been the most outspoken in trying to dissuade Odinga. Acting US Secretary of State for African Affairs, **Donald Yamamoto**, we hear, has threatened personal sanctions by the US against anyone inclined to cause political instability in Kenya by declaring an alternative government. He recommended negotiations between Nasa and Jubilee leaders to be facilitated by the US, **Britain**, the EU, Kenyan religious leaders and civil society groups.

Odinga's apparent deafness to all this advice is founded, moderate Nasa

insiders insist, on the fact that the motive behind his extreme political posturing is to exact concessions from Jubilee. With the sharing of power and positions that took place after the 2008 post-election violence as a model, Nasa hopes that Jubilee will similarly grant important jobs to the top tier of Nasa officials.

TRICKY TALKS

Jubilee's response to Nasa's threats is still far from conciliatory, which will make any negotiations difficult, if they get started at all. President **Uhuru Kenyatta's** public posture is to emphasise national unity and to claim that 'the era of politics is over.'

Deputy President **William Ruto** has also ruled out allocating government positions to Nasa (AC Vol 58 No 22). There is immense pressure for political positions to be allocated to the Jubilee core constituency of Kikuyu and Kalenjin and to Nasa defectors who campaigned for Jubilee in core Nasa communities – such as Luhya, Kisii, Kamba, Maasai, and Coastal ethnic groups. As the year began this pressure was proving so tough that Kenyatta and Ruto were finding it hard to decide on the new cabinet and on other prime appointments, such as ambassadorships.

Hassan Omar Hassan, from Mombasa, and **Ababu Namwamba**, from the Samia branch of the Luhya,

were among those predicted as the year began to join the cabinet. Yet so high are the expectations from various ethnic groups and regions that many will be left empty-handed and claims of ethnic bias are likely to be levelled against Kenyatta and Ruto.

We can expect even greater discord within Nasa to emerge in 2018. The allocation of positions on various parliamentary committees, for which Nasa is constitutionally eligible, has led to acrimony between Nasa's constituent parties, notably the Kamba-dominated Wiper Democratic Movement of **Stephen Kalonzo Musyoka**, and the mainly Luhya Amani National Congress (ANC) of **Wycliffe Mudavadi**. Both parties, and some Coast region Nasa MPs, complain that Odinga's Orange Democratic Movement has hogged the most influential committee positions, which come with a hefty 'sitting allowance' (AC Vol 58 No 25). ODM has bagged the key Public Accounts and Public Investments committees.

Odinga has made some concessions to alliance members but not enough to prevent some disgruntled politicians making overtures to William Ruto about joining his line-up for the 2022 presidential race. Ruto has already started organising his presidential bid in the expectation, which seems justified now, that Jubilee's Kikuyu/Kalenjin alliance will hold beyond the Kenyatta presidency. President Kenyatta himself is certainly fully committed to it.

The economy is expected to perform slightly better in 2018. In its latest update, the World Bank put the expected GDP growth rate for 2017 at 4.9%, a slight fall from 5.8% in 2016 which is largely attributed to the political uncertainty and riots that accompanied

the long campaign in 2017, as well as prolonged drought, weak credit growth due to a capping of interest rates, heavy government borrowing, and rising global oil prices. If Jubilee manages to stem the rising fiscal deficit, GDP growth is expected to rise to 5.5%. But Jubilee has a vast populist programme with giveaways in free secondary education, a ballooning public sector wage bill, cash for the poor and large grants to pastoral communities – at a time when revenue

growth is stagnant (AC Vol 57 No 22). In the circumstances, it will be difficult for Kenya to wind down the government deficit to 4.3% in the 2018/19 financial year as demanded by the International Monetary Fund. A resumption of international tourist arrivals and an increase in coffee export prices are likely to keep the Kenyan shilling stable, however.

In the East African Community, relations between Kenya, **Uganda**

and **Rwanda** will continue to blossom in 2018 largely due to the chemistry between Kenyatta, President **Yoweri Museveni** of Uganda and Rwanda's President **Paul Kagame**. Relations with **Tanzania** are not so rosy and won't improve in the short term (AC Vol 58 No 23). Tanzania's President **John Magufuli** resents Kenya's economic supremacy in the region and showed it by failing to turn up to Kenyatta's inauguration in November. ●

GHANA

A year to deliver

After tackling inherited economic chaos, the government has to make good on its campaign promises

President Nana Addo Dankwa Akufo-Addo starts the year well ahead of the governing New Patriotic Party in the popularity stakes after a difficult first year in power. That is a function partly of Ghana's constitution favouring the executive, but also one of Akufo-Addo's style. He's an ideas man, given to a heterodox approach to social policy and economics, borrowing from both social democrats and neoliberals.

After a tough election campaign in 2016, Akufo-Addo is seen as the originator of the government's signature policies – free secondary education, a factory in each district, stronger state support for farmers, an ambitious job creation scheme and a war on corruption (AC Vol 57 No 25). That will be fine for party and President as long as the policies – still largely untested – work on the ground.

Anti-corruption measures will dominate the next few weeks as Akufo-Addo launches the Office of the Special Prosecutor, having signed it into law on 2 January. The next step is for him to nominate a candidate for the post who will then face vetting by parliament. It will be a tricky choice, given the President's strictures that the office must be politically independent.

Some of the strongest campaigning lawyers, such as Akoto Ampaw and Philip Addison, would face opposition criticism for being too close to the NPP. Although the party has the numbers to push through its candidate in parliament, even in the face of opposition from all the MPs of the National Democratic Congress (NDC), that would defeat the purpose of having a 'politically independent' special prosecutor to monitor the current government, as well as its predecessors.

Akufo-Addo is due to report on progress in the government's review of procurement and project contracts before the end of January. We hear the Auditor General deems that almost half the historic payments being claimed from the state, amounting to over 10 billion Ghana cedis (US\$2.2 bn.), lack legitimacy.

That represents a substantial cut of Ghana's still onerous debt obligations. Finance Minister Ken Ofori-Atta says in the past year, he has reduced the total debt-to-gross domestic product ratio from 72% to roughly 64%.

This has brought the financial record of the NDC in government into focus: an unprecedented build-up of debt and the awarding of several, highly questionable power procurement contracts. As the new government probes these, the NDC seems to believe the best form of defence is attack.

They are pushing for full scrutiny over a US\$2.2 billion bond issue by Ofori Atta's ministry and the circumstances of a fuel oil supply contract to a Swiss-based subsidiary of Lukoil and the signing of an MOU with Russia's Gazprom to build a Liquefied Natural Gas plant. These will be a test of Akufo-Addo's avowed aim of expanding parliamentary oversight over all state spending. It has been possible for many substantive supply contracts to be awarded without either competitive bidding or parliamentary scrutiny. This was much used by previous governments to push through bad contracts but is something the President has pledged to stop.

Leaders of the governing NPP, frustrated after a year of trying to balance a near-catastrophic economic inheritance from the NDC with

ambitious new policy demands, see 2018 as the year to deliver on education and jobs (AC Vol 58 No 1).

The government should stabilise the economy and finance social services, say reformers in the NPP, in return for restraint on wages and salaries. So the tenuous pact between the party and the Trades Union Congress could be tested this year as workers seek wage rises in line with inflation well into double digits. The patrician wing of the party thinks less government is better government, and wants the state to leave more to market forces.

Big government, NPP style, will face a critical test of delivery in 2018. Free education retains mass support despite numerous glitches. The phased introduction of universal secondary education has stretched the national budget to the limit, just as the treasury is cutting the fiscal deficit by nearly 2% to 4.5% of GDP.

Much will depend on whether the government provides high-quality teaching and training. Building new schools, training teachers and printing books will stretch the exchequer but will help mitigate Ghana's galloping unemployment.

Many of the other ambitious policies involve a bigger, if more productive role for the state, such as supporting farmers with more extension workers, seeds and fertiliser as well as more mini-dams and access roads.

There is less clarity on the One District, One Factory scheme, originally scheduled to start last year. Officials insist that government will be a facilitator, rather than an initiator, of the factory projects. The Ghana Investment Promotion Centre, given a new lease of life by seasoned businessman Yofi Grant, reports that Brazilian, Chinese and Indian companies are showing great interest in the programme. Yet it is unclear how far it aims to corral investors into adapting their existing plans to fit with a state-led development strategy.

'It all looks rather scattergun so far,' said a critic from the opposition NDC. But he conceded his party was way

behind the NPP in setting out a policy agenda.

Many of the new factories will be based near agricultural processing centres and will make products such as tomato paste, or chocolate from cocoa beans. The government insists it will champion smaller businesses, as the leading job providers.

Ministers also have heavy industry

in their sights, producing steel from local iron ore deposits and aluminium from bauxite, as well as a gas-powered petrochemical plant (AC Vol 58 No 25).

Growth was over 9% by the end of 2017 and averaged above 7% for the year, about double the rate in 2016. Ofori-Atta predicts it will average at least 6% this year and that inflation will retreat into single figures.

The NDC, which has yet to recover from its defeat in 2016, will be watching the economic indicators closely to see if it can puncture the government's claims to combine managerial competence with social justice. For Akufo-Addo and his ministers, with some wind in their sails from a stronger economy, this will be the year to test their modernisation manifesto. ●

ETHIOPIA

Trouble in the engine room

The biggest threats to the successes of the 'developmental state' are the growing challenges to the ruling party's legitimacy

The most worrying thing about the chaos towards the end of the year in Ethiopia was just how commonplace it seemed – a clear indication that the engine room of the Horn of Africa is in for another rocky twelve months.

Armed troops dispersed an agitated crowd in the south-eastern Oromo town of Chelenko on 11 December, killing about 15, and two students were killed by police at Wollega University in the west of the same region. Social media was shut down, universities were closed, and Oromia's President, **Lemma Megersa**, used the regional broadcaster to challenge the federal government over the army's actions.

Meanwhile, the ruling coalition's Executive Committee gathered to try to work out a response to the continually morphing crisis. It is unlikely that the nine members from each of the four constituent parties of the Ethiopian People's Revolutionary Democratic Front will arrive at a sustainable conclusion.

At the political level, the crisis stems from the increasing challenge by Lemma's Oromo Peoples' Democratic Organisation (OPDO) to the authority of the Tigrayan People's Liberation Front (TPLF). The TPLF is the founder of the EPRDF and its dominant member. TPLF officials lead the military and the national intelligence and security services, whose long-time boss, **Getachew Assefa**, was recently promoted to the Politburo.

Getachew and new TPLF Chairman **Debretsion Gebremichael**, who was previously a deputy prime minister, have been cast as reformers by TPLF-watchers, but they are embedded in Ethiopia's national security state. And given how sustained and severe the current crisis is, there is little question

that the role of the powerful federal security institutions will persist in 2018.

A positive sign was the promotion of capable figures such as the former Communications Minister **Getachew Reda** and the current Finance Minister, **Abraham Tekeste**, to the TPLF's Executive Committee, yet it is hard to see how they or any other party leaders will achieve fundamental reform (AC Vol 58 No 15). Such reform is not feasible without far-reaching initiatives that create space for the suppressed opposition, media and civil society to challenge the EPRDF's dominance.

GUARANTEED VICTORY

A case in point comes in May when local elections will see another overwhelming victory for the EPRDF. No other political party has the capacity to fundraise, mobilise and organise to compete for the 3.6 million seats or so to be contested.

Instead, discontent with the system is being expressed in street protests, or in a limited fashion by way of the political system, most obviously through Lemma and the OPDO. The Oromia President appears to be a genuinely popular and bold politician who has the makings of a national leader. While his ascendancy continues to be effectively at the expense of the TPLF, it is unlikely that calls for him to become Prime Minister will receive the necessary support.

Given the lack of alternatives acceptable to all parties, the weak **Hailemariam Desalegn** will probably remain prime minister despite mounting dissatisfaction with his leadership. The most likely compromise candidate would be Lemma's OPDO deputy, **Workneh Gebeyehu**, who is currently the Foreign Minister and was previously Commissioner General of the Federal Police.

The momentum Lemma has created seems to be based around challenging federal authority and promoting a more assertive role for Oromia in Ethiopia's economic and political life. This has led to a programme creating Oromo public-private enterprises and a narrative of rooting out the 'contrabandists' allegedly looting the resource-rich region.

So far, Lemma's modus operandi involves channelling popular discontent and recycling EPRDF ideas at the regional level. Unless this evolves into an attempt at democratisation or systemic economic change, which looks unlikely, it will fail to offer a decisive alternative to the EPRDF's struggling model.

These factors mean nothing is likely to arise to limit the EPRDF's hegemony in the coming year, although there will be severe strains within the ruling coalition. For instance, there are reports that Oromo and Amhara members of parliament have refused to come to the chamber until Hailemariam or the Chief of Staff explains the military's latest interference in regional affairs. Similar acts of dissent are likely in the coming year.

Problems between the federal government and assertive regions, as well as competition for control of the trade in contraband, were the main impetus behind the violence perpetrated by Somali militias against Oromo communities (AC Vol 58 Nos 19 & 22). The breakdown in order could spread to other undeveloped, poorly-governed regions, such as the Gambela, Afar and Benishangul-Gumuz border territories, where there are long-standing complaints of marginalisation from national politics, aggravated by competition between local groups as well as between indigenous communities and settlers.

Simmering resentment in the Amhara region will probably spill over into violence again, possibly once more over the disputed Wolkait area of Tigray, which some people from the North Gondar Zone of Amhara claim as their own. The TPLF will also face increasing challenges from disaffected youth in Tigray itself.

The groundswell against the TPLF has provoked racist violence, as Tigrayans are murdered on campuses and in Oromo towns. Such incidents and reprisal attacks are likely to continue because of inflammatory online propaganda and the widespread perception that it is mostly Tigrayans who have benefited from the TPLF's dominance of national politics.

Although the EPRDF's multinational federation and promotion of ethnic rights were supposed to protect minorities, they can promote notions of ethnic bigotry too, and the long-running turmoil exposes the system to the threat of communal violence. It is hard to see the potential for a reversal of the trend in 2018 in the light of

current conditions.

An alliance of other nationalities against the TPLF is unlikely, not least because Oromo nationalists portray Amhara settlers in Oromia as colonisers, making any lasting coalition between them improbable.

If there is one positive thing the EPRDF has achieved, it is the relative success of the governing coalition's infrastructure-building programme and industrial parks. But the export-focused manufacturing parks are overseen by the TPLF's **Arkebe Oqubay** and Debretsion controls the building of the Grand Ethiopian Renaissance Dam. Any gains here for the EPRDF's 'developmental state' model will be cast by opposition activists as evidence of

TPLF exploitation and self-interest.

The national economy will probably maintain its momentum in 2018 but amid rising challenges to the legitimacy of the elite driving it. Western and other partners of the federal government will maintain their support; however, they have left themselves with few levers to influence the EPRDF.

There may be an uptick in stern words from the likes of the **United States** and the European Union, but donors will simply be hoping that the EPRDF weathers the storm, the economy continues to grow, and that Ethiopia's internal crisis doesn't weaken the country's regional security role in conflict areas such as **South Sudan**, **Somalia** and **Eritrea**. ●

SOMALIA

Cracks in the federal system

Farmajo is swamped by an ocean of political problems, and victory over Al Shabaab will be no closer this year

No one could have predicted that **Mohamed Abdullah Mohamed 'Farmajo'** would have lost so much popularity, and become so dictatorial less than a year after becoming president (AC Vol 58 No 4). He is mired in a crisis of legitimacy while the plans for a Somali National

Army to assume more of the security burden are bogged down. The main problems Farmajo faces are largely of his own making, however, and they will generate new tensions in 2018 and increase the risk of a major political clash within the federal system built up under his predecessor, **Hassan Sheikh**

Mohamud, and on which so much has been staked.

The Abgal clan, which makes up a large part of the population of Mogadishu and is the biggest clan in Middle Shabelle, 'lost' the presidency (**Hassan Sheikh** was Abgal) and did not get any substantial positions in the new cabinet. The most senior Abgal in the cabinet is **Mohamed Abukar Islow 'Duale'**, the Interior Security Minister, a former basketball player turned businessman, but the key Abgal leader is the mayor of Mogadishu, **Thabit Abdi Mohammed**. He suffers from most of the weaknesses of diaspora politicians parachuted back home – arrogance, no connection with the local community

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and a taste for wealth.

The government has not been able to come up with any solution to the problem of the status of the town of Benadir. The federal member state of Hir-Shabelle, which includes Middle Shabelle, needs to find a way to fund its administration and, incidentally, to raise the prestige of the Abgal. Attempts were made to establish a port and an airport at Benadir but they were quashed in Mogadishu because they would have reduced traffic through Mogadishu port and airport, and thus the revenues the national government depends on (AC Vol 58 No 8).

Among the many consequences of this dispute are the continual efforts to force a cabinet reshuffle and the sacking of the prime minister, **Hassan Ali Khaire**, simply because he is not Abgal. A reshuffle would offer opportunities for many clan interests to obtain a ministerial position, not only Abgal, so the idea is a popular one. It is not likely to come about, however. Yet other factors are taking a more serious toll on the government.

CLAN RIVALRY

Within the cabinet the tension between Habel Gidir and Abgal is likely to continue, but no improvement can be expected in the struggle for general security and against *Al Shabaab* in 2018 either. Farmajo and Prime Minister Khaire have been making extravagant promises about defeating *Al Shabaab* in 'weeks and months', but the jihadists have launched several major attacks in the capital, have overrun many SNA camps and are even extending at least a social and cultural influence into urban centres which are supposedly under the control of the African Union Mission in Somalia (Amisom) forces.

The problem will probably get worse for a variety of reasons. First, the ambitious overhaul of the security apparatus envisaged at the conference on Somalia in London in May 2017 is hampered by the 4.5 formula, which crudely enforces a supposed ethnic balance. The clashes between different federal member states, and between some of those and the centre in Mogadishu, between personalities and between clans are simply too entrenched for a reinvigorated and expanded SNA to emerge in the year ahead. *Al Shabaab* has even become a handy scapegoat for other problems. Misbehaving leaders blame it for their personal failures in order to hang on to their foreign backing.

Certainly, the much-increased pace of **United States** Special Forces raids and drone strikes will limit *Al Shabaab's* military activities in 2018 but the

movement will still infiltrate the cities to mount major terrorist attacks. And their way will be eased by the rapidly falling popularity of the government.

Relations between the national government and federal member states are not going to improve substantially in 2018 because there is still too much disagreement over the basic relationship between the two. Elections should take place in South West State and Puntland, where President **Abdiweli Mohamed Ali 'Gaas'** will be challenged by a number of candidates, many of whom are going to ask for, and will receive, financial support from President Farmajo or his close friends. This will lead to new problems. Institutional development has been too slow – or has even deteriorated – for the situation to be otherwise. Personal and clan relations still dominate (AC Vol 58 No 23).

The international concentration on getting the elections done in 2016 and early 2017 was so strong and the containment of the National Leaders' Forum so strict that donors did not see how local governance was being damaged.

Regional factors further complicate the picture, especially as the national interests of **Kenya** and **Ethiopia** in Somalia are changing in the face of their own severe internal crises. The result could be a political vacuum from which spoilers may try to profit, such as the Arab Gulf states, which are becoming increasingly involved because of their perceived strategic interests, which do not include the well-being of Somalia and its future.

The **United Arab Emirates** will continue to foment opposition to the Farmajo government, even building up its influence in federal member states like South West State, Puntland, and Somaliland without regard for the national development of the economy and infrastructure. **Saudi Arabia** may be less interventionist in Somalia than before but that is only because it appears to have carved up the region geopolitically with the UAE and assigned Somalia to its partner.

PRESIDENTS AT ODDS

One of the effects of this policy is to encourage the presidents of Somalia's federal member states to take positions at odds with the government in Mogadishu. The signal issue here has been the insistence of several federal member states on supporting the Saudi/UAE campaign against **Qatar**, against Mogadishu's insistence that the central government is in sole charge of foreign policy. Another effect of the Saudi/UAE ploy is the creation of a group of Somali

MPs and senior politicians capable of organising a motion of non-confidence against Farmajo or his prime minister, when or if the time should come.

The conservative Saudi/UAE coalition's interference in Somalia is also aimed at limiting or curbing Turkey's growing influence in Mogadishu, in the economy and in the security sector. Farmajo will not give up his friends – Qatar helped pay for his election – and the Saudi/UAE campaign against Doha has stuttered.

The international community won't be in better agreement about Somalia in 2018 than it was in 2017, when the appearance of unity was impressive. That's in the past now as the US, led more by the Pentagon than the State Department, goes its own way. Whether the **United Kingdom** and the European Union will simply fall in with US policy is not yet known.

The differences between the Western powers is deep and starkly illustrated by the issue of Amisom withdrawal. In late 2017, the plan was for Amisom to be pulling out hundreds of troops from Southern Somalia, mostly around Barawa. Most of the Westerners believed that this was unwise because *Al Shabaab*, they believed, would simply pour into Barawa as soon as Amisom had left. The US, on the other hand, believed *Al Shabaab* was already in control of the city and the surrounding villages, so why support the SNA? The Americans duly cut off their support.

This kind of disagreement signals the possible break-up this year of the international consensus, among Western powers anyway, forged since the 2012 Somalia conference in London (AC Vol 53 No 5). Bilateral relations between 'interested' countries with Somalia are likely to become the norm. Amisom's future certainly looks doubtful, especially with **France** leading efforts to transfer EU anti-jihadist resources from the Horn to the Sahel.

Finally, the international community may begin to question the benefits of federalism altogether. This could be the lesson of the arrest of MPs and politicians in Mogadishu at the end of 2017. Federalism and devolution were supposed to offer the possibility of local self-government and thus more 'ownership' for citizens and more democracy. Instead, however, there is a tendency for local authorities to label all diversity of opinion as subversion, which results in arrests of journalists, opinion-makers, and the creation of security bodies more interested in quelling dissent than defeating jihadism. Which is another kind of victory for the insurgents. ●

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BLUE LINES

For the past four decades there has been a recurring motif in Nigerian politics. A new government takes power on the crest of popular approval but soon falls short of expectations.

The sequence started with Shehu Shagari's National Party of Nigeria government, which was then overthrown by General Muhammadu Buhari in December 1983. Buhari's regime was overthrown in a palace coup by General Ibrahim Babangida in August 1985. A popular uprising followed the annulling of an election in 1993, and General Sani Abacha seized power. After the restoration of constitutional rule, Olusegun Obasanjo was elected president, handing over in 2007 to Umaru Musa Yar Adua, who died in 2010, leaving his Vice-President Goodluck Jonathan to take over. By 2014, popular opinion had moved decisively against Jonathan and he was overwhelmingly defeated by Muhammadu Buhari in 2015.

On each occasion, Obasanjo, in his role as a 'founding father', has published an open letter criticising the incumbent and calling for change. And change has duly happened. His letter of 24 January urging Buhari not to seek re-election next year continues the theme. So far, the response from officials in Abuja has been muted irritation but activists in the governing party are likely to take it much further, given Obasanjo's influence. If nothing else, it has opened up the debate about the country's political system, the quality of governance, and accountability.

AFRICA'S ECONOMIES IN 2018

Two steps forward...

Earnings may increase but sluggish growth looms for the continent's big players and the danger of a debt crunch is increasing

Economies across Africa will grow haltingly, by about 3% on average in 2018 and 3.5% in 2019, according to the latest World Bank forecasts. And the International Monetary Fund warns that in extreme cases such as Nigeria, servicing the debt is consuming more than 60% of government revenues. The latest forecasts from the World Bank, IMF and African Development Bank differ on the precise numbers for 2018 but broadly agree that export commodity prices will strengthen and inflation will slow.

The World Bank reckons that per capita GDP growth, which has been shrinking for the past two years, should turn positive again. But this growth will not cut poverty significantly or create enough jobs to keep pace with new entrants to the labour market. Changing this will require more productive investment, both from governments and from international companies whose enthusiasm has diminished significantly. That is due in part to the 2007-08 financial crisis and its aftermath, and growing competition for funds. Consequently, finance and planning ministers will face four pressure points in 2018:

- Commodity export revenues will grow slowly at best;
- Sharp growth in public indebtedness limits borrowing options;
- Tighter monetary policies in the United States, Europe and Asia will further raise the cost of finance in Africa;
- Sharp cuts looming in concessional finance and other sources of aid.

Africa's financing crisis has been a long-term drag on growth. Domestic savings average 15% of GDP, among the lowest in the world. According to Nigeria's former Finance Minister Ngozi Okonjo-Iweala, Nancy Birdsall of the Centre for Global Development, and the IMF, investment rates will average 21% over the next five years. That implies a financing gap of at least 6% at current rates of economic expansion. But if Africa is to follow the development path taken by South-East Asia, its economies would require investment rates of roughly 30%. That leaves an annual funding gap of about US\$275 billion.

Moving towards that level of financing requires far better management of natural resource revenues and the blocking of illicit flows, Okonjo-Iweala says, but above all there will have to be a comprehensive plan to raise tax revenues. That has started, with several countries, such as Ghana, beefing up their revenue authorities. Eliminating loopholes at the South African Revenue Service will be a priority for the new government.

Tax revenues average 15% of GDP across Africa, against 24% in OECD countries. But in resource-rich nations such as Angola, Chad and Nigeria, tax revenues from non-oil sectors amount to less than 5% of GDP. Africa's hoped-for locomotive economies will have to load up on fuel. Slowish growth in 2018 – 2.5% for Nigeria, 1.6% for Angola, 1.1% for South Africa – will drag down the continental average. More importantly, it will hold back smaller neighbouring countries.

SOUTH AFRICA	4	TUNISIA	6	EGYPT	7	LIBERIA	8	SOUTH SUDAN	9
Big change, no fanfare		Tunis fiddles as revolt grows		El Sisi's shrinking circle		Weah's known unknowns		ZAMBIA	10
Ramaphosa is preparing the ground for his team in government and some radical policy shifts		While politicians focus on electoral alliances, marginalised communities are angry		The President sacked his spy chief a day before announcing his re-election bid		The new leader is the first civilian president to win a peaceful transfer of power in decades		POINTERS	12

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Cyril Ramaphosa's election as president of the African National Congress in December and anticipation that he will take **Jacob Zuma's** place as state president within the next few months have caused renewed optimism about South Africa. Investment funds are now tipping local companies as well as South African projects in the region. Goldman Sachs goes further, arguing that the country could be the most dynamic emerging market this year (see South Africa feature, page 4).

For Nigeria and Angola, as in other oil-producing countries, pressure on the exchange rate will continue, a hangover from the stagflation of 2016 that followed the oil-price crash. Symptoms to monitor are the gap between official and parallel-market rates and shortfalls in supply of forex. In both countries, companies argue that the partial exchange-rate adjustments are inadequate.

At the official level, there is some ambivalence. One faction wants to wait out the oil market in the hope that higher export prices will negate the need for rate adjustment. Another wants a still lower oil price to force adjustment and diversification.

A senior official in Abuja told *Africa Confidential* that he 'would be happy with prices at \$30 a barrel'. He attributed the huge growth in rice and sugar production in northern Nigeria to a new reality: 'that we can no longer afford to live on imported foodstuffs'.

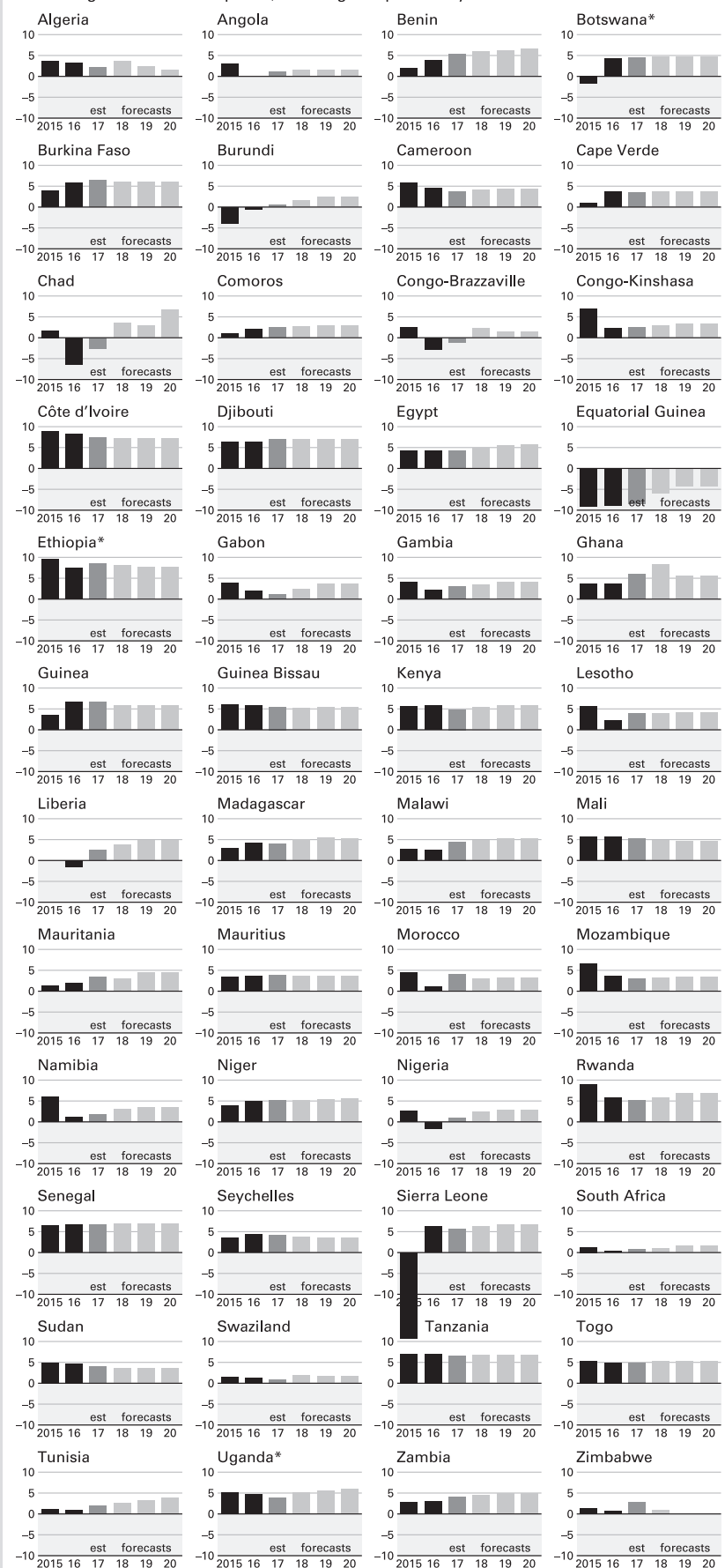
That official is in a minority in the government as the All Progressives Congress gears up for the 2019 elections and prepares to shovel out money for road, rail, bridge, port and power station projects that will, the party hopes, win over voters again.

With Angola's election behind it and an unexpectedly decisive **João Lourenço** installed as President, its prospects have improved. This has started with better management of the state oil company and plugging of many leakages through which hundreds of millions of dollars flowed. But the reforms this year will be tough, politically and financially.

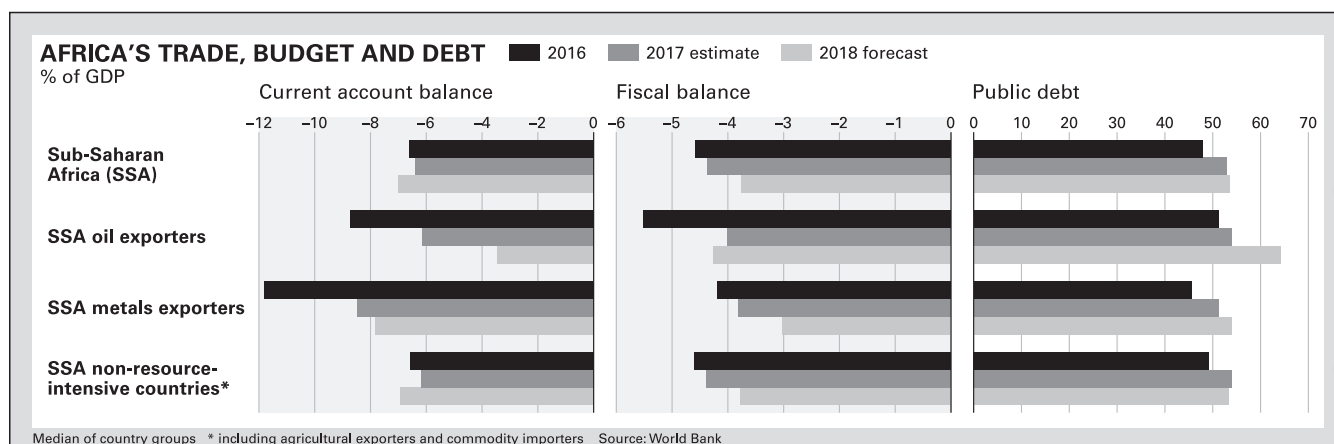
Growth in North Africa remains sluggish with a couple of exceptions:

AFRICA ECONOMIC FORECASTS – COUNTRY BY COUNTRY

Real GDP growth at market prices, % change on previous year



* fiscal years Source: World Bank (No data available for Libya, Somalia and South Sudan)



the microstate of **Djibouti** (7% in 2018), which in practical terms is an economic annex of **Ethiopia**, and **Egypt**. Buoyed by funds from the Gulf linked to a jumbo loan from the IMF, Egypt will grow by 5% this year, the best performance by a big economy in the region. Many investors reckon that President **Abdel Fattah el Sisi's** authoritarian style will allow him to push through tough reforms, even if the military's grip on the treasury through state subsidies is unlikely to slip.

Several countries have taken a bet that borrowing heavily to finance power and transport mega-projects will speed up diversification and cut dependence on exports of primary commodities. That is proving risky because the dollar will probably strengthen, which will push up debt servicing costs.

DIVESTED LOANS

Moreover, many loans have been diverted into current spending rather than productive investment. Sometimes they have financed blatantly fraudulent procurement, as in **Mozambique** in 2015-16 and more recently in **Zambia** (AC Vol 58 No 25).

Two areas of strong growth stand out. The first is West Africa. The World Bank says that, of the economies forecast to grow fastest, **Ghana** (8.3%), **Senegal** (6.9%) and **Côte d'Ivoire** (7.2%) are heading in the right direction, investing in power stations, roads and agro-industrial projects for local and export markets. **Burkina Faso**, **Guinea** and **Mali** are catching up.

But **Ghana's** Finance Minister, **Ken Ofori-Atta**, is yet to extricate the country from perilously high debt – still around 68% of GDP – inherited from the previous government. With the government searching for ways to finance its popular free secondary education programme, all state spending is coming under heavier scrutiny.

On the other side of the continent, **Ethiopia** remains a star performer,

for now (growth should reach 8.2% in 2018), but Prime Minister **Hailemariam Desalegn** faces a sea of troubles at home with rising opposition activism in **Oromia** and **Ogaden**. The regional picture for **Addis Ababa** is also problematic. Rivalries with **Egypt** over the effect on the Nile of the **Grand Ethiopian Renaissance Dam** are getting deeper (AC Vol 57 No 14).

In **Somalia**, **Al Shabaab** militants, too, are keeping up their terror against the **Mogadishu** government, with forays into other countries in the sub-region. At the same time, several of the countries with troops in the **Amisom** peacekeeping force – **Burundi**, **Kenya**, **Sierra Leone** and **Uganda** – are threatening to withdraw, which would make regional security more precarious.

Insecurity aside, the six-month confrontation over **Kenya's** elections has affected growth and policy-making badly, according to companies and officials. Politics in **Uganda** and **Tanzania**, which are building an oil pipeline from **Lake Victoria** to the **Indian Ocean**, is equally problematic for these economies.

The opposition in **Uganda** appears to be gathering steam again, raising questions about President **Yoweri Museveni's** plans to secure yet another term in power and doubts about erratic policy-making in the oil and gas sector (AC Vol 55 No 23). In **Tanzania**, President **John Magufuli** has used populist tactics infused with resource nationalism to drive a harder bargain with international companies such as **Barrick Gold** (AC Vol 58 No 13), but there are doubts whether this would work elsewhere.

Tanzanians are hard pressed and **Magufuli's** anti-corruption campaign seems a vote-winner. He has strengthened his grip on the governing **Chama Cha Mapinduzi** and is pushing back the opposition, at times with brute force. Yet such methods are not popular with the new companies he was trying to attract and critics fear that

the approach could start to backfire, slowing the economy.

Certainly, the strongest warnings for 2018 from the international financial institutions relate to debt. Africa is more indebted today than it has been since 2005, near the start of the commodity super-cycle and at the tail end of several years of internationally backed debt reduction schemes.

DEBT RATIOS UP

The median debt-to-GDP ratio rose to 48% in 2016 from just 34% in 2013, according to the IMF's **Abebe Aemro Selassie**. In its most recent *Economic Outlook*, published in November last year, the IMF calculates the ratio for 2017 will be 49.6%. Several banks and ratings agencies forecast it will exceed 50% this year.

The World Bank says that such is the increase in sub-Saharan African government debt in 2006-08 and 2015-16 that most countries would have to generate another year's worth of tax income to make the larger repayments. The **AfDB** breaks the figures down by region: **Southern Africa** (over 48% external debt to GDP); **East Africa** (over 41%); **Central Africa** (over 30%); but **North and West Africa** on average well below 25%.

IMF debt figures point to differences between various oil and gas economies. **Mozambique's** debt-to-GDP ratio rose to 90% after it was found to have concealed \$2 bn. in loans, but **Nigeria**, which has launched a borrowing programme, has a debt-to-GDP ratio of 21%. **Nigeria's** biggest problem is managing repayments in the short term; servicing costs will rise further after taking more than 60% of state revenues last year. Debt ratios in **South Africa** and **Angola** will be much higher (53% and 65%, respectively) but foreign payments to both countries will face closer scrutiny under their new leaders.

Going beyond the standard caution, the Bank and the Fund are turning up their warnings on debt. The IMF

advises specifically that an increase in borrowing to levels last seen in 2014-16 would not be sustainable. Oil economies would be hardest hit, unless there was a

turnaround in the market.

Some veteran bankers are predicting yet more trouble: another sovereign default after Mozambique in 2017. For

now, most eyes are on Zambia, whose combination of helter-skelter borrowing and bad procurement seems sure to trigger a crisis within months. ●

SOUTH AFRICA

Big change, no fanfare

The ANC's new leader is preparing the ground for his team in government and some radical policy shifts

Cyril Ramaphosa, with a mixture of determination and pragmatism, has embarked on a year of sweeping changes in his party and the government that it runs. Since winning the presidency of the African National Congress on 18 December, Ramaphosa has moved deliberately but without fanfare to establish his authority in a divided party.

His approach to **Jacob Zuma**, who is expected to stay on as national president for several more weeks, is typical of the Ramaphosa method: always polite but clear. His welcome to Zuma at a fund-raising gala dinner during the ANC's

106th birthday celebrations in East London on 8 January said it all: 'Good evening to Mr Zuma and his cabinet.' A coded welcome to the leader on the way out, and a reminder that his ministers could not all expect jobs in the new government. Knowing smiles flashed across the room.

Power was moving gradually, then more swiftly, from Zuma to Ramaphosa. Some at the dinner, where a table for ten cost 250,000 rand (US\$21,000), looked around for the new figures who would wield influence in the new political economy. Lists of doomed ministers and officials circulate among senior ANC

people but the new President doesn't broadcast his plans ahead of time.

He used his four-day stint at the ANC celebrations in East London to try to knit the party back together. 'It is important to always remember the ANC is not just a political party; it is a movement of the people of South Africa,' he intoned. The new leadership is launching 'a revolutionary pilgrimage that will take us to our roots; our roots are our people; deep roots and they go metres and metres deep into the hearts of the people'.

First on his list in East London was a meeting with **Winnie Madikizela Mandela**, a vocal critic of Zuma. She remains one of the party's most popular figures for her campaigning during her husband's incarceration. Hours later, Ramaphosa told some 60,000 party activists attending the celebrations that the police would do their work – cracking down on corruption and patronage – without fear or favour.

In the past week, the National Prosecuting Authority has issued orders

INVESTORS RATE THE 'RAMAPHOSA EFFECT'

From the start of last year's leadership race, business and banks made it clear that **Cyril Ramaphosa** was their candidate for the African National Congress presidency. They were also shrewd enough to know that loud support for their man would derail his campaign among a party membership dominated by government officials, workers in state-owned-enterprises and those living on welfare payments.

Shrewder still, Ramaphosa narrowly won by talking up the party and his ambition to remake the ANC as a people's movement to boost the living standards of those whose lives have been blighted by corruption and mismanagement. Combining his rise to national political leadership with almost two decades of business experience will test Ramaphosa's agility. His close allies insist that his heart never left politics but his rivals want to pin him down on policies such as the party's plan for 'radical economic transformation'.

After meeting Ramaphosa at the Davos forum on 24 January, IMF Managing Director **Christine Lagarde** said they had agreed on major structural reforms to 'reduce poverty and inequality'.

Although all variants of South African growth figures point to a slow recovery from recession, the investor interest in Ramaphosa's agenda is palpable. 'South Africa has missed huge opportunities in mining and renewable energy in the last 18 months,' said a London-based investment advisor with an influential clientele.

'If Ramaphosa can roll back corruption and create economic certainty again, there is a pile of money waiting to go into the country.' Investor roundtables on the country have registered a surge of interest and expectations are running high about Ramaphosa's first roadshow to London, due later this year.

Such bullish sentiment was echoed by Goldman Sachs whose latest report tipped South Africa as the 'big emerging market story of 2018'. It compared its potential to that of **Brazil** and **Mexico**.

'South Africa is at the top of the list of potential candidates given the market-friendly ANC leadership outcome,' the report said. Goldman's South African chief executive, **Colin Coleman**, takes an optimistic view of growth prospects: 3% this year, rising to 5% over the next five years. Financial experts say the Goldman report will be influential in Davos and beyond.

Ramaphosa's pitch is to show he is serious about ending corruption, revamping state-owned enterprises and boosting growth. Exhibit one is Ramaphosa's sacking of the board of the state electricity company Eskom and replacing it with a professional team led by **Jabu Mabuza**, formerly chairman of Telkom. Banks said there was a risk under the old management that the company, the most important state-owned enterprise, might default on debt repayments. These appointments are a precursor of still tougher measures for publicly owned companies.

From 5-8 February some 6,000 investors and consultants will flock to Cape Town for the annual Mining Indaba. They expect the charter announced last year by Mining Minister **Mosebenzi Zwane** will be amended and that the long-delayed Minerals and Petroleum Resources Act will be amended and signed into law. ●

for the seizure of billions of rand in assets belonging to the politically-connected Gupta family, including the Estina dairy farm project in Free State province which is at the centre of an investigation into the misuse of state funds and money laundering. It has also frozen the bank account of **Atul Gupta**, in charge of the Gupta finances.

The NPA's assets forfeiture unit has frozen R1.6 billion (\$134 million) diverted from the state electricity provider Eskom to Trillian, a company with links to the Guptas.

Such police actions will have political consequences. A statement from the Congress of South African Trades Unions raised questions about the role of **Ace Magashule**, the Premier of Free State and the new Secretary General of the ANC: 'Magashule also has a lot of questions to answer on that Free State Dairy project. All this vulgar looting happened under his watch as the premier of the province.' So far, Magashule and his son, who works for the Guptas, have denied all wrongdoing.

However, investigations into the Guptas' companies are speeding up and there are reports that one of their key associates, **Salim Essa**, has turned state's evidence and will testify at the Eskom parliamentary hearings (AC Vol 59 No 1). After two years of delays and just before the East London meeting, Zuma announced a commission to investigate 'State Capture' but sought to broaden its terms to probe beyond the Gupta transactions.

At the same time, Zuma is resisting the court ruling that he is too conflicted to appoint a new director of the National Prosecuting Authority to replace the discredited **Shaun Abrahams**. The High Court ruled that Ramaphosa, as Deputy President of the government, should make the appointment (AC Vol 59 No 1). Much to Ramaphosa's irritation, Zuma's lawyers argued that this could not happen as it would suggest there were two presidents, two centres of power in the government.

That episode prompted two developments: a debate at the ANC National Executive Committee (NEC) meeting on 9 January about how to organise Zuma's speedy exit from the national presidency; and the firing of several Zuma appointees in charge of state owned companies such as Eskom. 'Ramaphosa is now President of the country in all but name,' said a top businessman close to the negotiations over Eskom. 'All that remains is the manner and timing of [Zuma's] departure.'

The new Eskom chairman, **Jabu Mabuza**, former head of Telkom, has strong credibility with the banks and

FROM ZUMA TO RAMAPHOSA

9 December 2015: Zuma replaces respected Finance Minister Nhlanhla Nene with unknown Des van Rooyen. Three days later Van Rooyen is replaced by former Finance Minister Pravin Gordhan following intervention by top ANC officials including Cyril Ramaphosa.

31 March 2016: The Constitutional Court rules Zuma has breached his oath of office by failing to repay state funds used for his Nkandla homestead.

April 2016: South Africa's four major banks close accounts with the Guptas' companies.

2 November 2016: Outgoing Public Protector Thuli Madonsela issues 'State Capture' report on the Guptas' political influence, calling on Zuma to appoint a Commission of Inquiry headed by a judge.

30 March 2017: Zuma replaces Pravin Gordhan with Malusi Gigaba, another Gupta ally.

30 May 2017: The extent of the Guptas' political influence is revealed to the media in over 100,000 emails leaked by security operatives.

13 October 2017: The Supreme Court upholds High Court ruling that Zuma must face trial on 783 corruption charges.

8 December 2017: The High Court rules that the Director of National Prosecution Agency, Shaun Abrahams, was unlawfully appointed by Zuma. It rules Deputy President Ramaphosa should appoint the new NPA Director.

13 December 2017: The High Court rejects Zuma's appeal for review of Public Protector's 'State Capture' report, and awards costs against him.

18 December 2017: Ramaphosa is elected President of the ANC by narrow margin. Conference also resolves that Zuma must appoint the Commission of Inquiry into 'State Capture' by 12 January.

20 December 2017: The newly elected 80-strong ANC National Executive Committee is a mix of Zuma and Ramaphosa loyalists with balance favouring the new leader.

7 January 2018: Zuma and Ramaphosa meet in KwaZulu-Natal. Ramaphosa calls on Zulu King Goodwill Zwelithini.

9 January 2018: Zuma announces the appointment of a 'State Capture' Commission of Inquiry.

11 January 2018: Ramaphosa and Zuma welcome Kenya's President Uhuru Kenyatta to the ANC's birthday celebrations in East London.

13 January 2018: Ramaphosa's speech to ANC members prioritises fight against corruption, job creation and economic transformation. Zuma is booed several times.

14 January 2018: Ramaphosa says that Zuma 'should not be humiliated' when he goes.

15 January 2018: NPA moves against the Gupta-linked companies to freeze R1.6bn, said to have been diverted from state.

18 January 2018: The ANC's three-day NEC meeting starts with a motion for Zuma to be recalled (removed from office). The proposal is accepted in principle and a committee appointed to establish the timing and manner of his departure.

Zuma files details of his appeal against the court ruling that he cannot appoint a new NPA Director. He argues that leaving to his Deputy (Ramaphosa) would be tantamount to having two state presidents.

19 January 2018: Ramaphosa takes charge of the state electricity company Eskom, convenes a meeting with Zuma, Finance Minister Malusi Gigaba and Public Enterprises Minister Lynne Brown. Ramaphosa is to head a small committee to manage Eskom's affairs. He appoints a new Board, chair and acting Chief Executive.

The NPA's Asset Forfeiture Unit moves to freeze Atul Gupta's bank account and seize the R220-million Dairy Farm project in the Free State province. It's centre of accusations that it was used to launder and distribute state funds.

20 January 2018: The 20 elected members of the ANC's National Working Committee are announced, reflecting the composition of the NEC, with a similar mix of Zuma and Ramaphosa loyalists, favouring the new President. The ANC's provincial leaderships in the Free State and KwaZulu-Natal provinces are suspended pending fresh elections.

As details of Zuma's departure from office are negotiated Ramaphosa again says 'the last thing we would want to do is humiliate Zuma'.

22 January 2018: Ramaphosa departs with TeamSA for the World Economic Forum at Davos.

24 January 2018: Ramaphosa meets IMF managing director Christine Lagarde and forum of fund managers and investment bankers at Davos. ●

business. His right-hand man on the board, **Sifiso Dabengwa**, former chief executive of MTN, is an economic advisor to Ramaphosa. Behind the scenes, former Finance Minister **Pravin Gordhan** has been working hard on plans to restructure state-owned companies and appoint new boards.

Gordhan is tipped to become the Minister of Public Enterprises in a Ramaphosa cabinet in order to take charge of ailing state-owned enterprises, in particular the transport parastatal Transnet and South African Airways. Gordhan has assembled a formidable team, *Africa Confidential* understands, which is set to play a critical role in the Ramaphosa presidency's strategy to revive the economy.

Another key Ramaphosa ally is **Enoch Godongwana**, former head of the ANC's economic transformation committee, who is poised to take a ministerial post under Ramaphosa. He is likely to be joined by those who have led the campaign to have Zuma recalled at various NEC meetings: **David Masondo**, **Bheki Cele**, **Derek Hanekom**, **Aaron Motsoaledi**, **Naledi Pandor** and **Joel Netshitenzhe**.

As South Africa's delegation prepared to leave for the Davos Forum on 24-26 January, Minister of Finance **Malusi Gigaba**, who has switched allegiance to Ramaphosa, said if the Eskom crisis was not addressed urgently the company could crash,

prompting an economic disaster. However, if Ramaphosa decides to move Gigaba back to Home Affairs or another portfolio the finance minister's post would probably go to **Zweli Mkhize**, the former ANC Treasurer-General, or **Tito Mboweni**, former governor of the Reserve Bank.

It is now a matter of when, not whether, Zuma leaves the national presidency for Ramaphosa this year.

Ramaphosa and his backers stamped their authority on the NEC meeting for 2018.

BACKING OFF

Ahead of the meeting on 9 January, it was clear that Zuma's support on the key policy-making committee was ebbing. The NEC agreed that Zuma should step down, and that the party's top six officials would be facilitating his exit. Bheki Cele, a party loyalist from KwaZulu-Natal and Deputy Minister of Fisheries, raised the issue of Zuma's removal without provoking serious dissent.

Zuma had expected that his backers from KwaZulu-Natal like **Sihle Zikalala** and **Nathi Mthethwa** would come to his defence. 'Cele gave a very strong speech that got a lot of claps explaining why Zuma must be removed,' a senior ANC official told AC. 'No one argued against JJ's removal... [his] supporters threw him under the bus.'

The best hope for Zuma is that he

would be allowed to deliver his last State of the Nation speech to parliament but that this would be written by Ramaphosa's team and its content agreed with them in advance.

Ramaphosa's next victory was the election of his key backers on the National Working Committee, the engine room of the NEC. Meeting every week it essentially runs the party and implements policy.

Pro-Ramaphosa people such as Hanekom, **Angie Motshekga**, **Zizi Kodwa** and **Barbara Creecy** made it on to the NWC. However, some Zuma loyalists – such as **Nomvula Mokonyane**, **Edna Molewa** and **Bathabile Dlamini** – also won seats on the NWC. Indeed, the defeated presidential contender **Nkosazana Dlamini-Zuma** won the biggest vote on the committee. She was followed by **Lindiwe Sisulu**. Other Zuma acolytes such as Gigaba, **Lindiwe Zulu**, **David Mahlobo** and **Maite Nkoana-Mashabane** were not re-elected.

In a move to dismantle Zuma's network, the NEC also dissolved the provincial executive committees in KwaZulu-Natal and the Free State after courts had set aside the elections of the leaders in both provinces. Now, the NWC, under the guidance of Ramaphosa's team, including its chair, **Gwede Mantashe**, and Gauteng heavyweight **Paul Mashatile**, will appoint the provincial task teams to oversee the two provinces. ●

TUNISIA

Tunis fiddles as revolt grows

While politicians focus on electoral alliances, the economy remains stuck and marginalised communities are angry

After taking office amid high hopes that technocratic ministers could deliver results, Prime Minister **Youssef Chahed's** increasingly beleaguered government is confronted by yet another mass movement, with protests in Tatouine and other southern towns spreading to the rest of the country (AC Vol 58 No 1). On 8 January, demonstrations against price rises and tax increases in the 2018 budget flared into violence and government buildings were burned down. Chahed ordered in the troops – never a popular option in Tunisia, which prides itself on its small 'apolitical' military. By 14 January, the Ministry of Interior said 803 people had been detained. Towns like Siliana, Sidi Bouzid, Gafsa and Douz were still in ferment as demonstrations moved to

Tunis. The threat of revolution hung in the air as Chahed announced another wave of reforms and his Social Affairs Minister **Mohamed Trabelsi** raised welfare payments.

Since **Zine el Abidine Ben Ali** was ousted in 2011, Tunisia has been home to combative civil society groups and a resilient political culture, described in a new book by political scientist **Safwan Masri** as being 'predisposed to democracy because of ingredients that are uniquely indigenous to it [Tunisia]'.* These have registered some successes, such as pushing for women's rights in a socially conservative country where the Islamist *Hizb Ennahda* remains a government in waiting.

Government, meanwhile, has been less polarised since the *Nidaa*

Tounes party and *Ennahda* formed a parliamentary and government coalition in 2015 negotiated by their respective leaders, President **Béji Caïd Essebsi** (aka BCE) and **Rachid Ghannouchi** (AC Vol 57 No 11). But with limited resources and beset by political and regional crises, government has not become noticeably more effective than it was before the grand coalition.

Nine successive governments have promised to overcome regional disparities and falling living standards since the 2011 'Jasmine Revolution' – a phrase now used only ironically – but little progress has been made. Cash-strapped administrations are too often focused on manoeuvrings around the 'democratic success story' in Tunisia.

Major initiatives, such as decentralisation, have failed. Tunisia was expected to have elected regional councils in place by now. Like many other reforms, they never came about. If marginalised towns and urban neighbourhoods provide an arena for social protest, many in the Tunis elite remain preoccupied with the 2019 legislative and presidential elections. BCE has yet to declare his intentions

but is widely expected to stand again, despite his advanced age; by polling day he will be 93.

Investors are concerned about political risk and the National Assembly's inability to pass business legislation means that the sort of investment the Arab Spring's 'success story' might expect to receive has not been forthcoming. Investor-friendly faces have been departing, while weary veterans continue to dominate banking and other sectors (see box). Following a short stint as Energy Minister, **Héla Cheikhrouhou** has joined Washington-based investment boutique Kupanda Capital. **Wided Bouchamaoui**, the high-profile leader of the *Union tunisienne de l'industrie, du commerce et de l'artisanat* (UTICA), has said she will not stand for a third term as head of the employers' association – in which role she won the Nobel Peace Prize in 2015 (AC Vol 52 No 10).

MB CONNECTION

Qatar has taken a close interest in supporting Tunisia, reflecting its backing for *Ennahda*, a Muslim Brotherhood offshoot. The Emir of **Qatar**, **Sheikh Tamim bin Hamad al Thani**, was the only head of state to attend Tunisia's 'relaunch' donor conference in 2016. Qatar's commitment to post-revolutionary Tunisia is not lost on its Gulf rivals **Saudi Arabia**, where Ben Ali lives in exile, and the **United Arab Emirates**. They see all of Doha's allies as enemies. But the UAE has friends of its own in Tunis, notably BCE himself, whose family has had controversial business dealings in Dubai.

The political classes face a test if and when local elections – already postponed four times – are held. The next date announced by the electoral commission *l'Instance supérieure indépendante pour les élections* (ISIE) is 6 May and 5.37 million electors have registered. A big vote for *Ennahda* in Tunisia's socially

conservative provinces could lead BCE to give the Islamists a larger number of ministers in a reshuffled government. Holding the elections will also pose a big test for new ISIE president **Mohamed Tlili Mansri**, whose predecessor, **Chafik Sarsar**, resigned complaining of political pressure.

Nidaa Tounes remains a dominant force, its strategy shaped by BCE and with party operations in the hands of presidential son **Hafedh Caïd Essebsi** (HCE). HCE's faction took control with a platform supporting the alliance with *Ennahda*. His rival **Mohsen Marzouk** had been BCE's campaign manager and then minister-counsellor, but quit the party with other *Nidaa Tounes* dissidents in protest at HCE's rise to found *Machrouu Tounes* (Project for Tunisia), which is highly critical of the *Ennahda* alliance and is gathering elite members with a view to future coalitions.

Nidaa Tounes has been weakened – of the 89 MPs it had elected in 2014 it ended 2017 with only 56 – but it remains the key national player. BCE is widely expected to win if he stands again. On his watch the presidency has again concentrated power, meaning that whoever becomes head of state in 2019 will inherit a more powerful office than when BCE replaced **Moncef Marzouki**. Prime Minister **Chahed** seems not as unpopular as his price rises would suggest and is also showing signs of presidential ambition, as is the premier he replaced, **Habib Essid**, with each player aligning with local businessmen to provide funding and media time.

Ennahda is biding its time, as *Nidaa Tounes*, *Machrouu Tounes*, *Al Moubadara* and other parties fill up with members rehabilitated from the Ben Ali regime. The canny Ghannouchi is widely thought to have presidential ambitions of his own, after *Ennahda*, in May 2016, formally renounced political Islam (AC Vol 57 No 11). This proved an astute move, appealing to Tunisia's

traditionally secular political culture, which coexists with conservative Islamic values, and sheltering *Nahdaouis* from undue international pressure as opposition to Muslim Brotherhood affiliates grew across the region, from Saudi Arabia across to **Egypt** and then **Libya** (AC Vol 58 No 12). Some *Ennahda* factions remain uncomfortable with Ghannouchi's move, not to mention his presiding over a sharp drop in living standards and his tendency to concentrate power in his own hands. But *Ennahda* has quietly gone about the task of obtaining key jobs across society; those with big pay-days are often seen as Ghannouchi placemen, who follow his line that *Nidaa Tounes* and *Ennahda* are 'but the two wings' of the same Tunisian bird.

How long this bird can fly remains to be seen. *Nidaa Tounes* and *Ennahda* have shared out patronage between them – with *Nidaa* getting the lion's share, especially in the big strategic ministries. Although *Union Générale Tunisienne du Travail* (UGTT) bigwigs have had a share of posts, other parties feel excluded by the BCE/Ghannouchi carve-up. Secularists are deeply suspicious of *Ennahda's* manoeuvrings on the edge of government, while many Islamists are uncomfortable with the number of Ben Ali-era securocrats who have been rehabilitated.

Ennahda has campaigned long and hard to show it is a socially conservative, social justice-focused party, not the radical Islamist grouping that was banned for most of the Ben Ali years. Members feel vulnerable to claims that *Ennahda* encouraged young Islamists to join *Da'ish* (Islamic State) and other groups in conflict zones. Parties and factions in Tunis are riddled with intrigue and suspicion while the wider country seethes. ●

* *Tunisia: An Arab Anomaly*, by Safwan M. Masri, Columbia University Press, 2017

EGYPT

El Sisi's shrinking circle

The President sacked his spy chief a day before announcing his re-election bid. The narrowing of his inner circle betrays jitters

President **Abdel Fattah el Sisi's** office announced the departure of **Khaled Fawzy** as head of the General Intelligence Service (GIS) on 18 January, the day before the President formally declared his intention to stand

in the presidential election at the end of March. It was the second high-level dismissal in recent months, following the sacking of **Mahmoud Hegazy**, one of El Sisi's closest associates, as Chief of Staff of the Armed Forces in late

October. Fawzy has been replaced in the meantime by **Kamal Ahmed**, the director of the presidential office (AC Vol 58 No 19).

These two dismissals have thinned out the group of power-brokers that surround El Sisi, prompting speculation about a potential revolt within the security establishment. El Sisi now faces a challenge in the election from **Sami Anan**, a former chief of staff. Anan's bid came after another potential rival with a military background, **Ahmed Shafiq**, dropped out of the running, apparently under duress, but there are now doubts about whether Anan will be allowed to run.

The first reports of Fawzy's dismissal surfaced on 17 January in *Al Akhbar* and *Al Jarida*, newspapers based in Lebanon and Kuwait respectively, but the precise reason for his sacking remains unclear. *Al Akhbar* pointed to the pivotal role that Fawzy had played in forging an agreement between Hamas and Fatah, the two main Palestinian factions, on the administration of Gaza. That agreement has allowed a return of Palestinian Authority officials to crossing points in Gaza, but it has fallen short of a full political reconciliation.

Fawzy's demise could be the result of the GIS's management of its growing portfolio of media assets in Egypt, which has become an issue of concern to El Sisi. *Al Akhbar* referred to a deal announced in mid-December involving the acquisition of shares in a large media group held by **Ahmed Abou Hashima**, a businessman known for his rapidly expanding steel business, his sponsorship of the Homeland's Future bloc in parliament and his marriage (since dissolved) to **Haifa Wehbe**, a Lebanese singer and film star. The acquisition was made by Eagle Capital, a recently formed private equity company headed by **Dalia Khurshid**, a former investment minister who married the Governor of the Central Bank of Egypt a few months after she left the cabinet in February 2017. Eagle Capital has not disclosed information about its shareholders or the sources of the funds it holds under management. Nor has it commented on a report published by *Mada Masr*, an independent Egyptian newspaper, that Eagle Capital manages GIS funds. In September, Reporters Without Frontiers, a Paris-based NGO monitoring press freedom, issued a report expressing concern about the

extent of the control exercised by Egyptian security agencies over the media.

Fawzy's dismissal could also be the result of a report by the *New York Times* on 6 January which contended that a GIS official had called several prominent television presenters to tell them to tone down criticism of the US President **Donald Trump's** decision to recognise Jerusalem as the capital of **Israel**. The government said that the recordings cited by the newspaper to back up its story were fabrications and that the supposed GIS official, named as Colonel **Ashraf el Kholy**, did not exist. Either way, the GIS does not emerge well from the story. If true, the intelligence agency's crude methods have been embarrassingly exposed, and El Sisi stands accused of hypocrisy on the sensitive question of Jerusalem. If the tapes are fake, it could be seen as an intelligence failure on the part of the GIS.

Whatever the reason for Fawzy's dismissal, it has depleted the ranks of El Sisi's closest associates. The appointment of Kamal Ahmed as a temporary replacement suggests that the decision was taken in haste. Fawzy had served in the post since the end of 2014, when he was promoted from deputy head after his predecessor, **Mohamed Farid el Tohamy**, retired (AC Vol 55 No 16).

The reasons for the removal of Mahmoud Hegazy as chief of staff at the end of October also remain unclear. Hegazy had succeeded El Sisi as head of military intelligence during Mohammed Mursi's brief period as President, and was promoted again when El Sisi left the army to stand for president. One of El Sisi's sons is married to Hegazy's

daughter (he is also an officer in the GIS). The dismissal came one week after an incident in the Western Desert in which at least 16 policemen were killed in an ambush set by Islamist fighters, though there was no indication that the army was at fault. There has been speculation that differences had surfaced about the possibility of Hegazy serving as a stop-gap president after El Sisi has served his limit of two consecutive terms in 2022, after which El Sisi could return (AC Vol 55 No 7).

For the moment, El Sisi still has to get over the hurdle of securing re-election in two months' time. Having packed state institutions with loyalists and made it almost impossible for rivals to mount an effective challenge, he seems virtually guaranteed a landslide victory (AC Vol 59 No 1).

However, the lengths that state authorities have gone to head off the potential challenge from Shafiq and obstruct the candidacy of Khaled Ali, a human rights lawyer, betrays a brittle confidence in the El Sisi camp (AC Vol 57 No 14). Sami Anan has a stronger support base in the army than Shafiq, and could be an awkward opponent for El Sisi. Anan kicked off his bid by announcing that he had appointed **Hisham Geneina**, a former head of the state auditing agency who has compiled a dossier on gross corruption within the state system, as one of his running mates. Anan has designated Geneina as vice-president for human rights and transparency, two areas where the El Sisi regime is open to severe criticism. However, Anan's bid appeared to have been stopped in its tracks on 23 January, when the army accused him of fabricating documents attesting that he had left military service. ●

LIBERIA

Weah's known unknowns

The new leader is the first civilian president to win a peaceful transfer of power in seven decades. Other 'firsts' lie ahead

George Oppong Manneh Weah of the Coalition for Democratic Change (CDC) won such a resounding victory in Liberia's delayed run-off elections on 26 December that his opponent, **Joseph Nyumah Boakai**, overruled the hardliners in his party still trying to get the vote overturned and conceded defeat in the most graceful and inspiring speech of a long and tempestuous campaign.

Boakai told a meeting of his Unity Party executive and partisans on 29 December, 'I reject any temptation of imposing pain, hardship, agony and uncertainty upon our people. My name will not be used as an excuse for one drop of human blood to be spilled in this country.' A few days later, Weah, who had won a convincing 62% of the vote, called on Boakai, who lives near him in Paynesville, a neighbourhood

of new and unfinished villas on the outskirts of Monrovia. The victor asked his former opponent to nominate some of his 'people that he believes are capable of helping us move Liberia forth' [sic]. Everyone is hoping this outbreak of civility can set the tone for an unprecedented presidency with no programme to speak of.

The protests against the election by the establishment parties, including Boakai's Unity Party, can now be seen for what they were: signs of their horror at the idea of the political elite losing its grip on power. In the end nobody produced evidence that the few irregularities that took place were systematic or favoured one side more than the other.

President-elect Weah's lunch meeting with Boakai was a refreshing bookend to those controversies, and was praised

by Liberians and foreign observers alike. It also revealed a reassuring side of Weah: humble, modest and perhaps willing to learn from more experienced hands. Other, less appealing traits were exposed during the campaign. Pundits cannot tell which of these is an accurate signpost to what he will do as president.

What most worried political circles about Weah was his populist rhetoric, including a promise, lacking any detail or substance, to offer free education for all. One image of how his administration might work, and of popular expectations, was on show at the CDC campaign headquarters compound every day following the first round of the election on 10 October. Two hundred or more students in school uniforms squatted in the sprawling compound, waiting for the new President – so they believed him to be – to come and give them money for their school fees. Although he may not have spelled out how he would pay for free education, he is well known for handing out wads of cash (AC Vol 58 No 22). In the 1980s and 1990s he earned an immense fortune as one of the best footballers in the world.

CENTRALISED

The presidency in Liberia is already highly personalised and centralised, and there are fears that the combination of this with Weah's character could create a medieval-style monarchy where all flows to and from a single person in chaotic fashion.

Of equal concern was Weah's choice of running mate: **Jewel Howard-Taylor**, the ex-wife of jailed war criminal **Charles Taylor**. She is a senior senator

with a reputation for competence and ambition but she also shows unstinting loyalty to her former husband. The Liberian press reported that she had lobbied Washington for his release, though there is no prospect that her efforts will succeed. Taylor is serving a sentence of 50 years in a British prison under a UN Security Council-endorsed agreement (AC Vol 58 No 4). He will not be released until he is past 90, but the prominence of some of his feared former commanders in Weah's inner circle during the campaign, including the notorious General **Coocoo Dennis** and **John T. Richardson** (his 'national security advisor'), unsettled many (AC Vol 43 No 9). They belong to Taylor's National Patriotic Party, which merged with Weah's former Congress for Democratic Change to form the Coalition for Democratic Change to fight the election. Weah's party has far less experience in government than the NPP.

Jockeying over cabinet positions is already testing the coalition. Weah wants to expand the list of potential ministers to include figures from the Unity Party, perhaps nominating some of Boakai's suggestions, while Howard-Taylor argues that the CDC has enough competent people. As *Africa Confidential* went to press, there were no surprises in the personnel choices he made, apart from the appointment of General **Daniel Ziankahn**, the last commander of the army, as Defence Minister. Normally, civilians lead this ministry.

The most daunting problem awaiting the new President is a sclerotic economy that has been in decline since 2014, hit by the double whammy of the Ebola outbreak and the plunge in

world prices for Liberia's chief exports, iron ore and rubber (AC Vol 58 No 8). Weah will inherit a national budget that has shrunk from \$600.2 million in 2016/17 to \$563.1 mn., a significant contraction against a 3.8% increase in recurrent expenditure. The rise in expenditure, totalling \$508 mn., is the result of 'pending enrolment of staffs from the health, education and security sectors on the government payroll as well as the compensation cost for election staff', according to the budget statement released just before the elections. Worse, Weah will probably face an indifferent administration in Washington, Liberia's most important bilateral donor. Under both President **George W. Bush** and the **Barack Obama** administrations, through her relationships with Secretary of State **Hillary Clinton** and National Security Advisor **Susan Rice**, **Ellen Johnson Sirleaf** was able to benefit from great largesse as well as extraordinary goodwill. Weah can count on no such support network.

HIGH NOTE

Johnson Sirleaf goes out on a high note, but not with Boakai. The Unity Party formally expelled her on 14 January. Paradoxically, the bad blood between her and her former Vice-President – Boakai's people believe she worked to undermine his campaign – may yet do good. Perhaps Boakai will follow up his graceful concession to his opponent with active participation in Weah's government, motivated in part by his anger with Johnson Sirleaf. That, however, like so much in Liberia's biggest year of change in decades, is pure speculation. ●

SOUTH SUDAN

Cycle of broken deals

Ceasefire violations, threats of sanctions and censorship in Juba will accompany the fighting in the absence of outside intervention

As the New Year dawned, diplomats, peacekeepers and humanitarian officials from all corners of the globe silently breathed sighs of relief that the Christmas ceasefire appeared to be holding, and peace finally seemed within reach for the world's youngest nation. Scarcely a day later it was back to business as usual, as offensives were launched by both sides and a beleaguered President **Salva Kiir Mayardit** demanded that

diplomats and journalists cease publishing 'negative' reports.

Fighting close to the capital, apparently caused by the defection of a senior army officer, prompted an immediate security clampdown, which included the switching-off of all mobile phone networks, stopping the use of encrypted communications media such as WhatsApp. This follows recent developments in communications interception techniques and state-

of-the-art surveillance technology reportedly being supplied by Israel at huge expense.

Senior officials in Juba privately say that they doubt whether Salva's rival, ex-Vice-President **Riek Machar Teny Dhurgon**, and the rebel leadership in exile have much capacity to influence their local commanders on the ground, but the problem of command and control affects both sides. It also points to two main impediments to ending the conflict: the proliferation both of new rebel groupings and the spread of infighting within groups, tribes and clans.

EMPTY TALKS

The cessation of hostilities agreement was negotiated in Addis Ababa last December by the regional Intergovernmental Authority on Development (IGAD) diplomatic bloc

to accompany the current peace talks, the so-called 'High Level Revitalisation Forum' (AC Vol 59 No 1). These talks are predicated on a return to power-sharing between the three main factions of the ruling Sudan People's Liberation Movement: the SPLM-In Government (SPLM-IG), the SPLM-In Opposition (SPLM-IO) and the Former Detainees (FD). Yet this diplomatic initiative, designed to bring new life into the moribund 2015 Agreement to Resolve the Conflict in South Sudan (ARCISS), fails to recognise the significant changes that have left the country rent by a series of regional power struggles and by the defections of key warlords on all sides (AC Vol 56 No 17).

Thus, following Salva's replacement of Riek with his former deputy, **Taban Deng Gai**, after the resumption of fighting in July 2016, there is no longer a single SPLM-IO, but two: SPLM-IO-In the Bush (SPLM-IO/1) and SPLM-IO-In Government (SPLM-IO/IG).

Unsurprisingly, there are huge tensions between the politicians and troops remaining loyal to Riek, who is still under house arrest in **South Africa**, and those on the side of Taban, who is shortly due to tour opposition-supporting areas in an effort to sell the peace process to diehard Nuer supporters of the ousted First Vice-President (AC Vol 58 No 16 & 17). Similarly, the removal of army chief **Paul Malong Awan** has led to a splintering of formerly staunch regime supporters in his Dinka heartland of Northern Bahr el Ghazal, with key figures now joining the armed opposition (AC Vol 58 No 11).

The rebellion has further

metastasised with the March defection of senior Equatorian personnel, headed by the former Sudan People's Liberation Army Deputy Chief of Staff **Thomas Cirillo Swaka**, to form the National Salvation Front, which is recruiting well from the many Equatorians unhappy with the economic and agricultural collapse that the political infighting has visited on their hitherto productive region (AC Vol 58 No 22).

A further impediment to peace is the ongoing redivision of states along largely ethnic lines from the original ten at independence to 32 or more. This not only contradicts the terms of the ARCISS peace agreement but is also creating further infighting among senior figures across the country. This is likely to result in further power struggles as each faction tries to secure new state and county-level positions in accordance with the somewhat outdated power-sharing provisions of the peace deal (AC Vol 56 No 21).

Not only is the Revitalisation Forum, scheduled to reconvene in February, behind the times in its characterisation of the conflict as a three-way split within the ruling party, it is not the sole initiative in play, and allows a degree of 'forum-shopping' to the various players, some of whom clearly prefer the National Dialogue launched in May last year and favoured by Salva, or the **Tanzanian**-negotiated SPLM reunification mechanism agreed in Arusha in 2015 (AC Vol 56 No 2).

With international patience wearing thin, half the country dependent on food aid and more than four million people displaced by the conflict, it is apparent

that few donors are willing to step up with offers of meaningful finance for reconstruction funding. The **United States** is likely to cut its existing aid unilaterally, given its inability to push sanctions on the protagonists through the United Nations Security Council in the face of constant **Russian** and **Chinese** opposition (AC Vol 58 No 1).

BEIJING'S CARROTS

Beijing, increasingly active in the peacekeeping UN Mission in South Sudan (UNMISS), and eager to see oil exports resume but unwilling to support punitive sanctions against a UN member state, has been offering carrots in the form of renewed plans for infrastructural development. In particular, its plans for investment in a pan-African railway network envision both the rehabilitation of the existing railway from Babanusa in **Sudan** to Wau via Aweil, and the potential construction of a new line linking the capital, Juba, to the Indian Ocean via either **Uganda** or **Kenya**, which would place South Sudan at the heart of a new East African transport network.

However, the promise of renewed development funding and the financial benefits from the resumption of sustained petroleum exports are going to remain in the distant future unless a workable peace agreement is negotiated and South Sudan can finally resume its faltering attempts at postwar reconstruction. This will require a lot more vision, understanding and compromise than has been evident from any of the key domestic and international players thus far. ●

ZAMBIA

Lungu's costly power play

Extending his time in office is the President's chief priority although a debt crisis looms amid volatile party realignments

Whether or not President **Edgar Lungu** manages to convince the Constitutional Court that he is entitled to a further term in office when his current one ends in 2020, his determination to prolong his rule is clear. Nor should his opponents doubt that he will hesitate to crush them, even if it means flouting the law. The President sees himself as beset by enemies, not least within the governing Patriotic Front, and this bodes ill for a legacy of political stability that has been the envy of Zambia's neighbours.

Lungu came to power in January 2015 in the by-election which followed the death of President **Michael Sata**, and won re-election in a controversial August 2016 poll. Although the constitution clearly states that no president may serve more than two terms of office, he claims that his first, 20-month, term does not count. The court has put off making a final determination of the issue, which could well decide in Lungu's favour if his appointment of another judge, who is believed to support him, stands.

Whatever the decision, Lusaka insiders say, Lungu – a fervent admirer of the political survival strategies of President **Yoweri Museveni** – will try to use any means to remain head of state.

If the court rules against Lungu, which is unlikely, the PF will experience severe internal tensions that could pull it apart. However, it is already experiencing major stress as the ties that held the party together fray.

Victory for Lungu at the Constitutional Court would, however, be a shot in the arm to the recently formed opposition National Democratic Congress (NDC). Set up by mainly Bemba former PF members close to President Sata, the NDC, which accuses Lungu of marginalising the Bemba and the PF rank and file, could emerge as the most important opposition force in 2018. The party's leader in waiting, **Chishimba Kambwili**, is a popular figure on the Copperbelt, where he

currently sits as a PF MP (AC Vol 58 No 23).

As a Bemba speaker, Kambwili is well placed to take advantage of the PF's supposed neglect of its traditional Bemba supporters, with the NDC's numbers also likely to be boosted by Lungu's opponents leaving the PF. Conversely, a defeat for Lungu in the Constitutional Court will encourage a factional struggle within the PF as various figures seek to replace him.

The resignation of Foreign Minister **Harry Kalaba** in a valedictory Facebook post on New Year's Day was the clearest signal so far of the turmoil to come. Kalaba decried the 'swelling' levels of corruption 'perpetrated by those who are expected to be the solution' and the 'unacceptable and unsuitable path of insatiable greed and shame'. Many senior politicians and politically connected business people around Lungu are believed to have taken advantage of their proximity to power to enrich themselves (AC Vol 58 No 5).

Kalaba is a Bemba-speaker from Luapula Province and one of the PF heavyweights who had hoped to succeed Lungu in 2021. PF sources say that Lungu was planning to sack Kalaba, who decided to jump before he was pushed. More resignations from cabinet and the ruling party are expected over the following weeks and months, we hear.

Kalaba's resignation was preceded by Lungu's dismissal in December of Minister of National Planning **Lucky**

Mulusa for disputing the official explanation that the power outages that the country has experienced over the past two years were a result of poor rainfall. Mulusa, who had irked the President by criticising the government's purchase of 42 fire engines at a cost of US\$1 million each, had attributed the power problem to incompetence and poor performance among government workers.

LOUDER PROTESTS

Other likely political developments in 2018 are a more vocal and militant civil society, mainly as a result of public outrage over corruption and increased impunity under Lungu's administration, and the resumption of the Commonwealth-brokered dialogue between the opposition and Lungu ahead of the 2021 elections (AC Vol 58 No 22). The talks are not likely to yield any tangible results, as Lungu only agreed to them, our sources say, so he could release United Party for National Development leader **Hakainde Hichilema** from prison without suffering loss of face for detaining him for four months on an absurd charge of treason.

Zambia's economic prospects for the coming year were badly dented by the collapse of talks between the government and the International Monetary Fund in August last year. **Alfredo Baldini**, the IMF resident representative in Lusaka, revealed in December that the country's 'levels of

debt are very high, actually scary and worrying for the Fund because there is a lot that this country has to pay back' (AC Vol 58 No 25). Some sources put the external debt alone at nearly \$30 billion. The government disputes these figures and claims the country's external debt stands at less than \$10 bn. A key reason behind the lack of certainty about the exact debt figures is that many of the loans that were contracted in 2016 and 2017 ended up in the pockets of individuals and cannot be accounted for. As a result of the failed talks with the IMF, Zambia is likely to face more limited access to international capital markets in 2018. This squeeze on financing will cause severe problems, including exchange rate fluctuations.

The 2018 budget was drawn up on the assumption that a deal would be reached with the IMF. The government cannot meet funding and fiscal commitments with existing revenues and may not even be able to pay salaries, Bank of Zambia and Ministry of Finance sources told *Africa Confidential*. Rising expenditure combined with the absence of an IMF programme is likely to seriously undermine growth and confidence in the economy and, unless copper prices remain high throughout the year, lead to further depreciation of the kwacha. That may force Lungu's government to seek a loan from **China**, which would come without the kind of monitoring associated with IMF deals but with other, ultimately high, costs. ●

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POINTERS

Zimbabwe

ROLL WITH THE PUNCHES

■ President **Emmerson Mnangagwa's** 18 January pledge to deliver 'free, credible, fair and indisputable elections' within five months faces several challenges. One is the legal challenge to the Zimbabwe Electoral Commission from Laxton, a **Chinese** company that supplied kits for the biometric voter registration (BVR) process (AC Vol 58 No 16). It claims that the award of the BVR fingerprint identification contract should not have gone to Ipsidy Inc., whose headquarters is in New York. The case will delay the contract and impact ZEC's completion of the electoral roll.

Last month, ZEC's controversial chair **Rita Makarau** resigned, possibly over a potential conflict of interest; she is also secretary of the Judicial Services Commission (AC Vol 54 Nos 11 & 15). Some believe she was forced to go because the G40 faction backed her against Mnangagwa's candidate for Chief Justice in 2017.

On 9 January the new ZEC Acting Chair, **Emmanuel Magade**, wrote to the Zimbabwe Anti-Corruption Commission (Zacc) to raise concerns about ZEC's conduct in the 2013 election. This could also introduce delay.

Although voter registration rates have increased, reports about the process have caused concern. Zimbabwe African National Union-Patriotic Front party officials are reportedly recording registration numbers of all constituents. Traditional chiefs are reportedly forcing citizens to register and telling them the BVR system enables the government to monitor how they vote. The leader of the chiefs, **Fortune Charumbira**, promised Mnangagwa they would work to ensure that ZANU-PF wins (Vol 59 No 1).

Equatorial Guinea

OBIANG FOILS COUP

■ The details of an attempted coup against President **Teodoro Obiang Nguema Mbasogo** over the Christmas period remain unclear amid contradictory reports from government and other sources. On 24 December, security forces began to round up foreigners from neighbouring countries in Bata and other towns. Three days later, officials said mercenaries had been intercepted trying to cross the border from **Cameroon**. The Interior Ministry now says more than 30 mercenaries from Cameroon, **Chad** and **Central African Republic** have been arrested, but that dozens more remain at large. **Mahamat**

Kodo Bani, former commander of the presidential guard in Chad, is reported to have been arrested at the border, armed and carrying money.

On 11 January, Foreign Minister **Agapito Mba Mokuy** said the coup had been masterminded by **French**-based exiles. However, none of those arrested appear to be connected to the *Coalición de Oposición para la Restauración de un Estado Democrático*, the Paris-based group of oppositionists.

Instead, one is reported to be a relative of President Obiang, while Equatorial Guinea's Ambassador to Chad, **Enrique Nsue Anguesomo**, is also reported to have been arrested near the Cameroon border. **Rubén Engonga Onguene**, a judge and son of the Interior Minister, has denied involvement.

President Obiang came to power in a 1979 coup backed by **Moroccan** troops, and often entrusts key security duties to foreigners. On several occasions, he has accused opposition groups supported by foreign powers of planning to use mercenaries to overthrow his government, most famously in 2004 when an alleged plot by **British** and **South African** mercenaries attracted international interest (AC Vol 45 No 12).

The latest arrests, involving many from the President's home region of Mongomo, suggest a new phase in the struggle to succeed him. Obiang, now 75, has designated his eldest son, **Teodorín Nguema Obiang**, as heir apparent despite misgivings from some within the family. Teodorín was convicted in absentia in Paris in October on corruption charges.

Israel/Africa

REFUGEE PROTEST IN TEL AVIV

■ Hundreds of asylum-seekers protested outside the **Rwandan** embassy in Tel Aviv on 22 January, drawing unwelcome attention to Israel's programme of deporting mainly **Eritrean** and **Sudanese** refugees. In December, the Knesset approved an amendment to the country's 'Infiltrator's Law' allowing the closure of the Holot detention facility in the Negev Desert, where most of the 38,000 migrants and refugees in Israel are held, and their forcible deportation from March onwards (AC Vol 56 No 13).

For several years, Israel has been paying the **Rwandan** and **Ugandan** governments up to US\$5,000 per person, which both countries deny, to take migrants and refugees because it cannot legally send them back to their own countries. Most of them arrived in Israel between 2006 and 2012.

Kigali and Kampala have already accepted about 4,000 migrants who had signed a document saying they had 'willingly left' Israel, according to

reports in the Israeli media. Israel's Population and Immigration Authority has estimated that the deportation programme will cost US\$86 million, including an 'exit grant' of \$3,500 to each migrant who leaves. Those who refuse to leave face prison. Reports from Uganda and Rwanda say many of the migrants immediately begin to make for **Libya** in an attempt to reach Europe.

The deportation policy stands in marked contrast to Israeli Prime Minister **Benjamin Netanyahu's** recent 'charm offensive' in Africa, seeking diplomatic support at the United Nations and contracts dependent on Israel's security expertise (AC Vol 58 No 7).

Senegal

SOCIALISTS SACK SALL

■ The trial of the mayor of Dakar, **Khalifa Sall**, is tearing Senegal's oldest political party apart. On 30 December the *Parti socialiste* (PS) expelled 65 members for breaching discipline, including Sall, previously a potential rival to President **Macky Sall** for the PS's presidential nomination. Khalifa Sall has been in prison for nine months on charges of embezzling nearly US\$3 million in anti-poverty funds that his supporters say are trumped up.

Other local leaders expelled include **Barthélémy Dias** (Mermoz-Sacré-Coeur) and **Bamba Fall** (Medina). **Aissata Tall Sall**, the deputy mayor of Podor, was also thrown out. They were being punished for opposing PS Secretary-General **Ousmane Tanor Dieng** because, they say, he has presided over the decline of the once-dominant PS, which now holds a junior position in *Benno Bokk Yakaar* (BBY), the governing coalition led by the President's *Alliance pour la république*.

The dissidents had met in Kaolack on 16 December, calling for the dissolution of the PS secretariat, which they also accusing of conspiring with BBY in bringing the case against Khalifa Sall.

Khalifa Sall's supporters say the PS must rediscover its shine, reclaim its socialist identity and field its own candidate. There are agendas: Khalifa Sall's presidential ambitions are no secret and Dieng knows that PS sinecures would vanish the minute the party left BBY. Khalifa Sall has been drifting away from the party, even winning a seat in the National Assembly for another formation, *Manko Taxawu Sénégal*.

His trial resumed on 23 January. The dissidents are convinced that he has done nothing wrong and will be freed in time to prepare his candidacy. But the clock is ticking: the PS will hold its congress in June and elections are slated for 2019. Meanwhile, Macky Sall is keeping above the fray and concentrating on securing his re-election.

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BLUE LINES

It took Chief Justice David Maraga to give a constitutional perspective to the political ructions in Kenya over the last week. The government has ignored court orders to lift its closure of four television stations that broadcast Raila Odinga's theatrical inauguration as 'People's President' on 30 January. And instead of producing Miguna Miguna, the self-styled general of Odinga's National Resistance Movement, on 7 February as the court ordered, the government deported Miguna, who has dual Canadian-Kenyan nationality, the day before. Obeying court orders is not optional, Maraga pointed out: it is an obligation in a constitutional democracy.

Developments in Kenya over the past year, such as the shooting of opposition supporters and serial harassment of dissidents has prompted comparisons with Daniel arap Moi's authoritarianism. Arrests of opposition MPs and suspending the passports of Odinga's allies are part of a growing crackdown. And the publication of a fake obituary of Jimi Wanjigi, an opposition financier, in a Nairobi daily points to a particularly sinister sense of humour among Odinga's adversaries. Some fear the next step might be the arrest of Odinga himself, a move that would surely send up the balloon in areas such as Nairobi's Kibera and upcountry Kisumu.

Odinga argues that post-election disputes make Uhuru Kenyatta's government illegitimate. Flouting court orders, forced deportations and suspending passports is profoundly helping his argument.

HORN OF AFRICA/MIDDLE EAST

Rival Arab powers take their fight to Africa

Two Middle Eastern power blocs are buying friends and influence in the Horn but further damaging prospects for stability there

Saudi Arabia's and the United Arab Emirates' military dealmaking in the Horn of Africa is deepening rivalries in a region already overflowing with arms. This year, there has been a flurry of diplomatic missions and in-camera meetings at the African Union about tensions triggered by the growing foreign military presence in the Horn. Gulf states see the area bordering the Red Sea and the Gulf of Aden as their sphere of influence, militarily and commercially.

Now the conservative Gulf monarchies, Saudi Arabia and the UAE, in alliance with Egypt, are boosting their presence in the Horn as part of their competition with Qatar and Turkey, whom they lambast as leading supporters of the Muslim Brotherhood and its affiliates in the region. The immediate reason for Saudi Arabia and the UAE striking a series of military cooperation deals with Eritrea, Djibouti, Somaliland and Somalia was to strengthen their position in the civil war across the Red Sea in Yemen.

Saudi Arabia and the UAE's campaign against the Iranian-backed Houthi rebels in Yemen has been going badly. They want to use bases in the Horn in support of their bid to take control of the Yemeni coastline, cut the rebels' supply lines, and intensify aerial and naval attacks from the south. Eritrea, Somalia and Sudan all have troops fighting alongside Saudi Arabia in Yemen.

Sudan, whose Islamist regime under President Omer Hassan Ahmed el Beshir has been trying to suppress protests about rising food prices, is struggling to

maintain functional relations with both the Saudi and Qatari blocs. Khartoum is in a serious dispute with Egypt over the Hala'ib Triangle, a 21,000-square-kilometre area both countries claim (AC Vol 54 No 25).

In the 1990s, Egypt deployed its military in the triangle. There the issue might have rested, had not Cairo come to an agreement with Saudi Arabia to hand over two Red Sea islands, Tiran and Sanafir (AC Vol 57 No 14). The agreement, which caused nationalist fury in Egypt, also redrew the maritime border between the two countries and unilaterally imposed Egyptian sovereignty over the Hala'ib Triangle. Sudan reacted in December last year, sending a letter to the United Nations rejecting the deal and recalling its ambassador to Cairo.

ERITREA WIN

Meanwhile, Ethiopia is racked by dissent among its nationalities, its leaders divided over how many of its thousands of detainees to set free. Eritrea is wrestling with an exodus of young people desperate to escape the notoriously repressive conscription regime. Into this morass have stepped Saudi Arabia and the UAE as they seek regional political, military and diplomatic support for their war in Yemen against the Houthis.

The biggest beneficiary of the conservative Gulf Arab alliance has been President Issayas Afewerki, who has gained an unexpected lifeline in return for providing logistical facilities. This is a blow to Ethiopia, Djibouti and Somalia,

SOUTH AFRICA	3	NIGERIA	4	NIGERIA	5	SAHEL/MALI	6	CÔTE D'IVOIRE	8
The goodbye gets longer		Rumblings in the regions		Flying blind		Strains on the front line		AFRICA/US	9
Jacob Zuma is due to quit this month but will be spending more time with his lawyers		Veteran soldier-politicians, agitated by recent clashes, urge Buhari not to run again		The US sale of ground-attack aircraft is hugely expensive and of doubtful strategic value		Gaps in Opération Pagnali's command and control may unsettle the G5's future		SIERRA LEONE	10
								POINTERS	12

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which had previously succeeded in isolating Eritrea and preventing it from meddling in their internal affairs, mainly through a UN arms embargo and a limited sanctions regime in place since 2009.

Asmara Airport has been renovated and the Eritrean port of Assab is now a military base leased to the Saudis and the UAE from which they prosecute their war in Yemen. The UAE has taken Yemeni prisoners to Assab to be interrogated and tortured, according to human rights activists. Eritreans in

Yemen report the presence of up to 400 Eritrean troops fighting alongside the Saudi-led alliance.

It was against this background that Issayas went on a two-day visit to Egypt on 9-10 January. His talks with President **Abdel Fattah el Sisi** are reported to have centred on economic ties and what were described as 'regional and international topics of mutual importance'. Communiqués spoke of a mutual interest in a bilateral strategic partnership. The cementing of its relationship with Egypt is one of the biggest rewards for Asmara for accommodating the Gulf regimes.

For Egypt, there is potential profit in Asmara's fierce enmity with Ethiopia, whose Grand Ethiopian Renaissance Dam (GERD) is causing Cairo deep concern. The flow of the Nile into Egypt – source of nearly all its water – could be reduced, depending on how quickly Ethiopia decides to fill the 10.74 billion cubic-metre reservoir for the still uncompleted dam (AC Vol 58 No 3). Egypt is belatedly attempting to make up some of the expected deficit by commissioning a desalination plant, but this is expensive technology and it will take years to build.

REGIONAL FOIL

Egypt has used Eritrea as a strategic counterbalance to Ethiopia since the 1950s. It hosted the Eritrean Liberation Movement, the precursor of the guerrilla groups which eventually expelled Ethiopia and established Eritrea as an independent state in 1993. In recent years Ethiopia has accused Eritrea of hosting rebels bent on attacking the GERD. In March 2017 Ethiopia said Eritrea was behind an unsuccessful attempt by the Benishangul Gumuz

People's Liberation Movement to raid the dam. Eritrea denied the accusation. Later that year 150 members of the same group defected to Ethiopia and accused the Eritreans of instructing them to sabotage the dam.

On the day of the Issayas/El Sisi meeting, the Qatar-based Al Jazeera television news channel claimed that Egypt had 'sent hundreds of its troops to a UAE base in Eritrea, on the border with Sudan'. The channel said the deployment was a response to Turkey expanding its influence in the region by establishing a military base at the ancient Sudanese port of Suakin, even though the UAE base in Assab is 700 kilometres from Sudan as the crow flies, and much further by road.

A pro-Muslim Brotherhood media outlet, the London-based *Middle East Monitor*, went further, alleging that Egypt was training Eritreans at its military academy at Sawa, close to the Sudanese border. These reports were dismissed by the Eritrean Minister of Information, **Yemane Gebremeskel**, who tweeted: 'Al Jazeera News Channel seems to relish propagating false and preposterous news on Eritrea.' Al Jazeera is caught up in Doha's larger struggle with Saudi Arabia, which included scaling back the television channel among its 13 demands on Qatar when it launched its dispute with Doha last June.

Sudan is navigating these competing blocs. Omer believes he faces a threat from Eritrea. In late December, he declared a six-month state of emergency in the state of North Kordofan and in Kassala, which borders Eritrea. Early in January hundreds of Sudanese troops together with military vehicles and tanks were reported passing through the town of Kassala en route to the Eritrean border. The manoeuvres were said to be designed to counter smuggling and human trafficking; this is hardly plausible, since the border region has been used for such practices for decades, with officials on both sides implicated in the trade.

Meanwhile, Ethiopia tries to mitigate the threats it faces from a resurgent Eritrea and its heavyweight allies. Ethiopian Prime Minister **Hailemariam Desalegn** met the Sudan Armed Forces Chief of General Staff, Lieutenant-General **Emad el Din Mustafa Adawi**, on 8 January. **Workneh Gebeyehu**, Ethiopia's Foreign Minister, has held meetings with the UAE's Minister of State for International Cooperation, **Reem bint Ibrahim al Hashimy**, the outcome of which is not known. Hailemariam also went to Cairo on 17 January to meet the Egyptian President; the only topic publicly revealed to have



been under discussion was the GERD. At a joint press conference on 18 January, El Sisi declared his 'profound concern' at the deadlock in the tripartite technical committee (also involving Sudan) studying the impact of the GERD, while he and Hailemariam signed several memoranda of understanding on other issues. On 29 January, on the sidelines of the African Union summit, the leaders of Ethiopia, Egypt and Sudan discussed ways of cooperating and pledged to find a peaceful and cooperative solution to

the Nile dispute.

Somalia's President **Mohamed Abdullah Mohamed 'Farmajo'**, despite his country's close ties to Turkey and Qatar, tries to maintain good relations with Saudi Arabia and the UAE, which help to finance his government. However, when the UAE signed an agreement with Somaliland to open a military base in Berbera, Somalia still protested. And so far, Farmajo shows no sign of bowing to Saudi Arabian pressure to break Somalia's ties with Qatar.

What is apparent is that there is a new scramble for influence along the Red Sea. If the reports of Egyptian troop deployments to Assab are confirmed, then Cairo will have joined Saudi Arabia and the UAE in the Eritrean port. At the same time, Turkey is adding Sudan's Suakin to its base in Somalia and a possible base in Djibouti. Could Egyptian and Turkish forces be drawn into the Yemeni civil war on opposite sides? The Horn of Africa is entering a dangerous phase. ●

SOUTH AFRICA

The goodbye gets longer

After weeks of messy negotiations, Jacob Zuma is due to quit this month but will be spending more time with his lawyers

The latest deadline for **Jacob Zuma's** exit from the Presidency is 21 February. On that day the budget is due to be read in parliament, according to **Baleka Mbete**, Speaker of Parliament. The opposition parties have tabled yet another vote of no confidence in Zuma for the following day. Before that must come the President's State of the Nation Address which sets out the year's political and economic plans. That address will be read by **Cyril Ramaphosa**, insists his camp, frustrated after weeks of meandering negotiations to ease out Zuma. The assumption is that by then, Deputy President Ramaphosa will have taken over the top job from Zuma.

After eight failed attempts to persuade him to quit, Zuma now seems serious about leaving. The spectre of an emergency meeting of the governing African National Congress's national executive committee on 7 February which was likely to vote to sack him seems to have concentrated minds. The balance of power on the National Executive Committee (NEC) and the 24-strong National Working Committee has shifted decisively in favour of Ramaphosa since his election as President of the ANC in December (AC Vol 57 No 25).

A meeting between Ramaphosa and Zuma in Cape Town on 6 February, worked through a four main negotiating points:

- Immunity from prosecution for Zuma for the 784 charges of fraud, corruption and racketeering which are due to be reinstated, and charges arising from the newly instituted 'state capture' inquiry. South African law doesn't provide for

immunity and there's no prospect of changing the constitutional rules. But Zuma could get a presidential pardon if he's convicted. Ramaphosa is said to be willing to help Zuma within 'what the law allows' as the price for him going quietly. One idea is to institute a Truth and Reconciliation Commission-style inquiry into post-1994 corruption, which would include malfeasance by business as well as ANC politicians. Immunity for the accused would be granted in return for telling the truth. This would cover Zuma allies, not yet charged but who fear future investigations into corruption.

- Zuma wanted his Cabinet and appointees in the police, security and prosecuting authorities to stay. These include: State Security Minister **Bongani Bongo** and Energy Minister **David Mahlobo** (who was responsible for pushing the nuclear power deal with Russia). Ramaphosa rejected this but agreed to a 'unity' government in which all party factions would be represented.
- Zuma wanted an interim president until the 2019 elections. Initially, he had proposed his ex-wife **Nkosazana Dlamini-Zuma**, who lost to Ramaphosa in the ANC leadership election. This was also rejected.

- Zuma is asking for his legal fees from the corruption cases on the arms deal in the 1990s and on the state capture inquiry to be covered on the grounds that he was working for the government at the time. Ramaphosa has sought legal advice on this request.

Over the next two weeks, both sides are to consult with their lawyers and advisors to produce some form of exit deal that would preclude Zuma facing either a hostile vote in the

NEC or another no confidence vote in parliament.

Whatever the terms of the deal, it will do little to quell mounting unrest across the country on jobs and land. For the 20 million South Africans in the countryside, Zuma's exit will, at best, be a symbol of change. But it could bring new insecurities for people dependent on state jobs and contracts.

Chief Justice, **Mogoeng Mogoeng**, has told the Johannesburg weekly *City Press* that unless the political factions can find a way to reconcile there would be a risk of civil war. **Julius Malema**, fiery leader of the Economic Freedom Fighters and a boisterous critic of Zuma, says his party will give Ramaphosa an even tougher time. With Zuma out of the way, activists will concentrate their fire on Ramaphosa's ties to white capitalists.

Comparing the coming political changes in South Africa to the departure of a company's Chief Executive Officer, a business source said that Zuma had packed the 'middle management' with 'his hand-picked intelligence operatives' who would have many ways to constrain Ramaphosa.

Top of the agenda after Zuma's exit is likely to be the land question. Ramaphosa reluctantly endorsed his party's backing of expropriation of land without compensation, provided that it doesn't undermine the economy, but he is already working to minimise the economic and political disruption that it could cause.

Part of the ANC's proposed land reform involves the transfer the ownership of tribal lands from traditional leaders to the state 'on behalf of the people'. An attempt to do this by passing the Communal Lands Act was blocked by the Constitutional Court. This means that the apartheid era laws on land still apply in the former black homelands known as Bantustans.

Recently, there has been a spate of deals involving politically-connected traditional leaders and business developers taking over large swathes of land without due process or regulation.

But the Zulu King, **Goodwill Zwelithini**, wants guarantees that there will be no tampering with the Ingonyama Trust set up in 1994 on the eve of the first non-racial elections. This made the King custodian of most of the Zulu lands, as much as 2.8 million hectares or some 60% of KwaZulu-Natal province (AC Vol 58 No 6).

ROYAL ASSENT

This year, Ramaphosa, a Venda, has had some urgent discussions over land with monarchs including his own king, the Shangaan king, as well as to Prince **Mpapatla Modjadji**, regent for

Limpopo's 12-year-old Rain Queen, Queen **Modjadji**. Some 17 million South Africans live on land previously managed by the homeland governments under the apartheid system. Now, the legal basis of land rights in those areas is in doubt. South Africa has ten such monarchs of which the Zulu king is the most influential in business and politics.

It seems Ramaphosa has been courting King **Zwelithini** to help persuade Zuma, who prides himself on his Zulu culture, to leave office. In return for any such help, Zwelithini struck his own bargain.

'We must not be provoked,' said

King **Zwelethini** last month at a commemoration of the Anglo-Zulu battle of Isandlwana in northern KwaZulu-Natal. 'I warned Mr Ramaphosa that as the governing party they must not make the mistake of taking away the land of the Zulus because all hell will break loose.'

On 5 February, King **Zwelithini** summoned Zuma for a lengthy meeting, to give him a similar message about the land. Although journalists were not invited to the discussions, we hear that some kingly advice about the need to leave political office with dignity was part of the conversation. ●

NIGERIA

Rumblings in the regions

Veteran soldier-politicians, agitated by the clashes between farmers and herdsmen and a poor economy, urge Buhari not to run again

Do not adjust your almanacs. The succession of statements from retired generals and civil war veterans, most of whom held power in the 1980s, may make it look like Nigerian politics is veering into a time warp. First, the doyen of the soldier-politicians, General **Olusegun Obasanjo**, wrote one of his customary open letters to President **Muhammadu Buhari** on 23 January, advising him not to stand for a second term of office (AC blogpost). Obasanjo's open letters have unerringly triggered political change in the past, as President **Goodluck Jonathan**, beaten in the 2015 elections, knows to his cost (AC Vol 54 No 25).

It was, said the octogenarian Obasanjo, time for 75-year-old Buhari to pass the baton to a younger generation. The two main parties, the governing All Progressives Congress (APC) and the People's Democratic Party (PDP), had failed, he added, and the country needed a dynamic new force that would bring its youth and women into politics.

That was the nub of Obasanjo's call for a 'Coalition for Nigeria', a political movement that was launched on 31 January by **Donald Duke**, a former PDP governor of Cross River State, and **Olagunsoye Oyinlola**, a former PDP governor of Osun State. Also on the platform was **Buba Galadima**, a former ally of Buhari's still serving on the APC's board of trustees. At the launch were **Obi Ezekwesili**, a former Minister of Education and a leader of the group demanding the return of the kidnapped Chibok schoolgirls, and

Olisa Agbakoba, a senior lawyer and long-time human rights activist.

Even if the Coalition succeeds in mobilising civil society leaders and a younger generation of activists, its strategy is to build a third big political party to challenge the current duopoly. To cover the country, with its electorate of over 70 million, it will need serious organisation and lots of money – neither of which is in evidence so far.

It has less than a year to prepare for national elections next year and the government will throw legal obstacles in its path. But it will at least shake up the political establishment.

Obasanjo was not at the launch. Duke and Oyinlola visited him the following day in Abeokuta, where he signed a membership card and gave a short homily to the movement he said would shake up Nigeria's politics.

Days later, on 4 February, the office of General **Ibrahim Badamasi Babangida**, 76, another former military head of state, released a statement also calling for a younger generation to take over politics and advising Buhari not to stand for a second term. 'I do not intend to deny President Buhari his inalienable right to vote and be voted for,' the statement said, 'but there comes a time in the life of a nation when personal ambition should not override national interest.'

PALACE REPLAY

It was beginning to look like a replay of a 30-year-old political drama, albeit in constitutional guise. In 1985, Obasanjo

publicly criticised Buhari's military regime for its dirigiste economic policy and authoritarian style. In August that year, Babangida led a palace coup against Buhari with the help of General **Aliyu Mohammed Gusau**, a military intelligence officer (AC Vol 55 No 5).

This time, there is no question of the ailing Babangida driving a tank into State House. Some family members released a more benign statement later in the day claiming that the first one had been released by his spokesman, **Kassim Afegbua**, without the general's consent. That prompted the fiery Inspector General of Police, **Ibrahim Idris**, to order Afegbua's immediate arrest for issuing a 'fake statement'. In true Nigerian tradition, Afegbua shot back with a threat to issue a billion-naira lawsuit against Idris for defamation.

Of the other political generals, **Aliyu Gusau** has launched his own foundation and is contesting for the presidential nomination of the PDP in the party's primaries this year. Generals **Abdulsalami Abubakar** (who is Babangida's neighbour in Minna, the capital of Niger State) and **Theophilus Danjuma** are also uneasy about current trends but less inclined to speak out publicly.

Both Babangida and Abubakar hail from the Middle Belt, where clashes between itinerant herdsmen and settled farmers have escalated over the past year. Civic groups claim that over 160 people were killed in such clashes last month alone. On 30 January Amnesty International reported that Nigeria's air force had bombed five communities in Adamawa State during fighting on the ground.

An air force spokesman said the bombings were meant to deter herdsmen from attacking villages. However, about 85 people died in the clashes and 3,000 homes were destroyed. Governor **Samuel Ortom** of Benue has claimed that although he warned top

officials in Abuja of impending attacks by herdsmen on villages in his state, no security help was forthcoming.

The herdsman-farmer clashes, with both sides forming well-armed 'self-defence' militias, has become the dominant security issue in the country. In reality, it is one element of a wider problem of rampant criminality, either ignored or encouraged by local politicians.

For Buhari, it is a core issue on which he has campaigned for over a decade. In several interviews, he has

warned that if the livelihoods of the herdsmen, mostly from his own Fulani ethnic group, are not protected as part of a coherent agricultural and livestock strategy, mayhem will ensue.

That strategy, or at least its implementation, is still missing. Instead, some states have passed anti-grazing laws which bar the herdsmen from staying on farmland as they drive their herds from the far north to Lagos, the commercial capital.

In search of some kind of settlement, Buhari has despatched his redoubtable

Vice-President, **Yemi Osinbajo**, to sound out both sides. But with alarming reports emerging from the Middle Belt every day, the matter has become heavily politicised.

Top officials such as police chief Idris and some military officers are accused of backing the herdsmen. There are reports of helicopters dropping weapons and battle-hardened fighters being recruited from neighbouring countries. Pressure is mounting for the government to take more decisive action. ●

NIGERIA

Flying blind

The US sale of ground-attack aircraft is hugely expensive and is of doubtful strategic value in the fight against Boko Haram

President **Donald Trump's** decision to unfreeze export approval for weapons for Nigeria, mainly combat aircraft, is under fire. Not only does the Nigerian air force (NAF) have a record of causing excessive civilian casualties, but guerrillas have never yet been defeated by air power alone and most think *Boko Haram* will be no exception. Getting the sale past US objections about human rights abuses by the Nigerian military, as well as its competence in the field, has been a point of pride for Abuja, which regards the deal as a major victory.

The sale, approved just before the New Year, should be complete before the end of February. The lion's share of the US\$580 million package is for 12 Embraer A-29 Super Tucano planes, and their associated arms, maintenance and training. The **Brazilian**-designed aircraft, made under licence in the US, are primarily designed for attacking forces on the ground in 'low-threat environments', i.e. where the enemy does not have strong anti-aircraft defences or its own air force. They will be used in the fight against *Boko Haram* jihadists in the north-east. The contract accounts for half of Nigeria's entire \$1.3 bn. defence budget for 2017.

The deal has been highly sensitive in the US. Since Trump first considered unfreezing the export in April 2017, the US has imposed stringent conditions. These include a 2020 date of transfer for the aircraft, plus a condition that Nigerian technicians won't form part of the maintenance crews, that they won't be trained by US personnel and that Nigerians will not be allowed to

study the planes' manufacture. Nigerian Defence Minister **Mohammed Mansur Dan-Ali** has protested and vowed not to pay up unless the restrictions are relaxed, saying he will discuss the matter with the US ambassador. On 5 February Dan-Ali said the US would be delivering the jets as soon as possible. He added that the military had comprehensively downgraded *Boko Haram*, driving them from their redoubt in north-east Nigeria.

Outline agreement to the sale was granted in May 2016 as the Obama administration took account of President **Muhammadu Buhari's** anti-corruption efforts. However, in one of Obama's last decisions in office, approval was rescinded after the NAF's accidental bombing of a camp for internally displaced persons in Rann, Borno State, in January 2017, which killed 236 people and injured several others, among them 20 aid workers.

'REGRETTABLE'

The Rann camp, run by *Médecins sans Frontières* and the Red Cross, helps refugees escaping fighting in Borno. Although Nigeria's Defence Ministry described the bombing as a 'regrettable operational mistake' and blamed faulty intelligence, Human Rights Watch noted that it was 'not the sole example that we have of the air force dropping munitions on civilians'. Amnesty International, meanwhile, has called for the military to play no role in internal policing (AC Vol 55 No 18).

Buhari subsequently sacked his most senior civil servant, **Babachir Lawal**, after a Senate investigation

discovered in May 2017 that funds for clearing weeds from north-eastern areas threatened by *Boko Haram* – to prevent flooding – had been diverted to a company set up by Lawal. Lawal denies any wrongdoing.

In December Buhari told the BBC that Nigeria had 'technically won the war' against the militants. He insisted that the group can no longer stage 'conventional attacks' against security forces, towns or villages and can only fall back on improvised explosive devices.

Within a week of the President's remarks, *Boko Haram* leader **Abubakar Shekau** issued an exultant video claiming successful attacks in Maiduguri, Gaboru and Damboa in which 25 loggers were murdered, four food aid workers killed and three people burned to death, the last incident taking place on Christmas Day (AC Vol 59 No 1). In a review of Islamist militant actions in Africa during 2017 the Washington-based Africa Center for Strategic Studies estimated that although fatalities had fallen sharply, *Boko Haram* was still responsible for 500 violent events.

The Super Tucano is designed for aerial reconnaissance and counter-insurgency. The ability to conduct surveillance, strafe and bomb the insurgents' stronghold in Borno's Sambisa Forest might have been useful in 2014, when the kidnapping of 219 female students in Chibok caused an international furor and the army attacked the loosely connected but tightly organised *Boko Haram* units holding the girls hostage, scattering them across the scrubland. However, Dan-Ali said that since Buhari's government took over in mid-2015, the military had freed about 30,000 people, mainly women and children, held by *Boko Haram*.

Politicians from the region, such as Senator **Abubakar Kyari**, chairman of the Senate Defence Committee, took issue with Dan Ali, saying that at least

one of the local government areas in his constituency of Borno State was yet to be liberated from the insurgents. Another politician from the region, Senator **Ali Ndume**, criticised the government's allocation for the reconstruction of the north-east as woefully inadequate. It budgeted N45 billion (US\$125 mn.) against an estimated reconstruction cost of N2.7 trillion (\$7.5 bn.). That brings the arguments over the value of the Super Tucano aircraft into sharper focus.

And yet, as **Matthew Page**, an independent analyst formerly with the State Department who is opposed to the arms deal has noted, the rebels now operate 'in the shadows, conducting suicide bombings and other kinds of asymmetric attacks. Since the fall of its ... stronghold, *Boko Haram* hasn't been vulnerable to the Super Tucano's powerful air-to-ground attack capabilities.'

The aircraft would be useful in fighting the war that Buhari claims is already won, not the tricky tactics involved in countering asymmetric war. It is in wide use in developing-country air forces, such as that of **Afghanistan**, and its advocates are likely to argue that it allows greater accuracy than the NAF's faster-moving Dassault-Dornier Alpha jets and its **Chinese** J-7 fighter bombers, which are based on the antiquated Soviet-designed MiG-21. The NAF inventory also includes **Russian**-made

helicopter transports and gunships. In February last year, Trump had a phone conversation with Buhari during which he promised to provide planes to fight *Boko Haram*. Buhari's spokesman **Femi Adesina** promptly trailed the sale of A-29s as a matter of prestige.

Since the Chibok kidnappings, the US has flown Predator drones over the Sambisa Forest on reconnaissance missions but will not share raw intelligence with its Nigerian counterpart. The concerns which led directly to the halt of the Super-Tucano deal in May 2016 centred both on human rights worries and on the capacity, reliability and effectiveness of the Nigerian military in general.

The US Senate's Africa subcommittee heard evidence in 2014 from **Alice Hunt Friend**, who was the Pentagon's principal director for African affairs during the Obama administration. 'Nigeria has failed to mount an effective campaign against *Boko Haram*,' she told the committee. The then acting Assistant Secretary of State for African Affairs, **Robert Jackson**, told the hearing that 'when soldiers destroy towns, kill civilians and detain innocent people with impunity, mistrust takes root'.

MUTINY

Nor did the US view improve in the wake of the Nigerian army's two mutinies, which came shortly after the congressional hearings, at 7th

Division's Maimalari Barracks, near Maiduguri. The first mutiny was over the high death toll on the army's side and soldiers' complaints about poor equipment – some told reporters that their mortars were issued in the 1960s. The second mutiny happened when the replacement commanding officer, Brigadier General **M.Y. Ibrahim**, barred 'okada' motorcycle taxis and 'Keke NAPEP' tricycles, which were the average soldier's only way of getting around the base. They complained that as they were rarely paid on time they couldn't afford their own transport. By December 2014, bilateral US-Nigerian military relations had broken down.

In 2016, Amnesty International disclosed evidence of arbitrary arrests and detention at Giwa Barracks in Maiduguri which had led to the deaths of 149 'insurgents', including 11 children, in appalling conditions. It also reported mass killings by the army, footage of which soldiers shared on their mobile phones.

President Buhari's pledges to fight corruption and his renewed efforts against the jihadists have done much to remove US objections. Maryland Senator **Ben Cardin** told US reporters that he was 'leery' of the latest deal because of the Nigerian army's record but supported it, although he said 'progress needs to be made in protecting the civilian population'. ●

SAHEL/MALI

Strains on the front line

Opération Pagnali signals a cross-national resolve to fight jihadists, but gaps in command and control may unsettle the G5's future

Important organisational and financial matters may remain unresolved, but the G5 Sahel countries' new joint military force is preparing to launch *Opération Pagnali* regardless. It will be the force's second major intervention against jihadist groups and traffickers active across the G5 region, particularly in the 'three-frontier zone' where the borders of Mali, **Burkina Faso** and **Niger** converge, but also in **Chad** and **Mauritania**.

The need for a reinforced security effort has been brutally demonstrated in central and northern Mali in recent days: 26 civilians died when their vehicle hit a landmine at Boni on 25 January, while militant attacks on military bases in Niafunké on

27 January and Ménaka the next day left at least 19 soldiers dead.

Meanwhile, with a steady trickle of summits and other high-level meetings, Sahelian governments and international partners are hammering out the practical arrangements that will put the new body – the *Force conjointe du G5 Sahel* (FCG5S) – on a properly coordinated basis.

On 15 January in Paris the French Armed Forces Minister **Florence Parly** hosted G5 defence ministers and chiefs of staff, United Nations, African Union and European Union officials, and other partners. An 'operational roadmap' of issues still to be addressed was agreed and signed. Political leadership lies with G5 heads of state, with the group's

6 February summit in Niamey seeing Niger's President **Mahamadou Issoufou** take over the rotating chairmanship from **Ibrahim Boubacar Keita** of Mali.

Such is the urgency of the Sahel security crisis that the G5 and **France** – the key advocate for the force – are launching operations while funding and organisational arrangements are still being put in place. Organisational problems quickly emerged in December when President **Emmanuel Macron** hosted his G5 counterparts together with Chancellor **Angela Merkel** of **Germany** and Prime Minister **Paolo Gentiloni** of Italy, as well as **United States**, EU and UN representatives, at summit talks at La Celle Saint-Cloud, on the outskirts of Paris.

AWKWARD LOGISTICS

Although troops and money were initially seen as the main obstacles to creating an effective force, it is now clear that administration, financial management and logistics could prove equally awkward.

Donors have pledged US\$365 million of the \$530 mn. required

for the first year of operation (AC Vol 58 No 23). This includes \$61 mn. from the EU, \$10 mn. from France, \$6.1 mn. from the Netherlands, \$100 mn. from Saudi Arabia, \$30 mn. from the United Arab Emirates and \$60 mn. in bilateral US support for G5 armies. China is also believed to have promised money during Macron's visit to Beijing early last month, while Parly sought a Japanese contribution when she met Prime Minister Shinzo Abe in Tokyo on 27 January. A formal pledging conference is scheduled for 23 February in Brussels.

Yet donors' readiness to release the money they pledge is only part of the picture. G5 governments have agreed to set up a trust fund to receive the contributions, but managing it presents a huge challenge to a slimline organisation that has just a handful of staff at its secretariat in Nouakchott, led by the Nigérien **Najim Elhadj Mohamed**, a development planning specialist.

Other immediate priorities include agreeing troop contributions to the planned 5,000-strong force, finalising the list of necessary equipment and defining the role of the force commander, Mali's **General Didier Dacko**, who will coordinate the actions of member countries. The role of his headquarters at Sévaré in Mali must dovetail with those of regional command centres for the western (Mauritania), eastern (Chad) and central (Niger) areas of operation.

The most urgent priority for operations is the 'three-frontier zone', where numerous attacks on national and international forces have caused heavy casualties and severely disrupted economic life and essential services. This region is likely to be the focus of *Opération Pagnali*.

The G5 countries do have certain common features or strengths that equip them to build a joint force: a shared francophone heritage, a history of cooperating with France and the US in training exercises and, for some, participation in the UN peacekeeping force in Mali, the *Mission multidimensionnelle intégrée des Nations Unies pour la stabilisation au Mali* (MINUSMA). Chad and Niger have also collaborated in offensives mounted by the Multinational Joint Task Force (MNJTF), which has been fighting *Boko Haram* in the Lake Chad Basin. The Nigériens, Malians and Burkinabès are already at ease working with each other, but Mauritania and Chad are more wary, and more distant, we hear.

There was speculation about an early deployment for Chad's seasoned fighters before the annual rains in June to September. But it now appears that the troops participating in *Pagnali* – the

POLITICAL TURMOIL IN BAMAKO

If any further illustration were needed of the sense of crisis pervading the government led by President **Ibrahim Boubacar Keïta** (IBK), it came from the United Nations. On 25 January, the UN Security Council used the presentation of the Secretary General's report on Mali to issue an unusually harsh statement decrying the lack of progress in the implementation of the 2015 Algiers Peace Accord between the government and armed groups (AC Vol 56 No 13 & Vol 58 No 7). Even that assessment was rather mild: implementation has, in fact, completely stalled and armed groups keep re-emerging in ever-changing configurations, rendering the peace deal ever more meaningless (see feature).

The statement provoked wild speculation in Bamako, where it was claimed that Mali faced international sanctions. It took an intervention by the new Foreign Minister, **Tiéman Hubert Coulibaly**, to calm nerves. He told journalists on 1 February that no sanctions were envisaged and that the government shared the UN's concerns.

Coulibaly's press conference came shortly after the announcement that IBK had cancelled his visit to the 30th African Union Summit after a landmine explosion on 25 January which killed 26 people. It was the third time the President has failed to attend an AU summit. In 2015 he had to visit the northern town of Gao after deadly riots pitted the local population against the MINUSMA peacekeeping force. In 2017, he stayed away amid speculation about his health.

All this follows a turbulent end of year that was marked by an incident inside Koulouba, the presidential palace. On 29 December police discovered the body of **Fanta Sékou Fofana**, daughter of **Sékou Fofana**, a special advisor to the president, who had used his rapport with IBK to launch his daughter's career. She became a presidential receptionist and met her husband, also a presidential employee. He allegedly murdered her in a fit of jealousy on 28 December. IBK headed her funeral in the Hamdallaye neighbourhood of Bamako the following day; her husband is in police custody. A protest outside the parliament building in early January, condemning violence against women, was met with batons and teargas.

The affair confirmed the popular view of a nepotistic government lashing out when challenged. The 29 December cabinet reshuffle, in which Coulibaly moved from the Interior Ministry to Foreign Affairs, will change little, though IBK pulled a minor surprise by appointing the 63-year-old **Soumeylou Boubèye Maïga** as Prime Minister, the sixth since the start of his presidency.

Maïga cuts a dominant and ominous figure. He has an impressive CV which includes stints as Director for State Security – earning the nickname 'Mali's Beria' – Minister of Defence and Foreign Affairs and, latterly, as Secretary-General to the presidency. There is already speculation that Maïga, the ultimate insider, may use his new post as the final stepping stone to the presidency.

On the opposition side, former Prime Minister **Moussa Mara** and the official opposition leader, **Soumaila Cissé**, have taken to touring the country in an effort to show they understand that Mali is more than just its capital. **Tiébé Dramé**, **Modibo Sidibé** and the firebrand **Oumar Mariko** are also getting into gear. In early February, Mariko declared that Cissé did not represent him in the opposition and that his main concern was how to wrest power from the government.

Mariko, who has been a persistent critic of the foreign military presence on Malian soil, is unlikely to win over many allies with his uncompromising stance but neither will Dramé's repeated calls for a single opposition candidate be heeded. However, there was some discernible movement towards a joint effort when, on 2 February, Dramé declared that he had met Mariko and the activist **Mohamed Youssef Bathily** ('Ras Bath') to work on a common front 'to save Mali'. ●

word means 'thunder' in Peul (Fulani) – will be from Mali, Niger and perhaps Burkina Faso.

The intervention will build on *Opération Haw-Bi*, which took place in October and November and was the nascent force's first activity in the field, to test systems and identify potential problems: the various national military radio systems could not connect, for instance, forcing the troops to resort to mobile phones.

Jihadists have responded to the prospect of a reinforced counter-

terror effort by Sahelian states with a predictable verbal and military riposte: the *État Islamique dans le Grand Sahara*, led by **Adnan Abu Walid al-Sahraoui**, has declared that jihadists in the Sahel sub-region are 'working together' to fight against the G5 troops. There has been a fresh upsurge in spectacular militant attacks to make a public impact.

However, Sahelian governments can count on stronger foreign support to underpin and complement the work of the new force. Visiting Algiers on the weekend of 13 January, Mali's



getting impatient. Late last month the Council issued a declaration, drafted by the French, threatening to resort to sanctions if the Mali peace agreement is not implemented by the end of March.

The framework for imposing such penalties was set by the Council's Resolution 2374, adopted on 5 September last year, providing for a sanctions committee and the imposition of asset freezes and travel bans on those who obstruct the peace process. France says it would be willing to give the committee the names of obstructive individuals.

Yet at the same time, Western engagement across the Sahel is being reinforced. Although Parly has made it clear that the longer-term aim of the G5 force will be to take over certain responsibilities from the 4,000 troops deployed across the Sahel under France's *Opération Barkhane*, the French presence will remain strong for now (AC Vol 58 No 11).

EU TROOPS

Germany has 1,000 troops serving concurrently in MINUSMA (AC Vol 57 Nos 1 & 10). **Sweden**, the Netherlands, **Spain** and, most recently, **Belgium** have also contributed to the UN force, often with high-tech assets such as combat helicopters that most African participants could not offer.

Italy's Gentiloni has confirmed the deployment to Niger of 470 troops, 130 vehicles and two aircraft under a bilateral agreement with Issoufou's government, with an initial posting of 200 soldiers. The US has built a new drone base in Agadez to complement the one already in use in Niamey.

Since 2013 many EU states have contributed personnel to the European Union Training Mission stationed with the Malian army. And the UK – a frequent EUTM participant – has now announced the provision of three Chinook transport helicopters to support *Barkhane*. ●

Prime Minister, **Soumeylou Boubèye Maïga**, secured a promise that pressure would be applied to non-jihadist armed groups active in northern Mali to resolve outstanding blockages in the peace process. Maïga's Algerian counterpart, **Ahmed Ouyahia**, publicly dashed any lingering separatist hopes of a sympathetic hearing from his government, declaring Algeria's 'irreversible commitment to preserving the independence, territorial integrity and unity of Mali'.

Indeed, the former separatists of the *Coordination des mouvements de l'Azawad* (CMA) do now seem to be focused on the implementation of the Algiers Peace Accord, signed in 2015. Visiting members of the UN Security Council in New York last month, the

Azawad leaders **Bilal Ag Cherif** and **Alghabass Ag Intallah** pressed for the return of refugees and a census in the north, as well as the rapid opening of the Kidal and Timbuktu cantonment camps for fighters from armed groups. (Their opening has been delayed because the groups want between 10,000 and 14,000 fighters registered for cantonment and integration into the official security forces, while the government is cautious about accepting so many ex-rebels so quickly into the military and police, given the past history of Tuareg mutinies in the Malian army.)

But the non-jihadist armed groups and the Malian government have been haggling over the terms for cantonment and demobilisation for many months and the UN Security Council is

CÔTE D'IVOIRE Jockeying for position

With presidential elections two years away, ambitious politicians in the ruling party are manoeuvring to inherit Ouattara's mantle

'You can't be in government and in opposition at the same time. You must choose.' Joël N'Guessan, one of the ruling *Rassemblement des républicains* (RDR) Vice-Presidents, thus addressed his

party's junior partner in government, the *Parti démocratique de Côte d'Ivoire* (PDCI) in early January. At issue was preparation for the forthcoming local elections, but the remark says much about the relationship between

the two main parties in government. Neither party in the *Rassemblement des houphouëtistes pour la démocratie et la paix* (RHDP) governing coalition can yet decide whether to contest the presidential election, due in 2020, together or separately.

President **Alassane Dramane Ouattara's** RDR, comfortably the dominant partner, refuses to address the 2020 issue or engage with the question of who should succeed him as party president. He turned down the chance to be re-elected to the party leadership at its September 2017 congress but still contrived to stuff the

top echelons with his loyalists (AC Vol 58 No 20). The RDR takes it for granted that it will, naturally, provide the RHDP candidate for 2020, but its refusal to make a decision is fraught with danger. Many in the rank and file feel alienated from a leadership they see as privileged and remote. They may revolt or leave altogether. Other political groups are ready to welcome them.

TALENT SIDELINED

The PDCI is kicking its own succession can down the road (AC Vol 54 No 8). Its octogenarian leader, ex-President **Henri Konan Bédié**, has already managed to sideline the young talent in his own party – including bright stars like **Kouadio Konan Bertin**, **Jean-Louis Billon** and **Thierry Tanoh** – but he is clear about one thing: the next presidential candidate, preferably running under an RHDP flag, will come from his party's ranks. Good personal relations between Bédié and Ouattara have so far prevented a head-on clash on this issue but there is no mistaking that the two parties are on a collision course. The longer the candidate issue is allowed to fester the harder it will become to solve without major RDR-PDCI confrontations.

The opposition, meanwhile, is still struggling for relevance. The *Front Populaire Ivoirien*, split down the middle and recovering from a bruising defeat in the last legislative elections, has yet to find its feet and may find itself overtaken by *Liberté et Démocratie pour la République* (LIDER), a more radical voice led by **Mamadou Koulibaly**, who was Speaker of Parliament during most of ex-President **Laurent Gbagbo's** presidency (AC Vol 56 No 22). Koulibaly is a high-profile speaker and writer and hyperactive on Twitter.

Former rebel leader and current parliamentary Speaker **Guillaume Soro** is playing the long game, setting his sights on 2024 while continuing to build and reinforce his own politico-military network (AC Vol 57 No 18). For the time being, he is content to cultivate a plethora of 'movements' that support him. Should he decide to form his own party, he will have a wide pool of potential supporters, from disgruntled members of the RDR, the party that rejected him, to the PDCI and former disciples of a malfunctioning opposition.

Soro's Teflon qualities are evident: neither the accusations that he was connected to the failed 2015 coup in

Ouagadougou and that he masterminded the army mutinies in 2017 – all of which he denies – nor even the discovery of a cache of arms at the home of his chief of protocol, **Souleymane Koné**, aka 'Soul to Soul', have dented his ability to make friends at home and abroad (AC Vol 58 Nos 3 and 11).

REFORMS AND CRIME

Beneath all this political positioning lie issues that refuse to go away. Chief among them remain the question of reforming the army and the prosecution of crimes against humanity. The International Criminal Court in The Hague is now turning its attention to the actions of militias during Côte d'Ivoire's years of violent turmoil, as well as the fighting that followed Gbagbo's refusal to stand down after the 2010 election. Yet the presence of former rebel leaders, the so-called 'com-zones', in senior army posts sends the message that impunity is the norm. This makes enforcing discipline in an already badly divided force even harder. On 9 January, fighting broke out at the central army barracks in Bouaké and further mutinies cannot be ruled out. A slowing economy also poses risks to the government. ●

AFRICA/UNITED STATES Skeletons in the cupboard

A grand jury indictment of Och-Ziff lifts the lid on suspect deals between international financiers and investors in Africa

The latest probe into the United States hedge fund Och-Ziff's dealings in Africa has uncovered secret deals involving a company set up by the 'great and the good' of mining investment in London.

Investigators say that a scheme run by **Michael Cohen**, then in charge of Och-Ziff's Europe, Africa and Middle East operations, induced a **British** charity to unknowingly invest millions of dollars' worth of shares in a mining firm with links to Cohen. Bloomberg News named the charity as the London-based Wellcome Trust. The scheme was discovered by US prosecutors while investigating Och-Ziff's links to **Libya** and Colonel **Moammar Gaddafi's** regime.

Court documents handed down by the US Department of Justice in October last year and unsealed in January detail a complex web of share dealings in Strata Ltd., a Guernsey-listed, Africa-focused mine holding company.

Among the criminal charges against Cohen, US prosecutors allege that he induced the Wellcome Trust to invest in Strata through African Global Capital, a fund he set up. African Global Capital's partners include the former **South African** minister **Tokyo Sexwale** as well as the controversial South African businessman **Walter Hennig**, one of Strata's shareholders.

Sales of Strata shares to the Wellcome Trust were used to repay part of an US\$18 million loan that Cohen gave in 2008 to an unnamed co-conspirator to acquire a 'personal luxury yacht'. The indictment alleges that when the yacht owner failed to pay Cohen in 2010, Cohen agreed that the loan could be repaid in part by the yacht owner selling back \$4 mn. in Strata shares to African Global Capital.

Prosecutors say that Cohen then tried to cover up his actions by getting the unnamed co-conspirator to write a backdated letter. He allegedly also hid

from the Wellcome Trust the identity of a second owner of Strata shares – a 'South African national' – knowing that the charity would not have allowed the sale to go through if it had known who the owner was.

'Cohen violated his fiduciary duties to the charitable foundation by making material misrepresentations and concealing conflicts of interest,' the DoJ said. Cohen has denied all wrongdoing.

Strata Ltd. counts among its investors some of the biggest names on the London mining scene. They include the Gem Diamonds chief executive and former personal assistant to **Harry Oppenheimer**, **Clifford Elphick**, and the former JP Morgan bankers **Mike Haworth**, **Lloyd Pengilly** and **Ian Hannam**.

Hannam was hailed as the 'King of Mining' and one of JP Morgan's biggest dealmakers until 2012, when the UK Financial Services Authority fined him £450,000 on finding that he had shared confidential information with investors in an act of 'non-deliberate market abuse'. Hannam, who has extensive contacts in South Africa and has worked in **Nigeria** and **Oman**, has been linked to the most significant mining mergers of the past two decades. He also advised the Wellcome Trust on one of the biggest share sales of the 1990s.

Haworth, a well-known figure

in the City of London, holds a string of directorships in African mining companies, including Ncondezi Energy (coal), Zanaga Iron Ore and Strata Ltd. He also runs Greenstone Resources, a mining investment firm, and Greenstone Capital. He is also managing partner of Strata Capital UK LLP, a London-based mining and metals investment partnership. Strata Ltd., registered in Guernsey, went into liquidation on 2 January 2018, days before the Cohen charge sheet went public.

US law-enforcement agencies were alerted to Cohen's share deal with Strata after investigating Och-Ziff's affairs in Libya. In 2011 the US Securities and Exchange Commission opened an investigation into Och-Ziff relating to bribes Cohen is alleged to have paid an unnamed London-based businessman to gain access to the Libyan Investment Authority (AC Vol 55 No 7).

In 2007 the LIA made a \$300 mn. investment in Och-Ziff. The hedge fund also backed major property developments in Libya, including the Intercontinental Hotel in Tripoli. The hotel deal involved the London-based **Lebanese** businessman and fixer **Mohamad Ajami** (AC Vol 56 No 16). He is understood to have used his connections at the highest level of Gaddafi's government to help the **Bermuda-based** Magna Holdings, chaired by **Margaret Thatcher's** senior foreign policy advisor **Charles Powell**, to set up investments in Libya. Och-Ziff's dealings with the same London-based businessman were the focus of a criminal investigation opened by a grand jury in New York in 2013.

The connections with the Ajami

family span generations. Mohamad's son **Rami Ajami**, described in his online profiles as a financier and entrepreneur with an interest in sub-Saharan mining, names Strata Capital LLP among his former employers. Rami Ajami was also a partner in Greenstone Capital LLP, run by Haworth.

The charity-related charges are the latest in a string of high-profile corruption cases brought against Och-Ziff, the \$40 billion New York-based hedge fund founded in 1994 by **Daniel Och**, a former Goldman Sachs trader, with backing from the wealthy Ziff publishing family.

In September 2016 Och-Ziff agreed to pay \$413 mn. to settle civil charges connected with bribes paid to officials in **Libya, Chad, Congo-Kinshasa, Guinea and Niger**.

FIXING

The following December, **Samuel Mebiame**, son of the late **Gabonese** Prime Minister **Léon Mebiame**, pleaded guilty to conspiring to violate the US's Foreign Corrupt Practices Act by bribing African government officials on behalf of Och-Ziff (AC Vol 57 No 17). Mebiame made as much as \$3.5 mn. acting as a 'fixer' for Och-Ziff, supplying officials in Chad, Guinea, Niger and other African countries with luxury goods in return for access to mining licences through a joint-venture company registered in the Turks and Caicos Islands. In 2016 Och-Ziff Capital Management Group agreed a settlement with US law enforcement after being prosecuted for colluding with a partner who paid over \$100 mn. in bribes to government officials in Congo-Kinshasa between

2005 and 2012.

Och-Ziff's joint venture, created in 2008, which invested in **Israeli** mining magnate **Dan Gertler's** operations in Congo-Kinshasa, could also come under the magnifying glass. A **Swiss** court ruling on 26 January revealed for the first time that Gertler's operations are facing direct scrutiny from US law-enforcement agents. The ruling by judges in Switzerland sums up accusations of bribery 'both in cash and in kind, including in the form of luxury products and extravagant private travel', made against Gertler by the US.

The court ordered Swiss banks to cooperate with US officials by handing over records relating to two companies controlled by Gertler. The move followed the decision just before Christmas to place Gertler and 20 companies under his control on the US sanctions list and to freeze his assets in the US. Gertler, who is being represented by **Marc Bonnant**, the Swiss lawyer who represented **Israeli** diamond billionaire **Beny Steinmetz** over corruption charges levelled against him in Guinea, has repeatedly denied any wrongdoing (AC Vol 58 No 5).

US law-enforcement officials are becoming 'increasingly focused' when it comes to pursuing bribery allegations against US-linked companies and in enforcing actions abroad, particularly in Africa. Given prosecutors' pursuit of Gertler, the string of lawsuits against Och-Ziff and a reported probe into the West African activities of the **Romanian-born** tycoon **Frank Timis**, market observers are wondering which other mining companies might be next on the hit list. ●

SIERRA LEONE

Row with IMF over budget

After a pre-election giveaway budget, the IMF has suspended loans to the government for flouting agreed economic targets

A confidential despatch by **United States** diplomats in Freetown has laid bare the cause of strained relations between President **Ernest Bai Koroma's** government and the International Monetary Fund; the cable also voices what Sierra Leone's international partners really think about its prospects for economic reform.

The IMF suspended disbursements of a four-year Extended Credit Facility (ECF) in December, citing delinquency,

according to the US State Department cable to Washington. Other major donors, including the European Union, have similarly withheld budgetary support and are channelling aid to distinct projects instead, according to the cable, exclusively obtained by *Africa Confidential*.

The country goes to the polls on 7 March. Whichever of the five presidential contestants is victorious will inherit an economy in severe straits, the IMF says. President Koroma

launched his 'agenda for prosperity' five years ago, promising to take Sierra Leone towards middle-income status.

The cable was despatched after embassy staff met the IMF Resident Representative in Freetown, **Iyabo Masha**, in November. Due to the sensitivity surrounding discussions of the economy in an election season, the IMF has declined to make any public statement on the suspension of funds.

The withheld funds are part of a four-year, \$224.4 million package, negotiated in June 2017, to help Sierra Leone to offset balance-of-payments shortfalls, control inflation and build foreign reserves. The agreement governing the use of the money required Koroma's government to increase domestic revenue by collecting market-rate royalties on mineral exports, eliminating 'discretionary waivers' of import taxes on multiple goods and services, and imposing a 20% duty on

imported vehicles worth more than \$25,000.

The deal also committed the government to removing subsidies on rice and on fuel by allowing petroleum products to be taxed at real market values. Both subsidies are potentially politically explosive.

The IMF made its first ECF disbursement, of \$54.3 mn., immediately after the agreement in June. In October, Koroma chose his Foreign Minister, **Samura Kamara**, as his preferred successor and the presidential candidate for his All People's Congress (APC), setting Sierra Leone in campaign mode (AC Vol 58 No 22).

At that point, the cable says, the government told the Fund that it was not going to implement the revenue improvement measures or the cuts in subsidies because they would damage the governing APC's chances of re-election.

Instead, Koroma's Minister of Finance and Economic Development, **Momodu Kargbo**, submitted to parliament on 17 October a populist budget including subsidies for school fees and college tuition, as well as funds for teaching materials in schools and universities. The APC sees this as a deft move because Koroma's government has faced sustained criticism from the education sector, suffering persistent strikes by university lecturers over salaries and even, at one point, having to suspend exams at the once-prestigious Fourah Bay College because of a lack of

stationery.

In fact, according to the US cable, Koroma's government is yet to pay millions of dollars in salary arrears to public employees such as schoolteachers, lecturers and airport security workers. However, parliament, which the APC dominates, blackmailed the government, saying it would not pass the budget until overdue gratuities for MPs worth \$3.6 mn. were paid. The government was desperate to get the budget through parliament and gave in. Koroma signed off on a part payment coupled with assurances and the MPs passed the budget.

The new budget also promises more funding for the electricity sector, another populist platform on which Koroma stood in 2007, when he won his first presidential election.

PROMISE ON POWER

The government's promise on electricity supply repeats an old vow: to improve transmission and distribution networks to meet the needs of households, businesses and industry. Officials hinted early in January that the government has contracted a **Turkish** company to start providing 300 megawatts to the grid in February, a month before polling day. The cable says, however, that not all the necessary agreements are in place. Only the project to increase the capacity of the Bumbuna hydropower facility from 50 to 80 megawatts is going forward.

Freetown still has only intermittent

electricity, like other towns. The exception is Koroma's home town of Makeni, which has a **Chinese** grant that ensures non-stop power supply (AC Vol 57 No 20). The budget also includes plans to invest in clean water by introducing bulk supply schemes and building wastewater infrastructure.

The cable reports that the IMF believes Koroma signed the ECF agreement merely to secure the first-tranche payment of \$54.3 mn. and that the President 'lacks the political will to make requisite changes'. It adds that the Fund remains open to discussions with the government but insists that its requirements be implemented in full before it resumes disbursement. The cable speculates that, in such a contracted fiscal space, Koroma's government 'will likely resort to a cash-budget management system as was the case in 2007'. Indeed, this is already the case, as the government has reverted to the practice of paying salaries in cash.

Koroma's final budget projects total revenue and grants of \$680 mn. – a significant deficit – with expenditure and net lending forecast to amount to \$960 mn. It estimates that the economy will grow by at least 5% this year. This is unrealistic, says the US cable, which warns that if the government does not act quickly to adopt 'corrective measures' to raise revenue – 'certainly during the hoped-for honeymoon period post-election – the longer-term outlook suggests further deterioration of the national economy'. ●

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POINTERS

Sierra Leone DRILLING DOWN

■ Sierra Leone's biggest mining company, Tonkolili Iron Ore, has been accused of complicity in rape, assault and the false imprisonment of a protester in a landmark case being heard at the High Court in London (AC Vol 56 No 24 & Vol 57 No 20). In a pioneering move, the presiding judge will travel to hear statements from witnesses in Sierra Leone, the first time an English judge has gone abroad to hear a case.

The case against Tonkolili and its owner, **China's** state-owned Shandong Iron & Steel Group (SISG), comes just weeks before the presidential election, in which voters will elect their first new president in a decade and retire President **Ernest Bai Koroma**.

The case has been complicated by the collapse of African Minerals Ltd. (AML), the company founded by **Vasile Frank Timis** which took Tonkolili into production in 2015. SISG, the biggest investor in the venture, then took over the mine (AC Vol 58 No 7).

Miguel Perry, AML's former Chief Financial Officer and now a key figure at SISG, has been working hard to secure SISG's influence with presidential candidates ahead of the election, sources in Freetown told *Africa Confidential*. Perry, an ex-partner at PwC and former CFO at Eurasian Natural Resources Corporation – itself the subject of a UK Serious Fraud Office investigation into fraud and corruption in Africa – is a key witness for Tonkolili.

Tonkolili stopped producing iron ore in November, citing 'financial hardship', according to a leaked email from a manager. According to local press reports, SISG has failed to pay local staff and contractors, including the mine's main processing contractor, Magna Mining & Processing.

Mozambique SLOW TRACK FOR LOANS CASE

■ Public pressure remains as high as ever on the governing *Frente de Libertação de Moçambique* (Frelimo) to see justice done over the \$2 billion hidden loans scandal (AC Vol 58 Nos 9, 12, 14 & 18). However, party hardliners want no more dirty linen on view before next year's general election. That is almost certainly why Public Prosecutor **Beatriz Buchili** has referred the 'financial infractions' and violations of the constitution and budget law in the contracting of the loans to an administrative court for judgement. The

lower court can only issue fines. It's a sign that major criminal prosecutions, if they take place at all, are still a long way off.

Buchili insisted that her investigations into 'possible criminal infractions' continue. Local intelligentsia say this is code for probable lengthy delays. Whatever her own desire to move forward, insiders say **Buchili** lacks the clout within the state and the party to follow through.

The IMF has repeated that conspicuous information gaps highlighted in the audit by the risk advisory firm Kroll remain. IMF sources say that its official comment describing **Buchili's** statement as 'encouraging' should not obscure the fact that any financial programme is still off the cards (AC Vol 59 No 1).

Buchili, whose office is vulnerable to political interference, is in a dilemma. If she acts firmly against the perpetrators she risks losing her job, or worse, but her reputation is at stake as she stalls for time. Although the general election is over a year away, Frelimo is nervous.

Zimbabwe LEASE TO APPEAL

■ President **Emmerson Mnangagwa** has begun to tackle the tough task of balancing his inauguration promise to compensate white farmers for expropriation of their properties with his supporters' demands for land.

All remaining white farmers have been granted 99-year leases, a significant increase on the previous five-year tenures, which limited their ability to plan long term or secure credit. This shift towards supporting commercial agriculture was welcomed by diplomats and international investors, particularly in **Britain**. The British are among the most enthusiastic of the foreigners engaging with Mnangagwa's government.

Yet the extensions are little more than cosmetic changes, designed to improve the government's international image. The longer leases place huge demands on the Ministry of Agriculture, which must carry out surveys and evaluations before issuing permits. In 2017, only two were processed.

The new leases do nothing for the increasing instability in the countryside. There have been a number of land conflicts and violent evictions since Mnangagwa's inauguration, many driven by competition between the two main factions in the ruling Zimbabwe African National Union-Patriotic Front: the G40, which backed **Grace Mugabe**, and the 'Lacoste' group, which backs Mnangagwa (AC Vol 58 No 25). Last month, a 'Lacoste' official in Mashonaland Central, **Charm Chigwida**,

hired soldiers to force settlers on Birkdale farm linked to the G40 to burn down their homes, and then beat up their families. A Mnangagwa-supporting MP in Manicaland, **Christopher Chingosho**, is pressuring the new provincial Minister, **Monica Mutsvanga**, to revoke the land-offer letters issued by her G40-aligned predecessor.

Land is just one area of marked contrast between the optimistic, open-for-business pronouncements at the top and intra-party conflict at the grass roots. Unless Mnangagwa can bring his party under control, the divide will become increasingly pronounced.

Western Sahara/Morocco/EU POLISARIO AND THE FISH PACT

■ The European Union has acknowledged the Polisario Front's right to take part in the bloc's renegotiation of its fisheries agreement with Morocco, which would put the warring parties at the same table for the first time since 2012.

The European Court of Justice's advocate general, **Melchior Wathelet**, has ruled that the EU's current fisheries agreement with Morocco, which includes Western Sahara and its territorial waters, is 'in breach of its obligation to respect the right of the people of Western Sahara to self-determination'. Both the Polisario Front, which claims to represent the people of Western Sahara, and Rabat, which says the territory is an integral part of the Moroccan kingdom, are anxiously awaiting the ECJ's final decision on 27 February.

In December 2016, the ECJ ruled that a trade agreement with Morocco did not apply to Western Sahara (AC Vol 57 No 8). These European legal wins for Polisario have emboldened it to the point where its representative in Brussels, **Mohamed Sidati**, has announced that his organisation is seeking €240 million per year in compensation from European companies involved in exporting products from Western Sahara without its involvement.

Polisario's lawyer **Gilles Devers** told reporters in Brussels on 31 January that there was a '70%' chance the ECJ would strike down the fisheries pact with Rabat (AC Vol 58 No 20). The European Commission is nonetheless seeking to negotiate a new deal with Morocco after the current one expires in July. The EU pays Rabat €40 mn. a year in exchange for access to the waters off Africa's western shoulder.

'We have to recognise the court ruling and that means that Polisario will have to be part of talks,' a senior EU trade official told AC. 'I'm confident that we're going to convince Morocco that Polisario need to be in the negotiating room.'

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BLUE LINES

Public debt is spiralling and the IMF is back in business in Africa. That figures. But it's not a straight rerun of the testy relationship of the 1980s and 1990s.

Now, countries such as Ghana and Zambia are lower-middle-income countries. That means no more cheap money from the Fund or the World Bank. But their imprimatur is essential for a government to issue bonds.

Ghana's government inherited a debt nightmare from its predecessor but is ploughing an independent course. It has already raised US\$2.5 billion in bonds to help restructure its debt commitments. It's also talking to Germany and China about longer-term financing deals but is in no hurry to negotiate a new deal with the IMF.

Zambia, in contrast, faces an increasingly threatening debt mountain, after reports of reckless state procurement. Although the government is negotiating a \$1.3 bn. loan from the IMF, it adopts a tough rhetorical position. Last week, the IMF told Zambia that it would have to get Beijing to give a state guarantee to a loan offered by a private Chinese company. No one in Lusaka wanted to talk about that. Similarly, no one in President Koroma's government in Freetown wanted to talk about the IMF's decision to stop disbursements to Sierra Leone after a free-spending and electioneering budget. Or some, like the Kenyan government, simply insist there is no problem with its IMF programme, some six months after Fund has stopped disbursements.

SOUTH AFRICA

A Saint Valentine's Day massacre, of sorts

After Zuma's messy fall, new President Ramaphosa has to revive the economy, social welfare and his party

When it came, the end for Jacob Zuma came quickly. A week before, he was brusquely rebuffing polite entreaties by senior African National Congress politicians to resign from the state presidency. It all changed on 14 February, St Valentine's Day. It started at dawn when the police special investigation unit raided the Guptas' sprawling mansion in Johannesburg's leafy northern suburbs from which the family is accused of running a kind of parallel government in league with Zuma.

It was the clearest sign yet that Zuma's allies in the police, the national prosecution agency and the intelligence service had read the writing on the wall. Cyril Ramaphosa, the ANC's elected President, had taken over, and did not need to ask the incumbent for permission. Zuma could no longer protect the Guptas. His system of patronage and enforcement was in fragments. Yet it took several more hours for Zuma to accept that.

Just after midday, Zuma gave a circuitous interview to the state broadcaster, SABC, claiming he was being victimised. With a nod to his support base in KwaZulu-Natal, he suggested that his ANC comrades might not be able to handle the crisis that his forced resignation would trigger. 'What's the hurry?' he asked his would-be interlocutor. He had offered to quit the presidency in about three to six months, after he had introduced Ramaphosa to his international counterparts.

Less than six hours later, Zuma resigned at a bad-tempered press conference. He had lost the presidency,

he was likely to face a raft of criminal charges unshielded by incumbency, and several of his business associates had been taken into custody and faced prosecution for grand corruption.

Ramaphosa's elevation to the presidency the following day was as seamless and orchestrated as Zuma's final hours in the job were messy and desperate. Critics conjured up images of sheaves of documents being shredded at the last moment.

It also gave Ramaphosa just a day to prepare for his most important speech to date. He wanted to use the State of the Nation Address to parliament on 16 February to break emphatically with the past and win national support for a new economic deal and sweeping reform of state structures.

SPENDING PLEDGES

Ramaphosa struck an inclusive and collaborative note, pledging his full commitment to fight corruption, boost growth and investment, rehabilitate state-owned enterprises, restore trust in state institutions and speed up land reform and redistribution. Many of the popular initiatives promised would require several billion more in state spending over the next two years, leaving the (probably new) finance minister with a difficult balancing act to perform.

Ramaphosa promised to boost state education and to ensure that poor and working-class South Africans get a free university education or a stint in vocational training. Legislation for a

CONGO-KINSHASA 3

Kabila squeezes the miners

A row over mining profits and taxes could escalate the country's crisis

ZIMBABWE 5

After Tsvangirai

Leadership rivalries within the opposition could leave ZANU-PF with a clear run

ETHIOPIA 7

The edifice cracks

The ruling party's divisions over how to respond to growing revolt are on show

NIGERIA 8

'Feigned lawsuit' bid

US authorities say bogus litigation is being used to try to prevent the seizure of assets

SIERRA LEONE 9

UGANDA 10

POINTERS 12

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national health insurance system, a personal priority for Ramaphosa, would be introduced within a year, and a mandatory minimum wage would take effect on 1 May.

Repeatedly invoking the memory of **Nelson Mandela** in his speech, citing his 'wisdom and humility, his abiding compassion and his essential integrity', Ramaphosa sought to use the memory of Madiba as a means to unify the ANC. The centenary of Mandela's birth falls in July and the ANC wants to exploit the moment to the full.

After the drama of the past few weeks and its denouement, many South Africans are exhaling, talking again about the country's ability to turn things around. A keen spectator posted a picture on social media of Ramaphosa jogging at dawn along the promenade of Cape Town on 16 February. There was no security in sight. Even politicians were not immune to the new mood.

Ramaphosa ended his State of the Nation Address with the words of 'Send me', a swinging political anthem against injustice by jazz supremo **Hugh**

CLAIMING CREDIT FOR THE ZEXIT

After nine years of **Jacob Zuma's** presidency and patronage, there is no shortage of activists who can claim a role in his downfall. Although many in the intelligence services and the national prosecuting authority buckled, others in the South African Revenue Service and in the Treasury put up a valiant fight. The dawn raids on the Gupta mansion suggest that not all senior police officers had bent to Zuma's will.

Former Public Protector **Thuli Madonsela** and her family faced death threats for pursuing investigations into the Zuma-Gupta patronage network. Western companies such as Bell Pottinger, SAP, KPMG and McKinsey were enlisted – unwittingly, they claim – to the Zuma-Gupta cause.

Journalists and civic activists worked relentlessly, using the latest techniques in data analysis, to get the inside story on the links between the Guptas and the Zuma clique. The leak, apparently engineered by a helpful intelligence officer, of over 200,000 messages from the Guptas' email accounts helped the cause immensely.

Might this model of civic activism, funded by local business, work in other developing economies? Or will the marriage of convenience between corporate top dogs and grassroots activists split, given the searing inequities in South Africa? For now, it's a festival of backslapping.

The Organisation Undoing Tax Abuse (OUTA), run by **Wayne Duvénage**, has released a 490-page docket for a private prosecution accusing Zuma and 15 others of corrupt activities. Legal experts say the state is likely to take over these prosecutions.

OUTA have also accused many of Zuma's close aides and family members of wrongdoing: **Lakela Kaunda**, Zuma gatekeeper and head of operations at the Presidency; **Gloria Bongzi Ngema-Zuma**, one of Zuma's wives, whom the Guptas helped buy a R5.4-million house; **Duduzane**, Zuma's son and a business partner of the Guptas; Mineral Resources Minister **Mosebenzi Zwane**, who helped arrange access to Waterkloof airbase for the Guptas' wedding guests; Public Service and Administration Minister **Faith Muthambi**, accused of sharing cabinet documents with the Guptas; Public Enterprises Minister **Lynne Brown**, whose choice of appointees helped the Guptas; **Brian Molefe**, former chief executive of Eskom, Transnet and the Public Investment Corporation and a good friend of the Guptas.

Five senior executives of Eskom are also on OUTA's list. They include former chairman **Ben Ngubane**, suspended chief financial officer **Anoj Singh**, and director **Mark Pamensky**, who was in business with the Guptas.

Civil society organisations and company executives in the Business Leadership South Africa group see Zuma's exit as a huge victory for their campaign. These organisations include OUTA, the Helen Suzman Foundation (director: **Francis Antonie**), Corruption Watch (director: **David Lewis**), Section 27 (director: **Mark Heywood**), Freedom Under Law (chair: Judge **Johann Kriegler**), Save South Africa (director and founder: **Sipho Pityana**) and the Council for the Advancement of the South African Constitution (executive secretary: **Lawson Naidoo**).

While most of the non-governmental groups get funding from foundations abroad – apart from OUTA, which uses crowdfunding – *Africa Confidential* has learned that a group of chief executives and wealthy individuals contributed about R50 million (US\$4.3 mn.) to finance court cases to expose corruption in the government. Two of the key business-activists are Sipho Pityana, the first top business person to take on Zuma, and **Bonang Mohale**, the head of Business Leadership South Africa.

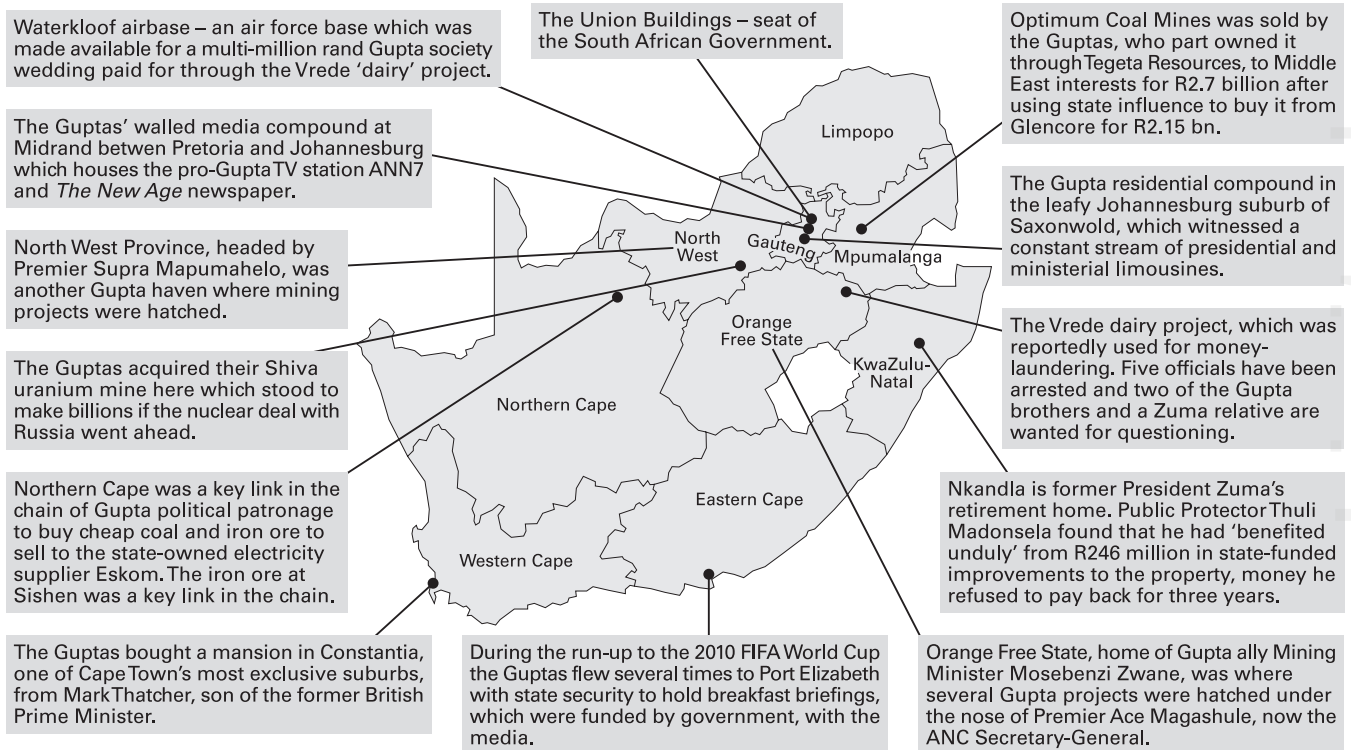
More discreet boardroom activists include: **Colin Coleman**, head of Goldman Sachs in South Africa; **Mark Lamberti**, CEO of Imperial Holdings; **Maria Ramos**, CEO of Barclays Africa Group; **Ian Kirk**, CEO of Sanlam; **Johann Rupert**, the billionaire industrialist; **Bobby Godsell**, former Business Leadership South Africa chair; **Johan van Zyl**, President and CEO Toyota Motor Europe; **Johan Burger**, CEO of FirstRand; **Trevor Manuel**, long-standing anti-apartheid activist, ex-Finance Minister, and now chairman of Old Mutual; **Mike Brown**, CEO of Nedbank; **Mark Cutifani**, CEO of Anglo American; **Stephen Koseff**, outgoing global CEO of Investec; **Tony Tabatznik**, a London-based billionaire; **Johan van Zyl**, CEO of Sanlam and former vice-chancellor of Pretoria University; **Sim Tshabalala**, CEO of the Standard Bank Group; **Sizwe Nxasana**, former CEO of FirstRand; **Jabu Mabuza**, chair of Eskom; **Sifiso Dabengwa**, director on Eskom board, former CEO MTN; **Hendrik du Toit**, CEO of Investec Asset Management; **Jacko Maree**, chairman of Liberty Holdings; **Rob Shuter**, Group CEO, MTN Group.

Business played a strategic role in the ANC's leadership transition, according to Professor **Nick Binedell**, founder and former director of the Gordon Institute of Business Science business school in Johannesburg. It funded activists to monitor corporate criminality, expose corruption, protect the constitution and expose rights violations.

'If business invested R50 million in the civil society effort and in paying legal costs for the many court cases, it would have saved the country R8 billion in a year or R24 billion over three years, if you work on GDP going up 2% in the Ramaphosa era,' said Binedell.

'That is a sound investment by any standards,' he said. 'Better than Bitcoin.' How long this honeymoon lasts between business and the **Cyril Ramaphosa**-led ANC is another matter. The first test might be their willingness to pay higher taxes and royalties to fund the multiple health, education and job creation programmes he has promised. ●

Mapping the Zuma-Gupta 'state capture' network



Masekela, who died last month. 'I want to be there when the people start to turn it around, when they triumph over poverty,' recited Ramaphosa. Hardly breaking the mood, **Mmusi Maimane**, leader of the opposition Democratic Alliance, followed with a couple of minutes of congratulations spiced with a few mild barbs. As the House adjourned Maimane dashed over and hugged Ramaphosa.

For a day, it seemed that usual political hostilities were suspended. Only the fiery leader of the Economic Freedom Fighters, **Julius Malema**, was reluctant to join the love-in. Initially demanding a national election before

a new president could be elected, Malema led his caucus, all clad in red dungarees, from the chamber as MPs were voting Ramaphosa in as the new president. Yet there was none of the mayhem of previous years. Ramaphosa was unfazed and Malema's MPs were back in parliament the following day.

The new climate, which could last for a few months at least, raises questions about how the parties will realign in the post-Zuma order. Ramaphosa's plan is to push out from the centre. On his left, he doesn't want the EFF to outbid him on policies for free education and healthcare, as well as taking tough measures to cut youth unemployment.

And on the right, a Ramaphosa-led ANC looks set to bring back the hundreds of thousands of middle-class black voters that the DA was beginning to attract, so long as Ramaphosa can stop the sectarian feuds that have been threatening the ANC's broad church.

Much will depend initially on how far Ramaphosa can keep his old support base in the trade union federation onside. Beyond that the bigger challenge will be how much revenue the government can raise to fund social programmes that will make a difference ahead of next year's elections. Ramaphosa made some big, and costly, promises on his first day in parliament. ●

CONGO-KINSHASA

Kabila squeezes the miners

A row between government and mining companies over profits and taxes could escalate the country's crisis

Western mining companies – led by Glencore and Randgold – are readying for battle with President **Joseph Kabila** over the government's plans to hike taxes and royalties on their operations. The two companies have been drawn into Congo-Kinshasa's fractious political scene as Kabila tries to extend his tenure. Due to step down in December

2016, Kabila has gradually stretched out his departure date with the direst consequences for security in the country and economic management.

Whether he chooses to run a referendum to give him another term in the presidency or continues to use short-term tactics to buy more time, Kabila will need a substantial war chest. That's where the mining companies come in.

Yet Glencore and Randgold reject the new tax measures. They are planning an international arbitration case against the government if they fail to persuade Kabila to back off. This could easily escalate with Western-backed companies getting pushed out of Congo-K and being replaced by Chinese ones. That would put 70% of the world's cobalt production, a key component of batteries for electric cars, out of the reach of Western companies.

Relations haven't always been this bad. In fact, Glencore and Randgold have been active partners of Kabila's key business ally **Dan Gertler** over the past decade. Lobby groups such as Kofi Annan's Africa Progress Panel and the anti-corruption and environmental lobby group Global Witness reckon Glencore

HOW THE GECAMINES CHIEF WANTS TO HIKE TAXES

Revising the mining code has been on the government's agenda for at least five years. The new legal framework covers exploitation of Congo-Kinshasa's copper, cobalt and gold. The previous law was adopted in 2002 to entice investors to a country at war. Today the mining sector accounts for some 95% of export revenues and contributes more than 20% of the annual budget. Nonetheless, the companies were caught off-guard by the legislation approved by parliament on 27 January.

Some modifications, such as increasing royalties on all mineral exports, introducing a tax on 'super profits' and doubling the state's equity in new projects to 10% and creating a new category of 'strategic' metals, were expected. Yet a nasty surprise lay in store after the draft law was voted through by the National Assembly on 8 December and transferred to the Senate.

At this point, **Albert Yuma Mulimbi**, the president of state-owned mining company, Gécamines, imposed himself on the proceedings, even though he is not an elected member of either house (AC Vol 59 No 1). Each of the subsequent documents – that were adopted on 24 January by the Senate and finally by a mixed commission of both chambers, supposedly convened to iron out differences in the two versions – were increasingly unwelcome in the eyes of the mining companies.

Under the influence of Yuma – ably supported by **Evariste Mabi Mulumba**, the president of the Senate's economics and finance commission – the commission, instead of harmonising the bills passed by the two houses of parliament, stealthily bolted on several unanticipated amendments. Members voted on it without having read the significantly redrawn bill, we hear.

A major divergence from the bills that went through the two chambers is a fixed royalty of 10% on exports of 'strategic substances', rather than the initially proposed 5%. The government will henceforth be able to classify particular metals this way and will probably confer the designation on cobalt, a crucial input for the burgeoning electric car industry. Nearly 70% of global supply comes from Congo-K's mines. Cobalt prices have tripled in 18 months and are still climbing.

The biggest shock was the last-minute decision to scrap a 'stability clause' which the companies assumed would protect them against the new fiscal regime for another 10 years. Glencore, Randgold, China Molybdenum and Ivanhoe Mines had erroneously assured shareholders in December that the new taxes and royalties would not apply to them until 2028. Share prices for Ivanhoe and Glencore's Katanga Mining plunged on the news. ●

has pumped cash, loans and shares worth over US\$500 million into offshore companies controlled by Gertler.

But since 21 December, Gertler has been under **United States** sanctions, accused of amassing a fortune through corrupt and opaque deals. Between 2010 and 2012 alone, the US Treasury says Congo lost over \$1.36 billion in revenues from the deliberately under-priced sale of state assets to offshore companies linked to Gertler.

In the wake of the sanctions, Glencore and Randgold have distanced themselves from Gertler. The sanctions bar Gertler from the US financial system. They also punish any company, with assets in the US system, which continues to deal with him. Glencore has told the Resource Matters group that it has not made any royalty payments to Gertler since the sanctions were announced: it has scheduled payments of some \$200 mn. to him over the next two years, according to Resource Matters.

Randgold, the biggest gold mining company in Congo, says it will stop offering exploration services to the *Société Minière de Moku-Beverendi*, majority-owned by Gertler. Beyond that, it's less clear how Glencore and Randgold will manage their business relationship with Gertler.

Matters could get more complicated for them – in both the US and Congo – if the Department of Justice decides to prosecute Gertler and his business partners. A Washington insider told *Africa Confidential* the DoJ has been investigating Gertler for several months and could indict him within 'three to four months' with the aim of getting

a guilty plea and financial settlement. That would add hugely to the pressure on Glencore and Randgold.

For now, the companies' main efforts in Congo are to block the tax hikes and fiscal reforms which raise the state's share of revenues from mining projects. On 5 February irate executives came face to face with **Albert Yuma Mulimbi**, the president of state-owned mining company, Gécamines, and Mines Minister **Martin Kabwelulu** in Cape Town at the annual African industry conference, the Mining Indaba, where the Congolese delegation had an unmistakable swagger.

UNITED FRONT

Although Yuma and Kabwelulu presented an uncompromising and united façade, defending the new law and dismissing investors' complaints, we understand there are policy differences between the two. The Mines Minister's more cautious vision of incrementally expanding the state's share of mining revenues over decades was hijacked by the Gécamines chief, our sources say. Kabwelulu now has to implement legislation which is markedly different from what he originally proposed and far more confrontational with investors.

The flamboyant **Robert Friedland**, the billionaire founder of Ivanhoe Mines, told the Cape Town gathering that he 'doesn't mind paying... as long as that royalty goes to develop, help and empower local people.'

Mark Bristow, CEO of Randgold, said: 'We've invested \$3 billion over eight years, built three hydropower plants and employed 5,000 people, and

you're going to say "we'll start a bush fire and stand back and see what it does to the jungle"?'

Mining companies believe they can still convince Kabila to scrap the law, but this seems a vain hope. **Ivan Glasenberg**, the chief executive of Glencore, visited the President in late December and could not sway him (AC Vol 58 No 5). Since the legislation was approved by parliament, the major companies' requests for a meeting with Kabila have been rebuffed. It is unlikely that Yuma would have taken such an influential role in rewriting and toughening up the bill without Kabila's authorisation.

The mining companies say they may opening international arbitration against the Congolese government. Some may temporarily stop or cut production to pressure the government.

Kabila may calculate that world demand for cobalt and the buoyant price of copper will enable him to face down the companies.

This latest row has prompted companies to kick against Yuma's double role. As well as heading Gécamines, he is also President of the *Fédération des Entreprises du Congo* (FEC), the country's main private sector lobby group, to which the mining companies belong through the Chamber of Mines.

Some company complaints that Yuma works in the state's interest when pretending to battle for his members against the government have only been whispered until now. Randgold's Bristow has started to openly criticise Yuma.

Together with Glencore, China Molybdenum, Ivanhoe, MMG, Zijin

Mining Group and AngloGold Ashanti, Randgold has founded a new industry association, denouncing Yuma's leadership of the FEC.

In a break with protocol, Yuma used his platform at the Cape Town Indaba to chastise Congo-K's mining investors for deliberately over-indebting their local subsidiaries so as to minimise their tax bills as well as dividends due to Gécamines. The state-owned company is a shareholder in nearly all the large mines and, Yuma promised, it will renegotiate these 'imbalanced partnerships' to better serve Congo and Gécamines. He has hinted that he may reconsider already paid signature

bonuses because they were too small.

Gécamines would be completing its audit of all its joint venture partners by the end of March, said Yuma. Four company audits had already revealed 'bad financial practices'. In future, Gécamines would be offering joint-venture companies some form of production-sharing arrangements to give the government more leverage, he added.

Yuma regards most mining companies as thieves but he enthuses about one recent foreign investment in Congo, a joint venture between Gécamines and China Nonferrous Metal Mining Group Co. (CNMC) to develop

a copper-cobalt deposit. His enthusiasm may be something to do with an up-front loan, reportedly worth \$870 mn., the Chinese company extended to its Congolese partner.

Gécamines, under Yuma's stewardship, has reached new levels of opacity. Last November, the Carter Center found that almost \$750 mn. paid by mining companies to the firm between 2011 and 2014 is missing from Gécamines's accounts (AC Vol 58 No 24). The failure to publish the CNMC contract, in violation of Congolese law, has fuelled concerns that Kabila is building a war chest through the mining sector. ●

ZIMBABWE

After Tsvangirai

Leadership rivalries within the opposition could leave ZANU-PF with a clear run at this year's elections

The death of veteran opposition leader **Morgan Tsvangirai**, announced on 14 February, has prompted a massive show of grief and support for one of the toughest campaigners against the ruling Zimbabwe African National Union-Patriotic Front. When his body arrived at the airport from South Africa three days later, the crowd surged over the perimeter fence.

It would have heartened Tsvangirai to see this spontaneous mass support as thousands of Zimbabweans wearing red bandanas – the party colour of the Movement for Democratic Change that he founded – gathered in the capital. Very different from the last mass demonstration in Harare in December. Then, tens of thousands of oppositionists took to the streets to demand the exit of **Robert Mugabe**, Tsvangirai's historic rival.

For the opposition, there is much to celebrate in Tsvangirai's contribution to the struggle for political rights. Under his leadership, the MDC mobilised trade unionists and farm labourers as well as professionals and the middle classes. With great courage, Tsvangirai and his colleagues challenged ZANU-PF's political monopoly in a way that none of the other opposition groups had managed.

As the country's economic woes spiralled under ZANU-PF's attempts to impose a structural adjustment programme, the MDC offered an alternative.

Thanks to Tsvangirai's leadership, the MDC drew in a broad range of activists. Workers in the country's faltering mines and industries followed him from his days as General Secretary of the Zimbabwe Congress of Trade Unions. Activists from the University of Zimbabwe, some going on to become top lawyers, joined with him with equal enthusiasm. They recognised that he had a credibility with the grass roots that they couldn't match.

On the farm seizures, Tsvangirai's footing was less sure. ZANU-PF used its grip on state media to paint him as an opponent of land reform – which he wasn't – and in hock to the white-dominated commercial farming lobby and **British** interests. It has since emerged that many in the ZANU-PF elite cut their own deals with the commercial farmers and with British-based companies.

RURAL FOLLOWING

As the ZANU-PF government stepped up land seizures, state television rebroadcast footage of Tsvangirai receiving party donations from prosperous-looking white farmers. In fact, Tsvangirai strongly defended the rights of the hundreds of thousands of farmworkers who lost their homes and jobs during the seizures. Then he built a substantial following in the deep countryside. People in tiny communities, where voting is orchestrated by the village headman, risked their lives to vote for him.

Yet Tsvangirai's legacy is now under threat. The day after his death, one of the party's Vice-Presidents, **Nelson Chamisa**, anointed himself Acting President of the MDC-T (standing for Tsvangirai). Chamisa and his allies made the announcement from the MDC-T head office in central Harare while others in the executive were at Tsvangirai's residence in the suburbs discussing funeral arrangements.

According to Secretary-General **Douglas Mwonozora**, the MDC-T leadership had agreed to postpone discussions about succession until after the burial. Chamisa's swift takeover has angered others in the party executive.

Chamisa, who turned 40 on 2 February, claims that he has the support of the youth wing, which he used to chair, and Tsvangirai's endorsement to carry the party to the next generation.

Chamisa's takeover was evidently planned some time in advance. At memorial events for Tsvangirai last week, he was always accompanied by a rowdy group of youthful supporters wearing party T-shirts with Tsvangirai's face on one side and Chamisa's face on the other.

A pastor and a lawyer, he is a charismatic speaker and has tens of thousands of followers on social media. Despite the grandstanding, Chamisa is not guaranteed the party leadership.

Mwonozora and other executives have called for a 5,000-member congress to elect the new party president. They are mobilising disgruntled MDC-T rank-and-file members to vote against Chamisa, citing what they say is his breach of party rules.

When Tsvangirai died, the MDC-T had three vice-presidents: **Thokozani Khupe**, **Elias Mudzuri** and Chamisa (AC Vol 58 No 19). Khupe was elected at the 2006 congress; Chamisa and Mudzuri were appointed by Tsvangirai

in 2016 but their positions were never confirmed in a vote. Before Tsvangirai's death, Mudzuri claimed that Tsvangirai had appointed him to act as President in his absence. Khupe claims that she is the only legitimate Vice-President, as she was elected by the people. On 20 February there were reports that youths

working for Chamisa had attacked Khupe and tried to chase her away from Tsvangirai's funeral. Chamisa then used his funeral address as a campaign speech for the presidency.

To resolve the leadership issue, the MDC-T will have to hold a congress, either to legitimise Chamisa or to elect

another leader backed by the party's structures. This will take time and funds, both in short supply.

National multiparty elections are set for July or August, perhaps sooner. To take on ZANU-PF, much revived under **Emmerson Mnangagwa's** leadership, the MDC would have to focus its organisation and meagre funds on campaigning against a particularly canny foe.

If the MDC president cannot win over most of the party's structures, a major schism is on the cards. It won't be the MDC's first. Big splits in 2005, and again in 2015, cost the party as it lost critical seats in parliament, especially after the MDC-T decided to boycott by-elections following the expulsion of its MPs.

The state tolerates opposition politics better than it did when Tsvangirai held his first MDC rallies in 1999 and began to carve out a space for opposition. Yet without a figure to unite around, the MDC could lose the local momentum that gave the party its grass-roots support. Chamisa is popular on social media but lacks Tsvangirai's broad appeal and the support of rural voters.

FAREWELL TO THE 'PEOPLE'S GENERAL'

Opposition activists loved to refer to **Morgan Tsvangirai** as the 'People's General' as a way of countering the military's gibes about his lack of liberation war credentials. A decade ago, General **Constantino Chiwenga** took the criticism a stage further, insisting that he would never salute a president who had not fought in the war against **Ian Smith's** Rhodesian Front regime.

That was then. Today, it's a humbler message from Chiwenga, now Vice-President, **Emmerson Mnangagwa** and other top figures in the Zimbabwe African National Union-Patriotic Front, a reluctant recognition of the value of Tsvangirai's contribution. Since becoming President in December, Mnangagwa had met with Tsvangirai several times, then announced the government was paying for all his medical bills.

After Tsvangirai's death, Mnangagwa visited the family home to pay homage to the opposition veteran. Tens of thousands thronged Freedom Square in Harare to pay their last respects to the opposition veteran on 19 February and a government helicopter flew Tsvangirai's casket to his eastern village home in Buhera for burial.

Supporters of Tsvangirai's Movement for Democratic Change express doubts about this belated show of respect. Sincere or not, the government's carefully nuanced statements on Tsvangirai show the power of his legacy in Zimbabwean politics. They may also betray a veiled recognition that the new ZANU-PF order under Mnangagwa and the military lacks legitimacy in many eyes.

Lacking both the financial assets and academic qualifications of the ZANU-PF elite, Tsvangirai had legitimacy in quantum. Born in 1952, he worked in textiles and then the mines, ending up as a foreman on a nickel production site. He joined the Associated Mine Workers Union, from where he was elected to the executive of the National Mine Workers Union, and became the Secretary-General of the Zimbabwe Congress of Trade Unions in 1988.

The following year Tsvangirai, formerly a rising member of ZANU-PF, cut the ties between the union federation and the ruling party. It was a decisive blow and earned him decades of hostility from President **Robert Mugabe** and his allies.

Under Tsvangirai's leadership, workers ended their block voting for ZANU-PF, turning to radical protest against the government's World Bank-backed austerity and structural adjustment programme. As economic mismanagement deepened, trade unions exerted their power to campaign for change.

Unions provided vital backing for the food price protests of 1998, then for the formation of the National Constitutional Assembly and the MDC. Tsvangirai founded the party in September 1999 (AC Vol 40 No 19). Within a few months, it mobilised a 54% vote against a constitutional reform that would have significantly increased Mugabe's powers. In neighbouring **Zambia**, the union-backed Movement for Multi-party Democracy had defeated independence leader **Kenneth Kaunda** in the 1991 elections. For ZANU-PF the message was clear.

Four months later, in June 2000, the newly formed party won 57 seats in the general election. ZANU-PF, in power for 20 years at that point, won 62 seats. For the first time ZANU-PF faced a serious challenge (AC Vol 41 No 14 & 21).

Although the Zimbabwe Electoral Commission never declared that Tsvangirai had won any presidential election, independent observers concluded that he won in both 2002 and 2008. Even the observer mission from the Commonwealth, usually so cautious with election verdicts, dismissed the official announcement of Mugabe's victory in 2002. In 2008 even the government conceded that Tsvangirai had won more votes than Mugabe (AC Vol 49 No 8). But it claimed, to general scepticism, that Tsvangirai's vote had not passed the 50% mark as required. There would have to be a second round to determine the winner.

ZANU-PF's youth militia, the police and military launched a campaign of extreme violence, killing over 200 MDC supporters and wounding thousands (AC Vol 49 No 10). This week, many of those targeted in that violence, some still bearing their wounds, gathered outside the MDC's headquarters, Harvest House, to pay their last respects to the man they call the People's General. ●

DIFFICULT POLL

This year's election was always going to be difficult for the opposition. ZANU-PF campaigners can rely as ever on the logistical support of the state machinery and propaganda support from the state media.

President Mnangagwa, who announced four days of mourning for his countryman Tsvangirai, is proving far more agile than his rivals had expected. With the aid of savvy advisors such as the trade law expert and novelist **Petina Gappah**, Mnangagwa has been transforming his international persona from party bruiser to pragmatic man of the people.

He has benefited greatly from the post-Mugabe effect. His pledges of economic reforms, abrogating the indigenisation laws, and reinstatement of property rights have already won him strong support from foreign companies and Western diplomats. Reports – whether real or spurious – that he faces heavy pressure from the armed forces could help position him as a bulwark against a full military takeover.

Mnangagwa has also promised free and fair elections (AC Vol 59 No 1). If he wins on the back of broadly credible elections with minimal violence, most of the internationals, with the exception of Washington, are likely to back him. Faced with those realities, disunity among the opposition parties and factions could presage electoral disaster. ●

ETHIOPIA

The edifice cracks

First a concession, then a crackdown. The ruling party's divisions over how to respond to growing revolt are on show

After the most tumultuous week in Ethiopian politics for years, which included the resignation of Prime Minister **Hailemariam Desalegn**, hardliners appear to be reasserting themselves in the accustomed manner.

The critical step in that process came on 16 February as the Council of Ministers approved the imposition of another state of emergency, to last an initial six months. The previous one, first declared in October 2016, was finally lifted last August (AC Vol 57 No 21). The latest authoritarian measure came after mass prisoner releases were followed by further violent unrest, a strike in Oromia that choked Addis Ababa, and Hailemariam's sudden move. It created the impression of a government about to topple.

Furthermore, the increasingly argumentative four regional parties in the ruling Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) are apparently some way from agreeing who should replace Hailemariam. Given the volatile security situation, including ethnic killings, there was a strong risk that what could be a fairly open contest for the premiership would lead to further instability.

Oppositionists blame the unrest on persistent refusal by the pre-eminent party in the EPRDF – the Tigray People's Liberation Front (TPLF), which controls the military and the national intelligence agency – to relinquish power.

LET GO

The first sign of the drama to come was the decision in early January to release political prisoners who had been jailed for years on paper-thin terrorism charges. More than 6,000 inmates were reportedly freed, including many who had been rounded up after fatal protests in the Oromia, Amhara and Southern Nations, Nationalities, and Peoples' Region from November 2015 onwards. The move followed an EPRDF Executive Committee decision towards the end of last year to free opposition members to help widen democracy. It is possible Hailemariam's fate was also sealed at that meeting.

There is no clarity about what lies behind the ensuing sequence of events.

Partly to express dissatisfaction at the failure to release leading Oromo figures, youth activists called a three-day market strike beginning on 12 February, which also closed off all the main roads into Addis Ababa. That appeared to trigger the release on Tuesday of **Bekele Gerba**, the most celebrated Oromo opposition leader, who addressed a huge crowd in Adama city alongside senior figures from the EPRDF's Oromo wing the following day.

In many ways, the timing of the release was baffling because it seemed to represent a concession to civil disobedience, suggesting government incoherence and division. It also highlighted the narrow perch occupied by leaders of the Oromo People's Democratic Organisation (OPDO), who had to shore up their newfound popular legitimacy by claiming responsibility for the release and associating with Bekele, although at the cost of upsetting some EPRDF colleagues.

Although the EPRDF recognised the need for change after years of anti-government protests, it maintained that careful management was also necessary in order not to embolden those agitating for regime change. The circumstances of Bekele's release failed that test, and the strategic error was compounded by Hailemariam's announcement two days later.

While it was widely agreed that fresh leadership was needed, the timing of the Prime Minister's departure again suggested that events were not being masterminded. The most common explanation was that first Hailemariam lost the EPRDF Executive Committee's support and then his own multi-ethnic, southern party rejected his leadership.

Although the immediate drama paused, with Hailemariam agreeing to stay on in a caretaker role, a state of emergency soon began to look likely. Yet, not only was the federal government spokesman **Negeri Lencho**, an OPDO member, in the **United States** when his Prime Minister resigned, but he then said in an interview on 15 February that there was no need for a state of emergency, again betraying the political incoherence. But even though opponents argued that the constitutional requirements for an

emergency had not been met, the continuing violence convinced security actors that the measure was needed.

Last year, after the October 2016 decree was lifted, there were deaths and mass internal displacement from fighting between Oromo and Somali factions; Tigrayans were also attacked and protesters killed by security forces late last month in northern Amhara Region. Such outrages were rare during the 10-month state of emergency.

Although the new measure was backed by the multi-ethnic Council of Ministers, there is talk of substantial opposition within the Amhara and Oromo parties. It would be an unprecedented move in the EPRDF era, but those yearning for swift reforms hope that the Front's MPs will block the reinstallation of rule by the Command Post (the governing authority during a state of emergency) when a vote is held later this month (AC Vol 58 No 15).

With the Command Post handed control of national security, and constitutional rights such as due process, freedom of assembly and much freedom of expression suspended, any immediate prospect of reform has been blocked. This makes it likely that anger will increase as even more Ethiopians give up hope that the TPLF and EPRDF will ever allow any significant moves to liberalise politics, especially in Oromia. However, the EPRDF's management of the transition will also be vital in the short term.

OROMO OPENING

Many critics thought that this month's events would pave the way for an Oromo prime minister, who, it was assumed, would be the OPDO's chair and regional president, **Lemma Megersa**. He has been the most successful EPRDF figure in the past 12 months, managing to impress a swathe of political players and observers with his dynamism, fresh thinking and ability to connect with EPRDF stalwarts, diaspora activists and the masses across Ethiopia (AC Vol 58 No 21).

Lemma's promotion would be seen as advancing the reform agenda. Yet that is not the whole story. By promoting the Oromo cause, he and his ally **Abiy Ahmed**, who shares his security background, have also capitalised to a certain extent on the open mayhem in Oromia over the past three years (AC Vols 57 No 6 & 58 No 22). That has given them a popular base, and therefore leverage, but has also angered powerful figures who see maintenance of law and order as the paramount job of the EPRDF.

A source close to the TPLF said the party's leaders were willing to

work with Lemma and Abiy, but the latest round of chaos in Oromia, which included further targeted attacks on Tigrayans, has made that unlikely. Still, the most obvious way of managing Ethiopia's crisis is to install an OPDO prime minister, and it now seems possible that after a change in the OPDO leadership this will be Abiy rather than Lemma.

What is clearer is that if the EPRDF fails to elect a chair from the OPDO who then becomes the next prime minister this will lead to even more serious disturbances in Oromia. Whether

protesters are brave enough to do so under martial law is yet to be seen.

More uncertain, and possibly less important, is the question of which other party might hold the premiership if the OPDO does not get its way. The logical favourite is the Amhara National Democratic Movement, but it does not have a strong candidate and is about to change its own leaders. Defence Minister **Siraj Fegessa** could replace Hailemariam at the top of the Southern Ethiopian People's Democratic Movement and become a relatively strong contender.

Few people other than long-disillusioned Ethiopians are predicting a serious candidacy from the TPLF, as the general perception is that Tigrayans wield far too much influence.

With the clamour for change growing, and the security state buffeted by repeated crises, the EPRDF will need to listen to the people's wishes while ensuring change is orchestrated in a way that forestalls further destabilisation. Last week's chaotic events are another indication that it may be too difficult for the beleaguered ruling front to chart this course. ●

NIGERIA

'Feigned lawsuit' bid to foil US

US authorities say bogus litigation is being used to try to prevent the seizure of Nigerian oil traders' assets

A string of unusual lawsuits is frustrating law-enforcement agencies' attempts to seize assets belonging to oil traders accused of becoming extraordinarily wealthy because they were cronies of **Diezani Allison-Madueke** during her tenure from 2010 to 2015 as Nigeria's Oil Minister. **Kolawole ('Kola') Aluko** of Atlantic Energy and **Benedict Peters** of Aiteo Group, both prominent oil producers and traders, are accused of having bought properties and luxury goods for Allison-Madueke in exchange for lucrative contracts.

In July last year, the **United States** Department of Justice (DoJ) filed a civil complaint seeking forfeiture of US\$144 million in assets belonging to Aluko's company Earnshaw Associates, including *Galactica Star*, a 65-metre yacht acquired for \$82 mn. (AC Vol 58 No 16). Assets connected to Peters have been frozen in the **United Kingdom** under the Proceeds of Crime Act; they include at least two properties allegedly bought for Allison-Madueke, one additional London property and a number of bank accounts.

The DoJ claims that a suit filed in a **Mexican** court may be a 'feigned or collusive lawsuit engineered by Mr Aluko' to keep the *Galactica Star* in Mexico. The DoJ pointed out that the Mexican proceedings were filed on the same day as multiple bankruptcy proceedings winding up Aluko's companies in the United States.

The boat is currently docked in Cancún, Mexico, having previously been sighted in Havana, **Cuba**. The US

can only confiscate the vessel if it enters its waters.

The latest papers filed by the DoJ in Texas suggest that Aluko refused to leave the yacht in July and August last year when creditors sought to remove him, and that he cited a 'forthcoming court order' as one of the reasons the boat could not sail to the Cayman Islands as creditors had instructed. The oil magnate finally left the yacht in September but his present whereabouts are unknown.

The DoJ is attempting to compel the purported new owner of the boat, a Florida company called Lightray Capital LLC, to pursue or drop the lawsuit.

Lightray Capital, a company registered in Florida owned by the banker **Ali Farooq**, bought Earnshaw, the British Virgin Islands-registered company which owns *Galactica Star*, on 10 July, 2017. This was just a week before the DoJ issued its forfeiture claim. Lawyers for Aluko's secured creditor Banque Havilland, which is based in **Luxembourg**, claim that the share certificate purporting to show the sale to Lightray cannot be genuine, because the bank held Earnshaw's share certificate at the time the sale was supposed to have taken place.

DEBTS AND PROMISES

According to Farooq, Lightray bought Earnshaw for a promissory note of \$50 mn., payable to Aluko. At the time of the sale Earnshaw was the owner of assets valued at roughly \$144 mn. Involuntary bankruptcy proceedings filed by Campion Maverick

Inc., a company owned by Farooq's cousin, listed unsecured debts of \$83 mn. in favour of Campion.

Banque Havilland says that the documents which assigned this debt to Campion contained the forged signature of **Johnnie Quaicoe**, Aluko's financial advisor and signatory for Earnshaw.

The US Trustees' Office alleges that the case is a way for Farooq and his family to hold on to Earnshaw's assets, either through a 'friendly sale' or through the \$83 mn. claim by Campion.

Meanwhile, in the UK, Aluko has sold his £12 mn. property at Grove End Road in St John's Wood, London, despite multiple requests by the **Nigerian** government to freeze the property (AC Vol 58 No 20). Under Aluko's ownership, the property had charges in favour of Deutsche Bank and **Igho Sanomi's** Lengard Projects. The seven-bedroom property's new owner, BVI company Aranda Overseas Limited, paid £9 mn. for it. The property does not appear to have been sold on the open market.

SAFE ASSETS

A Nigerian judge declared late last year that properties bought by Peters, Chief Executive of Aiteo Group, were purchased with legitimate earnings. He declared the assets to have been 'legitimately acquired', including the three properties in London which were restricted under the Proceeds of Crime Act by the UK Crown Prosecution Service in September 2016 and October 2017.

The US DoJ alleges that two of the properties were bought as intended bribes for Allison-Madueke. The defendant and the former Oil Minister deny any wrongdoing.

The plaintiff in the case at the Abuja High Court was **Moses Uyah**. Uyah is believed to be a civilian who is not a representative of Nigeria's Economic and Financial Crimes Commission (EFCC).

Dismissing Uyah's lawsuit on 7 December, 2017, Justice **Valentine Ashi**

went beyond stating that the plaintiff had failed to show that Peters's assets were illegitimately acquired. According to news reports circulated by Aiteo, the judge declared that the assets had been legitimately acquired and that they 'cannot be forfeited to the government under any circumstances'. No order, however, can bind future decisions of a court., a legal source told *Africa Confidential*.

In a separate case concerning some of the same assets, Aiteo is seeking to restrain Nigeria's Attorney-General and the EFCC from 'activating, making use of, registering or applying/enforcing' the October 2017 UK restraint order and to prevent the Attorney-General from taking actions 'aimed at crippling the business operations and freezing of accounts' belonging to Aiteo. The EFCC argues that the case constitutes an

abuse of process.

Meanwhile, the latest report from the Nigeria Extractive Industries Transparency Initiative shows that Aiteo defaulted on a number of payments due in 2015 on production from Oil Mining Lease 29, which it acquired from Shell (AC Vol 58 No 7). The payments include petroleum profits tax, Niger Delta Development Commission levy and education tax. ●

SIERRA LEONE

'Usual suspects' face challenge

With two weeks to polling day, the field is surprisingly open among those wooing voters for the chance to succeed Koroma

To many, the scandal surrounding the government's misuse of IMF funds to prime the electoral pump for the benefit of the ruling All People's Congress (APC) typifies the country's parlous state (AC Vol 59 No 3). The economy is stagnant, inflation stands at 20%, and financial support from Western donors and multilateral institutions is on pause because President **Ernest Bai Koroma's** government will not grasp the nettle of far-reaching economic reforms, even though it has formally agreed to them. To cap it all, Freetown made an agreement with **China** to build a US\$300 million airport in spite of numerous studies identifying it as a white elephant and warning that it could trap Sierra Leone in debt bondage for generations.

Nonetheless, the dour **Samura Kamara**, selected by Koroma as the man to succeed him, seems to be holding his own against the others in the race for the presidency (AC Vol 58 No 22).

One reason for this is the number of credible candidates. Sierra Leone is probably West Africa's most entrenched two-party state. Only the APC and the Sierra Leone People's Party (SLPP) have been able to win national elections and form a government since independence from **Britain** in 1961. To do this, both parties have vigorously maintained their ethno-regional support base through the depredations of one-party dictatorship, military rule and civil war. No other party has even a single seat in parliament.

The only non-party political actors are led by former members of one of the major parties. Of these, the most promising is the National Grand Coalition (NGC), led by **Kandeh Kolleh Yumkella**, a former director general of the United Nations Industrial Development Organisation, who, until six months ago, was seeking to be the presidential candidate for the SLPP. He is locked in a somewhat churlish contest with Kamara and the SLPP's **Julius Maada Bio**, a former military leader and 2012 failed presidential candidate (AC Vol 57 No 19).

Into this already keen contest has emerged, with much fanfare, **Samuel Sam-Sumana**, whose dismissal by the President in 2015 was rubber-stamped by the courts (AC Vol 56 No 6). The **Ecovas** Court of Human Rights denounced that decision in an unprecedented ruling on 27 November, awarding Sam-Sumana damages of over \$10 mn. By that time, he had already set up the Coalition for Change as a vehicle for his presidential ambitions and had established a presence in his vote-rich Kono home district.

CHINA BACKS THE PARTY THAT BACKS CHINESE INVESTMENTS

China appears to be putting its money where its investment deals are and rooting for victory for the All People's Congress in the presidential election on 7 March. China's influence in Sierra Leone has grown in recent years, with its companies stepping in to take on infrastructure and resource projects suspended or abandoned by European companies following the 2014 crash in commodities prices and Ebola crisis. In the latest development, China and Sierra Leone have agreed to build a new airport for Freetown which multilateral funders and consultants have repeatedly rejected as expensive, pointless and a huge future debt liability (AC Vol 58 No 8). Work is scheduled to begin a week before polling day so as to extract the maximum political benefit for the APC.

China is now Sierra Leone's second-largest importer and exporter after the European Union. Last May, President **Ernest Bai Koroma** presided over the laying of the foundation for a seven-storey building for the ruling APC, of which he is life chairman. Reports say the building will cost US\$3 million and the government describes it as a gift from the Chinese Communist Party.

Beijing appears anxious to protect its investments and Chinese companies in Sierra Leone are taking their cue accordingly. Local Chinese firms are putting their weight behind the APC. Allegations of unfair bias range from the mundane – Chinese toll-booth workers raising the barriers for free for cars bedecked in APC colours – to the more serious. The APC is reported to have bought hundreds of bicycles from China and distributed them to voters free of charge. Some journalists report Chinese workers openly campaigning alongside the APC.

Chinese companies with long-term vested interests in Sierra Leone include Shandong Iron & Steel Group (SISG), which took over the Tonkolili Iron Ore mine in 2015 when the previous owner **Vasile Frank Timis's** African Minerals Limited (AML) collapsed.

SISG's influence in Sierra Leone has since grown. It now holds not only the largest mine in the country but access to vital infrastructure, in the form of African Railway & Port Services (SL) Ltd., which operates Sierra Leone's only working train line, transporting iron ore to the coast for export. Shandong also inherited a lawsuit in which 142 Sierra Leonean villagers sued the company at the High Court in London for millions of dollars, claiming human rights abuses by AML (AC Vol 59 No 3). ●

Those are the front-runners. Of the others, **Mohamed Kamarainba Mansaray**, a defector from the APC, has been outshone by Yumkella. His Alliance Democratic Party will probably act as a spoiler, drawing some young voters away from the APC. Nor is **Musa Tarawally**, a veteran APC operator whom Koroma sacked in 2015 as Minister of Lands, a serious contender. Tarawally launched the Citizens Democratic Party a few months ago and has, unusually for a politician in Sierra Leone, proclaimed himself as a champion for Muslims. Two women, **Josephine Claudius-Cole** and **Gbandi Jemba Ngobeh**, are also standing, but they have no chance.

MANIFESTO TEST

A key test of seriousness for any presidential candidate in Sierra Leone is the ability to issue a manifesto and to demonstrate a significant presence in all main urban centres. Only three, Bio, Kamara and Yumkella, have done this. But the manifestos largely repeat each other, offering only better performance and transparency.

Kamara had the hardest task. His 52-page 'Governing for the Grassroots' is at odds both with his aloof, technocratic bearing and with his record as a senior minister, in charge of the economy and then foreign affairs, in a government that has overseen economic collapse and estranged international financial institutions. Curiously, he invokes Koroma's 'Agenda for Prosperity', launched five years ago to lead Sierra Leone to 'middle-income status', claiming that it has 'propelled Sierra Leone to the cusp of seismic transformation'.

Bio's 'New Direction', running to 96 pages, promises to curb waste and corruption by giving the Anti-Corruption

Commission an 'investigative and prosecutorial mandate' so that it can take immediate actions on national audit commission reports.

Even the most innovative platform, from Yumkella, promises only a more accountable government that would pursue development and opportunities for young people. The 62-page document bears the uninspiring title 'Agenda for Job Creation and National Prosperity'.

Evidence of the incestuous nature of Freetown politics was on display at the presidential debate on 15 February, featuring the six leading candidates. An instant poll after the debate suggested that Yumkella had won on style and substance, while Bio performed better than anticipated and Kamara held his own. Overall, it was a forgettable event, with no striking statement of vision or rhetorical gesture, only promises to do things better than the opponents.

The excitement, such as it is in a field of familiar faces, remains Yumkella, who is well known for his achievements with the UN, and is unsullied by the graft for which the political class is known. If ever there was a threat to the old two-party system, Yumkella and his NGC are it. The APC and SLPP now spend more time attacking him than each other, the APC having taken the lead.

CHALLENGE

A few hours after Yumkella announced that he had been nominated to run both for parliament and for president, the APC petitioned against his candidacy in his home district of Kambia, arguing that as a citizen with dual nationality he is unqualified to run for parliament in Sierra Leone. On 24 January, the National Electoral

Commission, which has gained a reputation for independence and probity under its chair, **Mohamed N'fah-Alie Conteh**, dismissed the petition. Undeterred, the APC took its petition to the Supreme Court.

Dual citizenship was made legal by an act of Parliament in 2006, but a little-known provision in the 1991 Constitution is sufficiently ambiguous about the electoral qualification of holders of foreign nationality that some have suggested that dual citizens should not contest for office.

Yumkella has not denied taking **United States** citizenship. He was resident there from the 1980s, first as a student at Cornell University and later as an assistant professor at Michigan State University and the University of Illinois. But he announced that he had relinquished his dual nationality in November after becoming the NGC's candidate. Public opinion seems to be on his side, but the Supreme Court has a reputation for erring in favour of the President. It is a fine legal point and no one can tell which way the court will go, or even whether it will avoid the problem by just happening not to make a ruling before the election.

So far, the likeliest outcome of the 7 March poll is no outright victory – for a first-round victory a candidate must win 50% plus one. Yumkella will probably take enough votes to force a run-off, likely to take place by end of March or early April. Given that his NGC is new, and lacks the historically large support base and well-oiled, established machine that the APC and SLPP possess, it will be difficult for Yumkella to secure anything better than a decent third-place finish. That will make him the kingmaker – a position which strong third-party contestants have aimed for in the past. ●

UGANDA

An inspector calls, no longer

Once Museveni's devoted chief enforcer, General Kale Kayihura has fallen from grace in a tussle for security control

Once regarded as the most powerful general in Ugandan internal security circles, the Inspector General of Police, General **Kale Kayihura**, has fallen from President **Yoweri Museveni's** favour. Kayihura amassed his power by gathering to the police new competences in surveillance and counterterrorism and assuming responsibility for crushing the political

opposition during the 2016 presidential election. The police were at the apex of the security system. Previously, some of these duties were shared by the military and it now seems that it has been able to regain influence at the police's expense. Most of the repressive and surveillance powers have now been handed over to Cheetaincy of Military Intelligence (CMI).

Three factors contributed to Kayihura losing Museveni's confidence, say insiders: a crime wave which intelligence blamed on groups under his protection; accusations that he was planning to oust the President; and his closeness to **Rwanda**, which Museveni has accused of infiltrating and abusing Uganda's security system. Many prefer another interpretation – that Museveni is setting one branch of the securocracy against the other so that neither will become complacent or overambitious.

The accusations against Kayihura only gained traction in mid-2017, but they started shortly after Museveni's re-election in February 2016. A few months after the polls, Kayihura openly clashed with the President's brother Gen. **Salim Saleh**, who is seen as Museveni's de

facto number two. The dispute was over the fate of **Christopher Aine**, a bodyguard of **Amama Mbabazi**, the former Prime Minister who broke with Museveni before standing against him in the election. Mbabazi's camp accused the police of 'disappearing' Aine.

The police then offered a \$6,000 reward to whomever could produce Aine. But when he emerged months later, Aine was under the protection of Gen. Saleh. Police insisted that they were going to arrest Aine, sparking major tensions between the Kayihura and Saleh camps.

The tensions grew when a key player in the Saleh camp, Lieutenant General **Henry Tumukunde**, who had just been appointed Security Minister, started openly criticising Kayihura for failing to contain crime, following a spate of machete attacks in central Uganda. The murder in March last year of **Andrew Felix Kaweesi**, a senior officer seen as a potential successor to Kayihura, outside his own home, appears to have been a turning point. At the vigil, President Museveni said that the police had been infiltrated by criminals. Tumukunde's criticism of the police intensified and the Internal Security Organisation (ISO), which he commands along with the CMI, produced reports claiming Kayihura was plotting to take power (AC Vol 57 No 19).

Reports of this kind have been circulating for some time, and appear more linked to the rivalry between the security men rather than any

concrete danger of a Kayihura-led coup d'état. In March 2016 Kayihura was accused of planning to stand for the presidency himself and that he would use the hundreds of thousands of 'Crime Preventers', young men who were recruited to encourage Ugandans to vote for Museveni, in the effort. This is ironic, given that at the time, the 'Crime Preventers' were said to be controlled and organised by Tumukunde.

Tumukunde was himself once accused of seeking to overthrow the President. He was prominent in the intelligence world until 2005, when he was put under house arrest for two years, eventually being rehabilitated in 2013 (AC Vols 57 No 3 & 43 No 15).

In May 2017 Museveni renewed Kayihura's contract as chief of police. But he also directed the military to keep tabs on the police force and to take charge of internal security. CMI then expanded crime intelligence operations and investigated the murder of Kaweesi and a spate of 23 murders of women. It all had the effect of discrediting the police, worsening the rivalry between police and military and damaging Kayihura's reputation.

Around the same time, Museveni directed CMI to investigate claims by UN diplomats that Rwandan security operatives were working with Ugandan police, kidnapping dissidents and forcibly taking them to Rwanda. CMI arrested seven police officers and brought them before the General Court Martial on 27 October.

Prominent among those detained was Senior Superintendent of Police **Nixon Agasirwe**, whom Kayihura had put in charge of a new outfit called the Special Operations Unit. He remains in detention awaiting trial.

On 20 January the military arrested **Abdalla Kitata**, a self-proclaimed patron of Boda Boda 2010, an association of *boda boda* (motorcycle taxi) riders and owners that had worked with the police as a vigilante force. Kitata was officially arrested in connection to the murder of an accountant at Case Hospital.

Rwandan officials have countered the charges from Kampala by accusing President **Paul Kagame's** erstwhile ally and mentor Museveni, Saleh and Tumukunde of planning to overthrow Kagame.

The forces ranged against Kayihura make much of the fact that, although born in Uganda, he is an ethnic Munyarwanda, happens to have close family ties with Kagame and was best man at Kagame's wedding. Kayihura has always come under suspicion when relations between Kampala and Kigali deteriorate.

Regardless of the heavy charges against Kayihura, the suspicion remains in Kampala that the accusations are only superficial. The real purpose of the police chief's persecution, critics say, is to prevent any high security official from feeling safe and to keep the principal security bodies at loggerheads, and thus less of a potential threat to Museveni's rule. ●

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POINTERS

South Africa

AUNTIE PAT'S SPAT

■ The opposition Democratic Alliance, which runs the drought-stricken Western Cape, is embroiled in a battle to rid itself of **Patricia de Lille**, Mayor of Cape Town, the provincial capital (AC Vol 57 No 25).

De Lille is fighting for her political life after surviving a DA-led no-confidence motion by one vote last week when African National Congress and Economic Freedom Fighters regional deputies backed her against her own party (AC Vol 58 No 13). De Lille has long been criticised for an autocratic and divisive style of leadership, but the DA is now investigating alleged bribery and cover-ups of maladministration.

De Lille supporters say the party is gunning for her because she has refused to sign two contracts worth millions of dollars. **Rodney Lentit**, former head of the DA's committee on water affairs and a member of the provincial legislature, accused the party of hounding 'Auntie Pat' because it was expecting kickbacks from two giant contracts with **Israeli** firms to build desalination plants which could fund the DA's 2019 election campaign.

The DA has ridiculed the accusation. For her part, De Lille says she rejected the desalination plants because water charges to the public would have been prohibitively high.

Once, the DA compromised with De Lille because it believed she was essential to electoral victory, but it now sees her as a major liability, insiders say. However, they fear that a long-drawn-out struggle could cause even worse damage.

Mali

FERTILISING DIALOGUE

■ By choosing Mopti for his first provincial trip since becoming Prime Minister on 30 December, **Soumeylou Boubèye Maïga** signalled the urgency of the crisis in the central region. It is here that the jihadist preacher **Amadou Koufa** has exploited the grievances of young Peul (Fulani) herdsmen.

Mediation has failed to curb attacks on settlements and security posts across a vast area stretching from the Burkina border plateau to the Niger River's inland delta and the rice belt north of Ségou. Fear of attack disrupts weekly markets and **Chinese** construction work on the Macina-Ténenkou road. Koufa's *Front de libération du Macina* (FLM) press-gangs youthful recruits from intimidated villages.

The military response is accelerating, with the new G5 joint force setting up

headquarters in Sévaré, near Mopti, while **Senegalese** rapid reaction troops reinforce UN peacekeepers (AC Vol 59 Nos 1 & 3). During his 11-12 February visit, Maïga set out an uncompromising line on security. But the conflict has become intercommunal and soldiers alone cannot restore peace. Reports describe resentful Dogon villagers viewing Fulanis as synonymous with jihadism or worse.

So, Maïga sought to win goodwill with aid: 7,100 tonnes of animal feed, 6,986 tonnes of cereals and 60,000 doses of livestock vaccine. He also moved to reassert state values among young people, upgrading community schools to full-status government institutions. Some see these moves as part of preparations for presidential elections due on 29 July.

Maïga's motives may be more serious. After becoming presidential Chief of Staff in mid-2016, he bolstered Keita's sluggish engagement with the northern peace process. But in the north the government is negotiating with large, formally structured non-jihadist groups. Tackling the central Mali crisis could be more complex.

Last year's national entente conference called for dialogue with Koufa and **Iyad ag Ghaly**, the Tuareg jihadist. Maïga's engagement in central Mali might prepare the ground. However, some diehard militants reportedly spurn any overture and may defect from Koufa to the more IS-aligned faction.

Zimbabwe

THE BOYS FOR THE BLACK STUFF

■ A company founded by controversial mining duo **Andrew Groves** and **Phil Edmonds** has returned to the City of London seeking investors for coal assets in Zimbabwe. Groves and Edmonds's Consolidated Growth Holdings (CGH), previously known as Sable Mining, announced that it had 'successfully acquired a portfolio of prospective coal assets in Zimbabwe' and that it planned to list them on the London Stock Exchange's Alternative Investment Market.

Groves and Edmonds delisted Sable Mining from the LSE in 2016 after the publication of a Global Witness investigation into its activities in **Guinea** and **Liberia** (AC Vol 57 Nos 10, 11 & 19). The anti-corruption and environmental lobby group accused Sable employees of bribing government officials to gain access to valuable mining licences. CGH is expected to list on the LSE via a reverse takeover of Contango Holdings.

Edmonds is understood to remain a minority shareholder in the company. **Aboubacar Sampil**, a Guinean national with close links to President **Alpha Condé's** administration and a key figure

in the Global Witness report, is named as a CGH director (AC Vol 56 No 16). **Andrew Burns**, former chief financial officer of another Groves-Edmonds venture, Central African Mining & Exploration Company, is also a director.

CGH said its main asset in Zimbabwe is the Lubu coal project, which Sable signed an agreement with **Chinese** state-owned enterprise CITIC to develop in 2016. Many mining investors are being attracted back by President **Emmerson Mnangagwa's** easing of limits on foreign ownership of strategic assets as well as the fall of **Robert Mugabe** from power.

Nigeria

THE TINUBU TEST

■ If aspiring candidates want to know which way the political wind is blowing, they watch **Bola Tinubu**, the former governor of Lagos State. After several months of *froideur* between Tinubu and President **Muhammadu Buhari**, the two are talking again (AC Vol 58 No 5). Buhari has asked Tinubu, the political godfather of the south-west, to resolve the myriad disputes that threaten to tear apart the governing All Progressives Congress.

Tinubu's new job points to Buhari's concern about the state of his party and is a sign of his intention to run in next year's elections. Buhari's team know they have to boost his support in Tinubu's region dramatically to win next year.

That Tinubu has taken the assignment, which brings him back into frontline politics, suggests he calculates that Buhari will stand and win next year. A year ago, when Buhari's health problems looked likely to force his retirement, Tinubu announced that he would be in the running to succeed him. That reinforced suspicions about Tinubu's reliability in the Buhari entourage which seemed confirmed when reports emerged of clandestine meetings between Tinubu and former Vice-President **Atiku Abubakar** to discuss a challenge to Buhari.

Those talks came to nothing. Atiku has since crossed back to his original political home, the Peoples' Democratic Party, where he is vying to be its presidential candidate next year. Tinubu is sitting tight in the APC, relishing his new role as national party peacemaker. It also positions him well if, for any reason, Buhari pulls out of next year's election.

Tinubu's negotiating skills are legendary but some of the biggest rifts in the party involve people he wants out of the party. He has been at odds with Senate President **Bukola Saraki**, mainly because they are rivals for the succession (AC Vol 57 No 9). Now, however, friends of Saraki say he is being wooed by the PDP. It's unlikely that Tinubu would get in the way of that.

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BLUE LINES

Rex Tillerson, Washington's Secretary of State, started his swing on 6 March through Africa — Ethiopia, Djibouti, Kenya, Nigeria and Chad — with a bellicose warning to China over its regional policy. Despite the billions of dollars from China that has been sluicing through Africa, Beijing was simply building up a coterie of client states according to Tillerson. Many of the Chinese loans would create dependency rather than development, he insisted. As a show of United States goodwill, Tillerson announced a US\$533 million contribution towards famine relief in East Africa as he set off for Addis Ababa.

The real stakes of the Tillerson tour are security: strategic rivalry with China but also to boost regional counter-terrorism operations. Djibouti is the sharpest edge of the Washington-Beijing rivalry. Djibouti, which hosts US, Chinese, French, German and Japanese military bases, irritated Washington four years ago when it more than doubled the rent for the base. Djibouti's break with United Arab Emirates and its port company, DP World, further annoys Washington as President Omar Guelleh's government may hand over DP World's terminal at Doraleh to a Chinese company, according to speakers in Congress in Washington on 6 March.

Marine General Thomas Waldhauser told Congress that if China controls Doraleh, that would affect US capacity to run its base in Djibouti and resupply its ships. Washington was now far behind in a strategic race with Beijing in Africa, he added.

SOUTH AFRICA

Zexit, Ramaphoria, then political landmines

The new President faces challenges from left and right as Julius Malema steals a march on the government over land reform

Weeks of good news for President Cyril Ramaphosa came to a grinding halt on 1 March when the opposition Economic Freedom Fighters (EFF) outmanoeuvred him to win a parliamentary motion on the issue of expropriating land without compensation. A vote will now be held on whether or not to amend the constitution to allow the controversial measure. The EFF's tactical win reveals the new political landscape after the forced resignation of Jacob Zuma on 14 February.

Deprived of the easy target of Zuma's leadership of the African National Congress, Julius Malema's EFF has doubled down on its leftist redistributionist rhetoric, outflanking Ramaphosa on issues such as land, ending all fees for schools and colleges, boosting welfare payments and hiking taxes on business. And on the right, the Democratic Alliance under Mmusi Maimane will lead a well-financed campaign, in step with commercial farming lobbies, against the new land plan.

In the middle is the ANC, pushing leftwards to fire up its base in the townships and informal settlements but also pushing rightwards to regain those black middle-class votes it had been losing to Maimane and the DA. Immediately after Zuma's resignation — Zexit — it had looked like a Ramaphosa-led ANC could win back the support it had lost over the past decade, potentially pushing its share of the vote back above 60%.

That will depend on some facts on the ground, most of them economic. The new

positive mood — known as Ramaphoria — was supported by the stronger rand, heavy capital inflows and better than expected growth forecasts. After years of running away from South Africa, investors were returning. Now they are asking awkward questions about the ANC's land policy.

There is mass support for a radical redistribution of land to address the searing historical injustices but Ramaphosa and his allies had been working on a more incremental policy: land reform that would not lower economic growth nor undercut food security. It is also one of the political landmines, along with ending tuition fees for tertiary education, left by Zuma's faction in the ANC.

CYRIL'S OBLIGATIONS

To maintain some sense of unity in the ANC, Ramaphosa has to acknowledge the Zuma faction not only in the distribution of top jobs but also in populist policy positions.

The ANC's opponents on the left and the right are looking for ways to exploit Ramaphosa's vulnerabilities. For example, Malema may try repositioning his party, withdrawing from its tactical cooperation with the DA in favour of a similar alliance with the ANC. That would strengthen the leftist bloc in the ANC.

The DA commands about 26% of the national vote, enabling it to govern in two of the four metropolitan councils that it controls by combining with the smaller EFF vote. The ANC's share fell to 54% of the national vote in local government elections last year and it lost control in three of the

ETHIOPIA	3	NIGERIA	4	KENYA	5	CONGO-KINSHASA	7	BURKINA FASO	10
Oromia on a knife edge		Who goes first?		Down the autocrat's alley		Kabila's survival strategy		POINTERS	12
A bid by to appoint an Oromo prime minister faces deep-seated opposition		Timing is everything for top politicians before they launch their presidential campaigns		The government claims its crackdown will boost growth. It's more likely to do the opposite		The President is brutally repressing dissent and ignoring or encouraging ethnic violence			

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major cities (AC Vol 57 No 17).

Amending the Constitution, as proposed in Malema's land bill on 1 March, requires a two-thirds majority in Parliament. This is now possible. Initial polls after Ramaphosa's election as ANC President in December suggested the party's vote share would bounce back to over 60%. With the EFF in a tactical alliance with the ANC, it could well secure the necessary two-thirds in parliament (AC Vol 58 No 13).

Foreign investors, in particular, are uneasy. 'While there is a degree of understanding of the need to correct historical inequalities, investors see property rights as the foundation of

democracy and an article of faith in a Constitution,' said a London-based analyst who follows South Africa.

Ramaphosa and his newly appointed Minister of International Relations and Cooperation, **Lindiwe Sisulu**, are trying to reassure investors that there will be no Zimbabwe-style land grabs (AC Vol 55 No 15). Expropriation would be carried out strictly within the rule of law to make more land available for cultivation. 'There is no reason for anyone of us to panic and start beating war drums,' Ramaphosa told the National Council of Provinces, the upper house, after the vote.

He called on banks and business to provide finance for land transfers and redevelopment. 'It is critical for South Africans to engage and come with proposals,' he said.

ANC FAILURE

Critics have blamed delays, incompetence and corruption for the ANC government's failure to deal with the land issue in terms of the existing Constitution. The government owns 21% of the country's land. The Constitution already provides for expropriation without compensation in the public interest, while protecting

property rights is a central principle.

'It provides for constitutional and judicial control to ensure equitable access and prevent abuse,' said former Constitutional Court judge **Albie Sachs**, a respected ANC veteran and architect of many post-apartheid constitutional laws. 'We knew land is central, emotional with blood and history,' he said. 'We fought and debated over every clause and every word.'

JUST SALES

Sachs says expropriation without compensation for public purposes is recognised in the Constitution under defined conditions. The Constitutional Court decided on compensation which was 'just and equitable' rather than a 'willing buyer-willing seller' arrangement.

DA leader Maimane made a hurried trip to London in the week ending 3 March to reassure backers that the DA was adjusting strategy to deal with the new political reality. He was told that the land issue was key for investors and the 2019 election campaign. The campaign was likely to get under way in the third quarter, he said.

He also faced questions about the DA's challenges in its own ranks,

DENEL DISARMED BY THE GUPTAS

Denel, South Africa's once mighty armaments manufacturer, is on the brink of bankruptcy after an ill-fated attempt by the Gupta brothers to gain control of it. It would have been the jewel in the crown of their now crumbling South African empire (AC Vol 58 No 22).

'It will be going at a bargain price,' a London-based South African deal-maker told *Africa Confidential*. 'The question is whether government will be prepared to sell to private buyers.' By using a South African front as well as family connections in **India**, the Guptas planned to use the company to launch a sales drive to India that could have topped US\$9 billion over five years.

The deal finally collapsed as a result of due diligence problems and resistance from the South African Treasury. When the Guptas saw the tide turn against former President **Jacob Zuma**, they withdrew from the deal with Denel, incurring losses of roughly R500 million (\$43 mn.). The company is in a liquidity crisis and had difficulty paying salaries in December and its bills.

Denel's chairman, **Daniel Mantsha**, who was accused of involvement in the Guptas' attempted 'capture' of the firm, resigned last week. Former Public Enterprises Minister **Lynne Brown** was in the process of vetting new names for the Denel board when President **Cyril Ramaphosa** removed her from the cabinet two weeks ago (AC Vol 59 No 4). Brown, who stood down as an MP last week, oversaw the 2015 replacement of the entire board except for Gupta business partner **Johannes 'Sparks' Motseki**, and appointed Mantsha as chairman.

Brown's portfolio is now with **Pravin Gordhan**, who has called an emergency meeting of the board and is likely to replace all its members, much as the board of the state-owned electricity utility Eskom was cleared out ahead of the World Economic Forum in Davos at the end of January.

The civil society watchdog OUTA – Organisation Undoing Tax Abuse – brought a private prosecution against Mantsha and 15 other officials in September last year alleging corruption in the deal which set up Denel India with South African businessman and Gupta associate **Salim Essa**. Essa has turned state witness in the case against the Guptas and other Eskom officials, possibly including Brown, we understand (AC Vol 59 No 4).

The Guptas have left South Africa and are being sought by South African law-enforcement authorities. The eldest brother, **Ajay**, has been declared a fugitive from justice. Denel is one of the many ailing state-owned companies, like South African Airways and Transnet, that Gordhan has inherited and must revive (AC Vol 58 No 1). Gordhan was demoted from his post as Finance Minister by Zuma in 2014, only to be reappointed after Zuma dismissed his successor **Nhlanhla Nene**, who had refused to sign off on the Denel Asia/Denel India deal.

Zuma removed Gordhan again in March 2017 because he was standing in the way of a nuclear deal with **Russia** which South Africa neither needed nor could afford (AC Vol 56 No 25 & Vol 58 No 8).

We hear that the South African arms dealer and chair of the Paramount Group **Ivor Ichikowitz**, who has a business relationship with billionaire Mpumalanga entrepreneur **Robert Gumede**, financial backer of controversial new Deputy President **David Mabuza**, is looking at picking up Denel at a bargain price if it is available. ●

ALL THE PRESIDENT'S MEN... AND WOMEN

'Transitional' and 'compromise' are the operative terms to describe President **Cyril Ramaphosa's** first cabinet. Out went ten ministers, mainly close allies of his predecessor, such as **Mosebenzi Zwane**, **David Mahlobo** and **Lynne Brown**.

Ramaphosa's inner circle appointments are a massive blow to the 'state capture' project. Close and trusted allies now have key portfolios like police, mining, energy, local government, finance and public enterprises. These went to people who were part of the Ramaphosa campaign in the run-up to the December conference.

Ramaphosa brought two finance ministers sacked by Zuma — **Nhlanhla Nene** and **Pravin Gordhan** — back into the cabinet. Nene steers the treasury while Gordhan's portfolio will see him take on corrupt and inefficient state-owned enterprises.

Bheki Cele, who was Ramaphosa's point man in KwaZulu-Natal, has been named Police Minister. Zuma fired Cele from the same post in 2012. Ramaphosa's brother-in-law, **Jeff Radebe** (Radebe's wife, **Bridgette**, is Ramaphosa's wife's sister) is now in charge of the energy portfolio.

New International Relations Minister **Lindiwe Sisulu**, daughter of the late ANC luminary **Walter Sisulu**, was Ramaphosa's running mate in the ANC elections in December. She accompanied Ramaphosa on his first trip abroad to **Angola**, **Botswana** and **Namibia** at the beginning of March.

Former ANC Secretary General and key architect in Ramaphosa's election **Gwede Mantashe** is the new Minister of Mineral Resources. A former miner and leader of the National Union of Mineworkers, Mantashe's appointment was welcomed by mining companies and unions.

The South African Communist Party leader, **Blade Nzimande**, returned to cabinet as Transport Minister. Former Treasurer General **Zweli Mkhize** now heads Cooperative Governance and Traditional Affairs, where his priority will be securing agreement on land reform with Zulu king **Goodwill Zwelithini**. ANC policy is that all land held by traditional authorities should be returned the state, a position strongly opposed by Zwelithini. The Zulu king oversees the Ingonyama Trust, which controls over a third of the arable land in KwaZulu-Natal. Unravelling the Ingonyama Trust deal, a pillar of the peace deal which underpinned the 1994 elections, could prove politically explosive. ●

including the disciplining of Cape Premier **Helen Zille** and more recently the suspension of the Mayor of Cape Town, **Patricia de Lille** (AC Vol 58 No 13 & Vol 59 No 4).

Maimane is already leading a counter-attack on land, arguing it is policy, not the Constitution, that needs changing. The resolution adopted by parliament would be disastrous for

agricultural production, the property market and foreign investment, he says. It looks like the debate on land that Ramaphosa says he wants has already started. ●

ETHIOPIA

Oromia on a knife edge

A bid by some in the ruling coalition to appoint an Oromo prime minister faces deep-seated opposition

The national crisis has entered an even more dangerous phase after a disputed parliamentary vote triggered another strike in Oromia, amid opposition concerns that the ruling party is preparing to select an establishment figure to replace **Hailemariam Desalegn**, who resigned the premiership on 15 February but remains in post while the wrangling over his successor goes on.

The 2 March vote approving a state of emergency put the widening rifts within the previously cohesive ruling Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) and its four constituent regional parties on open display (AC Vol 59 No 4). Almost half of the 178 MPs from the Oromo Peoples' Democratic Organisation, the Oromo part of the EPRDF, mounted an unprecedented rebellion and objected to the decree. As *Africa Confidential* went to press, another three-day shutdown

in Oromia, scheduled for 5-7 March, was in progress. A critical EPRDF committee meeting to choose the next prime minister did not start when it was supposed to, adding to the uncertainty.

VOTE 'FIXED'

Although the Speaker of the House, **Abadula Gameda**, a veteran leader of the OPDO, announced that the State of Emergency had been ratified, he made several procedural errors, including miscounting votes.

Opposition legal experts argued that the 346 votes Abadula initially declared were in favour of the measure fell short of the required two-thirds majority, as the count had to be based on the total number of active lawmakers, 539 in all. Others suggested that the threshold required was 328, or two-thirds of the 490 MPs present. Regardless, parliamentary officials subsequently

announced that Abadula had made a mistake and revised the tally of votes in favour to 395, inevitably leading to accusations that the process had been rigged. Deadly clashes followed in western Oromia over the weekend.

The other significant consequence of the drama was that it bolstered the argument of Front members who say the OPDO does not deserve the prime ministerial slot because not only can it not manage Oromia, it can't even control its own lawmakers (AC Vol 58 No 22 & Vol 59 No 1). Presumably, OPDO MPs voted against the decree because they believe the State of Emergency is a rearguard action by the security and political establishment controlled by the Tigrayan People's Liberation Front (TPLF) to suspend civil rights and assert federal control over regional states. The new measure has divided Ethiopia into eight security zones and observers believe it may foreshadow a more prominent role for the military in civilian affairs.

That 88 OPDO lawmakers rebelled betrayed the divisions within the EPRDF's Oromo base. It was also telling that senior figures such as the prime ministerial candidate and new OPDO Chairman, **Abiy Ahmed**, stayed away from parliament.

With the schedule unclear, the EPRDF now has to choose between:

Abiy; **Shiferaw Shigute**, boss of the EPRDF Secretariat and Hailemariam's replacement as head of the multi-ethnic Southern Ethiopian People's Democratic Movement (SEPDM); and **Demeke Mekonnen**, who is Deputy Prime Minister, Deputy Chairman of the EPRDF and Chairman of the Amhara section of the Front, the Amhara National Democratic Movement (ANDM).

It is still possible that Abiy will be

elected, but the events in parliament make it less likely. Shiferaw and Demeke are creatures of the EPRDF establishment, but neither is seen as an inspiring or capable national leader. The TPLF also mistrusts Demeke and the ANDM because they have stirred anti-Tigrayan violence. However, if the OPDO does not take the reins of federal government there is a strong chance that Oromia will explode again (AC Vol 59 No 1).

With the ANDM, OPDO, SEPDM and TPLF entitled to 45 representatives each on the 180-member EPRDF Council, and every party poised to vote for its own candidate, the TPLF could well be the kingmaker. The Tigrayan leaders may plump for another southerner in Shiferaw, but whoever becomes prime minister will wield power that is rigorously circumscribed by the security high command. Ethiopia's crisis is sure to deepen. ●

NIGERIA

Who goes first?

Timing is everything for top politicians waiting for clearer signals from the President before they launch their own campaigns

It was a clear enough announcement on 15 February from the Secretary to the Federal Government, **Boss Mustapha**, that President **Muhammadu Buhari** would certainly seek a second term in national elections due in February 2019. For good measure, Buhari's political spokesman **Gideon Sammani** backed this up. But no confirmation from Buhari.

The President, one of his close allies told *Africa Confidential*, is concentrating on his main job: reviving the economy and confronting security threats. Mustapha's announcement was significant, mainly because it was the first time that a top official and Buhari confidant had confirmed that the President was confident about a second term despite a string of health problems since coming to power in 2015.

Instead of commenting on what his advisors refer to as 'political froth', Buhari set off on a five-state tour at the beginning of the month. It includes some of the states worst hit by communal clashes and terrorism. He is to make a stop-over at Dapchi, the village near the border with Niger Republic from where *Boko Haram* fighters kidnapped over 100 female students last month.

That sounded alarm bells in Abuja, for many different reasons aside from the obvious humanitarian one. Worst of all, it presents an obvious parallel with the kidnapping of 250 schoolgirls from Chibok in 2014 under President **Goodluck Jonathan's** government. Jonathan's failure to act promptly and coordinate with international offers of help hugely damaged his standing (AC Vol 55 No 12).

Buhari is struggling to differentiate his approach. Two days after the

kidnapping he despatched three security ministers and top armed forces officers to Dapchi. At the same time, he launched a mass surveillance operation to track the missing girls.

Yet, any outcome short of returning the students to safety will be politically damaging. In fact, his government's record on the two qualities that won him the election – military prowess and uncompromising determination to fight dishonesty – is underwhelming.

A recent security report pointed out that the government has sent troops to boost security efforts in 30 of the 36 states in the federation. Apart from the smouldering insurgency in the north-east – which periodically bursts into flames with a suicide bombing in a market place or a mass kidnapping – the clashes between nomadic herders and settled farmers have worsened seriously over the past three years.

MORE CLASHES

Civic activists see the herder-farmer clashes as particularly dangerous because they can be exploited by unscrupulous politicians to drum up support for sectarian religious or ethnic constituencies. Many of the herders are Muslim, mainly from the Hausa or Fulani groups; most of the farmers involved are drawn from the myriad Christian minority groups in the Middle Belt.

Now there are disturbing signs the clashes are extending, both northwards and southwards. One response from Abuja was to revive the idea of state police to address such serious violence. That's not universally popular, especially among those who think there 36 state governors already have far

too much power and resources at their disposal.

State police or not, the idea of a redrawn constitution is back on the agenda, less than a year away from elections. A leading proponent of national restructuring in the governing All Progressives' Congress. Its chairman **John Odigie Oyeogun**, had adeptly positioned himself as a key Buhari ally in the party, and one of its strongest voices in the south.

Coming from the South-South region, where belief in restructuring is an article of faith, Oyeogun has persuaded Buhari that the party could pick up millions more votes in the South-South and the South-East in 2019, compared to its lacklustre performance there in 2015. Oyeogun could also help deliver the necessary votes from states in the south to back Buhari's candidacy for a second term next year.

Accordingly, some discreet support from the presidency at Aso Rock seems to have helped Oyeogun win a year's extension for his national chairmanship of the APC, even in the face of opposition from such party luminaries as **Bola Tinubu**, the multi-millionaire political godfather and former governor of Lagos State. Earlier, Buhari had appointed Tinubu as the party's top peacemaker, with the onerous task of reconciling its hostile factions (AC Vol 59 No 4).

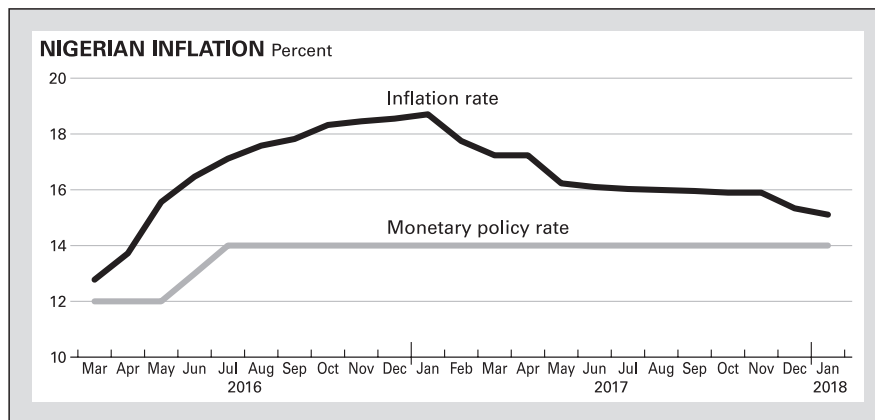
For now, that would seem to tie in Oyeogun and Tinubu to the party and Buhari's candidacy. Much more problematic is the position of Senate President **Bukola Saraki**, who, according to his allies, has been offered serial inducements to return to the People's Democratic Party (PDP) along with a large band of senators.

DEFECTORS

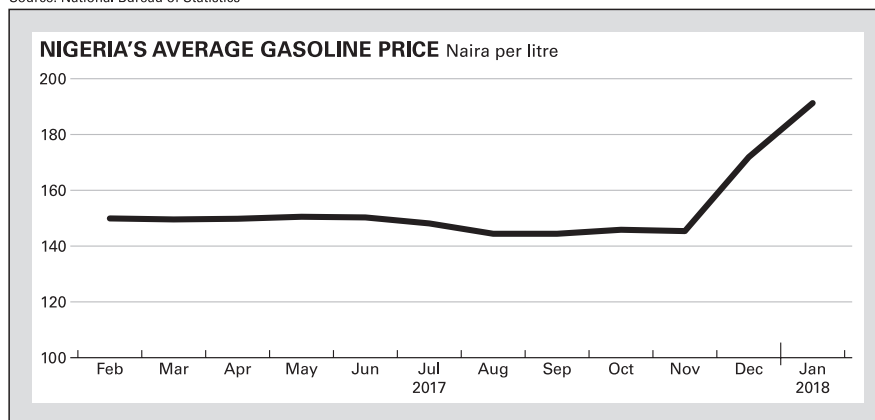
That is the great hope for the PDP: that it can reverse engineer a mass defection from the APC. It was, after all, five state governors leaving the PDP in 2013 then allying with Buhari's old party that created the groundswell for his landslide victory in 2015.

The problem for the PDP is that they have no one in their ranks, so far,

The political cost of higher fuel prices



Source: National Bureau of Statistics



to match Buhari's power to haul in the votes, particularly from the north. The PDP's most prominent contender is former Vice-President **Atiku Abubakar**, a multi-millionaire and leading shareholder in the Intels company. He is a shrewd politician but cannot match Buhari's drawing power.

The same could be said for the PDP's other top contenders: former chairman **Ahmed Makarfi**, Gombe State governor **Ibrahim Dankwambo** and two governors, **Sule Lamido** (Jigawa

State) and **Ibrahim Shekarau** (Kano). That party explains why many think that some other top APC politicians such as former governor of Kano State, **Rabiu Kwankwaso**, and the speaker of the national House of Representatives, **Aminu Tambuwal**, might be tempted to defect to the PDP where they think they could more easily pick up the presidential nomination.

The 100 trillion naira question remains when will Buhari make his intentions plain? Assuming he's going to

Two politically charged graphs – one on general prices and one specifically on fuel – explain some of the current political uncertainties. Since President Muhammadu Buhari lost support when the economy plunged into recession, triggered by crashing oil prices, in 2016, the government has been determinedly talking up the recovery: falling inflation, growing exports and rising foreign reserves.

Its problem is that higher oil export prices quickly translate into higher prices for imported gasoline, because the state-owned refineries can meet only a fraction of local demand.

Just how politically sensitive economic matters have become is clear from the government's latest spat with the International Monetary Fund, which recently completed its annual review of the economy. It rejected the fund's judgement that Nigeria faced serious risks such as the threat of 'lower oil prices, tighter external market conditions, heightened security issues, and delayed policy responses'.

Most of all, it objected to the IMF's view that the government's management of the economy might 'muddle through' in the medium term and its reference to 'pervasive corruption' in the system and criticism of its multi-tier exchange rate policy.

run, he can't afford to leave it much later than September. That would leave time for about three months of campaigning. If he goes too soon, there is the strong risk of triggering a mass defection to the opposition, which might seriously damage his chances this time. ●

KENYA

Down the autocrat's alley

The government claims its political crackdown will boost growth. It's more likely to do the opposite

There has been a sea change in President **Uhuru Kenyatta's** political style. In a television interview last September, **David Wakairu Murathe**, the Jubilee Party Deputy Chairman and a confidant of the President, said: 'What this country now needs is a benevolent dictator. People have been too soft so that things have gone rogue' (AC Vol 57 No 18). He cited

the examples of **Uganda** and **Rwanda** as 'countries that are stable because of the leadership that they had'. In Kenyatta's second term, he said, 'the kid gloves are off'.

Murathe knows the President's mind better than most Kenyans realise. For five years he was the MP for Gatanga, near Kenyatta's rural home of Gatundu, and they have been close friends since

their schooldays at the exclusive and private St Mary's School in Nairobi's Lavington suburb. He is still considered influential at State House.

True to form, the Kenyatta administration has taken a ham-fisted approach to political dissent since the President's inauguration last December. In his own words, 'The era of politics and political campaigns is over. The government from here on will be concerned about development and improving the lives of Kenyans.' That 'development-without-politics' approach will be based on Kenyatta's 'Big Four Agenda' that was unveiled during the inauguration, prioritising manufacturing, universal healthcare, affordable housing and food security. The cash-strapped Treasury has been

ODINGA AT ODDS WITH KALONZO AND MUDAVADI

In the vaults of the Office of the Registrar of Political Parties, in Nairobi's Westlands, lies a legal agreement between the Orange Democratic Movement, Wiper Democratic Movement and Amani National Congress binding **Raila Odinga** not to stand for president in 2022 and deferring to either **Stephen Kalonzo Musyoka** or **Wycliffe Musalia Mudavadi**. That looks unlikely to happen.

In addition to fuelling Jubilee's anger, Odinga's self-inauguration as president opened splits in the National Super Alliance that make it unlikely to last for long.

When Odinga mounted the podium at Nairobi's Uhuru Park to be sworn in, his lieutenants Musyoka, Musalia Mudavadi and **Moses Simiyu Wetangula** were nowhere to be seen, even though they had sworn to stand by his side. They feared arrest for treason.

Kalonzo had been sighted a few hours earlier at the Serena Hotel lounge opposite Uhuru Park. This severely angered Odinga's core supporters led by the parliamentary minority leader **John Mbadi Ng'ongo**, who called Kalonzo, Mudavadi and Wetangula 'cowards' to their face. The new ODM Secretary-General, **Edwin Sifuna**, went even further, saying: 'If you were not at Uhuru Park [with Raila] do not come to us for consideration of any manner. You are simply a coward.'

Political leaders from Kalonzo's Kamba ethnic group have reacted angrily, saying they have options for other partners. This is because quietly, Kalonzo and his emissaries have been talking to the Jubilee government about supporting it in return for senior Kamba political appointments. The other clandestine negotiator is Wetangula and his Ford-Kenya party. Mudavadi alone seems dedicated to supporting Raila, but on the forlorn understanding that the latter will back him for the Nasa presidential ticket in 2022.

Speaking at a funeral in his Nyanza homeland on 3 March, Odinga said that 'even Jesus was betrayed by one of his closest disciples, Judas'. ODM, he said the previous week, would go it alone if push comes to shove. ●

instructed to give priority in allocating resources to the 'Big Four'.

When the new cabinet was sworn in last month, the President informed his ministers that they would be judged on the extent to which they help him accomplish the Big Four Agenda. 'It will be business unusual,' he told them. 'Quit if you cannot deliver!'

Kenyatta would like a Rwanda-style 'disciplined politics' and rapid economic transformation of Kenya to be his legacy – all in just four years.

His current anger with democratic politics dates to the annulment of his electoral victory last September (AC Vol 58 No 18). The Supreme Court nullified the results on the grounds that there had been violation of procedures in tallying, filing and announcement of the results by Kenya's Independent Electoral and Boundaries Commission (IEBC) but it absolved Kenyatta and his campaign of any wrongdoing. IEBC data suggests that he won the election. Though promising to obey the judgment, he called the judges 'crooks' and vowed to 'deal' with them after his re-election. Since then, however, the judiciary has largely been spared any further attacks from the Jubilee administration.

Kenyatta's ire has been directed at the opposition National Super Alliance (Nasa) and sections of the press sympathetic to it. His government has ignored court orders seeking the release of detained Nasa activists and politicians. This has been especially the case after Nasa leader **Raila Odinga** swore himself in as 'the people's president of the Republic of Kenya' at an open-air rally in Nairobi on 30 January.

Soon after, the government arrested top politicians and lawyers who had staged the event, but not Odinga.

They included **Tom J. Kajwang** (a Nasa MP in Nairobi), Senator **James Orendo** (Nasa's top legal adviser) and **Canadian/Kenyan lawyer Miguna Miguna**, who had a direct role in organising the event. Miguna was deprived of his Kenyan passport and deported to Canada. Others who are facing charges or revocation of passports include the vocal Nasa strategist **David Ndii**, **Hassan Joho**, **George Khaniri**, **Babu Owino**, **Gladys Wanga**, **Jimmy Wanjigi**, **Norman Magaya** and **Oduor Ong'wen** (AC Vol 59 No 3).

A few days before the Odinga 'inauguration', Kenyatta invited media executives to State House and sought to persuade them not to broadcast the event live in the interests of political stability. Nation TV, Kenya Television News and Citizen TV refused to obey the order, and were promptly shut down for over a week. Some top TV producers and news presenters such as **Linus Kaikai** and **Larry Madowo** of Nation TV have since been asked to leave their jobs.

GLOVES OFF

On 28 February, a contingent of heavily armed commandos stopped the armoured car of **Jimmy Wanjigi**, the oligarch who now funds Nasa, in the middle of a Nairobi street to serve him with a court order to appear on charges on illegal gun ownership. Jubilee MPs who have spoken against the government have been called to State House and severely rebuked. The kid gloves have come off, indeed.

It is difficult to understand what Jubilee expects to gain from the open harassment of its opponents and the press. Because the judges have remained independent, almost all the Nasa

politicians charged with incitement have been released on nominal bail.

At times the government has simply been petty. When the courts ordered the government to surrender Miguna's Kenyan passport so that it can be sent to him in Canada, the immigration department obeyed but every page in the returned passport was repeatedly perforated with a paper punch, rendering it useless. The Jubilee administration seems convinced that the inconvenience it is causing its opponents is worth all the negative publicity it is getting in the international press and the reprimands it has earned from almost all Western diplomatic representatives in Nairobi. The international criticism scarcely bothers Kenyatta because no one has mentioned sanctions or aid cuts. Much, as Murathe predicted, like Uganda and Rwanda.

But while Rwanda and Uganda have had long stretches of rapid GDP growth fuelled by aid, it is doubtful if the Big Four Agenda can propel the transformation of Kenya in such a short period. Even the strategy, choice and funding of the four sectors seems whimsical. Take manufacturing: although it accounted for 20% of the increase in GDP between 2004 and 2015, its share of total national income has remained stagnant at about 10%, the balance coming from agriculture (25%) and services (65%).

The most promising subsectors of manufacturing are those concerned with agricultural processing, including dairy, tobacco, juices, tea and coffee. But the linkage between industry and agriculture in the Big Four is unclear. The strategy refers casually to cotton and leather processing but producing a quality textiles sector may take longer

than the four years Kenyatta has. In any case, private investors complain about continued problems of corruption, high taxation, too many permits, high energy costs and poor infrastructure, none of which is addressed in the Big Four Agenda. Similarly, informed Kenyans wonder how a country with a ratio of one doctor to 16,000 patients can provide universal healthcare, in addition to 500,000 'affordable' housing units and food security, for a population that is increasing by a million people every year.

KENYATTA'S LAPTOP

Like many of Kenyatta's grand pronouncements of the past – Kenyans recall with sarcasm his failed promise

in 2013 to provide every schoolchild with a laptop – it is based on executive commands rather than well-thought-out policy. To start with, the government is in dire financial straits. Growth has been weak and government revenue stagnant. The fiscal position was further weakened by Jubilee handouts in election year that included increased civil service wages and benefits, subsidised maize flour (the food staple) and sugar, subsidised fertiliser, free medical insurance to select groups such as students, and the elimination of tuition fees in secondary schools. Government debt and debt servicing costs have also grown enormously since 2014 as a result of the US\$4 billion Chinese loan for the Mombasa-Nairobi

standard-gauge railway (AC Vol 55 No 14).

Speaking to a parliamentary committee last month, IMF staff warned the government about increased commercial borrowing and a rising fiscal deficit that now stands at 10% of GDP. Kenyatta is undeterred and says the Big Four will be funded under a public/private partnership – code for publicly guaranteed private investment co-investing with the government. At the end of February, Kenya raised a \$2 bn. Eurobond in London.

The fear among knowledgeable Kenyans is that neither the political heavy-handedness nor the Big Four will work and Kenyatta will complete his second term in 2022 a dejected man. ●

CONGO-KINSHASA

Kabila's survival strategy

The President is brutally repressing dissent, ignoring and sometimes encouraging ethnic violence in a bid to prolong his rule

A leader determined to hold on to power against a growing band of opposition activists while militia fighters mobilise in the hinterland are all pushing Congo-Kinshasa closer to the abyss. Making matters worse are unscrupulous companies and their political proxies looting some of the world's richest mineral reserves.

The latest crucible of communal violence is the gold-rich province of Ituri where the majority Lendu and minority Hema ethnic groups have been clashing. Since December, Lendu militias, often drugged up, have been targeting Hemas and have butchered more than 100 civilians, mostly with machetes. Up to 200,000 civilians have fled after weeks of massacres that prompted Hema self-defence groups to mobilise, amid heavy deployment of government troops.

On 5 March, unknown assailants began attacking positions of the national army, the *Forces armées de la République démocratique du Congo* (FARDC), in Blukwa, in Ituri's Djugu Territory. The worst fighting is here and all the civilian residents have fled. On 5 February, the head of the electoral commission, the *Commission électorale nationale indépendante* (CENI), **Corneille Nangaa**, speculated whether the situation in Ituri could 'risk impacting negatively on the electoral calendar if nothing is done'. Information Minister **Lambert Mende** chimed in to question whether elections

could possibly take place 'in a situation of war'.

The Ituri violence is erupting in precisely the same locations as during the 2002-03 conflict in the Djugu district. It adds to mounting security challenges across Congo-Kinshasa, notably in the provinces of North and South Kivu, Kasai and Tanganyika, where insecurity pushed the nationwide number of internally displaced people to 3.9 million late last year (AC Vol 58 No 20). The new disorder is stoking fears in neighbouring Rwanda of an arc of instability extending from Ituri to areas of North Kivu just north of Goma, which fell to Rwandan-backed M23 rebels in 2012.

UGANDA'S MEN

The authorities in Kigali say that Uganda is supporting armed coalitions operating between Ituri and North Kivu, including both Hema and Lendu militias in Ituri, *Mai Mai* factions in the area around Beni, and even ex-M23 elements once loyal to the movement's leader, General **Sultani Makenga**. Makenga surrendered to Uganda with more than 1,300 fighters in 2013, but set up new bases in the volcanic areas straddling the Rwanda-Congo-K border early last year. Here, on 16 February in this area, Congolese troops rushed to repel what they believed to be former M23 rebels but were in fact Rwandan troops, who killed six of the

FARDC soldiers.

Uganda's President **Yoweri Museveni** has grown increasingly impatient with both Kinshasa and Kigali over the past year, accusing Congolese elements of having supported a rebellion in western Uganda that he quelled in November 2016. He also holds them responsible for the March 2017 assassination of his Assistant Inspector General of Police **Andrew Kaweesi** in broad daylight in Kampala. In December 2017, the Ugandan police announced that they had arrested more than 40 Rwandan 'spies' on charges of 'terrorism'. Kigali, in turn, argues that Museveni is giving political support to the Tutsi Rwandan dissident **Kayumba Nyamwasa** – once one of President **Paul Kagame's** most trusted military commanders, but whom UN investigators have linked to the Hutu *Forces démocratiques de libération du Rwanda* (FDLR) militia in Congo in 2010. Kigali fears that Nyamwasa, now usually resident in South Africa, where he has survived Rwandan assassination attempts, could set up a rear base amid the unfolding chaos in Ituri and North Kivu.

KIGALI VS KAMPALA

Behind these regional tensions are deteriorating relations between Uganda and Rwanda. The two governments have backed competing gold refineries, each in partnership with Belgian businessman **Alain Goetz** (AC Vol 58 No 5). The UN claimed Goetz was connected to armed factions in Congo-K in 2009, but he remains an untouchable force (AC Special Report). He denies any wrongdoing. At a natural resources conference in Nairobi last year paid for by the UN Special Envoy for the Great Lakes, **Saïd Djinnit** of Algeria, Goetz featured as a keynote speaker and hosted a cocktail party. He first appeared in Congo-K in the late 1990s.

A worsening pattern of violence across the country



The rapprochement between Kinshasa and Kigali since the demise of the M23 rebellion is a source of frustration for Museveni. So is **Joseph Kabila's** reliance on Kinyarwanda-speaking FARDC troops as his Praetorian Guard. The Ugandan President is also keeping tabs on what the Congolese will do next with oil concessions in the Lake Albert area, controlled by the **Israeli** businessman and key Kabila ally **Dan Gertler**, who was sanctioned in December by the US Treasury Department (AC Vol 59 Nos 1 & 4). He sent his ambassador to Bunia, near Lake Albert, late last year.

But the Congo-Rwanda entente is a fragile one. Nyamwasa has angered Kigali by infiltrating the mountainous Congolese high plateau of South Kivu to position defectors from the Rwanda Defence Force alongside Banyamulenge Tutsi fighters and hard-core **Burundian** Hutu *Imbonerakure* militias. The *Imbonerakure* are being supported by Burundi's intelligence services to further President **Pierre Nkurunziza's** quest to hunt down Rwandan-backed Burundian rebels in the nearby Rusizi Plains, local sources say.

EXILED LEADER

Kinshasa is equally concerned about the role of **Antipas Mbusa Nyamwisi**, once

rebel commander of the *Rassemblement congolais pour la démocratie-Kisangani/Mouvement de libération* (RCD-K/ML), the largely Nande group that controlled both Beni and Bunia during the 1998-2003 war (AC Vol 57 No 25). Nyamwisi joined the government at the end of the war and later served as Foreign Minister, but fled Congo-K after the 2011 elections. He was one of the main conduits for Nande support to M23. Since the rebel group's demise, he has been based in East Africa, with an open door to Museveni in Kampala. Many of Nyamwisi's ex-RCD-K/ML cadres retain links to ex-M23 elements whom Ugandan officials have allowed to vacate the Bihanga military camp.

Although he was listed as an 'emblematic case' for '*dérégulation politique*' (political relaxation) under the terms of the 31 December 2016 Congo-K political accords, Nyamwisi has yet to return to Kinshasa, or his native Beni. At a recent opposition conclave in Brussels, participants referred to his recommendation of sustained violence against the Kabila regime as the only way to remove the President.

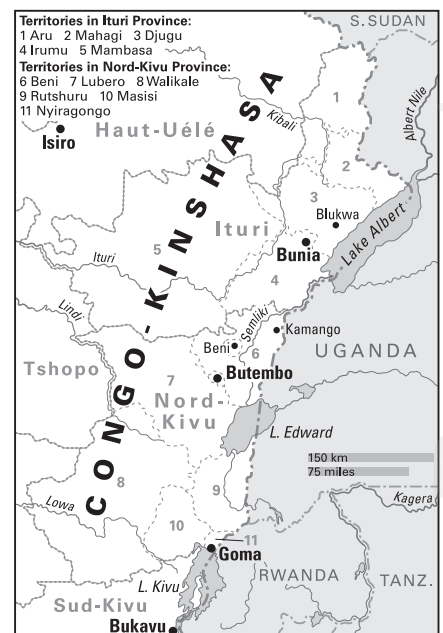
Opposition sources tell *Africa Confidential* that Nyamwisi has also become much closer to the former Katanga Governor **Moïse Katumbi**, whom Kabila sees as his chief threat.

Katumbi fled Congo-K in 2016 after his arrest was ordered for supposedly hiring mercenaries in neighbouring **Zambia** (AC Vol 57 No 11).

But Congolese military intelligence is celebrating the arrest in Dar es Salaam by local authorities of the Kasaian Nyamwisi protégé **John Tshibangu**, an ex-RCD-K/ML commander and FARDC defector, and his deportation to Congo-K on 29 January; he was travelling on a Zambian passport. Earlier in the month, Tshibangu had posted clips of himself and a ragtag group of fighters on the Ituri border with **South Sudan** giving Kabila a 45-day ultimatum to step down.

RWANDAN FEARS

The Rwandan government fears that Nyamwisi plans to retake Beni and Bunia as the security situation deteriorates, with ex-M23 rebels eyeing areas in the Masisi and Rutshuru Territories of North Kivu. Both Nyamwisi and the ex-RCD-K/ML warlord **Franck Kakolele**, who is partly based in Uganda, predicted the unilateral operations by the Ugandan army, the Uganda People's Defence Force (UPDF), that took place in North Kivu on 22 December. These were nominally aimed at the Ugandan rebel Allied Democratic Forces (ADF), who are often blamed for the massacres that have been prevalent in the Beni area since 2014. However, on that day, the *Mission des Nations Unies pour la stabilisation du Congo* (Monusco) documented Ugandan shelling in the Kamango area of North Kivu, near the border with Uganda. Hema and Lendu sources alike now say external forces used the shelling to cover their infiltration of Ituri from Kamango. UPDF claims that they had killed 100



ZUMA'S EXIT DEEPENS KABILA'S REGIONAL ISOLATION

Southern African support for President **Joseph Kabila** is beginning to wobble following the ousting of **Jacob Zuma**, a key ally of the Congolese President. On 26 February, the government of **Botswana** issued a statement calling on the 'international community to put more pressure on the leadership of the Democratic Republic of Congo to relinquish power'. The move signalled tectonic shifts in the overall position of the Southern African Development Community (SADC).

A day later, Zimbabwean President **Emmerson Mnangagwa** visited Kinshasa. Although the ensuing joint communiqué, issued on 28 February, was full of platitudes and generalities, including references to the much-awaited development of the Inga Dams in western Congo-K, diplomats and government ministers saw Mnangagwa's comments on democratisation, at an official dinner held the same day, as a dagger pointed at Kabila.

Some in the office of the President in Kinshasa also worry about the stronger SADC position against Kabila that the former South African President **Thabo Mbeki** has openly urged. Kabila has also been feeling the heat from the new **Angolan** President, **João Lourenço**, who is reported to have urged him at a private meeting on 9 December to resolve the security crises in his country and hold elections. On 13 January the governor of Angola's Lunda Norte Province visited Kananga, in Kasai-Central, to hold talks about reopening the border, closed since April 2017 following the Kamuina Nsapu uprising (AC Vol 58 No 19).

No deal was reached, and members of the visiting delegation expressed frustration with their Congolese counterparts' lack of focus. The Congolese in turn were infuriated by Angola's failure to agree to return more than 400 FARDC defectors, now in Angolan custody in Lunda Norte's capital, Dundo.

Shortly before that, on 10 January, **Gabon's** security services arrested General **Faustin Munene**, Chief of Staff of the Congolese army under **Laurent Kabila**, who also served in the Angolan armed forces and married a niece of former President **José Eduardo dos Santos**. Munene has been under house arrest in **Congo-Brazzaville** for years after falling out with Joseph Kabila and escaping an armed attack on his own house in Kinshasa in 2010. Accused of masterminding an attack on Kabila's residence in 2011, he has been a person of interest for Kinshasa for years (AC Vol 52 No 6).

A Congolese delegation led by the then Interior Minister, **Emmanuel Shadary**, was sent to Luanda between 14 and 18 January, ostensibly to talk about the Congo-Angola maritime border, but in reality to organise Munene's return. They failed. After weeks of diplomatic stand-off, Munene was sent back to Brazzaville following Angolan pressure, despite Kinshasa's pleas to Gabon to extradite him.

The Munene affair exposed a fault line between Luanda and Kinshasa that has rarely been visible. Officials of Congo-K's intelligence service, the *Agence nationale de renseignements* (ANR), and the presidential intelligence bureau, the *Conseil national de sécurité* (CNS), say they have been investigating links between **John Tshibangu** (see feature), who defected from his army post in Kananga in 2012, as well as alleged opposition training camps around diamond-rich Dundo and in neighbouring Uije Province. CNS sources believe that an armed group, connected to the *Bundu dia Kongo* (BDK) separatist cult in Kongo Central Province, was possibly planning an attack from Angola to capture the Inga Dams and cut the power supply to Kinshasa. On 27 January, as the ANR and CNS whispered loudly about the threat to Inga, BDK leader **Ne Muanda N'semi**, who escaped from Makala prison in Kinshasa in May last year, circulated a video on YouTube threatening war. He has not been heard of since.

Shadary, who also visited Ituri in February following a spate of violence there, was moved from the Ministry of the Interior on 20 February and posted to a senior role in Kabila's *Parti du peuple pour la reconstruction et la démocratie* (PPRD). His replacement is **Henri Mova Sakanyi**, previously PPRD Secretary-General. Opposition politicians say Mova Sakanyi organised the PPRD youth league led by **Papy Mpungwe**, whom they also accuse of having trained in Burundi with the Imbonerakure. ●

ADF troops in the Beni area proved to be pure propaganda.

Meanwhile, a UN investigation into the nearby massacre of 15 **Tanzanian** Monusco peacekeepers at Semliki on 7 December, led by the **Russian** former UN Assistant Secretary General **Dmitry Titov**, has held the ADF responsible for the killings (AC Vol 58 No 25). Yet many diplomats are disappointed with the investigation's lack of detail and insight. The ADF, which has been based in North Kivu since the 1990s, was once in alliance with Nyamwisi's late brother **Enoch Nyamwisi**, as well as with **Laurent Kabila's** regime. The ADF is also known to collaborate with ex-RCD-K/ML or FARDC networks, depending on which way the political wind is blowing. UN and diplomatic sources tell *Africa Confidential* that Titov is looking to take over from Monusco's Deputy Special Representative **David Gressly**, a US citizen. Diplomats see Gressly as an effective anchor for the beleaguered mission, which has only just welcomed

its new Special Representative, **Leila Zerrougui**, an **Algerian**.

DIRTY WAR

In truth, the ADF is embroiled in a dirty war in North Kivu that is pitting ex-RCD-K/ML and FARDC factions against each other; Nande leaders accuse the latter of recruiting Hutu migrants into death squads. Hema communities in Ituri have also raised claims about the use of Hutu mercenaries, accusing the Lendus of deploying them in their own killing squads. On 20 February, a mixed group of MPs from Ituri raised the issue of Hutu mercenaries, stating that the North Kivu pattern of massacres attributed to the ADF in Beni was spreading into their province. At the same time, Hema groups began recirculating a statement from the Uganda-based Hema warlord **Yves Mandro Kahwa**, who last year declared his alliance to the Nande extremist Kyaghandha Yira group, based in North Kivu.

Hema and Lendu leaders, however, warn against simplistic views of Hema, aligned with Nyamwisi and Kampala, opposing to Lendu fighters supported by Hutu migrants and Kinshasa. Indeed, at various points during the 2002-03 Ituri war, Uganda supported both Hema and Lendu militias for different purposes. Currently, Hema leaders are particularly critical of Ituri Governor **Abdallah Pene Mbaka**, claiming he is biased in favour of the Lendu. Hema leaders tried to mount a motion of no confidence in Abdallah, accusing him of involvement in a fuel-smuggling network in Aru Territory on the border with Uganda. Nonetheless, Hema members of the Ituri chapter of the *Fédération des entreprises du Congo*, the national private sector lobbying group, run a rival smuggling network in Mahagi Territory, also in Ituri, working closely with Kabila's half-brother Saidi. Civilians in Ituri report that some of the attackers who have burned down villages were seen carrying jerrycans of fuel. ●

BURKINA FASO

New jihadist alliance strikes

The Islamist attack on the French embassy and military HQ in Ouagadougou left many asking questions about poor security

The 2 March terrorist attacks in Ouagadougou left the wall outside the **French** embassy riddled with bullet holes, partly wrecked the building of the *État-major général des armées* (EMGA, the Joint Chiefs of Staff) with a car bomb, and killed at least 16 people. The announcement claiming responsibility by *Jamaat Nusrat ul Islam wal Muslimin* (JNIM) the following Sunday sounded a triumphant note. It said the attacks were in response to the 14 February killing of six JNIM operatives in northern **Mali** by the French anti-terror mission *Opération Barkhane*, among them **Mohamed Ould Anoui**. Anoui had led two prior operations claimed by *Al Qaida* in the Islamic Maghreb (AQMI): the January 2016 attack in central Ouagadougou that left 30 dead in and the beach shootings in Grand Bassam, **Côte d'Ivoire**, which killed 19 the following March (AC Vol 57 No 6).

JNIM was created in 2017 from a merger of three groups mainly active in Mali (AC Vol 57 No 2). They include *Al Mourabitoun*, an offshoot of the *Mouvement pour l'unicité et le jihad en Afrique de l'Ouest* (MUJAO), led by the **Algerian** cigarette-smuggler **Mokhtar Belmokhtar**, which ran the northern Mali town of Gao for much of 2012 (AC Vol 56 No 24). The other partners are the *Front de libération du Macina*, led by the firebrand preacher **Amadou Koufa**, and the largely Tuareg *Ansar Eddine*, under the leadership of **Iyad ag Ghali**, which vandalised Timbuktu in 2012 (AC Vol 53 No 8). Ag Ghali is now the undisputed leader of JNIM, which is affiliated to AQMI.

NEW TACTIC

But the claim of responsibility for the 2 March attacks puzzled security experts. There would not have been enough time for JNIM to prepare and mount such a sophisticated operation in response to an event only two weeks prior. Second, JNIM attacks have never before been directed at hard targets such as EMGA or an embassy. The focus has been hotels, restaurants and poorly protected government facilities, or customs and police posts on the long Malian border. Third, none of the victims was from the West, the jihadists' preferred targets. Eight Burkinabè soldiers and at least

eight supposed attackers were killed. Finally, rocket-propelled grenades were used to lay siege to EMGA, unlike in past assaults on Ouagadougou, in which the attackers used AK-47s.

Further confusion arose when news broke that on Sunday morning there had been an incident near Kosyam, the presidential palace in the Ouaga 2000 area of the capital, involving three assailants trying to break through a checkpoint. Two of them managed to escape; the third was killed.

Some aspects of these disparate actions suggest that the target was the French-backed anti-terrorist G5 initiative, which groups Burkina Faso with **Chad**, **Mali**, **Mauritania** and **Niger** (AC Vol 59 No 3). Others think that a failure of the different militaries to coordinate may be to blame, or inside information. The overall, murky impression suggests all three elements were at play.

President **Emmanuel Macron** chose Ouagadougou as the venue last November for discussions about the relationship between France and Francophone Africa but stopped short of unveiling a comprehensive new French Africa policy (AC Vol 58 No 24). He lavished praise on *Opération Barkhane* then, reiterating his commitment to the fight against terrorism.

Since then, a string of French-led or French-backed operations has enjoyed some success in northern Mali. Near Ménaka, in the eastern area of Mali bordering Niger, a coalition of Tuareg self-defence groups, backed by Malian troops and French special forces, has inflicted significant losses on the group clustered around **Abu Walid al Sahraoui**.

Sahraoui is a former MUJAO fighter who switched allegiance to *Al Mourabitoun* and then to Islamic State in the Sahel. Last month, reports said his main rear base had been destroyed by the Tuareg coalition, which consists of a Mali-backed militia – the *Groupe d'auto-défense touareg Imghad et alliés* (GATIA) – and the *Mouvement pour le salut de l'Azawad*, led by a former spokesman for the separatist *Mouvement national pour la libération de l'Azawad* (MNLA), **Moussa ag Acharatoumane** (AC Vol 57 No 19). The groups said they had killed 10 of Sahraoui's men, captured

six, destroyed vehicles and seized large quantities of arms.

It is unlikely that these setbacks had any bearing on the timing of the Ouagadougou attacks, although the jihadists on either side of the Islamic State/AQMI divide needed to send a signal that they remain a force to be reckoned with. The March attacks have done just that. Burkina Faso's **Clément Sawadogo**, who took over as Security Minister from the increasingly erratic **Simon Compaoré** on 31 January, reported that a G5 meeting had been scheduled to take place at EMGA but was moved just before the attack began. President **Mahamadou Issoufou** of Niger, who assumed the G5 presidency from President **Ibrahim Boubacar Keita** of Mali at a summit in Niamey early last month, was quick to offer condolences and support. The armed response included French Special Forces, who were seen in action at both the embassy and EMGA.

Next door to the EMGA building is the *Tribunal militaire de Ouagadougou*, where the trial of 84 people accused of involvement in the failed September 2015 putsch opened on 27 February (AC Vol 56, Nos 19 & 20). Most eyes were on the alleged – reportedly reluctant – coup leader, General **Gilbert Diendéré**, the military pillar of the government of ex-President **Blaise Compaoré**, deposed in a popular uprising in October 2014. The trial was adjourned abruptly, with no date set for resumption, as defence lawyers walked out challenging the competence of the court.

NO SHOW TRIAL

Such courtroom drama was predictable, but there is also anger in the army that the once widely feared Diendéré should be standing trial. Diendéré led Blaise Compaoré's elite *Régiment de sécurité présidentielle* (RSP) presidential guard, which doubled as a link between the Burkinabè ruling elite and various armed groups in West Africa, including Charles Taylor's National Patriotic Front of Liberia, **Guillaume Soro's Forces nouvelles** in Côte d'Ivoire, and Sahelian groupings ranging from bands of smugglers and kidnappers to jihadists. Their leaders, including Belmokhtar and Ag Ghali, were frequent visitors to Ouagadougou and held discussions with, among others, Diendéré and the former Foreign Minister **Djibril Bassolé**, who is also implicated in the 2015 coup plot.

These men still wield considerable influence and have a network that stretches from Abidjan to Nouakchott. This raises the question of whether there was any collusion with the Islamists by old brothers-in-arms, some

now in Ouagadougou's military prison, some at large in the vast, unobserved Mali hinterland and beyond, or others on active duty in Burkina Faso's armed forces. There is suspicion that inside information aided the attackers. Some say that the RPGs used in the attack were stolen by former RSP men in a January 2016 raid on the Yimdi ammunition depot just outside the capital.

Whether or not there was a link to the coup trial defendants, the recent attacks could help them. They may serve to warn the current government, which is run by two of Blaise Compaoré's former friends – President **Roch Marc Christian Kaboré** and **Simon Compaoré**, now Minister of State at the Presidency – not to take this justice business too far. Both men know everyone involved in the failed coup. They may not share ideology, but the old RSP has enemies in common with the jihadists, such as the country's current leadership, and France, and it is not out of the question that they cooperated.

The attacks took place against the backdrop of inconclusive army reform. The disbanded RSP, always better paid and equipped than the mainstream military, must be somehow integrated into a new structure and the Burkinabè army at large made to understand that it serves the public, and not the other way around. This lesson has not been fully absorbed. There are frequent reports of human rights abuses, especially in the north, where the army is hunting terrorists alongside Malian

and French troops, which are blamed for prompting young men to join outfits such as *Ansarul Islam*, a home-grown group on the border near Djibo (AC Vol 58 No 6). The group was led, until his killing in May 2017, by **Ibrahim Malam Dicko**, another firebrand preacher and associate of Amadou Koufa. The group's new leader, Dicko's brother **Jafar**, is considered much more fanatical.

Army reform ties in with improvements to intelligence systems. In 2017 President Kaboré announced the creation of the intelligence service *Agence nationale de renseignements* (ANR), under the leadership of Colonel **François Ouédraogo**. Not Colonel Auguste **Denise Barry**, Security Minister during the transition to democracy and founder of a promising new think tank, the *Centre d'études stratégiques en défense et sécurité*. Barry, a career soldier and one of the most popular faces in the 2014-15 transitional cabinet, was arrested in December last year, thrown in jail and accused of plotting to overthrow the government.

POLITICAL CHARGES

Virtually no one believes the allegations against Barry. Two explanations are doing the rounds: that Barry, already a welcome guest at G5 meetings, was eclipsing his government-appointed peers, and that he was too close to former transitional Prime Minister **Yacouba Isaac Zida** (AC Vol 56 No 9). Zida, a former RSP number two, has been in self-imposed exile in Canada

since January 2015 after being accused of planning a coup. One observer told *Africa Confidential* that the government will do anything to keep Zida away from power, even if it requires keeping the knowledgeable and professional Barry under lock and key on trumped-up charges.

Though there is no direct link between the Barry saga and the attacks, events point to a government not only increasingly weak, but apparently incapable of distinguishing between real danger and perceived threats. It is precisely this incapacity that has made the repeated attacks on Ouagadougou possible. Nobody argues any longer that Blaise Compaoré guaranteed law and order and longs for his return (AC Vol 58 No 19). But the present government's management of security affairs is glaringly weak.

Many Ouagalais are bewildered: no potential target as prominent as EMGA, in the busiest part of town, should be so vulnerable, they say. Yet security on the roads into Ouagadougou has been lax. Only the glitzy Kwame Nkrumah Avenue and large luxury villas are guarded at night. Now, there is a rising clamour in favour of public executions for terrorists, harsh measures against Malian refugees – a note of xenophobia previously unheard in Burkina Faso – and stringent controls on the movement of goods and people. Kaboré offered condolences and strong words after the attacks. These will no longer be enough. ●

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POINTERS

Sierra Leone

FLIGHTS OF FANCY

■ President **Ernest Bai Koroma** officially launched the Mamamah international airport project and associated 'airport city' for Freetown on 2 March, just in time to boost the prospects of the ruling All Peoples Congress in the 7 March national elections. Koroma has championed the US\$318 million project since 2011, in the teeth of determined opposition from the IMF, the World Bank and its own feasibility study. Where he sees a prestigious legacy of his 10 years in office, donors and the opposition only see a white elephant and massive debt repayments to come.

Sierra Leone Peoples Party presidential candidate **Julius Maada Bio** called the scheme 'a sham'. In 2015 Koroma promised the IMF not to go ahead with it, only to plead with **Chinese** President **Xi Jinping** to keep it alive days later (AC Vol 56 No 23). This followed reports that China's state-owned Eximbank had expressed reluctance about financing the giant contract, which is with China Railway International.

On 3 March, Freetown media reported the Chinese ambassador saying his country would cover the interest on the loan. Even so, the cost represents 11% of the country's GDP, according to a 2015 EY feasibility study (AC Vol 57 No 4). It is typical of large Chinese loans to African countries for infrastructure projects which first failed to win the approval of international financial institutions.

In May 2017, the IMF reported that the government had agreed with Fund staff that if it went ahead with Mamamah, which it described as 'imprudent', it would finance it with 'alternative, non-debt creating arrangements'. The scheme was ambitious enough when it was first mooted in 2010, when iron ore prices were high and growth looked set to explode. Then came the Ebola epidemic, the iron ore price crash, and an economic contraction of over 20%.

Nigeria/Italy

ABUJA COMES TO MILAN

■ Grandly billed by anti-graft lobbyists as the biggest corporate bribery trial in history, **Italy's** attempt to prosecute its national oil company ENI and Royal Dutch Shell for paying bribes to win rights to Nigeria's highly prospective OPL 245 has started badly.

An initial 5 March hearing in Milan was meant to be a short procedural session, but it turned into a drama when two lawyers turned up both claiming

to represent the Nigerian government. **Domenico Carponi Schittar**, an Italian academic with a mandate signed by the Nigerian ambassador on 2 March, was challenged by **Hilary Sedu**, a Nigerian lawyer with a mandate signed by the same ambassador, but dated 1 March. It was unclear which took precedence. It could have been a bureaucratic error but may also represent an attempt to sabotage the prosecution.

On 26 February, there was a secret meeting in Abuja between Attorney General **Abubakar Malami**, Deputy Minister of Petroleum **Ibe Kachikwu** and representatives of ENI and Shell, we hear. The aim was to settle the OPL 245 saga out of court. Although such a deal would not force the abandonment of the Italian case, it could make it look irrelevant. An out-of-court deal would be less damaging to the companies' reputation than any sort of plea bargain arrangement. In any event, they would be expected to make substantial payments to Abuja.

It would also leave open the matter of Nigeria's US\$875 million claim against JPMorgan Chase for negligently transferring funds in 2011 from a state escrow account to an account controlled by Malabu Oil & Gas and former Oil Minister **Dan Etete** (AC Vol 55 No 10). After transfer of the money to a **Swiss** and then a **Lebanese** bank was blocked over legal concerns, JP Morgan sent more than \$800 mn. in two tranches to an account in Nigeria controlled by Malabu. Nigeria's case against JP Morgan, launched by Malami, argues that the entire OPL 245 transaction is fraudulent and should be annulled. JP Morgan, which like ENI and Shell vehemently denies wrongdoing, is due to present its defence at London's High Court later this month.

Sahel

G5 UNSURE ON ROLE

■ The fraught process of raising finance for the G5 Sahel joint military task force cleared another hurdle on 23 February when a summit in Brussels raised cash pledges worth €120 million, taking the total to €414 mn. **Saudi Arabia** and the EU, at €100 mn. each, are the biggest donors so far (AC Vol 58 No 11).

Success with funding, however, cannot conceal differences between the leaders of G5 members **Burkina Faso**, **Chad**, **Mali**, **Mauritania**, and **Niger** and their Western partners. The Africans say their countries are suffering from the fallout of a UN intervention in **Libya**, and so the G5 should be incorporated under a UN Chapter 7 mandate. 'I wasn't responsible for this but I am dealing with the consequences,' said **Mahamadou Issoufou**, President of Niger and current Chair of the G5 Sahel. The G5 is also

suspected of desiring a UN umbrella for the force because political pressure from it would be easier to deflect.

The Western countries involved, chiefly the **United States**, which has pledged \$49 mn. and **France**, think the current arrangements are fine (AC Vol 59 No 3). 'Our support is bilateral. The pledges were all bilateral...that is most effective,' **John Sullivan**, Deputy Secretary of State, told AC.

Somaliland/UAE

ANY PORT IN A STORM

■ Both the structure and the timing of the deal between the **United Arab Emirates'** DP World and the Somaliland port of Berbera on 1 March raise big questions. The deal gives DP World a 51% stake in the Berbera project, while Somaliland gets 30% and **Ethiopia**, one of the main customers for the port, 19%. Work is due to start later this year.

The deal suits UAE's regional interests. As an ally of **Saudi Arabia**, it has a security relationship with **Eritrea** and has now strong relations with Somaliland. That fits well with the Saudi-UAE war against the Houthi rebels in **Yemen**, just across the Bab el Mandeb strait. UAE diplomats are also trying to undermine the Mogadishu government by sponsoring its allies to table an impeachment motion against President **Mohamed Abdullah Mohamed 'Farmajo'**. The UAE/Saudi aim in Somalia seems mainly to weaken the influence of **Qatar** and **Turkey**.

Less clear is how UAE was able to bring Ethiopia into the Berbera deal, apart from a purely commercial calculation. UAE and Saudi Arabia are tied into a regional alliance with **Egypt**, which in turn is embroiled in an increasingly messy dispute with Ethiopia over the future effect of the Grand Ethiopian Renaissance Dam on the level of the Nile.

A week earlier, the government of President **Ismail Omar Guelleh** had announced that it was severing its contract with DP World at the Doraleh container terminal at Djibouti Port. Guelleh accused DP World of operating the terminal in 'flagrant violation' of Djibouti's national interests.

This is the latest act in the continuing dispute between Djibouti and DP World (AC Vol 57 No 5). Two years ago, the London High Court dismissed Djibouti's case against **Abdourahman Boreh**, Director of DP World's Doraleh terminal, awarding them costs of US\$9 million. Now DP World has launched arbitration proceedings in London seeking damages against the Guelleh government for what it calls the expropriation of its assets at Doraleh. This raises some awkward questions for Ethiopia, which is Guelleh's strongest backer in the region.

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BLUE LINES

The build-up was as impressive as the goal is ambitious. After three years of talks, Africa is to form a Free Trade area for 54 countries and over 1.2 billion people. All signatory countries are to cut tariffs and import quotas. That is to be followed by a customs union where each country has the same tariffs and then a common market where all trade among members is free of tariffs and quotas. It would be the biggest economic union since the foundation of the World Trade Organisation. And all at a time when the United States has raised tariffs to protect its steel industry and China is styling itself as a crusader for free trade and globalisation.

The script became reality in Kigali on 21 March when the leaders of 44 countries turned up to sign the Free Trade Agreement. African Union Chairman Moussa Faki Mahamat called it a 'glorious challenge' which demanded 'the courage to achieve.' That's all true. Trade within Africa makes up some 19% of the continent's commerce, and trade between countries in Asia is about 50% of the region's commerce. The UN's Economic Commission for Africa reckons the Kigali agreement could help double intra-African trade.

But there are still powerful sceptics in Africa. Nigeria pulled out from the signing in Kigali, citing concerns by local companies about dumping and trade unions about jobs. Uganda's President Yoweri Museveni stayed away too, but it's uncertain whether that was for diplomatic or economic motives.

KENYA

Raila beats rivals to a new deal

The opposition is in disarray after its erstwhile leader signs a surprise agreement with President Kenyatta

It was the most ambiguous of handshakes, despite the claims that President **Uhuru Kenyatta** and the opposition leader **Raila Odinga's** meeting on 9 March – after months of acrimony – would 'build bridges to a new Kenyan nation'. More sceptical voices cautioned about its chances of survival.

But it served a clear enough purpose. It dampened down the confrontational political mood and boosted the economy. Within hours of the handshake, the shilling strengthened and Nairobi's stock exchange index edged up.

The governing Jubilee coalition choreographed it expertly. The optics – two smiling rivals now apparently reconciled – pointed to a grand new political arrangement, even if none of the practical details were spelled out. Two hours after the handshake, the **United States Secretary of State, Rex Tillerson**, landed in Nairobi. Any questions he may have had about political reconciliation and national stability would be met with that day's headlines: 'The big handshake'.

Although Odinga had lambasted Washington's Ambassador to Nairobi, **Robert Godec**, as biased against the opposition, we hear that US pressure behind the scenes played some role in the deal. Opposition officials say that the US had been considering imposing sanctions against those politicians judged to be blocking a political settlement, a formula that Washington has used elsewhere.

For Kenyatta, the Raila rapprochement is part of his hopes for a legacy, at least a record not dominated by political and

ethnic strife. Odinga is the most obvious beneficiary. It has taken his political career from street demonstrations and back into some form of government role. He may now claim to be co-ruling with Kenyatta in important aspects of national life.

Under the terms of the deal discussed, we hear that Odinga will have a plush government office at Jogoo House, next to Kenyatta's set-up at Harambee House, the obligatory ministerial Mercedes 500 with security and motorcycle outriders, a budget for the Building Bridges project and a salary. It has also freed him from pressure from his top three associates in the opposition National Super Alliance (Nasa). **Wycliffe Musalia Mudavadi**, **Stephen Kalonzo Musyoka** and **Moses Simiyu Wetangula** had been secretly negotiating an alliance with Kenyatta in their own right.

THREAT TO DEFECT

They also repeatedly threatened to defect from Nasa unless Odinga renounced all ambitions to run for the presidency in 2022 in favour of one of them (AC Vol 59 No 1 & 5). As a top Odinga advisor told *Africa Confidential*, 'Now he has beaten them at their own game and caught them by surprise. They were joyriders in a Raila-driven party.'

As the agreed agenda is so wide, Odinga will traverse the country recommending policy change and ethnic reconciliation everywhere – although many say this is what the President should be doing.

The ambiguity of the arrangement could also spark fresh rivalries within the

SIERRA LEONE	2	SOUTH SUDAN	3	SOUTH AFRICA	4	BOTSWANA	5	NAMIBIA	7
APC tries to stall election		Cash pipeline set to flow		Ramaphosa world tour		A well-scripted succession		LIBYA	8
After an ethnic split in the first round, the ruling party is trying to stop the presidential runoff		An influx of cash is expected now that debts to Khartoum are almost clear		After five weeks of reshuffling, the President is taking his new line-up on the road		The establishment is ensuring the change in leader will not disturb political stability		CONGO-KINSHASA	9
								GAMBIA	10
								POINTERS	12

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government between Odinga, Kenyatta and Vice President **William Ruto**, who is already preparing for a barnstorming presidential campaign in 2022. A few months back, Odinga said that his supporters could be not ignored – a direct warning to Ruto.

Not even the drafters in Odinga's and Kenyatta's offices were aware of the purpose of the agreement, the opening paragraphs and names for which were typed in last at Harambee House, the President's office, with both men present. Quietly, but with Ruto's assent, Kenyatta had been talking to Odinga about a rapprochement since the Nasa leader declared himself 'the people's president' on 30 January.

Much of the early pressure for the pact came from First Lady **Margaret Wanjiru Kenyatta** and Raila's wife, **Ida Odinga**, who met weeks before the mock inauguration. Ida Odinga was opposed

to Nasa's hard-liners, who cared little that Raila risked being charged with treason. Uhuru's mother, **Mama Ngina Kenyatta**, and his younger brother, **Muhoho Kenyatta** ('MK'), joined in, reassuring the Odingas in person that Uhuru wanted reconciliation and that a role would be created for Raila in government.

This all came to a head at Odinga's mock inauguration in January. On the day, the Jubilee leadership chose hard-line tactics: riot police and the well-armed General Service Unit surrounded Uhuru Park. But we hear that coordinated pressure by the leaders' wives led to negotiations and plans for massive police intervention were called off. Yet the Jubilee hardliners prevailed with the media ban: all television stations defying government orders not to broadcast the mock inauguration were taken off the air.

The agreement reads like a cross between an election manifesto of a new party and a list of Kenya's toughest problems – matters that the Jubilee government should be dealing with anyway. It is couched in generalities: from failure to forge nationalist feeling, ethnic friction, income inequality and corruption to electoral violence, hate speech and decentralisation's link to security (AC Vol 58 No 23).

Beyond establishing a secretariat—led by Ambassador **Martin Kimani**,

the government's Director for Counter-Terrorism, and Orange Democratic Movement's lawyer **Paul Mwangi** – the agreement says little. This should suit Odinga and the experts he will bring into his office, enabling him to recommend interventions in most national ministries.

Vice-President Ruto welcomed the agreement with caution, having seen Odinga defect from the opposition in 1998 to join **Daniel arap Moi's** Kenya African National Union in government. Odinga proceeded to wreck the party from within, defecting back to the opposition with a large following in 2002 and eventually unseating KANU.

Ruto's Kalenjin wing of Jubilee worries that the Kikuyu faction under Kenyatta could bypass him for the leadership succession in 2022. This is despite repeated assurances from Kenyatta that he and his allies will stand by Ruto.

The biggest losers are Mudavadi, Musyoka and Wetangula. Once sure of its position close to Jubilee, ODM began to distance itself from Nasa, removing Wetangula as Senate minority leader on 15 March and replacing him with **James Orendo**, a Raila loyalist. The trio now say that they want to negotiate their own agreement with Kenyatta but for now they are marooned politically. Yet as often happens with Kenyan politics, that could all change next month. ●

SIERRA LEONE

APC tries to stall election

After desperate politicians exploited ethnic allegiances, the ruling party is trying to stop the presidential runoff going ahead

Few surprises were produced by Sierra Leone's presidential elections on 7 March, which saw the ruling All People's Congress presidential candidate, **Samura Kamara**, head to a runoff on 27 March against **Julius Maada Bio** of the Sierra Leone People's Party. The result was a near dead-heat, with Kamara polling only about 15,000 fewer votes than Bio – 42.7% to 43.3%.

Although the vote resulted in a narrow absolute majority for the APC in parliament, it fears losing the second round in the presidential vote. Insiders and the opposition say that is why the APC applied for an injunction on 20 March to compel the National Electoral Commission to carry out a full recount of all the votes, to scrutinise

the operations of the NEC, and to stop the second round going ahead until those conditions are met. As *Africa Confidential* went to press, the High Court had not yet ruled.

In 2012, President **Ernest Bai Koroma** won 58.7% of the vote, winning in the first round (AC Vol 53 No 24). But this time, the votes of minority presidential candidates eliminated in the first look almost certain to go to Bio, indicating probable defeat for Kamara.

On 19 March, President Koroma summoned the NEC to State House and demanded they carry out a recount, we hear. Later, the NEC issued a statement addressing concerns about security and electoral fairness. The application for an injunction followed the next day. The SLPP points out that at a meeting

on 19 March, the NEC, together with its delegates from the leading parties, agreed certain measures in regard to the election. It was after this, in what the SLPP describes as an attack on the independence of the NEC, that Koroma placed his demands on the commission in the APC injunction application.

The election results showed the extraordinary resilience of the two traditional parties, in existence since Sierra Leone gained independence from **Britain** in 1961.

TWO-PARTY SYSTEM

Despite the courageous campaign of former UN Under Secretary General **Kandeh Kolloh Yumkella** and his National Grand Coalition – registered only a few months before the election – the APC and SLPP polled 86% between them, and Yumkella only 6.9%, most of it in APC regions (AC Vol 59 No 4). Another new party, the Coalition for Change, headed by former Vice-President **Samuel Sam-Sumana**, secured just over 3%, mostly from his home district of Kono, denying the APC and SLPP a boost from that swing district.

A strong ethnic campaign characterised the APC's overall strategy: party activists in places like Makeni, Koroma's hometown, were reported to have threatened ethnic Mende and Mandingo, whom they suspect of supporting the SLPP, with expulsion and other punitive action if the SLPP secured a significant vote in the city. In response many Mende people fled to places like Bo and Kenema in the south fearing for their safety.

If the runoff between Bio and Kamara goes ahead on 27 March, the vote is likely to be tight, and violence possible. On 15 March, clashes between APC and SLPP activists in the city of Bo led to the death of one person, and a massive deployment of army and police, imposing a virtual curfew on the staunchly SLPP city. The heavy security, according to the election observers from the Economic Community of West African States, intimidated elderly voters especially, many of whom stayed at home after seeing so many armed men in uniform.

Bio is so far favourite to collect the votes of Yumkella and Sam-Sumana, whom Koroma summarily sacked from the vice-presidency, unconstitutionally, most believe, in 2015 (AC Vol 56 No 6). The hefty vote for Sam-Sumana in Kono represented outrage at the way the APC treated their man.

Yumkella left the SLPP in late 2017, accusing Bio and others of intimidating other leadership contestants into not standing, including himself. (AC Vol 58 No 18). But he has since faced greater harassment from Koroma and the APC, who, in a bid to prevent him from contesting the elections, challenged his claim to Sierra Leonean citizenship in the Supreme Court, though he was

born in Sierra Leone to a prominent family. Many of Yumkella's staunchest supporters are disgruntled former members of the SLPP, but are still more likely to switch to Bio than to the hated APC.

The momentum is clearly with Bio, and the yearning for change after 10 years of APC rule works against Kamara. He is seen as Koroma's puppet, and several of his campaign billboards use an enlarged photo of President Koroma's broad smiling face, dominating the two other, servile-looking photos of Kamara and his vice-presidential running mate, **Chernor Bah** (AC Vol 58 No 21).

KOROMA'S VETO

Koroma is now Life Chairman and Leader of the APC, and many of Freetown's pundits fear a constitutional crisis if Kamara is elected. They believe Koroma, having failed to secure enough backing for plans to change the constitution and stand for a third term of office, has instead found a way of continuing to govern by the back door. If Kamara wins he will still be answerable to Koroma as party chair. Koroma could end his presidency by simply expelling him from the APC. The precedent was established in 2015 when the Supreme Court backed Koroma against Sam-Sumana.

The starkly ethnic pattern of voting, though unsurprising, is disquieting for many in Freetown. More than all previous post-civil war elections, the votes reflected entrenched ethnic and regional divisions. Many fear that, coupled with the increased ethnic rhetoric by the APC, this could descend into communal violence if not checked. The results show the APC winning 69% of the votes in its stronghold of northern Sierra Leone and only 11% in

the SLPP-dominated south-east. Helped by the advantages of incumbency, in 2012, Koroma polled over 80% of the northern votes and 20% in the south-east. In the two core Temne districts of Bombali and Karene, the APC polled 86% and 81% respectively.

Bio's SLPP, for its part, won 74.5% in its south-eastern heartland, and 83% in the Mende-speaking districts of Kailahun, Kenema, Bo, Pujehun, Bonthe and Moyamba. Sam-Sumana, a Kono, swept the Kono district, and Yumkella, a Susu, won a majority in Susu-dominated parts of Kambia, though his support is far more broadly spread than the other candidates.

Kamara won 86% of Bombali, whose capital is Makeni, his and President Koroma's home. Bio made significant advances in the Freetown area, improving his vote share from 26% in 2012 to 33.5% in 2018.

The pattern of ethnic voting emerged in the 2007 election that brought Koroma to power. During that campaign, the APC whipped up Temne and Limba fears that the country could come under the rule of their feared ethnic rival after the SLPP chose **Solomon Berewa**, a Mende, as its candidate. Koroma narrowly won the runoff, but he polled over 80% in the northern half of the country, and his APC captured 36 of the 39 parliamentary seats from that region. The SLPP, which took 18 seats in the APC's heartland in 2002, won only three seats there in 2007.

Convinced that this was a winning strategy, Koroma chose nearly 80% of his cabinet ministers from his northern support base in 2007. Sierra Leone's diverse society, famous in the region for its cultural and religious tolerance, has since been riven by 'tribal' politics. ●

SOUTH SUDAN

Cash pipeline set to flow

An influx of cash is expected now that debts to Khartoum are almost clear. Arms and oilfield security will have first call on the money

Oil money will soon begin flowing into South Sudan's coffers once more as the clearance of all its arrears to Khartoum approaches. Juba is due to wipe out its final debts to Khartoum in May, after which it can end agreed shipments of crude worth about US\$70 million a month, Oil Minister **Ezekiel Lol Gatkuoth** told *Africa Confidential*.

Since April 2017, Juba has been sending 600,000 barrels of crude to its

northern neighbour every two months – worth around US\$18 mn. a month at \$60 a barrel – to make up for falling behind on transit fees and compensation payments to **Sudan** agreed in September 2012. South Sudan has also been supplying oil to the Um Dabakir power plant in the Sudanese town of Kosti and to Khartoum Refinery Company (KRC) since June 2015, to make up for further accumulated arrears in transit payments. By February 2017, the volume

of these diversions had increased from an initial 12,000 bpd to 28,000 bpd, roughly 25,000 bpd of which was going to Kosti.

When cargoes were being transferred to Sudan, Juba's share in its own oil production fell to little more than 5,000 bpd, worth just over \$9 mn. monthly. Supplies to Kosti and KRC eased to a combined 20,000 bpd in March, according to trading data seen by AC.

Juba will still be subject to the terms of the 2012 agreement, implemented in March 2013, which stipulates that South Sudan pay \$9.10 a barrel to Khartoum for delivery of Dar Blend crude from fields in the former Upper Nile State – currently the only region producing oil (AC Vol 55 No 4 & Vol 56 No 21). Crude deliveries are also subject to payments towards the \$3.03 billion

due to Sudan under the Transitional Financial Arrangements for loss of petroleum resources and infrastructure through the secession of South Sudan. Initially, repayments were set at \$15 a barrel, but since early 2016 they have followed a sliding scale that depends on the oil price, Gatkuoth said.

Juba plans to increase production to 200,000 bpd by the end of this year and to between 270,000 bpd and 300,000 bpd by the end of 2019, Gatkuoth told AC. It is a modest target compared to an earlier plan to reach 350,000 bpd by late 2018. But output is languishing at roughly 130,000 bpd, and it will take a huge amount of repair work on devastated facilities in the former Unity State, as well as an intensification of efforts to bring on outlying fields in the former Upper Nile, to get anywhere near these volumes.

Gatkuoth insists that the Upper Nile region is stable and secure and that drilling and well servicing have already begun. The government wants

to start production from the Unity fields in the next six months, but the extent of damage makes this unlikely, AC understands.

Juba has contracted the Hong Kong-registered security and logistics provider Frontier Services Group to work with government forces to ensure stability in oil-producing areas of the former Unity State, Gatkuoth says. The firm has begun work on an 'assessment' of the security situation in Unity's Blocks 1, 2, 4 and 5A, the Minister told AC (though Blocks 2 and 4 lie north of the border inside Sudan). FSG will not play a direct role in security provision, he said.

PRINCE OF JUBA

FSG's Chairman is **Erik Prince**, who founded the US-based military contractor Blackwater, best known for its operations in **Iraq** (AC Vol 54 No 13). Prince has been actively building ties with the Juba government in recent years. FSG was formerly contracted by

the Ministry of Petroleum to 'assist' in keeping the oil flowing, FSG's **Gregg Smith** told AC in early 2015 (AC Vol 56 No 3). The firm was also a leading sponsor of South Sudan's 'Oil and Power' conference in Juba in October last year.

The **United Arab Emirates**-based private equity firm Frontier Resource Group, in which Prince is a managing partner, was contracted to build a 10,000 bpd refinery at Thangrial in Melut County, Upper Nile, by the end of 2013, but groundwork had barely been completed before civil conflict broke out in South Sudan. The firm was in further talks with the government over projects to build a power plant and develop river barge transportation for refined petroleum products.

Prince is also an advisor to Abu Dhabi's Crown Prince, **Sheikh Mohammed bin Zayed al Nahyan**, and his companies have been active in the security field in **Somalia** (AC Vol 52 No 9 & Vol 59 No 6). ●

SOUTH AFRICA

Ramaphosa begins world tour

After five weeks of reshuffling and restructuring after Zuma's exit, the President is taking his new line-up on the road

President **Cyril Ramaphosa** is preparing to set out his stall on the international stage, not only to deliver the message that South Africa is under new management but to restore his country's diplomatic heft and moral authority.

His first stop will be the Commonwealth Heads of Government Meeting (CHOGM) in London between 16-20 April, bringing a substantial delegation of ministers and business leaders. At least 30 heads of state or government from the Commonwealth's 53 member states are expected to attend.

Ramaphosa is to meet the Queen at Buckingham Palace and Prime Minister **Theresa May** in Downing Street on the eve of the summit. Whitehall insiders describe it as a 'mini State Visit', a measure of the importance that the British government attaches to the political changes in South Africa. As the newest leader of a big country at the CHOGM, Ramaphosa is likely to be courted and feted.

Also on the eve of the summit, Ramaphosa is to be the keynote speaker at a banquet organised by the Commonwealth Business Forum

at the Guildhall hosted by the Lord Mayor of the City of London. There will be some sense of déjà vu. In 1997 Ramaphosa, at then-President **Nelson Mandela's** request, became the co-chair of the Commonwealth Business Forum along with **Lord Cairns**, keeping this association until 2013.

Commonwealth officials hope Brexit will help fuel a new wave of interest in the organisation from London. Successive British governments preferred to prioritise trade and diplomatic relations with the European Union but now there is renewed interest in the Commonwealth. The May government sees the organisation, which includes **Australia, Canada, Ghana, India, Nigeria, Pakistan and Singapore**, as a launch pad for negotiating bilateral trade agreements and restoring British influence. However, Commonwealth states expect some fallout from Brexit.

NEW PRIORITIES

To convince the doubters, Britain has earmarked six Commonwealth members as priorities – South Africa among them – for renewed incentives to promote trade and investment. Britain will double the current export credit

finance for trade and investment with South Africa to £3.5 billion (US\$ 5 bn.), according to the Minister of Investment, **Graham Stuart**. Conservative MP **Andrew Selous** has been appointed as Prime Minister May's special envoy on trade and investment with South Africa to replace **Baroness Scotland** who is now Commonwealth Secretary General.

There are a couple of diplomatic knots that Ramaphosa will have to unravel. This month, Australia's Home Affairs Minister **Peter Dutton** criticised South Africa's land reform policies and suggested that its white farmers could be admitted to his country as 'refugees'. Ramaphosa's new Foreign Minister **Lindiwe Sisulu** sternly rebuked Dutton and called in Canberra's ambassador to Pretoria to complain. Other African National Congress officials have accused Australia of meddling in South African politics. The issue is certain to come up when Ramaphosa meets Australia's conservative Prime Minister **Malcolm Turnbull**.

A slower-burning issue is the Britain-South Africa relationship which weakened considerably under **Jacob Zuma's** presidency. Regardless of their views about Zuma, many in the ANC are sceptical about British policy in Africa and suspicious of London's relationship with President **Donald Trump**.

Ramaphosa will navigate the revived relationship with Britain with some caution, emphasising the benefits in trade and jobs. Despite South Africa's fast-growing relations with **China** and **India**, it still exports most of its

commodities and minerals to Europe.

There are some less obvious points Ramaphosa and May have in common. South Africa is critical of the EU's trade treaties with Africa and expects Britain, once outside the EU, to offer better terms. Pretoria's Trade and Industry Minister **Rob Davies** jokingly suggested that once Britain leaves the EU, it could apply to join the Southern Africa Development Community (SADC).

Ramaphosa will make the most of the international setting, with sessions planned with the Prime Ministers of India and Canada, **Narendra Modi** and **Justin Trudeau**. He is likely to steer a Mandela-esque path in foreign relations – that is nurturing close ties with the widest range of countries. Ramaphosa doesn't see the Europe-Asia balance as a zero-sum game for South Africa. Instead, he talks about widening the scope and quality of trade – by which he means selling more manufactures and processed commodities to the widest range of economies.

He wants to boost trade and

investment deals with Europe but also to reinforce South Africa's role as a platform for all international companies going into Africa. **Russia**, whose state nuclear power company Rosatom faces the cancellation of a multi-billion dollar nuclear power programme in South Africa, is the only country set to lose substantially from the Ramaphosa presidency.

ROBUST

Despite predictions of a political meltdown following Zuma's resignation, the government has proved robust so far and no major pushback by Zuma supporters seems likely.

Efforts by Ramaphosa and State Enterprises Minister **Pravin Gordhan** to straighten out the state electricity company Eskom, South African Airways and the arms manufacturer Denel have wide support (AC Vol 59 No 5).

On 19 March, Ramaphosa suspended **Tom Moyane**, the Zuma ally and widely criticised head of the South African Revenue Service. The Director of the

National Prosecuting Authority **Shaun Abrahams** is seen as the next member of the old guard to go.

Meanwhile, Ramaphosa has pushed on with his Africa policy. First, he called on five neighbouring African countries – all members of SADC – and attended the African Union's summit in **Rwanda** on 20 March for the signing of an accord for the Continental Free Trade Area.

Ramaphosa's presidency is part of the new wave in SADC, alongside Presidents **Emmerson Mnangagwa** in **Zimbabwe** and **João Lourenço** in **Angola**. As well as meeting Mnangagwa and Lourenço, Ramaphosa called on President **Ian Khama** of **Botswana**, **Hage Geingob** of **Namibia** and **Filipe Nyusi** of **Mozambique**. His overall message was that there will be new energy in South Africa's diplomacy and trade policy, pushing for faster economic and political convergence in the region. For most of the leaders that is welcome at a time of relatively slow economic growth and mounting international uncertainties. ●

BOTSWANA

A well-scripted succession

National wealth may be on the wane, but the establishment is ensuring the change in leader will not disturb political stability

After ten years in office, President **Ian Khama** is on a farewell tour of the country, as pundits ponder whether he was ineffective because he did not do too much, or effective for the same reason. The current Vice-President, **Mokgweetsi Masisi**, replaces him in April. The motivation for the change is to allow Masisi to use his incumbency to help win the general election in October 2019. By then, he hopes he will have obtained the same air of permanence that benefited his predecessor. Masisi will make no major changes before the polls, although he will probably reshuffle the cabinet.

Manoeuvring for the vice-presidency by leading players in the ruling Botswana Democratic Party (BDP), in power continuously since independence in 1966, was intense. It calmed after Masisi secured his claim to the presidency last year by winning the key election for the party's chairmanship.

However, he does not seem to have the full support of BDP structures and his endorsements have been prompted largely by the fear President Khama can instil in both party and government. Masisi rose fast through the BDP ranks

mainly because of his no-questions-asked obedience to the President.

A former military commander and the eldest son of Sir **Seretse Khama**, the country's first post-independence leader, the outgoing President is well-known for high-handedness and a populist leadership style, particularly on social issues. His two terms have been marked by impetuous, unilateral decisions that often go unchallenged, and a marked sensitivity to criticism. His strong dislike for alcohol, for example, led him to introduce a punitive tax on alcohol sales and restrict liquor trading hours soon after assuming office.

There are still elements in the BDP who are disgruntled about Masisi's ascent to power but it is now too late for anyone to upstage him. Yet his political skills and statesmanship will be greatly tested over the next 18 months and he can take little for granted.

Masisi's immediate task will be to consolidate his base within the BDP. He reportedly survived an internal motion of no confidence last February only after Khama intervened.

Although the new president is expected to follow precedent by

appointing his allies to top positions and relegating some of his BDP opponents to the back benches, the move might backfire if his rivals can outmatch him on grass-roots support. Masisi appears to have little room to accommodate the ambitions of everyone in the BDP, and he could still lose out after electoral victory because it is MPs of the largest party who vote in the new president.

With slow economic growth, high unemployment and rising inequality, the BDP has been shedding support. In 2014, for the first time since independence, the party failed to win an outright majority, securing only 47% of the vote, down from 52% in 2009 and far below the two-thirds majority that it had targeted (AC Vol 55 No 22). Since then, its waning popularity has been marked by by-election losses.

NO TIME TO LOSE

Masisi will have to get to grips with the economic challenges pretty quickly – certainly before the general election. The long-term difficulty will be to liberalise Botswana's economy and integrate it into regional and global markets. President Khama's tenure has been marked by increasing protectionism, raising the barriers to foreign investment, and immigration restrictions on skilled workers and foreign investors alike. These measures have taken their toll on the economy and employment and flown in the face of advice in favour of diversification and liberalisation.

Masisi will also need to be seen to do something about rising corruption

RIVALS WITH A CAUSE

Mokgweetsi Masisi (BDP)

Vice-President Masisi is expected to have a smooth accession to the presidency in April and will probably retain the post if the Botswana Democratic Party wins the October 2019 election.

Born in 1963, Masisi first trained as a teacher, majoring in English and history. He then joined Unicef as an education officer in 1995, resigning in 2003 to enter politics, standing unsuccessfully in the BDP primaries in rural Moshupa, in the Southern District. He tried again in 2008 and won the party nomination and then the seat. He became Assistant Minister of Presidential Affairs and Public Administration that month and has been Vice-President since 2014, serving concurrently as Minister of Education and Skills.

Duma Gideon Boko (UDC)

This 48-year-old lawyer is the President of the Umbrella for Democratic Change (UDC) electoral alliance. His deputy is the Botswana Congress Party leader, **Dumelang Saleshando**.

The firebrand Boko became an activist while studying at the University of Botswana. He is the MP for Gaborone Bonnington North and the leader of the opposition in Parliament. Boko became leader of the Botswana National Front in 2010, a year after it performed poorly in the general election, winning only five seats and losing some constituencies it had held for decades to President Khama's BDP.

The UDC will exploit voter fatigue and put up a tough fight next year, but long-standing ideological differences threaten the bond between the coalition partners and constituency allocation will strain relations.

Ndaba Gaolathe (AP)

Gaolathe formed the Alliance for Progressives and became its President in 2017 after splitting from the Botswana Movement for Democracy, itself a splinter group of disgruntled BDP members. Gaolathe's leadership of the AP has been marred by infighting, mudslinging and controversies dating back to his days in the BMD.

Born in 1972, he is the son of the late Minister of Finance and Development Planning **Baledzi Gaolathe**. He is a graduate of George Washington University in the **United States** with degrees in mathematics and economics. Most expect the AP to join the UDC before the elections. ●

if he is to reverse the BDP's fortunes. Botswana has consistently ranked high in anti-corruption global indices but numerous cases of graft are emerging. The new President would score well if he re-established public accountability, but such actions could alienate important interests.

Botswana is one of a tiny handful of countries in sub-Saharan Africa that have upper-middle-income status, a distinction it obtained almost 20 years ago through prudent use of diamond revenues. Over the past three decades, it has enjoyed one of the fastest growth rates in Africa, and the money earned has been used to build infrastructure and provide social safety nets for the poor and vulnerable.

BDP supporters make much of this, adding that Botswana's economy could scarcely be in ruder health. Presenting the 2018 budget to Parliament on 5 February, Finance Minister **Kenneth Matambo** painted the rosier of pictures. The cumulative budget deficit under the last seven-year development plan (NDP10) had, at just 9.2 billion pula (\$971 million), been far lower than expected, while economic

diversification meant that mining's share of domestic output had declined from 25% in 2008 to 20% in 2017. Two decades ago it contributed 40% of GDP.

Meanwhile, unemployment had shrunk from an all-time high of 26.2% in 2008 to 17.7% in 2016, and the number of people living below the poverty line was down from 19.3% in 2009/10 to 16.3% in 2015/16, Matambo said.

SHOULD DO BETTER

The BDP's critics argue that, in a country endowed with some of the world's richest diamond reserves, people's standard of living should be much better.

Regardless of the government's figures, however, the biggest social issue is high unemployment. The parastatal Statistics Botswana estimates that youth unemployment stands at 33%. Diamond production may produce great wealth but it does not need many workers (AC Vol 53 No 18). Meanwhile, manufacturing and agriculture, which could absorb new labour market entrants, fail to grow.

Critics also challenge the claim that

the economy is diversified. Diamonds represent 80% of export earnings, a sign that the country's fortunes rest on a narrow base. While poverty levels have been declining steadily, recent data shows that the gap between rich and poor is on the rise. The inequality rate is now thought to be among the highest in the world.

The data also shows that average household consumption rose from 3,046 pula (\$320) a month in 2009/10 to over 3,927 pula (\$414) in 2015/16. The 29% increase does not look so impressive once inflation of 40% over the same period is taken into account. Average real consumption per household in effect fell by 8.1% over that period.

The BDP's waning popularity stems from dissatisfaction among its followers as well as the strengthening of the opposition electoral alliance, the Umbrella for Democratic Change (UDC), despite some cracks in its unity. In August 2017, one of the country's oldest opposition parties, the Botswana Congress Party (BCP), decided to join the UDC. The BCP followed the Botswana Movement for Democracy (BMD), Botswana National Front (BNF) and Botswana People's Party (BPP) into the coalition, considerably boosting its electoral prospects. But since then, the BMD has split into two, leading to the formation of the Alliance for Progressives (see box).

The four partners are yet to finalise the allocation of constituencies between them, a process further complicated by the BMD break-up, and disputes about decision-making emerged ahead of its annual congress on 23 February. On the surface, however, it appears that the UDC has survived the split and is preparing to go to the polls as a united front.

So far the AP, led by the youthful **Ndaba Gaolathe** (see box), has refused to join the coalition, demanding the expulsion of the BMD. However, it has agreed in principle that it will not contest constituencies where the BCP and BNF are contesting for the UDC, thus reducing the probability of splitting the opposition vote (AC Vol 55 No 2).

Although the opposition parties amassed 53% of the vote in 2014, most pundits believe the BDP will narrowly retain power in 2019. It will be the tightest vote since 1966. The ruling party's trump card is Botswana living in rural areas: they are the majority of the population and the biggest beneficiaries of the BDP's social safety nets and economic programmes. Masisi is expected to build on that with a public spending boost in the 2018/19 budget that should see the BDP over the threshold. ●

NAMIBIA

Geingob reasserts control

The President has seen off a serious challenge as he prepares to take action on corruption and regain public trust

Almost three years into his first five-year term, Namibia's first non-Oshiwambo head of state, **Hage Geingob**, seems to be in a dominant position. Previously acting leader of the ruling SWAPO Party, he was formally elected its President at the party's 6th Congress in November.

But Geingob's standing has been weakened by a steady increase in government fraud which has hampered efforts to restructure loss-making parastatals. The corruption is not on a par with the destabilising 'state capture' activities of business elites in neighbouring **South Africa**, but Geingob is uncomfortably aware it is blocking better service delivery. These are vital to the anti-poverty initiatives he set out as his principal goals on taking office in March 2015.

The economy has experienced a downturn since that year, when growth was 6%: almost treble the 2.3% annual population growth rate. The country barely registered positive growth last year and, although production of diamonds, gold and uranium increased substantially, other sectors contracted sharply, causing unemployment to soar. The completion of new mines, the slowness of much-vaunted public private partnerships for infrastructure upgrades and swingeing cutbacks in government spending – including a moratorium on building new offices – have kept construction in free fall since the end of 2015 (AC Vol 56 No 24).

This was compounded by Namibia's sovereign credit rating being downgraded to 'junk' status by Fitch and Moody's last year, with the ratings agencies judging that two years of fiscal consolidation had failed to sufficiently reduce an unsustainably high budget deficit and prevent soaring public debt, now over 40% of GDP. Namibia's ranking in World Bank and World Economic Forum business climate reports has also declined over the past three years.

The economy is poised to rebound this year, however, with the impact of stronger global commodity prices and a resumption of South African growth. Much also depends on whether the large, **Chinese**-owned Husab mine in the central Namib Desert ramps up to its annual installed capacity of 6,800

tonnes of uranium oxide by the end of this year (AC Vol 54 No 12). Yet this will still leave Namibia struggling to achieve the ambitious job creation and poverty reduction targets of the five-year Harambee Prosperity Plan (HPP), launched by Geingob in 2016.

In contrast to his two predecessors as president, **Sam Nujoma** (1990-2005) and **Hifikepunye Pohamba** (2005-15), who are both Oshiwambo, Geingob is from the minority Damaras, who live mainly in the central-west and north-western Erongo and Kunene Regions. Geingob secured a record 87% in the November 2014 presidential election with the support of the previously opposition-voting Damaras (their traditional leadership endorsed him), but he remains distrusted by a coterie of northerners within SWAPO's leadership.

SHADOWY ELITE

Mostly former Nujoma acolytes belonging to the shadowy and always denied 'Omusati' group – named after one of Namibia's four Oshiwambo-speaking regions – they have proved more difficult to brush aside than the fragmented, mainly ethnically-based opposition parties. Leading anti-Geingobists include Home Affairs Minister **Pendukeni Iivula-Ithana** and Youth and Sport Minister **Jerry Ekandjo**. Along with a former prime minister, **Nahas Angula**, and long-serving former cabinet minister **Helmut Angula**, they opposed Geingob and his choices for the other top party posts at the November congress. Helmut Angula is a director of Eco Oil & Gas (Namibia), a wholly-owned subsidiary of the **Canada**-based Eco Atlantic Oil & Gas, which holds four offshore exploration licences in the Lüderitz and Walvis seismic basins. Angula reportedly helped secure the licences from the National Petroleum Corporation of Namibia six years ago.

Under the banner of 'Team SWAPO', Nahas Angula and Ekandjo stood against Geingob for the party presidency. Iivula-Ithana challenged Geingob's choice for the number-two slot he was vacating, Deputy Prime Minister **Netumbo Nandi-Ndaitwah**, also International Relations and Cooperation Minister. Team SWAPO claimed the party had lost its way and no longer represented

poorer Namibians. They came close to accusing the President of facilitating enrichment of favoured groups – and have now paid the price.

Geingob won the leadership with 75% of the votes cast by some 600 SWAPO delegates. Nandi-Ndaitwah trounced Iivula-Ithana for the party vice-presidency and another Geingob choice, Urban and Rural Development Minister **Sophia Shaningwa**, became SWAPO Secretary-General.

Nandi-Ndaitwah is now perfectly positioned to become the next head of state at the end of Geingob's second term in 2025, or earlier, should his health fail (he is 76). As SWAPO's Vice-President, she can expect to be nominated as its presidential candidate and because SWAPO is committed to gender parity many would feel it was time to elect a female leader (AC Vol 56 No 7).

There is no obvious rival to her, though Geingob has appointed the outgoing Secretary-General, **Nangolo Mbumba**, as the new Vice-President of Namibia, a largely ceremonial post created in 2015. Mbumba took over from **Nickey Iyambo**, a SWAPO veteran and former personal physician to Nujoma who stepped down because of illness. But after being sworn in on 12 February, Mbumba declared that he has no desire to be President. 'I have a good job,' he said. 'Why should I have other ambitions?'

Geingob bided his time until a month after the long winter break which most ministers spend on the coast. Then, in February he dismissed both Iivula-Ithana and Ekandjo from their ministerial posts after accusing the latter of violating the party's constitution with his Team SWAPO utterances.

In mid-February, the President reshuffled his cabinet, retaining **Calle Schlettwein** as Finance Minister, one of two white cabinet ministers. The second, Public Enterprises Minister **Leon Jooste**, has been assigned to enact parastatal reforms 'without further delay'. Both men are on SWAPO's 'pragmatic' wing and favour liberal reforms.

Geingob also kept Prime Minister **Saara Kuugongelwa-Amadhila**, partly because, as a protégée and distant relation of Nujoma, she ensures a balance in government. She will have to steer through public service cuts and Namibia's Black Economic Empowerment (BEE) law (AC Vol 54 No 12). In a bid to curb the cost of the 100,000-strong public service, senior civil servants will be limited to two foreign trips a year, alongside other measures aimed at controlling the misuse of state vehicles and rooting out

'ghost' workers. There is also a total ban on overseas trips by ministers, which Geingob announced as a temporary measure at the beginning of February and has since extended.

Kuugongelwa-Amadhila will have to accept a watering down of the BEE bill, ponderously entitled the National Equitable Economic Empowerment Framework (NEEEF). The original January 2016 draft was overly-prescriptive, including provision for the mandatory transfer of minimum 25% equity stakes in all businesses operating in Namibia to BEE entities or individuals. Even though these would have to be paid for, in unspecified ways, by the state, the concept was slated by local firms, including black entrepreneurs, and foreign investors, as a disincentive to investment. Geingob appears to have accepted that any BEE measures that imperil the foreign investment climate will be resisted.

The President also promoted key allies, moving **Frans Kapofi** from Presidential Affairs to Home Affairs, and younger politicians such as Nandi-Ndaitwah's deputy **Peya Mushelenga**, who has succeeded Shaningwa at Urban and Rural Development. Shaningwa had to leave the cabinet because serving as SWAPO Secretary-General is now deemed a full-time job.

Economic pragmatists were also rewarded: the former Bank of Namibia Governor **Tom Alweendo** has gone to Mines and Energy, in a straight swap with the former Namcor managing director **Obeth Kandjoze**, who now leads the National Planning Commission. With the fifth five-year development plan completed under Alweendo, this will be a non-job for the next few years. Alweendo is expected to rein in creeping BEE conditions for new mining licences that Kandjoze sanctioned.

LIFESTYLE AUDITS

In a statement to the first cabinet meeting of the year, Geingob did not mince his words, stressing that 2018 would be 'the year of reckoning' for perpetrators of fraud, 'transgressing civil servants', attitudes of entitlement and 'silo mentalities' across ministries. However, he cautioned that public expectations that 'heads of big fish must roll' had to be tempered with respect for due process.

The President pointedly noted that only Schlettwein had followed his example – and that of the First Lady, **Monica Geingos** – of publishing a declaration of income and assets.

Perceptions of corruption continue to haunt the government, despite

interventions by both Geingob and Schlettwein to reverse a flawed tender award by the Namibia Airports Company to a **Chinese** firm for the renovation of the international airport in Windhoek, as well as a dubious scheme for crude oil imports from **Angola**.

Geingob also disclosed that a 'confidential process' of lifestyle audits to detect unexplained personal wealth was in train, with those 'found wanting' to be handed over to the law-enforcement agencies. These measures, even if implemented, may be not be enough. The register of National Assembly members' interests has still not been made public, despite a promise by the Speaker, **Peter Katjavivi**, that this would happen soon after he took over in 2015.

The 42-member National Council (the upper house) has published the register of councillors' assets. But an updated register of assets owned by the 104 Assembly members – 77 of whom represent SWAPO – has not been publicly available since 2009.

Katjavivi, a SWAPO representative to the UK before independence and former University of Namibia vice-chancellor, has now promised to publish the information this year, provided he is given more officials to complete the task. ●

LIBYA

Seizing the spoils of war

From people-trafficking to oil theft, crime is the mainstay of all the armed groups. International organisations are finally acting

Local and international authorities are finally moving against Libya's myriad criminal networks, which finance militias and make personal fortunes. Yet criminality remains pervasive across rival factions. A leaked United Nations Libya Experts Panel interim report – which the UN has since sought to disown, after the panel's Coordinator expressed his 'extreme concern' at the security implications – said military campaigns launched in mid-2014 against *Da'ish* (Islamic State) by the Misurata and other militias (Operation Dawn) and **Khalifa Haftar's** Libyan National Army (Operation Dignity) had 'dramatically accelerated the depletion of Libya's wealth'. The plunder follows on the 'absence of effective control mechanisms, [and with the] complicity of members of the political establishment and empowerment of armed groups'.

Initially 'motivated by a will to finance political and military operations, members of those networks have since developed networks of private interests across the board'.

The report cited 'channels of diversion used by armed groups (and their sponsors) to tap state funds, letter of credit (LC) and debit card frauds, fuel smuggling by players including Al Nasr Brigade militia, the trafficking of subsidised products and abuse of extra-budgetary expenses.

LETTERS OF DISCREDIT

The Government of National Accord (GNA) Audit Bureau lacks the resources – and cooperation from other authorities – to fully investigate, but it suggested only 14% of the total value of LCs issued on local banks, including major players such as the Libyan Foreign Bank and Al Jomhuriya Bank, corresponded

to real imports. Senior LFB executive **Amro Yakhlaf el Hajaj** was forcibly abducted and held for ten days in 2016 after highlighting LC abuses. Among questionable deals, unauthorised LCs were issued to companies owned by **Abu Bakr Bu Sahmein**, a business associate of Tripoli Revolutionaries' Brigade commander **Haytham el Tajuri**, who, the report claimed, had also directly threatened Tripoli bankers.

National Oil Corporation's well-regarded chairman **Mustafa Sanalla** has publicly criticised the GNA (his titular chief), other official bodies and powerful individuals for subverting payments and forcing their control over fuel distribution. His claims of 'state capture' are supported by the leaked UN report, whose 'confidential sources' said the budget for imported petroleum products had ballooned to around US\$5 billion as of November 2017 (up more than 70% on 2016). Sales of these products had generated government revenues of only \$75 million, when estimated income should be at least \$500 mn. – 'indicating the size of the trafficking'.

The US Treasury Department's Office of Foreign Assets Control (Ofac) sanctioned six high-profile oil smugglers, 24 companies and seven vessels on 26 February. Top of the list is **Maltese**

kingpin **Darren Debono**, who is in court in Catania following investigations by **Italian** prosecutors and others, including Maltese journalist **Daphne Caruana Galizia**, who was murdered in a car bomb last October. His notorious Scoglitti Restaurant is also on a list that includes Libyan associate **Fahmi (Salim Musa) Bin Khalifa** and Sicilian Mafioso **Nicola Orazio Romeo**. Khalifa is known as the King of Zuwara, a pivotal port in smuggling from the Az Zawiya oil refinery; he has been held since August by Tripoli militia Rada Special Deterrence Force.

Investigations Department head at the GNA's Office of the Attorney-General (OAG), **Seddiq el Sour**, says **Fahmi**

Salim and brother **Hafed Salim** (aka **Al Idrisi**) are 'the most important local oil smugglers'. In a wider crackdown that points to the extent of official collusion, the OAG has issued 60 arrest warrants and travel bans against products distribution company board members.

The OAG has also issued arrest warrants for more than 200 people suspected of having 'pivotal roles' in people-trafficking, murder and other abuses, including African embassy officials, local security forces and detention camp commanders. El Sour said direct links had been established between smugglers and *Da'ish* (Islamic State), but a much wider variety of players are involved in what is now seen

as Libya's second biggest business.

The GNA's crackdown on trafficking received its strongest support from Italy, whose government remains intensely focused on Mediterranean migration (AC Vol 58 No 17). However, Interior Minister **Marco Minniti's** expensive and controversial activist policy (AC Vol 58 No 21) and Rome's strong support for Serraj are in question, with either the pro-Haftar centre-right or populist Five Star Movement set to take over the premiership. Italy's new leaders are likely to be keener on the Voluntary Humanitarian Return programme, which was scaled up on 28 November in line with a controversial AU-EU summit decision. ●

CONGO-KINSHASA

The Great Lakes gold rush

Escalating violence is being fuelled by smuggled gold, which often ends up in the hands of a leading Belgian refiner

Diplomats and United Nations officials are becoming increasingly worried by the risk of another 'great war' as bad as that which devastated the country between 1998 and 2003. Now as then, rebel factions are in an arms race fuelled by mineral exports as they use violence to try to break the political impasse caused by President **Joseph Kabila's** failure to hold elections in 2016, and his apparent intention to stay in office for the foreseeable future.

Smugglers sourcing their riches from several conflict zones in the Ituri, North Kivu and South Kivu provinces of eastern Congo-Kinshasa are accelerating illicit exports to neighbouring **Uganda**, **Rwanda** and **Burundi**, all of which accuse each other of sponsoring militias in Congo-K (AC Vol 59 No 5). The main commercial refiner in a position to benefit, meanwhile, is the Antwerp and Dubai-based businessman **Alain Goetz**, who has partnered with Bujumbura's biggest gold dealer and has also invested in gold refineries in Entebbe and outside Kigali over the last three years (AC Vol 58 No 5). Goetz denies intentionally sourcing conflict gold but acknowledges that some conflict gold could end up in his stocks.

The establishment of the African Gold Refinery (AGR) in Entebbe, almost entirely owned by Goetz, coincided with a spike in official Ugandan gold exports from US\$35.75 million in 2015 to \$339.54 mn. in 2016, data obtained by *Africa Confidential* shows (AC Vol 58

No 25). In 2017, AGR exported more than eight tonnes of gold (roughly \$320 mn. at market value) to Goetz Gold LLC, the Dubai-based affiliate of Tony Goetz NV, which is Goetz's Antwerp flagship operation and turns over \$2 billion annually. However, Ugandan ministry officials and industry experts say Uganda only produces three tonnes of gold a year. The other five or more tonnes come largely from Congo-K, notably from North Kivu and Ituri, but also from **South Sudan**, our research shows.

MUSEVENI'S FRIENDS

UN investigations over the last 12 years have consistently identified conflict gold from Ituri and North Kivu going through Uganda. Two Ugandan gold-trading companies, UCI Ltd. and Machanga Ltd, were sanctioned by the UN Security Council for the trade in 2007 (AC Vol 51 No 2). Gold-trading sources say that the former director of Machanga, **Rajendra Vaya**, now works with Goetz. Goetz's resurgence as gold's primus inter pares in the Great Lakes has been partly enabled by his close association with Ugandan President **Yoweri Museveni**, who ceremonially inaugurated AGR and gave it a major boost by announcing a 0% export tax on gold refined in Uganda (AC Vol 58 No 12). Despite the President's support for AGR, long-established Kampala-based gold-traffickers, such as **J.V. Lodhia** (aka Chuni), the patriarch of the Lodhia family, which is behind UCI Ltd,

remain very much in competition with Goetz to buy gold from Congo-K. They have their own high-level connections in the Ugandan government. In spite of Museveni's backing, AGR is being investigated by the country's Inspector-General of government and the Financial Intelligence Authority.

In a possible move to diversify risk away from Uganda, Goetz, has also recently gone into partnership with the Rwandan government to complete a gold refinery in Rwanda due to open later this year. He has been operating as a licensed buyer of gold in Rwanda since mid-2017. Gold exports from Rwanda have, according to official figures, surged almost 3000% from \$8.1 mn. in 2014 to \$242.5 mn. in 2017. Dubai is now Rwanda's most important trading partner, and gold far outstrips Rwanda's other staple exports, like coffee and tea. Rwanda's minister of finance and economic planning stated in late 2017 that gold exports could total \$800 mn. a year by 2020 and \$1.6 bn. by 2024. Official Rwandan statistics show that in November and December 2017 gold exports averaged 1 tonne per month. However, an internal Rwandan government study from July 2016, seen by AC, states that domestic Rwandan gold production amounts to around 30kg a year. Trading sources tell AC that almost all the gold currently being exported from Rwanda has been smuggled across the border from eastern Congo-K, especially South Kivu and Maniema. A 2016 UN investigation showed that Bukavu-based gold trader **Caetano Victor Chibalonza**, a close friend of Congo-K's General **François Olenga** and a long-standing arms dealer for the regime, had exported his conflict gold through Rwanda (AC Vol 55 No 19). Chibalonza is one of many traders whose networks have now been swallowed up by Goetz's buying operation in Rwanda, traders say.

As much as 20 tonnes a year of artisanal conflict gold is being smuggled out of eastern Congo-K into neighbouring states, according to traders and industry experts. This represents an immense loss of revenue for the Congolese exchequer in unpaid tax, and a potential balance of payments boost of nearly \$1 bn. Goetz told attendees at a May 2017 Paris meeting of the Organisation for Economic Co-operation and Development that his operations have the potential to pull in gold that has not been sourced from mines certified as conflict-free, but insists that his due diligence conforms with guidelines set out by the OECD and the International Conference of the Great Lakes Region (ICGLR) and that no conflict gold has been knowingly acquired.

Yet, UN investigations in 2016 uncovered the systematic falsification of ICGLR export certificates declaring the gold exported from Rwanda and Uganda to be 'conflict-free'. According to research by the Antwerp-based International Peace Information Service in 2016, 64% of gold miners in eastern Congo-K work under an armed presence, and over half the mines are under the control of the national army, the *Forces Armées de la République du Congo* (FARDC). Currently, the indications are that non-state armed groups are increasingly filling the vacuum left by the withdrawal of UN troops from their forward operating bases as part of a general draw-down of UN forces. This

is particularly being felt in North Kivu and concerns are high that this may accelerate as armed groups continue mobilising, especially in Ituri.

Goetz first came to the Great Lakes region in the 1980s and by 1994 had secured a near monopoly on gold in Zaïre, then ruled by **Mobutu Sese Seko**, with his Bujumbura-based refinery – Affimet, now defunct – producing several tonnes a year. Following disputes with high-ranking regime figures in Burundi, Goetz relocated to Goma in North Kivu just as the rebellion against Mobutu of **Laurent Desiré Kabila** gathered pace in 1997. Perhaps forced to choose sides, Goetz agreed to pay a 1.5% tax on the gold to Kabila's *Alliance des Forces Démocratiques pour la Libération* (ADFL) rebellion. Gold sourced in the east of the country and elsewhere was ferried back to the family refinery in Antwerp, Tony Goetz & Zonen (now Tony Goetz NV), then run by his father, Antoine.

INTELLIGENCE TIES

During the second Congolese war of 1998-2003, Goetz moved back to Bujumbura where his local employee **Mutoka Ruganyira** rose to become the country's most important gold dealer. In 2009, by which time Goetz had inherited Tony Goetz & Zonen, Mutoka was named by the UN as one of the biggest buyers of gold from armed groups in South Kivu, in alliance with the then director of Burundi's national intelligence **Adolphe Nshimirimana**,

who was assassinated in August 2015 (AC Vol 50 No 24). Following the 2009 investigation by the UN, Mutoka was sidelined by Goetz and President **Pierre Nkurunziza**. However, he has again emerged as the key middleman in Burundi's conflict gold industry, drawing in gold primarily from the Fizi region of South Kivu, where FARDC has been conducting operations this year against the warlord **William Amuri Yakutumba**, who historically traded gold with Burundi.

Based on UN findings about the passage of conflict gold in the region, Goetz's entry into the Ugandan refinery business, and as the main buyer from Rwanda, is likely to make him the undisputed heavyweight of conflict gold in the Great Lakes region, whatever sourcing controls are in place. Goetz, however, maintains cordial relations with serving UN dignitaries. During an ICGLR conference on natural resources in July 2017, sponsored by the UN Special Envoy for the Great Lakes **Saïd Djinnit**, Goetz was an invited speaker and paid for the cocktail party at the end of the conference. Some UN officials have expressed surprise that the UN Group of Experts, which is mandated to investigate sanctions violations including illicit natural resource exploitation, has soft-pedalled on Goetz. In 2017, they limited their observations on Goetz's operation to stating that 'African Gold Refinery could contribute to a cleaner gold trade in Uganda.' ●

GAMBIA

Deep sea intrigue

International interest in offshore oil deposits has thrown the spotlight on Gambia's ongoing squabble with African Petroleum

African Petroleum, the Norwegian-listed oil company founded by controversial resources magnate **Vasile 'Frank' Timis**, has lodged three separate court cases against the Gambian government after it cancelled licences to drill the A1 and A4 gas fields, citing a failure on African Petroleum's part to meet exploration commitments (AC Vol 58 No16). Gambia says it refused to extend AP's licences because AP had failed to drill a well within the timeframe of the licence. The company had signed an agreement with an unnamed partner regarding a possible acquisition of the blocks, but only if the licences were extended.

The case is now being heard at the

International Centre for the Settlement of Investment Disputes (ICSID), with the Gambian government being represented by lawyers from **United Kingdom**-based Omnia Strategy, the law firm and consultancy founded and chaired by the British barrister, **Cherie Booth QC**, who is married to **Tony Blair**, the former British prime minister. Blair is separately advising the Gambian government (see box). Omnia's website says it has helped international companies enter African markets and given strategic advice to governments in West Africa and Asia (AC Vol 58 No 21).

Sources in Banjul say there are worries in government over how the cost of a lengthy legal battle could

affect President **Adama Barrow's** administration. The A1 and A4 blocks, could contain around 3 billion barrels of oil according to the last drilling results published by AP.

TIMIS FACTOR

Timis's close relationships with the leaders, families of the leaders or former leaders of **Sierra Leone**, **Senegal** and **Burkina Faso** have come under increasing international scrutiny in recent months. The US Federal Bureau of Investigation is understood to be looking at Timis's close association with **Aliou Sall**, brother of Senegal's President **Macky Sall** (AC Vol 56 No 18) and in Freetown, a British judge has been listening to the complaints of Sierra Leoneans in a landmark case against another Timis-founded company, the now-defunct African Minerals Limited (AML – AC Vol 59 No 3).

Timis is no longer on the board of AP but remains the company's largest shareholder through a 16% stake held by his investment company, Sarella Investments.

The Gambian government has been courting investors to take on the concessions. The two blocks were opened up to bids last August and, at the end of 2017, Gambia sent a delegation to London to drum up interest in six oil blocks that are up for grabs, including the two previously held by AML.

A number of international firms are already lining up in the hope of getting access to the A1 and A4 blocks. The China National Offshore Oil Corporation (CNOOC), China's largest offshore oil company, is reported to have been lobbying the Gambian government in the hope of securing the concessions and adding to its existing interests in the region. CNOOC teamed up with Australian company First Australian Resources (FAR) to develop oil blocks in West Africa last year and the two companies have said they want to build long-standing relationships with the governments of Senegal and Gambia in particular. FAR already has a farm-in agreement with Malaysian state-owned oil company Petronas to develop oil blocks it holds in Gambia.

Developments in deep sea drilling has lowered costs, making West Africa's belt of offshore oil deposits of increasing interest to major oil companies and smaller explorers alike.

French oil major Total has made a seismic assessment on the Rufisque Offshore Profond (ROP) block, a concession AP claims as its own. AP held the concession under an exploration licence until December 2017. In a

SEND FOR THE BLAIRS

Cherie is not the only Blair to be acting for the Gambian government. Her husband, former UK Prime Minister **Tony Blair**, visited Banjul at least twice in 2017 and had 'behind closed-door' meetings with President **Adama Barrow**, reportedly advising him on issues including electricity, tourism, health and agriculture.

The Tony Blair Institute for Global Change (TBI) confirmed to *Africa Confidential* that Blair had been 'working with President Barrow and the Gambian administration following the country's historic return to democracy.'

The TBI has embedded a 'team of advisors supporting the government to deliver in areas crucial to the country's rebuilding,' with Blair offering pro bono advice to the President on how he can 'best transform the Gambia'.

Blair has a long-standing interest in the region and has advised the presidents of **Liberia**, **Sierra Leone** and **Guinea**, in addition to setting up offices for his NGO, the Africa Governance Initiative, in the countries. Blair consolidated all his activities, including the AGI, in the not-for-profit TBI last year after facing criticism around links between his not-for-profit work and his business activities. ●

statement to investors, AP said that it had engaged a Paris-based law firm to handle the dispute.

UK energy giant BP is also extending its reach across the region, where it already has concessions in Senegal and Mauritania. BP signed a cross-border deal with the governments of Senegal and Mauritania in February to co-develop the Ahmeyim and Tortue gas fields, after spending \$1 billion on a 60% stake in the projects through a deal with **United States** energy company Kosmos Energy in 2016. Kosmos entered the Senegal oil market through a deal with Timis, which has since been the subject of considerable controversy in Dakar (AC Vol 58 No 10).

In Sierra Leone, AP has been eager to

drum up interest in two oil exploration licences which it was granted extensions to by President **Ernest Bai Koroma's** outgoing administration in December. A recent review of the country's resources has suggested there might be more oil in deep offshore reserves than previously thought, and that, coupled with new technology driving offshore exploration costs down, is expected to attract further major oil company interest in the blocks. How inclined Sierra Leone's new President – to be announced after next week's runoff between **Samura Kamara** of the governing All People's Congress and Sierra Leone People's Party candidate **Julius Maada Bio** – will be to facilitate Timis's investments in the country remains to be seen. ●

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POINTERS

Mozambique

MAPUTO'S HAIRCUT

■ On 20 March Mozambican officials met London creditors of its previously hidden US\$2 billion loans to try to convince them to accept a major restructuring of the debt (AC Vol 58 No 14). They told holders of the Mozam sovereign bonds, and lenders Credit Suisse and **Russia's** VTB bank, that they don't have the money.

Creditors received Finance Minister **Adriano Maleiane's** proposals without enthusiasm, we hear. Least impressed were the bondholders, who are already resolved to wait for Mozambique's much anticipated offshore gas bonanza. Mozambique is officially in default with the bondholders, so talking them round will be difficult. The Mozam deal itself was conducted legally and transparently, and bondholders either swapped their original bonds which were issued by the failed state fishing company Ematum, or bought Mozam in the first place. Creditors of controversial state companies Proindicus and Mozambique Asset Management, where loans were contracted secretly and in violation of Mozambican law, are reluctant to cooperate unless all creditors are treated the same – which Mozambique appears to have agreed to (AC Vol 58 No 3).

Maleiane wants creditors to accept interest rates of 2% or lower until 2023, rising slightly from 2024, and a reduced payment of the principal after 2029. He's asking for a 'haircut', cancelling half of the arrears, which currently total \$636 million. Maleiane says the restructuring is essential to prove to the International Monetary Fund that he is tackling unsustainable debt, starting with the \$2bn. IMF sources, however, say that this will mean little unless major public spending cuts are also made (AC Vol 59 No 1). Meanwhile, the government is borrowing like crazy to cover current payments, and domestic arrears have ballooned to \$500 million.

Guinea

NINE ANGRY MEN

■ During his inauguration in December 2015, President **Alpha Condé** was warned by **Kéléfa Sall**, the head of Guinea's Constitutional Court, to 'not fall for the siren call of revisionism', a reference to Condé's supposed plans to change the constitution and stand for a third term in 2020. Nobody is quite sure if that is Condé's intent, but the presidency has certainly been accused of fomenting unrest in the Constitutional

Court (AC Vol 58 No 2). The first signs appeared in November 2016, when the Court's members proposed a special commission to manage the institution's finances, which would sideline Sall.

Now comes further meddling, the President's enemies claim, with the highest court in the country. On 5 March Sall was ousted by his fellow judges. At first, Sall was going to rotate three of the Court's members by drawing lots, as specified in the Constitution. But the other justices stopped him going ahead. So, Sall retreated to his office and dismissed judges **Ahmed Tijane Kaba**, **Aly Diaby** and **Mohamed Mounir Hussein** from the court. The riposte came immediately: a declaration signed by the eight members of the Court announced the dismissal of Sall as their leader. He stays on the Court but only as an ordinary member. Sall is fighting the move; according to the Court's own rules he should remain in office until 2024.

A week later, the *Association Guinéenne de Droit Constitutionnel* (AGDC), a legal watchdog led by former justice minister Maurice Togba Zogbélemou, published its analysis of the events of 5 March and concluded that both Sall's actions and his dismissal were illegal. The AGDC called for the ceremony to be repeated and for mediation by the presidential advisor for institutional relations, former Prime Minister **Mohamed Lamine Fofana**.

Opposition leader **Cellou Dalein Diallo** claims that the government views the removal of Sall, who co-wrote Guinea's 2010 Constitution, as a necessary step before Condé can pursue any plans to extend his term.

Congo-Brazzaville

FATES OF THE OPPOSITION

■ President **Denis Sassou-Nguesso** seems in several minds about what to do with the opposition. Some face show trials after years of incarceration, while others may go on their way. One of the lucky ones is **Frédéric Bintsamou**, also known as Pastor Ntumi, the former militia leader who long ago made his peace with Sassou. Last December he signed a ceasefire, ending nearly 20 months of fighting in the Pool region, which surrounds Brazzaville (AC Vol 57 No 8). The joint commission charged with implementing the peace agreement is expecting to lift the threat of arrest on Bintsamou in exchange for a guarantee of peace. Sassou has no option if he wants to keep the peace, pundits are saying.

Two of the candidates who stood in the disputed March 2016 presidential poll, **Jean-Marie Michel Mokoko** and fellow oppositionist **Andre Okombi Salissa** have no such luck. In prison since

the poll, they are expected to go to trial in June for 'undermining state security' (AC Vol 57 No 7). Sassou is leaving little to chance, having hired the prominent **French** lawyer **Eric Dupont Moretti**, normally known for appearing for the defence, to prosecute them. Prospects of a fair trial are slim.

One opposition figure who is again at large is two-time presidential candidate **Modeste Boukadia**, leader of the Circle of Democrats and Republicans of Congo. After being sentenced in absentia to 30 years of forced labour in 2014, Boukadia was arrested and jailed in January 2016. He was released and sent to France for medical treatment in August 2017 but still appears to have political ambitions.

This month he hired Washington DC lobbying outfit Avenue Strategies at \$300,000 a year with a mandate to 'elect an opposition party in the Republic of the Congo'.

Morocco/Western Sahara

FISHING FOR RECOGNITION

■ The precise legal position of the European Union's fisheries agreement with Morocco may now be clear, but few seem to have noticed. The European Court of Justice ruled on 27 February that the pact governing fishing by EU vessels in Moroccan waters is only valid if it doesn't include the area offshore the disputed Western Sahara.

The Polisario Front, which claims to represent the people of Western Sahara but is not recognised by Rabat, has seized on the ruling to claim that the EU must now negotiate a separate agreement with Polisario. Morocco, however, says nothing has changed. Brussels, anxious not to upset the Kingdom, hasn't made any change either and opened talks with Morocco in January over a new trade and fisheries agreement, which expires in July (AC Vol 57 No 8). The talks have been solely between EU officials and their Moroccan counterparts.

An angry Polisario wrote a letter to EU foreign ministers on 20 March complaining that 'neither the European Commission nor certain EU Member States have taken serious steps to abide by this [ECJ] ruling'.

There's no sign in Brussels of anyone rushing to grasp this nettle, although the European Parliament's International Trade committee, which will have to ratify or veto any deal, has complained about the Morocco/EU talks being secret. **Swedish** EU trade commissioner **Cecilia Malmström** is thought to be sympathetic to negotiations that would include Polisario, we understand, but the Commission is under pressure from Rabat's allies **France** and **Spain** not to.

Polisario is mounting a series of civil law suits to try to force Brussels's hand.

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BLUE LINES

A defence agreement between the New Patriotic Party government and the United States has outraged some nationalists and boosted the opposition National Democratic Congress.

The deal gives the US rights to a camp for 200 temporary personnel, free use of radio airspace, tax waivers and freedom from oversight. In return, Ghana will get training and equipment used for the exercise worth about \$20 million. The NDC accuses the government of 'selling Ghana's sovereignty to the Americans'.

On 28 March, thousands marched in protest. NDC General Secretary Koku Anyidoho warned on radio that President Nana Addo Akufo-Addo's actions would provoke 'a civil coup d'état'. He was arrested on suspicion of treason and detained for two nights.

Defence Minister Dominic Nitiwul insists the arrangement is for a camp, not a base, and that it is subject to continuing approval. Leaked documents in the pro-government press show that the deal extends agreements in 1998 under President Jerry Rawlings and 2015 under John Mahama. Neither NDC leader put those agreements before parliament. The row echoes wrangling in 2007 about US plans for its Africa Command, apparently in flux once more under Donald Trump's Presidency. With a massive drone base now in Agadez, Niger, the US is stepping up its security presence in West Africa. That makes Ghanaians of all political persuasions extremely uneasy about the consequences for their own relatively peaceful land.

NIGERIA

Return of the Jagaban

Bola Tinubu – the Lagos kingmaker – holds the key to plans for President Muhammadu Buhari's re-election next year

It was smiles all round as the happy band of politicians encircled a giant green and white birthday cake. Centre-stage at this grand party in Lagos on 27 March was President **Muhammadu Buhari**; on his right was the beaming celebrant – the former governor of Lagos State, **Bola Tinubu**, marking his 66th birthday.

As the party-goers blew out the candles, the message was clear. Tinubu – widely known as the Jagaban, after he was turbanned as such by the Emir of Borgu, **Haliru Dantoro Kitoro III**, in 2006 – is back. His best ally is the numbers game. Despite Buhari's almost impregnable base in the north-west and north-east, his support had been waning in the south-west. The man to fix that is Tinubu, the regional godfather.

The appointment in January of Tinubu, a veteran political infighter, as head of reconciliation in the governing All Progressives' Congress (APC), suggested a sense of humour somewhere in the party hierarchy (AC Vol 59 No 4). Until now, Buhari had tried to keep Tinubu, one of the biggest property owners in Lagos, at arm's length.

Over a year ago, at the height of Buhari's ill-health, Tinubu had announced he would be a candidate for the 2019 presidential elections and had been meeting discreetly with former Vice-President **Atiku Abubakar**, another contender. For now, that is water under the bridge and Buhari and Tinubu are indispensable allies.

The Jagaban's re-entry into the party's magic circle was a tactical blow, at least,

against two of his rivals, the APC's national chairman **John Odigie Oyegun** and Senate President **Bukola Saraki**. Fighting their own battles for influence and power in the run-up to next year's elections, both men were conspicuously absent from the Tinubu birthday party.

A month ago, Odigie Oyegun had enlisted the support of most of the APC's 24 State governors at a National Executive Committee meeting to extend the tenure of the party's top office-holders for a year. Odigie Oyegun argued that holding competitive elections for the party's top jobs would be divisive ahead of national elections next March (AC Vol 59 No 5).

CHANGE OF HEART

It also held the attraction, for Odigie Oyegun at least, of another year in his powerful party role from where he has been arguing for his radical interpretation of 'true federalism'. Initially, President Buhari seemed to endorse the decision. But just before his trip to Lagos, he announced a change of heart.

The legal advice was, he said, that the extension of Odigie Oyegun's tenure could be unconstitutional and subject to challenge in the courts, setting off further disputes. In turn, that could derail the party's schedule of primary elections to pick its candidates at local, state and federal level. This advice also suits Tinubu, who is at odds with Odigie Oyegun and wants to see more of his own people at the top of the party.

When Buhari met the governors and top party officials again in Abuja on the issue

SOUTH SUDAN	2	SOUTH AFRICA	3	ETHIOPIA	4	ZAMBIA	5	GUINEA-BISSAU	7
Salva's bunker mentality		No farewell to arms deals		Abiy makes a promising start		Into the valley of debt		SOMALIA	8
A reshuffle has seen the President promote his kinsmen to shore up his position		Two messy prosecution cases involving presidents edge towards a dénouement		Expectations are high that the youthful new Oromo Prime Minister can be a unifying force		The government has no plans to stop spending, but the amount it owes is growing beyond control		LIBYA	9
								AFRICA/EU	10
								POINTERS	12

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on 3 April, there was stalemate. Now, this procedural dispute is turning into a bigger test of the President's authority.

Another looming problem facing Buhari's team is a proposal to reform the Electoral Act, specifically to reverse the order of the elections so that the presidential elections, previously held first, would follow the State and national assembly elections.

Party strategists see this as a way to reduce the power of the incumbent President to corral the support of governors, senators and lower house representatives. As it stands, President Buhari looks likely to veto the amendment, retaining the existing election schedule.

There is strong support for the change in the House of Representatives, which has the numbers to reject Buhari's veto. Opinion is more divided in the Senate, where the Buhari group will be reliant on the good offices of Senate President Saraki.

If it comes to a showdown between the Presidency and National Assembly over the Electoral Act, the losing side is likely to take its case to the Supreme Court. All this will put pressure on the Independent National Electoral Commission's chairman **Mahmood Yakubu**. Already under fire for failing to respond to reports of under-age voting

in local elections in Kano, Yakubu is becoming an opposition target.

Lagos is not Buhari's natural habitat. In fact, it was his first official visit to the nation's commercial capital since he took office. For their part, Lagosians were not wholly ecstatic. Motorcades, blue lights flashing, careered around as police seemed to delight in closing down the city's main arteries.

Buhari's Lagos problem is that the city, which accounts for more than a third of Nigeria's US\$500 billion gross domestic product, was hit by a devastating recession shortly after he took over the presidency (AC Vol 57 No 8). Although the downturn was triggered by crashing oil prices, the business class in Lagos rejected Buhari's policy response: bans on imports and a staunch defence of the naira against ubiquitous market forces.

Worse, some in Lagos believed that Buhari's team in Abuja was unworried by the oil crash, seeing it as catalyst to change the structure of the economy, weaning it off dependence on hydrocarbon exports. As the Lagos economy, driven by trade, finance, light manufacturing and technology, sputtered, rice and sugar production rocketed in the northern states, Buhari's political heartlands.

For many in Abuja, this was a necessary rebalancing. Oil money had been sluicing through the Lagos banks, financing all manner of non-essential imports, little of it going into productive investment. Now, there was a reckoning with businessmen such as **Aliko Dangote**, who started out from Kano, investing tens of millions in the new farms.

On the ground, the split doesn't work out quite so neatly. Dangote's corporate headquarters are in Lagos and his biggest national project – a

\$15 bn. oil refinery, petrochemicals and fertiliser plant – is being built on the eastern borders of Lagos State. Such details haven't changed the widespread dissatisfaction at the slow economy in Lagos. There is still the matter of widespread fuel shortages late last year and early this, as well as the continuing lengthy power outages.

Added to which, the Lagos State governor, **Akinwunmi Ambode**, has become wildly unpopular. His latest move, the introduction of swingeing property taxes in Lagos, has prompted still more barbs. However, one of the companies collecting the taxes, Alpha Beta, has close ties to Tinubu. Unquestionably, Ambode owed his nomination as the APC's gubernatorial candidate in Lagos to Tinubu.

With a penchant for bulldozing 'illegal structures', Ambode is seen as set on destroying the legacy of his predecessor, **Babatunde Fashola**, a persuasive business-savvy politician who is generally seen as one of the state's best ever governors.

Buhari has doubtless been boosted in the south-west by Tinubu's backing but there are questions about the trade-offs. Despite endorsements to run for a second term next year from loyalists such as Kaduna State governor **Nasir el-Rufai**, Buhari has said nothing so far. However, his more energetic national travel itinerary, visiting states in the middle belt and north as well as the south-west suggests, at the least, a campaign in the making.

The day that Buhari arrived in Lagos, Atiku Abubakar announced he would be seeking the presidential nomination of the opposition People's Democratic Party. With both the main parties, wracked by factional disputes amid calls for a new political force, next year's elections look wide open. ●

SOUTH SUDAN**Salva's bunker mentality**

A reshuffle has seen the President promote his kinsmen to shore up his position, but that narrows his base and could weaken him further

President **Salva Kiir Mayardit** has tightened his control over key finance and security posts by appointing loyalists from his home region. In March, Salva sacked **Stephen Dhieu Dau** as Finance Minister and replaced him with **Salvatore Garang**, who hails from Salva's home area of Gogrial. This move completed Salva's quiet takeover of the Finance Ministry,

which is now stuffed with Gogrial loyalists.

The brazenness of Salva's centralisation of power in his own small subset of the Dinkas has provoked criticism from former allies. **Jok Madut Jok**, a prominent South Sudanese academic also from Salva's home region – and an early apologist for Salva who continues to peddle the President's

false narrative that rebel leader **Riek Machar Teny Dhurgon** started the civil war with a coup attempt – increased his public criticism (AC Vol 55 No 1). 'I'll never support a system where the Ministry of Finance... has a Minister, Deputy Minister, Undersecretary, Director General, Director of Planning, and accountants and cashiers all coming from a single community, the president's community!!' he tweeted. A few days later Kiir moved the ministry's Finance Undersecretary, **Agak Achuil**, to the Trade Ministry and replaced him with an ethnic Nuer, **Biel Jok Thiik**. The move fooled no one.

The shake-up also caught out **Bol Wek**, Salva's chief administrator, who was shuffled out in favour of **Marol Mayol**, the former Finance Minister of

Gogrial State. **Mayen Wol**, a former presidential aide who stood trial for corruption, was made Undersecretary of Petroleum. **Agak Achuil**, too, had been suspended by **Dhieu Dau** in February for misappropriating funds.

Salva's shuffle of his regime's most powerful spots comes as outside scrutiny heightens over his management of oil revenues. The US government has slapped sanctions on companies operating in South Sudan's oil industry, including the state-owned Nile Petroleum Corporation (Nilepet), following two investigative reports from the **George Clooney**-fronted Sentry project and London-based Global Witness on how Nilepet funds have been used to finance Juba's military (AC Vol 59 No 2).

Salva's moves are aimed at tightening control, not tackling corruption. He wants greater control of his country's limited hard currency, but also has reason to fear where the funds might be going. Last year's firing of Chief of Staff **Paul Malong Awan**, a strongman who had many allies in the government, has left Salva fearing internal competition even from long-time allies (AC Vol 58 No 11).

The President's trust now doesn't appear to extend beyond a small minority of the Dinkas, clustered in the sparse rural areas of Tonj and Gogrial in the former Warrap State. **Akol Koor**, Salva's interior affairs strongman at the National Security Service, and **Nhial**

Deng Nhial, Salva's chief negotiator at the Addis Ababa talks, both hail from Tonj (AC Vol 59 No 6).

Salva's recent shake-up was foreshadowed by his sacking in December of Deputy Finance Minister **Mou Ambrose Thiik**, whom he replaced with **Athian Ding Athian** (also from Gogrial). Mou is the son of **Ambrose Riny Thiik**, the chair of the Jieng Council of Elders, the influential Dinka lobby group. His ousting was symbolic of Salva's shift away from a regime of Dinka hegemony towards an even smaller clique.

Salva is still seeking to wrest back control of South Sudan's powerful military following the dismissal of Malong, who now is plotting Kiir's downfall from exile in Nairobi.

During the same reshuffle in which he replaced his Finance Minister, Salva also sacked the powerful general **Marial Chanuog Yol**, the former head of Salva's elite 'Tiger' presidential guard, who was serving as the Assistant Chief of Staff for operations, training and intelligence. Chanuog, a Dinka Ciec from Greater Yirol, is the latest high-profile figure from Yirol to be sacked in recent months. **Telar Ring Deng**, a former senior presidential advisor and Ambassador to **Russia**, and **Marial Nuor**, the former head of military intelligence, are others from Yirol who have been recently demoted or dismissed. Both are suspected of having close ties to Malong. Eastern

Lakes State Governor **Bor Philip Bor**, who helped lead negotiations with Malong last year after his dismissal, has also been sacked. **Stephen Dhieu Dau**, meanwhile, was also a key player in the war as a key financier of the pro-government Dinka Padang militias of Upper Nile, which have fought against rebel forces and annexed disputed land claimed by the Shilluks (AC Vol 58 No 22).

TACTICAL SHIFT

Salva has shifted his political coalition to serve his tactical needs. After the death in 2005 of the Sudan People's Liberation Movement's most important leader, **John Garang**, Salva reconciled with the southern militias long backed by Khartoum. This altered Khartoum's calculations and paved the way for an independence few of the Khartoum elite had thought possible when they signed the Comprehensive Peace Agreement with Garang a few months before he died. After independence, Salva then surprised observers by ditching many of the SPLM's senior cadres in a bid to shore up power, replacing them with long-time Khartoum allies. But it is unclear where he can now turn. Salva has remained in office by appealing to the Dinkas' fear of losing power over their embarrassment at his mismanaged reign. With more of the Dinka elite being shoved unceremoniously towards the exit, Salva is increasingly adopting a bunker mentality. ●

SOUTH AFRICA

No farewell to arms deals

Two messy prosecution cases involving presidents - South African and French - edge towards their dénouement

The coming trial of **Jacob Zuma**, the ousted President, could cause diplomatic difficulties as well as local political ructions. Zuma is due in court on 6 April, charged with racketeering, fraud, money laundering and tax evasion.

Many of the charges relate to payments from **France's** military and electronics giant Thales. It was part of the US\$6 billion arms deal - widely judged to have been criminally overpriced - that **Britain**, **France**, **Germany**, **Sweden** and the **United States** tied up with the first African National Congress-led government after the 1994 elections. The French state arms behemoth (known successively as Thomson, Thomson-CSF and Thint before it became Thales) sold its battle-tested Exocet missile system

for the four escort corvettes that are the mainstay of South Africa's fleet of fighting ships.

The state may call up to 200 witnesses for the prosecution. There is some interest in any role in the court proceedings for **Christophe Farnaud**, France's current Ambassador to Pretoria and a former Thales vice-president for Africa.

Farnaud is a career diplomat and Middle East expert and an erstwhile protégé of **Dominique de Villepin**, Prime Minister of France from 2005 to 2007. Farnaud found himself out of favour after **Nicolas Sarkozy**, a fierce De Villepin rival, won the 2007 elections. Sarkozy now faces investigation in France over claims that he accepted illegal campaign

contributions from **Libya's Moammar el Gaddafi**.

When **François Hollande**, the *Parti Socialiste* candidate, swept Sarkozy from power in 2012, Farnaud was appointed Thales's chief in Africa. He served in that role until December 2016.

Whatever motives Hollande's government had in posting Farnaud to South Africa, Zuma accepted the appointment without demur. No question of any conflict of interest was raised although it was always possible that charges involving Zuma and Thales could be reinstated in South Africa's courts.

At a time when many governments, Western and Eastern, are blurring the lines between traditional diplomacy and commercial advocacy, Farnaud's inside knowledge of the Thales dossier in Africa raises critical questions - especially when a former President is facing criminal charges for his links to the company (AC Vol 45 No 22 & Vol 46 No 12).

Ambassador Farnaud has lost none of his enthusiasm for naval contracts since he took up his post in Pretoria. There have been low-key visits by French naval officials promoting cooperation and the

NOMZAMO WINNIE MADIKIZELA-MANDELA

It's a measure of the mark that she made on her country that the death of Winnie Madikizela-Mandela at 81 on 2 April has reopened old arguments about the tactics of the liberation struggle and the ethics of the settlement that ended it. Her demise re-energised debate about South Africa's remaining deep fissures – of race, economic and educational inequality – and who is responsible for them. Political leaders on the left, including those who fought her publicly, heaped praise on her. On the news of her death, President **Cyril Ramaphosa** rushed to address the hundreds who had congregated outside her home in Orlando West. For a moment, it seemed a return to the firebrand Ramaphosa of the glory days of the United Democratic Front: '...throughout her life, she made an everlasting contribution to the struggle through sacrifice'.

As if try to explain to the outside world why Madikizela-Mandela's leadership of the liberation struggle while her husband was in prison would forever outweigh the later charges of corruption, kidnapping and murder, Ramaphosa added: '...her unyielding determination and her dedication to the plight of her people gained her the love and the respect of the nation.'

Veterans of the struggle such as **Andrew Mlangeni** and Archbishop **Desmond Tutu** paid tribute to her courage in the face of physical and emotional torture by the apartheid police. In May 1969, police had stormed her Soweto home taking her away from her two daughters, keeping her in solitary confinement for 491 days, beating her frequently and often leaving her without food, washing or toilet facilities. That is '...what changed me, what brutalized me so much that I knew what it is to hate,' she later wrote. She was then banished for 14 years to the backwater of Brandfort in the Free State, before storming back to Soweto at the most violent phase of the struggle in 1985. For today's generation of radicals, such as **Julius Malema** and the Economic Freedom Fighters, she became a torch bearer for the revolution they say the ANC failed to see through. Ramaphosa announced a ten-day official mourning period with an official funeral in Pretoria on 11 April and a national funeral in Soweto on 14 April. ●

Floréal (light surveillance frigate) type of mini-corvette, or scaled-down frigate. Paris has been pitching this as a more affordable choice for coastal patrols, and a way to preserve the viability of France's and South Africa's naval industries.

South Africa insists that buying the additional ships is feasible under Project Biro, the oft-delayed sequel to the initial arms deal. But in these more scrutinised times, the project has been postponed. Electoral considerations may have played on the minds of President **Cyril Ramaphosa's** new administration (AC Vol 59 No 5).

Another reason for the delay may be the change at South Africa's Presidency, compounded by Zuma's difficulties. There is also the image that President **Emmanuel Macron** wants to project, of greater transparency by France and French-owned interests.

Indeed, Macron is eager to establish ties with those he sees as Africa's modernising reformers. We hear that he

has invited President Ramaphosa to a small meeting of political and business leaders in Paris on 23 May to discuss how Artificial Intelligence and Robotics can be harnessed to tackle Africa's development deficit.

Should Ambassador Farnaud's former role create problems as the Zuma case proceeds, there may be a contingency plan. The orientalist and former French consul in the Cape **Xavier d'Argoeuves**, whose term has expired, remains in South Africa, awaiting a transfer. With his familiarity with the dossiers, he could temporarily take over as *chargé d'affaires* at short notice, should the situation demand it.

BAIL TWIST

There is another twist to the tale. Bail conditions for Sarkozy set last month by investigating magistrates in Paris stipulate that he cannot visit South Africa, Libya, **Tunisia** or Egypt. Reasons for the conditions are not stated.

However, after fleeing to France during the 2011 Libyan uprising, **Bashir Saleh**, Chief of Staff and head of external intelligence for Gaddafi, found sanctuary in South Africa. On 23 February, he was shot in Johannesburg in what may have been an assassination attempt (see Libya feature).

As a trusted aide to Gaddafi, who had financed several Southern African liberation movements, Saleh knew many in the armed wing of the African National Congress. Among these was the ANC's former chief of intelligence, Jacob Zuma.

Although a Gaddafi confidant with access to stashes of cash abroad, Saleh may not be of direct interest to Zuma's prosecutors – but he will probably attract the attention of the magistrates in Paris investigating Sarkozy's business affairs. They may yet decide to summon other witnesses and demand answers in France. Even if this is the final act of *Françafrique*, it looks certain to be a messy one. ●

ETHIOPIA

Abiy makes a promising start

Expectations are high that the youthful new Oromo Prime Minister can be a unifying force. He's even trying to reconcile with Eritrea

The ruling party took a promising step towards greater stability when it elected **Abiy Ahmed**, the head of its Oromia wing, as its new Chairperson and Prime Minister on 27 March.

The Ethiopian Peoples' Revolutionary Democratic Front's choice of the youthful leader belied predictions by those close to the

organisation that a more establishment candidate would be selected (AC Vol 59 No 5). Those expectations were based on EPRDF stalwarts having slammed Abiy and his Oromo People's Democratic Organisation allies in heated party meetings, accusing them of seeking to use recent unrest in Oromia as a way to further their own political ambitions.

Instead, Abiy's victory with 108 votes from a roughly 170-member Council serves as another reminder that the power of the old guard is waning, particularly that of the pre-eminent Tigrayan People's Liberation Front.

With a secret ballot, and even more intrigue than usual, there are few certainties about what occurred. What seems fairly clear is that the decision of the Deputy Prime Minister and EPRDF Deputy Chairperson, **Demeke Mekonnen**, to withdraw from the race was critical. Although lacking full-throated backing, Demeke was considered to be in pole position for the premiership, as he needed only the support of his party and the bulk of the TPLF. It is not immediately apparent

why he stepped aside (AC Vol 57 No 17).

An outlying theory is that senior figures in his party, the Amhara National Democratic Movement, told Demeke to choose between his deputy positions and taking a punt on the leadership. A more common explanation is that the TPLF tried to give the impression to both ANDM and their other preferred candidate, **Shiferaw Shigute** of the Southern Ethiopian People's Democratic Movement, that it would be supporting them. Critics of the TPLF suggest that Demeke balked at those tactics and withdrew from the race, leading to ANDM members voting for Abiy en masse. In reality, divisions within the EPRDF parties may have played a more prominent role.

Regardless, a chaotic and secretive process passed peacefully, and Abiy was sworn-in in Parliament on 2 April, giving a promising speech that pledged a unifying approach, democratisation and, equally ambitiously, to mend relations with **Eritrea**, with which Ethiopia has been in a military standoff for two decades.

One reason for optimism is that Abiy's stance as a reformist Oromo leader seems likely to buy the government

time as the protest movement gives him a chance to make his mark. Abiy is multilingual and from a diverse ethnic and religious background, which puts him in a good position to be a national leader. He has strong academic qualifications, a worldly outlook, and was formerly a lieutenant colonel in the powerful military as well as a senior official in the Information Network Security Agency.

REFORM PUZZLE

The pressing immediate challenge is finding a way to introduce reforming moves to placate opponents and so take the country forward, without exacerbating the divisions now apparent within the EPRDF. While activists call for swift removal of the State of Emergency, that may lead to another damaging showdown, which could inflame intra-EPRDF tensions. Instead, Abiy might be wise to try initially to engineer the release of recently rearrested journalists and activists, and soften the more draconian elements of the emergency decree. More drastic action would increase the possibility of resistance from the TPLF-dominated security apparatus and risk a dangerous

further fracturing of government cohesion (AC Vol 59 No 4).

Abiy's cabinet appointments will be watched carefully, with optimists hoping that he will pick reformist individuals from each party, perhaps with some non-EPRDF selections, in keeping with his predecessor's approach. In the past, the number of ministers appointed from each party in the EPRDF has been roughly proportional to each region's share of the population and, therefore, parliamentary seats. The OPDO now provides the President, Prime Minister, Speaker of the house and Foreign Minister, so Abiy will probably have to offer a string of government posts to other parties to avoid accusations of partisanship.

The longer-term tasks are considerably tougher, with a need to discuss electoral reform, the loosening of a highly restrictive media environment and modifications to the federal system, and to offer a more inclusive political settlement. Nobody knows what lies ahead for the EPRDF and Ethiopia, but Abiy's rise to power offers more hope than before that the current downward trajectory can be altered. ●

ZAMBIA

Into the valley of debt

Edgar Lungu's government has no plans to stop spending, but the amount that it owes is rapidly growing beyond control

Demands for clarity on Zambia's national debt are intensifying, as the standoff with the International Monetary Fund continues and senior figures in government fear a **Zimbabwe**-style economic crisis and currency crash. They say that, contrary to official figures, the debt now stands at 100% of GDP. They worry that President **Edgar Lungu** has no plans to halt the borrowing spree. Oblivious to the alarm bells sounded by Zambian officials and politicians, as well as international financial institutions, he may be steering the country towards a cliff edge, pundits fear.

The precise size of Zambia's debt pile is unclear. Officials now put the figure at anything between US\$15 billion and \$25 bn. The difficulty in establishing a number internally demonstrates just how far government has lost control.

The former Finance Minister **Felix Mutati**, whom Lungu replaced on 14 February with Commerce, Trade and Industry Minister **Margaret**

Mwanakatwe, has told confidants that he was not aware of all the loans contracted during his tenure. Ministries increasingly bypassed him, and the Central Bank. That Mutati was trying to curb borrowing is one reason, say sources in the governing Patriotic Front (PF), that he was demoted to the Ministry of Works and Supply.

HOMES NOT FOR ALL

Finance Ministry insiders say that an announcement on 16 January by Lungu's close ally **Ronald Chitotela**, Minister of Infrastructure, that the government would borrow \$600 mn. to build 5,000 houses for civil servants, came as a complete surprise to Mutati. Ministries currently use their own, separate bank accounts to bypass the budget procedure, failing to pay revenues into the Bank of Zambia's central account as required and spending the money without Treasury oversight.

The government has tried to make its debt appear lower by not counting

loans that are not yet disbursed, a dubious exercise when the debt is contractually binding (AC Vol 58 No 25). Using the IMF norm of including contractually binding government and sovereign guaranteed loans in the total debt stock, *Africa Confidential* calculates that Zambia's national debt had reached at least \$20 bn. by the end of 2017 – roughly 100% of GDP. Hundreds of millions of dollars in additional loans have since entered the pipeline, we have learned from sources involved in the deals.

Economic growth is expected to rise this year, but so is the debt. Senior government officials suggest AC's figure is still conservative, speaking in private of \$16 bn. of external debt alone. Other senior PF sources say that domestic debt is also underreported and is now well above \$5 bn. The 2018 budget sets out plans to spend and borrow more, with almost 30% of the budget funded by borrowing.

The government is borrowing at home what it cannot obtain abroad. Heavy domestic borrowing has been a deliberate government strategy, and the central bank's data shows that the government's debt to commercial banks has tripled since the start of 2016. Billions of dollars' worth of public-private partnership projects are also being considered, with more than \$1bn. undergoing feasibility studies

LUNGU'S MILITARY SPENDING SPREE

Zambia's borrowing spree includes hundreds of millions for defence and security. That 10% of the budget is being allocated to this sector at a time of peace is causing surprise. Patriotic Front insiders believe President **Edgar Lungu** is anxious to secure the support of the military, as well as crack down on his critics in an increasingly oppressive atmosphere of surveillance and intimidation. Insiders say he hopes to win over senior commanders by giving them luxury homes, some of which are being built as part of a US\$275 million contract with the **Chinese** firm AVIC international for 2,350 houses – a project begun under his predecessor **Michael Sata**, but now scaled up.

As well as new houses, there are new toys for the military and, we hear, the secret services. Last year the government signed contracts, worth \$323 mn. and \$55.6 mn. respectively, with the leading **Israeli** defence electronics company Elbit Systems and the arms manufacturer Israeli Weapons Industries. There is a further \$180 mn. contract with Elbit in the pipeline, according to information seen by *Africa Confidential*. All are funded with loans from the Israel Discount Bank.

Elbit, which is known for manufacturing surveillance drones, also has a subsidiary, Cyberbit, which specialises in government cyber-security and surveillance. Cyberbit was recently accused by the Toronto-based research centre Citizen Lab of creating systems that have been used in **Ethiopia** to spy on dissidents and journalists (AC Vol 56 No 15).

The Elbit contracts were signed just days after Lungu met Israeli Prime Minister **Benjamin Netanyahu** in **Uganda** at a gathering of East African heads of state to mark the 40th anniversary of Israel's 3-4 July 1976 raid on Entebbe airport (AC Vol 57 No 14). At the meeting, attended by Uganda, **Kenya**, **Rwanda**, **Tanzania**, **Ethiopia** and **South Sudan**, Zambia agreed to collaborate with Israel and the other six nations on security – in particular cyber-security. During Lungu's five-day state visit to Israel in early March, he declared of the blossoming relationship 'we will be friends for ever'. ●

and another \$11 bn. worth of projects under consideration, we hear. These include six further airport projects totalling \$826 mn., on top of already controversial developments such as a \$397 mn. airport in Ndola, being built by **China**, to serve the Copperbelt region. Experts say the scheme should cost a quarter of the amount announced.

In his analysis of the budget, the former World Bank senior economist **Gregory Smith** concludes that the overall deficit will increase to over 7% of GDP, contrary to government's claim of 6.1%. This is what derailed IMF talks last year. The Fund wants to see fiscal discipline, transparency and reduced borrowing. Zambia's response last month was to propose that it borrow directly from the Chinese state rather than through contractors. The IMF's firm rejection of the proposal came as little surprise, and the gulf in thinking between the Fund and government shows no sign of narrowing.

The government appears to have accepted it will not be getting the \$1.3 bn. IMF bailout discussed last year, which the Ministry of Finance had previously said was critical. The money would have been paid into the Bank of Zambia to boost foreign reserves, which the IMF warned were at 'below adequate levels' at the end of 2016. But rather than building them up to cover three to three and a half months of imports as the IMF expected, the reserves have dwindled. The central

bank has not announced the reserves level since December 2017, when it stood at roughly \$2 bn. – a little over two months' worth of imports – but PF sources are concerned that it has fallen further this year.

PIPELINE LOOMS

The IMF, which previously appeared to support the government's debt figures, has recently released its own calculations confidentially to senior donor officials; these produced a total debt figure of \$21 bn., which the Fund says is conservative. The estimate includes some debt 'in the pipeline', though it is unclear how much of this is already contractually binding.

The \$21 bn. covers some of the debts of Zambia's cash-strapped parastatals, we understand. The state electricity company Zesco alone owes at least \$600 mn. Among its creditors are **Mozambique's** state electricity company EDM, which it owes for power purchase agreements, settled at exorbitant rates during Zambia's power crisis of 2015.

Zesco attempted to secure a \$500mn. loan in December 2016 from STAG African Investments Zambia, a subsidiary of a South African holding company that appears to be focused on real estate, AC has discovered. Queries were raised by STAG's insurers and the deal did not go ahead. With state enterprises performing so badly that even the telecoms company Zamtel

is in the red while all other telecoms operators are making a profit, some economists believe that privatisation is the only option. The government is reluctant – partly because state companies have long acted as cash cows for the ruling party, which has skimmed overpriced state contracts to fund elections and line officials' pockets.

INFLAMMATORY AWARDS

There is growing controversy over contracts awarded to Lungu allies, often without tenders and at apparently inflated prices, of which a \$42 mn. deal for 42 fire engines is regarded as typical.

In February an oil supply tender was reportedly cancelled after local media claimed that all the shortlisted companies were owned by Lungu allies, including a close friend of his. Scrutiny is on the rise amid suspicions that the government is taking out unnecessarily large loans to pay for overpriced procurement contracts with the intention of diverting large sums to the PF, which has already begun campaigning for the 2021 election. Books and bicycles emblazoned with Lungu's portrait have been widely distributed, although the Constitutional Court is still debating whether Lungu may stand for a third term (AC Vol 59 No 3). Pundits say that he and his aides have decided to make it a *fait accompli* by starting the campaign. Far from considering austerity, Lungu is keen to spend.

Although the IMF expects revenues to rise this year, thanks in part to better copper prices, the government is already struggling to meet its debt service payments and heavy public sector wage bill, which now absorb at least 80% of the budget. Senior Ministry of Finance officials and economists say any additional revenues will be quickly consumed, and that crisis is unavoidable without significant economic growth.

The failure to secure an IMF bailout also led to the loss of around \$150 mn. in budget support from the World Bank and African Development Bank which was contingent on an IMF package, AC has learned. It has also damaged investor confidence. Zambia's Eurobonds began 2018 as by far the worst-performing sovereign debt in the emerging markets. Last month a group of international bankers visited Mwanakatwe to discuss their concerns, drawing comparisons with neighbouring **Mozambique's** hidden debts and subsequent default to bondholders (AC Vol 59 Nos 1 & 6). Mwanakatwe's attempts to reassure them that the government was regaining control and would only continue to finance projects that were already 80% complete fell on sceptical ears, we hear.

The scepticism appears justified. Far

from halting projects where possible, sources close to Lungu say the President intends to finish them, borrowing domestically to fund the shortfall. He is also determined to press ahead with new projects, funding the government's contribution from domestic loans. There is no systematic project appraisal, except when donors require it. Overpriced projects abound – the latest being the digital migration contract awarded without tender to China's Star Times, which faced controversy over a similar deal in Mozambique four years ago (AC Vol 55 No 8). What began as a \$19 mn. project suddenly escalated to \$280 mn., say ministry insiders.

The former Information Minister **Chishimba Kambwili**, who accused Lungu of personally arranging the deal behind his back and cancelling the tender process, was arrested on 21 March and struggled for over a week to get bail. Kambwili is now leader of the opposition National Democratic Congress (AC Vol 59 No 2).

Lungu's spokesperson **Amos Chanda** has indicated that the government will engage with the IMF on its own terms and can manage without the Fund. Ministry insiders say there is opposition from those who do not want the scrutiny that comes with an IMF package and do not want to stop borrowing. They are,

in the words of one senior minister, 'addicted to Chinese money'.

Economists say the rise in copper prices will not solve Zambia's problems and a bailout is still urgently needed. Nor will the government's strategy of tax hikes and heavy domestic borrowing improve matters. The latter is likely to starve the private sector of credit. Local businesses say they are already feeling the strain, and they believe that many local companies will fail this year as government squeezes them out of the credit market and fails to pay invoices. Those who can are increasingly moving their money offshore, in anticipation of a crisis. ●

GUINEA-BISSAU

Vaz defies sanctions

As Ecowas tries to intervene, the standoff between the President and the reformist wing of his own party drags on

President **José Mário Vaz's** conflict with members of his own party and with West African and other international bodies is no nearer resolution, despite fresh attempts to pressure him into resigning.

To many, Vaz is a reminder of Guinea-Bissau's time as Africa's only fully fledged narco-state, and especially the period when it was ruled by the military. The reformist, democratic wing of the historic governing *Partido Africano da Independência da Guiné e Cabo Verde* (PAIGC) opposes Vaz, who represents a minority in the party. He holds the constitutional levers of power as President, but the reformers are the biggest group in Parliament.

The Economic Community of West African States (Ecowas) has tried to break this toxic logjam by imposing sanctions to persuade Vaz to relent. Yet the ever-inventive Vaz seems to be treating the foreign interference, which includes a new round of sanctions on 19 individuals, as just another challenge. When it became apparent that local banks were preparing to enforce the sanctions, Vaz summoned them to try to persuade them to ignore the measures.

One of the President's earlier moves to fend off pressure for reform was to appoint **Artur Silva** as Prime Minister on 30 January. Two weeks before that, his previous appointee, **Úmaro Sissoco Embaló** – another anti-reformer – had resigned (AC Vol 58 No 9). The reformers in the PAIGC see Embaló's resignation and his replacement with Silva as yet

another attempt by the President to appear to give in to pressure while making no substantive change.

The face-off between the two wings of the PAIGC has been drawn out because Vaz's faction has been able to enlist the support in Parliament of the anti-reformist *Partido da Renovação Social* (PRS) (AC Vol 57 No 12).

Silva is a former minister and close ally of Vaz, as well as his cousin, and previously worked for President **João Bernardo 'Nino' Vieira**, assassinated in 2009. But the PRS, which backed Embaló, doesn't like Silva. Another problem for Silva is that he is not recognised by the Permanent 5 'contact group' (the UN, African Union, Ecowas, European Union and Community of Portuguese-Language Countries, or CPLP) because the Conakry Accord, agreed in late 2016, specified that the nomination of any new prime minister had to be agreed by both the President and the PAIGC majority in Parliament.

Ecowas's sanctions for non-compliance with the Conakry deal do not include Vaz, Silva or Embaló, but the 19 individuals targeted include Vaz's son **Fernando**, the businessman **Braima Camará**, the current Prosecutor General, **Bacari Biai**, and his predecessor **António Sedja Man**, dismissed in November 2017. The last two are PRS members widely regarded as Vaz's henchmen. The sanctions are intended to restrict financial activity and freedom of movement.

For a while, the return of former

Prime Minister **Carlos Domingos Gomes Júnior** ('Cadogo') from almost six years of Portuguese exile after his overthrow in a 2012 coup introduced a new factor into the equation. On his return in January, Cadogo sided with the 15 renegade PAIGC MPs, declared his readiness to run for the party leadership, and did not rule out contesting the presidency in 2019.

OLD GUARD CADOGO

The PAIGC leader, **Domingos Simões Pereira** – whose dismissal as Prime Minister by Vaz in 2015 marked the beginning of the current crisis – is regarded as a credible reformer and is popular among young and well-educated Bissau-Guineans who praise him for modernising the party. In contrast, many see Cadogo as a power-hungry member of the old guard. Like Vaz, he was a right-hand man to Vieira in the 1980s and 1990s, when he acquired vast wealth. He soon realised this was not his moment and left the country a few days after he arrived.

The PAIGC tried to hold a congress but Vaz and his allies, with the help of a willing judge, stopped it from going ahead on the grounds that some members were being unjustly excluded. In fact, he and the 15 renegade MPs couldn't muster enough votes to win election as delegates. Then rumours started circulating that Pereira was about to be detained. Police blocked access to the congress venue, while some PAIGC leaders fled to the local UN headquarters. Much skulduggery followed but in the end Pereira was elected Chairman on 4 February with 98% of the vote.

The outlook for the next few months is poor: Vaz's faction will probably continue to play for time. Although Ecowas and the UN are urging Guinea-Bissau to hold elections this year, that

is the last thing the President and his allies want. Nevertheless, Vaz started to

campaign in the countryside last year, hoping to cultivate a 'man of action'

image among rural voters – and there is no end to the dispute in sight. ●

SOMALIA

Funds for all the family

Parliament is at odds with the executive. Cash is coursing through the chamber as proxies of foreign states fight for supremacy

Until mid-February, Mogadishu's parliament had been in recess while the government went about its business. So controversial was the business that Prime Minister **Hassan Ali Khaire** had conducted that as soon as parliament resumed, so did another round of motions of no confidence in him.

Khaire had stirred a hornet's nest. In December, on his orders, the National Intelligence and Security Agency arrested one vocal opponent, **Abdirahman Abdishakur Warsame**, killing several people at his house, and attacked the home of a former warlord-turned-senator, **Abdi Hassan Awale 'Qaybdiid'**. In January he also sacked the mayor of Mogadishu, **Thabit Abdi Mohamed**, in a way that seemed almost designed to anger Mohamed's fellow Abgal clan members, who predominate in Mogadishu and Middle Shabelle. Then there was a confrontation with Mogadishu merchants over a new tax regime at the capital's port.

Normally, the Speaker of Parliament, **Mohamed Osman Jawari**, would prevent the tabling of any no-confidence vote: under complex House rules, these may go forward only once every six months. Yet he did not do so. The reaction of President **Mohamed Abdullah Mohamed 'Farmajo'** and the Prime Minister was not to wait to see if Jawari would find a way to stop the motion, but to build up a large group of MPs to demand the Speaker's resignation. Either Jawari would find a way to dispose of the motion, or the executive would dispose of him. Besides the local component, it was another case of **Qatari** cash clashing with dirhams from Dubai.

While that was playing out, Parliament passed a law banning the **United Arab Emirates**-based maritime firm DP World from working anywhere in Somalia, because it had allowed Ethiopia to take a stake in the port project in Berbera, Somaliland (AC Vol 59 No 5). Yet Parliament had had barely anything to say for a year about the UAE building a military base in the same place.

The legislation, passed by a big

majority, gave Jawari political credit he had never had among Islamists and nationalists. It also helped him in his battle with the President, Prime Minister and cabinet. Yet there was one aspect of the new law that the executive could not accept: a clause stipulating that any agreement signed by the government with a foreign company would require parliamentary approval. Suddenly, the executive's prerogative to make profitable deals with foreign companies exploiting oil or fish, for instance, would be circumscribed. This was unacceptable to a prime minister eager to extend his power beyond that of his predecessors.

UAE DEFIANT

The UAE responded to the blow aimed at DP World with scant regard for geopolitical intricacies. It defiantly announced that it would begin training Somaliland's armed forces. Dubai and the UAE in general have never declared opposition to the international community's plan to pacify Somalia and defeat *Al Shabaab*; nominally, they support it. But they are doing nothing to help, pointedly referring to Somaliland as an independent and sovereign nation, something none of Somalia's other 'partners' has yet done. Talks between Somaliland and Mogadishu were scheduled to take place in **Djibouti** at the end of March but were cancelled.

Although an agreement was made during the London conference on Somalia in May 2017 that Somaliland could agree bilateral development projects with foreign companies, few in Hargeisa mentioned this when the blow-up with Dubai occurred. Instead, there was nationalist rhetoric about the 'eternal will of the South to colonise' Somaliland. (The London deal was why former President **Hassan Sheikh Mohamud** did not oppose the Berbera project.)

Although **Turkey** usually aligns with Qatar against the UAE, it has stayed neutral. Addis Ababa, too, though clearly supportive of the port project, in which it has a 19% stake, has not spoken out. But Ethiopia is

preoccupied with its own crisis (AC Vol 59 Nos 1, 4 & 5). In effect, however, it supports Somaliland's sovereignty: like **Uganda**, it recognises passports issued by Hargeisa.

Over in Puntland the episode has had resonance. A DP World agreement to rehabilitate and expand the port in Bossaso – now ruled out by the new law – was originally applauded. But then came problems about land title and the financial transparency of this pet project of Puntland President **Abdiweli Mohamed 'Gaas'**. He was convinced that the only people opposed to the scheme had been bribed to do so by Mogadishu. Consequently, MPs in Mogadishu associated with Gaas voted against Khaire in Parliament, even though this involved going against customary clan allegiance.

The run-in was all about the rivalry between Qatar and the UAE and Prime Minister Khaire's authoritarianism. The UAE may have ridden roughshod over Somali sensibilities with regard to the port, but Qatar provided the money that allowed the President and the Prime Minister to buy support in Parliament, our sources say. Jawari, on the other hand, was rumoured to have received financial assistance through **Omar Abdi Abdirashid 'Sharmarke'**, the former Prime Minister who is the UAE's main agent in Mogadishu.

The fight between the executive and the legislature in Mogadishu is by no means over and the confrontation could well flare up again.

In the parliamentary arena, Jawari was able to count on most of the MPs in *Damul Jadid* (the Islamist group associated with ex-President Hassan Sheikh) and those in *Daljir* (a conservative but supposedly not Islamist party) who have scores to settle with either Farmajo or Khaire. Initially he had more than 50 MPs, which made it likely that they could build up to 92, the number of votes required to table a no-confidence motion. There were some differences between Farmajo and Khaire, but then they decided to work on a counter-motion demanding the Speaker's dismissal. That motion eventually failed.

The other international partners in plans to defeat *Al Shabaab's* insurgency and reintegrate Somalia as a single, unified republic were reluctant to intervene because of countless conflicts of interest. Which large industrialised country selling billions of dollars' worth of weapons wants to confront **Saudi Arabia**, the UAE or Qatar over procedural

motions in the Mogadishu parliament? It is universally recognised that there is a great need to cool the situation, but nobody wants to take the first step and risk being left isolated and humiliated by

the adoption of a solution very different from the one they propose.

Parliament is still debating whether to vote on the no-confidence motion by secret ballot or show of hands. As

of now, a secret ballot favours Khaire's enemies. Mogadishu may end up stuck in a parliamentary stalemate like that of 2011, when a prime minister called Farmajo was forced to resign. ●

LIBYA

Doubts about unity deal

Elections are planned to fill the power vacuum, but they will have to overcome the poisonous faction-fighting

General **Khalifa Haftar's** forces control the east, but have not marched on Tripoli and show little sign of doing so (AC Vol 58 No 6). Government of National Accord (GNA) Prime Minister and Presidency Council (PC) head **Faiez el Serraj** has shown unexpected resilience in hanging on to power – and international support – in Tripoli, but is not established as a credible national leader (AC Vol 57 No 6). Islamic State (IS or *Da'ish*) or *Al Qaida* affiliates are quiescent but they control criminal networks and are by no means out of the picture.

With all the major players sufficiently entrenched to prevent their cantons descending into total anarchy, Libya remains in limbo, lacking an undisputed central authority and unable to eradicate security threats and criminal networks (AC Vol 58 No 12). Yet there are fervent hopes that the United Nations special envoy **Ghassan Salamé** can implement his ambitious roadmap to provide 'competent and efficient government' in a revised 'Libyan Political Agreement' that includes a new constitution and nationally accepted elections.

Libya is not in a state of all-out chaos. **China** and **Turkey** maintain embassies in Tripoli; **Italy** is to reopen visa offices in the capital and Tobruk in April, and **France** is planning a new embassy building for its eventual return. A handful of national institutions, led by the National Oil Corporation and Central Bank of Libya (CBL), have maintained oil production and control major state resources. CBL cannot always meet the public sector wage bill, but its claims to have stabilised a deteriorating economy are apparently confirmed by a recent halving of the dinar's parallel exchange rate.

The petroleum industry has not lost faith. Total's announcement in early March that it would buy Marathon Oil Corporation's 16.33% stake in the Waha oilfield was hailed in Tripoli, after years of the US firm not finding a buyer. It underlined continued French interest;

despite widespread sympathy in Paris for Haftar – whose Libyan National Army (LNA) secures the oil-producing Sirte Basin's export terminals – Serraj celebrated the deal in Tripoli with the Tunis-based visiting French Ambassador, **Brigitte Curmi**.

POSITIVE SIGNS

These are positive signs that a new political formula can emerge once presidential and parliamentary elections are held – a critical element of Salamé's plans to reunite Libya over the coming year. The UN Support Mission in Libya (UNSMIL) has seemed more sure-footed and focused under the Lebanese academic and diplomat. 'Salamé is even more insistent [on getting things done] but much less shrill than [his predecessor **Martin Kobler**],' a Tripoli insider commented. 'He is a fine connoisseur of Arab politics, and that shows in his approach.' Does this mean he can broker an elusive deal to restore national unity? 'That is another question.'

Salamé has received support from the GNA/PC's Tobruk-based rival, the House of Representatives, whose interim government is led by **Abdulla el Thinni**. He has proposed that the three leaders sit on a remade PC, including a state president and vice-president, but is a long way from achieving agreement.

Serraj says the UN still intends to hold elections by September. The Higher Commission of Elections says it has registered roughly half the eligible electorate, with more than 2.4 million signed up so far. Haftar is among a handful of leaders who have said they will stand for the presidency. Few analysts believe he would accept any result which does not declare him the victor.

Violence continues to define Libyan politics and international relations. High Council of State (HCS) Chairman **Abdulrahman al Sweihli** survived a 15 March assassination attempt on the road between Yefren and Gharyan by a group identified as *Al Karama*, which the HCS called 'an armed gang belonging to

[Haftar's] Operation Dignity'.

Sweihli, a Misurata heavyweight, was recently invited by the new British Ambassador **Frank Baker** to visit London, where his would-be host, Foreign Secretary **Boris Johnson**, has shown admiration for Haftar, as have Washington, Paris and Moscow. The Trump administration has made positive noises – the newly appointed Secretary of State, **Mike Pompeo**, is a fan – but not to the extent that it will anoint Haftar national leader, as the septuagenarian general craves.

Many question Haftar's credentials and the LNA's methods. The Hague-based International Criminal Court has indicted an LNA Special Forces commander, **Mahmoud el Werfalli**, for his alleged role in summary executions in Benghazi. Human Rights Watch has listed persistent cases of summary killings after LNA forces occupied contested areas.

LIMITS OF POWER

The Werfalli case points to the limits of Haftar's power. He cannot overrule influential players in his command such as the LNA Special Forces chief **Wanis Bukhamada**. The LNA's disparate factions – Special Forces and army units, youth militias and Salafist brigades – do not make a unitary force, although they have taken Benghazi and other eastern towns apart from the Islamist fief of Derna.

Egypt has been leading negotiations to unify the military, bringing in the new Tripoli commander General **Abdul Basset Marwan** and other factions opposed to Haftar. Under this deal, Haftar would remain commander-in-chief, but Serraj insists the GNA would retain political control. And as supreme commander, a title Haftar bitterly contests, Serraj has announced promotions and appointments. Those who have benefited include officers who were still serving under **Moammer el Gadaffi's** regime in 2011, including the new PC advisor Major General **Abdullah Aoun**.

Egypt and Gulf allies led by the **United Arab Emirates** remain key players, and Haftar's chief allies. Less obvious is the position of the **United States**, which appears to be focused mainly on striking at IS, which has gone underground since its expulsion from Sirte. Low-profile Special Operations forces are working with

GNA-aligned militias. The US Africa Command (Africom) commanding officer General **Thomas Waldhauser** told the congressional House Armed Services Committee on 11 March that the US was 'heavily involved in the counterterrorism piece'.

The LNA is fighting in the south, where it has declared no aircraft may land without its Air Force Operations Room's permission. It has also warned African nationals to get out of southern conflict zones. The second measure threatens further human rights abuses but pleases leaders such as **Chadian** President **Idris Déby Itno**, who has made a deal with Haftar. In return for Déby's political support, Haftar acts against Chadian dissidents holed up in Libya. UNSMIL has expressed

concern at recent violence in Sebha and the 'build-up of armed forces in the south [which] risks further escalation', and where 'armed Chadians', **Nigériens** and **Sudanese** have been identified as belligerents. The GNA is also seeking to maintain a foothold in the south and wants to strengthen its forces in the fight against 'mercenaries' in Sebha.

Fezzan is contested by feuding local Tebu, Tuareg and Arab Awlad Suleiman groups, by GNA and LNA affiliated forces, and by jihadist cells. The confused situation is encapsulated by the Sebha-based 6th Brigade, whose commander Brigadier **Ahmed el Ataibi** was sacked by Haftar on 27 February, but then claimed not to be affiliated to the LNA General Command but to the GNA.

Serraj is weaker in the south, but has sought to broker a peace between the Tebu and Awlad Suleiman, which he thought was secured last year after mediation by the **Italian** NGO *Ara Pacis Initiative*, with Italian government diplomatic and financial backing. The failure to pay *diya* (blood money) to bereaved families is among the drivers of conflict in Fezzan. Funds from Italy and **Qatar**, which financed a deal to end Tebu-Tuareg fighting, have yet to arrive on the ground. Why the *diya* remains unpaid is an embarrassing question for the Tripoli authorities.

Such failings have fuelled a creeping nostalgia for the Gaddafi era, with whispers that the late dictator's son **Saif el Islam** might eventually figure in a national settlement. ●

AFRICA/EUROPEAN UNION

Migration tests 'partnership'

Fast-changing expectations among developing countries and the EU will complicate the renegotiation of the Cotonou Agreement

The European Union begins talks later this year on a successor to the Cotonou Agreement, its partnership agreement with 78 African, Caribbean and Pacific (ACP) states signed in Cotonou, Benin, in 2000. Forty-eight of the signatory countries are in Africa, but early indications suggest the new deal will not improve the uneasy relationship between the two continents, especially over economic aid and migration.

The EU-African Union summit in Abidjan last November was not an auspicious start to the process. The AU privately expressed dissatisfaction with the EU's unwillingness to commit new funding at the summit and many African leaders complained that there was little to gain from the entire process. As negotiations continued, frustration grew on both sides over missed deadlines and the lack of willingness to compromise.

The impasse was summed up by wrangling over the final communiqué, eventually released nearly a week after the summit ended, following a dispute about the text on migration. It did not include any commitments to concrete projects or financing; rather, leaders agreed to 'develop an action plan' within three months to identify projects and programmes. That has not yet happened.

Similarly, no deal was struck on peace and security, nor was a new memorandum of understanding reached

to redefine cooperation on the African Peace and Security Architecture.

The difficulties reflect Europe's insistence that it will offer no further ground on trade and aid without African countries taking their commitments to manage migration – which form part of the existing pact – more seriously. There is little sign of movement on this front.

In December the European Commission published its draft negotiating mandate, and it is expected that this will be signed off by EU member-state governments in May. The ACP has published nothing so far and will not finalise its mandate until weeks before formal negotiations start in August.

TRADE TOOL

Under Cotonou, EU governments have been encouraged to focus their development policies on building infrastructure and expanding the private sector in Africa (AC Vol 56 No 25). Its successor is likely to be more hard-nosed. 'Cotonou is changing from a development to a trade tool. You can already see from the EU mandate that it is not development that comes first. Security and migration are their first objectives, then economic growth, then development,' says one civil society leader.

Chief on the EU's wish list is migration control. 'We must partner with Africa to fight trafficking and migrant smuggling,' **Koen Vervaeke**,

managing director for Africa at the European External Action Service, told an audience at the Chatham House think tank in London on 26 March. 'However, we also want to improve mechanisms for the legal migration of Africans to come to Europe.'

Most political dialogue between the two continents now runs through the AU. But the AU is not a party to Cotonou and will not be negotiating with the EU, although its secretariat wants to do so. The AU adopted its common position on the negotiations on 29 March, demanding a separate agreement for African countries, focused around economic growth and development.

'We still don't know how Africa is going to be represented in the talks,' an insider told *Africa Confidential*. 'The AU wants to lead but it's far from clear that they have support for this, or the means to do it.'

The European Commission wants to broker one umbrella agreement with the ACP countries defining common values and interests, as well as agree tailor-made compacts for each of the three regions. The one for Africa would replace the 2007 Joint Africa-EU Strategy.

In October 2017 the ACP Parliamentary Assembly called for a 'radical departure' in relations with the EU, on the grounds that ACP states have made considerable efforts to develop their own industrial capacity. A rethink is likely to involve reopening the controversial economic partnership agreements (EPAs) between regional blocs and Brussels (AC Vol 58 No 21).

The EU is tired of being seen as a cash machine, European Commissioner for International Cooperation and Development **Neven Mimica** has said, and it is anxious to get away from what it describes as 'traditional donor-

recipient perceptions'. That is likely to lead to more programmes where aid is given on condition that it achieves EU political priorities such as managing migration flows (AC Vol 57 No 18).

'Our starting point is that this is not a negotiation about money; it's a negotiation about relationship. We have to get it right, not to miss the opportunity to set up the framework that so far has been missing,' **Stefano Manservigi**, the European Commission's Director General for International Cooperation and Development, told the ACP secretariat in January.

In November the Ghanaian President, **Nana Addo Akufo-Addo**, delivered a stern indictment of Africa's dependency on European benefactors, both economically and politically, during a visit to Accra by President **Emmanuel Macron** of France (AC Vol 58 No 25). Relying on European development assistance 'has not worked and it will not work', Akufo-Addo declared. 'Our responsibility is to chart a path which is about how we can develop our nations ourselves. It is not right for a country like Ghana – 60 years after independence – to still have its health and education budgets being financed on the basis of the generosity of European taxpayers.'

Besides the sense that EU aid and investment are tied to political interference, Cotonou's main weakness, certainly to African countries, is that its trade provisions have not been generous. The much-vaunted EPAs have

stalled, in large part because certain African regional blocs, including the Economic Community of West African States (Ecowas) and the East African Community (EAC), feel that the agreements have forced them to give away too much in return for access to EU markets (AC Vol 48 No 21).

IMPASSE

The long-running row between **Rwanda**, **Tanzania** and **Uganda** and the United States over the 'mitumba ban', excluding imports of used clothing from the **United States**, illustrates the dilemma (see Pointers). The three countries say that the ban, which would be phased in from 2019, is essential to their plans to develop domestic garment manufacturing industries. The US maintains that a ban would end the countries' eligibility for duty-free exports of clothing to the US market under the African Growth and Opportunity Act 2000. It is unlikely that this impasse will be resolved any time soon.

To Europeans, Cotonou's great flaw is its legal weakness. Provisions agreed in 2000 requiring African countries to take back illegal migrants, and on trade and human rights, have frequently been ignored. 'Enforcement has always been weak. The EU will want it to be much tighter, and legally binding,' an EU official told AC.

The Commission wants to include a tough sanctions regime in the new pact: no funds would be allocated to states which violate human rights, and

repayment of allocated funds should be demanded if it is established that there has been any severe violation of human rights. In other words, the EU is certainly not about to reduce its levels of conditionality.

Other complications will arise from the UK's impending departure from the EU and parallel negotiations on the EU's budget framework for the next seven years. The UK's Department for International Trade lacks the capacity to make progress on new pacts with African countries before 2020, but we understand that it will probably eventually offer more generous terms and access to the UK market than the EU EPAs (AC Vol 58 No 13).

Meanwhile, the EU's multi-annual financial framework (MFF) will decide on the bloc's development budget for 2021-27. Unless the EU27 agree to plug the funding gap left by UK withdrawal, EU development financing could suffer deep cuts. As well as being a substantial net contributor to the EU budget, London is a leading contributor to the European Development Fund, but it is unclear whether it will remain a party to the fund after Brexit. However, the MFF is almost certain to propose increasing the sums allocated to controlling migration.

The negotiations will be 'very messy', says a Brussels-based civil society leader. The EU and its African counterparts differ wildly in their expectations and demands, and Cotonou Mark II is unlikely to satisfy either party. ●

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POINTERS

Zimbabwe

UK LEANS TO MNANGAGWA

■ Britain may be breaking ranks with donors and creditors over conditions for restoring Harare's access to finance. The International Monetary Fund continues to take a firm line, insisting that new loans be contingent on settling \$9.4 billion in arrears and on deep cuts to government salaries, perks and agricultural subsidies (AC Vol 57 No 23).

Meanwhile, the UK is promoting debt write-offs in exchange for a commitment to – not necessarily delivery of – reform. Prime Minister **Theresa May's** government has been sending economists to Harare in an effort to persuade other donors of the merits of a debt relief programme, we hear.

Both approaches are risky. A lack of access to finance will consign the best-intentioned reforms to failure, while too 'soft' a line will leave the government with no incentive to change.

The UK's proposal is not motivated solely by altruism. London would like to include Zimbabwe in its plans to broker post-Brexit trade deals with African members of the Commonwealth, which Zimbabwe left in 2003. These will be discussed at the organisation's Heads of Government Meeting in London later this month.

Morocco-Algeria

WORLD CUP WARM-UP

■ Morocco's bid to host the FIFA World Cup in 2026 has won an unusual recruit. Algerian President **Abdelaziz Bouteflika** has given the campaign his personal blessing. The edict of the ailing Bouteflika, who would be 89 when the competition starts, will 'be executed with pride', said **El Hadi Ould Ali**, Algeria's Sports Minister on 1 April.

Rabat's enthusiasm for hosting football's richest prize seems to have overcome, in sport at least, its bitter, decades-long cold war with its eastern neighbour. **Lakhdar Belloumi**, one of Algeria's most celebrated former footballers, will be an official ambassador for the Moroccan campaign. Backed by **France** and **Belgium**, Morocco expects to win the support of almost all African countries before the final vote in June.

A joint bid by **Canada**, **Mexico** and the **United States** is the favourite, but this time each of the 207 FIFA member federations not bidding will have an equal vote. Previously, the winner was decided by 24 FIFA executive committee members. This should help Morocco, although it lacks enough suitable

stadiums to host the games, which will involve 48 teams for the first time in 2026.

Morocco's bid, however, could suffer from the company it is keeping. The disgraced former FIFA boss **Sepp Blatter** supports the bid, as do **Russia** and **Qatar**, both of whom were accused of using bribery in their successful applications.

Africa/United States

AGOA HITS MITUMBA

■ Rwanda has found itself an unlikely victim of President **Donald Trump's** international trade war. In a 29 March letter to Congress, the US President announced plans to partly suspend Rwanda's access to the African Growth and Opportunity Act (AGOA) unless Kigali backtracks on a plan by the six-nation East African Community to slap hefty import tariffs on US second-hand clothes (AC Vol 58 no 14). Since 2000, AGOA has allowed African countries to export over 6,000 products duty-free to the US.

'The President believes suspension of these benefits, instead of termination of Rwanda's status as an AGOA beneficiary, would allow for continued engagement with the aim of restoring market access,' Trump's office said.

The US industry lobby, the US Secondary Materials and Recycled Textiles Association (Smart), petitioned the US Trade Representative that the African import duties on US clothes breached the terms of AGOA (AC Vol 58 No 15). The EAC claimed that the 'mitumba ban', which was accompanied by a plan to restrict use of second-hand vehicles, would help the region develop its textile sector. The White House responded to the Smart plea in June 2017 and after it issued warnings to the EAC, member-countries **Kenya**, **Uganda** and **Tanzania** reluctantly withdrew the taxes (AC Vol 58 No 14). Rwanda, however, is the last EAC country not to back down.

The proposed ban, which will only cover clothing and footwear exports, was 'unfortunate', said Rwandan Trade Minister **Vincent Munyeshyaka**, who added that his government had 'already exercised flexibility'. Rwanda will not suffer much. Total annual exports to the US are worth roughly US\$10 million. Kigali reckons, however, that phasing out imports of second-hand clothing could create over 25,000 jobs.

South Africa

ZUMAISTS AND RAMAPHORIANS

■ President **Cyril Ramaphosa** could face his toughest test yet when former President **Jacob Zuma** has his day in court on 6 April, as tensions between their respective factions in the African National Congress resurface.

The ANC's last executive meeting two weeks ago ended with a tense truce between the two factions, according to insiders. Ramaphosa won the day by obtaining a ruling that no formal ANC structures would show support for Zuma during the trial but individual members may do so provided they do not wear ANC T-shirts and insignia bearing Zuma's image. Zuma's supporters say they will defy the ban.

The court hearing will reinstate 16 charges of corruption, money-laundering and racketeering, linked to a US\$5 billion arms deal of more than two decades ago. Zuma has been busy campaigning for the ANC in KwaZulu-Natal, one of his strongest bases, in recent weeks. 'People are free but I am not. They are still after me,' he told a church congregation in Durban.

Zuma has also left his successor with a challenging policy legacy. Ramaphosa has come under pressure not to dilute the ANC's conference resolution of last December to introduce free education for all, change the constitution to allow land expropriation without compensation, and nationalise the central South African Reserve Bank (AC Vol 59 No 1).

Ramaphosa has responded by outlining a plan to phase in free education for first-year students, appointing a parliamentary review committee on the land expropriation issue and kicking nationalisation of the central bank into the long grass.

But the new President seems to have dropped an idea, floated by one of his supporters, to hold an early election to capitalise on his personal support – known as Ramaphoria – rather than wait until next April when the parliamentary term runs out.

He also appears to be delaying leadership elections in KwaZulu-Natal, North-West Province and Free State, whose leaders or most prominent figures are all Zuma sympathisers: **Sihle Zikalala**, **Supra Mahumapelo** and **Ace Magashule** (AC Vol 58 No 21). Magashule, who was narrowly elected Secretary-General of the ANC in December, is being investigated.

ANC Deputy President **David 'DD' Mabuza**, who swung his Mpumalanga Province votes behind Ramaphosa in the leadership contest at the last minute, is seen as a supporter of Ramaphosa but a brake on his more reformist intentions. Other senior ANC figures seen to be undermining the President behind the scenes include the ANC Women's League head and Minister for Women, **Bathabile Dlamini**, Land Reform Minister **Maite Nkoana-Mashabane**, Communications Minister **Nomvula Mokonyane** and Small Business Development Minister **Lindiwe Zulu**.

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BLUE LINES

Mozambican journalist and lawyer Ericino de Salema was kidnapped in broad daylight in the capital Maputo on 27 March, beaten unconscious and abandoned by the roadside with severely fractured limbs. Salema's abduction bore similarities to the kidnapping in May 2016 of respected academic Jose Jaime Macuane. Both were commentators on independent TV station STV's 'Points of View,' and had been critical of Frelimo's poor governance.

Local media figures are now pressuring Attorney General Beatriz Buchili to act over the recent escalation of politically motivated attacks and assassinations. No case has yet been solved, and critics say the only explanation is collusion by public officials. After nearly two years without tangible progress in the investigation into his abduction, Macuane has finally spoken publicly about his ordeal, noting that one of his kidnappers showed him a police badge.

President Filipe Nyusi has maintained a deafening silence. After a bitter defeat in the recent Nampula by-election, Frelimo is increasingly concerned about next year's general election.

Prior to his attack, Salema criticised the extravagant delinquency of Nyusi's 20-year old son Florindo, who made local headlines for violating traffic laws during late-night jaunts in his luxury cars. On 17 April, Nyusi spoke at London's Chatham House about inclusive development. Critics say his commitment to that cause is questionable, given his son's attitudes to official impunity and entitlement.

ZAMBIA

As the debts balloon, Lungu avoids the spotlight

The finance minister starts crisis talks with the IMF after the government fails to convince creditors

As leaders of the 53 Commonwealth member states gathered in London for the 15-17 April summit, one African head of state was conspicuously absent. Amid growing concern that Zambia's debt has ballooned to unmanageable levels on his watch, President **Edgar Lungu** keeps out of the international spotlight (AC Vol 59 No 7). His country is on the brink of crisis and the slide in the economy is damaging the copper-rich nation's bargaining power.

Under fire from opponents – and, increasingly, from members of his own governing Patriotic Front – Lungu chose to avoid tough questions over both the debt debacle and his failure to begin dialogue on political reforms with opposition leaders, as previously agreed with the Commonwealth Secretary General, **Baroness Scotland** (AC Vol 58 No 22).

After a difficult few weeks in which more news broke about Zambia's rising debt levels, Ministry of Finance officials met with investors in London on 16 April to assuage anxieties. Finance Minister **Margaret Mwanakatwe** was absent; recent medical problems severely restrict how much travel she does. Instead she flew to Washington DC for the International Monetary Fund's spring meetings.

Mwanakatwe is trying to convince the Fund that the government has the situation under control, in an effort to rebuild trust and secure an IMF-funded programme. Her task is not easy. Confidence in the government's competence and integrity has hit an all-time low, and opposition claims that Zambian external debt could

be as much as twice the level reported by the government are now being taken seriously by investors and analysts.

The last issue of *Africa Confidential* published further evidence that Zambia is teetering on the brink of debt distress, with the country's real debt probably around 100% of GDP (AC Vol 59 No 7). Following the AC report and worries voiced by investors in other media, that other debts are yet to be reported, Zambia's Eurobonds fell further to a par with **Congo-Brazzaville**. Congo-B is officially in debt distress after the discovery of undeclared loans last year sent its debt-to-GDP levels rocketing to 120% (AC Vol 58 No 19).

Although Zambia's situation is not yet so woeful, the market reaction reflects deep uncertainty over its debts and a severe loss of confidence in the government. The Nomura International investment fund was in negotiations last year with the Lusaka government to provide an urgent loan of \$500 million to refinance existing government debts; we now hear that these are not the Eurobonds. Nomura has been outspoken about the crisis, downgrading its assessment of the risk of investing in Zambia from 'neutral' to 'cautious'.

NO RESTRAINTS

The lack of clarity is damaging Zambia's reputation and fueling suspicions over notional 'hidden loans'. Rather than the government actively concealing entire projects funded by already contracted loans, as happened in Mozambique, the confusion here is over the government's methods for reporting debt and the

ZIMBABWE	3	SOUTH AFRICA	5	EGYPT	6	NIGER	8	LIBERIA	10

Behind the curtains

There is no let-up in the rush for mining concessions but little info about who benefits

Ace in a hole

Zuma ally Magashule is struggling in his new role as Secretary-General of the ANC

Mixed messages

Economic indicators are up but have not translated into better living standards

Issoufou under fire

New taxes, an economic crackdown and an agreement with the EU spur mass protests

POINTERS	12

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consistency with which it has done so. It is thought that Zambian under-reporting has resulted in artificially low figures (AC Vol 58 Nos 14 & 25).

It is also beyond doubt that Zambia is continuing to contract and plan new loans at an unsustainable rate without assessment of value for money. It can ill afford the billions of dollars of external commercial loans that are already in the pipeline.

So cash-strapped is the Zambian government that it cannot pay suppliers for vital goods such as medicines and fertiliser, yet it continues to press ahead with grandiose and overpriced projects on credit. Executing the budget is difficult, some critics describing it as a mere 'paper budget'. They report that, in practice, more than 60% goes on officials' pay and perks. With almost another 30% needed for debt service, that leaves 10% for everything else.

The fiscal squeeze has led to problems with paying suppliers and VAT rebates. Domestic arrears – which the government says stood at 12.7 billion kwacha (US\$1.3 bn.) at the end of 2017 – are fast piling up. This is now coupled with an aggressive drive by the government to increase tax revenues. The result is an increasingly antagonised business community and basic services in jeopardy (see box).

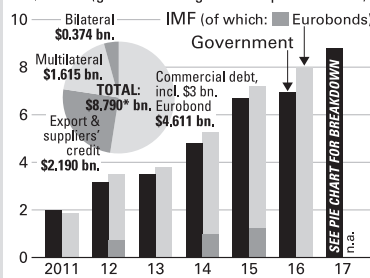
Aside from its rebuttals of some of the unfounded allegations that have emerged in the growing panic – that the government has defaulted on its Chinese debt, for instance – a statement issued by Mwanakatwe this month on the debt stock and 'perception of hidden loans' holds little water. If anything, it confirmed the scale of the problem and how anxious the government is to calm the markets, particularly as Zambia will soon need to refinance its \$3 bn. Eurobonds.

Government sources say that Mwanakatwe's claim that all government debt is accurately declared in the proper manner is far from the truth. AC's own investigations show that, without proper central control or consistent reporting, debt management has broken down.

The Debt Management Office figures have tended to fluctuate, we

ZAMBIA'S EXTERNAL DEBT

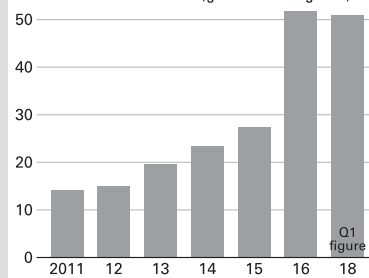
US\$ billion (government figures compared to IMF)



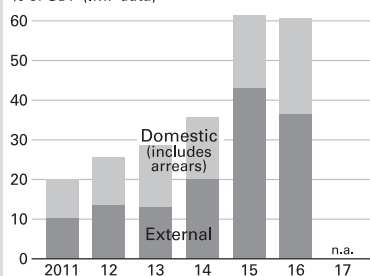
*Government statement rounds this down to \$8.7 bn.

ZAMBIA'S DOMESTIC DEBT

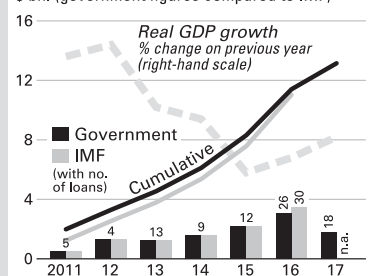
Billion Zambian kwachas (government figures)

**TOTAL PUBLIC DEBT**

% of GDP (IMF data)

**LOANS CONTRACTED**

\$ bn. (government figures compared to IMF)

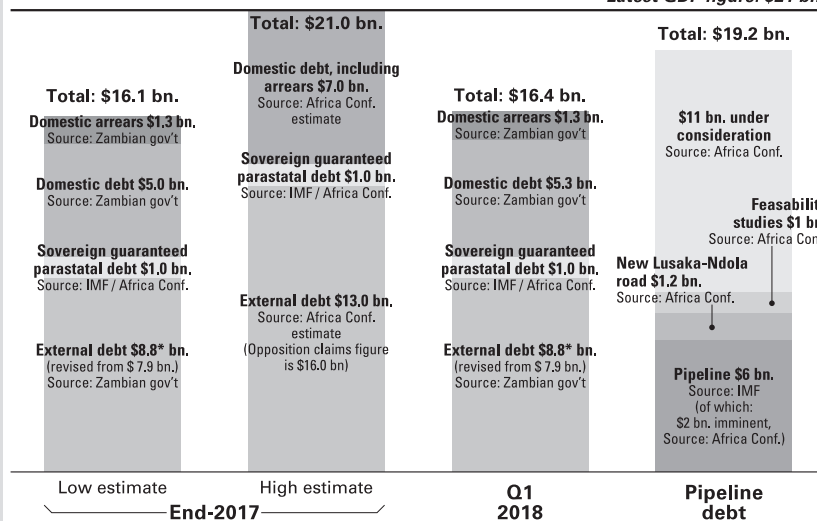


Sources: Zambian Ministry of Finance; IMF; Bloomberg; Bank of Zambia

CURRENT POSITION AND PIPELINE DEBT

\$ bn. (government and IMF figures, and Africa Confidential estimates)

Latest GDP figure: \$21 bn.



*Government statement rounds this down to \$8.7 bn.

ZAMBIA'S EUROBOND YIELDS Yield to average life on Zambia's 2027 Eurobonds, %

understand. And, unusually, individual ministries are able to issue debt without consulting the Ministry of Finance – a practice that we hear the former Finance Minister **Felix Mutati** was trying to change.

LOANS PILE UP

As pressure mounts on the government over under-reporting of loans, Mwanakatwe has increased the external debt figure for 2017 from \$7.9 bn. to \$8.7bn.

In her State of the Economy presentation for the first quarter of 2018, published on 6 April, she said that the increase resulted mainly from the 'reclassification' of a '\$500 mn. fuel debt' as external. The 2017 annual economic report, finally published on 12 April, shows that she is in fact referring to a \$590 mn. loan to finance fuel imports.

AC's own information shows this was contracted from the Trade and Development Bank – the financial arm of the Common Market for Eastern and Southern Africa (Comesa) formerly known as PTA Bank – in March 2016. It is not clear why the government failed to register this in its external debt stock for two years running, or how it was classified if not regarded as external, nor if it was reported correctly to the IMF. The Fund noted in 2017 that the government owed \$420 mn. in arrears to PTA Bank which were omitted without explanation from the total debt stock.

There are clear discrepancies between the IMF's annual external debt figures, and its estimates of the total numbers and value of loans contracted, and those of the government (see chart). The IMF's external debt figure for end 2016 is \$7.9 bn.; if one adds the \$1.75 bn. contracted in 2017, plus the \$590 mn. fuel debt, the total is \$10.24 bn. Compounding the confusion, the IMF's own tables indicate cumulative loans by end 2016 of over \$11 bn.

The lower figure cannot be explained by debts having been paid off. The Fund has not responded

ROBBING PIERRE TO PAY LAZARUS

Zambia's cash-strapped government is trying to muddle through the financial strain of managing a fast-growing pile of debt using a combination of aggressive taxation and not paying suppliers. The strategy is driving up domestic arrears and antagonising business at a time when investors are already thinking twice about putting money into the country.

In March, the government apparently tried to solve the impending crisis by publicly demanding that the **Canadian** mining company First Quantum Minerals pay Zambia US\$8 billion. The Zambia Revenue Authority (ZRA), which owes FQM \$160 million in overdue VAT rebates, told FQM it had five days to pay roughly \$142 mn. in duties plus billions in fines and interest, levied at 5% since 2012.

FQM maintains that the demand is unfounded and the firm has been granted three months to conduct its own audit. Insiders tell AC that the ZRA's claim of missed duty payments is mistaken and that tax-exempt goods have been wrongly reclassified in a whirlwind audit. The ZRA sees duty payments as a fast way to raise cash and the mines as easy targets, but even sources close to the government are privately critical of the ZRA's assault on FQM. Although no other mine has been hit with a bill of the magnitude of the one presented to FQM – the government's biggest taxpayer – the mining companies are now subject to aggressive auditing.

Meanwhile, the three biggest pharmaceutical suppliers have stopped providing basic drugs and equipment because the government owes them \$25 mn. On the brink of a nationwide shortage of medicines, Health Minister **Chitalu Chilufya** has asked donors to reinstate basket funding – a request met without enthusiasm, we hear. He has also written to President **Edgar Lungu** to request emergency funding, which is likely to come from toll-gate revenues.

Meanwhile, the Ministry of Health is pursuing an ambitious expansion programme that includes borrowing hundreds of millions of dollars for new hospitals, as well as suspiciously expensive procurement through politically connected middlemen, including 50 ambulances at the cost of \$288,000 each. Toyota, the manufacturer of the ambulances, reports that each was worth just \$60,000.

The price inflation, suspected to be for the purposes of skimming commissions, could have paid off almost half of all the outstanding debts to health suppliers and ensured that public hospitals remain stocked with vital medicines. ●

with an explanation since AC raised this problem in December. AC's own calculation of external debt remains at roughly \$13 bn., with \$2 bn. imminently in the pipeline.

Though it has issued firm warnings that Zambia runs great risk of debt distress, the IMF has not yet publicly presented the numbers it recently shared with donors, which covered parastatal debts that the government usually omits. We hear that the Fund is unsure if it has fully understood the extent of Zambia's debt with China, which sources at the Ministry of Finance say is not reliably reported.

Worryingly, the government's 2017 report also notes that the 2017 figures are 'preliminary' – though the report was published at the end of the first quarter of 2018 – and suggests that they could yet be revised.

A debt sustainability analysis (DSA) is under way and behind closed doors officials are frantically trying to add up the numbers. But this process is not complete as yet. Many feel the situation has become so bad that, without some form of external audit, the results of the DSA cannot be considered reliable – and the existing government figures even less so. ●

ZIMBABWE

Behind the curtains

There is no let-up in the headlong rush for mining concessions but little information about who benefits from the deals and how

The good news is relentless. Each week another wide-eyed foreign investor pitches up in Harare meets President **Emmerson 'Open for Business' Mnangagwa**, then pledges to pour tens

of millions of dollars into the country's rich geological resources. But like much else in Harare, details of the terms and obligations, let alone possible revenues for the country, are thin on the ground.

Four and a half months into Mnangagwa's tenure as President, he reports the government brought in almost US\$8 billion in investment pledges. This contrasts with investment levels of less than \$500 million a year for the previous decade. Undeniably, Zimbabwe, with its world-class resources, combined with its entrepreneurial and well-educated people, offers great opportunities for astute business people. After the fall of **Robert Mugabe** last year, they smell the money.

Whether in wintry Davos or in

KNOWN UNKNOWN ON THE VOTING TIMETABLE

Everyone, especially the opposition parties who claim a late surge in the registration of young voters, are taking the coming elections extremely seriously. For the government, a big influx of cash from investors and debt relief from the international financial institutions is rising on whether the polls are judged to be credible and not tarnished by violence. Sceptics say that ZANU-PF has already won due to biases in the voter registration but opposition parties confidently discount that.

On 9 April, the Ministry of Foreign Affairs released an official list of partners and organisations that will be invited to observe this year's election. With 46 countries and 15 regional and international bodies, including the **United States** and members of the European Union, the list seems refreshingly progressive.

Yet it is just one gesture towards progress in a process that is beginning to look chaotic. Even the list of observers is problematic: it was compiled by Foreign Affairs and not the Zimbabwe Electoral Commission (ZEC), as mandated in the constitution.

For a start, the election date has not yet been announced, so it is impossible to hold the ZEC to account on meeting interim deadlines for preparatory work (AC Vol 59 No 2). The new biometric voters' register has not yet been cleansed to eliminate multiple entries, so it cannot be assessed (AC Vol 58 No 16). And the ZEC has informed the opposition and civil society groups that it will not commission an independent audit of the voters' roll. Any external audit will have to be organised and funded by the opposition parties or civil society, it says.

Parliament was supposed to debate and vote on amendments to the Electoral Act early in April but this has been delayed. MPs for the Zimbabwe African National Union-Patriotic Front, realising they were outnumbered by members of the opposition, refused to take part in a debate. They then demanded that the legislative process be postponed so that they can return to their constituencies and campaign for positions in the ZANU-PF primaries.

The ruling party is preparing its primaries, scheduled for 5 May, even though there is still no date set for the general election. They will be a tough test of President **Emmerson Mnangagwa's** legitimacy and of ZANU cohesion following ructions over the past three years (AC Vol 58 Nos 19 & 24).

There is heightened anxiety over submission of candidates' CVs in the run-up to the ZANU election. Large numbers of CVs have been presented in many provinces – at least 2,000 in Mashonaland East and over 1,000 in Mashonaland Central. However, there have also been high rates of disqualification by the provincial party structures, particularly of candidates from the armed forces. This has caused such consternation that **Obert Mpofu**, ZANU-PF's Secretary for Administration, has instructed provincial executives to send all CVs to party headquarters in Harare, regardless of whether candidates meet the selection criteria or not. He insists that provincial executives have no right to disqualify individuals.

Local ZANU structures are trying to ensure that the national elite do not override their decisions. In Goromonzi, south-east of Harare, party supporters rioted when Labour Minister **Petronella Kagonye** and **Energy Mutodi**, a businessman who is one of Mnangagwa's most loyal backers, arrived to supervise vetting of CVs by the provincial executive. In Makoni, in the far eastern Manicaland Province, hundreds of rank-and-file members protested the disqualification of their favourite, **Misheck Mataranyika**.

There are rumours in Mashonaland West that the constituency ZANU structures are trying to push G40 candidates into positions, and talk abounds in Mashonaland Central about a 'protest vote' by ZANU supporters, though it is unclear whom they would choose. In Manicaland, supporters who protested Mataranyika's disqualification have threatened to vote for the opposition if their candidate is not selected to stand for ZANU.

Ultimately such threats may not affect the outcome of the national election, but they betray a deep and continuing discord within the ruling party. ●

Botswana at the height of summer, Mnangagwa wears a scarf with stripes in the colours of the Zimbabwean flag. These scarves are also worn by government and party officials. Foreign minister **Sibusiso Moyo**, draped a patriotic scarf around his tailored jacket as he briefed journalists in London about the government's efforts to ensure that Zimbabweans in the diaspora could register to vote in this year's elections. That sounded odd, given that most independent surveys reckon the diaspora would vote strongly against the ruling Zimbabwe African National Union-Patriotic Front (ZANU-PF).

MANTRA OF CHANGE

Yet it's all part of the mantra of economic and political change that the government has been pumping out. Unquestionably, ZANU-PF is confident of victory in the national elections due before the end of August (see Box). Indeed, some international organisations are offering President Mnangagwa speaking slots several

months after the election.

On 7 April, Mnangagwa returned from **China** – his thirteenth trip abroad since he became President in November 2017 – in a private jet. This state visit, with a full retinue of ministers and top officials, drew uncomfortable parallels with Mugabe's frequent and lavish travels. The state media drowned out criticism with praise for the deals being struck by the new President. Most of these 'deals', however, are memorandums of understanding, with little firm commitment. The one tangible agreement is that China will help construct a new building for Parliament and upgrade Robert Gabriel Mugabe International Airport (named the day before he was forced to resign). Yet these projects were already in the pipeline, agreed during President **Xi Jinping's** visit to Zimbabwe in December 2015.

Another, much-lauded development was a \$4.2 billion investment pledge from a **Cyprus**-based company, Karo Resources, run by **Loucas Pouroulis**, to develop a platinum mine and refinery.

The Pouroulis family are big names in the region. Loucas's son **Adonis**, who runs Petra Diamonds, narrowly avoided entanglement with the **Omani** businessman **Thamer el Shanfari** in a **Congo-Kinshasa** diamond mine almost two decades ago.

Karo's platinum deal has a difficult legal history. The land supposed to site the refinery was confiscated from Zimplats (owned by **South Africa's** Impala Platinum Holdings). And there are questions about the sustainability of the project, particularly its apparent commitment to process the platinum locally and create much needed jobs. Moreover, because of current tax waivers on platinum exports, platinum brings in only a quarter of the revenue generated by gold, although it is Zimbabwe's main export.

The other important message from the government is that it is cracking down on corruption. There have been a few high-profile and highly publicised actions, but there seems to be no firm commitment to institutional reform and

accountability. The Zimbabwe Anti-Corruption Commission continues to expose 'acts of corruption' by senior figures, and some have been arrested. All those charged so far are Mugabe loyalists or members of **Grace Mugabe's** G40 clique who resisted Mnangagwa's rise – the former Minister of Higher Education **Jonathan Moyo**, former Minister of Home Affairs **Ignatius Chombo**, Zimbabwe African National Union-Patriotic Front spokesman **Psychology Maziwisa** and former Minister of Sport and Recreation **Makhosini Hlongwane** (AC Vol 58 No 25). Generally, graft charges are being used to punish and contain dissident voices, rather than address core issues of malfeasance.

SHORT LIST

In March, after a dramatically staged YouTube clip in which a scarf-clad Mnangagwa glared at the camera and warned people who did not return money they had 'externalised' that they would 'face the full wrath of the law', a list of externalisers was published. There are no senior ZANU-PF names on it and the amounts reported are surprisingly low, especially given the importance the new government has attached to externalised funds to explain the dearth of cash in Zimbabwe.

Critics believe the list was released to draw attention away from senior government officials. Mnangagwa says that \$250 mn. was returned during a 90-day amnesty for externalised funds but has given no indication how the government is using this cash.

The new government's selective engagement with corruption is highlighted in a probe by the Parliamentary Portfolio Committee on Mines and Energy, led by **Temba Mliswa**, into the 'missing \$15 billion' in revenue from Zimbabwe's diamond mines (AC Vol 58 No 21).

Although he sits in Parliament as an independent MP, having been expelled from ZANU-PF in 2015 for supporting former Vice-President **Joice Mujuru** in an intra-party power struggle, Mliswa is close to Mnangagwa, and the investigation is being carried out in a way that protects the President and the military elite who surround him.

The negotiations which allowed Chinese companies access to the diamond fields were led by senior military generals and the police. At the time Mnangagwa was Minister of Defence. But Mliswa has focused the investigation on others, most of whom are loyal to G40 or the Mugabes, or are useful scapegoats.

Obert Mpofu, named Minister of Home Affairs to appease the anti-Mnangagwa faction during the 2017 coup, is now considered a burden on the government. Accusing him will help justify excluding him from the next cabinet. The former Commissioner General of Police **Augustine Chihuri** sided with President Mugabe during the coup. **Francis Gudyanga**, a former permanent secretary in the Ministry of Mines, is associated with G40, while **Sydney Sekeramayi**, another veteran minister, was G40's chosen candidate to succeed Mugabe.

Walter Chidhakwa, a former Mines Minister, is related to Grace Mugabe. **Isaac Moyo** is Director General of the Central Intelligence Organisation, which Mnangagwa and Vice-President **Constantino Chiwenga**, a former commander of the Zimbabwe Defence Forces, are trying to disable and replace with Military Intelligence. Mliswa has also summoned Mugabe for interrogation.

The hearings so far have revealed little. Mpofu refused to answer Mliswa's questions; Chihuri cannot be located to give evidence before Parliament; Gudyanga claims that 'powerful forces' control the diamond sector but refuses to disclose further detail, saying they have threatened him. The other people called to answer questions have not yet appeared, and the investigation will be postponed while ZANU-PF MPs return to their constituencies to contest primaries in the lead-up to national elections in July or August.

AIR SUPREMACY

In the week ending 14 April, it emerged that a previously unknown company called Zimbabwe Airways is about to lease new **Malaysian** aeroplanes to the bankrupt state carrier, Air Zimbabwe. Transport Minister **Joram Gumbo** claims that Zimbabwe Airways is independent and funded by individuals in the diaspora. Finance Minister **Patrick Chinamasa** contends that it is a subsidiary of Zimbabwe Aviation Leasing Company, apparently founded as a front for parastatals that were hampered by international sanctions. ●

SOUTH AFRICA

Ace in a hole

A close ally of former President Zuma, Ace Magashule is struggling in his new role as Secretary-General of the ANC

The pressure is mounting on **Ace Magashule**, who faces a raft of anti-corruption investigations from his time as Premier of the Free State and widespread questions about his loyalty to new President **Cyril Ramaphosa**. This is a critical issue for the governing African National Congress (ANC) as Magashule's primary role – as Secretary-General of the party – is to unite and strengthen it under the new leadership.

But in January, addressing an ANC Youth League meeting in Msunduzi in KwaZulu-Natal (KZN) province, Magashule said: 'we will take the ANC

back and members should stay focused. It is just a matter of five years, comrades. The [elective] conference happens every five years, so let's work hard.'

Ramaphosa supporters interpreted this as a fightback from Magashule, KZN and Zuma's allies. As Secretary-General, Magashule is in charge of auditing the branches, deciding which members are in good standing and eligible to vote. There is growing concern within the Ramaphosa camp that Magashule cannot be trusted to unite the party but *Africa Confidential* understands that the president is unlikely to make drastic changes within the powerful secretariat at this stage.

Some ANC activists say that a pro-Zuma contingent in KZN has been mulling plans to call an early National General Council meeting to remove Ramaphosa. Others say the Zuma faction will concentrate on waging a political campaign to defend the former president in the anti-corruption case against him that started this month.

The campaign could include mass demonstrations, of the kind seen outside court after the first hearing, sporadic protests and disruptions to ANC organisations in KZN and beyond. But there are questions about Zuma's residual popularity in the country, reinforced after he was booed at the funeral of ANC stalwart **Winnie Madikizela-Mandela** on 14 April in Soweto (AC Vol 59 No 7).

Magashule, Zuma's most powerful ally in the party leadership, has also had to defend himself against corruption probes and political criticism. Since taking over the Secretary-General post from **Gwede Mantashe** in

December, Magashule has seen close up the differences between a national platform and a local fiefdom. He has had to vacate the powerful Premier's office in Bloemfontein, giving up access to the massive patronage networks and financial muscle it offered, and swap it for an office in downtown Johannesburg.

Magashule has not had an easy few months, from the elite police Hawks unit raiding his office and arresting his key allies in the Free State, to more embarrassing graft allegations emerging about his close ties to the politically connected Gupta brothers and Zuma's son, **Duduzane**, related to the controversial multi-million Dairy Project (AC Vol 59 No 2).

In response to the allegations, Magashule told AC that 'the law must take its own course and I support the fight against corruption.'

To add to Magashule's woes, the Opposition Democratic Alliance (DA) laid criminal charges against him this month following allegations that he had meddled in a housing project during his tenure as Premier to ensure that a company allegedly linked to his daughter, Thoko Alice Malembe, secured a R150 million (US\$12.5 mn.) contract. Magashule's son, **Tshepiso** also has close ties to the Gupta family.

But what seems to have most riled ANC members wanting to clean up the mess left by Zuma's rule is the dilapidated state of Madikizela-Mandela's home in Brandfort, where she was banished from 1977 to 1986. Despite the 2007 announcement of a R3 mn. (\$250,000) project to turn the house into a museum – during Magashule's tenure as premier – it remains in a derelict condition.

Many echoed the sentiments of the DA's Mayor of Cape Town, **Patricia de Lille**, who tweeted that it was 'a great pity that it wasn't turned into a museum while she was alive so that she could give a first-hand account of what happened here at the hands of the apartheid government'.

But it took a senior ANC leader to acknowledge the embarrassment. At a Cape Town memorial service for Madikizela-Mandela, former Finance Minister **Trevor Manuel** said Magashule had taken 11 years trying to build and restore a museum, but processed the R200 mn. (\$16.5 mn.) Estina Dairy project in two weeks. Magashule has been linked to the dairy farm corruption allegations, in which the Guptas are alleged to have benefited from R570 mn. (\$48 mn.) meant for small-scale farmers.

Magashule said that after Madikizela-Mandela left the house, another family moved in and the provincial government was in negotiations to relocate them.

ANC members told AC that this 'tit-for-tat' between Manuel and Magashule was clear proof that the factions have not disbanded. Manuel has been one of Ramaphosa's biggest supporters, while Magashule backed Zuma and campaigned for his ex-wife **Nkosazana Dlamini-Zuma** (NDZ) to succeed him.

'The Secretary-General is an embarrassment to the movement and we are wondering how long he will survive or will it be the long hand of the law that will do it for us?' an ANC insider told AC. There is also concern about the influence of **Jessie Duarte**, the party's deputy secretary-general and another close Zuma ally.

'These people are still strong NDZ supporters and... they hold immense power and can undermine the CR [Cyril Ramaphosa] presidency,' a provincial ANC leader said.

Magashule was elected Free State ANC chairman in 1992, and became premier in 2002. He was part of the Premier League lobby group, together with Mpumalanga premier, **David Mabuza**, and North West premier **Supra Mahumapelo**. Historically, these provinces had to play second fiddle to the bigger provinces like the Eastern Cape, KZN and Gauteng, but together they formed a powerful block. At the

ANC's elective conference in December, it was a key lobby group for Dlamini-Zuma, who was eventually defeated. Despite Ramaphosa's win, two of the Premier League were elected onto the ANC's top six: Mabuza as Deputy President and Magashule as secretary-general (AC Vol 59 No 1).

Magashule won with the support of the KZN ANC and its leader **Sihle Zikalala**, who has still not fully accepted Ramaphosa as ANC president. The provincial party has had to deny reports that it wants to remove Ramaphosa and will not vote for the party in the 2019 national elections. The ANC in KZN is in turmoil. It needs to choose a new leadership after the party suspended the provincial executive committee following a court ruling that nullified the November 2015 KZN elective conference (AC Vol 58 No 13). Zuma, who has not retreated to his Nkandla homestead as many had hoped, has been very active in the province attending ANC election workshops, church services and National Executive committee meetings.

NO LOVE LOST

ANC members point out that there is 'no love lost' between Magashule and deputy president Mabuza. 'The KZN and Magashule crowd feel Mabuza betrayed them by switching votes from NDZ to CR. This was a huge blow and people have not forgiven Mabuza,' says an ANC insider. Mabuza has criticised Magashule for spending millions on a farewell party when he stepped down as premier of the Free State.

However, Mabuza knows that to eventually ascend to the presidency himself, he will need the support of the secretary-general.

'Don't write Magashule's political obituary yet. The man ran Free State like a tight network dispensing patronage for years. Ace is a political fighter not to be underestimated,' a former senior government official who worked closely with Magashule told AC. ●

EGYPT Mixed messages

Egypt's main indicators are improving steadily, but this has not translated into better living standards or less repression

In the week after **Abdel Fattah el Sisi** secured a second term as President in an election without any credible rival candidates, a team from the Ministry of Finance made a series of presentations

to European bond investors that culminated in a heavily oversubscribed issue of €2 billion in eight- and twelve-year securities. The confidence of foreign portfolio investors has been

buoyed by positive economic indicators, such as rising real GDP growth, falling inflation, rising foreign exchange reserves, a much-reduced current account deficit and lower inflation.

From an investor's point of view, Sisi's re-election provides political continuity. However, the manner of his return also has troubling implications. The regime's continued repression of dissent appears to reflect an anxiety about its political position and the impact of policies that have severely eroded living standards, particularly for the middle class. It will take a long time

for standards of living to recover even if Egypt sustains its new growth spurt.

Sisi faced little searching examination of his economic policies during the election campaign. On one rare occasion when asked to comment on complaints about the effects of high inflation, he told the film director **Sandra Nashaat** in her documentary *A Nation and a President* that the economy's consolidation phase was nearly complete and conditions would soon improve.

The rise of inflation during 2017 stemmed mainly from a 50% devaluation of the Egyptian pound in November 2016, one of the central conditions of the \$12 bn. loan agreement with the IMF signed that month (AC Vol 58 No 5). Inflation hit a peak of 33% in July and averaged 30% across the year, before starting to ease in late 2017. By last month, headline inflation had fallen to 14.4% and core inflation, which excludes volatile items, was 11.6% (AC Vol 59 No 1).

Reducing inflation to single digits still presents a challenge. The government has indicated that further price rises for subsidised energy will come into effect at the start of the 2018/19 fiscal year on 1 July. Fuel prices were increased in November 2016 and July 2017, but this had a negligible effect on the overall cost of subsidies because of devaluation, compounded by higher world oil prices. Fuel subsidies still account for about 3% of GDP, and subsidised prices of petroleum products cover only about 60% of product costs.

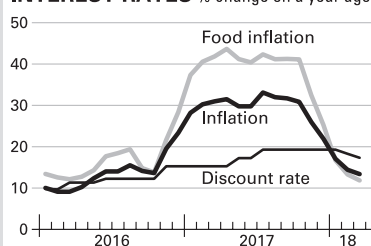
PLEDGES

The government has told the IMF that it will eliminate subsidies on all petroleum products except liquefied petroleum gas (widely used for cooking and heating) by the end of 2019. The price increases may be smaller in scale than in previous rounds because the Egyptian pound is reasonably stable, and may even appreciate against the dollar over the next year. The government has also pledged to introduce an indexing system, under which prices would fall if world oil prices soften.

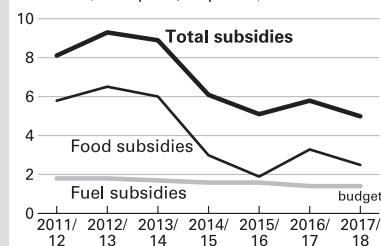
The government will still run a hefty budget deficit in 2018/19, projected at 8.4% of GDP, but this will mainly reflect high interest costs, which account for almost 40% of total spending. Yet interest payments could be lower than expected if falling inflation prompts the central bank to cut interest rates further, having already reduced the headline rate to 17.25% this year.

The improvement in Egypt's fiscal accounts has been matched by the performance of external accounts. The current account deficit hit a quarterly

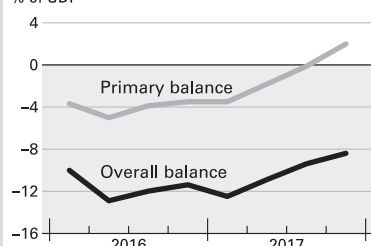
EGYPT'S INFLATION AND INTEREST RATES % change on a year ago



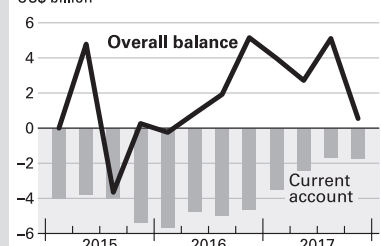
EGYPT'S SUBSIDIES % of GDP (fiscal years, July-June)



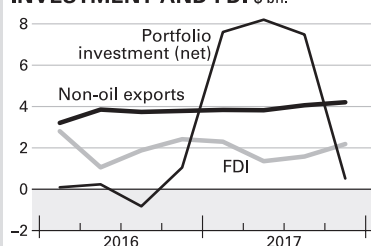
BUDGET BALANCE % of GDP



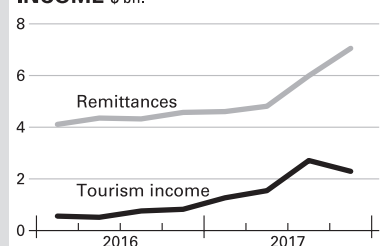
BALANCE OF PAYMENTS US\$ billion



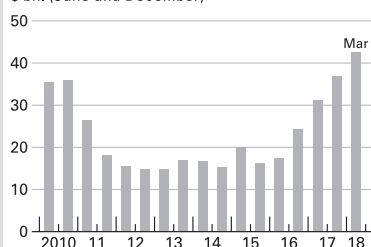
NON-OIL EXPORTS, PORTFOLIO INVESTMENT AND FDI \$ bn.



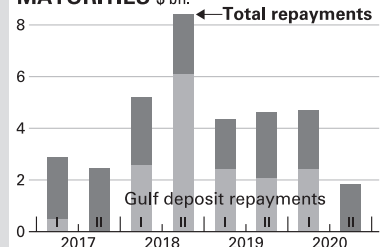
REMITTANCES AND TOURISM INCOME \$ bn.



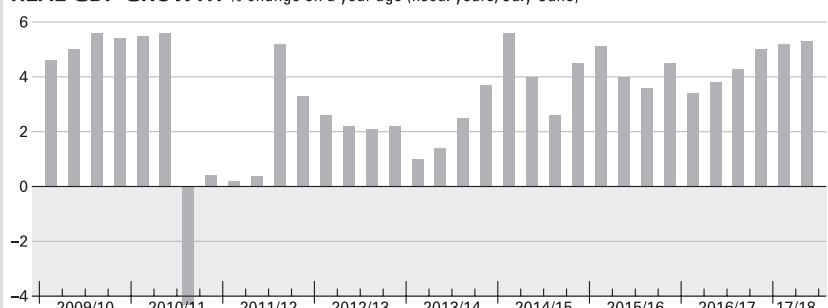
NET INTERNATIONAL RESERVES \$ bn. (June and December)



MEDIUM- AND LONG-TERM DEBT MATURITIES \$ bn.



REAL GDP GROWTH % change on a year ago (fiscal years, July-June)



record of \$5.7 bn. in January to March 2016 and averaged \$5 bn. per quarter that year. It has since fallen sharply, averaging \$1.7 bn. in the last two quarters of 2017. Much of this is attributable to devaluation, which has been reflected in a 9% rise in non-oil exports to \$15.9 bn. in 2017 and a 30% rise in remittances to \$22.4 bn. Tourism income also rose almost threefold to \$7.8 bn.

Since the signing of the IMF agreement, the capital account has also racked up large surpluses, helping to push international reserves to a record \$42.6 bn. as of March 2018. Debt is a large component of this, including \$6 bn. so far drawn down from the IMF and \$13.5 bn. in international bonds, the most recent being the euro issue this month. Foreign banks have also invested heavily in government debt by buying Treasury bills. These portfolio inflows slowed in the fourth quarter of 2017 as banks anticipated cuts in interest rates, but investment in Egyptian equities has increased in early 2018, and is likely to continue to rise as a series of initial public offerings of shares in both private and public sector companies comes to market

over the next two years. Foreign direct investment averaged just \$8 bn. in 2016 and 2017 and has been concentrated in the energy sector.

DOUBLED DEBT

External debt has doubled in the past two years, reaching about \$90 bn., equivalent to 35% of GDP. According to central bank data, \$27.3 bn. of these debts is due to be repaid between 2018 and mid-2020, including \$15.6 bn. in deposits placed by **Saudi Arabia**, **Kuwait** and the **United Arab Emirates** after Sisi ousted former President **Mohamed Mursi** in July 2013 (AC Vol 54 No 14). Some of these debts may be rolled over, but it is likely that Egypt's total external debt will stabilise, or fall slightly, over the next few years.

The economy is growing at a rate of just over 5%, based on the most recent GDP data. Growth of private consumption has been relatively weak but is showing signs of recovery as inflation eases. Increased investment has played an important part in stimulating growth, particularly in the construction sector, with heavy spending on transport and projects such

as the new capital city, in which the army is playing a prominent role. The surge in natural gas production with the start-up of various offshore projects in the Mediterranean is also making a significant contribution.

Yet devaluation and inflation have taken their toll. GDP per head in dollar terms fell from roughly \$3,500 in 2015 to just over \$2,000 in 2017, and this has had the effect of pushing up World Bank-defined poverty levels to over 30% of the population. Increased budget allocations for food subsidies and social safety net programmes have offered some protection to the poorest families, but the middle class has been hit hard.

If current trends persist, there should be a perceptible improvement in living standards in Sisi's second term. This could boost his popularity and foster acceptance of the constitutional amendments required for him to prolong his stay in office. Alternatively, rising expectations of prosperity could lead to pressure for greater political freedoms, while breeding resentment of the disproportionate economic power of the military and the business elite. ●

NIGER

Issoufou under fire

Steep new taxes, a crackdown on the informal economy and an agreement with the EU spur mass protests

This year's national budget may have been hailed as 'courageous' by the European Union's top official in Niamey, but it was received with markedly less enthusiasm by most Nigeriens. A raft of taxes, including VAT on staples including rice and sugar, as well as utilities such as electricity and water, has sparked protests on a scale not seen since 2005. At the same time, a new inheritance tax has offended some Islamic groups in this Muslim-majority country.

More than anything, the budget has stoked accusations that President **Mahamadou Issoufou** serves foreign interests more than those of his own citizens. That the de facto local levies were accompanied by tax breaks for multinationals such as the telecoms giant Orange and the **French** energy company Orano/Areva has added to the perception (AC Vol 55 No 20).

The government at first tolerated the protests but it quickly changed tack. Officials refused to allow a demonstration in Niamey on 25 March

and arrested 23 people, including a quartet of civil society leaders. Up to 35,000 marchers defied police in the capital that day and *ville morte* work stoppages have since been staged in half a dozen towns and cities.

The unrest has barely elicited a shrug among the many foreigners crowded into Niger's sleepy capital. Security and migration dominate the Western diplomatic agenda, with economic development a distant third and talk of democracy muted.

European engagement in Niger – which for decades centred on efforts by France to preserve its monopoly on uranium mining – is now dominated by migration. The country has long been the Sahelian gateway to Libya for West African migrants, and since the collapse of the **Libyan** economy many have continued on to Europe.

Three-quarters of the migrants who have landed in Italy in the past two years transited through Niger. The chaos in Libya has made European intervention in Niger a priority. In 2015,

Eurocrats ghost-wrote whole sections of a new migration law, in effect criminalising much of the informal trans-Saharan traffic that has long fed the economy of northern Niger. Since then it has become commonplace to conflate human trafficking networks with Saharan drivers who take willing and paying customers to southern Libya.

Within a year of the law's passage, EU pressure on aid-dependent Niger, including a visit by Chancellor **Angela Merkel** of **Germany**, prompted a wave of 'smuggler' arrests and a drastic reduction in traffic through Agadez and Dirkou northwards to Libya.

SECURITY AGENDA

The other half of the international agenda is security. A hulking new **United States** embassy has been built to accommodate a 500-person mission, in a nation where the Americans have few if any commercial interests. The recent expansion of foreign missions left one senior government advisor bemused by the rush to set up shop in 'our little red town'.

The US has been flying drones out of Niamey in recent years and is now constructing a second base in the desert near Agadez at a cost of \$100 million. Many Americans and Nigeriens were surprised to discover that the US already had combat troops on the ground after four of them were killed by jihadists in

AN EU FAVOURITE

The European Union is Niger's leading donor. On a per capita basis, the country is also the biggest recipient of EU aid anywhere in the world. Some €609 million was committed for the period 2014 to 2020 under the European Development Fund, the bloc's main conduit for aid to Africa, the Caribbean and Pacific. The fund's mid-term review decided that that was not enough, so a further €90 mn. was added up to 2021. Three-quarters of this money comes in the form of direct budget support meant to fund improved food security, health and education (Niger needs 6,000 new school classes per year to keep up with its world record annual population growth of 3.9%), capacity building in the justice sector including training new prosecutors, strengthening counter-terrorism and financial crimes. units EU support is also channelled to the security services and border policing, while members of the EU delegation in Niamey point to 1,500 kilometers of new paved road as an indication of its successful development spending.

The EU-Africa summit in Valletta in 2015 switched on a new money tap – the EU Trust Fund For Africa – which is conditional on cooperation with the bloc's migration control plans (AC Vol 57 No 6). So far, EU officials say €230 mn. has been released to Niger from the EUTR, some €3.6 mn. of which has been earmarked for a pilot programme to support alternatives livelihoods for former smugglers and dependents of the migration business in the region of Agadez in northern Niger. ●

Tillabéri, the western region bordering Burkina Faso and Mali, last October. The incident prompted the US to push for the green light to operate armed reaper drones in the country.

Armed drones are nothing new in the skies over Niger, as France has clocked 20,000 hours of flying time with its own Reapers. The French *Opération Barkhane*, which combats jihadist groups in the Sahel, maintains headquarters in neighbouring Chad and the UN-backed Minusma force is also present, keeping the peace over the border in Mali. Adding to the parade of acronyms is the G5 Sahel, a five-nation regional security force that

has struggled to define its mission and attract medium-term funding to cover its \$400 mn. annual operating costs (AC Vol 59 No 5). In February, Niger assumed the revolving leadership of G5 and Mali border operations.

Germany has troops in the country under the guise of medical experts, while Italy has 40 soldiers waiting to deploy to northern Niger but now kicking their heels near the airport in Niamey, with several hundred more to follow. 'It would be easier to name the countries that don't have troops in Niger,' one diplomat told *Africa Confidential*.

The Italians were meant to join

French troops at a base in Madama, just south of Niger's border with Libya. France has been blamed for holding up the Italians and undermining a secret deal between Niamey and Rome as a way of reminding its EU partner who has seniority in this former French colony.

POINTMAN

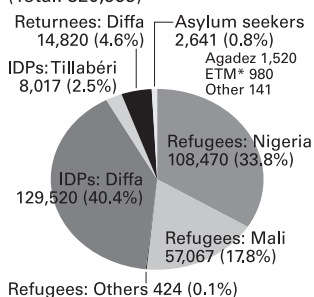
Niger's pointman for these foreign missions is **Mohamed Bazoum**, the hyperactive Interior Minister. A former philosophy teacher and a renowned dealmaker, Bazoum has emerged as the leader of the governing *Parti nigérien pour la démocratie et le socialisme* and Issoufou's main fixer (AC Vol 57 No 1). He dismisses concerns about security, saying that most Nigeriens have 'never seen a foreign soldier' and do not care about allies opening bases in the country. He is similarly sanguine about migration, overseeing the crackdown in return for European vehicles, security equipment, technology and investment.

The President, who is midway through his second and final term, can afford to take a back seat from governing to indulge a fondness for foreign travel, earning the soubriquet 'Rumbo', a reference to a popular local bus company. Constitutional limits prevent him from standing again in 2021, but his support base among fellow Hausas, the most populous ethnic group in Niger, will be the key to his successor's ambitions.

Both of his main lieutenants, Bazoum and Finance Minister **Hassoumi Massaoudou**, come from minority

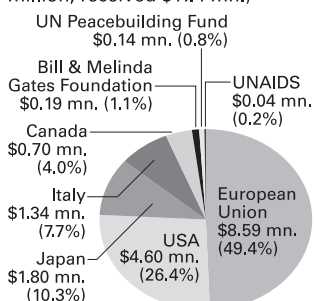
POPULATION OF CONCERN

(Total: 320,959)



NIGER COUNTRY OPERATION

(Total funding requested: US\$87.2 million, received \$17.4 mn.)



groups without a substantial base and would need Issoufou's endorsement to see off challengers. Critics of the government link this year's tax-hungry budget with the ruling coalition's need to fill its war chest for the 2021 campaign.

At first glance there seems little threat to the status quo. The only opposition leader who counts is **Hama Amadou**, jailed before the 2016 election and living in exile in France – who was smeared, accused of involvement in a child-trafficking scandal (AC Vol 57 No 2). The closest the various EU missions in Niamey get to criticising the government is to admit that it is a 'little bloated', with 43 ministers drawn from among only 171 MPs. Countless ministerial advisors circling the chosen 43 also have state-funded houses, cars and allowances. Some Nigeriens complain that the cost of politics is driving up the cost of living.

Last month's crackdown on protesters suggests the ruling class is not inclined to take any chances. Further

demonstrations have been banned and police deployed to deter large public gatherings. The last time civil society rose to condemn an unpopular budget was in 2005, when a younger Issoufou and Bazoum were among the louder voices denouncing the then President, **Mamadou Tandja**. Videos of an impassioned Issoufou railing against corruption and unfair budget measures have gone viral on WhatsApp. Many of the activists jailed in March shared a platform with the current national leaders 13 years ago.

Among them are **Ali Idrissa**, owner of the independent Labari television and radio stations, who also leads a local Transparency International affiliate; **Moussa Tchangari**, head of the NGO Alternative; the prominent human rights lawyer **Abdourahmane Lirwana**; and **Nouhou Arzika**, leader of the MPCR, a consumer rights group. They are being held at four different locations, as far away from each other as possible.

Nervous Western security experts fret that the migration crackdown in the north could stir a rebellion similar to the Tuareg uprising out of Agadez in 2007. European promises to compensate the many people who depend on the migration business have been let down by a mixture of EU bureaucracy and poor understanding of the Sahel's informal economy. Just over 100 small-business kits have been made available to more than 6,000 former migrant drivers, touts or ghetto managers – identified after a complex, one-year-long selection process. Some of them used to make as much as \$5,000 a week before the law changed.

In Agadez, the endless arrivals of European delegations on fact-finding missions annoy local people who want cash compensation now, not NGO offices and promises of jam tomorrow. The death of a protester, another wave of refugees in the north or a drone strike on the wrong village could spark an uprising, warns one European security operative. ●

LIBERIA

Where's the delivery man?

A pile of 'pro-poor' promises and IMF questions about a road project are putting President Weah's populism to the test

Three months into his presidency, **George Weah** is still riding high among core supporters but already struggling with tough choices to deliver on his promises of new jobs and housing.

In the mean streets of Clara Town on Bushrod Island in Monrovia, where he grew up before becoming an international football star, he remains the local hero. But one of Weah's first moves – borrowing US\$536 million from a **Singaporean** financial firm to pay for a coastal highway in south-eastern Liberia – has raised concerns after an International Monetary Fund team issued a veiled warning.

One of the loudest critics of the loan, the *Front Page Africa* newspaper and website, now faces a \$1.8 mn. civil defamation suit, launched by a group that includes an erstwhile member of Weah's Coalition for Democratic Change (CDC). On 9 April, Monrovia sheriffs temporarily shut down the newspaper and detained seven staff.

Front Page Africa's publisher, **Rodney Sieh**, and the paper are well regarded for their independent reporting. The defamation charge concerns an advertisement about land

administration. Two other papers which carried the same advertisement have not been sued. *Front Page Africa* believes it is being singled out by the government for criticising the President's performance.

The Mayor of Monrovia, **Jefferson Kojee**, a close ally of Weah's, condemned the criticisms as 'unprofessional' and the Ministry of Information insists the government has no hand in the lawsuit.

None of this has dented Weah's claims to be a champion of the young, slum-area poor. They will expect to see some benefit from his presidency, however, after the many promises he made during his election campaign (AC Vol 58 No 22).

Weah's pledge to govern primarily in the interests of the poor seemed sincere. So while the well-off sniggered as he vowed in his inaugural speech to 'construct the greatest machinery of pro-poor governance in the history' of Liberia, the poor applauded, cheering again when he said that, in view of the fragile economy, he was reducing his salary and emoluments by 25%.

But his first State of the Nation Address was sombre. The economy and government were broken, he declared

on 29 January. 'Our currency is in free fall, inflation is rising, unemployment is at an unprecedented high and our foreign reserves are at an all-time low.'

In fact, the state he inherited was more robust than at any other time in the past three decades, thanks in large part to his immediate predecessor, **Ellen Johnson Sirleaf** (AC Vol 47 No 25). Shortly after Weah's inauguration, she won the Mo Ibrahim Foundation's prize for good governance. Yet the economy, hit by the 2014 Ebola outbreak and falling commodity prices, is indeed sclerotic.

In February, the government revised down projected revenue, announced in the budget passed a few months before he took office, from \$563.5 mn. to \$479.9 mn. The budget for the previous fiscal year (2016/17) was \$600.2 mn. In effect, by the time Weah took over, the economy had contracted by more than \$100 mn. in just over a year.

HIGH SPIRITS

This has not dampened the President's spirits. His first move was to cut down on the extraneous expenditures, or 'leakages', for which Liberia is notorious. That provides little relief: the projected government wage bill for this year alone is \$305.9 mn. Routine 'goods and services' will cost \$128.7 mn., leaving little for investment in development or poverty alleviation. The 'recast' budget cut fuel and travel allocations for all institutions by 55%, with varied exceptions for the Liberia Revenue Authority, medical institutions, the legislature, the judiciary and security

services. Telecommunications and workshop budgets were slashed by 50%. It is estimated that these cuts will save \$27.4 mn.

Out of this, \$9.6 mn. has been allocated for what the President describes as 'pro-poor' initiatives. These include fees for all 12th-graders in public and private schools, which will cost \$1.9 mn. Hundreds of students camped at CDC headquarters to make this demand just before the runoff election in December (AC Vol 59 No 2). Other favoured projects are less obviously associated with alleviating poverty: \$600,000 for traffic lights in Monrovia, \$300,000 for digital registration and wifi at the University of Liberia, and \$500,000 for biometric ID cards to 'clean up' the state payroll.

Some projects have prompted derision from Monrovia's elite, who frown upon what they see as Weah's populist-rhetoric-as-policy. But the President's core constituency is giving him the benefit of the doubt. His **Jamaican** wife, Clar, has become something of a celebrity in Monrovia with her new state-funded anti-poverty work. The latest budget sets aside \$500,000 for 'humanitarian outreach' by the First Lady's office.

ROAD SCHEMES

The most ambitious of Weah's schemes involves laying roads across south-eastern and south-western Liberia. The existing roads are often impassable in the rainy season. Weah campaigned

heavily in these areas, often by helicopter, and won by huge margins.

He hails from the south-eastern Grand Kru – possibly Liberia's poorest and most inaccessible county – where he won 90% of the vote. Weah has particular reason for pursuing his programmes here, even if his roads plan has not made global financial institutions happy.

In March, the government signed a memorandum of understanding with the Singapore-based Eton Finance for a loan of \$536 mn. towards the \$3 billion project. An IMF delegation sounded warnings about limited options: 'The team notes that the need to increase investment spending is coming at a time when resource mobilisation – from external borrowing, domestic revenue generation, and aid – is facing challenges.' It voiced specific concerns about taking new loans, but assessed the risk of debt distress as 'moderate'.

Many interpreted this as indirect criticism of the Eton Finance deal, whose terms have not been made public. The loan agreement still requires ratification by legislators, which is not a given. The Speaker of the 73-member House of Representatives belongs to Weah's CDC but the party holds only 21 seats.

In 2003, at the end of the long civil war, Liberia was hobbled by external debt totalling \$4.5 bn. – roughly 800% of GDP. By June 2010, President Johnson Sirleaf had negotiated the cancellation of this debt and re-established relationships with institutions such

as the World Bank. However, fiscal prudence is not a priority for President Weah. His concern for the poor has led many to overlook contradictions in his choices, and his conduct.

CHAMELEON WEAH

Weah is a chameleon of sorts, as much at ease with slum-dwellers as with Liberia's old elite. It is not clear how he passes off to poorer supporters his membership of the Masonic Grand Lodge, formerly a bastion of Americo-Liberian privilege and still the primary political deal-making powerhouse. Not many know he is a Freemason, but even if they did, it might do him no significant damage. Underprivileged Liberians are happy that one of their own has penetrated the charmed circle and rules the country.

Yet the dalliance is not without risk. Last month, Weah caused outrage by appointing **Charles R.G. Bright** as his economic advisor, with the status of super-minister. Bright was a leading figure in the Independent National Patriotic Front of Liberia, led by **Prince Yormie Johnson** (now Senior Senator for Nimba), which perpetrated wartime atrocities, including the torture to death of President **Samuel Doe** and massacres of civilians (AC Vol 52 No 1).

Bright facilitated Weah's Lodge membership years ago. As in the bad old days of Americo-Liberian rule, joining a Lodge confers immunity from public disapproval. That won't quite fit with a pro-poor approach to governance. ●

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POINTERS

Aid

COOKING THE BOOKS

■ Development aid to the world's poorest countries fell by 0.6% in 2017. That, at least, was the headline figure published on 9 April by the Development Assistance Committee at the Paris-based Organisation for Economic Cooperation and Development in its annual report.

Foreign aid totalled US\$146.6 billion in 2017. For many European countries, however, the drop was merely the result of lower spending on the now ubiquitous in-donor refugee costs. DAC countries reported spending \$14.2 bn. on domestic refugee costs, 9.7% of total aid, against 11% in 2016. This suggests that – for European countries, at least – the migration crisis began to recede in 2017 (AC Vol 56 No 22).

Only the usual suspects – **Denmark, Luxembourg, Norway, Sweden** and the **United Kingdom** – hit the UN target of spending 0.7% of gross national income on aid. Having narrowly reached the target in 2016, largely through a spike in domestic refugee spending, **Germany** fell back.

One ray of hope is that new rules on refugee costs agreed by the DAC in November, which exclude spending on security screening, border control and detention centres, will be reflected in next year's data (AC Vol 58 No 23).

To civil society groups, the DAC report is further proof that the rules on aid have devalued the UN targets, and the aid process itself. 'We are seeing an increasing perversion of the aid system,' a civil society leader told AC.

Burkina Faso

FRANKLY UNDERMINED

■ The foundations of **Vasile 'Frank' Timis's** West African resources empire have been shaken further after Burkina Faso announced plans to strip his company of its licence to exploit one of the country's richest mineral deposits – the Tambao manganese mine.

Mines Minister **Oumarou Idani**, announced the government's decision to take back the concession from Pan African Minerals (PAM), a unit of the Timis Corporation, on 12 April, citing its failure to build a promised rail line between Tambao and the port of Abidjan in **Côte d'Ivoire**.

In February, Idani said Burkina Faso was looking for new partners in Tambao and that numerous companies had expressed an interest.

Timis signed a US\$1 billion deal in 2012 to develop the site, which holds

roughly 100 million tonnes of manganese and is located close to the borders with **Niger** and **Mali**.

PAM then joined forces with the **French** firm **Bolloré** in July 2014 to execute a \$895 million agreement on rail and road infrastructure connecting Tambao to Abidjan. The extension of the Abidjan-Niger Railway was approved by the Burkinabè government in 2014 and service was expected to begin in 2016.

But after long-term leader **Blaise Compaoré** was overthrown in 2014, the new government halted Timis's export licence, citing concerns around a \$10 mn. signature bonus and slow development of the rail project (AC Vol 56 No 19).

PAM is now seeking over \$1 bn. in compensation through arbitration by the International Chamber of Commerce, accusing officials of blocking development of the mine.

Kenya

BELIEVE THE HANDSHAKE

■ President **Uhuru Kenyatta** was affable good humour personified on 17 April when he nipped across London's Mayfair from the Commonwealth Heads of Government Meeting to the Chatham House think tank.

The former **United Kingdom** International Development Minister **Valerie Amos** struck an appreciative note in the introductions, saying she was 'delighted to see rapprochement' in Kenya – a reference to last month's 'handshake' between Kenyatta and opposition chief **Raila Odinga**, which appears to have ended, at least for now, over six months of ugly post-election politicking (AC Vol 59 No 6).

The precise politics of the 'handshake' remain unclear but Kenyatta put on an effective show, insisting that Kenya's leaders needed to 'get away from constant political bickering'. It was hard to square the smiling President with last year's bitter election campaign and its aftermath.

Unsurprisingly, substance was thin on the ground, particularly in relation to the much-vaunted, already derided 'Big Four Agenda' for agriculture, healthcare, manufacturing and affordable housing, which Kenyatta hopes will be the legacy of his second and final term as President (AC Vol 59 No 5). The Big Four was 'a Kenyan agenda, something we should all agree on', he said.

He also encouraged his hosts to believe that Brexit Britain 'can be ambitious on a trade deal with Kenya' and promised to 'repeal or modify' the much-maligned 2016 law capping interest rates (AC Vol 57 No 18).

Still, if Kenyatta was all smiles and reconciliation inside Chatham House, the streets of Mayfair outside were a

microcosm of Kenya's political divide, with placard-waving opposition and pro-government supporters exchanging pleasantries. It will take more than platitudes to bridge that gap.

Ethiopia

ABIY GOES GOODWILL HUNTING

■ After two weeks in office, new Prime Minister **Abiy Ahmed** has produced little policy detail, let alone tangible achievements, but the choice of destinations to launch his premiership demonstrated the stiff challenges that he faces, and an encouraging willingness to tackle them head on.

The capital of Somali region, Jijiga, was Abiy's first stop on a tour that took him to one of the epicentres of Oromo unrest, Ambo, as well as Mekele in Tigray state. No new policies were announced to end cross-border tensions, but bringing the regional leaders together, and promising action to resettle the displaced, was a positive start.

Similarly soothing mood music resulted from an apologetic speech to a huge crowd in Ambo and a dinner in Addis Ababa, attended by opposition stalwarts such as **Bekele Gerba**.

The Mekele visit was the premier's biggest test, as his rise is seen as a threat to the EPRDF's pre-eminent party, the Tigrayan People's Liberation Front (TPLF). Abiy played smartly by praising the vital role of the Tigrayan 'motor' in the Ethiopian engine, criticising the recent targeting of Tigrayans, and taking a softly-softly approach to the thorny issue of Wolkait, which is Tigrayan territory claimed by activists from Amhara region. By referring to the problem as a 'development challenge', Abiy avoided ruffling TPLF feathers, but downplaying the identity claim upset Amharans (AC Vol 57 No 17, a minor misstep).

The PM then hosted Ethiopian and international guests in Addis, sketching out an ambitious agenda of political, economic and security reforms. Cutting across those is the issue of the military-run Metals and Engineering Corporation, which has performed poorly amid allegations of corruption and cronyism. METEC's boss, Brigadier-General **Kinfu Dagnew**, a Tigrayan, tendered his resignation last week, along with fellow Tigrayan Major-General **Tekleberhan Woldearegay**, the head of the Information Network Security Agency.

While there's no suggestion Abiy forced them out, the resignations could be a harbinger of changes to come in the TPLF-dominated security sector. Managing that, plus addressing demands from activists and EPRDF factions to end a two-month-old State of Emergency, may be Abiy's most immediate challenge.

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BLUE LINES

Just as France's President Emmanuel Macron was enjoying the hospitality of President Donald Trump – both self-styled mavericks – in Washington, investigators in Paris were preparing to charge business titan Vincent Bolloré with corruption over his contracts to operate ports in Conakry and Lomé. African and French business operators are asking whether the Paris investigators had been emboldened by Macron's declaration that France had to reform its economic relationship with Africa. Investigators are also looking into claims that Société Générale had paid bribes to win contracts with Libya's Investment Authority. Bolloré, with a net worth of around US\$6.5 billion, has a buccaneering style far closer to the US's corporate culture than France's.

Although Bolloré's stake in the Vivendi media empire has raised questions in Europe, it is his near monopoly on operating ports in West and Central Africa that triggered the French investigation. The central accusation is that the Guinea government cancelled a port contract awarded to another French company, Necotrans, and gave it to Bolloré, whose communications company Havas had helped President Alpha Condé win the 2015 election. Although Condé and Bolloré deny any wrongdoing, the regional court in Abidjan ruled the annulling of Necotrans's contract improper and ordered Guinea to pay the company €38.4 million in compensation. Conakry is still contesting the order.

ANGOLA

Obrigado e tchau, Dos Santos

The old ruling clan faces ignominy but new President Lourenço's team has little time to establish credibility and change policy course

As his family's business interests shrink and his political supporters decamp, José Eduardo dos Santos is set to lose the last redoubt of the empire he built over 38 years – the presidency of the ruling *Movimento Popular de Libertação de Angola*. On 27 April, the party politburo formally approved the candidacy of the state President, **João Lourenço**, to replace his predecessor as MPLA president at a special congress in September.

With minimal fanfare, President Lourenço has been dismantling Dos Santos's network. The pace quickened after the ex-President appeared to backtrack, at a 16 March Central Committee (CC) meeting, on his prior promise to leave politics this year. Dos Santos had claimed that Angola's first local elections, planned for 2020, were so important that they required his continued presence, perhaps until April 2019. But the proposal was firmly rejected, prompting the party to speed up the timetable for Dos Santos's exit as party chief.

Senior MPLA figures are steadily distancing themselves from Dos Santos. At the end of the central committee meeting last week, **Norberto Garcia** – a party spokesman and Dos Santos ally who faces a corruption investigation – said that the former President's proposal 'had not been rejected', but 'would be improved'.

CC member **Anabela Dinis** pointedly asked Dos Santos to explain the criteria he had used to select new members of the Politburo secretariat, a previously unheard-of challenge. A visibly annoyed Dos Santos directed the party's Secretary

General, **António Paulo Kassoma**, to respond. **Roberto Leal Monteiro 'Ngongo'** and **Santana André Pitra 'Petroff'**, two senior figures, also broke with the tradition of showing a united front and openly criticised the MPLA leadership for last year's lacklustre electoral victory (AC Vol 49 No 14).

SINKING SHIP

Those defecting from Dos Santos's sinking ship to President Lourenço include **Aldemiro Vaz da Conceição**, the new director of GAPI, the information office at the presidency; the former presidential advisor and Sonangol chair **Albina Assis Africano**; the ex-Petroleum Minister **José Maria Botelho de Vasconcelos**; and **Assunção dos Anjos**, the former Foreign Minister. All four have been picked by Lourenço to serve as members of the Council of the Republic. MPs regarded as previously staunch Dos Santos loyalists have also been walking away.

Some MPLA figures, such as General **António França 'Ndalu'**, have been trying to persuade Dos Santos to hand over the MPLA leadership to Lourenço, who is currently the party's vice-president. In private, Dos Santos says he has already accepted that he will go, and should be allowed a dignified exit. Tension is high, however. Moments before the CC meeting opened in March, the two men's aides had a heated argument about which of their bosses should be first to enter the conference hall.

Opponents of Dos Santos say that maintaining a 'two-headed' governance

NIGERIA	3	SUDAN	4	ETHIOPIA	6	SOUTH AFRICA	7	MADAGASCAR	8
An election on autopilot		Diplomats down, spies up		Abiy tests the military		Unbowed, Zuma seeks revenge		TANZANIA	9
Despite an array of problems, the APC looks set to win another term		A spy chief returns and the foreign minister is out as El Beshir tries to prolong his tenure		The Prime Minister's first cabinet rewards allies and begins to take on the securocrats		Supporters of the ousted President are attempting to defend their interests against reforms		SIERRA LEONE	10
								POINTERS	12

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structure any longer will undermine the reforms needed to move the country towards economic recovery. However, the constitution has already given Lourenço all the powers he needs.

The MPLA's would-be status as the 'leading force in state and society' has long been in decline. Instead of helping set policy goals it confines itself to comments on state policy and agreeing to state appointments.

Nevertheless, Dos Santos has tried to counter his growing isolation and the dismantling of his family and presidency-based network, dissipating the goodwill he earned by retiring early and voluntarily. Only his close relations, especially **Welwitschia 'Tchizé' dos Santos**, are still defending the paterfamilias.

Isabel dos Santos, the ex-President's eldest daughter, was ejected from the state oil company, Sonangol, in November 2017 and further embarrassed in February by her successor, **Carlos Saturnino**. He claimed at a press conference that she had funnelled oil funds to consulting companies that she owned, and that €57 million had been transferred to a bank account in Dubai belonging to Esperaza, her holding company (AC Vol 58 No 24). The Public Prosecutor is investigating.

INVESTIGATIONS

Together with the former National Bank of Angola head **Valter Filipe da Silva**, Isabel's half-brother **José Filomeno dos Santos ('Zenu')** – the former boss of the country's sovereign wealth fund, *Fundo Soberano de Angola* (FSDEA) – is already under formal investigation for allegedly improperly transferring \$500 mn. from a London account held by the central bank (AC Vol 58 No 22). The transfer was blocked and the money has been returned. According to the Ministry of Finance, the plan was to divert \$1.5 billion, to serve as collateral for the arrangement of much-needed loans worth \$35 bn.

The fund's asset manager, Quantum Global, run by Zenu's friend **Jean-Claude Bastos de Moraes**, was sacked

by the government after Angolan officials had visited **Mauritius** and secured the closure of bank accounts linked to FSDEA, according to a Reuters report last week. **Bastos de Moraes** denies any wrongdoing.

The government is also allowing previously taboo topics, like nepotism and corruption, to be aired in televised debates. And yet, three of the richest people in Angola remain untouched. **Hélder Vieira Dias 'Kopelipa'**, **Leopoldino Fragoso do Nascimento 'Dino'**, two of Dos Santos's closest collaborators over the past decade, are now officially retired and concentrating on private business. The third man, **Manuel Vicente**, a former President of Sonangol EP who served as Vice-President under Dos Santos, has emerged as one of Lourenço's closest advisors on oil and gas and economic issues, say senior sources (AC Vol 58 No 18).

VICENTE ROLE

Vicente keeps an office close to the presidency and holds frequent meetings with Lourenço and presidential staff. Vilified by Isabel dos Santos as the man responsible for Sonangol's decline, he is now given preferential treatment at the company's events, which he attends together with Saturnino.

Saturnino was a protégé of Vicente, we hear. Vicente helped his promotion to the top job at Sonangol. Initially, Lourenço had preferred former Cabinet Secretary **António ('Toninho') Van-Dúnem** for the job, and had asked him for a restructuring plan. The new head of the National Bank of Angola, **José de Lima Massano**, also has close ties to Vicente.

However, Lourenço has defended Vicente to the point of poisoning diplomatic relations with Portugal. Vicente is under indictment in Portugal on charges of bribing a public prosecutor investigating claims of money laundering while head of Sonangol (AC Vol 58 No 7). An official demand that the case be transferred to Angola was rejected by the Portuguese authorities. Lourenço has taken the matter further, rejecting the restoration of normal diplomatic contacts and making any bilateral visits conditional on resolving the matter. Vicente's name also featured in a **United States** probe into Cobalt International Energy's oil exploration partnership in Angola with Nazaki Oil & Gáz, an investigation carried out under the Foreign Corrupt Practices Act (AC Vol 53 No 15).

Vicente owes his political survival to the fact that he began to fall out with the Dos Santos clan in the months leading up to the 2017 elections. He

missed a crucial MPLA CC meeting, and at the 2017 ceremony to extend end-of-year greetings to the head of state, did not offer the usual speech praising the MPLA president which it is customary for the vice-president to make.

So far, the anti-corruption drive by the new Public Prosecutor – **Hélder Pitta Grós**, an army general – seems selectively aimed at the Dos Santos clan and their allies. Few believe Angola's legal system can handle such high-profile, politically sensitive and technically challenging cases.

TURNED PAGE

For Lourenço, the campaign against his predecessors is aimed at convincing foreign investors that Angola has turned a page. Yet Luanda still rejects any deal with the International Monetary Fund in the hope that oil prices rise to around \$70 per barrel, at which level officials believe they can steer the country out of the crisis. Oil production could drop as much as 8% this year because of the fall in investment since 2014.

Taking a front-line row to woo investors are Angola's Embassy in Washington and First Lady **Ana Dias Lourenço**, formerly an economist at the World Bank. Also prominent in explaining Lourenço's reforms is the Albright Stonebridge Group (ASG), a private global strategy firm led by the former US Secretary of State **Madeleine Albright** in Washington DC. Last year, ASG recruited **Linda Thomas-Greenfield**, former Assistant Secretary for African Affairs at the State Department, as a Senior Counsellor to its Africa practice.

Helen La Lime, until recently the US Ambassador in Luanda, is a senior advisor for ASG. On 26 March the group issued a press release entitled, 'Angola: Open For Business' emphasising the loss of influence of the Dos Santos clan, the reform-mindedness of the new administration, and Angola's increased openness to foreign investment. ASG insists it has not been hired by the Angolan government.

Sanctions imposed by the US Federal Reserve, including a ban on the sale of dollars to banks or institutions based in Angola, still weigh heavily on investment decisions. Nor does the European Central Bank recognise Angola's central bank as an effective supervisor. That restricts financial transfers. With or without an IMF deal, Lourenço's government will have to push through a raft of macro-economic and financial reforms to bring in the new investors. And some way down the line, Angolans should see higher growth and more jobs. ●

NIGERIA

An election on autopilot

Despite communal violence, a shaky economy and a faltering anti-corruption campaign, the APC looks set to win another term

The national coalition that propelled Buhari to power four years ago has lost energy and direction. In its place is a ruling party, the All Progressives' Congress (APC), riven by factions which spend more time attacking each other than the opposition People's Democratic Party (PDP). And neither party is offering radical new ideas for the country's deepening socio-economic woes. Everything seems to favour a victory for the incumbent, President **Muhammadu Buhari**. With less than ten months to go before the vote, there's no wave of excitement around any of the possible opposition candidates.

Probably the most serious opposition to Buhari comes from within his own party, from ingenious plots by legislators and governors designed to undermine his candidacy. His foes could still spring a surprise but the odds of that are narrowing.

The party's 14 May conference has been rescheduled to June, allowing time to resolve internal quarrels. Insiders now say that Buhari is unlikely to face any rival for the APC's presidential nomination. The biggest fights will be between those positioning themselves to succeed him.

Overwhelmingly the disputes are about personalities, factions and regional powerbases. There's almost no sense of a national approach to the country's most demanding questions: the viability of the federal system of government, the causes of the worsening communal violence and persistent threat of insurgents in the north-east.

Officially, the campaigns haven't started yet. However, Buhari's national tour early this year, taking in Kano and Lagos and several other states in the north and the Middle Belt, was widely interpreted as a prelude to his decision, announced in April, to seek a second term.

Last month, Buhari's campaign went international, starting with a lengthy trip to London to attend the Commonwealth summit and to meet the top management of Royal Dutch Shell. Buhari's opponents say the trip was extended to include more medical tests; there are still questions about his dramatic recovery last year after

receiving several months of treatment in London for undisclosed ailments.

Despite the efforts of his spin doctors, Buhari's standing hasn't benefited much from his London trip, where his remarks about the sense of entitlement among Nigeria's youth went down badly at a Commonwealth Business meeting. Neither did he emerge from his meeting with President **Donald Trump** at the White House on 30 April with much credit.

Nigerians contrasted the lack of pomp and ceremony accorded to Buhari in Washington with the lavish receptions given to **France's President Emmanuel Macron** and **Germany's Angela Merkel**. Neither did Buhari succeed in getting Trump to explain, much less apologise, for his derogatory remarks about Africa in January.

Instead, Buhari sat smiling uneasily through Trump's blandishments about Nigeria being a 'beautiful country... I hear there's no country more beautiful'. That was followed by Trump promising to sell more arms to Nigeria, including attack helicopters, although Congress has barred their sale to Nigeria's military on human rights grounds. A week before Buhari's arrival in Washington, the State Department had released a highly critical report on human rights in Nigeria, especially on the military's tactics against the **Boko Haram** insurgents.

The Buhari-Trump encounter also revived the row of the US's sale of 12 A-9 Super Tucano aircraft for US\$496 million (AC Vol 59 No 3). Legislators from both Nigerian parties have faulted the management of the deal – the money wasn't formally appropriated – and its pricing, said to be more than double that of other comparable aircraft.

Back in Nigeria after his Washington trip, Buhari went straight into attack mode, lambasting two of his predecessors – **Olusegun Obasanjo** and **Goodluck Jonathan** – for profligate management of the country's resources. His choice of **Festus Keyamo**, who styles himself as a top anti-corruption prosecutor, suggests that Buhari wants to maximise his image as a leader of integrity, compared to his free-spending counterparts across the political spectrum.

Although Buhari's personal image may have survived the political pummelling over the last four years, the performance of his government on fighting corruption, even prosecuting officials in the previous government, looks weak. Similarly, Buhari's promise of a more robust leadership of the armed forces has been sorely tested by a proliferation of regional clashes. Badly over-stretched, the military has been deployed in 30 of the federation's 36 states, partly because the police are even less well-equipped to deal with local attacks.

PARTY CRISES

Buhari's APC has been ploughing through internal crises, some of which have pitted the executive against the legislature. **Bukola Saraki** and **Yakubu Dogara**, Senate President and Speaker of the House of Representatives respectively, won their positions despite being opposed by Buhari's allies. Similarly, the Lagos godfather, **Bola Tinubu**, has boosted his role in the party despite doubts about his reliability by some of the party's top leaders. In April, the APC-led Senate suspended **Ovie Omo-Agege**, also of the APC, for starting court proceedings against his colleagues who are bent on changing the electoral timetable. Under the current system, presidential elections precede the governorship vote. That means incumbent governors have to work with the centre to deliver state votes in return for ensuring their own re-election.

Senator Omo-Agege is accused of using thugs to steal the mace, the symbol of authority in the National Assembly. Some say the move was sponsored by a current governor in cahoots with a former one, to undermine Saraki. Most of all, it's a battle within the APC.

Then, lawmakers tried mobilise support for a motion to impeach Buhari in April over the handling of the Super Tucano deal; signatures were being collected across party lines and ethnic affiliations.

The party's national executive council is also at loggerheads with the presidency. After initially backing **John Odigie Oyeogun** for a second term as national chairman of the APC – in preference to Tinubu's candidate – Buhari's camp changed its mind.

Waiting in the wings and trying to stir dissension in the governing party is the opposition PDP. It is yet to choose a flagbearer for 2019. One of its favoured contenders is **Atiku Abubakar**, a former vice-president who has jumped between most of Nigeria's political parties over the last 20 years.

Two other party figures – **Sule**

Lamido, former governor of Jigawa state and ex-foreign minister, and **Ibrahim Dankwambo**, governor of Gombe state – have their own strong political bases. Top PDP officials such as Rivers state governor **Nyesom Wike** are trying to lure top politicians from the APC to defect. Names frequently mentioned include Senate President Saraki (who insists to *Africa Confidential* that he enjoys the warmest of relationships with President Buhari). Others in the frame are Senator **Rabiu Kwankwaso**, ex-governor of Kano, and **Aminu Tambuwal**, governor of Sokoto. Any of these younger politicians could give

Atiku or Lamido serious problems as they vie for the support of PDP members.

Yet Kwankwaso is the only candidate who could think of rivalling Buhari's political base. Indeed, his Kwankwasiyya Red Cap movement helped Buhari clinch victory over Jonathan. He also came second to Buhari in the APC's presidential primaries in 2015.

In a rare show of political imagination, the PDP announced its was setting up a shadow cabinet as a foil to Buhari's ministerial team. It was initially widely applauded but nothing has come of it several weeks later.

Neither have the 'non-partisan' Red

Card Movement and National Coalition Movement – backed respectively by #BringBackOurGirls campaigner and former World Bank vice-president, **Obiageli Ezekwesili** and Obasanjo – launched the third force or mega party to break the national political mould.

There was a buzz that they could present the suave **Donald Duke**, former governor of Cross River as a presidential candidate. But there's no sign of either the money or the organisation to support such a bold plan. And as time for a new movement runs out, political facts on the ground strengthen the position of Buhari, the incumbent. ●

SUDAN

Diplomats down, spies up

A veteran spy chief returns and the foreign minister is pushed out as President El Beshir tries to prolong his tenure

The sacking of Foreign Minister **Ibrahim Ghandour** on 18 April after he complained in parliament that diplomats hadn't been paid for seven months points to the depth of the economic crisis facing the regime, as well as its internal divisions. The next day, President **Omer Hassan El Beshir**, who had just returned from **Saudi Arabia**, dismissed him.

Although Ghandour had played an important role in securing the lifting of some economic sanctions by the **United States** on the National Congress Party regime, he provoked the wrath of President El Beshir with his public airing of grievances. Ghandour didn't blame President El Beshir or first Vice-President, Lieutenant-General **Bakri Hassan Salih** for the non-payment of the diplomats, instead referring to a faceless group in the regime which didn't value the foreign ministry's work.

But Ghandour's public complaint about the payment delays was not the real reason he was sacked. Ghandour's troubles with El Beshir began after some US sanctions were lifted and US deputy Secretary of State **John Sullivan** came to Khartoum in November. Sullivan said that lifting of the remaining sanctions on the NCP regime would be conditional on a measurable improvement in human rights.

El Beshir was annoyed that US diplomats such as Sullivan had avoided any direct contact with him due to his indictment for crimes against humanity by the International Criminal Court.

The conditions set by the US government for the next phase of

negotiations to remove Sudan from the list of state sponsors of terrorism were another source of presidential anger. For El Beshir, the reforms Washington wants – such as abolishing the death penalty for apostates and articles of indecency in the criminal code – are an affront to Sudan's sovereignty.

Later in November, El Beshir vented his anger with Washington during a public meeting with **Vladimir Putin**, asking **Russia's** President 'to protect Sudan from American aggressions'. Those remarks helped to sabotage Ghandour's efforts towards normalisation with the US. Relations between El Beshir and Ghandour deteriorated sharply. El Beshir's appointment of other officials to take on some of Ghandour's responsibilities further irritated the Foreign Minister. In Khartoum, Ghandour was thought to have tendered his resignation long before he was sacked.

Ghandour had also clashed badly with the former oil minister **Awad Ahmed al Jaz**, who was appointed as a presidential aide to manage relations with **China** and **Turkey**, whose investments in Sudan are critically important for the regime.

FOREX SHORTAGE

Over the past year, economic woes have weighed heavily on the regime and further depressed living conditions (see Box and Charts). State-owned Sudan Airways announced last week that a lack of foreign exchange was forcing it to sack 80% of its workforce. The deepening forex crisis is holding up

payments to **Malaysians** and Chinese working in the oil sector. India's Oil & Natural Gas Corporation (ONGC) filed for arbitration on 17 April in London's High Court for US\$98.9 million it had lost after several major oil fields went to **South Sudan** on its independence in 2011. Khartoum's total liabilities on that project could exceed \$400mn.

Western governments and International Financial Institutions have called on Khartoum to restructure the economy and its opaque system of subsidies, which benefits the security services above all. Although the government has imposed free-market reforms and privatisation over the last 15 years, the main beneficiaries have been the regime's oligarchs, rather than foreign companies, 'a deformed version of neo-liberalism,' according to one Sudanese commentator. The average Sudanese has seen little or no benefit, and a steady decline in the past five years. 'What we have in Sudan is a deadly combination of neoliberalism, Islamism and the military's role,' the commentator told *Africa Confidential*.

There's little sign of that structure changing although there is something of a slow-motion power struggle within the security services. An austerity budget in January devalued the Sudanese pound, worsening inflation and triggered widespread protests. Bread prices more than doubled.

Police arrested hundreds of protestors, beating them, and killing at least one. Complaints from the US and some European embassies in Khartoum helped secure the release of some of the detainees.

Human rights groups such as Amnesty International and opposition groups such as the National Consensus Forces, which plans to boycott national elections in 2020, say the regime has been stepping up the repression of dissidents. European Union countries, obsessed with maintaining their much-criticised and ineffectual agreement

with Sudan's security forces to clamp down on people smuggling – in which state agents play a key role – have further tamped down their criticism of the government.

Washington is also set on stepping up trade and dismantling sanctions. Last week, US Assistant Secretary of the Treasury **Marshall Billingslea** met Foreign Ministry Under-Secretary **Abdel Ghani al Nai'im** in Khartoum, confirming that Washington had lifted sanctions on all local banks. He emphasised that point to financial institutions in the Gulf which had earlier pulled their money out, hitting the regime hard.

On 30 April a delegation from the US Congress arrived in Khartoum at the invitation of the Speaker of the National Assembly **Ibrahim Ahmed Omer** in another bid to persuade Washington to lift the sanctions that accompany Sudan's designation as a state sponsor of terrorism. The most important of those sanctions is the US's opposition to any form of official relief on Sudan's more than \$50 billion foreign debt, much of which is owed to the International Monetary Fund and the World Bank.

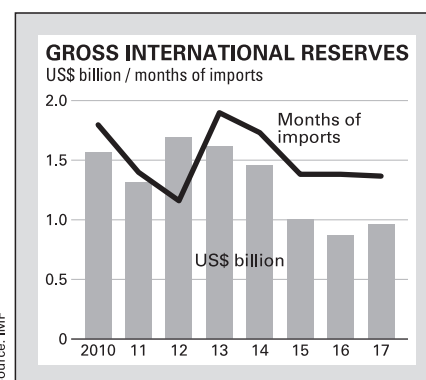
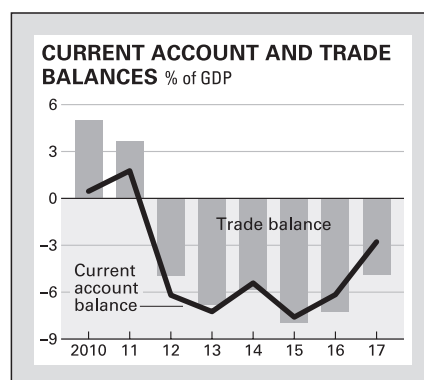
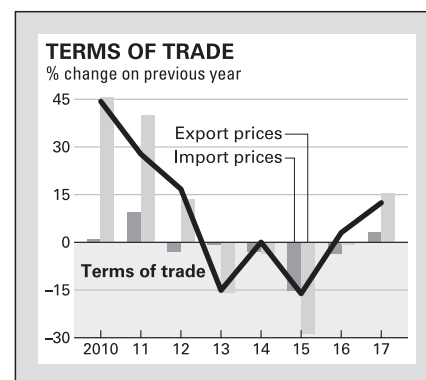
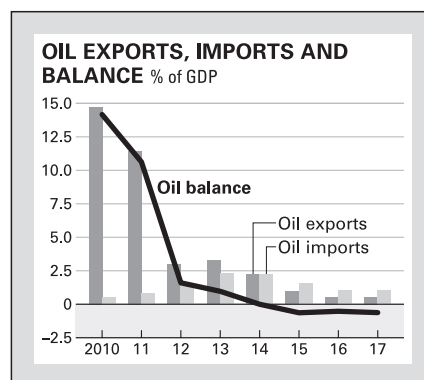
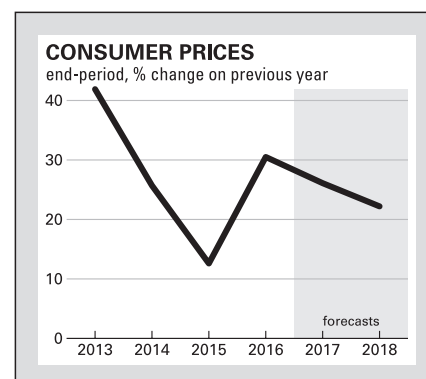
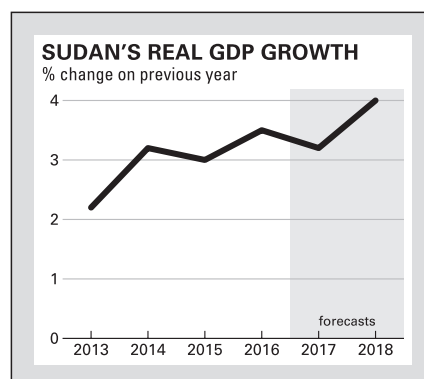
Amid this crisis, Western diplomats are now talking again to the veteran intelligence chief Major-General **Salah Abdallah 'Gosh'**, who is back in charge of the National Intelligence and Security Service (NISS). President El Beshir's decision to reinstate Gosh as spy chief in February is another pointer to the growing crisis at the centre of the regime. Gosh was held for nine months in prison in 2012 and 2013 for supposedly participating in a coup attempt.

The move confirms suspicions that Gosh never was a party to the 2011 putative coup attempt for which he was jailed (AC Vol 52 No 9). El Beshir would never have brought him back otherwise. It also shows that the President is desperate for all the help he can get as he seeks an extra-constitutional third term. His rehabilitation also has much to do with the internal politics of the NCP.

Gosh's return can be traced back to a closed-door meeting that took place on 20 January between members of the NCP's Shura (consultations) Council. At that meeting, a group of the party's members put forward a proposal to nominate President El Beshir as the party's candidate for the 2020 presidential elections. However, the proposal was voted off the meeting's agendas, making El Beshir aware of a group within the party opposed to him standing again for president.

The leader of the group is the President's former assistant **Nafie Ali Nafie**, an NCP power-broker El Beshir

Sudan's economic meltdown



sidelined in recent years (AC Vol 57 No 6). El Beshir decided he needed Gosh's help to reassert control. Gosh's first job was to round up and detain a group of senior NISS commanders, including the head of NISS's political security department, **Abdel Ghaffar al Shareef**, and others thought to be loyal to Nafie Ali Nafie.

Aside from managing internal NCP politics, Gosh is using security agents to attack what El Beshir labels 'economic saboteurs' and 'fat cats'. They are cracking down on informal currency traders while the Central Bank imposed drastic forex controls. El Beshir declared a 'war on corruption' in a speech to parliament on 2 April. It would not stop, he said, until gold smuggling, illicit currency trading, and the hoarding of basic goods had ended. The authorities arrested 16 people including senior businessmen, bankers and three NISS agents in the weeks that followed.

Formal corruption charges have now been brought against nine of them with the NISS, under Gosh, spearheading the campaign. Many Sudanese are sceptical, believing the government to be incapable of taking on corrupt officials, many of whom are central to the regime. After his reappointment, Gosh offered opposition parties an olive branch by releasing more than 50 political prisoners in February. The remaining opposition prisoners were released after an announcement by El Beshir in April.

Gosh is also useful in foreign affairs. As a head of NISS following the events of 9/11, he repositioned Sudan from being a state accused of sponsoring terrorism to one posturing as a cooperative partner with the West on intelligence on counter-terrorism. As a negotiating ploy, Khartoum handed over data on various Islamists militants with which it had worked. The US routinely

acknowledges Sudan's cooperation on counter-terrorism (AC Vol 58 No 15).

Talks between Sudan and the US on rescinding Khartoum's terrorist designation and achieving full normalisation are due to begin soon, and Gosh's presence at the negotiation table should help Khartoum. It may also make the loss of Ghandour less significant.

Since he returned to the NISS, Gosh has claimed to back reforms and made overtures of dialogue with the opposition. He vowed to 'strike with an iron fist' against 'rogue' NISS agents, and held a meeting with the leadership of the Communist Party, promising them a 'new era in which everyone will be given a chance to help address the issues of the country'.

The notion that the country's intelligence chief appears to be mapping out a political direction points to dysfunction at the heart of the regime. As he intensifies his efforts to end the infighting at the centre, Gosh could find that dealing with the regime's insolvency is beyond even the powers of Khartoum's state security system. ●

ETHIOPIA

Abiy tests the military

The Prime Minister's first cabinet rewards allies and begins to take on the securocrats' power in politics and the economy

Building on an assertive start, Prime Minister **Abiy Ahmed** has revealed more about his leadership style with an aggressive set of federal government appointments (AC Vol 59 Nos 7 & 8). Although hardly unexpected, the moves strengthen his hand and that of the party he chairs, the Oromo People's Democratic Organisation (OPDO), within the four-party ruling coalition, the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF).

They also reaffirmed the weakening position of the Tigrayan People's Liberation Front, the formerly pre-eminent coalition member, which has now lost the Agriculture Ministry and control of two security-related institutions – although not the powerful spy agency, or the military, which are still commanded by the former TPLF fighter General **Samora Yunis**.

A strong OPDO minister, **Motuma Mekassa**, took over at the Defence Ministry from **Siraj Fegessa**, who is from the southern wing of the EPRDF. The change means the OPDO will chair the secretariat that oversees the disputed State of Emergency. This suggests that the decree will not be lifted early, but will be softened before it elapses in August, unless new security problems arise.

In an accompanying move, **Abadula Gameda**, the long-serving parliamentary Speaker from the OPDO, became National Security Advisor, which will give Oromia Region's ruling party a dominant position on the National Security Council (AC Vol 59 No 5).

Abadula is cast as something of a mentor to Abiy, as well as **Lemma Megersa**, the popular Chief Administrator of Oromia, who was a strong candidate for the premiership

before Abiy replaced him as OPDO Chair earlier this year. Abadula was Defence Minister under the late Prime Minister **Meles Zenawi** from 2005, before his stint as Oromia's President, and is seen as influential, popular and corrupt (AC Vol 51 No 18).

While the TPLF's **Abraham Tekeste**, a respected technocrat, stays on at the Finance Ministry, the only other new cabinet appointment for the party was **Yalem Tsegaye** at the relatively insignificant Ministry of Women and Children Affairs, although TPLF Deputy Chair **Fetlework Gebregziabher** did take charge of the EPRDF Secretariat. That leaves the TPLF in control of two ministries and with one other official who holds the rank of minister, **Asmelash Woldeeselassie**, the Chief Whip.

REGIONAL SHUFFLE

Another notable appointment was that of **Ahmed Shide** as government spokesman, the first time an official from the Ethiopian Somali People's Democratic Party, a party allied with the EPRDF, has won a major ministerial position. Another Somali official, **Ouba Mohammed**, took over at the Ministry of Communications and Information Technology, which had been run by the TPLF Chairman, **Debretsion Gebremichael**, who is now in charge of the regional administration in Tigray.

The changes have made OPDO officials President, Prime Minister, Foreign Minister, Defence Minister, Attorney General, Director-General of the Revenues and Customs Authority, and National Security Advisor. **Girma Birru**, a long-serving top OPDO official, also replaced Debretsion as Chair of Ethiopian Electric Power. A seasoned observer described the changes to the country's power

dynamics as 'seismic'.

An immediate rival of Abiy for the premiership, **Shiferaw Shigute**, from the south, was given an expanded Agriculture Ministry, while another, **Demeke Mekonnen** from the Amhara National Democratic Movement, remains Deputy Prime Minister.

There were also notable shifts in the security sector, where the former Director-General of the Metals and Engineering Corporation (MetEC) Major General **Kinfe Dagnaw** resigned and was replaced by a civilian, former Hawassa University administrator and Trade Minister **Bekele Bulado**, a southerner.

This suggests that Abiy's government is looking to tackle the overambition and wastage that have tainted MetEC's record as a contractor for Ethiopian Electric Power and the Sugar Corporation, and its role in building a fertiliser factory complex. Officials from the Sugar Corporation and Ministry of Public Enterprises told the media that they were looking for foreign investors to complete projects, but the chief issue and test for Abiy is to hold MetEC's military officers responsible for failures and alleged graft. New Defence Minister **Motuma** appears likely to chair the MetEC board.

The other major change was at the Information Network Security Agency (INSA), where Major General **Tekleberhan Woldearegay**, a Tigrayan, resigned, and was replaced by the former Amhara Police Commissioner **Temesgen Tiruneh**, another former military officer.

This resignation is revealing, as INSA was the federal agency where Abiy first began to make waves as Tekleberhan's deputy. Insiders say that when Tekleberhan went abroad to study some time around 2008, he put Abiy in charge. Instead of performing a caretaking role, Abiy, then a lieutenant colonel, took the opportunity to make himself popular with staff and get noticed by senior officials, including then Prime Minister Zenawi.

The job involved sourcing land to build apartments for INSA employees using connections in the Oromia government, offering promotions

and pay rises, and exaggerating the achievements and technical capacity of INSA to his superiors. Some believe that Abiy's ambitious plots could contain the seeds of future instability.

On his return, an undermined Tekleberhan accused Abiy of insubordination and anti-Tigrayan sentiment in the EPRDF evaluation sessions known as *gingema*. This led to Abiy's departure from INSA and his career in Oromo politics. He became federal Science and Technology Minister in 2015, and earned the rank of Deputy Oromia President in 2016, before heading the OPDO Secretariat in 2017.

After the start of the Oromo protests in 2015, the Oromia government took

back the land leased to INSA under Abiy. This led to Tekleberhan writing a letter that was then leaked to the press as an example of the security apparatus trying to intimidate the Oromia government. Tekleberhan's departure is doubtless a result of his feud with Abiy. He is not the only person to have fallen victim to the new Prime Minister's manoeuvring.

There are rumours of bad blood between Abiy and Lemma – unsurprisingly, after Abiy became OPDO Chair in order to contest for the position of PM at his ally's expense (AC Vol 58 Nos 21 & 22). In general, senior TPLF figures and others complain that Lemma and Abiy used populism to capitalise on unrest in Oromia, catapulting Abiy to federal power.

Among those are **Getachew Assefa**, Director of the National Intelligence and Security Service (NISS) and TPLF politburo member, who is said to have been outraged when Abiy was elected as EPRDF Chair, bluntly telling him he did not deserve the role (AC Vol 44 No 15). Long-running institutional competition between INSA and NISS may partly account for Getachew's bitterness.

Whether TPLF veterans take the loss of power in their stride might depend on the new Prime Minister's ability to heal old wounds and to operate more diplomatically than when he was seeking power, influence and self-advancement. If and how he replaces the Tigrayan heads of the military and intelligence could be the test case. ●

SOUTH AFRICA

Unbowed, Zuma seeks revenge

Attempts by the ousted President's supporters to defend their interests against reforms are triggering chaos in the regions

For ex-President **Jacob Zuma** and his allies, the election of **Cyril Ramaphosa** as leader of the African National Congress was a serious blow but by no means the end of the matter. Faced with criminal prosecutions, Zuma's allies are mobilising in four of the country's nine provinces to undermine the party's new leadership and derail its reform efforts. So serious is the party strife that it could overshadow the start of campaigning in national elections, due by the middle of next year.

The leadership of the ANC in four provinces is unresolved for procedural reasons or has been challenged in the courts. Ramaphosa's allies fear that the populist incumbents in these four provinces could prevail if elections were held now but that further delays could fuel further crises in the party and weaken its new leadership.

'It would not be an exaggeration to say that a clandestine palace revolt is under way,' said an insider close to the Ramaphosa camp. 'There is a growing sense that the situation would be best resolved by an early election.'

Ramaphosa has appointed a heavyweight task team of eight senior ministers, mainly loyalists, with powers over the riot-torn North-West Province. There, a broad-based popular movement is demanding the resignation of the ANC Premier, **Supra Mahumapelo**, over poor service delivery and misuse of state funds.

The team includes Ramaphosa's Police Minister **Bheki Cele**, Finance Minister **Nhlanhla Nene**, Justice Minister **Michael Masutha**, Defence Minister **Nosiviwe Mapisa-Nqakula**, State Security Minister **Dipuo Letsatsi-Duba**, Health Minister **Dr Aaron Motsoaledi** and Co-operative Governance and Traditional Affairs Minister **Dr Zweli Mkhize**. In what is seen as a somewhat Machiavellian move, Ramaphosa has appointed his main rival in the ANC leadership election last December, Zuma's ex-wife **Nkosazana Dlamini-Zuma**, now a senior minister at the Presidency, to lead the task group.

DRAWING LINES

'This amounts to a war cabinet,' said a presidential advisor. 'It is time to draw some lines.' Cele is seen as the pro-Ramaphosa strongman and Motsoaledi as key to rescuing collapsing health services in the beleaguered province.

Mahumapelo, a long-time ally of Zuma and benefactor of the Gupta brothers, is under investigation by the police, which could lead to charges of fraud and money-laundering (AC Vol 59 No 6).

Ramaphosa's resort to assuming emergency powers under section 100 (b) (1) of the Constitution in North-West Province shows the seriousness of the challenge from Zuma's allies determined to protect their political patronage.

ANC leaders are struggling to manage the North-West crisis because Mahumapelo is an elected rather than appointed official and has allies in the party's senior ranks. One of his strongest supporters is **Ace Magashule**, former Premier of Orange Free State province, where corruption was rife and the subject of a major probe by police (AC 59 Vol 8). Magashule as the ANC's Secretary General, also close to the Gupta brothers, can decide on the deployment, disciplining and dismissal of ANC officials. He was elected at the ANC conference in December by the narrowest of majorities (17 votes out of 5,000) but is in pole position to influence party policy and thwart attempts to bring dissident provinces into line.

Magashule and Mahumapelo were leading figures in the pro-Zuma 'premier league' of provincial premiers who lobbied for Zuma's ex-wife in the leadership contest (AC Vol 56 No 18). The third member was Mpumalanga Premier **David Mabuza**, now the Deputy President of the ANC and the country, who threw in his lot with Ramaphosa at the eleventh hour (AC Vol 59 No 1).

The uprising against Mahumapelo erupted into violence on 19 April in several towns in North-West, and he appears to be losing ground. He will probably be replaced at a meeting of the ANC's National Executive Committee on 9 May. The opposition Economic Freedom Fighters have also proposed a motion of no-confidence in him and requested a secret ballot so that his opponents within the ANC can vote against him. Meanwhile, ANC officials are battling to find an alternative candidate untainted by corruption.

Magashule, meanwhile, is being investigated over his involvement in the Estina dairy project in which some R220 million (US\$17 mn.) of state funds earmarked for poverty relief was

diverted to favoured politicians and business people. Also under scrutiny is former Minister of Mines **Mozebenzi Zwane**, linked to the Gupta brothers. Zwane denies any connection to Estina.

It was Magashule, and Deputy Secretary-General **Jessie Duarte**, a former ally of Zuma's, who asked Ramaphosa to return to South Africa from London, breaking off his stay at the Commonwealth Heads of Government summit, because of the crisis in North-West province.

After an all-night flight from London, Ramaphosa met with ANC leaders on the Mahlapelo crisis, then headed to KwaZulu-Natal on 21 April to face hostile questions at a meeting in Durban. The venue was packed with Zuma supporters. Adapting the liberation song repertoire, the crowd asked why Ramaphosa was fighting Zuma, whose trial on 783 counts of fraud and corruption started in KwaZulu-Natal last month. Speakers defending Ramaphosa were shouted down.

ANC officials in KwaZulu-Natal say they will hold an elective conference after a court finding that the current leadership was elected by a flawed process. It's unclear whether **Sihle Zikalala**, the pro-Zuma incumbent, would retain his leadership position in one of the country's most deeply divided provinces. Such a leadership election would be a critical test of the balance of power within the ANC as KwaZulu-Natal remains Zuma's strongest support base (AC Vol 58 No 8). ●

MADAGASCAR

Polls code sparks crisis

Anti-government protests are spreading and threaten to reignite the island's tradition of popular revolt

With presidential elections due in November, political tension has once again triggered violence on the streets of Antananarivo. On 21 April, a rally by opposition MPs under the banner 'Deputies for Change' led to the deaths of two protesters at the hands of security forces. The mourning for the dead, further protests and calls for the resignation of President **Hery Rajaonarimampianina** have continued outside the capital's hôtel de ville, historically a focus for demonstrations. Although state security has stepped back and the protests remain largely peaceful, there are fears that Madagascar is heading for yet another destabilising crisis of the kind it suffered in 1972, 1991, 2002 and 2009.

The opposition protests centre around a new version of the electoral code, which the President's party, *Hery Vaovao ho an'i Madagasikara* (HVM), has just managed to push through Parliament and is awaiting approval by the High Constitutional Court. Opposition parties contend that the new code reduces transparency of the ballot and limits the field of candidates. They particularly object to one special clause which would block the candidacy of **Marc Ravalomanana** on the grounds of criminal convictions received in absentia after the former President was unconstitutionally ousted from power in 2009.

Joining Ravalomanana's *Tiako i Madagasikara* (TIM) in the protests is the eponymous *Miaraka Amin'i Prezida Andry Rajoelina* (MAPAR), the party of Ravalomanana's nemesis, who led the 2009 coup. Although Ravalomanana and **Andry Rajoelina** remain implacable

enemies, the two former presidents see a need for their parties to present a united front against HVM and the advantages that incumbency confers – the latest of which helped parachute HVM's President, **Rivo Rakotovo**, into position as the President of the Senate.

RISKY STRATEGY

The Senate move is standard pre-election practice, but Rajaonarimampianina's efforts to force through the new electoral code is an altogether riskier – some would say reckless – strategy. Ravalomanana and Rajoelina are charismatic operators with established party bases, and many voters would regard an election in which the two former presidents did not stand as a hollow farce. It is also unlikely that an election in which neither man participates would garner wholesale backing from an international community charged with overseeing a free, fair and inclusive process.

Such manoeuvring in the lead-up to elections has worked in the past, but under conditions of greater support from public and party than Rajaonarimampianina enjoys. Although economic growth is back to pre-2009 levels of just under 5%, Madagascans – 92% of whom live on less than US\$2 a day – are yet to see the benefits in job creation, greater purchasing power and improved public services (AC Vol 58 No 2).

Importantly for Madagascan voters, Rajaonarimampianina has failed to show that he is tackling corruption. Critics point to a lack of progress in bringing unaccountable rosewood timber barons to book and to cases of blatant political favouritism. The

government was recently implicated in the flight of a presidential advisor arrested on charges of abusing state contracts (AC Vol 58 No 9). The latest scandal involves a clip circulating on social media, which claims to show deputies receiving inducements of 50 million ariary (US\$15,400) to give their assent to the electoral code.

This standoff will severely test Rajaonarimampianina's political skill and nerve. The government overreacted to the first opposition rally, clumsily suppressing radio and web-based media; and the President's denunciation of the protest as an attempted coup d'état sounded paranoid. Both moves have emboldened the opposition to keep up the pressure with street protests that are spreading to other cities. That the police are not preventing the demonstrations could be a sign that Rajaonarimampianina is taking a softer line, or that he does not have the full support of the security services – or both. The opposition has derided the President's May Day announcement of an 8% pay rise for civil servants as insufficient and politically motivated. Growing calls for a general strike, initiated by the customs workers' trade union, will test his support within the administration. It is not yet a full-blown crisis, but the pressure is mounting.

The opposition also has to be careful not to overplay its hand. It presented the first rally as a democratic exercise in reporting parliamentary procedures to the public. But its calls on Rajaonarimampianina to resign and be replaced by an interim head of state, pending postponed elections, suggest a bolder agenda. So far, Rajoelina and Ravalomanana have stayed in the background, preferring the mobilisation to come across as a pro-democracy, anti-corruption popular movement, rather than a vehicle for any individual's candidacy.

Neither man has a pristine record from his time in power. Ravalomanana tweaked the constitution and other legislation in his own favour in ruthless pursuit of a monopoly over politics

and business. This was one factor in his downfall. The Rajoelina regime, meanwhile, bluntly refused to restore democracy, at the same time overseeing unprecedented corruption, cronyism and disintegration of public services (AC Vol 53 No 18). His four years in power were a period of zero economic growth and rising poverty. The Madagascan electorate is not spoiled for choice, in other words.

Two key questions will decide Madagascar's immediate political future. The first is how long the

precarious entente between two former presidents who are bitter rivals can hold, and what happens when it inevitably dissolves. It will depend on who has the stronger political base and deeper pockets – and whether national interest trumps personal enmity.

The second question is whether Madagascans are prepared to invest in sustained strikes and protests. With six months to go to the presidential election, an impoverished population may not have the stomach for a long fight. On the other hand, financial incentives or

a hardline military response from the government could stoke support for immediate change.

The 46th anniversary of the 1972 student uprising that led to the downfall of Madagascar's first post-independence President, **Philibert Tsiranana**, falls on 13 May. Last year, the presence of troops on the streets discouraged Madagascans from commemorating the occasion. But, as events show, the terrain has changed noticeably in the past 12 months. It will be a brave government that imposes any such ban this year. ●

TANZANIA

Fear stalks the economy

President Magufuli's crackdown is hampering economic development plans and intimidating civil servants and companies alike

Tanzania is in the midst of its ambitious second Five-Year Development Plan, a programme to rebuild and improve infrastructure while jump-starting industrial manufacturing with special economic zones and export-processing zones around the major coastal cities.

But executing such a plan requires both confident civil servants and significant finance. Insiders say both are lacking, while economists foresee problems. Government officials are reluctant to sign off on important investment deals, we hear, because they cannot be sure that the contract they are accepting won't become the next object of President **John Magufuli's** fury in his campaign against exploitative foreign companies. They return documents to senders, asking for 'more details' or further research of permissions.

Some economists believe that the suppression of democratic rights and the populist interventions of the President are having a tangible, negative effect on the economy which will only become worse as the year progresses.

Rumours are rife in the civil service about possible sackings. The officials, and second-tier politicians, are anxious to keep out of the firing line as domestic political tensions grow and the government repeatedly acts against foreign investors.

Meanwhile, finance is drying up across the economy, threatening a sharp downturn in GDP growth. Foreign investment has dropped by more than 30% since 2015 when Magufuli was elected. Investor confidence has collapsed, driven by the government's

disputes with investors, most notably Acacia Gold, the publicly quoted subsidiary of Barrick Gold, about a US\$190 billion tax demand (AC Vol 59 No 1).

In February, Acacia announced a loss of \$710 million for 2017 after writing off \$850 mn. on its Tanzanian assets. Its share price fell by more than 70% in a year. It is now reported to be in negotiations to sell its Tanzanian operations to a **Chinese** mining company.

The collapse in investor confidence was exacerbated by legislation in 2017 that allows the government to impose retrospective and unfavourable terms on the mining industry, including renegotiation of contracts and partial nationalisation (AC Vol 58 No 15).

The government urgently needs to find new sources of finance if growth is to be kept on track, but sources of domestic capital and credit do not look promising.

CREDIT CRUNCH

The banking sector is in trouble, suffering a credit crunch, with credit growth collapsing between 2015 and 2017. Last year new lending practically ground to a halt (Figure 2). Moreover, non-performing loans have doubled since 2014 and have now reached a staggering 14.1% (figure 3).

The Bank of Tanzania says the sharp rise in non-performing loans is a result of slowing economic activity. It has also reported that the government has been delaying payments to suppliers of goods and services – suggesting a shortage of government cash – and private firms have reduced their payrolls. This, while

making headroom for servicing their debts, is likely to add to unemployment.

There are also concerns about financial stability. The Bank of Tanzania has revoked eight operating licences of banks which were effectively bankrupt. Both the Bank of Tanzania and the IMF have also raised concerns about financial soundness at small and medium-sized banks. The IMF has announced that it will carry out a review of Tanzanian financial stability shortly.

LOOKING EAST

With foreign and domestic sources of finance compromised, the government is turning increasingly to Chinese firms and Middle Eastern sovereign wealth funds. This includes an €850 mn. gas pipeline and an \$11 bn. deal to develop the port and special economic zone at Bagamoyo. Although such sources of finance are less likely to be accompanied by demands for political reform, they have gone badly wrong for host countries elsewhere in Africa and Asia when payment arrears have accumulated. Western economists have their suspicions about the fairness of the terms on which the Chinese finance is secured, but in most cases the contractual details have remained secret. In some cases, China has forgiven debt in exchange for the indebted country handing over ownership of the assets in question.

Before the Chinese finance kicks in, continued declines in the rate of GDP growth can be expected, the IMF believes. The Tanzanian economy performed strongly on GDP growth in the three years to 2016, achieving an impressive average of 6.9% (although helped to some extent by the fall in oil prices).

Now, however, the IMF is forecasting a drop in GDP growth to 6.5% in 2017 and a halving in export growth from a peak of 14.9% in 2015 to 5.6% for 2017. The National Bureau of Statistics and the central bank have not published figures for GDP growth or exports since mid-2017. ●

SIERRA LEONE

Narrow win constrains Bio

The new President is reaching out across party lines to compensate for his lack of a majority in parliament

Never one to shy away from flouting convention, President **Julius Maada Bio** has shown that he will not be constrained by a narrow win in the 31 March runoff, nor by his lack of a majority in Parliament. On 9 April, five days in to his five-year term, he issued an executive order closing separate revenue collection accounts for state agencies and creating a single account at the central bank. Nor was he put off by the riotous proceedings in Parliament during which the Speaker ordered police to clear out angry MPs on 25 April.

The presidential order directed chief executives of commercial banks where agencies maintain accounts to stop withdrawals. Bio further halted duty waivers for companies and individuals, 'except those covered under the Vienna Convention' – an IMF condition that his predecessor **Ernest Bai Koroma** had agreed but failed to implement. The order also suspended exports of timber logs.

The new measures may help alleviate immediate fiscal stress (AC Vol 59 Nos 3 & 5). Bio even boasted that, for 'the first time in two years, government will pay salaries of 150 billion leones [US\$19.3 million] ... without recourse to domestic borrowing'. Yet with commodity prices still falling, the prospects for economic recovery remain in doubt.

GLOOM

At a meeting with international financial institutions on 13 April, Bio painted a gloomy picture. For months now, he said, Koroma's government had not been able to pay state employees' salaries 'without borrowing or heavy reliance on overdraft facility at the Bank of Sierra Leone which now stands at over 160 bn. leones [\$20.7 mn.]'.

More seriously still, he said, external debt stands at \$2 bn. and domestic debt at 4.9 trillion leones (\$638 mn.). Koroma inherited a debt-free economy with 500 bn. leones in reserves in 2007.

Bio's transition team, appointed on 6 April, was tasked with producing a stock-taking report by the end of the month. Work under the chairmanship of **David J. Francis** – a professor of peace studies at Bradford University in the **United Kingdom** who is Bio's PhD supervisor

– has been sluggish, partly because of Francis's entanglement in other roles, including acting as Bio's Chief of Staff and Foreign Minister-designate. He has already made three trips abroad with the President, to **Senegal**, the UK and **Qatar**. On 1 May, Bio appointed Francis to a new post, that of Chief Minister, a first among cabinet equals in a clear indication of the trust which the new President has in him.

An incomplete list of cabinet-level appointments was announced on 12 April and another on 1 May; the nominations still require parliamentary approval. An unresolved legal dispute over qualification of dual citizens, who are among Bio's most prominent and best-qualified supporters, has slowed the process.

Loyalty and proximity to the leader have counted most in the first appointments, though there have been surprises. **Jacob Jusu Saffa**, an economist who gave up a job with the World Bank in Freetown in 2006 to work for Bio's Sierra Leone People's Party (SLPP), was designated as Minister of Finance. He is a staunch Bio protégé. So is **Alhaji Kanja Sesay**, a competent head of the post-civil-war National Commission for Reconstruction, Resettlement and Rehabilitation under President **Ahmed Tejan Kabbah**, who is to take up the difficult Energy brief. **Alie Kabbah**, Bio's campaign chief and former rival for the SLPP's standard, takes the ministry of foreign affairs and international cooperation.

In what will be seen as a conciliatory gesture, Bio named **Charles Margai** Attorney General and Minister of Justice. As presidential candidate of the People's Movement for Democratic Change, Margai went out of his way to insult Bio just before the first-round vote on 7 March. Margai's defection from the SLPP cost the party victory against Koroma in 2007, but he won only 0.4% of the vote this year – less than the candidate for the much-despised Revolutionary United Front Party, **Gbandi Jemba Ngobeh** (0.5%).

Bio inherits a nation simmering with ethno-regional tensions. His triumph over **Samura Kamara**, candidate for Koroma's All People's Congress (APC), shows that the political turf is almost evenly divided between the two main

parties. Judging by the transition team's pronouncements, he has also inherited a mess that needs to be fixed, and quickly. The team claims that the former government looted the Treasury and stole thousands of state vehicles. Reports say 400 cars have been moved to neighbouring Guinea. Of 40-plus cars assigned to the Office of the President, Koroma's officials returned eight, seven of them beyond repair, says **Foday Rado Yokie**, appointed by Bio to take an inventory. Yokie claims that over 4,000 vehicles remain unaccounted for. The transition team discovered that furniture, electrical appliances and even toilet seats had been removed from the presidential lodge in the affluent Hill Station area of Freetown.

The chaotic aftermath of the election reflects disorientation among officials of the former ruling party struggling to cope with unexpected defeat. In the first round in March, Bio secured only 15,000 more votes than Kamara, a former finance minister: 43.3% of votes cast to Kamara's 42.7%. But the result shocked the APC leadership, which had assumed, after 2012 elections in which Koroma bowled over the former military leader by nearly 59% to 37%, that Bio was easily beatable. As a result, the APC ignored Bio and concentrated its fire on **Kandeh Kolleh Yumkella**, a charismatic newcomer who eventually secured 6.9%.

Koroma personally visited Yumkella's constituency in Kambia twice during the campaign, determined to humiliate the former UN Undersecretary General, who had his name on the ballots for both President and Parliament. But the APC never recovered from the shock of first-round failure. Leaders tried to buy time by launching a legal challenge to postpone the elections by three months (AC Vol 59 No 6). The intervention made the NEC delay the exercise by only three days – and turned more voters against the APC. The runoff produced an improved performance by Bio and a 92,000-vote advantage over Kamara.

Bio, who turns 54 on 12 May, was sworn in a couple of hours after **Mohamed N'fa Alie Conteh**, Chairman of the National Electoral Commission (NEC), announced the results.

TURNOUT KEY

Voter turnout made the difference: up in areas that voted for Bio in large numbers, down in APC strongholds, and allowing the SLPP to scoop up most of the first-round votes in Kono that went for **Samuel Sam-Sumana**, whom the APC expelled in 2015. Turnout in Bio's southern and eastern strongholds, already at 80%-plus in the first round,

hit over 85% in some districts. Such was voters' determination in these areas to oust the APC that turnout would have been even higher if there had been fewer armed soldiers and police at polling stations, or if voters had not been restricted by a ban on movement of cars.

Turnout fell to less than 80% in four districts in northern pro-APC areas during the runoff – shrinking more than 10 points to 65.7% in Kambia, Yumkella's home region (he refused to endorse either runoff candidate), 7 points in Koinadugu and 6.6 points in Falaba. The decline was most noticeable in Kono, down from 80.7% to 69.3%. Bio mopped up 61,000 votes here, against 71,000 for Sam-Sumana in the first round. Although he improved his performance in Freetown and its environs, securing close to 40%, Bio still lost the metropolis – long dominated by the APC – by 113,000 votes.

PRESSING

The immediate political tasks Bio faces are as pressing as the economic challenges. Parliament presents the first hurdle. Bio's SLPP won only 49 of the 132 elected seats, the APC 68, the Coalition for Change (C4C) eight, Yumkella's National Grand Coalition (NGC) four and independents three; there are also 14 nominally neutral paramount chiefs, voted for by their peers. Party activists claim the SLPP's poor showing stemmed from gerrymandering by the APC while in office.

Before this year's election there were 112 elected seats, with paramount chiefs holding a further 12. However, in 2017 the APC made changes – opposed by the then opposition SLPP – to constituency boundaries, carving out 20 additional seats, mainly in the APC stronghold of northern Sierra Leone. Consequently, although the APC lost all eight seats it previously held in Kono to the C4C, four in Kambia and several to the SLPP in Freetown, it still managed to secure the largest presence in Parliament.

This poses a unique challenge for Bio – the first Sierra Leonean President to face an opposition which has more MPs. On 25 April, the SLPP orchestrated the election as Speaker of one of Bio's closest advisors, **Abass Chernor Bundu**, a former foreign minister and executive secretary of the Economic Community of West African States. He ran unopposed after the APC Speaker, **Sheku Badara Bashiru Dumbuya**, who had wanted to keep the job, boycotted proceedings to protest an SLPP petition and an injunction against 16 APC members barring them from taking their seats. Bundu was chosen unopposed, securing 71 votes, including those of C4C MPs and the paramount chiefs. Yumkella and his NGC abstained.

The petition against the 16 APC MPs is a revenge of sorts. The SLPP accuses them of taking state salaries as MPs while running for Parliament, when they should have stopped doing so at least a year earlier. The APC brought a

similar petition against two SLPP MPs in 2013. The presiding judge in that case, **Adeliza Showers** (now retired), whom opponents saw as pro-APC, replaced the SLPP members with APC opponents who had won less than 10% of their votes (AC Vol 54 No 25).

The APC fears Bundu, a veteran politician of sharp intellect who ran in the 1996 election against **Ahmed Tejan Kabbah**. APC MPs have threatened to boycott all future proceedings under the new Speaker. This is unlikely to do any significant harm to Bio, who should have little trouble getting his nominees approved with support from the C4C and paramount chiefs. Some SLPP activists have even suggested that they will create new constituencies, or engineer a return to the more favourable proportional representation system – easier if the main opposition were not seated in Parliament.

ENVOYS GO

On the same day as the vote for Speaker, flush with his victory in Parliament, Bio issued another executive order, sacking all APC appointees in the diplomatic service by the end of April and civil servants past the mandatory retirement age of 60 by the end of May.

Rather than grouse about these changes, the APC now has to consider the prospect, suggested by some transition team members, that Bio may set up a commission of inquiry into alleged corrupt activity by former government officials. ●

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POINTERS

Morocco/Ethiopia

WHO WANTS TO SEE A BILLIONAIRE?

■ Viewed from the Casablanca commercial courtroom where the bankruptcy and mothballing of his *Société Anonyme Marocaine de l'Industrie du Raffinage* (Samir) refinery company has been disputed since March 2016, Ethiopian-Saudi business mogul **Mohammed Hussein Al Amoudi** is still alive and kicking. The Samir refinery's future is being fought over at the World Bank Group's International Centre for Settlement of Investment Disputes.

But no physical signs of Ethiopia's biggest investor have been spotted since he was detained in Riyadh's Ritz-Carlton Hotel along with other billionaires, many of whom were released only after negotiating billion-dollar deals for their freedom. Some of the magnates caught up in Crown Prince **Mohammed bin Salman's** anti-corruption drive have been transferred to prison, pending a conventional legal process, but it isn't known if Al Amoudi is one of them.

In Morocco, potential bidders have declared an interest in Samir, but few have actually said they will pay to reopen all or part of its Mohammedia complex, 25 kilometres north of Casablanca. France's Total is the latest to deny interest in Samir assets. Court-appointed administrator **Mohamed el Krimi** has moved slowly in resolving the future of Samir's staff and repayment of its huge debts – leading to pressure from unions and creditors for him to be replaced – and Corral has been unhelpful, with Al Amoudi's key aide, Samir chief executive **Jamal Baâmer**, so far refusing to appear in court. Despite this, the local petroleum products supply market has functioned without problem.

EU/Africa

EUROPE BANKS ON AFRICA

■ The European Union is weighing up whether to create a new Africa-focused development bank, according to documents seen by *Africa Confidential*. The EU has been promising to increase its investment in African countries in exchange for them clamping down on migration, and had hoped to offer the plan to African leaders at last November's African Union-EU summit (AC Vol 59 No 7). The new vehicle would run the EU's public-private investment projects in Africa.

With the UK leaving the EU in 2019, and other governments unwilling to increase their aid contributions, its advocates say that public-private is the

only way to 'do more with less'. 'China is pouring tons of money into Africa. The EU needs to decide if it wants to leave Africa to them,' one insider to the talks told AC.

The European Investment Bank, which has been steadily increasing its operations in sub-Saharan Africa, wants to run the new institution as a subsidiary, and has put the idea formally to European governments. However, the European Commission's Directorate-General for International Cooperation and Development is resisting what it sees as encroachment into its 'empire' by the Luxembourg-based bank.

It is not the only potential European addition to the already crowded market of development finance institutions promising new investment in Africa. **Suma Chakrabarti**, President of the European Bank for Reconstruction and Development, which currently provides financing for neighbours to EU countries, indicated on 13 April that the EBRD plans to invest in Africa, starting with the Maghreb and Sahel regions.

African governments should not expect a flood of new cash any time soon. The European Fund for Sustainable Development, which EU leaders say will eventually generate €44 billion in private sector investments across the continent, is yet to sign a single contract nearly a year after its creation (AC Vol 58 No 19).

Cameroon

LANGUAGE BARRIERS

■ More than 100 civilians, at least 43 members of the security forces and an unknown number of armed militants have reportedly died since Cameroon's Anglophone crisis turned violent in November 2017. An estimated 34,000 English-speaking refugees have fled from western parts of the country into Nigeria. A new report by the International Crisis Group (ICG) suggests that the Catholic Church could act as a potential mediator and provide a way out of the impasse.

Anglophone Cameroonians complain that they have long been discriminated against by the French-speaking majority which dominates the government and the judiciary (AC Vol 58 No 11).

Peter Henry Barlerin, US Ambassador in Yaoundé, has offered his services as 'an honest broker' between the sides. Following a meeting with Prime Minister **Philémon Yunji Yang** at the Commonwealth Heads of Government Meeting in London on 19 April, the UK Foreign Secretary, **Boris Johnson**, said there was an 'urgent need to pursue dialogue, decentralisation and respect [for] human rights in Anglophone regions as President Paul Biya has previously committed'.

In its report the ICG argues that the Church is 'almost the only actor'

capable of promoting dialogue between government and the Anglophone regions. However, the Catholic clergy have their own English vs. French divisions.

The report warns that without peace talks and some devolution of power to non-French-speaking areas, separatist sentiment will continue to grow and the conflict risks mutating into a civil war.

At their national conference in mid-April, Catholic bishops put the burden on Biya. 'If the Head of State decides today that there will be a meeting with all those spearheading the Anglophone crisis, there will be dialogue,' said His Lordship **Michael Bibi** of Bamenda in the English-speaking west. The government remains unwilling to budge.

Malawi

BANDA FLIES HOME

■ Ex-President **Joyce Banda** flew into Blantyre airport on 28 April after a four-year absence from Malawi to an enthusiastic welcome from a crowd of supporters. She and President **Peter Mutharika** had traded accusations of conspiracy to murder and of massive corruption since she left in August 2014, but all was quiet between the two after she landed. This led to speculation they had agreed a truce, perhaps while President Mutharika was in South Africa at the same time as Banda in mid-April while he was on his way to the Commonwealth summit in London.

Banda has always denied any corruption, let alone involvement in the Cashgate scandal, in which an estimated US\$30 million of public money was stolen by government officials. She says the accusations against her were politically motivated (AC Vol 56 No 14).

Police spokesperson **James Kaledzera** declined to tell reporters if Banda would be arrested but confirmed that a warrant for her arrest originally issued in July 2017 was still valid. Banda told reporters, 'I am not afraid. If they want, they can come and arrest me because I have not done any wrong.' She told the media that the Anti-Corruption Bureau, which manages Cashgate prosecutions, had cleared her of any wrongdoing. On 2 May, however, ACB Director **Reyneck Matemba** said that the bureau had not cleared her, and that investigations were ongoing.

The 68-year-old Banda's prospects for high office are thought to be dim now that the Malawi Congress Party is regarded as the main opposition to Mutharika's Democratic Peoples' Party. Some pundits believe a deal between Banda and the MCP's **Lazarus Chakwera** is a possibility, either in the shape of an electoral pact or with Banda standing on Chakwera's ticket for the vice-presidency.

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BLUE LINES

Retired Ambassador Tibor P. Nagy has finally emerged as the choice for Assistant Secretary of African Affairs 475 days after Donald Trump was inaugurated as United States President. Nagy, a Trump loyalist, now has to win approval in Congress, where his name was mooted in March.

The appointment may bring relief to an Africa Bureau sapped of morale, leadership, and expertise. Nagy will replace Ambassador Donald Yamamoto, who took the role on an interim basis. Under Trump, Africa has been relegated further down the totem pole of US government concerns. The Bureau faces cuts in funding, a personnel crisis in Washington and at embassies abroad, and scant interest from the White House in the human rights and good governance agenda.

However, Nagy has a long experience as a career diplomat, including postings as Ambassador to Guinea (1996-99) and Ethiopia (1999-2002). To an administration which has extolled a harder line against political refugees and migrants, Nagy brings personal experience of displacement and statelessness. He was born in Hungary in 1949, where his father, Tibor Nagy Snr., was an army engineer who later became active in the revolution of 1956. Following the Soviet invasion, father and son fled on foot to Austria, where they were processed for political asylum in the US. After nine months they were admitted and Nagy senior served as a senior official in the US Agency for International Development.

GHANA

Tax and spend dilemmas

The success of government's education and industry policies depends on widening the tax net and clawing back stolen funds

It all looks so good on the surface. After rebounding last year, Ghana's economy is reckoned to be one of Africa's fastest growing, the cedi has stabilised and inflation is dipping. Marking the news, Finance Minister **Ken Ofori-Atta**, known to his detractors as James Bond, floated another US\$2 billion of Eurobonds on 10 May. Despite turbulence in other emerging markets such as **Argentina** and **Turkey**, Ghana's offer was four times oversubscribed and Ofori-Atta's team pushed down the interest rates.

Now for the hard part. The latest bond offer, the second mega sale in a year and a half, is a sticking plaster for the government's parlous finances. The priority for Ofori-Atta is to balance the books: push down the budget deficit and pare away at the government's gargantuan debt service bill.

A softly-spoken banker rather than a politician, having founded Databank in Accra two decades ago, Ofori-Atta has already drawn the anger of the parliamentary opposition for procedural missteps in the flotation of a \$2.25bn Eurobond last year. His opponents are watching intently for signs that his team is favouring its old banking networks.

Ofori-Atta's strategy is to restructure the debt and stretch out repayment periods. That entails borrowing more now to buy the government some headroom. However, Ghana's public debt is still nudging 70% of gross domestic product.

Financial stabilisation is just the start of Ofori-Atta's brief. The bigger task is to find a way to pay for the government's

ambitious development plans: universal free secondary education, a dam in every village and a factory in every district. All these – and the expectations they have triggered – will add hugely to pressures on the Treasury (AC Vol 58 No 1 & Vol 59 No 1).

On top of this, Ghana is leading the charge for the 'Beyond Aid' campaign, with President **Nana Addo Dankwa Akufo-Addo** winning plaudits across the continent for calling time on the aid industry. His argument is threefold: that the stream of illicit financial flows out of Africa, running at over \$70 bn. a year, dwarfs aid receipts; that much aid is used to hire foreign development consultants; and finally that most taxpayers in Europe are rightly unwilling to finance public services in African countries 50 years after those nations gained political independence.

TAX NOT AID

As a lower-middle-income country, Ghana no longer qualifies for most bilateral and multilateral development assistance. To fill the gap, Akufo-Addo and Ofori-Atta are beefing up tax collection and determinedly wooing investors from west to east.

Not everyone is convinced. 'There isn't going to be any large source of potential direct investment into developing countries, other than **China**,' says a veteran economist in the capital, Accra. 'I don't see anything dramatic happening that would encourage investment in Ghana.'

Arguments over tax are still more

SOUTH SUDAN	4	CONGO-KINSHASA	5	ECONOMIES	6	ZAMBIA	8	NIGERIA	10
								POINTERS	12

Splits and special pleas

The increasingly isolated Salva Kiir is under threat and making desperate moves

Clashes over 'clean coltan'

Conflict minerals are being laundered for export, exacerbating tension in the east

Sounding the alarms on debt

Governments could see hopeful growth prospects at risk as borrowing costs rise

A swirling fog of debt

The government is suspected of dishonestly reporting its debts

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fraught, especially the balance between charges on local business and hiking tax rates and royalties on multinational companies. Pressure is growing on the government to get tougher with oil and mining companies.

The government's message is ambiguous. It is yet to announce whether it will impose capital gains tax on Norwegian joint venture Aker Energy's \$100 million takeover of Hess Corporation's oil and gas assets in Ghana. And industry insiders claim the government has offered tax breaks that could be worth as much as \$300 mn. to persuade AngloGold Ashanti, the world's third-largest gold producer, to resume operations at its mine in Obuasi, closed in 2014. The concession was then taken over by unlicensed miners in league with a raft of Chinese operators, protected by local politicians from all parties.

Over the past decade, Ghana has lost several billion dollars from gold exports due to smuggling, mainly through

Dubai. Illegal operators also wreak environmental damage, polluting water sources and destroying forests.

Other mining companies complain that the government opposes purely extractive operations to export ore, now insisting that the firms build processing operations that generate more revenue for the state and employ more Ghanaians. Little has been heard of a \$10 bn. joint venture between China and Ghana, announced last June, to build an alumina refinery using bauxite reserves that will supply aluminium to the West African subregion and beyond. This project has been on the drawing board since Kwame Nkrumah commissioned the Akosombo Dam in the 1960s.

BAD DEALS

Another big source of funds could come from clawing back costs on overpriced contracts. The government says it has made savings from some of the most contentious contracts it inherited – the gas turbines bought at a substantial mark-up from the United Arab Emirates-based AMERI, poor-value-for-money thermal power barges from Karpower of Turkey – but is yet to produce a public audit. Industry sources believe that a Vitol/ENI joint venture producing oil and gas from the Sankofa field was particularly poorly negotiated.

Progress on these dossiers is expected from the new independent Special Prosecutor, Martin Alamisi Amidu, who was appointed in January.

Most pressure to raise funds domestically falls on the Ghana Revenue Authority (GRA). It raked in 32.3 bn. cedis (\$7.2 bn.) in 2017, up from 27 bn. cedis in 2016, but missing its target by 1.1 bn. cedis. This year, it aims to increase revenues by over 23%.

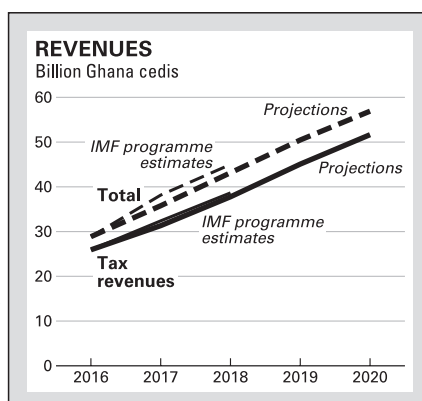
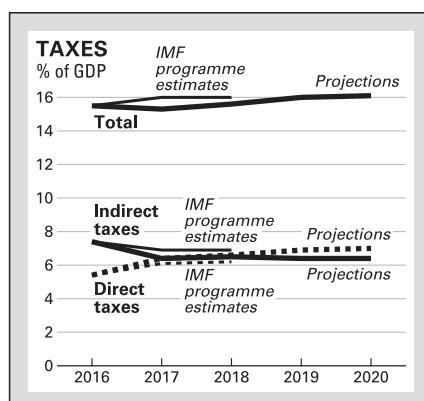
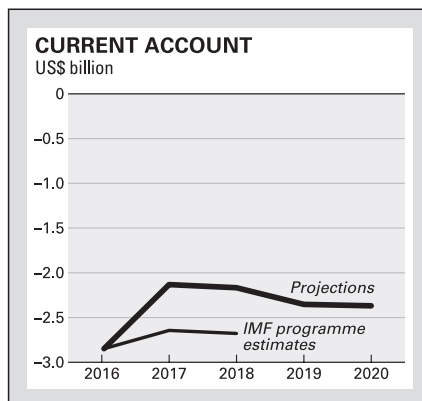
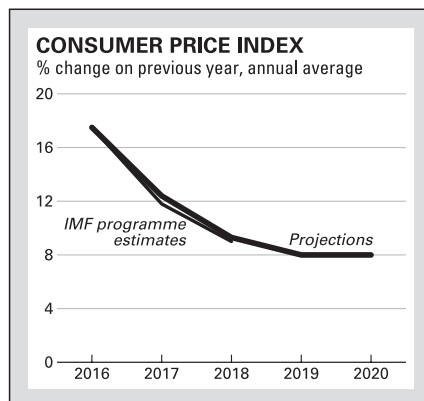
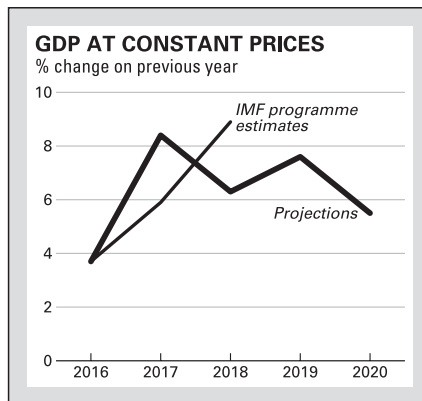
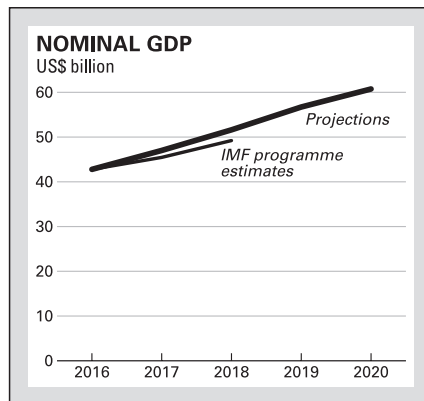
Tax revenues – how to raise them without losing local political support or deterring foreign investors – will top Finance Minister Ofori-Atta's concerns ahead of his mid-year budget review, due in July.

Inflation in April was 9.6%, the lowest in four years. On 30 April, concluding its sixth review of the country's Extended Credit Facility and disbursing \$191 mn., the International Monetary Fund welcomed the reduction in the fiscal deficit from 6.5% of GDP in 2016 to 6.3%. Ghana has achieved its first primary surplus in 15 years.

Reforms have made management of the government's Consolidated Fund more orderly since the handover in 2017 to Akufo-Addo's New Patriotic Party (NPP) from the National Democratic Congress (NDC), led by John Dramani Mahama.

Forecasts that Ghana would be

GHANA'S ECONOMY – HOW THE GOVERNMENT EARNS AND TAXES



Sources: Ghana government and IMF estimates and projections

BANKERS TO GOVERNMENT: GROW YOUR OWN

Citing 'governance and capitalisation challenges', the Bank of Ghana (BoG) announced on 4 May that it had placed Sovereign, one of the country's youngest banks, under supervision. The action had been taken 'as part of [BoG's] normal routine' last month, it said. But there is a growing row within the government over the central bank's tougher policies towards local banks.

Action against Sovereign coincided with the regulator naming KPMG as administrator for the troubled uniBank. Seven months earlier, it had engineered the state-controlled Ghana Commercial Bank's takeover of UT and Capital, local banks heavily exposed to bad loans.

BoG moves to strengthen regulatory compliance have deepened rifts between arch-reformers and pragmatists in President **Nana Addo Dankwa Akufo-Addo's** government, exposing how politics holds sway over the banks.

Founded in 1997 by **Kwabena Duffuor**, later Finance Minister under Presidents **John Atta Mills** and **John Dramani Mahama**, uniBank had connections to the then ruling National Democratic Congress that made it too hot to touch. But complaints grew after it ventured into slick media acquisitions. In 2016 it renewed a US\$1.2 million sponsorship deal with the Black Stars, the national football team. And in March 2018, amid murmurs about borrowing to finance loans, it announced a reverse takeover of the state-owned Agricultural Development Bank without seeking central bank clearance. The BoG clamped down on the deal.

Regulators stopped short of taking Sovereign, licensed in 2016, into administration. But their actions show how they intend to manage banks that fall short of new capital requirements. Last September, the BoG unveiled measures increasing banks' minimum reserves from 120 mn. cedis to 400 mn. cedis (\$90 mn.) by the end of this year. The change has prompted bankers to accuse the government of failing to protect local business.

Declining interest rates have made government debt less lucrative: 182-day Treasury bills, which attracted 23% in January 2016, fetched 13.8% in January this year (AC Vol 58 No 1). With gilts no longer a reliable source of fat profits, Ghanaian bankers have struggled to reposition themselves. Private business does not set their hearts aflutter.

The private sector nonetheless absorbed 88.1% of all bank credit in October 2017, the latest stability report from the BoG said, up 3.4 percentage points year on year. Commerce and finance consumed 25.6% of the total. Non-performing loans at commercial banks rose from 3.6 billion cedis in July 2015 to just over 6 bn. cedis in July 2016 and 8 bn. cedis (\$1.7 bn.) the following year – over 21% of all loans. In August, the BoG said 95% of this stemmed from the private sector, while public sector debt had shrunk by 7.6 points.

Yet banks say that individual contractors incur much 'private sector' debt to fulfil state contracts, and that the government is increasing their exposure to risk. In May, a private company announced that it is owed 10 mn. cedis for medical supplies to the National Health Insurance Authority in 2017 and is seeking a medium-term bailout.

Just ten of the 35 banks in the country are controlled by Ghanaians; many are weak. Reformers, including Finance Minister **Ken Ofori-Atta**, would prefer to have five big, locally owned operators by persuading them to merge. This would ensure that Ghana's banks could more easily tap into global financing. We hear that two more will merge or fold before the end of May. Some predict that the BoG will axe as many as seven Ghanaian banks.

On 9 April at a meeting between the Association of Indigenous Banks, regulators, the President and ministers, bankers argued loudly for more time to meet the capital requirement. For the previous increment in 2008, BoG allowed a grace period of nearly five years; this time, the banks got a year and three months. They demand an extension of the deadline from 2018 to 2022.

Local bankers complain that foreign-owned banks have deeper pockets and that the government stifles 'local content' by settling quickly with foreigners, who charge interest, while leaning on the indigenous banks to offer interest-free financing and not repaying debts for years. The BoG set its new baseline 'reference rate' at 16.74% on 1 May; commercial rates go as high as 30% (AC Vol 51 No 5).

Allies of the local bankers, led by Senior Minister **Yaw Osafo-Maafa** and Trade Minister **Alan Kyerematen**, urged the President to allow Ghanaian banks more time. Vice-President **Mahamudu Bawumia** and the BoG Governor, **Ernest Yedu Addison**, countered that not acting now will merely increase the size of the bad loan book and obstructions to credit flows. Exchange-rate fluctuations could render the stipulated changes meaningless in four years' time. Ghanaians, they argued, are too fond of owning 100% of nothing.

Akufo-Addo agreed to set up a ten-member advisory committee, which is expected to report back by 26 May. Critics fear that the government will use the group as a smokescreen for trampling BoG independence – but Addison has his supporters in cabinet and Parliament. ●

the world's fastest-growing economy this year, expanding by nearly 9%, were revised down last month. GDP is forecast by the IMF to grow by between 6.3% and 6.4%, up from 3.7% in 2016 but a sharp decline on 8.5% in 2017.

Growth last year was bolstered by rising prices for gold and cocoa, Ghana's main exports. The government will commission a \$60 mn. cocoa processing plant this year in the Western Region, another joint venture with China. The fledgling oil industry is producing between 160,000 and 170,000 barrels a day, over half from the Tullow-run Jubilee field, where commercial production began in 2010. Output is

expected to increase as drilling resumes in the Tweneboa, Enyenra and Ntomme fields, interrupted by a maritime border dispute with Côte d'Ivoire until late last year.

Further concessions are up for auction as Ghana launches its debut exploration licensing round in the last quarter of 2018. Grandiose plans are mooted for four new oil refineries, each with a 150,000b/d capacity, and for Ghana to market itself as a petroleum hub for West Africa.

Interest in oil and gas is reviving, helped by the forecast price rebounds. In January, ExxonMobil signed a direct agreement with the government to

explore the Deepwater Cape Three Points block. The **United States** company had been blocked from buying up Kosmos Energy's assets in Ghana by the former NDC government, which raised corruption concerns but launched no prosecutions (AC Vol 50 No 25, AC Vol 51 Nos 1 & 17).

In February, the Norwegian billionaire **Kjell Inge Røkke's** Aker Energy acquired Hess's Ghana operations, which come with access to a 50% stake in Deepwater Tano/Cape Three Points. The **Italian** state-controlled ENI, which already owns a stake in two blocks, wants more. And the government is seeking investors

to help develop the onshore eastern Voltaian Basin.

The banking sector remains volatile (see box) and the national debt stock rose to 142.5 bn. cedis (\$31.7 bn.) by December 2017.

But the government's immediate priority is tax, according to Ofori-Atta. New technology and stricter enforcement will help. Some expect the minister to offer tax incentives to mining companies in his budget review. However, he declines to say if there will be new taxes.

That would be an embarrassing reversal of policy. In his maiden budget in March 2017, Ofori-Atta abolished a raft of 'nuisance taxes', such as duties on car spare parts, VAT on financial services and excise duty on petroleum products. He argued that they yielded little and stifled economic activity.

The 'social democratic' NDC, which adopts tax-and-spend policies – with the emphasis on 'spend' – opposed ending these measures, introduced under Presidents **John Atta Mills** and Mahama. In November, the Deputy Minority Leader in Parliament, **James Avedzi**, urged the government to reconsider, pointing to dwindling receipts and vanishing taxpayers, down from 2.5 million in 2015 to barely a million, out of a current population of 29.6 million. A return to any of the old tariffs will cost the NPP politically.

Ofori-Atta argues that tax receipts have improved relative to GDP over the past 12 years, rising from 12.7%

in 2006 to 16.3% in 2017. But the average for lower-middle-income economies, he concedes, is above 20%. The government will need 11 bn. cedis (\$2.5 bn.) this quarter to keep the economy running, \$1.9 bn. of which will go towards debt.

Of the \$2 bn. raised from **United Kingdom** and US investors in May, \$1.25 bn. will be used to retire maturing Eurobonds or set aside for servicing future debt. Ofori-Atta has also led Finance Ministry roadshows to China, Hong Kong, **Japan** and **Singapore** to seek support for future 'panda', 'samurai' and 'green' bonds.

A public relations team from Britain's Revenue & Customs worked on a tax awareness-raising campaign launched last year. This is now steering Ghanaians towards individual Tax Identification Numbers (TINs). A TIN will soon be needed to open a bank account, renew a passport or driving licence and acquire a national identity card.

DUTY AND TAX

Moves to ensure that retailers satisfy excise duty requirements have met more resistance, but the GRA is gradually stepping up enforcement.

'These things aren't happening because GRA wants them, they are happening because government wants them to happen,' a senior GRA official told *Africa Confidential*, hinting at a limited amnesty. 'The government believes this is the way we can get our

economy to work.'

The logistical challenges are huge. The GRA often works in a data vacuum. No one knows how many taxpayers there should be: estimates of the working population vary from 'roughly six million' (GRA) up to 15 million.

Staff are carrying out the first real-estate valuations in decades. The old machinery for collecting property rates is barely functional. In the Greater Accra Region, home to the largest concentration of expensive real estate in Ghana, officials collected just 10 mn. cedis from rates in 2017.

To help the Authority, certain tax-filing functions will be routed through the banks. The GRA will also automate more of its procedures and double its staff to 6,000. An army of young tax collectors will emerge from the Nation Builders Corps, launched on 1 May to create employment for out-of-work graduates (AC Vol 58 No 25).

Yet the size of the civil service is a problem. Government wages absorbed 45% of tax receipts in 2017 and the IMF imposed a freeze on public hiring as a condition of its Extended Credit Facility. The ECF ends in December and the government is impatient to conclude it.

'The timeline is fine and the risk of failure is high,' the GRA official said. 'If we do not succeed in accounting for more taxes within the year, then this government is in trouble. But because of the political will behind this, the circumstances have never been better.' ●

SOUTH SUDAN

Splits and special pleas

An increasingly isolated Salva is under threat and making desperate moves as his former army chief defects

In April, the unity of President **Salva Kiir Mayardit's** Dinka-dominated alliance fractured further when his former army chief **Paul Malong Awan** announced the formation of yet another opposition movement, the South Sudan United Front. Salva's position is weakening as he loses the confidence of key Dinka leaders and support abroad.

Meanwhile, the President has been pleading with an increasingly unsympathetic **United States** government not to act on its threat to cut all aid, including humanitarian assistance. 'The government of South Sudan has lost credibility, and the United States is losing patience', the White House declared in a statement

on 8 May. It is unlikely to follow through though, even if the peace talks scheduled for 17 May produce no breakthrough (AC Vol 59 No 6).

MALONG'S MANOEUVRE

Malong's formation of a new militia, after being sacked last year as army chief, is more a measure of the disintegration of the Dinka network underpinning Salva's rule than a threat to its existence. Long before his sacking Malong had been plotting to unseat Salva. Juba sources say that after his dismissal, Malong tried to flee to his homeland of Aweil, but got no further than Yirol (AC Vol 58 No 11). Under threat of death, he was forced to return

to Juba, where he was put under house arrest until Salva agreed, under heavy pressure from Dinka elders, to allow Malong to seek exile in **Kenya**. Malong promptly broke his promise to stay out of politics by conspiring with other opposition leaders and encouraging his own allies in the government to defect, even as he publicly denied rebel activities.

The public declaration is not in itself much news, as Malong's subversive activities were well known in Juba and the region. Malong has been seriously weakened since his days as leader of the army. He used to wage war on behalf of the government with thousands of conscripts from Aweil, his area. They have been marginalised, as Salva's internal security strongman **Akol Koor** tightens control by passing security roles from the Sudan People's Liberation Army to the National Security Services, which Akol controls. In the army, desertion rates are high because of infrequent pay and low morale. So many young men from Aweil died in the early phases of the war under Malong's command that

he may already have played his trump card; he will find it difficult to mobilise another sizeable force.

Malong's change of tack is part of an attempt to join the peace talks in Addis Ababa and find new political legitimacy. He faces an uphill battle. His declaration is rich in irony. Malong gutted what remained of the national army during his time as SPLA Chief of Staff, promoting kinsmen and clan loyalists and bypassing formal command structures to deploy homogeneous Dinka forces he trusted to fight other ethnic groups. As Governor of Northern Bahr el Ghazal State, he treated public finances as his personal bank account and squeezed funds from the main border market with Sudan at Warawar. Malong then led headline critics in Juba against the 2015 peace accord, which he assisted in dismantling. Now he is accusing Salva of tribalism, corruption, and being an enemy of the peace.

Few warlords are more resistant to a political makeover than Malong, whose

actions for years have been driven by a lust for power and wealth, according to those who know him well. If a war crimes tribunal on South Sudan is ever established, he will surely receive considerable prosecutorial attention. He is already under sanctions by the US and its allies.

However, even when Malong offered a rare opportunity to claim the moral high ground, Salva dropped the ball. The President's spokesman **Ateny Wek** was so eager to smear Malong that he seemed to forget to protect his boss, proclaiming that the government paid Malong US\$5 million in July 2016 to kill **Riek Machar**. Not least among the consequences of this was the casting of a pall over the decision by the then US Secretary of State, **John Kerry**, to recognise **Taban Deng Gai's** July 2016 coup against his boss, Riek (AC Vol 57 No 17). That move in effect trashed the peace deal that US President **Donald Trump's** administration is trying to resuscitate.

Malong's second act may be destined to pick up steam, if only because he may be best positioned to mop up the rising discontent among Dinkas. The Malong saga has left Salva severely weakened politically by shattering the strained but effective Dinka unity (AC Vol 59 No 7). The Jieng Council of Elders, whose main goal these days is keeping the Dinka coalition from fracturing, lobbied Salva intensely to allow Malong to go into exile in an effort to preserve the intra-Dinka peace. His snub suggests that the powerful group is losing its footing.

The proliferation of opposition groups gives the appearance of fragmentation, but this is deceptive: most of the rebel forces active on the ground still belong to Riek. The other opposition leaders are hoping to get a tinier slice of the pie or press for real reforms. Such reforms won't emerge from the Addis Ababa talks, however, as the Intergovernmental Authority on Development has repeatedly deferred to Juba when it matters most. ●

CONGO-KINSHASA

Clashes over 'clean coltan'

Conflict minerals are being laundered for export, it is claimed, exacerbating Hutu-Tutsi tension in the unstable east

The closure of a coltan mine at the beginning of the month sparked protests and has focused attention on the continuing struggle to keep conflict financing out of supply chains. Hopes are not high that talks next week will be able to resolve the impasse between miners and mining companies, which has been heightened by ethnic divisions.

Angry North Kivu artisanal miners staged an intermittently violent protest march in Rubaya, Masisi territory, after mining company *Société Minière de Bisunzu* closed the Bibatama coltan mine – one of the world's richest deposits – on 2 May. The company took the action after unidentified gunmen ambushed senior SMB staff on the road from the mine to Goma the day before, injuring a driver. During the protest, some of the predominantly Hutu marchers shouted anti-Tutsi insults aimed at SMB president **Ben Mwangachuchu**. His brother **Edouard**, the previous head of SMB, used to lead the political wing of the *Conseil National pour la Défense du Peuple* (CNDP), a predominantly Tutsi militia once active in the Kivu provinces and closely associated with Rwanda.

Most of Rubaya's artisanal miners

are believed to be ex-combatants, and many have kept their weapons. If the shutdown continues, further confrontation seems inevitable between the miners and SMB's armed mine guards. The miners say the guards are former combatants for *Mouvement 23 mars* (M23), the Kigali-controlled, predominantly Tutsi militia driven out of Congo-Kinshasa in late 2013 (AC Vol 54 No 22). SMB denies the allegation.

BUYING SPREE

Local mining and militia experts blame much of the worsening situation on the effects of a new coltan-buying spree by the Swiss businessman **Chris Huber** and his American business partner **John Crawley** (AAC Vol 3 No 5). Huber and Crawley have recently started buying coltan from CDMC, a new mineral-processing company in Goma. Rival operators in the city told *Africa Confidential* that CDMC pays mining cooperatives up to 10-20% more per kilogram of ore than they do and wonder why and how they can afford to. They suspect that Huber and Crawley may be paying over the odds so as to capture market share.

Huber and Crawley sell their

Congolese minerals to the **Thailand Smelting and Refining Co** (Thai Sarco), which is owned by London-based Amalgamated Metals Corporation (AC special report, November 2009).

Huber is believed to be close to Rwanda president **Paul Kagame**. During the 1998-2003 war in Congo-K, the Swiss ran Rwanda Metals, then at the heart of the Rwandan forces' notorious 'Congo Desk', which orchestrated the natural resources pillaging operations of the era. The coltan price spiked at an all-time high of over US\$300 per pound during this time – three times its current level – and Huber and the Rwandan army made fortunes. To get the ore out of the country, Huber frequently used the same aircraft as the notorious **Russian** arms dealer **Viktor Bout**, who is now serving a 25-year prison sentence in the US for supplying arms to terrorists (AC Vol 44 No 20).

In 2009, the UN Group of Experts on the Congo revealed how Huber was by then working with the notorious Rwanda-backed CNDP warlord **Jean-Bosco Ntaganda**, whose forces were busy 'harvesting' minerals from North Kivu mining sites after they had dislodged the mainly Hutu *Forces Démocratiques de Libération du Rwanda* (FDLR) and massacred Hutu civilians. Ntaganda later became a leader of the M23 militia and is now on trial for crimes against humanity at the International Criminal Court in the Hague (AC Vol 54 No 6).

Crawley was recently elected president of the Tantalum-Niobium Study Centre (TIC), a **Belgium**-based



industry body that professes a full commitment to eradicating conflict financing from its members' supply chains.

CDMC, which is run by **Serge Mulumba**, was previously a mining cooperative in what was then Katanga and is now Tanganyika province, selling tin and coltan to the Indian-owned company Mining Mineral Resources (MMR). CDMC has lately re-invented itself as a processing unit, and relocated to Goma. Mulumba has reportedly enlisted a brother of national mines minister **Martin Kabwelulu** as a shareholder.

SMB's concession is worked by artisanal miners belonging to the Cooperamma cooperative, whose president **Robert Seninga** is a deputy in the North Kivu provincial legislature and influential in the Hutu community. He is widely rumoured to have clandestine links with the Nyatura, a Hutu militia. SMB claims that Cooperamma's diggers smuggle a large portion of their minerals out of the concession to neighbouring areas licensed to the state-owned mining company Sakima (*Société Aurifère et Industrielle du Kivu et du Maniema*).

There, the minerals are reportedly fraudulently tagged as originating from the Sakima concession by state agents working for Saesscam (*Service d'Assistance et d'Encadrement du Small-Scale Mining*), a body originally set up to help artisanal diggers. The tags are part of iTSCi, a scheme implemented by ITRI, the British-based international tin association, designed to assure customers that their ore is not linked to conflict. Once the minerals are tagged as Sakima's, they are purchased by CDMC as well as two Chinese mineral-processors, according to mining sources, on the basis that they are legitimate ore.

Cooperamma has denied the allegations, and instead accuses SMB of multiple violations of an agreement the two reluctantly signed in 2015 pledging them to work together. The agreement commits Cooperamma to selling all its output to SMB, and commits SMB to paying a fair price and on time. Cooperamma has repeatedly

accused SMB of failing to do either, while SMB insists that it does, accusing Cooperamma's buyers of delaying their payments to diggers. A further bone of contention is a new traceability system SMB is trying to introduce with the help of the anti-fraud division of the Mines Ministry, the CEEC (*Centre d'Evaluation, d'Expertise et de Certification*). SMB says the new system will stop Cooperamma stealing its material and laundering it through Sakima's concessions. Cooperamma says the new system gives SMB too much power, which it fears it will abuse.

The provincial government tried to mediate just after the miners' march, but Seninga apparently regards North Kivu Mines Minister **Anselme Paluku** as too close to Mwangachuchu and the mediation failed. Diggers have appealed to the UN's *Mission des Nations Unies pour la stabilisation du Congo* (Monusco), so far without success. A further meeting to discuss the matter, to be chaired by Kabwelulu, is scheduled for 21 May in Kinshasa and until then, at least, the mine will remain officially closed.

Whether the role played by the curiously high prices being paid for Sakima coltan by Huber and Crawley will be discussed in Kinshasa next Monday remains to be seen. The evidence suggests that these purchases are a conflict driver in Rubaya, and appear to make an embarrassing mockery of ITRI's oft-repeated boast that its efforts are keeping conflict financing out of the industry. ●

AFRICA'S ECONOMIES

Sounding the alarms on debt

Governments see hopeful growth prospects at risk as lenders impose new strictures and borrowing costs rise

Threats of a rapid and unsustainable build-up of debt could disrupt the prospects for growth in many African economies,* according to the International Monetary Fund and World Bank. Most serious for now, according to officials in the multilateral organisations, is the pace of increase in indebtedness rather than the average debt burden across the continent.

The IMF estimates 3.4% growth in Africa in 2018, up from a 3.3% projection in January; the World Bank forecasts 3.1%, down from a 3.2% projection in October. Both estimates show African growth lagging behind the global average this year. In the case of the IMF

analysis, the forecast African average is 1.5 percentage points below the Fund's 4.9% projection for emerging-market and developing economies.

Average per-capita growth rates in Africa – at 1% – are still more modest. In the biggest economies, such as **Angola, Nigeria and South Africa**, per-capita growth is negative. Africa's fast-growing population undermines the relevance of the headline growth figure, both mathematically and because of high unemployment and inequality. At current rates, it could take seven decades for per-capita incomes to double.

The short-term picture shows

economies under heavier pressure from a range of downside risks: unsustainable debts, banks' exposure to non-performing loans and a downturn in global growth, leading to reduced commodity export demand and investment inflows. There is also the danger of tighter monetary policy in the big Western and Asian economies pushing up the cost of African borrowing.

After many critics accused the IMF and World Bank of being slow to sound the alarm about Africa's debts following their debt reduction schemes, both institutions are increasingly voicing concern about aggregate debt levels, high debt service payments and risks of increasing debt distress. The African Development Bank, under President **Akinwumi Adesina**, has added its weight on the issue. But as it is cheerleading for its own capital increase, at its annual meeting in Busan, **South Korea**, it may be unwilling to issue dire warnings about financial instability.

The IMF now claims that 15 low-

income African economies are either in debt distress (six countries) or at 'high risk' of debt distress (a further nine countries), compared to ten at 2016 year-end and just six back in 2014. The World Bank says that at least 18 low-income African economies faced a high risk of distress or were already in distress as of March this year.

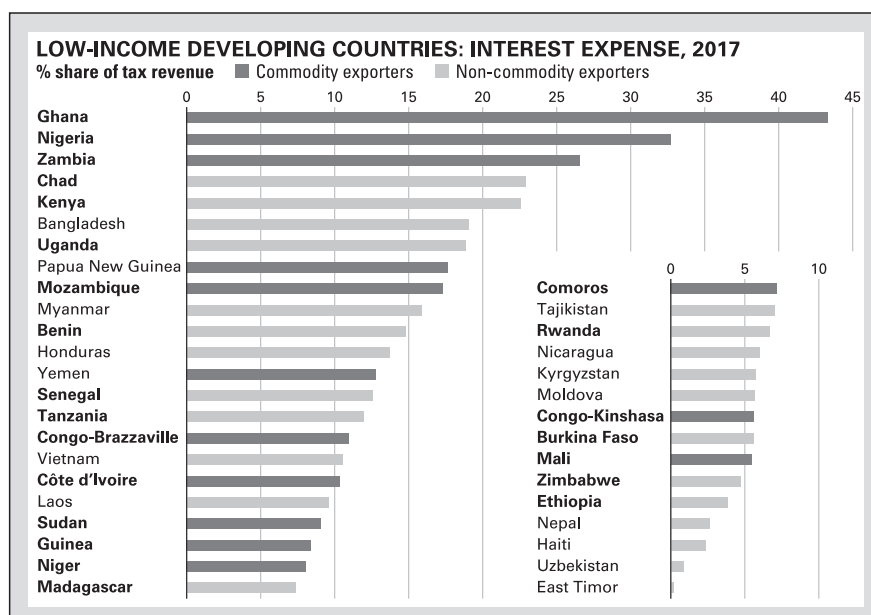
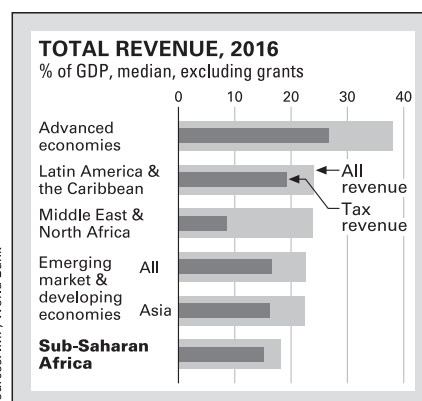
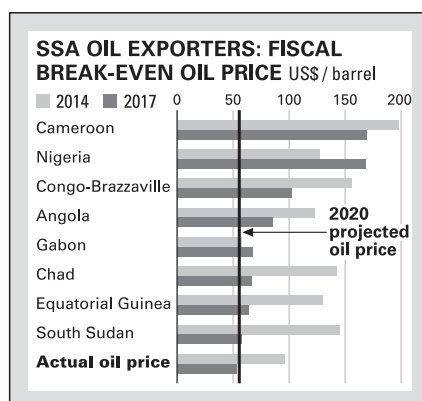
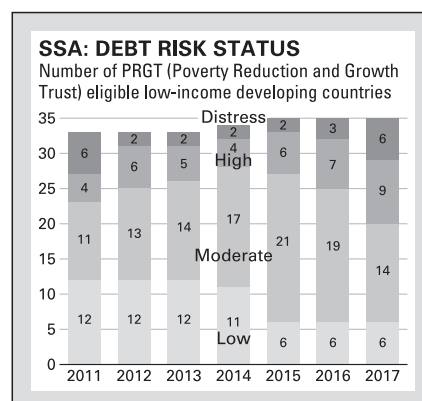
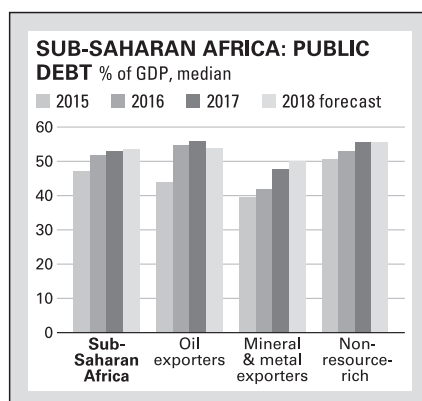
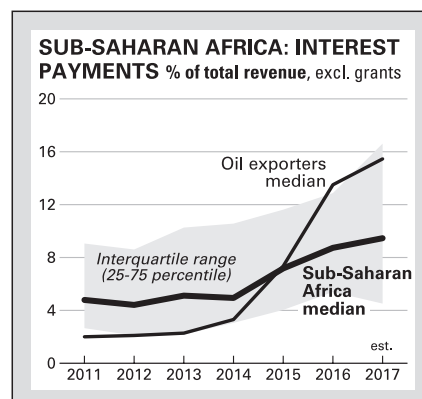
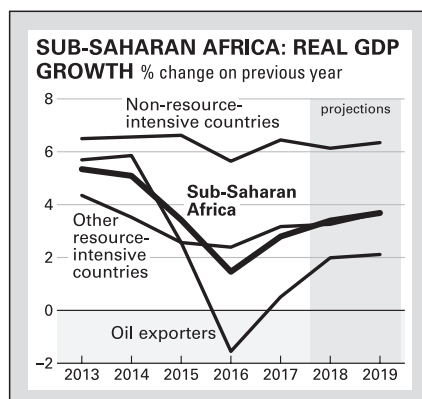
Aside from outliers such as **Congo-Brazzaville**, **Eritrea**, **Gambia** and **Mozambique** (where in each case national debt exceeds GDP), debt levels in Africa remain well below those for advanced economies. Nevertheless, the IMF and others warn of increased foreign-exchange and refinancing risks, partly driven by use of non-concessional financing and foreign-currency borrowings (AC Vol 59 No 2). There is much less chance of debt relief this time around. The several billion US dollars issued in African (including IMF-backed **Egyptian**) Eurobonds so far this year point to greater foreign-currency debt, though Eurobond issuance may slow in the second half of 2018.

CARRY THAT WEIGHT

The IMF suggests that in oil-producing Nigeria, interest expense in 2017 expressed as a percentage of tax revenue was, at over 30%, roughly half the country's 60%-plus ratio of interest to federal government revenue (not including states') revenue. It is an interesting observation, given Finance Minister **Kemi Adeosun's** much-publicised attempts to increase Nigeria's tax revenues above current, meagre levels. More worrying is the IMF's Nigeria: 2018 Article IV report, which warns that an 'interest rate shock' could push Nigeria's interest payments to above 100% of federal government revenue by 2022.

This is directly relevant to the broader question of debt sustainability. As in the case of Nigeria, with its persistent fiscal deficits, a number of other oil producers – among them Angola, **Cameroon** and Congo-B, the IMF says – faced 'fiscal break-even' 2017 oil prices which exceeded projected oil prices.

The future sustainability of Africa's debts relates both to the trend of factors such as GDP growth, revenues, debts, interest payments and particularly recurrent expenditures, on the one hand, and, on the other, shocks affecting one or more. Hidden debts, as in **Zambia** (AC Vol 59 Nos 7 & 8) and 2017-defaulted Mozambique (AC Vol 59 Nos 1, 3 & 6), remain damaging examples of shocks that not only require restructuring, but could greatly damage



the confidence of investors and the international community. Commodity price crashes remain another.

STRATEGIC ADVANTAGE

At present, median revenues in Africa (under 20% of GDP, the IMF estimates) remain well below median revenues in other developing regions as well as advanced economies. Per the IMF, approximately 80% of revenues in Africa's economies overall come from taxes of all kinds. However, the proportion is much smaller in the continent's oil economies.

The IMF, World Bank, economists and policymakers still see significant room to increase taxes in absolute terms and as a proportion of GDP – whether by improved collection and policy implementation, by changes in tax policy, faster economic growth, or otherwise.

Sceptics might question the IMF's view that incremental tax revenue of 'up to 5%' of GDP can be achieved in the next few years. Increasing government revenues is part of the equation and most governments across Africa are trying to raise direct and indirect taxes, partly to defray the increasing cost of debt services and to finance public services. Economies steadily increasing their revenues as a proportion of GDP in this decade (the occasional dip aside) include **Rwanda**, **Tanzania** and **Uganda** in East Africa. Those that have

moved in the opposite direction include **Angola**, **Gabon** and **Nigeria**.

Others argue that debt service, measured by interest payments as a proportion of revenues, may be the best indicators of sustainability. Citi's chief Africa economist, **David Cowan**, sees a 'revenue crisis' driving a 'fiscal crisis', rather than simply a 'debt crisis'.

Cowan suggests that revenue compared to the aggregate of debt service and recurrent government expenditures such as salaries is a superior measure, and that overall borrowing levels are less important than having – as Nigeria's Debt Management Office does – a well-articulated and coherent borrowing strategy. In countries where, for instance, funding from various sources (Eurobonds, multilateral borrowing, domestic borrowing, **Chinese** loans and other bilateral borrowing) is for the most part directed towards appropriate uses, there is usually a clear plan for servicing, refinancing and paying off the debt.

Indeed, Nigeria is pushing ahead with one of the most ambitious borrowing programmes on the continent to invest in big infrastructure projects which the government insists will generate the growth and revenues to repay the debts. **Kenya** is pursuing a similar strategy but has come under far greater criticism, given the growing burden on its treasury. In

other countries, such as **Ghana**, where a government inherited unsustainable debt service commitments, the new government is restructuring loans to stretch out the repayment periods as well as find ways to finance free health and education programmes.

For most, especially the lower middle-income and middle-income economies, there is little chance of a fresh round of debt write-offs or reductions. Even in Mozambique, where Credit Suisse and **Russia's** VTB were party to deliberate misrepresentation of the financial sustainability of the bonds issues, bondholders will not countenance writing down the bonds. Instead they eye the prospect of gas export revenues starting up in five years' time and are prepared to wait to be paid in full. It will Mozambique's hard-pressed citizens, who could have benefited from social investments finance from gas revenues, who will be the victims of the high level financial shenanigans around more than \$2bn of secret loans. The problems that the governments of Mozambique and Zambia are imposing on their citizens through financial mismanagement are, for now, the most extreme. But there are plenty of other examples of deepening debt woes on the continent. ●

(* The World Bank and IMF exclude all North African economies from their definition of African economies.)

ZAMBIA

A swirling fog of debt

The government is suspected of dishonestly reporting its debts, as it chases every last ounce of credit

Creditors, investors and the opposition believe President **Edgar Lungu's** management of national finances is plunging the country into a debt crisis. The Ministry of Finance issues desperate-sounding statements denying it has lost control of debt figures, while the government continues to issue publicly guaranteed debt to bankrupt state-owned companies regardless – and without adding the sums to the debt statistics. President Lungu has even – unlawfully, constitutional experts say – signed a personal guarantee for a huge loan, so frantic is his government for cash (see box).

Foreign reserves have fallen to a critical US\$1.9 billion, the lowest level

in years and well below the accepted minimum threshold of three months of import cover.

The financial juggling includes a \$590 million loan that the government said in April had been 'reclassified' into the external debt stock for 2017 but which should have been reported much earlier, *Africa Confidential* has learned. When former Finance Minister **Felix Mutati** announced the external debt as \$7.9 bn. in February his department knew the loan existed; his officials had only just restructured it in December 2017 after struggling to meet repayments. Yet the government only reported the debt after the creditor, the Trade and Development Bank, declared it to ratings agencies this year. The

original loan was contracted in March 2016 when arrears on fuel subsidy payments were repackaged.

Domestic arrears have also been knowingly misreported, since the \$1.3 bn. figure announced by Finance Minister **Margaret Mwanakatwe** as the arrears for end of 2017 is incomplete. Domestic arrears information is conspicuously left out of the 2017 Annual Economic Report tables, and the government has not yet clarified the correct amount. Sources who saw the draft report say that the amount was far higher than the \$1.3 bn. Mwanakatwe gave in April. Ministry insiders say the totals are being grossly manipulated, often by excluding accumulated payment arrears to government suppliers.

The government is actively seeking new loans, including another \$300 mn. for defence expenditure, in the face of the IMF's warnings of a high risk of 'debt distress'. It is struggling to pay what it already owes, and default on its badly performing Eurobonds is a real possibility. The Ministry of Finance's economists are competent

enough, insiders say, but political interference from State House is the problem. Typically, ministries make their own financing arrangements and then use the clout of the head of state to force the finance ministry to authorise their frequently questionable credit arrangements. The departments will announce projects so as to encourage the politicians to avoid the embarrassment of rowing back on popular promises. This trend is set to worsen under the recently appointed Mwanakatwe, who replaced Mutati after he began refusing to approve loans.

Projects blocked by Mutati after being announced last year without his approval, including the \$1.2 bn. Lusaka-Ndola road and the \$600 mn. housing project announced by Infrastructure Minister **Ronald Chitotela**, may now go ahead (AC Vol 59 No 7). The Roads Development Agency's books show disbursed loans from China's Exim Bank for the road, which was started last year without finance ministry approval. The finance ministry has published no record of how much has been financed or the terms. The price may now fall, however, after pressure from the European Union, which is funding a comparable road at a quarter of the cost. The EU delayed announcing the project after Mutati pleaded with it to save the government embarrassment, we hear.

Chitotela's \$600 mn. housing project is seeking a sovereign guarantee for financing to be provided by an opaque entity called Mercury Asset Partners, say sources in Lusaka. There is no record of MAP business activity prior to the announcement of the memorandum of understanding the government signed with it in August 2017. Former Information Minister **Chishimba Kambwili**, now in opposition, claims the project has deliberately over-estimated the cost of the housing so that the excess over the actual construction cost can be corruptly shared out.

HIT THE BUFFERS

The \$500 mn. loan Zambia tried to secure urgently from Nomura International last November to refinance existing debts has not materialised, probably because the fund thought the risk too high (AC Vol 58 No 25). Instead, the government has been using its dwindling foreign reserves as a buffer against exchange rate losses and debt default. AC understands it used \$56 mn. from the reserves in January on Eurobond payments and a further \$110 mn. on other debts and propping up the kwacha.

All this means the fiscal deficit will be far higher than previously

LOANS WITH A PRESIDENTIAL SEAL

As its portfolio of commercial loans balloons, Zambia's government is also increasingly relying on sovereign guarantees to quickly secure large or risky loans for its bankrupt parastatals, stoking up public debt out of public view. Guarantees should be signed by the Minister of Finance representing the state, but other public officials are attempting to borrow without involving the Treasury.

One such is President **Edgar Lungu** himself, who has signed a \$500 million guarantee for a loan to state electricity company Zesco from South African company STAG, *Africa Confidential* has learned (AC Vol 59 No 7). Banks were then asked to endorse the guarantee so that STAG – which is not a financial institution – could use it to raise funds for the loan. Zesco had been looking to borrow \$350 mn. to pay off its arrears and STAG agreed to arrange the sum on the condition that the guarantee was for \$500 mn. with the remaining \$150 mn. borrowed by but not transferred to Zesco. It is not clear whether any bank has complied, and AC understands no money has yet been raised. It is unheard of for presidents to sign guarantees personally, and his signature may not even be legally valid. The deal illustrates the depths to which Lungu's government will go to raise money. But we also hear that the hunt for credit and cash is also motivated by opportunities for huge commissions.

The government has been excluding guarantees from the external debt stock even when it is likely to fall to the Treasury to pay, such as the \$380 mn. the state telecoms company Zamtel was ordered by an English court to pay **Libyan** sovereign fund company Lap Green in October 2017. Lap Green's 75% stake in Zamtel was seized in 2012 when the company was nationalised under former President **Michael Sata**, following investigations that indicated illegalities in the original sale by the previous government of President **Rupiah Banda**. The court found that, whoever was responsible, Lap Green was still due compensation. Lap Green is threatening to seize Zambian assets outside the country if the debt is not paid.

The current figure for sovereign guarantees is unclear. The IMF was counting about \$1 bn. made up of Zesco and Zamtel liabilities, but Zesco's guarantees are now far higher. It secured a \$1.5 bn. loan from **China's** Exim Bank and the Industrial and Commercial Bank of China (ICBC) in November last year for the Kafue Lower Gorge hydropower project, guaranteed by the Ministry of Finance. A further \$500 mn. is shortly to be contracted, also with a sovereign guarantee. Zesco created a special purpose vehicle for the project, and the loan is not included in Zesco's internal loan portfolio, which in December 2017 was recorded as \$1.3 bn.

However, the real level – excluding the Kafue project – stands at around \$2 bn., say insiders. Other large loans for transmission lines have been excluded, representing money borrowed by government and on-loaned to Zesco because Zesco's credit rating is so poor. Since budget funding for parastatals was abolished in 2016, others are likely following suit. State guarantees do not yet require ratification by parliament, unlike in most other countries, adding to the problems of controlling debt. ●

calculated – probably over 9%, say economists. The government's own calculations for this year are impossibly optimistic, they add, with debt service obligations – already high at \$1.5 bn. – underestimated. There are no quick revenue fixes, despite the government's aggressive hunt for taxes (AC Vol 59 No 8). Indeed, perceptions of a draconian Zambia Revenue Authority (ZRA) could drive away investors, while domestic business already feels persecuted. The latest ZRA wheeze is a tax on staff training, which is already running into strong resistance.

The finance ministry is trying to keep embarrassing statistics from public view while urging the government to stop borrowing. It is fighting a losing battle. Stanbic Bank is negotiating a \$2 bn. credit line to government to finance its 15% downpayments for \$10 bn. of infrastructure projects in the pipeline, we hear; a deal that has

shocked industry sources.

The vast majority of what the government raises in revenue goes on the public sector wage bill, meaning all other public spending depends on new finance. The government is raising about 1 bn. kwacha (US\$100,000) a month by borrowing locally, but it is not enough as investors' appetite for Treasury bills has suddenly declined. Unless Zambia receives IMF support – highly unlikely in the present climate – the purchase of bonds and bills will slump, leaving a still bigger financial hole to plug. Some have compared Zambia's borrowing policy to a Ponzi scheme, saying that continually raising new finance to cover old obligations must fail eventually.

Chinese contractors and the Exim Bank are often willing to lend to the government, but only to fund new projects. Sometimes, the government is starting projects without financing in place with the contractor footing the bill

as a loan. China's StarTimes company, for example, has arranged 85% of the cost of its controversial digital television migration contract up front from Chinese banks. The Zambian government only needed to come up with 15% of the contract – \$41 mn. – but StarTimes itself is providing even this.

Some Chinese-funded projects lack a clear budget, or are open-ended, meaning costs could escalate. The spiralling cost of the 'L400' project to rehabilitate township roads around Lusaka, contracted to Chinese agency AVIC International, has left the government with a heavy but obscure debt to the company. Official debt service records show payments directly to AVIC, but no loans from the company are listed in government tables of contracted loans. The purpose of the payments is not given, and as so often with contractor debts the interest rates and payment schedules in play are unknown.

China's role in Zambia's debt crisis is not trivial. The government adds Chinese loans to the external debt as they are disbursed, which is fraught with practical difficulties. Officials frequently

travel to China to reconcile their figures of debts owing, an exercise that often fails, say ministry insiders. Many projects are wildly overpriced, exacerbating the reconciliation problem.

NO QUESTIONS

Zambia is paying a high price for moving away from concessional development finance, which comes with low interest rates but much scrutiny, to commercial finance, which is dearer, if less questioning. It is also, however, less forgiving of failure to repay. Zambia has drawn down only a fraction of the \$600 mn. credit available from the World Bank's lending arm, the International Development Association, because the terms and conditions are too onerous, and also, they say, because there is too little opportunity for fraud.

The finance ministry claims that it can restructure Chinese loans as needed but this is not the usual developing country experience with Beijing. Restructuring Chinese debt tends to involve small interest write-offs in exchange for new borrowings, pushing out the repayment timeline

while increasing the total debt.

Zambia could possibly avoid crisis by cancelling some of its China contracts before drawing down the \$5.6bn of contracted loans that the government has now admitted to the IMF it has – on top of the \$8.7bn it counts as external debt.

The government stresses it has not defaulted on Chinese loans but that can mean there is little money left to pay others. Zambian contractors come much lower down the list. Even contractors who have a close relationship with the President are suffering, we hear.

The state electricity company Zesco is not paying international companies and prioritising the local ones which pay kickbacks to the governing Patriotic Front. The object of this accumulation, PF sources say, is an electoral war chest so large that President Lungu can bribe his way to re-election no matter how dire the state of the economy. The strategy has drawbacks, however. Some believe Lungu is not generous enough with the profits to be certain of the kind of broad support in the ruling party he will need for his plan to work. ●

NIGERIA Friends with benefits

As the government's problems mount, plans for a new opposition alliance with several odd bedfellows are taking shape

Suddenly, President **Muhammadu Buhari's** All Progressives Congress (APC) has got a fight on its hands with elections due next March. In fact, it has several fights on its hands – both with dissident factions in its ranks and with a newly energised opposition. Over the weekend of 12-13 May, the opposition People's Democratic Party (PDP) opened talks with 35 of the country's 68 registered parties to forge an alliance to take on the APC.

One of the PDP's interlocutors is the African Democratic Congress (ADC), now home to former President **Olusegun Obasanjo's** Coalition for Nigeria Movement (CNM), which claims a membership of three million. After insisting that it was non-partisan, the CNM joined the fray. Another is the rejuvenated Social Democratic Party, led by **Olu Falae**, who came second to Obasanjo in the 1999 presidential election.

The PDP, which governed Nigeria from the return of democracy in 1999 until it lost power in 2015, has realised it can no longer live on past glories.

Instead it is trying to bring together dissident factions from the APC and the many much smaller parties. Essentially, it wants to use the same tactics against the current government as defeated President **Goodluck Jonathan** during his 2015 attempt to win re-election. Presidents Buhari and Jonathan may not have much in common, but they share a dislike and distrust of partisan politics.

GOVERNOR'S PARTY

In 2013, it was the departure of six state governors and several senators from the PDP government that started the slow sinking of Jonathan. That group, called the New PDP (nPDP), was led by **Usman Bugaje**, an ally of the then Vice-President, **Atiku Abubakar**. With luminaries such as **Bukola Saraki**, now Senate President, **Yakubu Dogara**, Speaker of the House of Representatives, as well as **Rabiu Kwankwaso** and **Olagunsoye Oyinlola**, the former Governors of Kano and Osun States respectively, they formed a powerful faction.

Then the nPDP teamed up with the Congress for Progressive Change (CPC), Action Congress of Nigeria (ACN), All Nigeria Peoples Party (ANPP) and a faction of the All Progressives Grand Alliance (APGA) to form the APC, routing the PDP in the 2015 elections. That alliance is now at risk of falling apart.

Early this month, Oyinlola resigned from his post as board chairman of a federal parastatal, saying, 'I have a new, greater political engagement that will make [this job] difficult and even impolitic.' In a letter to the APC national leadership, he and his allies gave a seven-day ultimatum to the party's national chairman, **John Odigie-Oyegun**, to schedule a meeting between them and President Buhari.

Chief among the rebels' concerns is that they have been short-changed. Of the old nPDP group, known as the G7, only **Rotimi Amaechi**, the Transport Minister and former Governor of Rivers State, is part of the inner circle. He was the director of Buhari's campaign in 2015 and has retained the job for the 2019 polls. But Amaechi did not deliver victory in Rivers, his home state, a fact that was raised by the aggrieved politicians, though they did not name their former colleague.

The group also pointed out that when members were running for the top positions in the National Assembly, they were opposed by the APC

hierarchy. That refers to Saraki's and Dogara's struggles to win leadership of the Senate and the House.

Such grudges and a catalogue of similar subplots – including questions about the future of **Bola Tinubu**, the former Governor of Lagos State and political godfather of the south-west – threaten the coherence of the APC (AC Vol 59 No 7). The calculation that Tinubu and all the other dissatisfied prominent politicians in the APC must make is whether their chances of preferment go up or down outside the governing party.

A grand exodus from the APC could reunite many leading politicians, including Oyinlola, who is also a prominent member of the CNM and, like Obasanjo, a founding father of the coalition. Obasanjo wrote an open letter to the President in January asking his former colleague to 'honourably dismount from the horse'. Another former head of state, General **Ibrahim Babangida**, diplomatically suggested that Buhari, whom he ousted in a 1985 palace coup, should not stand for re-election.

Other third-force alliances such as Coalition for New Nigeria, the Red Card Movement and the Nigeria Intervention Movement could also merge with the PDP. And more APC stalwarts could leave the ruling party, insinuates **Kola Ologbondiyan**, national spokesman for the PDP. 'The task of removing the incompetent Buhari presidency is not our plan alone: it is that of the entire

oppressed Nigerians, even within the ruling party, the All Progressives Congress,' he told reporters last weekend.

'We will meet with all the political parties that are genuinely committed to true change in the country. We expect our committee to brief us soon on its findings and discussions with both the opposition parties and individuals.'

Saraki and Kwankwaso are seen as presidential contenders – as is **Donald Duke**, a southerner who was also a governor under Obasanjo. Straight-talking and erudite, Duke turned Cross River, a state bordering **Cameroon**, into a haven for tourism and left it with a still unused free trade zone, as well as a reputation for being Nigeria's 'cleanest state'.

IBORI IS BACK

Another member of that class is **James Ibori**, the former Delta State Governor jailed in Britain in 2012 for fraud and money-laundering offences involving nearly £50 million (AC Vol 54 No 21). Now back in Nigeria and a free man, he still has deep pockets, and a strong network of northern political allies. There is also a group of second-generation professionals and modernisers, such as **Pat Utomi**, a Lagos Business School pioneer, who are considering new alliances. Utomi, a respected economist and political strategist, was the ADC's presidential candidate in 2007. This collection of odd bedfellows could wield influence to

rally followers for the new coalition.

Should the alliance come together, the leaders of its component groups will struggle to fit the multiple egos and ambitions into a politically coherent organisation. Even if they can do that, it may well suffer from the sorts of internal contradictions and feuds that have plagued the APC.

Obasanjo, who is playing a vital role behind the scenes, has made it clear that he would never support his former deputy Abubakar in a presidential election. The bonds of trust between them were broken over a decade ago. And Obasanjo's public withdrawal of support from Jonathan in 2013 proved critical to Buhari's victory. Rivers State Governor **Ezenwo Nyesom Wike**, who at 50 is a younger leading figure in the PDP, has his own ideas about who the party should pick as its presidential flagbearer.

All the politicians in this project know that the window will close soon. However much criticism is thrown at the government about the sluggish economy and its handling of recent herder-farmer clashes, Buhari still has the great benefits of incumbency, unstinting support in northern Nigeria and momentum (AC Vol 59 Nos 3, 5 & 9). Those planning a grand opposition alliance, and especially the discontented men inside the APC's big tent, know that once the governing party holds its coronation for Buhari as its presidential candidate it will be time for them to put up or shut up. ●

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POINTERS

Ethiopia/Saudi Arabia

GOLD FEVER

■ The ruling Ethiopian Peoples' Revolutionary Democratic Front's favourite billionaire, the Ethiopian-Saudi **Mohammed Hussein al Amoudi**, seems to have disappeared from favour in Addis Ababa as surely as he has done from public view (AC Vol 59 No 9). Six months after his detention – and de facto disappearance – in Riyadh in Crown Prince **Mohammed bin Salman's** crackdown on corruption, the government of Prime Minister **Abiy Ahmed** has suspended the licence of Al Amoudi's gold-mining company **Mohammed International Development & Research Organisation Companies (MIDROC)** to export gold alloy to **Switzerland**. The move follows allegations of massive pollution.

Traditional elders **Gennale Me'e** and **Jarso Boneyya** told *Africa Confidential* they received newly appointed Defence Minister **Motuma Mekassa** near one of Al Amoudi's mines in the town of Shakiso, Oromia, on the first weekend of May. Local officials and protesters had shown him the bodies of children allegedly deformed by mine pollutants (AC Vol 59 No 9). Motuma was reported to have said that it was 'not right' for the government to have renewed the licence before discussing an impact assessment with the local community. The government renewed the licence for 10 years in April.

Before Motuma arrived, demonstrators blocked roads in Shakiso, demanding cancellation of the licence. **Alemayehu Hirbora**, the town's head of social affairs, told AC that research in 22 villages over the past two years showed that 33 children had been born with deformities, and 150 women had miscarried.

Up to now, protests were met with riot police and road blocks forcibly removed. Pundits think the emollient response to the demands is part of the new leadership's effort to accommodate popular concerns, especially in Oromia. Dates for an environmental review and possible resumption of mining on the site were not given.

Malawi

SHORT WALK TO FREEDOM

■ Lawyers and legal experts are still seeking answers as to why, for the first time in Malawi – and possibly for every legal system based on English common law worldwide – a convicted prisoner has been released on bail. The prisoner in question is former Justice Minister and Attorney

General **Ralph Kasambara**, who is serving a 13-year prison sentence for conspiracy to commit murder. Supreme Court of Appeal Judge **Dunstain Mwaungulu** put the judicial world in a spin when he released Kasambara from prison on 14 March citing only 'the interests of justice', pending the hearing of his appeal against conviction and sentence.

Kasambara began his sentence in September 2016. His two accomplices, **Pika Manondo** and **Macdonald Kumwembe**, were convicted of attempted murder. Judge Mwaungulu rejected the bail application of Kasambara's accomplices, who shot former budget director at the Finance Ministry **Paul Mphwiyo** after he had fallen out with Kasambara over dividing the spoils of the Cashgate corruption scandal (AC Vol 57 No 18).

Mwaungulu has a reputation for making controversial judgements and was once himself a subject of Parliamentary impeachment. His 20-page judgement brushed aside the long-standing principle that bail pending appeal can only be granted in 'unusual or special or exceptional circumstances', usually only when powerful exonerating evidence has emerged which was not available at the time of trial.

'Bail before trial is a right. After conviction, bail is no longer a right. There must be exceptional circumstances. If you read most of Mwaungulu's theories they are always dissenting,' one prominent lawyer told *Africa Confidential*. Other judges have criticised the unprecedented ruling. No date for the hearing of Kasambara's appeal has been set.

Mozambique

PEACE IN PERIL AS DHLAKAMA DIES

■ The death of **Afonso Dhlakama**, the commander of *Resistência Nacional Moçambicana* (Renamo) who turned the guerrilla movement into a political party, contains risks to long-delayed reconciliation with the ruling party, *Frente de Libertação de Moçambique* (Frelimo). Dhlakama, 65, died of a diabetes-related illness as he was being evacuated by helicopter from his military base in Gorongosa national park on 3 May. Frelimo and Renamo fought a long and bloody civil war until 1992. President **Filipe Nyusi** expressed regret that he had not been able to help his 'brother' in time, despite the fact that under his leadership Frelimo had repeatedly tried to assassinate him (AC Vol 56 No 21).

Even though there are no doubts about Dhlakama dying of natural causes, concerns remain about the possibility of a return to armed conflict. Dhlakama and Nyusi were believed to be close to agreement on the touchy questions

of how to integrate Renamo fighters into the military and sharing power in the provinces. Dhlakama's leadership of Renamo was highly centralised and personal. Former Renamo Secretary General **Ossufo Momade** has been named as temporary leader, while Dhlakama's ambitious niece **Ivone Soares** has begun a battle for the leadership against challengers including secretary general **Manuel Bissopo**, who was shot and wounded – many believe by Frelimo gunmen – in January 2016. Moderate Renamo members who left to form the *Movimento Democrático de Moçambique* (MDM), such as the popular Quelimane mayor **Manuel de Araújo**, are considering returning, we hear (AC Vol 55 No 22).

The prospects for peace largely rest with Nyusi. In the past, the President has used threats to the peace process to persuade international creditors to be lenient with his government over the US\$2 billion hidden loans scandal (AC Vol 58 No 18). So far, the tactic has not succeeded. A return to armed conflict cannot be ruled out, although Nyusi is more likely to want a peace deal to be his legacy.

Guinea-Bissau

VAZ GIVES IN

■ After two-and-a-half years of conflict between President **José Mário Vaz** and the majority of his *Partido Africano para a Independência da Guiné e Cabo Verde* (PAIGC), led by **Domingos Simões Pereira**, the Conakry Agreement signed in October 2016 is at last being implemented. On 16 April, under pressure from the Economic Community of West African States (ECOWAS), which had imposed sanctions on his closest associates, Vaz agreed to appoint **Aristides Gomes** as Prime Minister (AC Vol 59 No 7).

Guinea-Bissau has been in a state of political paralysis since Vaz sacked Pereira in August 2015 and appointed a string of prime ministers in defiance of the Conakry deal, that they should be agreed with the majority of the PAIGC (AC Vol 56 No 18).

The PAIGC has now formed a unity government with former coalition partner *Partido da Renovação Social* (PRS), while the parliament has approved the extension of its members' mandates until 18 November when new elections will be held. Many worry that Vaz, who has appointed controversial former interior minister **Botche Candé** as an advisor, could again obstruct the creation of a new government after the polls.

Led by Pereira, a charismatic moderniser, the PAIGC is most likely to win the elections, although an absolute majority is unlikely.

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1 June 2018 - Vol 59 - N° 11

BLUE LINES

The one unsurprising thing about Zimbabwe's presidential and parliamentary elections is the date: they are now set for 30 July with a rerun on 8 September if no candidate clears 50% in the first round of the presidential poll. Few want to see a second round.

Many political insiders predict this year's vote will produce a coalition. Some insist that talks have already started. But political conditions are defying expectations in many ways. Six months ago, few believed that the elections would be remotely free and that President Emmerson Mnangagwa, 75, and ZANU-PF were heading for an epic majority.

Now the Movement for Democratic Change's Presidential candidate, Nelson Chamisa, 40, has the momentum and spends half the week addressing mass rallies around the country telling the electorate, 60% of whom are under 40, that the MDC is the party of youth and change. Despite his gaffes and a lacklustre BBC interview, Chamisa's message is hitting its mark at a time of record youth unemployment and a chronic foreign exchange shortage.

It's all to play for in the next two months. ZANU-PF is expected to use its incumbency and cash reserves – giant posters of a smiling Mnangagwa already adorn billboards across every city in the country – to claw back the advantage. This time, unlike a decade ago, it will be doing so under the spotlight of thousands of well-equipped and trained local and international election observers.

AFRICAN DEVELOPMENT BANK

Korean barbecue down south

After a grilling by bank governors, President Adesina wins backing to open talks on a capital increase

On the morning of 24 May, the universe of the African Development Bank shrank to a single room of the cavernous BEXPO exposition hall in Busan, South Korea's second city, where bankers, African finance ministers and bank governors had gathered for the bank's 53rd Annual Meeting. The main item on the agenda for the closed meeting that morning was whether the shareholders of the bank would agree to increase the bank's capitalisation.

The proposed General Capital Increase, which has been on the Bank's wishlist for several years, has become a defining issue for AfDB President Akinwumi Adesina, with insiders seeing it as an informal referendum on his leadership (AC Vol 58 No 12). Adesina wants the Bank to dramatically increase its workload. 'Africa can't become a museum of poverty', he told delegates.

Credit ratings agencies believe that the absence of a GCI would 'raise questions' about how responsibly the Bank treats other people's capital – the Bank is reaching the limits of how much it can lend without triggering prudential concerns (see graph). That in turn could put its cherished AAA rating under threat.

For now, Adesina, the former agriculture minister of Nigeria, retains the support of African governors, who share with him the sense of urgency about Africa's flagging economic development. The markets still see the Bank as a good bet: a recent three-year bond for US\$2 billion was comfortably oversubscribed, with a 2.625% coupon. Some financial

engineering to securitise the balance sheet may also provide extra headroom for borrowing.

But the 'non-regional' (i.e. not African) shareholders of the Bank – who hold 40% of the capital – are less convinced. Berated by African shareholders who describe the Bank as a 'family' which needs to pull together, the US governor replied, 'yes, it's a family, but like in every family, you have to do your chores'.

The core complaint is that the Bank wants to ramp up lending without beefing up internal safeguards. The huge jump in disbursements – which hit a record \$7.8 bn. in 2017, 15% more than the previous year – has made some governors uncomfortable.

RUFFLED FEATHERS

Adesina's abrasive management style and a difficult internal restructuring have ruffled feathers, not to mention his propensity for announcing big lending commitments without approval from the board. A case in point was \$1 bn. promised to help Nigeria in 2015 during his first months as President. 'To save face [the governors] gave him \$600 mn.', says one bank insider. 'But they never released the second tranche.'

Key posts in the bank remain unfilled after a purge of Vice-Presidents over the last 18 months. The institution also lacks high-level accountability officers, which non-regional governors say must be addressed before any capital increase can be entertained.

Also, there are not enough technical

W.SAHARA	3	ZAMBIA	5	NIGERIA	6	SOMALIA	7	MOZAMBIQUE	8
The Sahara conflict is back		Debt threatens reserves		Cracks spread in APC alliance		Shabaab takes to the air		SOUTH AFRICA	9
Morocco's sub-Saharan re-engagement is heating up its dispute with Polisario		The uncontrolled borrowing by the Lungu circle is growing too large to cover up		Factions jostle for power and settle old scores with Buhari's placemen		Far from being on the brink of defeat, Al Shabaab is holding its own militarily		ETHIOPIA	10
								POINTERS	12

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loan officers. That is especially important for private sector lending, which the Bank wants to accelerate.

'There is no running away from helping the private sector. Previously, the Bank's lending to the private sector ran at 10%. Now we are doing 25% [a jump that has happened over the last two years]', says **Mukhtar Abdu**, the new director of Industrial and Trade Development at the Bank. He recognises that his department currently lacks the capacity to monitor and manage corporate sector loans. 'But I have more than doubled the number of investment officers on my team, these are the workhorses who will do the detailed analysis and financial modelling to make it a decent project. [We will be] bringing in another 100 to 200 of these non-sovereign officers.'

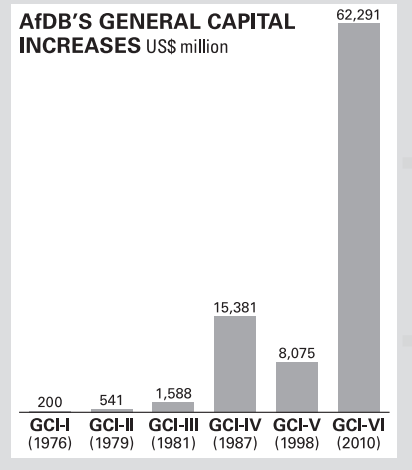
It is easy to see why governors fret about the strength of the Chinese walls between management and shareholders. Take the case of the loan

of \$100 mn. to the Dangote Group for its Nigerian fertiliser plant announced in May. Mukhtar Abdu was the Dangote Group's head of strategy before he joined the bank in August 2017. The loan was originally approved in 2015, during the bank presidency of **Donald Kaberuka**, and should have fallen foul of an internal bank rule that AfDB loans lapse 200 days after approval if they are not drawn down.

The Bank is keen to create a new class of 'African champions'. Mukhtar says the Bank is in talks with companies like Shoprite, the **South African** retailer, and Econet Wireless, the **Zimbabwean** telecoms provider.

Adesina has also done the Bank a favour by forcing the issue of industrial policy and the role of the state back onto the table, says former Nigerian Central Bank Governor **Lamido Sanusi**. This is particularly important in critical but neglected sectors of the economy such as agriculture, and a reason why Africa has yet to see a move from raw commodity exports towards more value-added production and industrialisation.

'Between 2012 and 2018, Africa's industrial value-added declined from \$702 bn. to \$630 bn.', says Adesina, who points to the demographic wave breaking over the continent. Only three million formal sector jobs are created annually on the continent, while 10-12 million young people enter the job market. Manufacturing has clear potential to employ otherwise idle hands in the Sahel and elsewhere.

AfDB'S GENERAL CAPITAL INCREASES US\$ million

Ethiopia is often cited as an example of what can be done, with its network of industrial parks, railways and dams.

RISKS AND REWARDS

But as Nigeria's Ajaokuta's steel mill readies itself to launch production nearly 40 years and \$8 bn. after the project began, the dangers of 'picking winners' are clear. Insiders at the Bank suggest that Adesina may have more success if he acknowledges the risks as well as the rewards.

The Korean-born World Bank president **Jim Yong Kim**, who shared a stage at the opening session with **Rwanda's** Prime Minister **Edouard Ngirente** and his **Moroccan** counterpart **Saad Eddine al Othmani**, was keen to stress that industrial policy was only

ECONOMIES NEED REFORM, AND REFORM MEANS TAX

The African continent is recovering quickly from the commodity-price trough as prices for crude and cobalt improve. But inflation has shot up, with a median rate of 5.4% across Africa, well above comparator regions. Debt levels have crept up, while currency reserves are far from replenished. Commodity prices are weak, and infrastructure projects, bought in dollars, are being paid for in vulnerable local currencies. The US federal reserve rates are creeping up, meanwhile, pushing up the cost of capital.

And while growth is back – Africa as a whole hit 3.6% in 2017, with 2018 estimates at 4.1% – per capita growth is stagnant when the rate of demographic growth is factored in. East and North Africa lead the pack in terms of growth rates, with Central Africa lagging behind.

The overall picture has been boosted by the recovery of the continent's two economic giants from largely self-inflicted wounds; **Nigeria's** costly defence of its currency, and **South Africa's** expensive dalliance with the Gupta family.

Traditionally, such turnarounds in fortunes often come when resource-rich countries ditch their onerous plans for diversification, and bathe in rents from oil and minerals.

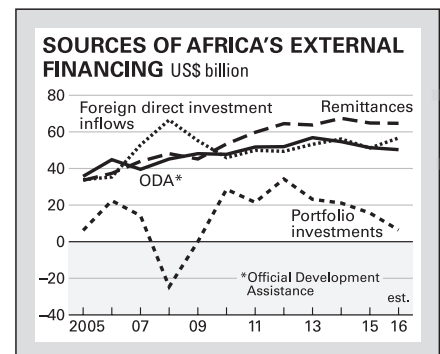
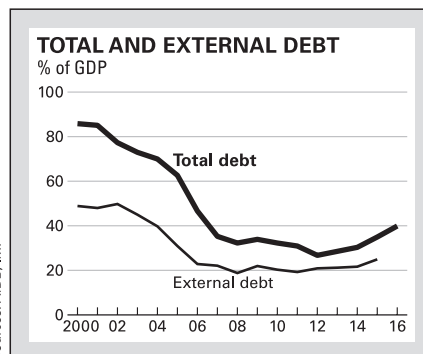
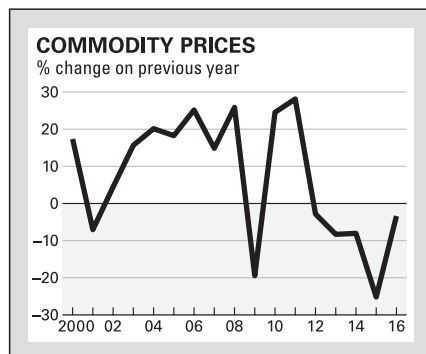
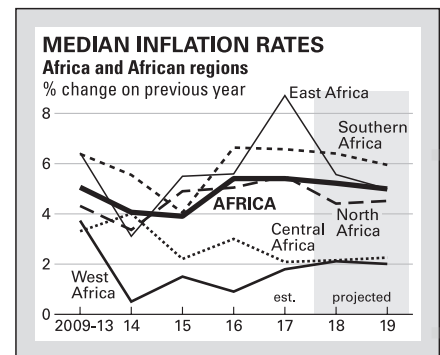
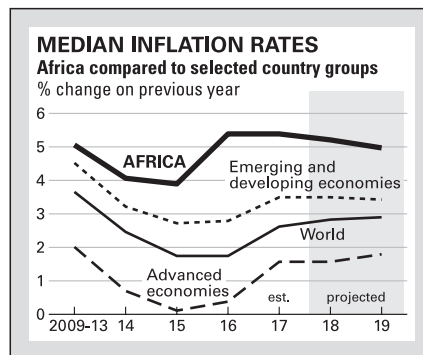
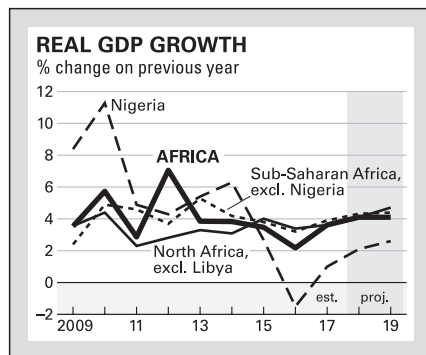
For AfDB economic planners, the need for Africa to deepen its tax take is the only long-term solution to drive structural reform of its economies. Estimates of the amount the continent loses in capital flight through transfer-pricing and other multinational tax dodges now put it well above \$50 billion – double the amount it receives in aid.

There is also a large domestic tax base that remains untroubled by the tax collector and which could yield significant sums. The average tax take to GDP ratio in sub-Saharan Africa is 17%, and just 6% in Nigeria, 'below the 25% threshold deemed sufficient to scale up infrastructure spending', according to the recently released African Economic Outlook.

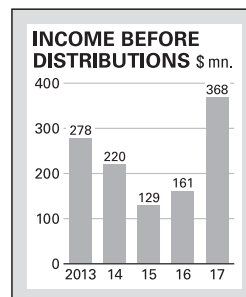
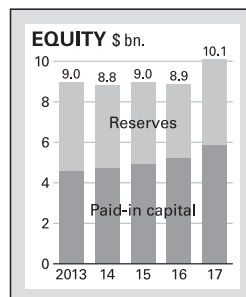
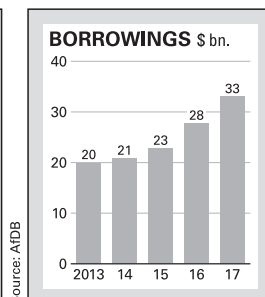
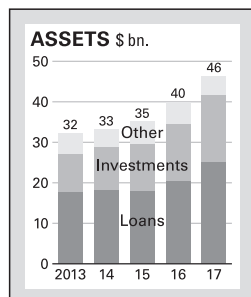
For former Nigerian Central Bank Governor **Lamido Sanusi**, this is significant for the latest discussions on Africa's debt sustainability. He complains that the 'farcical' debt-to-GDP ratio should not be the most popular data point when considering how viable a nation's debt burden has become, 'because you service a debt from revenue, not GDP, and if only 6% of your country is paying taxes then it's irrelevant'.

Debt itself is changing in nature, with private debt contracted by governments the latest iceberg to threaten the continent's progress. **Zambia** and **Mozambique** exemplify the dangers of debt contracted from private banks at usurious rates for non-productive assets (AC Vol 59 No 10. But there are more subtle cuts. **Kenya**, for example, has overpaid for its new rail infrastructure, erasing much of the gains the economy will receive (AC Vol 55 No 4). ●

AFRICAN ECONOMIC INDICATORS



THE AfDB'S BANKING RECORD



one of several factors that drove South Korea's economic success. Education, including a double shift system in schools, was just as important, said Kim, before delivering an endorsement of Adesina's reforms to the conference.

The relentless pace of investment from China in industrial robots also means that there is no safe haven for factory jobs, either, putting any industrial policy on to a very tight time leash. Al Othmani says, '60% of jobs will disappear over the next 10-20 years... So, we will need to train for the jobs of tomorrow, not just shoot at the jobs of yesterday.'

That requires the kind of economic planning skills – and disciplined leadership – that few African countries currently have. 'Subordinating finance to industrial needs is a bet, and the risks are much bigger', says **Admassu Tadesse** of the Trade and Development Bank, the financial arm of the Common Market for Eastern and Southern Africa (COMESA). 'Can you build a developmental state to reward performance?'

That question cuts to the heart of criticism of the route Adesina has chosen. For while South Korea and Japan and other countries who have successfully tried state-led development embedded market mechanisms into their subsidies – tying cheap credit to export performance, for example – this is a point that the AfDB is quiet on.

TAX MATTERS

There are other things countries need to be encouraged to do to raise capital first, suggests Sanusi. While he agrees on the need for industrial policy, there are other ways to raise cash before hitting the capital markets. One is the tax base; both the tens of billions lost to tax fiddles by foreign multinationals and increasing domestic tax revenue. But 'corruption is the elephant in the room', he says. 'There is a clear correlation between the ability to develop and the level of transparency.'

Without this rigour, the debates over the direction in which Adesina has pointed the bank will rumble on and into the capital increase negotiations.

Only one governor – the US representative – voted against the motion to launch official AfDB consultations over a GCI. These are likely to start in October and Adesina wants them to take a year, providing him with a neat fillip as he heads into his re-election campaign.

The decision to bring back **Victor Oladokun** as communications director, a veteran of his previous campaigns, is one sign that Adesina will run again. So, too, was the attempt to patch things up with other rivals, such as **Frannie Leautier**, the senior VP who left the Bank in unhappy circumstances last year. Her presence – she is rumoured to be eyeing up Adesina's chair – did not go unnoticed in Busan.

Other candidates are also warming up their pre-campaigns. World Bank Africa region president **Makhtar Diop** has found a new job as World Bank infrastructure Vice-President, to keep the resumé warm (AC Vol 55 No 7). Rumour has it that since the donors decided to replenish the World Bank's International Development Assistance

in 2016 at the expense of the AfDB, all Adesina's pleas to donors for more capital find him re-directed to Diop,

much to his irritation.

Next year will see **Equatorial Guinea** host the meetings. Malabo may

be neither developmental state nor fiscal disciplinarian but it is no stranger to plots to unseat leaders. ●

WESTERN SAHARA/MOROCCO

The Sahara conflict is back

Rabat's new engagement with sub-Saharan Africa is raising the temperature of its dispute with Polisario

One of Africa's most prominent militant groups gathered thousands of supporters and threatened to storm the Moroccan wall on 10 May. It was not a confrontation between Polisario forces and the Moroccan army over the heavily fortified sand wall Morocco built in the middle of the disputed territory. The wall in question surrounds the Moroccan embassy in Pretoria and the pickets outside it were members of **Julius Malema's** Economic Freedom Fighters. Speakers damned Morocco as the 'most reactionary African coloniser'. EFF secretary general **Godrich Gardee** went further: the embassy should be closed, **South Africa** should not support Morocco's 2026 FIFA World Cup bid, and 'we must treat the Moroccan government as nothing but an apartheid state', he said.

The EFF may not be in power, but its criticism of Morocco reflects the mood in South Africa and among other important players across the continent. The ruling African National Congress is an historic ally of Polisario's main backer, **Algeria**, and has supported calls for an end to the stasis around the conflict since Polisario and Morocco agreed a ceasefire in 1991. Yet Pretoria's efforts to get a much bigger role for the African Union in resolving the conflict have faltered since **Nkosazana Dlamini-Zuma** stood down as AU Commission chair and Morocco was readmitted to the body in January 2017, ending a boycott called by the late King **Hassan II** in 1984 after Polisario's Sahrawi Arab Democratic Republic (SADR) was admitted as a full member.

Morocco prefers the conflict to remain in the domain of the United Nations, where it can usually count on the United States – and always on France – to vote in its favour at the UN Security Council (UNSC). Rabat was happy when former **Portuguese** Prime Minister **António Guterres** was appointed UN Secretary General, replacing **Ban Ki-moon**, who had earned Moroccan enmity. Guterres's new UN envoy to the Western Sahara, former **German** President **Horst**

Köhler, is also trusted by Rabat (AC Vol 59, No 1). The new team committed to reviving the peace process – which Guterres knows well, having been head of the UN's refugee operations, which include overseeing the estimated 173,000 Sahrawi refugees in Polisario camps – has gone about its work with a will, Moroccan sources said.

On 27 April, the UNSC voted 12-0 in favour of extending the mandate of the United Nations Mission for the Referendum in Western Sahara (Minurso) peace-keeping force, but only by six months, rather than the usual year. **China**, **Russia** and **Ethiopia** abstained over concerns that the resolution was 'unbalanced' in favour of Morocco because it urged Polisario to vacate the buffer zone created in 1991 to keep the belligerents apart. Polisario moved the SADR administration from its refugee camps to Bir Lahlou and Tifariti in the Western Sahara proper. Morocco says that's inside the buffer zone but Polisario and Algeria say it is not. The resolution called on Morocco and Polisario, but not (as Rabat would like) Algeria, to resume negotiations under UN auspices without preconditions and in good faith and with 'a new dynamic and a new spirit'.

WAR THREAT

There are concerns that Polisario may carry through its threat to resume hot war. It would be logical to at least threaten the possibility of resuming hostilities to support its negotiating position. The death of its president for 40 years, **Mohammed Abdelaziz**, in May 2016 brought in another veteran of the struggle, **Brahim Ghali**. Polisario's former defence minister has a formidable reputation (albeit going back decades) as a guerrilla commander, and his appointment suggested a change in tactics. That seems have been confirmed by the stand-off over Bir Lahlou and Tifariti (AC Vol 57 No 22). Morocco's ambassador to the UN **Omar Hilale** has complained about a Polisario military build-up in the Mahbes region.

The operations and pecking order in

the very hierarchical Polisario structure remain opaque. But visitors to the camps – which recently included a researcher from the Brussels-based International Crisis Group – report the emergence of a younger generation of militants who, condemned to a lifetime in the camps, believe they have little to lose by going back to war.

Algeria backs the Sahrawis as robustly as ever (AC Vol 58 No 6). But M6's diplomatic triumph in addressing the AU in early 2017, the overhaul of the kingdom's clunky foreign affairs administration and its emergence as a major investor and 'developmental state' in sub-Saharan Africa has come as a rude shock to Algiers. It cost **Ramtane Lamamra** his job as foreign minister in May 2017. His successor at the foreign ministry, **Abdelkader Messahel**, is a hard-line specialist in regional relations. He is President **Abdelaziz Bouteflika's** envoy to various **Libyan** factions and tormentor-in-chief of Rabat.

Messahel's recent elevation to hate-figure status in Morocco reflects an intensification in the bitter cold war between the two countries. Morocco has seen its strategy of becoming a political and economic force on the continent – its 'pivot to Africa' – come under pressure. It is in denial about the damage its failure to resolve the Sahara issue could cause. There is widespread speculation that this has put generally well-considered Foreign Minister **Nasser Bourita's** job under pressure. M6 has dazzled his hosts with his energetic regional diplomacy and lightning tours of the continent, dropping in on old friends, such as President **Denis Sassou Nguessou** of **Congo-Brazzaville** and old schoolmate President **Ali Bongo Ondimba** of **Gabon**, but the lustre threatens to wear thin. Rabat tried to charm Ethiopia with huge announced investments by the phosphate and fertiliser giant *Office Chérifien des Phosphates* (OCP), but it didn't prevent Addis Ababa's abstention in the Security Council vote. Nor has Morocco's wooing of **Nigerian** President **Muhammadu Buhari** and others across the sub-region done much to help its application to join the Economic Community of West African States (Ecowas) or reduce their willingness to de-recognise the SADR.

Meanwhile, signs of military tensions have increased. Algiers admitted that among the 257 people killed in the military aircraft disaster of 11 April were 26 Polisario troops, who were being transported south.

The plane's destination was Bechar, in south-east Algeria, and Rabat has implied that these troops were part of a military build-up.

Rabat accused **Iran** and its Hezbollah allies of supplying Polisario with arms and training and broke off diplomatic relations with Tehran on 1 May. M6 quickly received support from Middle Eastern Sunni allies led by **Saudi Arabia** and the **United Arab Emirates**, plus their regional rival **Qatar**, underlining the fact that the Gulf monarchies are still M6's firmest friends.

Morocco has worked hard to integrate its 'southern provinces', as it terms the Western Sahara. Sahrawi protests occasionally flare up in the capital El Ayoun, but second city Dakhla is now best-known as the capital of kite-surfing, favoured by M6's wife **Lalla Salma** and the international smart set. Some Sahrawi families have been co-opted and are big players in *Istiqlal* and other parties, while profiting from fishing and other industries. Secretary of State for Agriculture **Mbarka Bouaida** is the scion of a major Sahrawi

family. After years of under-investment, Moroccan money is now pouring into the 'Saharan provinces'.

But after years of largely ineffective activism, pro-Sahrawi elements have cannily focused on legal action against Morocco and made the most of the ruling by the European Court of Justice on 27 February that the current EU fisheries agreement may not include the Western Sahara (AC 59 Vol 6). Rabat has attempted to dead-bat the ECJ ruling, but the Sahrawis now intend to sell fishing licences in Europe, just as they auctioned oil blocks a decade ago. Moroccan gunboats have been mobilised to patrol Saharan waters and keep interlopers away.

In March, a 55,000-tonne cargo of phosphate produced in Western Sahara by OCP was impounded by a South African court when the bulk carrier *MV Cherry Blossom* visited Port Elizabeth for refuelling, en route from El Ayoun for **New Zealand**, on the grounds that it belonged to the SADR, not Morocco.

The shipment was put up for sale – without immediate buyers – to

pay berthage fees, but with the rest supposed to go to Polisario; it was eventually returned to OCP in mid-May, providing a Pyrrhic victory though no profit, since the cargo had spoiled, industry sources say.

PRESSURE POINTS

Confrontations and law suits which hinge on the status of the territory as disputed are not going to go away, and Polisario and its supporters will lean on such pressure points, and others, such as the protocol embarrassments where Moroccan officials appear in the same forum as Polisario. So long as Rabat turns a blind eye to the territory's status, merely repeating its claim that the land is integral to the kingdom, no amount of energetic lobbying of African countries will be enough. And with military action once more a possibility, coming to a negotiated solution may be the only way out. There are huge dangers in that for a crown that has staked its legitimacy on making the Sahara Moroccan for even longer than Polisario has been fighting for independence. ●

ZAMBIA

Debt spike threatens reserves

The uncontrolled borrowing by the Lungu circle is growing too large to cover up

Having said it was certain of its figures, Zambia's Ministry of Finance has once again revised its external debt upwards, from US\$8.7 billion to \$9.1 bn. While its debt continues to rise, international reserves have fallen to just \$1.8 bn. and the kwacha is beginning to totter as the central bank stops defending the currency's value. At the same time, the government faces a media storm over corruption scandals involving President **Edgar Lungu**.

In mid-May the Bank of Zambia updated its data on its foreign exchange reserves, which had dropped to a historic low in January, falling below \$2 bn. (AC Vol 59 No 7). The bank is late with its data, prompting suspicions that it does not want to admit how low they are at a time when it needs to be restoring market confidence. The latest charts not only show that reserves fell to \$1.86 bn. in February, but also revised the January figure to include an additional \$10 mn. in debt service payments from reserves.

The \$50 million paid out for 'other' government uses in January is likely to

represent an instalment of the \$380 mn. the London High Court ruled was owed to **Libya's** Lap Green (AC Vol 59 No 10). Bank of Zambia data does not go beyond February, but AC understands that the government also used a further \$43 mn. from the reserves to pay another tranche of Eurobond interest in April.

The next payment of \$56 mn. is due in July. The dwindling reserves still appear to be the only source of funds for this, exacerbating concern among investors in Zambia's Eurobonds, which fell yet again in the week beginning 21 May and are now yielding over 10%. They are the worst-performing bonds in the emerging markets.

Bondholders' primary concern is now Zambia's level of debt, while the state of uncertainty itself fuels fears. The government has repeatedly insisted that it has its figures clear and downplayed concerns over its lack of control over disbursements of **Chinese** loans, but then quietly revised them upwards, rather than admitting that it needs to do a more thorough reconciliation to establish the real level of indebtedness.

With such confusion over the debt

and concerns that an economic crisis is now certain, the kwacha is coming under growing pressure. Imports are significantly down so demand is low; nevertheless, only efforts by the Bank of Zambia have prevented a slide. But the Bank now has fewer dollars in reserves to sell, and has had to release more money into circulation after poor Treasury bill sales compounded the risk of a soaring fiscal deficit. In the week beginning 21 May, the kwacha began losing value again and it is now at 10.3 to the US dollar. The weaker currency will only make Zambia's already unsustainable debt service payments more expensive.

Last year, investors still believed there was a chance of IMF finance, though many Zambians realised Lungu would not stop borrowing, and so scotch any chance of a programme. Relations between the Fund and the Ministry of Finance broke down and remain tense. Finance Minister **Margaret Mwanakatwe**, appointed in February, has failed to establish a rapport with the Fund, insiders say. Experts say an IMF programme and a loan to support balance of payments are now essential. But the IMF wants Zambia to show that it will stop borrowing and get debt on a sustainable path. This requires tough decisions, cancellation of major projects and strict fiscal discipline, which do not appeal to Lungu, especially as he already has his eyes on the 2021 election.

Finance ministry insiders say

STATEMENTS IN A STATE

State House official spokesman **Amos Chanda** has been energetically denying *Africa Confidential's* article about the US\$500 million sovereign guarantee signed by President **Edgar Lungu** with South Africa's STAG company on behalf of the state electricity company Zesco (AC Vol 59 No 10). However, a series of contradictions emerged in his defence of the deal, and on 29 May the Finance Ministry confirmed the existence of the guarantee, claiming it had been intended to cover payments for emergency power.

Chanda first defended the guarantee by arguing that Lungu was Minister of Finance when he signed, even though nobody else was aware of it at the time and no government yet existed. The President had not yet been inaugurated in his new term of office and so had no powers. Chanda claimed the agreement was signed during the third week of August 2016 when in fact, AC's sources say and the ministry now confirms, it was signed on 9 September. This is important because it was only on 5 September that Lungu had learned that the Constitutional Court had endorsed his election victory by dismissing an opposition petition alleging a fix; prior to that his executive powers were suspended because of the petition.

Chanda's claim that 'due diligence was taken' and the President was 'satisfied' with the results is also at variance with the facts. AC understands that due diligence on the deal raised several red flags. The guarantee was cancelled on 24 April by Finance Minister **Margaret Mwanakatwe**, completing a process set in motion by her predecessor **Felix Mutati**, who was appalled by the arrangement and set about cancelling it as soon as he learned about it. He was appointed finance minister just a week after the deal was signed.

Zesco still needs the money. Chanda has airily referred to negotiations with 'a British bank' for a \$350 mn. loan to meet repayments. Insiders suspect Chanda is attempting to put a brave face on the \$500 mn. guarantee that never came to pass, a fate Zesco's search for credit is also thought likely to meet. ●

the gap between the IMF's view and the government's is too wide for a programme to be possible this year. The Fund's next mission is not until September, which is far off, given the urgency of the country's problems. Mwanakatwe is trying to persuade officials to visit in June, the month

before the \$56 mn. tranche of payments on Eurobonds is due. But it is Zambia that has to make the first move, by sending a strong signal to the IMF that it will stop borrowing.

This will entail unravelling contracted but not yet disbursed loans and is no simple task. Much of the

now \$9.1 bn. debt stock consists of Eurobonds, Paris Club obligations and concessional lending from international financial institutions. So far, little of the roughly \$8 bn. of contracted Chinese project finance has been included, yet many large projects are well under way, including almost \$800 mn. worth of airports, as well as road projects amounting to further billions of dollars (AC Vol 58 No 25).

MSWATI'S GIFT

Meanwhile, a scandal over Lungu accepting extravagant gifts has shone a spotlight on corruption. Revelations that the King of **eSwatini** (formerly **Swaziland**), **Mswati III**, gave the President land in his kingdom on which to build a \$4 mn. mansion prompted outrage which only grew when Information Minister **Dora Siliya** said that gifts of this kind were 'normal'. According to most readings of the law, a head of state's acceptance of such a gift in the course of public duties – which applies in this instance, as Lungu was visiting the king on official state business when the gift was made – constitutes abuse of office.

Siliya's bungled spin doctoring included her further revelation that a State House spokesman had also been given land by the king, though it had 'not been processed'. The gifts were reportedly in exchange for preference in a lucrative road contract for a company, Inyatsi Construction, which is ultimately owned by Mswati III, according to political insiders in Lusaka. ●

NIGERIA

Cracks spread in APC alliance

The governing party is tested as factions jostle for power and settle old scores with Buhari's placemen

Bola Tinubu's appointment to lead the reconciliation committee of the All Progressives' Congress was meant to signal that the APC hierarchy was ready to salve wounds of aggrieved members across Nigeria and make the governing party one big, happy family again.

Four months later, it seems the former Lagos State governor and titan of south-western business may be losing his swagger, the cumulative effect of a decline since the APC's 2015 election victory. Tinubu has failed to make anyone sheathe his sword, even on his home turf in Lagos. Rather, the rifts have grown.

In a letter in February, Tinubu accused the APC's Chairman, **John Odigie-Oyegun**, of 'thwarting' his 'presidential assignment' and undermining his conciliation plans for Kogi, Kaduna, Kano and Adamawa states. The fragility of the APC alliance – a coalition of parties assembled with the sole aim of defeating President **Goodluck Jonathan** and his People's Democratic Party – has become apparent.

CRACKED BROOM

Cracks covered over during the campaign soon emerged after the election victory (AC Vol 59 No 9). The

APC symbol of the broom – a homely contrast to the PDP's umbrella – began to pall. It took more than five months for President **Muhammadu Buhari** to settle on a cabinet and two full years to complete most appointments. Still, many APC chieftains had disputes with the leadership, the presidency and **Abba Kyari**, Buhari's all-powerful Chief of Staff.

Tinubu in particular felt relegated to the sidelines despite playing a crucial role in Buhari's triumph. Indeed, it seems Tinubu's last major contribution was picking **Yemi Osinbajo** for the titular role of Vice-President. Odigie-Oyegun, formerly in the Tinubu camp, switched allegiance to Buhari, going against his estranged godfather's candidate in the September 2016 Ondo State governorship primaries – again on Tinubu's turf (AC Vol 59 No 7). Another aggrieved heavyweight is the former Vice-President **Atiku Abubakar**, who has since returned to the PDP.

So deep are the divisions that over the weekend of 18-20 May, parallel, or

rival and unofficial, APC congresses took place in at least nine states. Newspaper columnists have taken to calling the party the All Parallel Congresses (AC Vol 59 No 10).

Fouad Oki, a former Tinubu loyalist, emerged as the convenor of a breakaway faction in Lagos – ironically called the Broom United Movement. It is allegedly backed by **Muiz Banire**, the APC's national legal advisor, and the erstwhile Lagos State Governor **Babatunde Fashola**: they are both former Tinubu protégés. The old camp, led by Tinubu, Osinbajo and **Akinwunmi Ambode**, the present Governor of Lagos State, still held a congress at the APC secretariat, proceeding as nothing had happened.

In Ondo, a National Assembly member and a commissioner from the neighbouring Osun State, both present to support a faction challenging that

of Governor **Rotimi Akeredolu**, were among numerous APC stalwarts beaten by hoodlums perceived to be loyal to the Governor. The assembly member was stripped naked during the face-off.

Imo, Ebonyi, Ekiti, Enugu, Oyo and Zamfara states all saw violence in varying degrees. In one ward in Delta, where the APC is in opposition, one person was stabbed to death.

Parallel congresses were also held in Kwara, where Senate President **Bukola Saraki** and Information Minister **Lai Mohammed** are locked in a battle for supremacy. Saraki, the undisputed godfather of Kwara politics since the mid-2000s, is expected to decamp along with members of the 'new-PDP' (nPDP) splinter group that joined the APC for the 2015 elections. Both the state Governor, **Abdulfatah Ahmed**, and Ahmed's deputy remain fiercely loyal to him.

Back in February, APC leaders announced a one-year extension for national, state and ward-level executives to help lower tensions. Yet Buhari, in what some saw as a move to placate Tinubu, who is displeased with the current national executive, swayed the party's National Working Committee to reverse this.

Commentators say Buhari is careful not to be seen to support anti-democratic ideals, given that doubts are already being cast on the fairness of the 2019 elections, amid fears that he will cling to office even if he loses.

As the APC delays putting its house in order, the opposition must be licking their lips. It remains to be seen if the same people who midwived the unseating of an incumbent president will join forces to ensure the exit of yet another in next year's polls. History could well repeat itself. ●

SOMALIA

Shabaab takes to the air

Far from being on the brink of defeat, Al Shabaab is improving its propaganda and still holding its own on the military front

Al Shabaab's leader, **Abu Ubaydah**, made a major speech on jihadist broadcast media on 18 May marking the beginning of Ramadan and setting out his political stall, scotching rumours of his death. Talk had been flying around Nairobi and Mogadishu that he was dying of kidney failure after being bedridden for six months and a succession battle was in full spate. On 24 May Washington tried to make the rumour reality and killed 10 fighters in an air strike, but not the elusive commander.

Abu Ubaydah's speech offers an update on his style of leadership of the *Al Qaeda*-affiliate and *Al Shabaab*'s strategy. In-depth examination of the speech reveals first some rhetorical talent. He emulates **Ahmed Abdi Godane**, his predecessor as leader of the Islamist militia, who was killed in a **United States** drone strike in September 2014, in quoting verses from the Koran, and citing hadiths and Somali poetry, as well as the customary condemnations of *Shabaab*'s enemies (AC Vol 55 No 18).

Analysts suggest that although Abu Ubaydah is known as a Koranic teacher, he could not have written the speech by himself because he is not thought to have enough Islamic academic expertise to be able to comment, as he did, on **Ibn**

Taymiyyah, a medieval scholar revered by modern Salafists. It also indicates that his inner circle of aides and lieutenants was not broken up, as claimed in Western and East African intelligence circles, because several educated hands must have contributed to the speech. It was very clearly structured and accessible to a wide public, including opinions many Somalis also have. Not all of his previous speeches have been as clearly understandable.

Abu Ubaydah declared that Ramadan was not only time for worshipping but also time for Jihad, a point made by all Jihadists. They want Jihad to be considered the sixth pillar of Islam, which Islamic dogma rejects.

HEAVY PRICE

Although the US's Africa Command and the Somali government claim that *Al Shabaab* was severely weakened, Abu Ubaydah reminded that, over the last few months, his movement had been able to kill over 100 African Mission in Somalia (Amisom) and Somali soldiers, which is believed to be true. Although Amisom and the foreign press do not talk much about it, skirmishes in Lower Shabelle and Lower and Middle Juba have exacted a heavy price on the international force this spring.

Abu Ubaydah had predictable

words for President **Mohamed Abdullah Mohamed 'Farmajo'**, repeating Farmajo's own admission that the Somali National Army does not know what it is fighting for. Somali officials often say that one of the main differences between the two sides is that an SNA soldier fears that if he kills an *Al Shabaab* fighter he may go to hell, while the latter believe that if they kill a government official, they go to paradise. He could equally have mocked the Baydhabo gathering of federal states in mid-May. They claimed that international resources to build a national army should be given to them, not to a central government that has already failed.

Abu Ubaydah made another important point to support his anti-government stance: he described the diaspora politicians who populate Parliament and the government as mere mercenaries. This point tends to hit home, especially with those resentful at the fact that two-thirds of the 350 taking part in the Consultative Constitution Gathering in Mogadishu are from the diaspora.

The *Al Shabaab* leader also talked about the Gulf crisis and the rivalry between **Turkey** and **United Arab Emirates**, reminding them that *Al Shabaab* cursed both their houses. Turkey is a NATO member and the UAE ruler is a close friend of US President **Donald Trump**. Neither country, in his view, could be called Islamic or be said to support the interests of the Somali population. He confirmed that their assets are targets, echoing a statement by Sheikh **Abdi Asis Abu Musab**, a spokesman of the military wing of *Al Shabaab* a few days before. ●

MOZAMBIQUE

An untimely death

The Renamo leader's demise is an opportunity for the party to re-invent itself but Frelimo could still abandon reconciliation

The opposition *Resistencia Nacional Moçambicana* (Renamo) is going through a difficult rebalancing act in the wake of the death of its leader, **Afonso Dhlakama**, on 3 May. In the run-up to next year's general election, the party could emerge as a more credible political opposition if it plays its cards right. The ruling *Frente de Libertação de Moçambique* (Frelimo) has much to fear if Renamo can do so and exploit the government's responsibility for the disastrous US\$2 billion hidden-loans scandal and subsequent economic crisis.

Renamo's future is not clear because Dhlakama held policy and the reins of leadership close. Old-guard former guerrilla fighter **Ossufo Momade** became leader, chosen by the party over Secretary General **Manual Bissopo**, who was no longer on close terms with Dhlakama. The key question is whether Renamo sticks with the old military guard or chooses a leader with broad appeal capable of wooing Frelimo voters. The deep division between the party's military and parliamentary wings has widened since Dhlakama's death.

Based in the bush, Dhlakama was able to keep control of the military wing and bring some unity between the two sides. Momade, who is now in Parliament and based in the capital, has been long out of the bush and is physically and ideologically further from the military group, whose role was essentially destabilisation.

The negotiations between President **Filipe Nyusi** and Dhlakama were meant to lead to a role for the Renamo fighters in the state military as part of talks for a lasting peace. Dhlakama personally controlled all aspects of the peace negotiations with Nyusi. Now, Renamo needs a strong leader who can both capitalise on the widespread discontent with Frelimo and the failure of the third party, and Renamo splinter, *Movimento Democrático de Moçambique* (MDM) to establish itself as a real contender.

NO WORSE TIME

Frelimo is pressing hard for the disarming of Renamo's military wing, which is reluctant to give up its remaining trump card without a final, guaranteed settlement. Renamo may give up some weapons as a gesture. But Dhlakama's death has left all this

a matter of speculation. Those close to the talks say Dhlakama 'couldn't have died at a worse time'. The national army doesn't want the Renamo soldiers, and the latter still don't feel there have been enough concessions or rewards to warrant them giving up their guns.

Plans for decentralisation and devolution have continued to move ahead, although many see Frelimo gaining just as much as Renamo. In his last interview before his death, Dhlakama said it was not Renamo's proposal to appoint governors. On 22 May Parliament agreed in principle to the constitutional amendments needed to revise local government structures, although Dhlakama still had some key points outstanding at the time of his death.

The main change is that governors, mayors and district administrators will no longer be elected, a move suspected to have been designed in part to shut out the MDM. Under the current plan, the party that polls the most in a province, district or municipal assembly gets the jobs. But the individuals will be picked by their party leaderships. The consequences for the concept of democracy have been little commented on.

SWISS ROLE

The government of **Switzerland** has been playing a quiet but central role in the negotiations, organising and bankrolling the talks between Nyusi and Dhlakama since last October, and intends to stay involved. There is talk of the Swiss providing a package of \$40 million for the peace process, with contributions already pledged by other donor countries. The Swiss ambassador earned the trust of both Dhlakama and Nyusi, and we understand that it was he who was called when Dhlakama's illness became critical. The Swiss chartered the helicopter which picked up Dhlakama from his Gorongosa hideaway to fly him to **South Africa** for treatment, and smoothed over the problem of the Renamo leader not having a passport, even though this did lead to some delay.

No Swiss help, however, has been forthcoming to Frelimo in relation to its \$2 bn.-shaped problem. The second-largest Swiss bank, Credit Suisse, came under fire for its role in the loans

scandal. At London's Chatham House on 17 April Nyusi called out the banks, saying, 'on that side there was no perception that this was much too much money to give to a poor country, and there are no rules. This responsibility must be shared.' Nobody has offered any evidence, however, that the Swiss support for the peace talks is the result of guilt at the behaviour of its financial institutions.

Pressure on all banks to reveal more about the hidden loans continues, and the economy limps along. The government still hopes the gas sector will come to its rescue, despite being reminded of the weakness of prices and the very long lead time for liquefied natural gas capital works. The private sector is sceptical. The best estimates so far are that the state will receive little meaningful revenue from gas until the late 2020s, even 2030.

BONDHOLDER GLOOM

Government is trying to close a deal on a \$2 bn. package of financing for state petroleum company ENH, which has been under discussion for some years and will require a sovereign guarantee. Although the risks of ENH defaulting and payment falling to the Treasury rather than from gas revenues are considered extremely low, it still adds another \$2 bn. in sovereign-guaranteed debt to Mozambique's already heavy books. This does not sit well with bondholders, who recently rejected Finance Minister **Adriano Maleiane's** proposal to restructure the Mozam bond along with the Proindicus and MAM debts (AC Vol 58 No 3).

They do not see why they should take a hit when they are also being asked to wait until the end of the decade for repayment, while the government issues yet more bonds. Bondholders told AC that they believed part of the reason for the restructuring talks was to allow the government to move ahead with the ENH loan, which is difficult while it remains in sovereign default.

There was talk of further negotiations with creditors at the Spring IMF meetings in April in Washington DC but nothing came of it. Despite Maleiane's usual optimistic promises of resolution coming from the meetings, the outcome was more confusion and denial from the Mozambican government. On 16 May Maleiane told Parliament that 'everything was clarified' as far as IMF was concerned regarding the secret debt, and that it would not be requiring further information. In fact, the Fund still insists on the need for Mozambique to fill the information gaps before any progress can be made towards re-engagement.

Government still seems to confuse the fact of holding an audit with the question of whether the audit has been successfully completed. It has not. The IMF still needs the information, and local businesspeople and economists wish the government would comply. Yet it is still trying to pass the buck. The Attorney General, **Beatriz Buchili**, told Parliament recently that she had put information requests to seven countries

that are thought to have information relating to her office's enquiries into the hidden loans, and only one responded. AC understands that this was the **United Kingdom**, and more recently the **Netherlands**, but the requests may not have been of a kind the countries could have answered.

The government's tactic of muddling through on the back of propaganda and excessive domestic borrowing is

likely to come unstuck because the inputs that keep public services alive are lacking. The population is already suffering from hospitals running out of medicines and equipment, not being able to operate ambulances because they have no money for fuel, and public utilities like electricity and water are running on fumes because the government won't pay its bills. ●

SOUTH AFRICA

This land may be your land

The President may be carrying all before him, despite resistance from his predecessor, but the land issue could derail him

President **Cyril Ramaphosa's** personal approval ratings are at 76% and his handling of the economy has the nod from 82% of South Africans. The Democratic Alliance leader, **Mmusi Maimane**, facing challenges from within his party, was able to muster support from only 20% of respondents in the recent opinion poll by Ipsos. But business confidence is sagging close to levels during the closing stages of **Jacob Zuma's** presidency late last year. This is despite a 10% surge in the value of the rand when Ramaphosa took office in February (AC Vol 59 No 4).

'Ramaphosa is the victim of raised expectations because of who he is and what he has achieved thus far,' said a political analyst. 'The crowd is baying for more.'

Crime levels are rising and health and education standards are falling in several provinces, particularly those contested by forces loyal to Zuma: the Northwest, KwaZulu-Natal and the Free State. However, the President has made progress with the sacking of obstructionist ministers and officials such as the head of the South African Revenue Services (SARS), **Tom Moyane** (see Pointer), and **Supra Mahumapelo**, former premier of the Northwest province.

UNDER NEW MANAGEMENT

Meanwhile, Minister of Public Enterprises **Pravin Gordhan** has made great strides in replacing the leadership of ailing state institutions including the electricity supply commission, Eskom, the national carrier, South African Airways, the arms manufacturer, Denel, and the transport giant, Transnet (AC Vol 59 No 5).

The revision of the Mining Charter

which would increase the black ownership quota is also being fast-tracked but has run into difficulty over the issue of whether or not companies have to create new 'empowerment' shares if the previous black owners have sold their stock. Mining Minister **Gwede Mantashe** has appealed against a court ruling that companies do not have to create new stakes after 'black' shares have been sold.

New investments in mining, gas and manufacturing are on hold as long as there are question marks over property rights and uncertainty about the outcome of the ANC's policy on land. This threatens to remove one of the most sacrosanct rights in the constitution by imposing the expropriation of land without compensation – or EWC, as the policy the ANC only adopted at its conference in December, is known (AC Vol 59 No 1).

Ramaphosa's allies are working around the clock to deliver on his oft-repeated promise to effect fundamental land reform without damaging the economy while also ensuring continuity of food security and increasing agricultural productivity.

'It's three steps forward and two steps back,' said an exasperated presidential advisor working on the land issue. Although whites account for only 8% of the population, white farmers own some 72% of farmland and most of the country's land was reserved for whites first through laws adopted in 1913, 1933 and then under apartheid laws in the 1950s and 1960s.

The state owns 20% of the land but successive ANC governments have done little to address an imbalance which has become synonymous with the injustice of apartheid, settling, instead, for symbolic land restitution rather than

tackling the much bigger and emotional issue of land distribution.

Leaders of all parties, and the country at large, are coming to accept that sweeping change on the distribution and use of land is inevitable: the question is whether it takes place in an orderly and constitutional way or via Zimbabwe-style land grabs.

Veteran analysts such as Oxford-educated historian **R.W. Johnson** believe the land issue could tear the ruling party apart. The combined forces of pro-Zumaists in the ANC and firebrand **Julius Malema's** Economic Freedom Fighters appear determined to push the ANC into changing section 25 2(b) and 3 of the constitution which allows for 'just and equitable' compensation by the state for land required for 'public purpose and interest'.

ANC moderates, including former Constitutional Court judge **Albie Sachs**, argue that the constitution's current provisions on land have never been tested and are adequate to effect wide-scale urban and rural land reform in favour of black South Africans if the political will is there.

RADICALS RISING

Successive ANC governments have dodged the issue and settled for symbolic land restitution rather than tackling the much bigger and emotional issue of land distribution. At last week's first ANC land workshop since the party adopted its EWC policy, radical elements settled for a muddled compromise after appearing to gain the upper hand on constitutional change.

The ANC has also called for a parliamentary committee to conduct a review if it is found that the constitution's provisions on expropriation are ambiguous or impede effective land redistribution.

In the meantime, Ramaphosa's international reputation is growing. In London, he received a £50 million injection to build the country's investment potential and veteran World Economic Forum funder **Klaus Schwab** has hinted that the influential world club will throw its weight behind Ramaphosa by canvassing investors.

Ramaphosa told South African editors that Schwab has offered to bring 100 business people to South Africa for a round-table on investment later in the year.

‘Although the international investor community is still cautious about new investment it is beginning to buy into Ramaphosa’s narrative and his strategy to revive the country’s ailing economy,’ said a City of London analyst.

Ramaphosa sought to re-assure investors and the **British** Prime Minister, **Theresa May**, that the ANC’s support for a parliamentary resolution by Malema’s EFF to amend the constitution to allow EWC, would not be allowed to damage the economy. His message was backed up by other officials in his entourage including Trade and Investment Minister **Rob Davies** and deputy Finance Minister **Mondli Gungubele** in a meeting with investors.

‘The choice we are facing is the uncertainty of not doing anything about the land issue,’ Gungubele told investors ‘and the lesser uncertainty of doing something in order to retain control of the process and the outcomes.’

Speaking at a peace summit organised by the Tutu Foundation in the UK, former President **F. W. de Klerk** said he had confidence in Ramaphosa’s leadership and was sure that he would stand by his promises on land reform.

Ramaphosa has made it clear that

he will have to balance his strategy to revive the economy with growing populist demands for free education, reforms promoting land equality and greater black ownership of the mines.

‘Rural land has become the focus of the land campaign,’ said a government advisor. ‘But the real issue is urban land.’

‘VACUOUS HOPE’

Not everyone is convinced by the new President. ‘South Africa needs to wipe away narratives of miracle and hope,’ said activist **Sizwe Mpofu-Walsh** in a debate on the anniversary of the Sharpeville massacre last month. He said that the myth of the ‘rainbow nation’ has been replaced with ‘vacuous hope’. ‘Ramaphosa’s new dawn looks more like an old-age home,’ he said referring to the average age of cabinet ministers.

Before leaving for London in April, Ramaphosa committed his government to raising \$100 billion in new investment over the next five years. He appointed four senior trade and investment envoys led by respected former Finance Minister **Trevor Manuel** and including former deputy Finance Minister **Mcebisi Jonas**, a whistle-blower in the Gupta gate corruption scandal, **Jacko Maree**, a former chief executive of Standard Bank, and **Phumzile Langeni**, a leading business person. **Trudi Makhaya** has been appointed as economic advisor to

Ramaphosa, and will co-ordinate the envoys.

The investment envoys are expected to embark on a series of road shows to priority target countries which include the UK, **China**, **Germany**, **France**, the Nordic countries, the **United States** and **Canada**, and the European Union. French President **Emmanuel Macron** is said to be eager to host Ramaphosa in Paris. *Africa Confidential* understands that the envoys have already told South African ambassadors in the target states to lobby the heads of government and ensure that the South African investment drive is clearly heard.

CONFERENCE CALL

Ramaphosa has signalled that he will convene an investment conference later in the year, likely to take place in September or October, which will target both foreign and domestic investors.

That is likely to fall on receptive ears in Europe, where a Brussels source told AC that the time is right for a major EU-SA initiative to help Ramaphosa rescue an economy which has been severely damaged by nearly a decade of Zuma rule.

‘I think it is an opportune time to be lobbying European governments – particularly France and Germany – to come forward with a major investment plan for South Africa as the EU did during the final decade of the apartheid era,’ he said. ●

ETHIOPIA

All things to all factions

The new premier plays a clever game of balancing competing interests – but bringing the corrupt to book is not on the agenda

P rime Minister **Abiy Ahmed** has been boosting his reputation as a crowd-pleaser with government actions which have delighted a **Saudi** tycoon, youthful demonstrators, opposition leaders, jailed executives and even the widow of his predecessor, **Meles Zenawi**.

Yet he could not satisfy one powerful stakeholder – **Aliko Dangote**. Gunmen shot dead the **Indian** manager of the Nigerian billionaire’s local cement plant and two Ethiopian colleagues in Oromia on 16 May. The ambush in broad daylight followed a labour dispute at the Dangote factory and served as a shocking reminder to investors of the risks which came in the wake of the wave of communal protests which Abiy rode into power.

The rehabilitation of Zenawi’s widow, **Azeb Mesfin**, was in the form of her appointment to the board of a military-run strategic engineering conglomerate, the Metals and Engineering Corporation (MetEC). At the same time, corruption charges against business leaders and former customs bosses were dropped. Possibly, this is an attempt by Abiy to ward off internal threats by wiping the slate clean for everyone. The other moves seem to stem from a desire to gather broad support by enacting democratic reforms.

They included the pardoning on 26 May of **Andargachew Tsige**, a **British** citizen of Ethiopian origin held since 2014, when he was kidnapped from **Yemen**. He was the deputy leader of Patriotic Ginbot 7, which the Ethiopian

government classes as ‘terrorist’. Although many political prisoners have been freed this year, there had been no indication until Abiy’s election that Andargachew would be among them, partly because Ginbot 7 is engaged in an active, though weak rebellion, using bases in Eritrea.

Abiy also invited a delegation from the Oromo Democratic Front (ODF), including its leader **Lencho Lata**, to Addis Ababa for ongoing talks. The exiled party is a faction of the Oromo Liberation Front (OLF), which also uses Eritrea as a base. The OLF was allied with the Tigrayan People’s Liberation Front (TPLF) during the war against the Derg military regime but after victory the two insurgent groups turned against each other. All these conciliatory measures suggest there may be a genuine opening for the opposition, though its shape is not yet clear. The next parliamentary election is due in 2020.

On 18 May, Abiy jetted off to Riyadh, where he emerged from a meeting with Crown Prince **Mohammed bin Salman** (aka MBS) with news that **Mohamed Al Amoudi**, the Ethiopian-born Saudi

billionaire who controls the MIDROC Group would soon be released (AC Vol 59 No 9). Nothing has been heard about Al Amoudi since he was detained in the kingdom's anti-corruption swoop in November. The presumption is that the struggling industrialist, whose Moroccan oil refinery Samir is bankrupt, has been haggling with MBS. Abiy secured further pledges from Saudi Arabia to release about 1,000 Ethiopians jailed after moving there for work unlawfully.

PROTEST PRESSURE

Highlighting the competing influences on the 41-year-old premier, 10 days earlier his government, under pressure from protesters, had suspended the renewal of MIDROC Gold's licence to operate Ethiopia's only commercial gold mine, in Guji Zone, Oromia. The Lege Dembi mine has been a reliable source of revenue for Al Amoudi since it was privatised in the mid-1990s.

The Dangote Cement killings, which can be considered collateral damage from the disturbances, may be linked to a dispute with truck drivers over pay and the use of employment agencies. Several Oromo protests have featured demands for the employment of local people over others, or for the commissioning of local businesses over 'outsiders'. However, the outspoken leader of Oromia's Youth and Sports bureau, **Milkessa Midega**, accused some of Abiy's shadier opponents of carrying out the attack to undermine

his leadership.

That type of allegation is often directed towards individuals connected to the TPLF, which has lost ground to Abiy's Oromo People's Democratic Organisation (OPDO) in recent months (AC Vol 59 No 8). In changes in the Tigrayan party late last year, before the switch of national leadership, Azeb was removed from the Politburo and from her position as Chief Executive Officer of the TPLF-linked Endowment Fund for the Rehabilitation of Tigray (Effort) group of companies (AC Vol 42 No 9). Unlike her austere late husband, Azeb is perceived to be a lavish spender who has benefited financially from her powerful position. That did not deter Abiy from appointing her to the board of MetEC, which is subject of major corruption allegations (AC Vol 59 No 9). Chairing the new MetEC board is **Ambachew Mekonnen**, the Minister of Industry and a leading light of the Amhara National Democratic Movement (ANDM). He replaces **Demeke Mekonnen**, the ANDM's leader, who had only been in the job for six months (AC Vol 59 No 7).

AMNESTY STRATEGY

Another bold move was to drop corruption charges against the former Director General of the Ethiopia Revenue and Customs Authority, **Melaku Fenta**, and his deputy, **Gebrewahid Woldegiorgis**. Both men have endured tortuous judicial proceedings since their arrest five years ago. Finance Ministry officials detained

last year for minor misdemeanours were also released on the orders of the new Attorney General, **Berhanu Tsegaye**, who is an OPDO member. So were a host of business leaders.

The pardons and releases are unlikely to impress the opponents of the umbrella Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) whom Abiy has been reaching out to. Rather, they seem geared towards a fresh start and possibly recreating rivalries within the TPLF, as Gebrewahid and some of the released businesspeople were said to be close to Azeb. Also in May, **Sebhat Nega**, a TPLF founder and rival of Azeb's, stepped down from a government foreign policy think tank. Sympathetic commentators saw the amnesties as a reasonable strategic move by Abiy, but time will tell how successful he can be at seeing off EPRDF rivals with this type of manoeuvring. Many TPLF leaders, including the well-connected Sebhat, were said to be fiercely opposed to his ascension, accusing him of piggybacking on an anarchic protest movement.

There is much to welcome in the approach taken by Abiy, who has directed the EPRDF away from a self-destructive trajectory and shown great energy and aspiration. But as well as placatory gestures, Ethiopia needs a new era of democratic governance in which the political elite are held to account for their actions. There has been scant sign of that so far. ●

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POINTERS

South Africa

MOYANE SPOILING FOR A FIGHT

■ **Tom Moyane**, the controversial former head of the South African Revenue Service (SARS), is pushing back against his suspension by President **Cyril Ramaphosa** by employing some of the country's best lawyers and trying to turn an unfair dismissal hearing into a trial which puts Ramaphosa in the dock.

Moyane, one of ex-President **Jacob Zuma's** key allies in the 'state capture' drama with the Gupta family, was suspended for re-instating his allegedly corrupt deputy **Jonas Makwakwa** and lying to Parliament (AC Vol 58 No 1).

In a battle that has been raging for two months, Ramaphosa hit back at Moyane after the former SARS chief turned down a six-month and then 12-month salary settlement worth 3.4 million rand (US\$270,000). Moyane also insisted that Ramaphosa pay his legal costs.

Ramaphosa has rejected every demand made by Moyane apart from granting a request that the judge dealing with the internal inquiry, Justice **Kate O'Regan**, recuse herself due to a conflict of interests. O'Regan is associated with Corruption Watch, a civil society organisation that has previously called for Moyane's criminal prosecution. Ramaphosa agreed to the appointment of a new judge while stating he had every confidence in O'Regan's objectivity.

Guinea

CONTÉ'S LONG SHADOW

■ **Ibrahima Kassory Fofana** is not merely Guinea's new prime minister. His appointment by President **Alpha Condé** marks a return of the cadre of politicians who came to prominence under the regime of President **Lansana Conté**, the putschist who later introduced multi-party democracy.

Fofana's was National Investment Director and then Administrator of *Grands Projets* until 1996, the year **Sidya Touré** became Prime Minister and vowed to clean up the unaccountable mess Conté's government had become. Touré lasted three years; Fofana stayed on, replacing him as Minister of Finance before he too fell out with Conté and moved to the **United States** in 2000. Another operator was in the ascendant and eventually became Prime Minister: **Cellou Dalein Diallo**, now leader of the opposition.

Diallo said laconically of Fofana's appointment: 'He's a friend. We will judge him on his performance'. Touré's *Union des forces républicaines* (UFR) let

it be known that it would not participate in the new cabinet, and the UFR's **Mamadou Billo Sy Savané** denounced Fofana's appointment, arguing that he is 'incompatible with the fight against corruption', a reference to accusations of financial impropriety which have never been proved.

Fofana cherishes his image as a technocrat determined to get things done. He won a ringing endorsement from **Kerfalla Person Camara**, the construction baron who is a friend of Condé and the main financier of his party, the *Rassemblement du peuple de Guinée* (RPG – AC Vol 51 No 11). Fofana's first test is another nationwide strike by teachers (AC Vol 58 No 5).

Fofana has folded his own political party into the ruling RPG. Political commentators believe that Condé put Fofana in as premier to prevent him running for the presidency. This sounds like the starting gun for the 2020 presidential election, with three former Conté ministers (Fofana, Diallo, Touré) all fancying their chances and the late President's main adversary, Alpha Condé, still sounding undecided about whether to go for that third term or not (AC Vol 58 No 2).

Africa/EU

MIGRATION CLOUDS TREATY HOPES

■ Arguments about migration could scupper the successor to the Cotonou Agreement – the treaty governing relations between the European Union and 78 African, Caribbean and Pacific countries – before talks even begin. Negotiations on a new treaty to replace the agreement struck in 2000 which expires in 2020 are supposed to begin in August. The European Commission published its draft negotiating mandate in December, and EU development ministers were expected to sign off on it at a meeting on 25 May.

Hungary, however, has blocked EU consensus, which is necessary for talks to begin, by insisting on the treatment of would-be ACP migrants who are not granted leave to remain in Europe to be substantially toughened up in the negotiating mandate. Hungary has been standing in the way of EU-wide quotas for resettling migrants from North Africa and the Middle East for the past two years.

The EU has already signalled its intention to prioritise migration control in the next pact by conditioning future aid and financial investment on African countries doing far more to control their borders (AC Vol 59 No 7). But officials fear that setting hard conditions, as Hungary demands, before talks even begin could lead to an unbridgeable gap between the parties.

The EU is also extremely sensitive

to the charge that its development policy objectives have been hijacked by immigration control policies.

'Cooperation with Africa goes far beyond migration,' said Commission President **Jean-Claude Juncker** following a meeting with AU counterpart **Moussa Faki Mahamat**, in Brussels on 23 May.

Faki wants the African Union to become a negotiating partner with the EU, a right it does not currently have, which would involve Africa separating itself from the ACP bloc.

Obituary

ELY CALIL, 1945-2018

■ When **British** newspapers decided that Ely Calil was the mysterious architect of a spectacular failed mercenary operation to topple the government of **Equatorial Guinea** in 2004, the only photo they could find was a grainy, 30-year-old wedding photo of a serious-faced young man in a 1970s tuxedo (AC Vol 45 No 6). Calil died in his London house on 30 May.

The Godfather-style image of a man who spent a career in the shadows behind the very public lives of some of Africa's leading characters in politics and business was on point. Born in Kano in northern **Nigeria** in 1945, the son of a wealthy **Lebanese** trader, Calil rose to become the *capo di tutti capi* of intermediaries, the fixers' fixer.

It was Calil's role as confidant to General **Ibrahim Babangida**, Nigeria's military ruler from 1985-93, that saw his wealth and influence spiral (AC Vol 39 No 25). Later, he became an advisor to President **Abdoulaye Wade** in **Senegal** (2000-12) and friend of President **Denis Sassou-Nguesso** of **Congo-Brazzaville**. From his grandiose office next to the **United States** Embassy in London, Calil ran an unrivalled social network boasting a comprehensive cast of ministers including Lord **Mandelson**, bankers, businessmen, advertising tycoons and public relations gurus such as Lord **Tim Bell**.

Having tried to push a rival LNG scheme in Nigeria for 20 years, he knew all about the tactics used by **Dick Cheney's** Halliburton to win business there, which eventually saw the US company pay over \$500 million in fines. The failed putsch in Equatorial Guinea was his low point, not least because of the comic-opera character of the plot and its protagonists. After that Calil reinvented himself as an anti-corruption sleuth, using his insider knowledge of the oil trading business to assist prosecutors tracking down malefactors with considerable success. It was a strange coda for a man who had made a fortune from one of the world's most opaque businesses, oil trading in Africa.

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BLUE LINES

How seriously to take the 12 June statement by Bruno Tshibala, Congo-Kinshasa's Prime Minister, that President Joseph Kabila will not seek a third term in elections due in December? Such announcements might deflect foreign pressure on Kabila to leave power in December.

Unfortunately for Monsieur Tshibala, his word is not law in Kinshasa. He serves at the pleasure of President Kabila but now wants to run for the top job.

Kabila may have promised Tshibala that he won't stand but his actions indicate otherwise. His own ruling alliance in parliament has named Kabila as its 'moral authority' which suggests that he will either be its candidate in the elections or decide who is. Across the country, posters appear lauding Kabila's achievements: they look suspiciously like election posters.

The Kabila government's success in pushing through higher taxes and royalties on the mining companies (see page 5) has boosted its popularity. Some in Kinshasa say that Kabila will back his close ally, Albert Yuma, Chairman of the state mining company Gécamines, for the presidency but retain heavy political influence.

Kabila may be encouraged by the state of the opposition. The release of veteran politician Jean-Pierre Bemba by the International Criminal Court on 13 June allows him to run for the presidency, further dividing an opposition torn between support for Félix Tshisekedi and the former governor of Katanga, Moïse Katumbi.

ZIMBABWE

How to fix a coalition

With an independent opinion poll forecasting a surprisingly close result, talk of a power-sharing deal gains ground

Many questions that could determine the credibility of the national elections, now due on 30 July, remain unresolved in what is set to be the most important vote in a generation (AC Vol 59 No 2). Confident predictions within the ruling Zimbabwe African National Union-Patriotic Front that it would sweep the board have given way to talk about the possibility of a national – or power-sharing – government after the elections. Some insist that talks between ZANU-PF and its opponents have already started.

Not only will what happens in these elections shape the legitimacy of the incoming government, it will determine Zimbabwe's chances of striking a deal to restructure its US\$10 billion-plus foreign debt and pull in substantive new investment. A source close to the government described the elections as 'necessary theatre' which would be followed by serious negotiations among all the main parties.

Having sold itself to the world as open for business and to international election observers, President Emmerson Mnangagwa's government seems weirdly uninterested in addressing the main challenges that will determine the legitimacy of the vote. Civil society's concerns about the transparency of the exercise are batted back and forth between the Zimbabwe Electoral Commission and the government, neither side wanting to take responsibility. And although the new constitution approved in 2013 provided for Zimbabweans in the diaspora to vote

and Foreign Minister Sibusiso Moyo said the government would make the necessary arrangements, the idea was quietly dropped.

The constitution also provides for replacement of laws such as the Public Order and Security Act, the Access to Information and Protection of Privacy Act and the Criminal Law (Codification and Reform) Act, which require political organisations to seek permission from the police before holding meetings and protests. These laws criminalise critical comments about the President and the government. To its credit, Mnangagwa's government has not used any of these draconian provisions in the current campaign, but nor has it used its majority in Parliament to repeal the laws. Its failure to do so stokes opposition suspicions.

TRUST ISSUES

Now a list of critical points about trust and transparency in the elections, identified by local activists and international observers, are dominating political debate. On 6 June the opposition Movement for Democratic Change brought about 4,000 on to the streets of Harare to press demands for access to the biometric voters' register and information about the printing and custody of ballot papers. It also claimed that over 2,000 soldiers have been sent to rural areas, the historic stronghold of the ruling ZANU-PF. After the violence wreaked by police, soldiers and youth militia in opposition-supporting areas during the 2008 elections, in which over 100 people were killed and thousands

SOUTH AFRICA	3	CONGO-KINSHASA	5	ETHIOPIA/ERITREA	6	NIGERIA	7	LIBERIA	8
The tail that wags the dog		Making the miners sweat		Pushback peril for Abiy		Militants pick their party		SUDAN	9
In KwaZulu-Natal and elsewhere, the ANC's divisions are deepening ahead of the 2019 polls		Big companies don't know if they'll sue over the new mining code, shut their mines or lump it		Addis's radical border offer is meeting resistance at home and silence in Asmara		In the south-east, new wars are being swapped for old in the run-up to the election		S. TOMÉ E PRÍNCIPE	10
								POINTERS	12

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beaten and tortured, some claim the mere presence of the military could intimidate voters in the countryside.

After the MDC protests, a ZANU-PF march through Harare to show support for Mnangagwa backfired. A few hundred youths showed up but the procession degenerated into a brawl over distribution of party T-shirts. In fact, few expect ZANU-PF to do well in the cities despite the gargantuan posters extolling Mnangagwa's virtues plastered on billboards and public buildings in Harare, Bulawayo, Gweru and Mutare.

The money that ZANU-PF is spending on full-colour posters and mass rallies, with great sound systems and popular DJs, contrasts with the MDC's cost-cutting, grass-roots campaign. The local fuel distribution company Sakunda has been one of the most energetic backers of the Mnangagwa government and its campaign (AC Vol 54 No 19). Opposition politicians talk conspiratorially about an opaque quid pro quo.

Despite these concerns, and the MDC's pledge that it will not allow elections to go ahead unless its conditions are met, all the parties are in full campaign mode. The Electoral Commission says 133 parties have registered. Few of these will meet the requirements to field a presidential candidate – 100 signatures, ten from each of the ten provinces, from registered voters, plus \$1,000.

However, there will be an unwieldy list of candidates on the presidential ballot paper. The proliferation of parties points to political fragmentation and fake parties, set up by the security agencies to divide the opposition.

Many of the parliamentary campaigns are in similar disarray. Days before the Nomination Court hearing on 14 June, the main opposition grouping, the MDC Alliance, had neither finalised its full list of parliamentary candidates nor named all the parties that will run under its banner.

The MDC Alliance must settle several internal problems, and quickly. **Nelson Chamisa's** MDC-T, the lead party in the grouping, is in court

fighting **Thokozani Khupe's** MDC-T over ownership of the party name and logo. After **Morgan Tsvangirai's** death in February, both Chamisa and Khupe claimed that they should inherit the leadership (AC Vol 59 No 4). They are awaiting a High Court judgment over which faction can campaign under the MDC name.

Chamisa has many more supporters within the party but Khupe is being funded externally. Some suspect the money comes from shadowy sources seeking to promote further disarray within the opposition. Although Chamisa draws impressive crowds at every rally, his party primaries have been chaotic and violent, particularly in Harare and Mutare.

Some activists accuse him of using the primaries to purge older stalwarts who came into the party through the trade unions under Tsvangirai. They say Chamisa, 40, favours his peers who entered the party through student activism.

One of the biggest casualties was **Jessie Majome**, one of the MDC's most effective and popular MPs. She was pushed out by a young student leader, **Joana Mamombe**, in Harare West. Some suspect that ZANU-PF and security operatives are muddying the waters, exacerbating the pre-electoral chaos.

DANGEROUS WATERS

The Alliance is also swimming in dangerous waters. It has been negotiating with the National Patriotic Front, a party established by **Jonathan Moyo** and other disgruntled ZANU-PF supporters after the November coup that ousted **Robert Mugabe**. Although the NPF was expected to field the war veteran **Ambrose Mutinhiri** for president, with Mugabe's backing, it endorsed Chamisa's candidacy in the week ending 9 June. Then the NPF started negotiating to join the Alliance: it wanted 73 of the 210 House of Assembly seats, on the grounds that it would bring support from all those ZANU-PF members who still support Mugabe. On 11 June, Parliament dropped a request that Mugabe come to the chamber to testify about claimed losses of \$15 bn. in diamond revenues during his presidency. Suddenly, courting the Mugabe vote has become the top priority for both ZANU-PF and its opponents.

Following its endorsement of Chamisa, the NPF split into two factions. The main branch of the party expelled Mutinhiri and installed **Eunice Sandi-Moyo** (a former deputy chair of the ZANU-PF Women's League); meanwhile, Mutinhiri held a separate

press conference, where he declared himself President and expelled the members who had expelled him.

Yet the opposition has no monopoly on factionalism. The ZANU-PF primaries were just as messy. In previous elections, the ruling party has run a tightly managed campaign, but this year's process to select parliamentary candidates suggests the leadership has lost its grip.

Although a winning faction emerged after the November coup, it has not been able to stamp its authority on the party. Mnangagwa and his Lacoste faction (the sportswear firm's logo is a crocodile, Mnangagwa's nickname) were outwardly triumphant. But the G40 (the grouping of younger members opposed to Mnangagwa) has not been fully purged. Some G40 cells tried to get their candidates elected in ZANU-PF primaries, and in certain cases they were successful.

CROCODILE TEARS

There are also splits within the Mnangagwa-Lacoste faction. Several war veterans lost their seats in the first round of primaries, including **Douglas Mahiya**, **Chris Mutsvangwa** and **Wilbert Sadomba**. War veterans were outraged at the failure to guarantee their seats in return for having supported Mnangagwa in last year's coup.

Mahiya was particularly angry because he was beaten by a nephew of Mnangagwa in Harare South. Mahiya's supporters protested outside ZANU-PF headquarters after the results were released, claiming that the nephew had been imposed on the constituency.

Mutsvangwa had expected to win the nomination to run in Norton, a seat he needs in order to keep his post as an advisor to the President. He lost, and accused the new ZANU-PF commissar, retired Lieutenant General **Engelbert Rugeje**, of failing to control **Webster Shamu**, the provincial minister, whose wife **Constance** ran in the same constituency. Mutsvangwa challenged the eventual winner of the Norton primary, **Langton Mutendereki**, and forced the party to hold a run-off. Faced with such a fiery opponent a second time, Mutendereki withdrew and Mutsvangwa was declared the candidate.

This episode points to the tensions between the military and the party. Before the primaries, it was announced that candidates had to prove that they had served in the provincial structures of ZANU-PF for five years in order to be eligible.

The military saw this as an attempt to exclude them from politics and protested to Commissar Rugeje, who

CHANGE IN THE POLITICAL WEATHER

Support has swung back and forth between the ruling party and its opponents over the past year. The first independent opinion poll, published by Afrobarometer on 7 June, found that 42% of respondents would vote for the ruling Zimbabwe African National Union–Patriotic Front (ZANU-PF), 30% for the Movement for Democratic Change-T, 1% for MDC-T alliance partners, 1% for other parties such as **Joice Mujuru's** National People's Party, while 19% refused to answer and 7% hadn't decided.

Those findings are significant compared to Afrobarometer's poll in July 2017, when 38% of respondents favoured ZANU-PF and just 16% MDC-T. Over the past nine to ten months (the latest research was done in April and May), the respondents raised their support for ZANU-PF by 4 percentage points and for the MDC by 16. Even with all the caveats opinion polls require, it shows substantial opposition gains under tough conditions.

The military's Operation Restore Legitimacy, which ousted President **Robert Mugabe** and encouraged hundreds of thousands to demonstrate support for the coup, had revived ZANU-PF. The death of the MDC's founding leader **Morgan Tsvangirai** on 14 February shifted the dial again. His successor, **Nelson Chamisa**, 40, who won an ugly struggle to get the party's presidential nomination, is an energetic and populist campaigner (AC Vol 59 No 4). His speeches in Shona – mock courtroom advocacy meets evangelical call and response – are proving hugely popular compared to the leaden delivery of ZANU-PF's top team.

But people don't turn up just for the speeches. At ZANU-PF rallies, there are free T-shirts and party regalia with good local bands and DJs. The cash-strapped MDC can't compete with that.

More importantly, the Afrobarometer survey shows that Chamisa is making far less headway in the countryside, where over 60% of voters live. It found 27% of people there trusted Chamisa compared with 58% who trust Mnangagwa. That suggests that ZANU-PF maintains its historic advantages in the countryside: influence over traditional leaders, control of distribution of food aid and farm inputs, redistribution of land to loyalists, and the fear factor worsened by deployments of soldiers.

Most people in the countryside get their political information from the state-run Radio Zimbabwe and traditional leaders who, until a court ruling, were openly telling their subjects to vote for ZANU-PF.

According to Afrobarometer, the corollary of the MDC's poor rural support is its strong urban backing, currently at 53%, compared to 26% for ZANU-PF. Two other important indicators: 62% of respondents in urban and rural areas believed the country was going in the wrong direction and 71% rejected any form of military rule. That is sobering for a ruling party widely seen as having been rescued by the army. ●

retired from the army after the coup to take up a party position. Accordingly, he lifted this stipulation for military candidates, causing much resentment in other sections of the party.

After the multiple disputes over the ZANU-PF primaries, it emerged that only 28% of the successful candidates are already MPs. As such, whatever happens in July, the make-up of Parliament will change drastically.

Besides the turnover in Parliament, there will be deep changes in the government and how it rules regardless of the vote's outcome. This is not just because for the first time in nearly 40 years Mugabe's name will not be on the ballot paper, but because of fluidity within the parties, and unexpected opportunities and alliances. Day by day, as the opposition campaign gathers momentum, the result seems

ever less predictable.

Few in Harare predict that senior military officers, having risked their lives to effect what they claimed was a 'military-assisted transition' in November, would countenance handing power to the opposition. But insiders are talking about a 'negotiated' outcome. One particularly well-informed wit suggested it could be called an electorally assisted coalition. ●

SOUTH AFRICA

The tail that wags the dog

In KwaZulu-Natal and other key provinces, the ANC's divisions are deepening ahead of the 2019 elections

Making his second appearance in a KwaZulu-Natal (KZN) court at a short hearing on 8 June to face 16 charges of fraud and corruption, former President **Jacob Zuma** looked a grim and isolated figure. Once again, his lawyers called without success for the charges against him to be dropped.

From now on, the main weight of Zuma's fightback against the charges will be political, not legal. He was met outside the court by a large crowd of supporters, including a cluster of sacked cabinet ministers. One of the most notable figures present was **Supra Mahumapelo**, ousted from his position

as Premier of North-West Province last month after the government intervened to calm a popular uprising (AC Vol 59 No 9). Mahumapelo remains Chair of the African National Congress in North-West, mainly because the party cannot agree on who should replace him.

On the same day as Zuma's court appearance in KZN, a bigger drama was playing out for control of the province's branch of the ANC. This is a crucial matter for the party and the government. KZN has more ANC members than any other province and its cadres grew in power and influence under Zuma's presidency.

They have lost out badly since **Cyril Ramaphosa's** victory in ANC elections in December and his subsequent takeover of the state presidency in February. Although KZN is Zuma's political base, it is as divided as the other provinces. ANC branches in the province are split between Zuma supporters and supporters of his opponents such as ANC National Chairman **Gwede Mantashe**, Police Minister **Bheki Cele** and other allies of President Ramaphosa. In the ensuing clashes of partisans at least one party loyalist has been shot dead.

Since the courts ruled in September that the KZN Premier **Sihle Zikalala**, a Zuma loyalist, and his commissioners were not legitimately elected in 2015, there has been a battle over how to install a new local government. For now, the province is run by an interim committee, which includes Zikalala and his erstwhile rival **Mike Mabuyakhulu**.

Ramaphosa supporters have been trying to cobble together a wide-ranging team from all the factions.

FLOATING AN EARLY POLL

The leadership of the ruling African National Congress is divided over whether to call early elections. Polls must be held by August 2019, but some of President **Cyril Ramaphosa's** supporters in the leadership believe that by then the surge of goodwill that greeted him as he succeeded **Jacob Zuma** and the campaign against state capture and corruption may be gone. The opposition is currently on the back foot, with internal party battles interfering with the Democratic Alliance's poll preparations and the Economic Freedom Fighters searching for a role now that they are bereft of Zuma as a target (AC Vol 59 No 4). The ANC's electoral war chest is ready, and the party has appointed former Police Minister **Fikile Mbalula** to run the campaign.

However, some ANC leaders insist there will be no rushing to the ballot box. ANC Secretary-General **Ace Magashule** has been at pains to say that the party will not call an early election but opposition parties are making the most of the parliamentary recess to build support in their rural constituencies (AC Vol 59 No 8).

One opposition MP gave *Africa Confidential* reasons for disbelieving Magashule: 'Firstly, we are having an extended ten-week constituency session from the end of June to August. We have also heard that in 2019 the State of the Nation address will be delivered at the beginning of February, then [Finance Minister] **Nhlanhla Nene** will deliver the 2019/2020 budget a week later and then Parliament closes. What this means is we have to prepare ourselves for an early election.' The national and provincial legislatures close on 7 May 2019, and an election must take place within 90 days but there is no reason the government cannot call a poll earlier.

Another group in the ANC says the party is too split to benefit from an early election, with chaos in the provinces of Free State, Limpopo, North West and especially in KwaZulu-Natal (AC Vol 59 No 9).

The Inkatha Freedom Party of **Mangosuthu Buthelezi** has taken advantage of the ANC's disarray to make serious inroads in Zuma's home province and recently won several by-elections. The IFP now runs half of all KZN municipalities and believes it could wrest the province from the ANC in 2019.

There is also worry that the Electoral Commission, is not ready to hold an early election because it has still not finished working on the electoral register. ANC opponents of an early poll also fear Zuma supporters in the provinces could exploit it. Opposition parties say they expect Ramaphosa to announce the election date after the last voter registration weekend in November.

In 2014 the ANC won 62.15% of the total votes, the DA received 22.23% and the EFF 6.35% (AC Vol 55 No 10). ●

They made progress at the top level in the provincial administration but came under fire, sometimes literally, in the party's branches in the province. Another sticking point was that Zuma was insisting that his nephew **Super Zuma** must remain ANC Secretary of KZN, a critical position in the provincial structure. Ramaphosa supporters wanted provincial spokesman **Mdumiseni Ntuli** instead.

With the factions on a collision course in the lead-up to the KZN elections, some Ramaphosa supporters won a court interdict suspending the special conference following breaches of rules and procedures. This followed weeks of threats, political violence and branch purges of anti-Zuma members.

Zikalala and Zuma miscalculated. Having pressed for total victory in the provincial elections, they are now being blamed for a collapse of the conference on the weekend of 9 June. In an unprecedented move, Zikalala apologised to the ANC leadership for the breakdown.

His apology was directed mainly at

ANC Chair Mantashe, whose attempts to address the opening of the conference on Friday 8 June were drowned out by singing and booing from Zuma loyalists. Ramaphosa's allies saw it all as part of a wider plan. 'It is nothing short of a mutiny that Zuma and those supporting him are planning,' a Ramaphosa advisor told *Africa Confidential*.

Similar conflicts over the leadership of the Free State and North West have reopened struggles within the party (AC Vol 59 No 7). It is more about personalities – Zuma versus Ramaphosa – and differing political styles than policies and ideology, though Zuma's backers claim he is a true African nationalist and Ramaphosa far too close to international capital.

The risk for the ANC is that these quarrels will persist and the party will fight elections next year as a divided house. It is hugely important for Ramaphosa that the ANC should not only win next year's elections comfortably but reverse the decline in its share of the vote under Zuma's leadership.

Much depends on the next move by Zuma and his KZN allies. If they refuse

to compromise over the composition of the provincial government, they would clash directly with the national ANC. That could trigger a devastating regional split.

Some in Zuma's camp want to encourage activists outside KZN to vote for opposition parties and so deny the ANC a majority. That could force a coalition, further elevating the position of KZN in national politics.

An ANC source tells AC that the second phase of Zuma's fightback strategy is to forge an alliance with the Zulu monarch **Goodwill Zwelithini** on the status of Zulu lands. King Goodwill has already warned Ramaphosa not to interfere with the arrangements that vest power over almost half the land in KZN in the Ingonyama Trust. This trust is at the centre of the king's patronage and power.

Although Zwelithini has maintained cordial relations with the ANC, he is determined to thwart the government's plans to dissolve the trust. In this, he finds common cause with Zuma, a strong Zulu traditionalist.

A high-level ANC committee on land distribution, led by the former President **Kgalema Motlanthe**, recommended a 'review' of the Ingonyama Trust and similar arrangements. It proposed removing ownership of the land from traditional leaders and transferring title from the state to their subjects.

BANTUSTAN PLAN

The ANC plan would apply to traditional leaders in other former homelands, known as Bantustans, set up under apartheid. However, the Ingonyama Trust was a particularly generous deal for Zwelithini to protect his patronage in return for his support during South Africa's first free and fair elections in 1994. The king refused to back opposition to the ANC by his uncle **Mangosuthu Buthelezi** and the Inkatha Freedom Party.

Zuma has long been currying favour with Zulu chieftains, initiating several laws to increase their power during his presidency. Several of the more controversial proposals were thwarted, however. Now his strategy is to use the ANC machinery in KZN to change the balance of power within the party, rather than create an alternative structure. 'Zuma is not interested in forming another party,' said an insider. 'He wants the KZN tail to wag the ANC dog.'

The last national and local government elections showed that the ANC is losing support in cities, home to about 60% of South Africa's voters, but holding its own in the countryside. That makes what happens in predominantly rural KZN still more important. ●

CONGO-KINSHASA

Making the miners sweat

Big mining companies loudly rejected the new mining code. They don't know if they'll sue, shut their mines in protest, or lump it

Prime Minister **Bruno Tshibala Nzenze** signed into law regulations which overhaul the regime governing the mining sector on 9 June, making real the worst fears of Glencore, Randgold Resources, China Molybdenum and other exploiters of Congo-Kinshasa's vast store of copper, cobalt, gold and other valuable minerals.

The mining code, passed by parliament in January and approved by President **Joseph Kabila** on 9 March, took the miners by surprise and tore up previous commitments the companies considered sacrosanct (AC Vol 59 No 4). The legislation cancels a stability clause, which would have protected the companies against royalty increases and new taxes until 2028. Their local subsidiaries therefore face much higher bills from the Congolese state. Cobalt producers could end up paying a 10% royalty – if the government classifies the highly-coveted mineral as 'strategic' – and a super-profits tax.

Shocked and angry mining executives, including Glencore's **Ivan Glasenberg** and Randgold's **Mark Bristow**, descended on Kinshasa in March in a last-ditch attempt to stop the law. In face-to-face meetings with the executives, Kabila refused to withhold his signature but gave the mining bosses public assurances that their concerns would be addressed in the drafting of the regulations, overseen by Mining Minister **Martin Kabwelulu Labilo**.

Yet when the regulations emerged, none of the mining bosses' demands had been met. In any case, the companies had revised their position and declared that regulatory exemptions were not enough. The law would have to go back to parliament for amendments, they insisted. Congo-K's leaders saw this as an unacceptable and insulting display of arrogance. That may explain why Kabwelulu would not meet the executives during the preparation of the regulations and why he failed to reply to 13 of their letters.

The entire strategy of the 'G7', as the lobby group of seven firms including Glencore, Randgold, China Moly and Ivanhoe Mines is known, has been tone-deaf and counterproductive from the outset. In March, it encountered a divided Congolese state with Kabwelulu

irked that **Albert Yuma Mulimbi**, the powerful president of state-owned Gécamines, had hijacked the law he'd sent to parliament last year and overseen the removal of the stability clause by a mixed commission of the Senate and National Assembly (AC Vol 59 No 1). The belligerence of the mining firms appears, at least in part, to have healed these divisions and won over Kabwelulu to the new code.

The new law is popular among Congolese politicians and businessmen, including those who aren't usually fans of the president. Many are bemused by the mining companies' conduct.

EMPTY CHAIR

For their part, the mining bosses became increasingly exasperated by the Mining Minister, concluding that they've been talking to an empty chair. Even Congo-K's civil society organisations – hardly natural allies of the mining sector – have expressed some sympathy. In correspondence with Kabwelulu and Kabila, a group of NGOs advised that the companies should be granted a five-year grace period before complying with the new fiscal regime and that the government should rethink some of its tax and royalty reforms.

While the firms were failing to make progress in their negotiations with the government, they released a stream of misleadingly optimistic public statements, suggesting that aspects of the law would be reversed and a compromise would be found. In private communications with Kabwelulu and Kabila, however, the firms set out their position in unambiguous terms, the gist of which was 'back down or we will refuse to abide by the law and launch collective legal action against the state'.

In late April, the 'G7' wrote to the Mining Ministry to inform the government 'there can be no ambiguity ... as to the intention of the mining companies to protect their rights', adding they 'have confidence in their legal position'. They warned the government would be deprived of billions of dollars over the next decade because the industry will 'vigorously and collectively reject' the enforcement of the new law. On 30 May, the firms wrote to Kabila and Kabwelulu to

threaten legal action if their worries weren't addressed.

The government ignored their protests and the unamended code is set to be implemented. 'We're back right where we were in March', one mining executive said. 'We'll now try to go back to the President.'

Initiating a legal challenge in Paris, New York or London is one option open to the mining companies. Another is shutting down the mines to give the government a taste of life without any royalties or taxes at all. Both routes would be a declaration of war and could result in expropriation if the government is confident it has financially and operationally capable replacements waiting in the wings.

So far, the 'G7' – strengthened by the presence of **Chinese** companies China Moly and Zijin Mining Group alongside the Western firms – has remained united. Together, the firms claim to produce more than 80% of Congo-K's copper, cobalt and gold. They've negotiated as one since meeting Kabila in March and together quit the country's Chamber of Mines in a protest against Yuma's apparent conflict of interest. He is both Gécamines president and head of the *Fédération des Entreprises du Congo* (FEC), the main private sector lobby group. The Chamber is a member of FEC.

The new code is not the only headache for Congo-K's biggest mining company, Glencore, whose assets have been under legal assault on multiple fronts. On 12 June, the **Swiss** trader resolved arguably its largest problem by reaching a settlement with Gécamines which was bidding to dissolve Kamoto Copper Company (KCC), a joint venture with Glencore, and reclaim the permits due to its gross debt of more than US\$9 billion.

HEAVY PRICE

Yuma has exacted a heavy price to keep KCC alive and end the legal proceedings. As well as converting more than \$5.5 bn. of debt into equity, Glencore will make a one-off payment of \$150 million to Gécamines and waive its right to nearly \$300 mn. in compensation owed by the state company from a previous deal.

Glencore also faces a tricky tango with former partner **Dan Gertler** who is suing the company for billions of dollars relating to unpaid royalties from KCC and the Mutanda mine. It bought out Gertler's interests in KCC and Mutanda last year but continued to pay him lucrative royalty streams which he'd acquired from Gécamines. Glencore stopped sending money to the **Israeli** billionaire when he was sanctioned by the **United States** government in December 2017 (AC Vol 58 No 5).

Sources close to Glencore told Reuters that the company is seeking a way to pay Gertler the royalties without violating the sanctions, which could prove risky.

Demonstrating just how vulnerable Glencore has become since breaking with, and then falling out with, Gertler, a close friend of Kabila's, is yet another lawsuit, this one from **Charles Brown**, a founding shareholder of Mutanda. As far as Glencore is concerned, Brown sold his Mutanda stock in 2005, two years before the firm acquired an interest in the mine. Indeed, Brown's allegations that former Mutanda owner, Groupe

Bazano, swindled him out of his shares and sold them to Glencore between 2007 and 2012 have been rejected by Congolese courts half a dozen times and led to him being imprisoned for attempted fraud in 2014.

Nevertheless, this frequently discredited claim has now received a sympathetic hearing from the president's chief-of-staff, **Nehemie Mwilanya Wilondja**, and Justice Minister **Alexis Thambwe Mwamba**. Brown has returned to court, this time supported by a heavyweight legal team headed by a former Kabila adviser and

a serving parliamentarian from the ruling coalition.

Brown's losing streak is over. In January, he won a ruling authorising him to seize more than \$800 mn. belonging to Mutanda and two months later a Kinshasa court summoned Glasenberg to appear at a hearing on 2 July. Brown is asking the judge to order Glasenberg and two others to compensate him to the tune of \$1.1 bn.

Should Glencore get Gertler back on side, as well as Gécamines, Brown's recent successes might well fade away. ●

ETHIOPIA/ERITREA

Pushback peril for Abiy

Addis's radical offer to implement the UN's ruling on the border is meeting resistance at home and silence in Asmara

The government's announcement that it was ready to implement the 2002 border ruling to try and resolve the freeze in relations with **Eritrea** has met with worrying silence from Asmara and signs of agitation in Tigray (AC Vol 42 No 6).

Last week's gambit by the 36-member Executive Committee of the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) seems to have been a sincere effort to break almost two decades of deadlock. In Ethiopia, the people of Tigray region have suffered most from the impasse that shut down commerce between the two nations, while Eritrea endures international pariah status. EPRDF Chairman **Abiy Ahmed**, who is also Prime Minister, and his party colleagues must have hoped that his démarche would be greeted more warmly (AC Vol 59 No 12).

Instead, there seems to be entrenchment and resistance. Unless Ethiopia unilaterally withdraws from territory identified as Eritrean by the international boundary commission there is little chance that President **Issayas Afewerki** will come to the table. There are also fears that Issayas may not want a rapprochement because maintaining a war footing with Ethiopia is necessary to his autocratic rule.

Tigrayans and the Irob people who live in the areas claimed by Eritrea and ceded to Eritrea by the UN commission have protested against the new line and found backing from Tigray's main opposition group, Arena, which is led by former regional president **Gebbru Asrat** (AC Vol 50 No 10). People in the region were already angry with their

Tigrayan People's Liberation Front rulers over chronic poverty and poor public services. That discontent was stoked by the TPLF's recent loss of power at national level to Abiy's Oromo People's Democratic Organisation and is now exacerbated by the intention to make territorial concessions to Eritrea. After an emergency meeting, the TPLF declared that Eritrea also needed to make concessions and it would not be part of a process that harms Tigray's interests. The party's politburo, however, is thought to have backed the EPRDF position, indicating divisions within the TPLF.

Further complicating the picture are Ethiopia's powerful armed forces, which are also unhappy about the new policy. There are no signs yet of troops moving out of the contested area, but there have been suggestions that a withdrawal order has been issued for early next month. The stance of the new chief of staff, General **Seare Mekonnen**, is unknown. His appointment by Abiy on 7 June was a reward for competence and long service, but also reflected his ambition. Abiy must be hoping that Seare repays the much sought-after promotion by reconciling the military to the new policy. Working to support the peace initiative may even have been a condition of his appointment.

However, Seare used to be in charge of the Northern Command, which controls the Eritrea front, and it was reportedly united in its opposition to the suggested concessions in meetings held after the new policy was announced. A military source confirmed reports that commanders are waiting for a response

from Asmara before deciding their next move, and suggested that negotiations were needed. That is, in effect, little different from the situation for the past 16 years: Ethiopia says talks are necessary, and Eritrea says they can only take place after an Ethiopian troop withdrawal.

It would be impossible for Abiy to force his will on the Northern Command, an informed observer told *Africa Confidential*. The military's response to Asmara's position would be key. 'The issue is very sensitive and could provide the spark either for a military coup or a civil war if Abiy pushes the issue,' the source said.

The other critical factor is Asmara, with many commentators unconvinced that Issayas will engage with the initiative, even if Ethiopia withdraws unilaterally. The assumption is that a genuine peace would result in pressure on Issayas to relax his domestic stranglehold, which he would not want to do. On the other hand, Issayas could seize the opportunity for peace, and declare victory over the TPLF, blaming it for the years of intransigence.

Abiy was in **Uganda** and **Egypt** this week and will be hoping that regional pressure, particularly from Cairo, will be applied on Asmara. However, as with the domestic politics, there are a lot of moving pieces. Ethiopia is still striving to finish and fill the Grand Ethiopian Renaissance Dam, which greatly concerns Egypt. Without concessions on the dam, Egypt may not be willing to pressure Asmara. Strategically, it makes more sense for President **Abdel Fatah el Sisi** to keep using a hostile Eritrea as a means to exert pressure on Addis Ababa over the dam (AC Vol 58 No 3).

Prime Minister Abiy has surprised many observers with his ambition and achievements so far (AC Vol 59 No 11). But it is yet to be seen whether he can break the logjam of the entrenched dispute with Eritrea and attempting to do so could prove to be a damaging and embarrassing overreach. ●

NIGERIA

Militants pick their party

In the oil-rich south-east, new wars are being swapped for old as politics gets murky in the run-up to the election

Oil industry sources murmur that President **Muhammadu Buhari's** initiatives to sustain peace in the restive Niger Delta may not prevail as political dirty tricks accelerate in the run-up to next year's elections. Oil production stands at two million barrels per day, up from 1.5 mn. bpd in 2016 when militant attacks slashed production (AC Vol 57 No 10).

At a Moody's Investors Research event in Lagos on 9 May, the Chief Executive Officer of Shoreline Natural Resources, **Ladi Bada**, told his business peers: 'There will always be unrest, because the situation is not perfect ... Until government also starts to do its part in increasing social amenities, making people feel a part of governance, there will always be some level of dissatisfaction.'

At the end of April, militants of the Urhobo Liberation Force issued a statement, signed by 'Generals' **Orubu Ekpe** and **Mike Agbalele**, threatening to blow up oil and gas infrastructure unless the federal government makes provision for a university in Effurun, near Warri. Other 'generals' in the 'Coalition of Niger Delta Agitators', including **John Duku**, **Ekpo Ekpo** and **Osarolor Nedam**, wrote to Buhari on 17 May calling for redistribution of expired oil blocs among Nigeria's 36 states. These won't be the only bargaining positions taken by supposedly disbanded armed groups as election day approaches. Bada also warned that politicians could cause 'mayhem' in 2019.

Most rebel leaders from the 2003-09 phase of the conflict – including **Bibopre Ajube** 'General Shoot-at-Sight', **Victor Ebikabowei Ben 'Boyloaf'**, **Government Tompolo** and **Ateke Tom** – have turned on their old patron **Goodluck Jonathan**, the former President, and rallied around Buhari. Buhari has reiterated his support for the Presidential Amnesty Programme (PAP), under which ex-fighters are paid not to attack oil and gas pipelines.

Other, lower-ranking criminal leaders are lining up to proclaim loyalty to Buhari. 'General' **Johnmark Ezonebi**, representing the Reformed Niger Delta Avengers (which claimed responsibility for an audacious 2016 undersea pipeline explosion), accuses Jonathan of having

'goofed on development' even in his native Bayelsa State. 'General' **Emma Sinaman**, a beneficiary of the amnesty, has promised Buhari huge numbers of Delta votes in 2019.

But there was a blast from the past at the end of May, when **Cynthia Whyte**, once an ally of the former militant kingpin **Dokubo Asari**, raged against the PAP's roster of gangsters and warlords.

'BANDIT CIRCLE'

Whyte is generally thought to be a one-woman operation but she speaks as the Delta militant umbrella 'Joint Revolutionary Council'. In an online statement, she fulminated against rivals of the past boss of the PAP, **Paul Boroh**, a retired brigadier general who is said to be under investigation by the Economic and Financial Crimes Commission (AC Vol 57 No 16). 'The same circle of bandit elements who misled, ill advised and blackmailed [Boroh] have again returned to the corridors of the amnesty programme,' she said.

Dokubo Asari – one of the rare former rebel leaders to throw his weight behind Jonathan's failed re-election bid in 2015 – chipped in with a warning to Ijaw leaders not to help Buhari fix the next election.

One problem that could exacerbate the oil-based unrest is the influx of

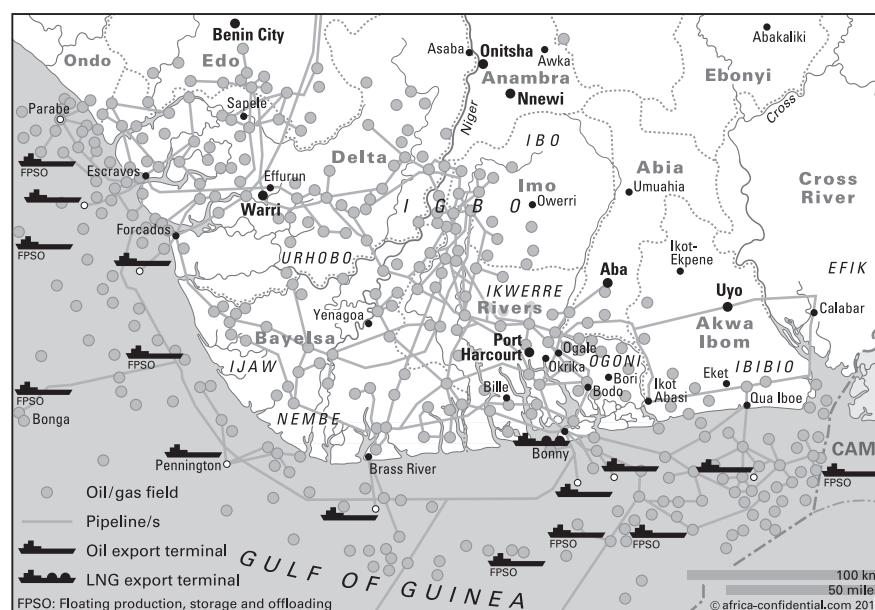
tens of thousands of English-speaking refugees from **Cameroon**. Some security experts feel that Delta militants could team up with the armed partisans of 'Ambazonia' in Cameroon, as well as followers of the fugitive Igbo separatist leader **Nnamdi Kanu** (AC Vol 58 No 1).

In 2015 the power base of the People's Democratic Party (PDP) under President Jonathan was cut back and concentrated in Delta states such as Akwa Ibom, Cross River, Delta and Rivers. Many of the issues that flared up then remain unresolved.

Neighbouring Ogoni became another flashpoint in 2015 as **Rotimi Amaechi**, the past Rivers State Governor and former PDP member who is now Transport Minister in President Buhari's cabinet, bussed his All Progressives' Congress supporters into the area to draw the PDP into a confrontation. With 2019 gubernatorial nominations fast approaching, Amaechi's former friend and APC ally **Magnus Ngei Abe** – the federal Senator for Rivers South-East – is siding with the current PDP Governor of Rivers, **Ezenwo Nyesom Wike**. It is a surprising realignment of alliances (AC Vol 57 Nos 5 & 25). In 2015, Wike defeated the APC's **Dakuku Peterside**, who won the party's nomination over Abe. Wike and Amaechi are already trading verbal broadsides as a prelude to what many fear may be an exceptionally violent election campaign in the region.

AMNESTY TROUBLE

The PAP amnesty may also be in trouble. Buhari surprised many by sacking Boroh in March. A statement issued last month by **Augustine Egba**, a PR representative for some of the former militants, accused Boroh of conspiring



to derail the peace and attempting to blackmail his successor, Professor **Charles Quaker Dokubo**.

Dokubo has spoken of inheriting a 'disjointed' office, but he has been welcomed by supposedly reformed militant leaders and has made all the right noises about refocusing the amnesty on job creation. The funds for the programme have been embezzled by ex-militant leaders at the expense of rank-and-file militia members and similar accusations have dogged the men running the programme, including **Kingsley Kuku**, another former amnesty

director whose home was raided by police in late May (AC Vol 57 No 4).

Investigations into PAP leaders are believed to concern fraud around payments of university tuition fees for hundreds of students covered by the amnesty who do not appear in its records. The probe into phantom undergraduates is being led for Dokubo's office by Chief **Aroloyeteim Brown**.

STRANDED IN MOSCOW

Last month, a postgraduate candidate at the Peoples' Friendship University of **Russia** said the PAP scheme had

abandoned him and 18 other former fighters, leaving them stranded in Moscow. Dokubo's spokesman **Murphy Ganagana** rejects the accusations. The PAP chief has also had to fend off comments from **Charles Achodo**, a special advisor to **Ibe Kachikwu**, Minister of State for Petroleum Resources. Achodo told a Sustainability in the Extractive Industries Conference in Abuja in May that the PAP was no longer economically sustainable. Dokubo however describes the alternative as 'too ghastly to contemplate'. ●

LIBERIA

Monrovia questions UN record

The snubbing of the former head of the UN mission by President Johnson Sirleaf prompts an evaluation of its mixed record

Shortly before she retired in January, former President **Ellen Johnson Sirleaf** held a ceremony to thank Liberia's international friends for their support through her 12-year rule. She honoured heads of key embassies and multilateral organisations with medals. In a pointed snub, she completely ignored **Farid Zarif**, the Afghan politician who was the last head of the United Nations Mission

in Liberia (UNMIL – AC Vol 56 No 17). Zarif was seen fidgeting nervously in a front-row seat.

The snub was a major blow to Zarif who, until his departure on 30 March, was the most senior diplomat in Monrovia, heading by far the largest foreign mission in the country. Other senior diplomats in Monrovia were shocked but not surprised. For months, the often loquacious Zarif had annoyed

Johnson Sirleaf with a tendency to speak, and sometimes act, out of turn.

During the preparations for national elections last year, Johnson Sirleaf was determined to demonstrate that her government, and Liberian institutions, were in total control. She even organised a group of prominent Liberians, including religious and traditional leaders, who would provide the first mediating forum in case the country's fractious political leaders become unruly – cancelling out a role for the UN and others. It was exactly the kind of thing Zarif's bosses in New York, eager to withdraw the UN, wanted. Instead, Johnson Sirleaf told her immediate advisers, Zarif had tried to manoeuvre his way to lead the mediation in a bid, some suggested, to impress his new boss in New York, Secretary General **Antonio**

WASHINGTON TAKES ISSUE WITH WEAH ALLIES

A surge in interest to hold to account those responsible for civil war-related atrocities in Liberia has placed President **George Weah** at odds with the **United States**, and cast an uncomfortable light on the UN's record in the country.

In April, a court in Philadelphia sentenced 51-year-old **Mohammed Jabbateh** aka Jungle Jabbah to 30 years in prison for lying to US immigration authorities about atrocities he had committed during Liberia's civil wars of the 1990s as a rebel commander (AC Vol 58 No 20). Shortly afterwards, the US Embassy in Monrovia refused to grant a visa to Vice-President **Jewel Taylor**, the ex-wife of former President **Charles Taylor**, who is serving a 50-year sentence in **Britain** for war crimes and crimes against humanity, and remains his most high-profile supporter in Liberia. Through her, Taylor masterminded the coalition between Weah's Congress for Democratic Change and the National Patriotic Party, which Taylor founded in 1997 and which she leads, from his prison cell.

The Coalition for Democratic Change, which was forged in October last year, scandalised many in Liberia, but did not seem to have bothered either the US, Liberia's most important bilateral supporter, or the UN, which still maintained a presence in the country. US President **Donald Trump** and his supporters were in the ascendance in America, and the UN Mission in Liberia under **Afghan** politician **Farid Zarif** paid scant attention to human rights and transitional justice issues, some pundits said. The high-profile conviction of 'Jungle Jabbah' in April dramatically altered the US position. The story was reported in most major US papers, and the *Washington Post* on 14 April ran a long feature on it under 'National Security' entitled 'Jungle Jabbah was accused of cannibalism and other horrors in Liberia. How a U.S. court brought him to justice.'

A similar court case against former defence minister, **Jucontee Thomas Woewiyu**, began in a Philadelphia courtroom on 11 June. Prosecutors say Woewiyu failed to disclose his roles as spokesman and defence minister for Taylor's National Patriotic Front of Liberia (NPFL) to US immigration authorities when applying for citizenship in 2006 and 2009 (AC Vol 48 No 16). Woewiyu, who was indicted in 2014, shortly after launching his bid to be elected to the Liberian Senate, faces a 110-year prison sentence and a US\$4 million fine if convicted.

In May, the US Embassy in Monrovia notified President Weah that its ambassador may not honour invitations to state functions that also feature Vice-President Taylor. Weah himself has not yet been invited to visit the US months after being inaugurated into office, an unprecedented snub by the Americans. Not to be outdone, the UN Country Team, which has replaced UNMIL, has now issued a circular proclaiming 'human rights and transitional justice' are remaining issues which 'we will continue to progress on.' This is unlikely to impress civil society activists who spent years lobbying the UN mission in the country to make accountability for war-related crimes a priority. Weah has done better in Europe, however (see back page). ●

Guterres. Exasperated, Johnson Sirleaf reduced the frequency of Zarif's visits to the Executive Mansion, and even briefly considered asking for Zarif's recall.

Still, the UN was effusive about its achievements after 15 years in Liberia, 10 years longer than its companion mission in Sierra Leone. A publicity brochure issued by Zarif's office in March claimed that during its 15 years, 126,000 soldiers, 16,000 police and 23,000 civilian staff served in UNMIL, establishing peace, democracy, and 'justice and security institutions' across Liberia. Presiding over the formal closure, the Deputy Secretary General of the UN, **Amina Mohammed**, who flew in from New York, praised the mission for being 'at the forefront of establishing the key foundations for peace in Liberia'.

Liberia was in a desperate state when the UN intervened after the failure of a regional intervention force, the Economic Community of West African States Monitoring Group (ECOMOG). Established by UN Security Council resolution 1509 in September 2003, UNMIL had a sprawling mandate: from stabilisation, security sector reform and

governance to humanitarian assistance and human rights, gender protection, and transitional justice (AC Vol 45 No 3). It did not have the tools to accomplish that mandate effectively, however.

One thing it did well early in its life was to use its 15,000-strong army to disarm 103,018 combatants, 11% of them children. The disarmed combatants included 96 Generals, 154 Major Generals, 437 Brigadier Generals and 2,168 Colonels. From them, the UN collected only 27,000 weapons, over 6 million rounds of ammunition and 29,274 heavy munitions.

CORRUPTION

Internal UN audits, posted by Wikileaks after the US mission to the United Nations under its mercurial Ambassador **John Bolton** sent them to the US State Department, revealed some serious early corruption. **Ukrainian** UN pilots were shown to have routinely stolen rice and other food supplies and sold them to a local trader in Monrovia. Another audit found that UNMIL's first head, **Jacques Klein**, an American, had used UN property, including its aircraft, to entertain or facilitate travel for his

girlfriend, a Liberian **Lebanese** named **Linda Fawaz**. Fawaz was known to have close ties with warlord **Charles Taylor**. This raised concerns that Fawaz was passing information which she had gathered from Klein to Taylor, who was then in exile in Nigeria, or his associates.

Klein was replaced by **British** official **Alan Doss**, an able administrator who many believe enhanced the prestige of the mission (AC Vol 47 No 8).

In its dying days, the UN mission's ethical standards took a dive. Senior staffers under Zarif found jobs for their spouses or friends, undermining the UN's messages about Liberia's need for good governance. Monrovia's courts were inundated with hundreds of employment-related cases against UNMIL, which had diplomatic immunity.

But despite these lapses, real sacrifices and improvements were made. Over 200 peacekeepers died during UNMIL's existence, and capable, conscientious employees from foreign countries toiled to make things work in a country where basic social amenities were either scarce or non-existent. ●

SUDAN

Offensives and reshuffles

A new cabinet is appointed in the midst of an economic meltdown as the army plans to wipe out the rebels in Darfur

The proposal by **Jean-Pierre Lacroix**, the United Nations head of Peacekeeping Operations, on 11 June to halve the UN-African Union peacekeeping force to 4,050 soldiers over the next year could hardly have come at a better time for President **Omer Hassan Ahmed el Beshir**. Despite recent clashes between government forces and fighters of the Sudan Liberation Movement-Abdel Wahid Al-Nur (SLM-AW), the UN and AU describe security in Darfur as 'relatively stable'. Lauded as a radical idea for collaboration between the UN and the AU, the UN-AU Mission in Darfur (UNAMID) has proved itself politically irrelevant and incapable of protecting civilians facing attack, mainly by government forces and their militia allies.

President El Beshir is preparing another major offensive against the rebel forces Darfur in the belief that they can be comprehensively defeated. So certain is he of international indifference, if not support, his government is also pushing for the lifting of the UN arms

embargo in Darfur.

Sudan's deputy ambassador to the UN, **Magdi Ahmed Mofadal**, argued on 11 June that lifting the embargo was necessary because government forces would have to retake total control of Darfur to 'fill the vacuum' left by the departing UN-AU forces. Presumably because of the government's planned offensive in Darfur, the AU's special envoy **Thabo Mbeki** has delayed a trip to Khartoum meant to follow up on earlier talks between Darfur groups in April.

CLEARING OPERATION

The intensity of the conflict in western Darfur has been increasing lately. Ever since they wrested control of swathes of Marra Mountain, hitherto a rebel stronghold, from the Sudan Liberation Movement faction controlled by **Abdel Wahid Nur** (SLM-AW) two years ago, government forces have been conducting small-scale operations to clear the mountain of pockets of insurgents.

However, the rebels returned to the offensive in March. They attacked an army outpost and on 11 March they ambushed a government military convoy. The clashes left five soldiers and three rebels dead. Fighting has continued since and several villages were destroyed and hundreds displaced.

The government has been amassing troops in Kas, 80 kilometres west of South Darfur's capital, Nyala and more than 1,500 soldiers from the army and its notorious Rapid Support Forces were reported to have assembled there in May. It looks as though the government decided to put off an offensive until after Ramadan.

The other two Darfur rebel groups, the Justice and Equality Movement and the faction of the Sudan Liberation Movement led by **Mini Arkoi Minawi** (SLM-MM), have been badly damaged by government forces in recent years. They have a minimal presence in Darfur and are operating mostly in South Sudan and Libya as mercenaries with General **Khalifa Haftar's** Libyan National Army and other forces.

If the impending offensive achieves the kind of success that previous offensives had against other rebel groups, the story of rebellion in Darfur could be over. Khartoum would then push to end to the UN's role and the UNAMID mandate. The government believes Darfur has dropped off the world's radar, and the time has come to

crush the rebels once and for all.

While on manoeuvres in Darfur, President El Beshir also reshuffled his cabinet in a bid to distract attention from the country's deep economic crisis. He appointed seven federal ministers, eight state governors and five state ministers in the middle of May (AC Vol 59 No 9).

There are countrywide fuel shortages, inflation exceeded 55% in March, the highest level since 1996, prices of basics are climbing, and the Sudanese pound is crashing on the unofficial market – at 38 to the dollar – despite being devalued by almost 80% in early March. Opposition parties called the reshuffle cosmetic, but El Beshir did have to replace Foreign Minister **Ibrahim Ghandour**, whom he sacked in mid-April (AC Vol 59 No 9).

His replacement is **Al Dirdiri Mohammed Ahmad**. A veteran Islamist and professor of law with a PhD from the University of Leicester, he is a skilled negotiator. He has been a perennial

member of government negotiating teams, especially on issues pertaining to South Sudan and border disputes. He served as ambassador in **Kenya** and was previously the ruling National Congress Party's Secretary for External Relations.

The biggest item on his to-do list will be the knotty problem of Sudan's relations with **Qatar** on the one hand, and with the **Saudi Arabia-United Arab Emirates** alliance on the other. Since the alliance and its regional supporters blockaded Qatar, Sudan has managed to straddle the divide, eluding demands by the blockade countries to cut ties with its long-time ally Qatar while placating the Saudi-led camp and even sending troops to the war in **Yemen**.

The Saudi-UAE alliance has now, however, demanded that Khartoum come off the fence. Frustrated by the failure of Saudi Arabia and the UAE to reward it for supporting the war in Yemen, Sudan announced on 3 May it was reassessing its role in the Yemen war. A few days later, a Qatari

newspaper reported that Riyadh and Abu Dhabi had told Khartoum it would only give economic assistance if it severed ties with Qatar and supported **Egypt** in its dispute with Ethiopia over the Grand Ethiopian Renaissance Dam (see Ethiopia feature).

Khartoum cannot risk a rift with Saudi Arabia and the UAE, which would also negatively impact its engagement with Washington (AC Vol 58 No 15). Al Dirdiri's first order of business as minister was to hold meetings with the ambassadors of the rival Gulf states.

The reshuffle also saw the removal of the Oil Minister, **Abdul Rahman Osman**, blamed for the recent fuel shortages. He was replaced by **Azhari Abdalla**, previously leader of the government's Oil Exploration and Production Authority.

Another important appointment is that of **Ibrahim Mahmoud**. The former presidential assistant returns as interior minister, a portfolio he held between 2008 and 2013. ●

SÃO TOMÉ E PRÍNCIPE A toxic brew

Arguments over a beer company have opened dangerous divisions in the elite and both sides are enlisting rival regional powers

One of the few working industrial facilities in São Tomé e Príncipe, the Rosema brewery, is the locus of a vicious political dispute pitting one part of the political establishment against the other while threatening fundamental democratic institutions. A gift from the East German state in the days when the tiny island republic was a Soviet satellite, the brewery was privatised in the 1990s, but the current Prime Minister, **Patrice Trovoada**, and some of his most ardent loyalists regard it as part of their political birthright. Now, the owner, **Angolan** businessman **Mello Xavier**, wants to assert his rights to it and he is supported locally by the opposition *Movimento de Libertação de São Tomé e Príncipe-Partido Social Democrata* (MLSTP/PSD) and by the Angolan government.

Xavier's company, **Ridux**, successfully bid for the company in the 1990s privatisation only for the local Supreme Court to order the company's seizure a few months later. After some murky manoeuvrings, the company ended up in the hands of **Solnivan**, a company run by local businessmen and brothers **Antonio** and **Domingos**

Monteiro, both members of the MLSTP/PSD. Antonio is also an MP. Xavier has sued persistently for recovery of his assets and repeated requests from Angolan courts through international legal channels for over 10 years have demanded, without success, that the São Tomé authorities return Rosema to him. Many believed the case all but dead, but Xavier came back with a vengeance last last year after obtaining a sympathetic hearing from the new Angolan President, **João Lourenço**.

COURT DEMANDS

The dispute escalated when Angola's Supreme Court asked its counterpart in São Tomé to return Rosema to Xavier in two letters that were copied to the two governments. São Tomé is set for local and regional elections this year and attitudes towards the case could be decisive factors in the results.

Xavier thought victory at the end of his long road of litigation was finally his when the São Tomé Supreme Court ordered the company returned to him. He even flew in to oversee the process and on 2 May he entered the brewery while officials made an

inventory of the company's assets. But Trovoada and his allies in the ruling *Ação Democrática Independente* (ADI) party, along with certain leaders of the MLSTP/PSD, which is the main opposition party in parliament, were not finished. They ordered the police to occupy the premises while the Finance Ministry gave Xavier 10 days to pay €2.9 million in supposed tax arrears or have his assets seized. Two days later, parliament voted to sack the Supreme Court judges who had ordered Rosema's return in what most believe to be a blatantly unconstitutional move.

President **Evaristo Carvalho** has backed up his prime minister by submitting a resolution for a constitutionality check by the new Constitutional Court, which is composed of five judges selected by the ADI majority in parliament in another process labelled unconstitutional by the opposition. Undeterred, on 23 May, parliament passed a law giving it the right to replace the dismissed Supreme Court judges with its own nominees.

Silva Cravid, the sacked court president, rejected his dismissal by Parliament and compulsory retirement, together with two other judges, who had ruled in favour of Xavier. 'I've always known that they wanted to get me out of here, and those in power have never been afraid to say it... But I will not abide by an illegal parliamentary resolution,' he said, adding that 'I want to warn the international community that São Tomé is currently in a dangerous situation, where the last bulwark of democracy is

not respected, and the Supreme Court beheaded; this is a state in which there are no rules, no laws and everyone can do what they want'.

The Angolan ambassador, **Joaquim Pombo**, demanded a meeting with **Afonso Varela**, Minister at the Presidency and for Parliamentary Affairs, and one of Trovoada's closest advisors, who handles the day-to-day management of government during the Prime Minister's frequent absences abroad. Varela is also Rosema's lawyer and one of three government members who have become very active in business in the last few years, along with **Américo Ramos**, the finance minister, and **Carlos Vila-Nova**, the infrastructure minister, who is responsible for the oil sector.

Angola shows no sign of backing down. On 24 May in Luanda, Supreme Court President **Rui Ferreira** expressed 'immeasurable surprise and indignation' at the sacking of **Silva Cravid**. The move 'reminds us of the past times of authoritarianism and arrogance ... and constitutes a conspicuous violation of basic and universal principles of the rule of law, such as the independence of the courts', he said.

Many in São Tomé fear the escalation could have severe economic consequences. Angola, and particularly its state oil company, Sonangol, have a prominent role in the energy sector.

No date has been set but local and regional elections must be held soon. In-fighting in the opposition MLSTP/PSD has reached new heights, with the

party's National Council suspending the six MPs who voted with the ADI to fire the Supreme Court judges, including the party leader **Aurélio Martins** and the head of the parliamentary group, **Jorge Amado**. The Monteiro brothers are also among those accused of committing 'treason' against the party. This group of MPs has now left the party, reducing the number of MLSTP/PSD MPs in the 55-seat chamber to 14 and increasing ADI's parliamentary majority.

Rosema has long been a contentious issue inside the MLSTP/PSD. Former leader and prime minister **Rafael Branco** has previously accused Martins and the Monteiro brothers of using the brewery's cash to buy loyalties inside the party. Martins's biggest opponent in the party, **Guilherme Posser da Costa**, is Mello Xavier's lawyer.

In the meantime, Trovoada's popularity has been steadily declining. A deal struck with the People's Republic of **China** a year ago – after the government bent to pressure from Beijing and severed diplomatic ties with Taiwan at the end of 2016 – has not delivered the infrastructure investment promised. A much-vaunted project for a new deep-water port – Trovoada said it would be worth \$800 million – has been revised down to a commercial and fishing port, costing around \$70 mn. (AC Vol 58 No 17).

The lack of a strong opposition candidate, and the MLSTP/PSD's divisions, have improved Trovoada's chances of electoral success this

year. In the past, he has ruled out leading a minority government, but a possible coalition with one of the other opposition parties might tempt him.

With diplomatic relations with Angola in peril, Trovoada has developed new friendships, principally with **Rwanda**. Trovoada spends much of his time as a guest in **Gabon** of his old friend President **Ali Bongo Ondimba**, who is believed to have introduced him to President **Paul Kagame**. Since Trovoada's first visit to Kigali in late 2016, relations have developed rapidly. Rwanda has long had difficult relations with Angola and they have frequently clashed over their interests abroad.

Severing ties with Taiwan deprived São Tomé's armed forces of around US\$130,000 per year and there has been increasing discontent about equipment shortages (AC Vol 58 No 6). Trovoada created a commission to negotiate with disgruntled officers and NCOs, but it has so far failed to meet their demands.

With Rwandan training, Trovoada has been building an elite presidential guard. The unit has better pay and equipment than the regular military, leading to jealousy and further frustration in the army. The absence of chief of staff, Brigadier **Horácio Sousa**, from last September's graduation ceremony for the presidential guard was widely seen as a protest. Some believe that Rwanda is interested in helping revive São Tomé's moribund coffee industry, but most analysts see Kagame's interest as geopolitical. ●

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POINTERS

Zambia

SQUEAKING IN AND CUTTING BACK

■ The Patriotic Front is crowing over its narrow defeat of the United Party for National Development (UPND) in a by-election in the swing constituency of Chilanga, just outside Lusaka, on 5 June. The PF poured in massive resources but only shaded victory by 816 votes on a turnout of only 30% in what many saw as a test of President **Edgar Lungu's** popularity. PF media director **Sunday Chanda** proclaimed that Lungu is 'gaining popularity with every single election' despite the small margin.

PF candidate **Maria Langa** and the government promised new schools, hospitals and roads if Chilanga voted her in, and threatened no investment in the area if they did not, local reports said. Widespread vote-buying and voter intimidation by the PF was also reported, and several roads were rapidly asphalted shortly before polling day.

The poll came about because the sitting MP, **Keith Mukata**, was convicted of murdering a security guard at his law firm's offices last year. The UPND selected his girlfriend, **Charmaine Mehl Musonda**, to stand in the by-election but her prospects were harmed by the fact that she had to spend a year in prison awaiting trial with Mukata before being acquitted in February.

Meanwhile, the government's ability to deliver on public spending promises is diminishing rapidly as it struggles to meet its ballooning debts (AC Vol 59 No 10). Debt service consumed 33% of total spending in the first quarter of 2018, according to newly-released figures – well above the planned 22%. This means more cuts. The 4% of public expenditure allocated to social benefits is already down to 1%. The government budget is ever-more reliant on drastically tightening domestic credit, and as funds dry up, public service cuts will follow (AC Vol 59 No 8). The last Treasury Bill auction on 7 June was undersubscribed, with the government raising only \$40 million of its target of \$95 mn.

Mali

THREATS TO PEACEFUL POLL

■ Only four days after UN Secretary General **António Guterres** left Bamako with the government's promises to promote peace and stability in his pocket, he was sounding his concern about the brutal repression of an opposition demonstration on 2 June. The opposition had called the march to demand free and fair presidential

elections on 29 July.

The presidential candidate of the opposition *Alliance Démocratique pour la Paix* (ADP-Maliba) **Aliou Boubacar Diallo** said that riot police had shot teargas into his party headquarters and attacked his supporters with truncheons. Claims that Prime Minister **Soumeylou Boubeye Maïga's** bodyguard fired shots into the crowd were vehemently denied, but 25 demonstrators, including another presidential hopeful, **Mamadou Igor Diarra**, were admitted to Bamako's main Hospital. The opposition called for Maïga's resignation.

This was only the latest in a series of violent election campaign incidents, and a PR disaster the government can ill afford, especially over the image of the security forces, who are widely believed to be incapable of protecting the public.

As in 2013, the presidential campaign has hired the Abidjan-based Voodoo Communications group of **Fabrice Sawegnon**, nicknamed 'the maker of presidents'. The company is credited with the slick 2015 re-election campaign of Côte d'Ivoire's President **Alassane Dramane Ouattara**. To win, Keïta must overcome widespread disillusionment with his five years in office, and a better-organised and determined opposition.

Kenya

JOBS FOR RAILA'S BOYS

■ The bipartisan committee appointed by President **Uhuru Kenyatta** and opposition leader **Raila Odinga** to look into 'building bridges' to achieve national unity has not reported, but a pattern is already emerging. Members of Odinga's inner circle, especially those who were not elected in last year's elections, are getting nice jobs.

Of 125 appointments to the boards of various state agencies and corporations gazetted on 6 June, 13 went to diehard Odinga loyalists. **Caroli Omondi**, ex-Chief of Staff and top adviser to Odinga when he was prime minister, joins the Kenya Oil Corporation; **Agostinho Neto**, former ODM MP from Odinga's Nyanza region, and **Penina Aloo Abudho** join the National Environment Management Authority; **John Owuor Onyango Kobado** and **Martin Ogindo** are now with the Agricultural Development Corporation; **Rita Ochieng Okuthe** is now with the Kenya Pipeline Company. All this would have been unthinkable before the 9 March reconciliation 'handshake' between Kenyatta and Odinga which ended Odinga's campaign of resistance to the general election result.

Odinga's reward is to be Kenya's special envoy to African trouble spots; hence his meeting with **South Sudan's** President **Salva Kiir** in Juba on 25 May, followed by discussions with rebel

leader **Riek Machar** in **South Africa** on 8 June. Odinga has become a vocal supporter of Jubilee government policies including the current war on corruption and Kenyatta's 'Big Four' development programme (AC Vol 59 No 8).

Kenyatta is holding up his side of the bargain in other ways. He has warned Deputy President **William Samoei Ruto** that the 'handshake' is real and he must stop loitering ('*kutanga tanga*') in the back alleys campaigning for the presidency in 2022 instead of working on the 'Big Four'. Ruto's supporters worry that the anti-corruption campaign is aimed at them, and that Odinga is trying to drive a wedge between their man and Kenyatta, which would put all Ruto's plans in jeopardy.

Liberia

WEAH SCORES AWAY

■ Liberian President **George Weah** was one of only four African heads of state to attend the European Commission's showcase for its overseas development aid programme, 'European Development Days' (EDDs), in Brussels last week and the only one to emerge with pledges of cash. The warmth of his reception outweighed those given to **Rwanda's** President **Paul Kagame**, who was greeted by hundreds of Brussels's Rwandan expats – both supporters and opponents – while **Niger's** **Mahamadou Issoufou** and **Burkina Faso's** **Roch Marc Christian Kaboré** went almost unnoticed.

The theme for the EDDs, billed by its supporters as the 'Davos of development', was 'Empowering women and girls' and Weah delivered a well-judged homily about being brought up by his grandmother in one of Monrovia's poorest neighbourhoods. He added that more than half of the parliamentary candidates of his Coalition for Democratic Change in the last year's elections were women and promised to 'rectify glaring disparities in our social and economic environment', tackling gender inequality, sexual abuse and violence. The 6,000 delegates, dominated by civil society groups, development finance institutions and European Union officials, were impressed. More useful to the new President was the small pot of gold, and plenty of EU goodwill, he took back to Monrovia.

Weah's new Economic Cooperation Agreement with the EU pledges an initial €27 million in direct budget support for 2018/2019, with the promise of more than €200 mn. over the next six years as part of a so-called 'Moving Liberia Forward' pact with Brussels. Weah vowed to ensure that the money was not lost to graft and would be allocated to projects aimed at reducing poverty. The cash injection is badly needed.

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BLUE LINES

As the ruling All Progressives' Congress held an exuberant convention in Abuja's Eagle Square on 23-24 June plotting victory in next year's elections, a few hundred miles to the north-east some 200 people were being slaughtered in clashes between farmers and herders in Plateau State. Yet the fall-out from these worsening clashes, which are spreading north and south from the Middle Belt, may prove more decisive than the political position-taking at party conventions. Along with the fast-rising death toll, the clashes are destroying agricultural production.

Although the herder-farmer clashes are currently the most serious security threat, none of the responses from the states or the centre are proving effective. Instead, the clashes are a debating point, with the opposition People's Democratic Party accusing the government of inaction or, worse, siding with the herders. A former minister of defence, General Theophilus Danjuma has accused army commanders of collusion with the herders, urging farmers to take up arms to defend themselves. That is now happening, with the number of local militias and vigilante groups increasing. In response, the APC accuses of the opposition of political point-scoring and exploiting misery. The bigger danger is that without a robust response, this crisis will further polarise the country along ethnic and religious lines. The rival political parties could prevent that by cooperating on a common security policy to address the causes and the effects of the herder-farmer confrontation.

SIERRA LEONE

Koroma accused of grand corruption

A transition team report – exclusively obtained by AC – lists wholesale plunder, ethnic favouritism, and says the ex-president profited from it

President **Julius Maada Bio** is to appoint a judicial Commission of Enquiry into massive state plunder and fraud during **Ernest Bai Koroma's** two terms of office after receiving an explosive report from his 12-member transition team, according to our sources in Freetown. The team, led by Bio's new Chief Minister, Professor **David Francis**, was charged with taking stock of government finances and administration. The report, which landed on the President's desk this week, is to be published on 27 June.

The 130-page report details illegal sales of state assets, loans by state-run banks to business people connected to Koroma's All Peoples' Congress which were never repaid, as well as untendered, overpriced and unfulfilled state procurement deals. It also lists the hiring of APC militants for government 'non-jobs', contracts with known criminals, and the purging of Mende (the main ethnic support base of Bio's Sierra Leone People's Party) from the public sector. It also details systematic misappropriation of money sent to the country to help with the Ebola crisis, and corruption of contracts for medical equipment and ambulances.

The most serious of the report's claims is the charge that the last government ordered the sale of the state's 30% share in the valuable Sierra Rutile company to its former chief executive, **John Bonoh Sisay**, at an artificially low price of US\$12.3 million in April 2012 (plus \$5.2 mn in tax). The sale went through in spite of a law stating government assets may only be sold at public auction.

Sisay, whom Koroma groomed as his successor and is his cousin, used a Sierra Leone-registered company, SRL Ltd., and a secretly-owned company registered in the British Virgin Islands to make the purchase, the report says. In December 2016 the **Australian** mining company Iluka Resources bought Sierra Rutile for \$375 mn., which would value Sisay's 30% share at \$113 mn. The report claims that Koroma was 'presumably' a part-owner of the BVI company which held Sisay's shares. In 2015 AC reported that Koroma's beneficial interest in the shares was 'widely believed' (AC Vol 56 No 13).

BRIBE ALLEGATIONS

In August 2017 the *Sydney Morning Herald* reported that Sisay had paid bribes to government officials in order to acquire mining licences for Sierra Rutile. The bribes, which Iluka's lawyers uncovered during a post-acquisition investigation, included \$50,000 worth of flights for **Diana Konomanyi**, then a cabinet minister. She was never prosecuted and continued acting as a minister until Koroma lost the election in March. Sisay vigorously denied the Australian newspaper's charges and any illegality while he ran Sierra Rutile.

Iluka re-applied for the three suspicious licences by normal channels. **British** and Sierra Leonean officials say they are scrutinising the Sierra Rutile transactions. The bribes allegations scotched Sisay's campaign to become the APC's presidential candidate in the 2018 election.

Sisay is a British citizen. **Samura Kamara**, who the report says overruled

ZAMBIA	3	EGYPT	4	KENYA	5	ZIMBABWE	6	BOTSWANA	7
Putting on the brakes		The lone general		Full of sound and fury		Bombs, smoke and mirrors		ANGOLA	8
The government is taking steps to curb the debt, but will they be enough for the IMF?		President Sisi opens his second term by reshuffling the high command again		Warm words from the President about tackling corruption hold little promise		An explosion in Bulawayo and arguments at the electoral commission threaten the vote		B.FASO/GUIN./TOGO	9
								MOROCCO/ECOWAS	10
								POINTERS	12

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civil service objections to the sale of the Sierra Rutile shares in his capacity as Minister of Finance, became the APC presidential candidate in October 2017.

Africa Confidential put the allegations in the transition team report both to Sisay and to Koroma. Koroma described it as 'complete nonsense', saying he neither benefitted from the Sierra Rutile business nor any government property sales.

The transition team recommends that the judicial commission President Bio sets up have 'a limited timeframe and mandate to recover all stolen or inappropriately converted state funds and other assets'. It also calls for the prosecution of officials of the previous government 'whose corrupt conduct is found to be particularly egregious.' There are dozens of names of individuals

the report says must be investigated.

The report slams Koroma's economic management: an external debt of \$1.6 billion, domestic debts to the commercial banks of \$658 mn., and invoices from local contractors and vendors amounting to 'an astonishing \$1.4 bn.' In combination, the report says, the country's liabilities by the time President Bio took over were \$3.7 bn. Interest on the loans alone, it says, amounts to \$262 mn. per year. Salaries of government employees take another \$263 mn., against domestic revenue of a trifling \$539 mn., leaving only \$14 mn. The report rejects Koroma's excuse that the Ebola outbreak in 2014 and the fall in commodity prices were to blame, instead finding 'an astonishing level of rampant corruption, politically organised racketeering, mismanagement, graft and lack of fiscal discipline.'

The Ebola outbreak, the team argues, occurred seven years after Koroma became President. 'In fact, in 2014, the year the Ebola outbreak began, the value of the country's export was US\$1.6 bn., decreasing slightly to \$1.4 bn. in 2015, when Ebola was contained,' the report says. 'Government must be blamed for the economic mess and near bankruptcy of Sierra Leone. Reckless spending, facilitated by the unrestrained use of the government's overdraft privileges at the Bank of

Sierra Leone, was the norm, leaving the economy substantially burdened by debt,' the report says.

Revenue collection has improved since Bio suspended customs and duty waivers – as well as creating a single account for all government's ministries and agencies – but the economy would need considerable time to rebound. The value of the Leone, which depreciated by over 149% against major international currencies under Koroma, continues to dip. Salaries are now paid on time for government employees, the streets of the cities are now much cleaner – with the introduction of monthly compulsory cleaning exercises – and civil servants can now be found at their desks by 8.30 am since Bio started spot checks at government offices.

PROPERTY AND THEFT

Governments have long struggled the legacy of housing stock, inherited from British colonial authorities and the defunct Sierra Leone Selection Trust and the Sierra Leone Produce Marketing Board to house their staff in Freetown and other key provincial towns or cities. The best in Freetown are on Hill Station, Wilkinson Road and Spur Road, although there are dozens of others. Ex-President **Ahmed Tejan Kabbah's** cabinet concluded in a 2001 study that staff homes should be sold to serving civil servants, preferably those already occupying them, at their market value. The better-appointed SLST and SLPMB buildings, it says, should be kept in reserve for visiting dignitaries.

However, the transition team reported that ex-President Koroma used Sisay as an agent to acquire 12 government-owned properties on Spur Road, mainly SLST and SPLMB homes, for \$1.3 mn., compared with their official valuation of over \$12 mn. The permanent secretary at the Finance Ministry wrote on 25 June to his counterpart at the Ministry of Works to demand a full explanation and details of a Works Ministry account used to handle sales of government properties in 2016 and 2017. This allegation has also been put to Koroma and Sisay.

Other houses in the last government's hands, the report said, were sold in its final three months to APC partisans, most of whom are not civil servants. Another beneficiary was a **Lebanese** businessman, **Mohamed Wanza**, who had been expelled from Sierra Leone by ex-President Kabbah for allegedly contriving a fraudulent gunboat deal with a former military government. The report specifically urged the judicial enquiry to investigate ex-President Koroma; former Minister of Works, Housing and Infrastructure

TRANSITION TEAM'S BOX OF HORRORS

Examples of fraud and theft from the 'Report of the Governance Transition Team 2018' commissioned by President **Julius Maada Bio**.

- 'An ingenious scheme' whereby imports and exports were under-invoiced 'Taxable goods like cooking oil were declared as non-taxable water... and sundry other taxable items as non-taxable commodities' – resulting in about US\$390 million in unpaid duties. Beneficiaries 'of these duty waivers gave a percentage of their illegal savings to senior officials as bribes.' The transition team concluded that taxable imports were re-classified as non-taxable rice, such as cement, imports of which had supposedly, in spite of an increase in construction, declined.
- Diplomatic passports were issued to 'hundreds of ineligible citizens' and 'dozens could not be accounted for'.
- The government rented official buildings at 'extortionate cost' from top APC officials or their friends and relations.
- In 2013 alone, the Sierra Leone Commercial Bank wrote off loans worth Le 29.7 bn. (\$3.7 mn.) because it concluded the loans, mostly to APC officials and government ministers, would not be repaid.
- The report cites experts at the Sierra Leone Roads Transport Corporation who claim that 100 buses bought by Koroma's Minister of Transport and Aviation, **Leonard Balogun Koroma**, in **China** in 2014 were overpriced. The experts said 'the \$12 mn. spent on the procurement of the 100 buses from China could have been wisely spent to procure at least 200 buses.'
- Ebola. The report says, 'Government gave all the major Ebola-related contracts to a small network of businessmen, each owning several companies, and all of them with close personal ties to top APC Government officials.'

Questions were often asked as to where the government watchdogs were. An APC favourite, **Ady Macauley**, was appointed head of the Anti-Corruption Commission, after which no prosecutions of significance were mounted. President Bio has sacked him. ●

Alhaji Ibrahim Kemoh Sesay; John Sisay; Chief Justice Abdulai Charm; Mohamed Wanza; Fanny Koroma; Bockarie M. Foh; Ibrahim Conteh; Vicky Jusu; and K.O. Seisay.

The sharp tone of the report may surprise some, given that before the votes in March Bio was believed to be on friendly terms with former President Koroma. But Bio's attitude towards Koroma and the APC might have been hardened by several incidents before the run-off vote that Bio won on 30 March. The report mentions a few. It says that Bio sought refuge at the Radisson Blu Hotel, at Lumley Beach,

the tourist section of Freetown, 'after armed men attacked his home.' The report also mentions the 'cases of violence in parts of the country, the vandalism of the Presidential Lodge at Hill Station presumably by the staff of former President Ernest Bai Koroma, and the frantic looting of government vehicles by outgoing officials.' Bio set up a team, headed by **Foday Rado Yokie**, to recover vehicles that were not immediately located upon being sworn into office. Yokie estimated that hundreds of vehicles had disappeared, and he had confirmed that about 400 of them had been driven across the border

into **Guinea**. Many other vehicles were quietly returned.

In a status report he submitted to President Bio in May, Yokie reported that his team recovered 258 vehicles that had been hidden by APC former officials, and that 170 ambulances that were supposed to be new. However, of those ambulances, only 30 were found to be in good condition, 50 had been 'cannibalised with some having older engines and other parts instead of the new ones that they arrived with', and the rest were in poor shape. President Bio seemed to have had his job cut out for him. ●

ZAMBIA

Putting on the brakes

The government is taking steps to curb the ballooning debt, but will they be enough to make an IMF programme possible?

The goal is to bring the risk of 'debt distress' from 'high' to 'moderate'. Even this modest target will probably elude Finance Minister **Margaret Mwanakatwe** because the government's spending habits have become so ingrained, insiders in Lusaka say. Mwanakatwe announced a series of measures on 14 June designed to staunch haemorrhaging public finances. They include commitments to 'indefinitely postpone' all borrowing in the pipeline, cancel some of the more than US\$5 billion in contracted loans yet to be disbursed, stop issuing state guarantees to bankrupt parastatals, and curb waste. The aim is to restore relations with the International Monetary Fund and investor confidence. Talks with the IMF over a US\$1.3 billion bailout fell apart last July over the government's refusal to abandon extravagant borrowing. Mwanakatwe tried and failed, Lusaka insiders say, to entice an IMF delegation to Lusaka in the wake of her recent announcement.

Soaring debt service payments are now the third-highest in sub-Saharan Africa and consumed a third of all public spending expenditure in the first quarter of this year, leaving little left over for essential services. Zambian Eurobonds have been performing poorly because of the drop in investor confidence – yields are around 11% currently. Businesspeople and investors hope for an IMF programme and want to see the Debt Sustainability Analysis, which was expected to be published in April after the Fund's Spring Meetings in Washington DC. Pundits fear that the

government's failure to publish the DSA means that it contains even worse news than before.

Mwanakatwe's 14 June statement represents belated acknowledgement of the seriousness of the financial crisis, although the liquidity situation is still so dire that the government soon may not be able to pay public sector salaries, our sources say. The government has been using the foreign reserves to service the debt, but they are now so low that the Bank of Zambia has not updated its public figures since February, and we hear that they fell to well below the last reported figure of \$1.8 bn.

Mwanakatwe's claims that discussions with IMF never ceased are mere spin; relations with the Fund have severely deteriorated, sources in Washington say, adding that trust has broken down to such an extent that dialogue is extremely difficult. The IMF blames the government for its borrowing addiction and poor fiscal discipline. Others argue that the Fund shares some of the blame for the crisis because it ignored warnings about the debt, was slow to act, and then arrogant when it did. The Fund had regular engagement with the business community, but this ceased over 18 months ago, damaging the its standing in Lusaka. One diplomat said the Fund refused to hear those contradicting the government's figures on the debt. 'By endorsing government figures, they encouraged them to keep borrowing,' the diplomat said.

The government itself did not know what the debt figures were and had

to revise the 2017 debt stock up by \$800 million to \$8.7 bn. As of the end of March 2018, it has risen to \$9.3bn. The Fund has revised its own figures upwards several times since *Africa Confidential* began reporting on the debt last November and the current total is probably, according to the rate of increase recorded this year, approaching \$10 bn.

Total external debt is still argued by credible local economists, such as former Minister of Finance **Situmbeko Musokotwane**, who puts total debt stock as approaching \$24 bn. The debate is over how much of the contracted but not officially disbursed loans, most of them **Chinese**, should be counted. The finance ministry is not in full control of the rate at which they are disbursed. Its own data show that disbursements have been faster than the government predicted.

UNFINISHED

One of Mwanakatwe's recent commitments was only to continue with government projects which were 80% complete, although her predecessor **Felix Mutati** had also made this promise. Her statement did not specify the amount that would be saved by cancelling some of the non-disbursed contracted loans, which will be difficult because it is not known how many the government can legally back out of. Restructuring Chinese loan repayments promises also to be a big ask.

The government nevertheless refers to its 'prudent and sound economic management' and describes measures emanating from President **Edgar Lungu's** desk as 'our blueprint as a government'. However, it has been remarked frequently that the Zambia Revenue Authority should already pay VAT rebates, ministries should pay their suppliers, unnecessary government travel should be avoided and further debt should not be taken on anyway, and not just because the

President has so decreed.

Making government handling of debt figures, payment schedules and other financial matters even more difficult is the ever-present corruption present in contract overpricing. Mwanakatwe's vague statement that electricity prices will be brought in line with costs, for example, is thought likely to fall victim to the necessity of covering massive commissions, which form a large part of Zesco's costs. Originally due in January, a cost-of-service study funded by the African Development Bank

and carried out by **British** consultants Economic Consulting Associates had to be abandoned after the Electricity Regulation Board failed to share information.

Mwanakatwe's statement included a reassertion that only the Ministry of Finance has the power to contract loans, banning 'unmandated officials' from making announcements on financial matters. This amounts to an admission that the ministry had previously lost control of borrowing by public bodies (AC 59 No 11).

The same interpretation can be put on the Public Finance Act, which was finally ratified by Parliament on 6 June. It strengthens powers to punish those who misuse public funds, such as selling the property of a public body, borrowing money on behalf of a public body, or incurring unauthorised expenditure. The fact that it is only now that such actions have become offences is tantamount to a confirmation of the flagrant impunity with which public officials have been abusing state finances. ●

EGYPT

The lone general

President Sisi opens his second term by reshuffling the high command again as signs emerge he is planning a new ruling party

When President **Abdel Fattah el Sisi** was sworn in for a second term on 2 June, a 21-gun salute rang out in front of parliament to mark the occasion. A few days later, in the Supreme Council of the Armed Forces, another old gun was wheeled away. The removal of Lieutenant General **Sedki Sobhy** as Minister of Defence and head of the army in a reshuffle on 14 June was a surprise. Formerly Sisi's own Chief of Staff, Sobhy was the last remaining figure from the top of the SCAF at the time of the July 2013 coup that brought Sisi to power.

A cabinet reshuffle was anticipated for the beginning of Sisi's second term, with former Minister of Housing **Mostafa Madbouly** tapped to form a new government long before the inauguration. Madbouly is a technocrat in the mould of his immediate predecessor as Prime Minister, **Sherif Ismail**, and he will be expected to play the same role as nominal head of a government in which prime ministerial duties are mostly shared between Sisi's private office and the SCAF.

But the SCAF is in flux. Sobhy's dismissal is the latest since Lieutenant General **Mahmoud Hegazy** was surprisingly purged as army chief of Staff in October 2017. He was fired after returning from a diplomatic trip to Washington last year, but before then Hegazy was seen as Sisi's closest ally and confidant. He was discarded despite a long history working side-by-side with the President in military intelligence and his daughter's marriage to Sisi's youngest son, **Hassan el Sisi**.

Next to Hegazy's ignominious fall from grace, Sobhy's descent looks gentle.

While Hegazy was left out in the cold, Sobhy will be staying on as an advisor to the President. With Sobhy's departure, Lieutenant General **Mohamed Ahmed Zaki**, the former head of the Republican Guard, has been elevated to Minister of Defence. Zaki won Sisi's favour during the 2013 coup by personally effecting the arrest of former President **Mohamed Mursi**. Meanwhile, Major General **Ahmad Ali** is taking command of the Republican Guard.

SPOOKED

The dismissal of the Defence Minister has fuelled speculation that Sisi is securing himself against a movement by the junta to oust him, but there were few indications that the President saw anything to fear in Sobhy. The attempt by the **Hosni Mubarak**-era Chief of Staff **Sami Anan** to run against Sisi in the March elections (before his prompt arrest) may have spooked the President. It is more likely that the move fits the long process of consolidation by which Sisi has centralised power around himself and his Chief of Staff, General **Abbas Kamel**. The Chief of Staff has been acting head of the *Mukhabarat* or General Intelligence Service (GIS) since Sisi sacked General **Khaled Fawzy** as its head in January 2018 (AC Vol 59 No 2).

Sisi has a record of dispensing with those who appear closest to him. This tendency first came to the fore back in December 2014, when he sacked his former mentor and then head of the GIS (also connected to Sisi by a family marriage), General **Mohamed Farid el Tohamy**. With Air Vice-Marshal **Younes Hamed el Masry** removed as head of the air force and given a

seat in cabinet as Minister of Civil Aviation in the latest reshuffle, Sisi has now replaced all of the top five SCAF commanders since seizing power. Last October he also sacked the former head of the *Amn el Watani* National Security Agency General **Mahmoud Sayed Abdel Hamid Shaarawi** following the *Wahat* debacle, in which more than 50 members of the security forces were killed by militants in the western desert. Shaarawi, however, was quietly given a seat in cabinet at the Ministry of Local Development in the 14 June reshuffle.

The only holdovers at the top of army command are two former aides to Sisi's predecessor as Minister of Defence, **Mohamed Hussein Tantawi**, who still has the President's ear. Assistant Ministers of Defence General **Mamdouh Shahin** and General **Mohamed al Assar** have retained their positions near the top of the military hierarchy and as presidential advisors.

There are signs that the President is beginning to shift away from ruling purely through the SCAF. In parliament, the two largest and most loyal blocs, For the Sake of Egypt and the Nation's Future Party, are preparing to merge into a single party. Nation's Future was established by military intelligence under orders from Sisi's office in 2015 and now controls well over 100 MPs since dozens of members from the *Wafd* and Free Egyptians parties joined its ranks, including the former *Wafd* vice-president **Hossam el Kholly** (AC Vol 58 No 19). In May, the two groupings held a joint press conference at which they announced the plan for a new party, rumoured to be named the Future of Egypt.

The latest movements around Nation's Future are starting to look like the formation of an embryonic National Democratic Party, along the lines of Mubarak's old ruling party. Sisi may benefit from a party bureaucracy that takes a greater role in running the state as he endlessly reassembles the SCAF. For now, parliament remains an incoherent mesh of ineffective coalitions and alliances herded by the

intelligence agencies. The army, by contrast, is indispensable.

Egypt's third President, **Anwar Sadat**, once wrote an unpublished novella titled *The Prince of the Island*, about a ruler surrounded by nefarious advisors whom he removes one by one in order to establish his autonomy. It is doubtful whether Sisi has read it, but

with his summary dismissals of senior deputies he is beginning to resemble its protagonist.

Sisi is still far from the level of centralisation that Mubarak achieved, in which all of the organs of state are controlled by the president and a few consiglieri. Sisi is at core a military man and is unlikely to push for the

marginalisation of the army that Mubarak sought in his last years. Even if he did want to distance himself from the junta completely, there are few signs Sisi has the necessary connections among the business elite to make that happen. For better or worse, the SCAF will remain the basis of state power for the foreseeable future. ●

KENYA

Full of sound and fury...

Warm words from President Kenyatta about tackling corruption hold little promise of transforming an endemic culture of rot

Grand corruption throughout society is being exposed on a scale Kenyans have never seen before – all, apparently, with the full support of President **Uhuru Kenyatta**. Such is the scale of the graft problem that, regardless of ethnic or party affiliation, the country is in uproar about it. Nevertheless, many believe that, as in the past, there will be no punishment of the guilty even if showcase arrests and trials of the guilty take place.

The President is playing it tough. Speaking in Mombasa on 14 June, he ordered a lifestyle audit of all senior public servants, starting with himself and Deputy President **William Samoei Ruto**. This came as a surprise to Ruto, who had been given no warning, and to the civil service. Yet Kenyatta outlined no administrative or legal arrangements for a process that will cover thousands of politicians, top government officials, their spouses and other family members.

Two weeks on, it is not yet clear whether the audit will be led by the Ethics and Anti-Corruption Commission (EACC), which some parliamentarians would like to see dissolved, the police, some of whose employees are corrupt, or the judiciary, in whose integrity few Kenyans trust (AC Vol 56 No 9).

SUSPECT LIST

In March 2015, appearing before members of the National Assembly, Kenyatta presented a list of 200 corruption suspects who were under investigation by the EACC. It included the then Cabinet Secretary for Lands, **Charity Ngilu**; the Permanent Secretary for Transport, **Michael Kamau**; as well as Governors **Peter Munya** (Meru), **Isaac Ruto** (Bomet) and **Evans Kidero** (Nairobi). The speech won a standing ovation in parliament, and praise nationwide.

Only 61 of the 200 accused were eventually charged and none of the high-level suspects were tried. That list, compiled by Kenyatta together with his personal assistant and nephew **Jomo Gecaga** – without consulting the EACC or then Attorney General **Githu Muigai** – included cases not of crime, but hearsay, rumour and errors of judgement. Many informed Kenyans fear that the euphoria lit by Kenyatta's latest proclamation will end in disappointment, just as in 2015.

Kenyatta's call for mandatory audits was made in anger and came after a series of revelations of mega-corruption touching on his government. The most egregious of these is what is now called the second National Youth Service (NYS) scandal, in which 9 billion shillings (US\$89 million) were allegedly lost to NYS contracts with briefcase companies bearing names like Fastlane Freight Forwarders and Techbiz. All were paid in record time.

The first NYS scandal, involving the loss of KSh 791 mn. (\$7.8 mn.) in 2015 under then Cabinet Secretary in the Ministry of Planning **Anne Mumbi Waiguru**, now Governor of Kirinyaga, has so far led to not a single successful prosecution (AC Vol 57 No 23). In the current scandal, **Anne Wambere Ndirita**, a 30-year-old socialite who wears blonde wigs, admitted receiving KSh 59 mn. (\$580,000) from the NYS, essentially for having supplied nothing.

In total, the Director of Public Prosecutions, **Noordin Haji**, has brought charges against 40 civil servants and 14 NYS contractors. Among the most prominent are **Lilian Mbogo Omollo**, Principal Secretary at the Ministry of Public Service, Youth and Gender Affairs, and **Richard Ndubai**, NYS Director General. Mbogo is a long-time Waiguru protégée and alter ego. After staged arrests in mid-June, all 54

suspects are out on bail, pending trial.

The other major scandal involves a payment of KSh2 bn. (\$20 mn.) by the National Cereals and Produce Board (NCPB). Since the colonial era, NCPB has been the government's chief buyer of maize and wheat at the guaranteed minimum price to meet local demand and build strategic reserves. It has always been scandal-prone: in the past, well-connected individuals imported cheap maize and sold it to the NCPB at the higher, guaranteed price.

In the latest scam, 18 traders who procured maize cheaply in **Uganda** were paid millions of shillings in record time, leaving the NCPB, over a period of months, unable to pay ordinary farmers for maize delivered. At the same time, the NCPB – whose chief executive, **Newton Terer**, resigned in May as soon as the scandal broke – sold subsidised fertilisers to middlemen, rather than directly to farmers, as the Board has a mandate to do. They subsequently repackaged and sold the fertilisers on the open market. So far it is not known how much money is involved.

In addition to the cases at the NYS and NCPB, there has been corruption in procurement associated with contracts of undisclosed value at Kenya Power and Lighting Company, where 23 employees were dismissed, and at the Kenya Pipeline Company, where, depending on which investigating agency you speak to, the value of a construction project was raised by either KSh 600 mn. or KSh 4 bn. shillings without any regard for laid-down procedure.

The scandal that has provoked the most widespread anger is the importation of an unknown quantity of sub-standard, allegedly tainted sugar, which has been found in markets all over the country. Sugar consumers – nearly everyone in Kenya – are up in arms. Kenya consumes about 870,000 tonnes of sugar each year but produces only 600,000 tonnes. The annual deficit is met by importers selected by the Kenya Sugar Board. As is the case with maize, sugar import prices are below the set local prices, a sugar import licence is as good as permission to print money. These licences have been the exclusive reserve of top politicians,

bureaucrats and their cronies. The latest sugar scandal implicates several fronts for such importers: Customs employees, Kenya Revenue Authority and quality regulators at the Kenya Bureau of Standards. A few of them are under arrest.

Their offer of lifestyle audits notwithstanding, none of this sits well with Kenyatta (a Kikuyu) or Ruto (a Kalenjin) or their political allies of Somali ethnicity. On the Kenyan rumour mill and social media, the NYS scandal is seen as a mainly Kikuyu scam, the maize rip-off as a Kalenjin affair and the sugar outrage as the doing of the Somali elite. None of this is strictly true, being based on impressions and the identity of the lead accused. Yet it will be difficult for Kenyatta and Ruto to shake off the

accusations. The President's spokesmen loudly defended Waiguru when the first NYS scandal broke and she was let go, despite much evidence linking her and her hairdresser **Josephine Kabura** to illegal payments which created a culture of impunity in the NYS. As in the past, investigators are just not up to the task. Haji has said he lacks adequate and clear-cut evidence to lay effective charges.

The lead detective in the Anne Ndirita case was dismissed after it was discovered that he had been a long-term recipient of bribes from the Ndirita family and had sought sexual favours from the blonde-wigged beauty. Chief Justice **David Maraga** has repeatedly warned that corruption cases in Kenya lose out to contrived and shoddy investigations and defective charges.

The Kenyan government has failed to repatriate to the **United Kingdom** Kenyans indicted for corruption in Britain – such as **Samuel Gichuru** and **Chrysanthus Okemo** – or punish the public officials in the 'Chickengate' scandal, who allegedly took bribes from directors of the UK printing firm Smith & Ouzman (AC Vol 55 Nos 23 & 25). A great deal could be resolved by dispensing with subsidies and liberalising the trade in maize and sugar, but Kenyatta and Ruto will hear none of it.

Despite the euphoria about audits and the anger over press reports of corruption, Kenyans expect little respite. They anticipate merely a rerun of 2015 and what happened after Kenyatta tabled his 'list of shame' of 200. ●

ZIMBABWE

Bombs, smoke and mirrors

With five weeks to polling day, an explosion at a rally in Bulawayo and arguments at the electoral commission threaten the vote

The blast that rocked the Zimbabwe African National Union – Patriotic Front (ZANU-PF) election rally in White City Stadium, in Bulawayo, on 23 June has refocused attention on the feud between President **Emmerson Mnangagwa** and supporters of ousted President **Robert Mugabe** and his wife **Grace**. After blaming his 'normal enemies' for the bomb, Mnangagwa told the BBC on 26 June that he thought the G40 political faction, which has had links to Grace Mugabe, was responsible for the attack but said he would await the outcome of further investigations.

Few expect a speedy and decisive probe into the incident. Since Mugabe's ouster last November, Mnangagwa has purged the police and Central Intelligence Organisation extensively, leaving the army to take a dominant role. Former Defence Chief General **Constantino Chiwenga** is now the most powerful Vice-President since 1980, having taken on new responsibilities for internal security, state procurement and management of the government's proclaimed anti-corruption drive. Little has been heard about the fate of the malcontents in the police and intelligence service.

On 26 June, two members of President Mnangagwa's presidential guard died of wounds sustained in the explosion, which is now known to have been caused by a grenade. Mnangagwa was unharmed, but one

of the Vice-Presidents, **Kembo Mohadi**, Vice-President **Chiwenga's** wife, **Marry**, and party Commissar **Engelbert Rugeje** were among the party grandees injured.

Chiwenga described the bombing as 'an act of terror' and Mnangagwa called it 'a senseless act of violence' and linked it to the election campaign. However, the most common speculation on Zimbabwean social media and in the streets following the incident was that the explosion was staged not by criminals, terrorists or the opposition but by the ruling party, to give it an excuse to crack down on the opposition in the weeks before the election. Many thought it ominous that the incident should take place in Bulawayo, where memories of the Gukurahundi massacres of the 1980s, for which many hold Mnangagwa responsible, are strong.

INTERNAL ISSUES

Presidential spokesperson **George Charamba** accused the people who believed the attack had been staged of 'psychopathic thinking', but he did not rule out a possible connection to ZANU-PF's internal struggles. 'There are unresolved leadership issues in this country, don't forget that,' he said. Mnangagwa's cabinet still hosts important members of the G40 group and supporters of the former president, while there are indications of widening rifts between the new president and Chiwenga, the former army chief who

led the coup that unseated Robert Mugabe.

Election campaigning went on regardless. The day after the Bulawayo attack, the opposition MDC Alliance leader, **Nelson Chamisa**, held a rally in Kadoma, which, like many of his recent rallies, drew impressive crowds. Chamisa has been criticised by the media for occasionally reckless statements, and negotiations to establish the alliance have been difficult. Confusingly, there are 14 constituencies where two MDC Alliance candidates have been nominated. Some of them are members of Chamisa's party, fighting for access to safe opposition seats, while others are candidates of smaller parties competing with other rivals within the alliance (AC Vol 59 No 4).

These appear to be teething troubles and with the official candidate lists being printed this week, there is increasing cohesion within the alliance, and increasing support for it, including from **Jonathan Moyo** and **Patrick Zhuwao**, allies of former ZANU-PF political commissar **Saviour Kasukuwere** in the plot that led to the sacking of Mnangagwa as Mugabe's Vice-President last November (AC Vol 58 No 23).

The issue of double candidates is not limited to the opposition. ZANU-PF is still resolving internal party competition over candidacies two weeks after the nomination date. Mashonaland Central Provincial Minister and G40 loyalist **Martin Dinha** successfully submitted nomination papers alongside **Campion Mugweni** in Mazowe North, despite having lost the primary election to Mugweni. The Minister of Agriculture and former head of the Air Force, **Perrence Shiri**, announced that Dinha has pulled out of the election, after being threatened with campaign funds

being withdrawn. However, his name remains on the official ballot paper. The Matabeleland South Provincial Affairs Minister, **Abednico Ncube**, also lost the primary election for his parliamentary nomination for Gwanda South. However, following protests from Ncube's supporters, the winner, **Ompile Marupri**, was disqualified.

CANDIDATES

The instability of the two main political parties has misled many into thinking it creates openings for third and fourth parties, and more (AC Vol 59 No 12). There will be 23 presidential candidates on the ballot papers that will be printed this week, and in many constituencies there will be as many as 15 parliamentary candidates. Between the 26 constituencies in Masvingo, 141 candidates are running for parliament.

Opposition parties' frustration with the Zimbabwe Electoral Commission

continues as the country draws closer to the polls (AC Vol 59 No 2). The new electoral register is now publicly available, but only because an NGO, the Election Resource Centre, challenged ZEC in the High Court, and obtained an order requiring it to produce the voters' roll within five days of it being requested. However, the version currently available does not contain the photographs or biometric data on voters, so the process of removing duplicates cannot be independently verified. The ZEC Chairperson, **Priscilla Chigumba**, has grudgingly agreed that ZEC should provide a voters' roll that includes photographs, but insists that this version will only be provided in a format that will be neither analysable nor searchable. Moreover, Chigumba, stated that, no matter what anomalies are discovered in the voters' roll, following the president's proclamation of an election date, nothing short of an earthquake will stop

it. She also said opposition parties and civil society have no right to 'interfere' with the ZEC by challenging aspects of the election organisation. These organisations remain sceptical about the ZEC's ability to run the election in a non-partisan manner.

Although Mnangagwa replaced Mugabe's close ally, **Rita Makarau**, with Chigumba, the internal structures of ZEC are still heavily populated by military and former military personnel, including the acting Chief Elections Officer, **Utoile Silaigwana**, who worked on the 2008 ZEC Secretariat that failed to release the presidential election results for a month. Chigumba herself is known to be close to senior military officials. There was further controversy about Chigumba when a picture of her wearing the striped scarf in the national colours associated with Mnangagwa's administration was circulated on social media. ●

BOTSWANA

Masisi comes into his own

Sacking a spy chief, ending the alcohol levy and opening up the economy, the new President is junking his predecessor's policies

As if determined to disavow **Ian Khama's** description of him as a 'bootlicker', new President **Mokgweetsi Masisi** has been breaking with the past, pushing more pro-business policies, cracking down on former officials accused of corruption and appointing a new economic team since taking office on 1 April. As Vice-President, Masisi took over the top job without an election when Khama retired after 10 years in power. For many years as a minister and then Vice-President, Masisi appeared to be an obedient subordinate of the often-autocratic Khama, never questioning his decisions in public or behind closed doors (AC Vol 59 No 6). Facing a general election in October 2019, Masisi has announced several policies differentiating him from Khama. This has struck a chord with voters and journalists. The alliance of opposition parties, the Umbrella for Democratic Change (UDC), is frustrated at Masisi's apparent success in reinventing the governing Botswana Democratic Party and minimising the electoral damage it might have suffered from policies like the 55% alcohol levy. Masisi's sacking of intelligence chief **Isaac Kgosi** was another important break with Khama.

But Masisi's break with the past

will not have been too difficult because he was never a popular figure within the BDP, insiders say. Having risen so quickly – promoted by Khama in preference to many ostensibly better-qualified party members – he is not so invested in past government policies.

President Khama's tenure was characterised by increasing protectionism, raising the barriers to foreign investment, and immigration restrictions on skilled workers and foreign investors alike. Corruption was on the increase and Masisi faces a test in trying to reinvigorate the economy, as well as to meet the old challenge of using the country's diamond-based wealth to invest in economic diversification.

A few days after taking office, Masisi gave the first hint of his new direction when he appointed his cabinet. He named 31-year-old economist **Bogolo Joy Kenewendo** as Minister of Investment, Trade and Industry and immediately tasked her with implementing reforms to improve the ease of doing business in the country. He also appointed **Dorcas Makgato** Nationality, Immigration and Gender Affairs Minister with a brief to make it easier for foreign investors and expatriates to visit. Masisi responded to public pressure by dropping two ministers, Minerals, Green Technology

and Energy Security minister **Sadique Kebonang** and Lands and Water minister **Prince Maele**, who are both under investigation for corruption.

It was the sacking of Kgosi on 2 May that had the greatest impact. Earlier this year, appearing before a parliamentary committee that was investigating an alleged 250 million pula (US\$24 million) fraud involving the intelligence services, Kgosi openly told the MPs he was not answerable to anyone, not even the president. Masisi replaced Kgosi with retired brigadier **Peter Magosi**, whom Khama sacked as Botswana Defence Force (BDF) Chief of Staff two years ago.

A further departure from Khama's traditions was Masisi's holding of his first press conference as president on 1 June. Khama never held one during his entire time in office.

LIQUOR LEVY

It was at the press briefing that Masisi announced his review of the tough anti-alcohol laws introduced by the teetotal, fitness fanatic Khama. Trading hours for the sale of alcohol were drastically reduced by Khama when he took over in 2008 and a 30% sales levy was introduced in December 2009, increasing yearly to 55% in January 2015. Masisi also promised to review the ban on hunting – which many regard as a discriminatory measure aimed at Botswana's nomadic Bushmen – and on the government advertising in private media.

Yet Masisi has stumbled on the road to popular acclamation as a reforming democrat. In late May he declared the Pretoria-based lawyer, **Joao Carlos Salbany**, a Prohibited

Immigrant and forbade him re-entry to Botswana. Salbany had been advising the opposition Botswana Congress Party (BCP) on a law suit claiming that Masisi's succession to Khama without an election was unconstitutional. He had also been advising the Botswana Federation of Public Sector Unions, which was planning a march against public sector corruption. The opposition accused Masisi of refusing Salbany entry in order to weaken the BCP's case. Masisi denied this and said he has no fear of the law suit. In early June, Masisi reversed himself and removed the prohibition on Salbany.

Some ascribe the new president's popularity in the media to his revocation of his predecessor's ban on government advertising in private media, such as newspapers. This had taken a severe toll on the industry and the press has been lavish in its praise of the move.

So far, Masisi seems to be winning the public relations battle, but he faces another fight over the court case that the BCP has brought against the use of Electronic Voting Machines (EVMs) in the 2019 election. The BCP claims the government wants to introduce the machines in order to rig the elections. On 1 August, a court will hear the arguments for and against the machines, which politicians in India have been accused of using to manipulate election results.

Masisi has not publicly aligned himself with the EVMs but the opposition says the timing of their proposed introduction is suspicious and that the electoral commission has not sufficiently consulted the public on the issue.

With slow economic growth, high unemployment and rising inequality, the ruling BDP has been shedding

support. In 2014, for the first time since independence, the party failed to win an outright majority, securing only 47% of the vote, down from 52% in 2009 and far below the two-thirds majority that it had targeted (AC Vol 55 No 22). Since then, its waning popularity has been marked by repeated losses in by-elections. Polls to gauge which party is likely to win the 2019 election are expected closer to the election date, but the opposition coalition has won the majority of by-elections conducted since 2014.

Masisi is, however, expected to benefit from the 'incumbency effect'. After losing many by-elections since 2014, the BDP is regaining lost ground, last week triumphing over the UDC to retain the Moshupa/Manyana parliamentary seat, which fell vacant when Masisi was elevated to the presidency on 1 April. ●

ANGOLA

Discontent takes wing

High opinions of the President are crashing to Earth amid accusations of favouritism, ineptitude and luxurious living at public expense

President **João Lourenço** excited Angolans with a high-profile anti-corruption campaign that targeted the extended family of former President **José Eduardo dos Santos**, but now cracks are appearing in the squeaky-clean facade as impatience spreads through the streets of Luanda.

For his recent tour of **Belgium**, **France** and **Spain**, the man who styles himself as the 'People's President' chartered one of the most lavishly-equipped private planes available anywhere – a wide-bodied Boeing 787 Dreamliner, adapted to carry 40 passengers in billionaire-style luxury – for about US\$74,000 per hour. His entourage, often joined by personnel from Angola's overseas missions, numbered over 100 people at times, sources in Luanda told *Africa Confidential*. The plane left the capital on 27 May for a meeting with President **Emmanuel Macron** in Paris before flying on to Toulouse and then to Oviedo, Spain, for a visit to a high-end eye clinic. A motorcade of specially-hired black limousines and SUVs caused a considerable stir in the Asturian capital as it sped to an optician's shop before returning to the airport, according to local media. Lourenço then flew back north to Brussels for talks with the European Union and an audience with King **Philippe** of Belgium. The party

returned to Luanda on 6 June.

Sensing the hostile public reaction to his extravagant trip, the President's media representatives later placed stories in the Angolan media saying Lourenço was planning to transform an idle Boeing 777 owned by the national carrier, TAAG, into a presidential plane to avoid having to charter at such high costs in future. However, sources familiar with the matter say that the Angolan government already has access to other planes which would have been suitable, if not quite as luxurious.

BOMBARDIER DEAL

In a related scandal, the formation of a new domestic airline called Air Connection Express is drawing criticism. In May, Minister for Transport **Augusto da Silva Tomás** flew to **Canada** to buy six new planes for the airline from the Canadian firm Bombardier. Air Connection Express is a consortium between TAAG and a number of bankrupt or struggling local carriers owned by politically connected people, including Lourenço's brother **Sequeira**, in a public-private partnership. The planes were intended to be 'feeder' carriers, taking passengers from regional destinations to TAAG's hub in Luanda.

Criticism of the deal swept through Angolan social media and Lourenço

killed the project during an interview with Euronews in Brussels, calling it 'fictitious'. On 18 June, he sacked da Silva Tomás. But Bombardier says the deal, worth \$198 million, still stands.

Many have questioned how Lourenço could not have known that his Transport Minister had gone to Canada to place a huge order for new planes, especially as, after leaving Macron on 30 May, he himself flew to Toulouse for a tour of the *Avions de Transport Régional* (ATR) factory, which makes commuter aircraft that compete with the Q400 type Angola contracted to buy from Bombardier.

Lourenço's quick press response suggests he is a far better media manager than his immediate predecessor, but a mountain of questions about his aviation policy remains. TAAG is in poor financial shape. Luanda angered the **United Arab Emirates** when, after contracting the UAE national airline, Emirates, to manage its stricken flag-carrier, it would not release agreed payments. Emirates then cancelled the deal and only recently restored its Dubai-Luanda route (AC Vol 58 No 16). Asked about the Air Connection Express deal, one source who meets Lourenço often said: 'It's how things work here. It's to be expected.'

Lourenço has also forced **Portugal** to transfer the corruption case against former Vice-President **Manuel Vicente** to Angola. Angolan prosecutors refused to collaborate with their Portuguese counterparts in the investigation and the former colony came close to breaking diplomatic ties with Lisbon over the case. Luanda regarded Lisbon's prosecution of the case as a breach of Angolan sovereignty (AC Vol 58 No

7). Angola provides immunity from prosecution to holders of high office, under the terms of which Vicente could not be prosecuted until 2022.

Vicente purchased a holiday flat in the luxury Estoril-Sol complex in the Portuguese beach resort of Estoril for €3.8 mn. in 2011 and the state's 'Operation Fizz' sought to establish if money-laundering was involved. Vicente was accused of bribing a state prosecutor, **Orlando Figueira**, to drop the case; he denies this. The investigation failed to establish a direct link between the alleged €763,000 bribe and Vicente. The trial of the prosecutor

and two others will, however, still go ahead.

Vicente fell out with Dos Santos; this is thought to be one reason why the former chairman of the Sonangol state oil company is enjoying a revival of fortunes (AC Vol 59 No 9). He is seen frequently at Sonangol's Luanda offices, advising the new board on strategy. Vicente has also been helping Lourenço to manage his personal finances, says a source in Luanda. The return of the Vicente file to Angolan prosecutors was almost immediately followed by a five-day visit by Portugal's Defence Minister, **José Azeredo Lopes**. A trip to Luanda

by Portugal's Prime Minister **António Costa** is in the offing.

The law on repatriation of capital, recently approved by Parliament, proved another blow to Lourenço's reputation as a fighter against corruption. Originally presented as an ultimatum for bringing home monies illegally held abroad, which most assumed would attract some kind of fine or tax, it has in practice become an amnesty covering all past financial excesses. Moreover, there is little evidence it will be effective: a top Angolan lawyer says it is unlikely that more than a token few will bring their money back. ●

BURKINA FASO/GUINEA/TOGO

Adieu à Françafrique

The investigation of Vincent Bolloré highlights how the old business networks are losing influence in French former colonies

When the **French** billionaire industrialist **Vincent Bolloré** was placed under formal investigation by Paris prosecutors on suspicion of bribing foreign officials in Africa, commentators wondered whether it was the end of an era.

The Chief Executive of the sprawling transport, construction and investment group Bolloré, which counts the media giant Vivendi among its many subsidiaries, has played a crucial role in the development of logistics across West Africa over the past two decades. But the investigation into the circumstances under which port concessions in the Guinean capital, Conakry, and Lomé in Togo were awarded to Bolloré between 2009 and 2010 has cast a shadow over the group's future in sub-Saharan Africa and shaken investor confidence.

French prosecutors opened an investigation into Bolloré's activities in Africa in 2016, which culminated in the arrest in April of the 66-year-old CEO. He was held in police custody for two days, following an indictment relating to providing under-market-rate public relations services for election campaigns in Guinea and Togo.

Groupe Bolloré's communications subsidiary Havas has been accused of underbidding the Guinean President **Alpha Condé's** 2010 campaign for consultancy and communications fees, as well as exercising undue influence over elections in Togo.

Several other *Groupe Bolloré* executives were held for questioning by French police. They included **Gilles Alix**, a member of Vivendi's executive board

with a long-standing involvement in *Groupe Bolloré's* transport and logistics activities, **Jean-Philippe Dorent**, head of the international division of the communications agency Havas, and **Francis Perez**, boss of Pefaco, a gaming group with a heavy presence in Togo.

Vincent Bolloré's lawyer **Olivier Baratelli** and *Groupe Bolloré* deny any wrongdoing. In an article for the French newspaper *Le Journal du Dimanche*, Bolloré hit out against the accusations, saying that Africa was wrongfully depicted in France as a 'land of misrule, even corruption'.

'How can one imagine that communication expenses of a few hundred thousand euros, accounted for in all transparency by a communications group of this size, with a global reputation, could have determined investments of hundreds of millions of euros for port operations where the technical requirement is considerable, and which are won through international tender?' he wrote.

Bolloré's imperial ambitions led to his company being labelled one of the last bastions of *Françafrique*, the informal politico/business network linking Francophone African countries, and often their leaders, with captains of French industry and commerce and politics.

CIGARETTES AND BIBLES

Known to some as the French answer to the **Australian** media magnate **Rupert Murdoch**, Bolloré turned his ailing Brittany family business – known mainly for selling cigarettes and Bibles

– into one of France's largest companies while still in his thirties. It now operates in 46 African countries, which account for about one fifth of the group's annual turnover of more than \$20 billion. *Groupe Bolloré's* African enterprises include 16 ports and three railways, as well as energy projects and plantations across the continent (AC Vol 54 No 24).

The group manages everything from electric cars to Asian rubber plantations, but it has become best known for its media operations – namely France's Vivendi conglomerate. Vivendi has been looking to build a platform capable of rivalling Netflix. It remains to be seen whether its ambitions will be obstructed by the cloud hanging over its parent company's African enterprises, but shares in the media group dived.

Vincent Bolloré's friendship with the former French President **Nicolas Sarkozy** has been well documented (AC Vol 48 No 10). Sarkozy celebrated his election win on a yacht belonging to Bolloré and has also intervened in Togo to help his industrialist friend.

LOWER PROFILE

The Bolloré chief shocked shareholders in early April by passing leadership of Vivendi to his 38-year-old son, **Yannick**, who leads Havas. The move prompted many observers to suggest that he had known the indictment was coming and that he was reducing his profile in the group in order to preserve value.

President Condé of Guinea announced in May that he would be seeking compensation for what he has called 'slandorous denunciation' after being named in Vincent Bolloré's indictment.

Bolloré and Condé are old friends. When Condé was first elected President in November 2010, he terminated Guinea's arrangement with the Necotrans group subsidiary Getma, which had a 25-year contract to operate the port of Conakry, and drew up a new

KINGS AND BUCCANEERS

Vincent Bolloré, variously called '*le Petit Prince*' and 'the King of Africa' for his wide-ranging interests on the continent, has locked horns with another buccaneering Western businessman determined to secure an empire in the region. Bolloré's expanding West African empire has mirrored that of **Vasile 'Frank' Timis**, the notorious, self-styled 'emperor' of West African resources.

In 2014 the government of Burkina Faso, *Groupe Bolloré* and Timis's Pan African Minerals signed an US\$895 million deal to develop the Tambao-Abidjan rail line (AC Vol 56 No 19). Under the terms of the deal, *Groupe Bolloré* was to invest roughly €400 mn. (then worth \$535.6 mn.) to rehabilitate the 1,250-kilometre rail line between the Ivorian commercial capital and Kaya, north of Ouagadougou. Pan African Minerals was contracted to develop a 300-kilometre Kaya-Tambao rail link.

The deal soured after Burkina Faso's then President, **Blaise Compaoré**, was deposed in 2014. The new government complained that Timis had not observed the conditions of the logistics agreement to develop the mine, having used trucks to transport ore from the mine, rather than redeveloping the promised rail loop. It demanded that Timis halt production.

Sources close to the matter told *Africa Confidential* that Bolloré and Timis had been battling for control of Abidjan port, Bolloré looking to keep control of the export hub and rail line and Timis unwilling to commit to building the Burkinabè rail loop until he could be sure of moving minerals on the line all the way to Abidjan.

Burkina Faso announced a final cancellation of Pan African Minerals' licence to mine this year, prompting a deadlock over Tambao between Bolloré and Pan African Minerals. ●

contract with Bolloré to run the port, through which Guinea's bauxite and other mineral wealth is exported.

Necotrans filed a complaint against Bolloré after it lost the concession in 2011 (AC Vol 54 No 6 & Vol 56 No

22). Despite being awarded €2 million to settle the case, Necotrans declared itself bankrupt in 2017. Bolloré stepped in to buy shares in the company at a reduced price.

On 23 May, the Guinean Parliament voted against ordering an inquiry into the Bolloré allegations, saying that the investigation was 'purely a French matter'.

A second West African complaint was filed in Togo against Bolloré by **Jacques Dupuydauby**, a former ally of the magnate. Dupuydauby ran the port of Lomé for eight years before *Groupe Bolloré* took the concession in 2009.

The complaint centres around involvement by the Havas PR guru Jean-Philippe Dorent in the election of President **Faure Gnassingbé** after he succeeded his father, **Gnassingbé Eyadéma**, in 2005. On Faure's re-election in 2010, the contract to run Lomé's container port was awarded to *Groupe Bolloré*.

Togo's Civil Service Minister, **Gilbert Bawara**, told local journalists that the government had 'nothing else to add' to the dossier on Bolloré but that it would comply with French prosecutors if asked to do so. ●

MOROCCO/ECOWAS

Trading blocs hit the blocks

Does Morocco really want to join Ecowas? Its application is going nowhere and clashes with other commitments and interests

After scoring a significant coup by rejoining the African Union in January 2017, Rabat's next step in its 'turn to Africa' was to consolidate regional links by joining the Economic Community of West African States (Ecowas). In spite of a sustained lobbying effort by King **Mohammed VI**, the bid seems run into the sand (AC Vol 58 No 25). Morocco won observer status at the Ecowas summit in June 2017 in Monrovia and an agreement in principle to its membership. A final decision would be made in early 2018, Rabat was promised. Since then the trail has gone cold.

Although Moroccan MPs are attending sessions of the Ecowas Parliament as observers for the first time, Rabat's membership application is in limbo. At the summit in Abuja last December, the heads of state indefinitely postponed a final decision. **Côte d'Ivoire, Ghana, Guinea, Nigeria and Togo** were tasked with drawing up an assessment of the political and

economic effects of allowing Morocco's entry. Five months on, there is no sign or prospect of a report. The king is said to be displeased and the generally well-regarded Foreign Minister **Nasser Bourita's** job may be on the line.

A March deadline for the region's think-tanks to present their own findings, set by the former President of the Ecowas Commission, **Marcel de Souza**, was quietly missed. Another summit, in Lomé on 14 April, passed with no mention of Morocco's application.

The strategic, economic and political benefits to Morocco that would come with membership are clear. The country wants to establish itself as a trade and production hub and a bridgehead between European, North American and sub-Saharan African trading blocs.

Morocco says its trade with the Ecowas sub-region hit US\$1 billion in 2016. Its exports to sub-Saharan Africa increased by 9% per year between 2008 and 2016, while its foreign direct

investment rose by 4.4%. Côte d'Ivoire, **Mauritania**, Nigeria and **Senegal** have emerged as the biggest buyers in Africa of Moroccan-made products.

Less clear is what Ecowas countries would gain from admitting Morocco, an economic powerhouse that would want the body's rules tailored to its own needs. Leading the opposition to Morocco's application is Nigeria (AC Vol 59 No 1). Trade unions, industrialists and NGOs have lobbied the government against opening the country's borders to Moroccan goods, which they view as a huge threat to domestic manufacturing. Such concerns, labelled protectionist by critics, led Nigeria to join ten other countries in refusing to sign the African Continental Free Trade Area (ACFTA) agreement in March. Guinea and Senegal also fear the impact of Morocco's higher productivity levels on their manufacturers.

The mood was summed up at the start of this month's Ecowas parliamentary meetings by **Yusuf Lasun**, Deputy Speaker of the Parliament and of Nigeria's House of Representatives, who said that concerns about the economic impact of Morocco joining the group meant that, 'it is probably going to take a long time before such a feat can be achieved'.

All the same, mixed signals abound. Following up on an earlier visit, President **Muhammadu Buhari** visited

Morocco on 10 June to sign further undertakings on a long-mooted gas pipeline which would run from Nigeria across nine Ecowas member states to Morocco's Mediterranean coast. Even so, Nigeria – like **Ethiopia**, which has also been promised massive Moroccan investment – failed to support Rabat against the Polisario Front in the latest United Nations vote on the Western Sahara.

Rabat shows little sign of taking the hint. Morocco's House of Representatives hosted a delegation of Ecowas MPs at a meeting on regional integration in Rabat in late April. The *Confédération générale des entreprises du Maroc* (CGEM), which represents the country's businesses, has also announced plans to meet its counterparts in the biggest Ecowas economies.

TARIFF BARRIER

Nigeria and the other opponents of Morocco's membership have little faith in Morocco's commitment to a common rulebook. Ecowas imposes a tariff of between 5% and 35% on imports from outside the region to protect member economies from international competition and to promote intra-regional trade. That would create a legal conflict with both Morocco's trade agreement with the European Union and its free-trade pact with the United States. Agreeing to the Ecowas tariff would also run counter to the goal of making Morocco a global hub for production, logistics and trade.

Ecowas's requirement that members permit free movement of goods and people in the region appears as unattractive to Morocco as the imposition of tariffs. A potentially major transit point into Europe, it voted – with 14 others – against the freedom of movement protocols attached to the ACFTA accord.

There are also unanswered questions about its willingness to join the proposed Ecowas common currency. Eight of the trade area's members are already part of the West African CFA currency zone; the Community plans to introduce a new currency for remaining members by 2020 called the eco, and eventually to merge the two.

In January, the Moroccan government widened the currency trading band for the dirham, one of a series of reforms recommended by the International Monetary Fund to introduce more exchange-rate flexibility. But there are no signs from the kingdom's financial authorities of any movement towards the CFA franc.

Morocco also has a strong northward pull, towards **France** and **Spain**, with whom it has strong ties and who used their clout in Brussels to cow the European Commission into ignoring two European Court of Justice rulings that the disputed Western Sahara territory must be excluded from the scope of EU trade agreements with Morocco (AC Vol 59 No 6). Brussels is desperate to stay on good terms with Rabat in case it should open its sea borders and allow

African migrants easier passage north to Europe.

The EC has also just concluded a draft deal with Rabat which would continue to treat products from Western Sahara as if they were from Morocco, despite the complaints of the Polisario Front. Negotiations on a new fisheries agreement continue.

Other Maghreb countries are emulating Morocco. In March, the **Tunisian** Foreign Minister, **Khemaies Jhinaoui**, signed a memorandum of understanding with Ecowas on bilateral trade promotion. Tunisia launched its own application to join the bloc last August, having obtained observer status at the **Liberian** summit in June. Mauritania, which left Ecowas in 2000, obtained 'associate membership' at the same meeting.

One of the attractions of Ecowas for North African countries is that membership will help overcome sclerotic relations between the five Arab Maghreb Union countries: **Algeria**, **Libya**, Mauritania, Morocco and Tunisia. Business between the five accounts for roughly 3% of total trade within the sub-region, largely because of political disagreements and poor economic integration.

If intra-Maghreb trade is tiny, there is little sign that Ecowas is keen to come to French-speaking North Africa's rescue. Nor is there much sign that the Maghreb countries can square making friends to the south with keeping faith with the north. ●

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POINTERS

South Sudan

SCUTTLE DIPLOMACY

■ June's abortive round of the South Sudan peace 'revitalisation' process in Addis Ababa, convened by the eight-nation regional Intergovernmental Authority on Development (IGAD), did agree something. **Riek Machar** would no longer be subject to house arrest in **South Africa**; he could travel freely unless participating in regionally-sponsored peace talks.

When the talks ended prematurely on 23 June, Riek was bundled onto a plane back to South Africa. Yet hardly had he set foot in South Africa than he was summoned back to East Africa – via Addis Ababa – to participate in a hastily convened Khartoum 'round' on facilitating IGAD's South Sudan peace process (AC Vol 59 No 1).

The previous talks ended when President **Salva Kiir** and the Juba delegation insisted that Machar have no further role in the process – much to the chagrin of the **Ethiopian** Prime Minister, **Abiy Ahmed**, who had organised their face-to-face meeting, complete with the awkward but obligatory group hug. Despite all evidence to the contrary, Salva maintains that his decision to replace Machar with Machar's former deputy **Taban Deng Gai** was enough to end the conflict (AC Vol 57 No 17).

Salva blames others for imposing the 2015 peace agreement, to which he never fully agreed. Yet he is experiencing increasing isolation, something his current host, President **Omer Hassan el Beshir** of Sudan, has become a past master at overcoming. They are making common cause as both Juba and Khartoum need to reinvigorate South Sudanese oil production. That could be the real reason the latest round of IGAD talks is taking place when it is, close to a previously scheduled meeting on a bilateral petroleum recovery plan.

The Khartoum 'round' of talks is scheduled to last two weeks, after which it will be **Kenyan** President **Uhuru Kenyatta's** turn to play host to what is still being labelled a 'peace process'.

Somalia

A PROCONSUL RETIRES

■ The leading representative of the **Ethiopian** security services in Somalia, Colonel **Gebregziabher Alemseged**, better known in Somalia as Colonel Gebre, has been recalled. Since 2002 Colonel Gebre had been pronouncing the diktat of Addis on and in Somalia, but he now seems to have fallen victim

to a softer approach to foreign policy by the new government in Addis Ababa.

Gebre's career began with his open attempts to bully Somalis into following Addis's policy at the Nairobi Conference on Somalia between 2002 and 2004. He was at the right hand of former warlord President **Abdullahi Yusuf Ahmed** when he was installed in Mogadishu by the Ethiopian invasion which began in December 2006. Ever since, he has been a looming presence in the Somali capital, rarely bothering to conceal he was issuing orders, not advice, to allies, often on Twitter. He was often mocked, but still feared.

Officially, after 2012 he was an employee of the Intergovernmental Authority on Development – proof, if any were needed, of IGAD's domination by Addis – until 26 June. Foreign diplomats were ambivalent about him. He was too close to some team members of the European Union's Special Envoy, **Alexander Rondos**, sources in Mogadishu say. The EU didn't want to seem too unfriendly to Ethiopian priorities. In African Union Mission in Somalia (Amisom) military circles Gebre was disliked. His behaviour reflected the Ethiopian Army's view of itself as vastly superior to its African allies.

But the election of **Mohamed Abdullah Mohamed 'Farmajo'** as President in early 2017 marked a turn in the tide (AC Vol 59 No 1). Colonel Gebre's writ no longer ran as before. Even so, he was a loyal soldier and he was too frequently blamed personally for the policies of his superiors. But whether or not Ethiopia has decided to become a friendly neighbour to Somalia is still too early to tell.

Ethiopia/Eritrea

ABIY SCORES – SO FAR

■ An Eritrean Government delegation arrived in Addis Ababa on 26 June in response to the Ethiopian ruling coalition's latest peace initiative (AC Vol 59 No 12). The dispatch of the fact-finding mission by the notoriously prickly and reclusive President **Issayas Afewerki** was another win for Prime Minister **Abiy Ahmed**, who has made sweeping changes since coming to power.

In order to celebrate the dawn in Ethiopian governance, more than 500,000 supporters of the ruling party and of Abiy held a mass rally on 23 June. The event was marred by a grenade attack that killed two and injured 156, which a leading Abiy supporter said was an assassination attempt. Senior Addis Ababa and Federal police officers were arrested for complicity.

Possibly more worrying for Abiy was the outbreak of ethnic violence in the Southern Region. Sidama

protesters agitating for their own state and against Wolayta people in Hawassa city rioted on 14 June and there were at least 10 fatalities. Some see this as a provocation by a supposed Tigrayan People's Liberation Front-controlled 'deep state' while others see just another manifestation of popular discontent made possible by the removal of repressive measures (AC Vol 59 No 12). The much-maligned head of the Ethiopian Peoples' Revolutionary Democratic Front's southern wing **Shiferaw Shigute**, who is from Sidama, resigned this week over the ethnic violence.

Abiy has also made more changes at the National Intelligence and Security Service, bringing in Oromia's security head, **Demelash G Michael**, as deputy to the agency's new boss **Adem Mohammed**. There seems little chance of organised EPRDF opposition to Abiy's wildly popular rule, but there are worries about how the party and nation will cope with rapid transformation.

Tanzania

SPARKS STILL FLY

■ It's a year since the businessmen **Harbinder Singh Sethi** and **James Rugemalira** – alleged architects of scams involving the public-private Independent Power Tanzania Ltd (IPTL) – were arrested in Dar es Salaam for 'economic sabotage' (AC Vol 58 No 13). The detentions followed Sethi's acquisition of the IPTL plant and transfer of over US\$100 million from a linked Bank of Tanzania escrow account to his Pan-African Power (PAP) company. Rugemalira is said to have distributed largesse from the deal to senior politicians, officials and faith leaders.

Rugemalira and Sethi remain in custody on remand because, officially, Tanzania's Prevention and Combating of Corruption Bureau has not completed investigations. This may be true. It is a complex case. Yet recent government orders to PCCB to investigate claims of grand corruption have exposed the limited ability of the bureau to prosecute this and other long-standing cases (AC Vol 56 No 24). It's a problem it shares with the criminal justice system as a whole; about half of all Tanzania's prisoners are awaiting trial.

Last month, the IPTL board ousted Sethi and installed chief counsel **Joseph Makandegge** as chief executive. Days later, Sethi challenged the dismissal, claiming to be IPTL's 'legally recognised chairman'.

The struggle over who owns IPTL continues. Standard Chartered (Hong Kong) has fought to enforce a claim to the firm's revenue stream after buying its debt for \$76.1 million in 2005.

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13 July 2018 - Vol 59 - N° 14

BLUE LINES

South African President Cyril Ramaphosa's call on Nigeria to speed up consultations on joining the African Continental Free Trade Area (ACFTA) reminded officials of the complexity of economic integration, at a time when the United States has launched a trade war with China, the rest of Asia, Europe, and its North American neighbours. Although South Africa was not among the first cohort of ACFTA signatories when it was launched in Kigali in May, it has now signed up following discussions with local trade unions and corporations. Ramaphosa's officials argued that the treaty would open markets for South Africa's manufactured and processed goods, earning the country far more than it stood to lose from allowing in unprocessed farm exports from its neighbours.

Another set of interests were at play when Ramaphosa urged, at the Afreximbank annual meeting in Abuja on 11 July, President Muhammadu Buhari to join the free trade area. Although Nigeria's economy is the biggest in Africa, and its 190 million people the continent's biggest market, economic cooperation with South Africa has been weak, hobbled by political and commercial disputes. Many of Buhari's ministers agree, but Buhari is instinctively an economic nationalist, arguing that Nigeria's huge internal market makes possible a radical industrialisation policy including protection of local companies. He also fears the electoral consequences of an influx of cheap imports challenging local producers.

ETHIOPIA/ERITREA

From the edge of war to the bridge of love

Ethiopian Prime Minister Abiy Ahmed has topped off weeks of revolutionary change by triumphantly making peace with Eritrea

The Ethiopian leader's previously inconceivable trip to Asmara on a mission of reconciliation on 8 July has reshaped regional geopolitics and crowned Abiy Ahmed's premiership with a hugely popular prize – peace with Eritrea and normalisation of relations. Nearly two decades of tense stand-off melted away when Abiy flew in to Asmara to a tumultuous welcome and a warm embrace from Eritrea's gruff dictator, Issayas Afewerki. They signed a joint declaration of peace and promised to implement the Algiers peace agreement signed in 2000. That deal ended a blood-drenched border war but never lifted the spectre of another outbreak of fighting and failed to restore normal relations between the former allies.

It was a *coup de théâtre* typical of Abiy's style. In a speech to Issayas and assembled dignitaries, he said: 'There is no border between Eritrea and Ethiopia because the border has been demolished and replaced with a bridge of love.' It was all 'wine and roses' during a 'fairy-tale visit', said an excited regional diplomat.

Phone lines are open, diplomatic relations will be restored, Ethiopian Airlines flights will resume on 18 July, and Eritrea promised Ethiopia access to its ports. Addis Ababa has asked the United Nations to lift its sanctions on Eritrea, which also looks set to rejoin the Addis-dominated regional body, the Intergovernmental Authority on Development.

UN Secretary-General António Guterres was in Addis Ababa when Abiy

went to Asmara and expressed his hope that if the events that gave rise to the sanctions on Eritrea 'no longer exist, they will have become obsolete'. The final decision rests with the UN Security Council. One reason for the sanctions was Eritrea's support for *Al Shabaab* in Somalia, but recent UN investigations indicate Asmara no longer provides material support to the Islamist militia. The UN 'is ready to do whatever the two parties will ask us to do,' Guterres said.

While in Asmara, Abiy met representatives of some armed groups operating against Ethiopia from Eritrea. He had earlier removed the designations of 'terrorist' from Ginbot 7, the Oromo Liberation Front (OLF) and the Ogaden National Liberation Front.

BOLD MOVES

Abiy's strategy is to make bold, headline-grabbing moves that create a new reality, pushing opponents into line. There has been little public discussion of the thorny issues of border demarcation and how to handle discontent from affected frontier communities beyond the line in the peace agreement that both leaders signed: 'The decision on the boundary between the two countries will be implemented'. The Tigrayan People's Liberation Front (TPLF) and its administration in Tigray Region, which borders Eritrea, are being dragged along in Abiy's wake, and those details will have to be addressed in the months and years to come.

Last month, protests against the rapprochement with Eritrea were reported

ETHIOPIA	2	NIGERIA	3	ALGERIA	4	ZIMBABWE	5	KENYA	7
Turbine hitch for dam		A split by any other name		Dead in the water		In the mood for change		SIERRA LEONE	8
Heads are rolling after failures that culminated in slowing progress on the great dam		A new opposition coalition and fresh splits are changing electoral calculations		How long can the ailing Bouteflika preside over a polity cankered by corruption?		Election doubts remain as economic discontent boosts the opposition's standing		AFRICA/EU	9
								MALI/SAHEL	10
								POINTERS	12

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in the remote settlement of Badme, part of the once-disputed border area, and its environs.

Another sign of missing Tigrayan enthusiasm was the Tigray regional government's statement on 7 July that in the 'absence of lasting peace' implementing the peace deal of 2000 is

a 'violation of the constitutional right of peoples' self-determination'. However, after Abiy's trip to Asmara the next day, the provincial government fell into line and published a statement speaking of 'bright hope' and a pledge to 'stand by the Eritrean people on every attempt to permanently resolve' the situation' and restore 'brotherhood' between the peoples.

Rather than run everything by the various organs of the four-party ruling Ethiopian Peoples' Revolutionary Democratic Front coalition, Abiy rekindled relations by addressing Issayas through the media. While the TPLF has spoken out against such breaches of established practice, there is now considerable momentum and concrete achievements behind the rapprochement. It will be hard for recalcitrant elements in the TPLF

and the military to prevent the surge towards normalisation. The TPLF's position may become clearer during the EPRDF congress, scheduled for next month.

Back in Ethiopia's most populous region Oromia, where mass protests paved the way for Abiy's rule, there are pockets of anarchy and unrest due to the breakdown of local government structures, and power struggles. A faction of the OLF hosted by Issayas is said to be behind some of the violence in western Wollega. Abiy met their leader **Dawud Ibsa** while in Asmara to try to coax his group into his big tent.

While the political achievements are breathtaking, it will ultimately be the effects on the ground across Ethiopia of Abiy's diplomatic love-fest that matter most. ●

ETHIOPIA

Turbine hitch for dam

Heads are rolling at a military-industrial firm after its failures culminated in slowing progress on the great dam

Completion of the Grand Ethiopian Renaissance Dam (GERD) is being held up, not by grumbling rival **Egypt**, but by the question of whether or not a struggling state-owned contractor should install the turbines.

Longstanding indecision over the role of the military-connected Metals and Engineering Corporation (MetEC) means that the main dam contractor, **Italy's Salini Impregilo**, cannot finish the main barrage for what will be the continent's largest power station, and which could turn Ethiopia into a regional power hub. This means there is no chance of beginning to fill the 74-billion-cubic-metre reservoir this year to take advantage of predicted above-average rainfall in the coming wet season. The latest delay is an inconvenience for Prime Minister **Abiy Ahmed**, who could do with some positive economic news to bolster his programme of bold political and diplomatic initiatives (AC Vol 59 No 11&12).

When then Prime Minister **Meles Zenawi** kicked off the US\$5 billion project in 2011, the electro-mechanical component was assigned to the recently incorporated MetEC. Meles wanted the group, formed from manufacturers supplying the armed forces, to emulate **China** and learn world-class engineering skills through foreign partnerships, technology transfer, and

experimentation. While it has impressed at times with its ingenuity, there have also been expensive and embarrassing failures, as well as alleged corruption, which has led to recent management and board changes.

MetEC was formerly run by military officers but was accountable to the Office of the Prime Minister. It ordered eight of the 16 turbines from **France's** Alstom for €250 million and the rest from **Germany's** Voith Hydro. Both contracts have been partially fulfilled, although Alstom sold its energy business to General Electric in 2015, but no contractor has been appointed to do the installation work, which is widely assumed to be beyond MetEC's capabilities.

MetEC's previous failures have included delayed delivery of a roughly \$500 mn. fertiliser complex and the botched Melka Sadi thermal power plant in Afar region for the Ethiopian Electric Power Corporation (EEPCO). MetEC bought a power plant for more than \$100 million in France but could not reassemble it in Afar.

Even that was not MetEC's biggest stumble. That honour goes to its bungling of the \$235 mn. processor for the ambitious Kuraz Sugar Development Project in the fragile and remote South Omo region. MetEC had received substantial advance payments

from the Sugar Corporation, which many assumed to be because Tigrayan People's Liberation Front (TPLF) titan **Abay Tsehaye** was the Director-General of the Sugar Corporation at the time, as well as a MetEC board member.

The conglomerate has reportedly now been stripped of its sugar industry contracts, but it is not clear how the Sugar Corporation's multi-billion dollar debts to the Industrial and Commercial Bank of China and Commercial Bank of Ethiopia will be covered, nor who will make good MetEC's incorrectly assembled sugar plant (AC Vol 58 No 18). Signalling its financial distress, Abiy's government recently said it was open to private ownership of sugar projects. The government has also received a \$1 bn. emergency injection into the national coffers from the **United Arab Emirates**.

NEW MANAGEMENT

Major-General **Kinfu Dagnew** resigned as MetEC's Director-General in April and was replaced by former Trade Minister **Bekele Bulado**, who is an ex-academic from the southern wing of the ruling coalition. There have also been changes at MetEC's board with Industry Minister **Ambachew Mekonnen** taking over as chair from Deputy Prime Minister **Demeke Mekonnen**.

Zenawi's widow, **Azeb Mesfin**, made a surprise return from the political wilderness by being appointed to the board in May (AC Vol 59 No 11). Last year, she lost her position on the TPLF politburo and as head of the TPLF-linked Endowment Fund for the Rehabilitation of Tigray (Effort) group of companies. Tsehaye left the Sugar Corporation in 2012 and became a policy advisor to the Prime Minister, but he does not

have a government position in Abiy's administration.

Minister of Water, Irrigation and Electricity **Seleshi Bekele**, a non-EPRDF academic-turned-technocrat, is taking increasing responsibility for GERD. This is another reflection of Ethiopia's tectonic political shifts, as former GERD supremo **Debretsion Gebremichael** is now based in Mekele as deputy administrator of the Tigray region and no longer has a central government position. Debretsion, the TPLF Chairperson, closely oversaw the project during his tenure as board chair of EEPKO.

With power shifting from MetEC and its political allies in the TPLF, there seems to be little to stop Abiy and

Seleshi from appointing an experienced contractor to install GERD's turbines. But given the political turmoil, MetEC's existing responsibilities, and the dire state of its and the government's finances, simply sorting out a new arrangement may take some time – let alone the actual engineering work (AC Vol 57 No 14).

SISI SWAY

That gives **Egypt's President Abdel Fatah el Sisi** breathing space to keep trying to influence the project that is said to be almost two-thirds complete. His most realistic strategy, however, has always appeared to be sincere cooperation on joint management of the Nile Basin to ensure that Aswan Dam – and therefore

Egypt's electricity production and water supplies – is not adversely affected by GERD (AC Vol 57 No 12).

For Abiy, seeing GERD through to completion is just one of many tricky tasks, but a crucial one as he seeks to bring Ethiopians closer together and regain economic momentum (AC Vol 59 No 11 & 12). Meles's decision to launch GERD was a political masterstroke, as it united the people of a diverse and strained federation behind this nation-building extravaganza, while catching Egypt on the back foot. However, as with many grand schemes Meles initiated, articulating the vision was one thing; putting it into practice has proved to be quite another (AC Vol 53 No 10). ●

NIGERIA

A split by any other name

A new grand opposition coalition and fresh splits in the President's party are changing calculations about next year's elections

The latest round of defections and manoeuvrings in Abuja give weight to the opposition People's Democratic Party announcement that it will lead a new Coalition of United Political Parties (CUPP), grouping at least 35 parties, to challenge President **Muhammadu Buhari** in the elections in February and March (AC Vol 59 No 10).

The big loser is Buhari's All Progressives' Congress (APC), which held its national convention last month against a backdrop of disputes within the party hierarchy (AC Vol 59 No 11). Former trade union leader and Edo State governor **Adams Oshiomhole** emerged as the new national chairman of APC and is leading the charge against the dissidents.

Despite Oshiomhole's appeals for unity, a new grouping known as the Reform-APC (R-APC) is challenging the party leadership. Led by **Alhaji Buba Galadima**, a strong Buhari supporter since 2003, it is said to have the backing of former governor of Kano and now Senator **Rabiu Kwankwaso**, Senate President **Bukola Saraki** and the Speaker of the House of Representatives, **Yakubu Dogara**.

Oshiomhole quickly dismissed the threat, describing Galadima as a 'hungry bird dancing in the centre of the road' to a rhythm dictated by his backers. 'Nobody should panic over one Buba Galadima, whose group, I believe, cannot define us in the next election in

2019... I believe the rebellion will be crushed using the superior power of argument.' For good measure, he called the new group 'hired mercenaries'.

Already, Senator **Dino Melaye** has defected to the PDP. He is close to Saraki, who was cleared of charges that he made false declarations of his assets prior to his election as Senate President.

With fanfares and enthusiastic media coverage, the PDP announced its grand CUPP alliance on 9 July, listing the R-APC as a member. Also in the alliance is the African Democratic Congress (ADC), backed by ex-President **Olusegun Obasanjo**. The All Progressives Grand Alliance (APGA), a regional party which controls the south-eastern state of Anambra, is yet to announce its position.

TIME RUNNING OUT

The new alliance is a serious blow to Buhari but time is running out for all the dissidents within the APC to quit and back the opposition. Should Dogara and Saraki officially defect, this would increase friction between the National Assembly and the Presidency. That is what happened in October 2014 and it paved the way for the defeat of **Goodluck Jonathan** in elections the following year (AC Vol 55 No 23). Galadima, the R-APC leader, claims there is a majority in the National Assembly willing to impeach Buhari for 'constitutional infractions'.

The question now is whether the PDP can be revived in time for the elections. It took a hammering in 2015, and now controls just a third of the country's 36 states, all but one in the south-south or south-east (AC Vol 56 No 7).

Yet, the PDP's history in power since the return to civil rule in 1999 allowed it to build grassroots structures across the country. For more conservative voters, a revived PDP is being trumpeted as a return to tradition. Its trickiest task will be choosing a presidential candidate supported by most of the alliance. The top two contenders are Kwankwaso and former Vice-President **Atiku Abubakar**, who is favoured by Rivers State governor **Nyesom Wike**.

Wike recently hosted Atiku and **Aminu Tambuwal**, the APC governor of Sokoto State and once a possible successor to Buhari, in Rivers State. The choice of candidate was almost certainly discussed. Wike is also the godfather of current PDP chairman, **Prince Uche Secondus**. Another contender for the alliance's presidential ticket is former governor of Cross River, **Donald Duke**. But alliance strategists favour a candidate from the north, like Kwankwaso or Atiku, who could vie for that region's block vote in support of Buhari.

They calculate that worries over the continued attacks by *Boko Haram* and the worsening herder-farmer clashes spreading out from the middle belt could undercut some of Buhari's traditional support (AC Vol 59 No 3).

Meanwhile, the APC is to seek legal sanctions against Galadima's faction. But that could deepen the rifts within the governing party which now extend to several states and local government areas. Even if the APC lawyers are able to tie up the dissidents in serial courtroom battles, the effort could still cripple the party's election campaign. ●

ALGERIA

Dead in the water

How long can an ailing Abdelaziz Bouteflika preside over an Algerian polity cankered by corruption?

Only in Algeria could a surge in calls for President **Abdelaziz Bouteflika** to stand for a fifth term in the 2019 presidential election trigger speculation that the 81-year-old *raïs*'s health is even worse than previously thought and that, according to the Algiers rumour mill, he may even be dead (AC Vol 59 No 1). One wilder version suggests Bouteflika's supposed death has been kept a secret by widely-distrusted presidential brother **Saïd Bouteflika** and a small coterie of close allies who are working out how the Bouteflika clan can avoid losing power to rival factions before revealing it. These are no more than rumours, but there has been some unusual activity around the president's residence in Zeralda and the Presidency in El Mouradia, sources in Algiers say. Bouteflika's routine medical tests in Geneva, scheduled for late June, were cancelled without explanation.

Many Algerians believe even *le pouvoir* ('the powers-that-be') military/security elite wouldn't go so far as to conceal the president's death. But they see imbroglions under way in a hot post-Ramadan summer at a time when the economy is failing to deliver and tension with neighbouring **Morocco** is continuing to rise (AC Vol 59 No 11).

In the meantime, Algerians' already low opinion of the ruling elite has dipped even further in the wake of revelations about a well-connected smuggling ring. That affair, which emerged after 701 kilogrammes of cocaine were seized in Oran in late May, has put paid to the ambitions of high-flying *Direction générale de la sûreté nationale* (DGSN) chief Major General **Abdelghani Hamel**.

HEADS ROLL

Other heads have since rolled in an effort to convince public opinion that *le pouvoir* is getting on top of elite graft. Canny Vice-Minister of Defence and Army Chief of Staff Lieutenant Gen. **Ahmed Gaïd Salah** installed (in Bouteflika's name) a new Gendarmerie commander, General **Ghali Belekci**, on 4 July. He replaced Maj. Gen. **Menad Nouba**, who received no message of thanks or any mention of another posting in the Ministry of National Defence communiqué, and had formally been in charge of the Oran investigation. However, in the opaque

world of Algerian military politics Noubba may not yet be yesterday's man. He has been linked with a move to the *Garde Républicaine*, whose commander, the influential General **Benali Benali**, has been slated for retirement.

Hamel's star has more usually waxed than waned since 2010 when he took over as national police chief and organised a stiff response to efforts to organise mass demonstrations in the Arab Spring year of 2011. Unusually for an Algerian cop, he rejoiced in publicity (at least until things went badly) whether in trying to control communal riots in Ghardaïa, building up Sahel security or limiting any 'blowback' as Algerians who had joined *Da'ish* (Islamic State) in **Iraq** or **Syria** came home (AC Vol 56 No 15 and AC Vol 58 No 5).

This persuaded some analysts that Hamel had been lined up as a potential successor to Bouteflika – always a dangerous title to acquire – and claimed this was the cause of his surprise removal from the DGSN on 26 June, rather than any failure to round up drug-traffickers. No official explanation was given for the sacking, but Hamel had become increasingly outspoken on corruption issues, irritating other members of *le pouvoir*.

EL BOUCHI STASH

Uncovered in late May, the cocaine shipment was allegedly smuggled by a gang led by well-connected local real estate developer **Kamel Chikhi** (aka El Bouchi or Kamel le Boucher). Neighbouring countries have been taking a close interest, including **Spain**, whose Interior Minister **Fernando Grande-Marlaska** visited Algiers on 3 July, and investigators have been dispatched to **Brazil**.

A doyen of the Algerian clubbing scene told *Africa Confidential* that coke-heads from across the country had descended on Oran to benefit from bargain-basement prices on offer after several dozen kilos of the El Bouchi stash had made their way back onto the street.

The rumour mill – amplified by social media – has been spinning with wild stories of arrested judges, and Chikhi's death in prison, none of which actually happened. *Front de libération nationale* (FLN) Secretary-general **Djamel Ould Abbas** has gone so far as to suggest that

mentioning the case should be made illegal. Justice Minister **Tayeb Louh** has, more sensibly, suggested that the investigation will be widened to cover influence-peddling, money-laundering and other complaints against Chikhi. The cases will be heard at the tribunal de Sidi M'hamed in Algiers – a favoured court for sensitive cases – rather than in Oran.

COP OUT

Confidence that Hamel's successor would move more ruthlessly to tackle organised crime was undermined when the new police chief was named: 78-year-old **Mustapha Lhbiri** (or El Hbiri), a career officer who moves from the uncontroversial post of head of civil protection. A 28 June report by investigative journalist **Abdou Semmar** on the *Algérie Part* website said Lhbiri was chosen on the afternoon of 26 June, before Hamel's sacking was announced. After a number of officers were considered, Prime Minister **Ahmed Ouyahia** recommended Lhbiri at a meeting that included the fearsome Security Services Coordinator Major General **Athmane 'Bachir' Tartag**, because he was 'helpful, controllable and attentive to decisions dictated from above, and above all because the civil protection chief... would never allow himself any political ambitions'. Lhbiri's first move was to show his teeth by sacking long-serving Algiers police chief **Noureddine Berrachedi** – an order that probably originated higher up the chain of command.

Sources in Algiers say all this followed a period of increased speculation about the president's health and Saïd Bouteflika's manoeuvrings. He has power over business, political appointments and his brother's office, and may still harbour ambitions to take the top job himself. His close allies, led by wealthy *Forum des chefs d'entreprise* (FCE) head **Ali Haddad**, will require assurances of protection in a post-Boutef world. In a harbinger of the potentially difficult future facing the 'oligarchs', a Haddad ally, advertising millionaire **Mourad Hadj-Saïd**, is under investigation for abusive business practices (AC Vol 58 No 17). Rumours that Haddad himself may soon face formal investigation have made their way into local media.

However, senior politicians are ramming home the message that nothing has changed and Bouteflika should stand for a fifth term in 2019. Ouyahia has long harboured ambitions to replace the *raïs*, but for now he must endorse the fifth term – even though he is the leader of the *Rassemblement national démocratique* (RND), an electoral rival

to its larger coalition partner, the FLN. Veteran political players *Union générale des travailleurs algériens* (UGTA) labour federation leader **Abdulmadjid Sidi Saïd** and *Conseil de la Nation* (upper house) president **Abdelkader Bensalah** – who would be interim head of state were the president to depart abruptly – have also joined the chorus for Boutef's

re-election.

If Bouteflika does make it to polling day, Algerian political arithmetic suggests he will be re-elected, albeit on a record low turnout. That would buy more time for *le pouvoir* to agree on a candidate to replace him – probably a year or so into the term. The problem for Algeria's ruling establishment is that a

time may be coming when memories of the 1990s conflict, subsequent terrorism and bloodshed around the country, and fear of the security services – which have dissuaded disillusioned and traumatised Algerians from taking to the streets – will have waned to such a degree that an exhausted ruling group will no longer be able to maintain control. ●

ZIMBABWE

In the mood for change

Big doubts remain about the credibility of the elections as economic discontent boosts the opposition's standing

In spite of the huge power of incumbency across Zimbabwe, as well as the generals' refusal to countenance an opposition victory, President **Emmerson Mnangagwa's** campaign for the 30 July elections is in trouble. Its biggest problems are self-inflicted: the weakness of the ersatz currency known as bond notes; its failure to rein in any of the regime's most corrupt barons; and the deep rifts within the ruling party, which may have been behind the grenade attack on a Mnangagwa rally in Bulawayo on 23 June (AC Vol 59 No 13).

The Movement for Democratic Change and its presidential candidate, **Nelson Chamisa**, have been running a savvy and more energetic campaign, taking full advantage of Mnangagwa's relaxing of restrictions on opposition rallies and door-to-door canvassing. The odds remain stacked against the MDC but it will be the freest election since the constitutional referendum in 2000, which the ruling Zimbabwe African National Union-Patriotic Front lost (AC Vol 41 No 4).

CREDIBILITY NEED

Doubtless, ZANU-PF could strongarm and rig its way to victory this month but that would not solve its problems. **George Charamba**, a top advisor who navigated from **Robert Mugabe's** era into Mnangagwa's, described the elections as a foreign policy tool: they have to look credible if they are to unlock substantial foreign investment and a debt deal with the International Monetary Fund and World Bank. For now, the legitimacy of the vote is in the balance and the opposition is using that as one of its few pressure points.

Economic woes are the biggest issue for most voters. A widely voiced complaint in a televised debate broadcast by the BBC on 8 July was

that Mnangagwa's 'Open for Business' mantra applies only to his foreign friends, not to local companies, many of which have criticised government policy.

People are struggling with the cash shortage. One US dollar is now trading at 1.70 in local bond notes, which started off at parity with the dollar and cannot be used outside the country. Electronic payments are worth even less. There was a panic at the start of July when EcoCash, the mobile money payment system, crashed temporarily. People abandoned their full grocery trolleys because they could not pay without an EcoCash card.

Mnangagwa's leadership of ZANU-PF meanwhile faces internal challenges. The Mashonaland West provincial committee expelled 41 senior members who had lost primaries and applied to stand as independent candidates against the party. We hear there are multiple defections by candidates who lost their primaries in Midlands, as well as in Mashonaland East and Mashonaland Central.

The grenade thrown at the platform at Mnangagwa's rally on 23 June suggests the military and security are involved in these factional battles. The President has pointed a finger at G40, the group that supports ex-First Lady **Grace Mugabe**, accusing it of responsibility for the attack. Others suggest that it underscores unresolved battles between Mnangagwa and elements in the military.

After the explosion the government cracked down on dissent within the party, in the security system and beyond, arresting and beating up two civilians on 24 June. Both were released without charge. No detail has been confirmed, but there are reports that the military is targeting the Central Intelligence Organisation, which was largely

disarmed after November's coup.

Military Intelligence, we hear, has taken over the investigation from the police. Four civilians arrested in relation to the case were held in military barracks, not in a civilian prison. The military has increased its presence at Mnangagwa rallies, for 'security reasons'. On 7 July, visitors trying to leave a Mnangagwa rally in Bindura (Mashonaland Central) were beaten and chased by soldiers.

The findings of the independent Afrobarometer opinion polls published last month – putting support for ZANU-PF at 42% and the MDC at 30% – reinforced the view that there will be a run-off, or indeed that secret negotiations on a power-sharing deal have already started. Chamisa denies any such plan (AC Vol 59 No 12). To opposition stalwarts, power-sharing would be a betrayal; and talking about it risks undermining popular support.

OBSTRUCTIVE ZEC

Instead, Chamisa and top allies such as **Tendai Biti** and **Welshman Ncube** are focusing efforts on the mechanics of the election and cutting down vote-fixing. The Zimbabwe Electoral Commission (ZEC) has grudgingly agreed to specific concessions towards increasing credibility. But, for a body which is meant to be independent and is charged with organising free elections, its attitude is obstructive.

After multiple complaints, ZEC invited political parties and civic groups to observe the printing of the ballot papers at the government's Fidelity Printers, which used to print the Zimbabwean dollar. The observers had to stand on a viewing platform, with no clear sight of the machines or the production process. ZEC refused to answer questions about the storage of ballot papers or how many will be printed. It insists it has complied with the law, and accuses the opposition of trying to tamper with the ballot printing.

There is another row over access to the full biometric voters' roll. Following a High Court order, an electronic copy of the roll without photographs was released to all parties. ZEC Chair **Priscilla Chigumba** claimed that she was not legally required to include

photographs in the register – in her statement she quoted the first two subparagraphs of s.20(2), but omitted the third paragraph, which explicitly states that photographs are part of the voters' roll, and should be released to

CALL FOR POLL OBSERVERS WHO COUNT

Long derided for doing too little, too late, international observers could play a critical role in the 30 July elections. In theory, their judgement will be an important test of the government's claimed commitment to a credible election, and will also influence financial institutions.

Although the international organisations and diplomats differ in posture – **Britain** and **China** are seen as the most supportive of President **Emmerson Mnangagwa** – they will have to reach a consensus if there is to be a deal to reschedule debt and resume credits from the International Monetary Fund (AC Vol 57 No 21 & Vol 59 No 7). Without these, Zimbabwe's economy could be heading for another currency crash and still more chaos.

So far, the European Union Election Observation Mission has been toughest, warning that 'the printing of the ballot papers was not as expected'. Its press statement reminded the Zimbabwe Electoral Commission that 'great efforts need to be made to ensure public and political confidence in the 2018 polls'.

However, the EU will not release its first full report until 48 hours after election day, so it has limited power to influence developments before the vote.

Priscilla Chigumba, the ZEC Chair, has been marking out territory clearly. She insists that Zimbabwean law has no provision for election monitors who could evaluate the voting process and raise discrepancies with the presiding officers on election day. ZEC will accredit only election observers, who can record discrepancies or problems to contribute to an overall evaluation of the fairness of the process, released after the election.

That means the role of trained and well-equipped party agents at the polling station, able to record malpractices and discrepancies in counting and tallying, will be crucial. Until now, the **United States** has been seen as taking the hardest line on the elections' credibility and ending sanctions against individuals in the ruling party. But that is in doubt following the withdrawal of funding by the United States Agency for International Development (USAID) from three important civil society organisations: **ZimRights**, a human rights monitoring and advocacy organisation; the Election Resource Centre (ERC), which has led the pressure for more transparent elections; and the Counselling Services Unit, which provides medical and psychological help for victims of political violence.

Cutting funding for these organisations, just a month before the elections, will undermine their operations and raises questions about the motives for the move. The Zimbabwean government press accuses the groups of misusing donor funds, although all three have filed detailed accounts approved by other donors.

The ERC was planning to run a parallel vote tabulation (PVT) which would give an accurate guide to the outcome, based on detailed reporting of results from a nationally representative group of constituencies. It will no longer have the capacity to do this, but it had already set up some systems with the Zimbabwe Election Support Network and the US's National Democratic Institute. These organisations will now run the PVT on 30 July, hoping to produce a credible result 24 hours after polling stations close.

Meanwhile, the state-run Zimbabwe Broadcasting Corporation claims that it has provided adequate coverage for opposition candidates, but is charging \$57,936 a day to run opposition adverts. ZBC said that any airtime allocated to the opposition which is not booked and paid for will be reallocated to other programming.

Unless the opposition parties can raise US\$1.5 million, they forfeit their allocated airtime. The state-owned national press continues to provide blanket coverage of ruling Zimbabwe African National Union-Patriotic Front rallies and campaign speeches, with only cursory, usually critical, reports of opposition campaigning. However, privately owned newspapers such as *NewsDay*, *DailyNews*, *The Financial Gazette*, the *Zimbabwe Independent* and *The Standard* are far more critical of the government, although their influence does not extend much beyond Harare, Bulawayo and a few other cities.

Most important are the state-owned radio stations broadcasting in Shona and Ndebele, which reach into the rural hinterland. They reinforce the messages from traditional leaders, who are overwhelmingly pro-ZANU-PF. Against this, the opposition hopes that its younger supporters in the towns, who provide money and food for their families in rural areas, will counter the weight of the state-sponsored message. ●

anyone who requests them. Chigumba eventually relented, saying the full roll with photographs would be made available to citizens who bring a hard drive to ZEC. Representatives from the MDC Alliance attempted to collect it three times but were fobbed off with excuses about technical problems.

Chigumba now claims that ZEC has chosen to keep the photographs off the electronic voters' roll in order to protect citizens' privacy. Election analysts have already discovered repetitions of IDs and other anomalies which cannot be verified without the photographs.

The chief election officer of the MDC Alliance, **Jameson Timba**, has requested a meeting with Chigumba to discuss the main issues, particularly the ballot paper layout, ZEC's lack of transparency about the printing of ballot papers, and access to the complete register. Chigumba has refused to meet Timba one-on-one, and is yet to agree a date for the collective seminar with all political parties that she promised him.

FEAR OF VIOLENCE

For many voters, the biggest fear is a rerun of the violence of the 2008 elections. Observers have reported violence around the country in primary elections run by both ZANU-PF and the MDC, but most of this was organised by local leaders rather than being a national campaign. Further reports of violence since the primaries again point to local faction fights.

More worryingly, human rights groups are receiving reports of unidentified individuals being sent to villages deep in the rural areas. These are suspected of being soldiers in mufti or ZANU-PF youth seeking to intimidate villagers and opposition campaigners. A document instructing the service commission to pay all members of the Zimbabwe Defence Forces a 22.5% 'Special Allowance' in July has raised concerns about the role of the military in the conduct of the poll.

There are widespread and verified reports of verbal intimidation. The Bindura South MP, **Toendepi Matangira**, said war would break out if ZANU-PF does not win and that there are machines at the polling stations to identify which party voters select. In Mudzi, a local ZANU-PF leader told people that the violence would be worse than in 2008 if the party lost. In Gokwe ZANU-PF leaders installed party loyalists in villages with dissident heads and threatened to beat anyone who campaigns for the opposition. Such threats loom large for voters in the rural areas and undermine the much-trumpeted anti-violence pact launched in Harare last month. ●

KENYA

Hanging on a handshake

The deal between Kenyatta and Odinga has re-aligned old rivalries. Nairobi insiders puzzle over who the winners and losers are

Every politician in Nairobi has a favourite theory about the causes and consequences of the rapprochement between President **Uhuru Kenyatta** and opposition leader **Raila Odinga** on 9 March and what it means for Deputy President **William Ruto**. Although it has forced a tenuous realignment among the country's three heavyweights, the handshake's effects on the structure of government, sentiment at the grassroots, and the succession in 2022 are slowly, sometimes unpredictably, working their way through the political system (AC Vol 59 No 6).

Deputy President Ruto is the obvious loser, say many of Kenyatta's and Odinga's supporters. To which Ruto's people cite a popular slogan on Nairobi's *matatu* minibuses: 'No condition is permanent.' What they want is an unambiguous statement that Kenyatta will back Ruto in the 2022 elections. For now, that isn't on offer.

The most benign theory about the handshake is that the situation after the 2017 election was untenable for both Kenyatta and Odinga. Kenyatta was facing mass demonstrations and threats to his legacy. His business allies complained the unrest was hurting their operations; many, including the general public, were annoyed at the prospect of further turmoil and relieved when it ended.

Odinga faced political extinction. His former allies from the National Super Alliance (Nasa) – **Kalonzo Musyoka**, **Moses Wetangula**, and **Musalia Mudavadi** – had already made overtures to Kenyatta. Outside the Luo heartland, Odinga came under fire for calling his supporters onto the streets and creating havoc. **Robert Godec**, the **United States** diplomat and former ambassador to Kenya, had pushed hard for a deal behind the scenes, along with other envoys.

Another theory says the handshake was an economic fix. The activist and former anti-corruption guru **John Githongo** links it to the government's need for a policy endorsement from the International Monetary Fund.

A related argument is that behind the wrangles Kenyatta and Odinga are friends and sometimes business partners. Their businesses were hurting. Odinga

told his supporters to boycott Kenyatta's Brookside Dairy, which has a near monopoly on dairy products, and other Kenyatta enterprises and to switch their mobile phone providers from Safaricom to Airtel, accusing the former of having interfered with the election.

Kenyatta is said to have retaliated by having banks squeeze Odinga's companies. His East Africa Spectre business had trouble sourcing vital gas cylinders.

CUI BONO

This leaves nagging questions about the handshake and the specifics of how Odinga and Kenyatta will benefit. Four months later, few of the details have been made public. A popular theory is that Kenyatta offered a big financial settlement, well beyond the perquisites of office, for Odinga and patronage for his supporters (AC Vol 59 No 12). In turn, the theory goes, Odinga agreed to team up with Kenyatta and to help sideline Ruto.

The deal gave Kenyatta a chance to create a legacy and escape the horrors of the last election, claims of rampant corruption, and other grave accusations. It gave Odinga a role as an international mediator and roving ambassador with an office, numerous perks, and prestige.

Some say Odinga was frustrated with those of his supporters who pushed him to go for the mock inauguration in Uhuru Park. Die-hard oppositionists had threatened to burn down Odinga's properties if he did not go ahead, but others say the event was a calculated threat to Kenyatta to ensure a big payoff.

Since the handshake, Ruto and his allies may have lost out in his dispute with Kenyatta but, a savvy political veteran told *Africa Confidential*, they cannot be described as 'sidelined'.

Yet the mood music has changed. Kenyatta has gone from calling Ruto 'my brother' (*'ndungu yangu'*), to referring to him as 'that guy' while embracing Odinga as his new 'brother'. Kenyatta and Ruto met at State House last month to try and resolve their differences and plans for a 'lifestyle audit' but no public statement followed (AC Vol 59 No 13).

The main ethnic and even intra-ethnic constituencies look divided on Ruto's role. Many top politicians are

holding fire until they see how the dice fall. The Kenyatta allies who once attacked Odinga and praised Ruto look puzzled by the latest twist.

Others say Ruto has served his purpose, is too dangerous to take over the presidency, and should be dumped now. Among these are Kikuyu elders who advise Uhuru with varying degrees of success: **Mama Ngina Kenyatta**, Uhuru's mother; **George Muhoho**, Uhuru's uncle; and the inner core of the Kiambu old guard. Even the elders quarrel among themselves as they pursue their individual political and business interests.

Peter Munga, National Secretary-General for Kiambu's influential Kikuyu Council of Elders has called on Ruto to 'pack' and retire along with Kenyatta, saying that he has had his time in power and 10 years is enough. To these people, Ruto is unscrupulous, a man who could damage their political and business interests as happened under President **Daniel arap Moi**. They also hold him and his supporters responsible for the mass killing of Kikuyus in North Rift after the 2007 elections.

Other Kikuyu factions want to honour the 2013 deal that delivered the Kalenjin vote to Kenyatta in exchange for backing Ruto for president in 2022. Particularly insistent here are the Kikuyu elders in North Rift led by **Paul Kinyanjui**, who are joined by local Kikuyu businessmen who just came out in support of Ruto and against their Central Kenya counterparts.

They see the power of Ruto's base in the North Rift, his status as Kalenjin leader, and the risks of dropping him, such as a repeat of the 2007-08 post-election violence and the resurgence of clashes between Kalenjin and Kikuyu.

Ngujiri Wambugu, an outspoken anti-Ruto MP for Nyeri town, attacked some of his fellow Mount Kenya MPs in *The Star* newspaper last month for still supporting Ruto. Kenyatta had 'delivered' on his promises to Ruto and the Kikuyu owe him nothing, he said.

ALLIES

Still, Ruto has plenty of allies, some of whom, along with certain Central Province Kikuyu who don't support him, think Kenyatta may have played his hand too early. They see Ruto as a savvy political operator who has time to regroup, and could well stage a comeback. For now, Ruto is acting as if nothing has changed. His supporters are doing whatever they think necessary, including registering two new Kalenjin political parties (the United Green Party and the Grand Dream Development Party) and attacking Uhuru's brother **Muhoho** for allegedly

importing tainted sugar.

Ruto insists he is clean and ready for his 'lifestyle audit'. Kapseret MP and Ruto colleague **Oscar Sudi** says the audit should go back to **Jomo Kenyatta's** time from 1963. Ruto publicly advises against engaging prematurely in 'succession politics'.

Yet Ruto has been doing just that: scouring the county for allies, including in Embu and from coastal Nasa MPs and others who are furious at Odinga for having left them for Kenyatta. Many refused to show up when Odinga recently visited Mombasa.

At least 14 of these same opposition Nasa coastal MPs who turned to Ruto after the handshake, including Kilifi North and Kaloleni MPs **Owen Baya** and **Paul Katana**, just flipped back, claiming they only supported Ruto on development. Central Province's **Peter Kenneth**, a former MP, failed 2017 presidential candidate and ex-Ruto critic, recently joined the Deputy President at a church fundraiser at Kapseret, now calling him his 'age mate' and 'friend'.

Musyoka, Wetangula and Mudavadi also realigned themselves with Ruto after Odinga ditched them, even though they had tried to ditch him first. However, except for Wetangula, they are now talking to Odinga about the unlikely prospect of reviving Nasa. Odinga himself continues faithfully to repeat Kenyatta's exact words including his admonition to Ruto to stop loitering ('*kutangatanga*') and pushing his candidacy in 2022.

KALENJIN ANGER

Meanwhile, Ruto's Kalenjin allies in the Rift are angry with Kenyatta, Odinga, and anyone else who is attacking Ruto, although the Kalenjin themselves are divided about Ruto. One object of Ruto supporters' attack is **Gideon Moi**, son of former President Daniel arap Moi and a long-time Ruto opponent. While *Moi* claimed recently that he is interested only in 'development' and not in politics some of his fellow Kalenjin elite think otherwise.

In April, Odinga visited *Moi père* at his Kabarnak home, supposedly to

wish him well following his recent hospitalisation. Speculation at the time was that Odinga was thinking about 2022 and a possible ticket of Gideon Moi and his daughter **Winnie Odinga** to garner the Kalenjin and Luo vote. Since then, Gideon, who has some backing from Mama Ngina, has been meeting with political supporters at the exclusive Muthaiga Club in Nairobi, much to the consternation of its members, who prefer politics to be left outside the front gate.

Meanwhile, Odinga, along with Kisumu's Nasa Governor **Peter Anyang' Nyong'o**, wants a constitutional amendment to turn Kenya back into a parliamentary system, an idea the Kikuyu have always opposed. Odinga's Luo supporters fear he has deserted them while civil society organisations are disgusted and have distanced themselves from him.

Otherwise, Kenya's dynastic politics continues; the Kikuyu establishment seem to call the shots for now with the possibility of Odinga's future being as uncertain and precarious as Ruto's. ●

SIERRA LEONE

Corruption inquiry takes off

The new president is taking the advice of his transition team's explosive report by instituting a judicial inquiry into corruption

President **Julius Maada Bio's** cabinet on 6 July approved a wide-ranging probe focusing on 'unexplained wealth' allegedly accumulated by former President **Ernest Bai Koroma** and his officials. It came two days after the release of a damning transition report that accused the officials of plundering the state (AC Vol 59 No 13). The inquiry will be headed by a senior **Nigerian** judge, whose consent was secured the day the report came out through the good offices of the Nigerian High Commission in Freetown. The judge – still unnamed as *Africa Confidential* went to press – will seek to recover plundered state assets, resources and cash through plea bargaining, which Bio's government would prefer, or criminal prosecution, as urged by civil society activists.

On 5 July former Vice-President **Victor Bockarie Foh** and ex-Mines Minister **Minkailu Mansaray** were arrested and remanded on police bail for allegedly embezzling tens of thousands of dollars meant for Hajj pilgrims last year. Mansaray was head of the Hajj committee, while Foh was

his supervisor.

After receiving the transition team report, Bio said that he was 'shocked but not surprised' by its findings. His Sierra Leone People's Party and the media 'have been highlighting' Koroma's corruption long before he ordered the inquiry, he remarked. He was particularly disturbed by the sale of the government's shares in mining company Sierra Rutile, the misuse of funds for the response to the Ebola crisis, the looting of government assets and properties, and the 'discriminatory practices' on ethnic lines that the report claims Koroma's government pursued in public appointments. Bio accepted all the report's key recommendations.

He has also ordered forensic audits of major contracts and key institutions, including the National Revenue Agency, the National Social Security Trust fund, the state's telecoms provider Sierra Leone Cable Limited, the National Telecommunications Commission, the Bank of Sierra Leone and two state-owned commercial banks, as well as the Sierra Leone Roads Authority.

Hours after the report was formally

launched on 4 July, the Inspector General of Police issued a statement banning all officials of the previous government, who could face further investigations, from leaving the country without written authorisation by the Attorney General. Former ranking officials were ordered to surrender their passports to the police. Some officials named in the transition team report left the country before it was published; ex-President Koroma among them. In a statement reacting to the publication of the report on 5 July he said he was going on 'a much-deserved, ongoing vacation'. He did not disclose his destination or when he would return to Sierra Leone.

Koroma's statement, widely believed to have been drafted by his former Minister of Gender and Children's Affairs, **Sylvia Blyden**, said Koroma was 'particularly disturbed at the extent of the egregious lies in the report with respect to the sale of Sierra Rutile' (AC Vol 57 No 7).

Blyden is said to be eyeing a senior leadership role in Koroma's All Peoples' Congress (APC) party. The statement added that Koroma was not involved in nor benefited from the sale of Sierra Rutile shares, alleged in the report to have been bought by his cousin **John Bonoh Sisay**. Koroma has accumulated expensive properties and businesses thought to be worth millions of dollars, including a hotel in Freetown, during his two terms as president. He described the transition team report as a smear against him and the APC aimed

at undermining multi-party democracy (AC Vol 56 No 13).

Sisay is said to be in Namibia, where he was recently appointed by the mining group Weatherly International as CEO of its **Namibian** subsidiary, Ongopolo Mining and Processing, whose ordinary shares have been suspended from trading on the London Stock Exchange's Alternative Investment Market (AIM) and remain in administration. Sisay is reported to have made substantial investments in the Namibian company, described in the financial press as 'struggling'. Sisay denied any wrongdoing in his relations with and management of Sierra Rutile.

Other ex-officials who have reportedly left the country include **Leonard 'Logus' Balogun Koroma**,

the former Minister of Transport and Aviation, who was criticised in the report over the acquisition of 100 buses from **China**.

'EXTORTIONATE'

Also absent is **Henry Macauley**, the former energy minister, whom the report criticised for entering into 'an extortionate' contract with an electricity company. In a letter of 5 July addressed to the chair of the transition team, Professor **David Francis**, Macauley claims the contract with Aggreko was expensive but was 'the subject of international tender' supervised by the World Bank in 2016. Sources familiar with the documents backing the transition team report say that the contract was actually signed in

late 2017. Macauley claims in his letter it was an extension of the contract negotiated and signed in 2016, but the terms are markedly different. The 2017 contract includes payment for equipment that should, according to the 2016 agreement, have been paid for and should have been in Sierra Leone.

Perhaps the most dramatic case has been that of former Defence Minister **Alfred Palo Conteh**, a former army major. He was accused in the transition report – as previously in the Auditor-General's report of 2015 – of overpricing a contract for army vehicles to the tune of \$6 mn. Conteh also left the country a few days before the transition team's report came out. He is believed to be in the **United Kingdom**, where he was long resident and is said to own properties. ●

AFRICA/EUROPEAN UNION

Another political fix

Increasingly anti-migrant European politicians and governments are exerting more pressure on the EU to come up with solutions

Germany's Finance Minister **Olaf Scholz** dismissed Europe's political crisis over migration policy as 'summer theatre'. That's what he called the manoeuvres of his conservative coalition partner and Interior Minister, **Horst Seehofer**, as Seehofer flirted with collapsing the Christian Democratic Union/Christian Socialist Union (CDU/CSU) coalition as he adopted an anti-migrant stance to win votes in his home region of Bavaria.

In fact, the EU has been trying and failing to reach agreement on an overhaul of its migration and asylum policy, known as the Dublin Regulation, for several years. The drama came to a head at an all-night EU summit in late June which delivered a vague statement that enabled everyone to declare victory to their domestic audiences but again failed to resolve the key question of how EU member states should 'burden-share' refugees and migrants and their associated costs.

This is primarily a political crisis. The formation in **Italy** of a coalition government by the *Lega* and the Five Star Movement has elevated *Lega's* **Matteo Salvini**, who promised during campaigning to deport half a million Africans, to lead the interior ministry. His first action was to bar from Italian ports the NGOs which have been doing the bulk of the rescues at sea of stranded would-be migrants from

Africa (AC Vol 58 No 17).

The European Council post-summit communiqué talked about the need to 'explore the concept of regional disembarkation centres', also called 'platforms'. This idea has been around in one form or another for 20 years, whether as hotspots outside the EU or the **Australian** model of offshore migrant detention centres. The bottom line is that the EU is pushing its own borders outwards, most famously in **Turkey** where a €3 billion deal was struck to prevent asylum-seekers crossing the Aegean.

RELUCTANT HOSTS

European leaders have been forced to admit that none of their African partners are yet willing to host such a centre. German Chancellor **Angela Merkel** led serious efforts to pressure **Egypt** and **Tunisia** to receive migrants rescued at sea off **Libya** in 2016. Cairo rejected all entreaties. Some progress was made in Tunisia until news of the talks leaked and politicians in Tunis walked away. Ahead of the summit, **Salvini** argued that the centres should be based in countries such as **Niger**, **Chad**, **Mali** and **Sudan**.

Third-country centres where Africans can apply for settlement in Europe will attract strong flows of people, and it is unclear what will become of the vast majority whose applications for asylum in the EU will

fail. The UN Refugee and Migration agencies – which both rely on European funding – have volunteered to play a role but the small-scale experiment of moving vulnerable refugees from **Libya** to **Niger** has already broken down twice. The EU hopes that its Partnership Framework on Migration, which offers funding for migration-related policies in African countries, will help deliver venues (AC Vol 57 No 21).

An African Union summit on 2 July seemed to kill that hope as **Morocco** led a strong rejection of the platform idea. 'It is an easy, counterproductive solution,' said Morocco's Foreign Minister, **Nasser Bourita**. Instead, African leaders agreed to set up the African Observatory for Migration and Development (OAMD), which will be based in Rabat.

The initiative, proposed by Morocco, will focus on 'harmonising the national strategies of African states and improving interaction with partners'.

However, if African leaders have so far refused to host the new centres, the chair of the AU commission, **Moussa Faki Mahamat**, said that the continent bore its own responsibility for the migration crisis, condemning what he described as 'intolerable actions' committed against African migrants on their own continent. 'Unless it wants to lose credibility on this issue, our union cannot condemn obvious human rights violations against African migrants elsewhere and ignore it when similar things happen on the continent,' he said on the eve of the AU summit.

In recent years, the EU has re-gearred its foreign policy and development agenda for Africa to serve the goal of reducing northward migration, as well as diverting funds from development assistance towards the domestic costs of policing borders and housing migrants. Some of the anti-migration policies

have been implemented in the guise of countering trafficking networks that are said to be destabilising African countries of origin and transit. Then there is the EU's €500 million fund to help improve living standards so migrants won't want to leave their African homes. This is not much of an incentive given that migrant worker remittances to sub-Saharan Africa totalled €38 billion in 2017 alone.

Such is the preoccupation of EU

countries with migration control that the bloc's negotiating mandate on the successor to the Cotonou Agreement, which governs EU relations with developing countries and sets the parameters of development assistance, was only agreed on 22 June after being held up for several months by EU members led by **Hungary** and **Poland**, which are the most opposed to mandatory migration quotas. The

central European countries want EU development aid and investment to be even more closely tied to migration control (AC Vol 59 No 11).

Meanwhile, the development agenda in Africa has been detached from calls for political reform and aid budgets are being parcelled out to pariah regimes like Sudan. The long-term effect could be more asylum seekers and migrants. ●

MALI/SAHEL

Shaky start for Sahel force

An attack on the G5 Sahel's HQ has further undermined confidence in an alliance of governments who lack trust in each other

A lack of confidence and cash is holding up deployment of the G5 Sahel joint military force, tasked with tackling jihadist groups and trafficking gangs in the fragile border areas across the region. Much of the €414 million pledged at a February meeting in Brussels remains undisbursed because the donors are not convinced that the command and the force are up to the job.

France, the key bilateral partner, has sought to play down the military

significance of the 29 June gun and suicide-bomb attack by jihadists on the force's headquarters in Sévaré, Mali, in which six were killed, including four attackers. Instead, Paris continues to stress the progress made in getting this complex project under way. However, President **Emmanuel Macron's** 1-2 July visit to Nouakchott – see box – was dominated by talks with G5 leaders about how to deal with the difficulties hampering operations.

The immediate problems are

practical; money, training, equipment and the cross-border coordination of military operations. But their root cause lies largely in a lack of confidence among the donors who made pledges in February and the patchy state of relations between the leaders of the G5 states – **Mauritania**, **Mali**, **Burkina Faso**, **Niger** and **Chad**. The bloody prelude to the Nouakchott talks underlined the concerns of those questioning the unity and commitment of pact members.

International attention was caught by the Sévaré attack, which blew out the perimeter wall of the G5 base, although the command centre itself was not touched. On 1 July, an attack on a French patrol in Gao killed four civilians and injured Malian and French troops.

But perhaps more worrying for the anti-jihadist offensive were two less reported attacks on Peul communities in central Mali in June, one blamed on local Dozo 'hunters' and the other on the Malian army – a reminder of inter-communal mistrust and the Malian security forces' record of sporadic abuses, despite mediation visits to the area by prime minister **Soumeylou Boubeye Maïga** earlier this year (AC Vol 59 No 4). A UN investigation concluded that Malian soldiers of the G5 force had summarily executed 12 civilians at a livestock market in Boulkessy on 19 May after one of their number had been murdered by an unknown assailant. Maïga apologised and withdrew the unit from active service.

French sources say that even creating the 5,000-strong *Force Conjointe du G5 Sahel* (FCG5S) out of the armies of five countries that are among the poorest in the world is a considerable achievement. It is only one year since G5 heads of state agreed to create the force and France and the EU pledged start-up support.

Now, it has 4,000 troops in seven battalions, while the Sévaré headquarters is complemented by two regional command centres at Niamey and in south-east Mauritania (initially at Néma and then at Nbeiket el Awache). Training in the technologies required to sustain a modern military operation is well under way, while in

KAGAME AND MACRON CUT DEALS

The periodic *froideur* between **Rwanda** and **France** was switched off at the the 1-2 July African Union summit in Nouakchott, where President **Emmanuel Macron** was a guest. Rwanda's President **Paul Kagame** chairs the African Union and is pushing through tough reforms in the organisation; Macron wants the troubled G5 force to succeed and to reduce his military presence in Africa.

Macron is also backing Kagame's lobbying for Africa's Free Trade Area and the candidacy of his Foreign Minister, **Louise Mushikiwabo**, for the secretary generalship of the International Organisation of La Francophonie. In return, Kagame is giving qualified support to Macron's Africa policy, which includes taking a harder line in the deepening crisis in **Congo-Kinshasa**. Congo's President **Joseph Kabila** didn't attend the AU summit and has cancelled meetings with UN Secretary General **António Guterres** and US ambassador to the UN **Nikki Haley**.

Rwanda contributes troops to most of the AU and UN peacekeeping operations in Africa but is a strong critic of international intervention on the continent.

Kagame and his reform panel at the AU have streamlined the organisation's meeting schedule. From now on there will be one AU summit per year, instead of two, and a strict limit on the number of agenda items and on attendance by external parties. Some insist that only heads of government should represent their countries at the summits to give the decisions more political weight.

An AU ministerial team has reviewed spending and Kagame announced a 12% cut in the organisation's 2019 budget. Member states are still arguing over financing the AU by each member levying a tax of 0.2% on all its imports, which they agreed two years ago (AC Vol 54 No 12).

The summit allowed Macron to encourage the host, President **Mohamed Ould Abdelaziz's**, in supporting the G5 without overtly endorsing his plans for a non-constitutional third term. Immediately after the summit closed, Macron met leaders of the G5 member countries. In a fraught meeting behind closed doors, leaders struggled to settle disputes over resources, deployments and mission strategy. ●

October, a staff college for G5 officers and NCOs will open in Nouakchott, with instructors from the five countries, plus France, **Egypt** and **Italy**.

The French Barkhane force has killed or captured more than 120 militants this year, according to the French armed forces minister, **Florence Parly**. Barkhane's commander, General **Bruno Guibert**, argues that the jihadists are resorting to terrorist attacks because they have lost ground in military terms. The joint force itself has now carried out several operations.

The G5 has made its own internal changes, sacking its executive secretary, **Najim Elhadj Mohamed**, a development specialist, in February. His successor is fellow **Nigérien** **Maman Sidikou**, whose CV includes stints as foreign minister, head of the UN's peacekeeping operation in **Congo-Kinshasa**, and as head of the Amisom force in **Somalia**.

Yet relations between the G5 governments are far from ideal. Mauritania and Mali have a mutual suspicion of the other's motives and commitment to tackling jihadist violence. A new operation is planned for their shared border region, but each country's troops will stay on their own sides of the frontier.

Poor security at the Sévaré headquarters was a subject of concern for some time before the attack and is emblematic of the uncertainties surrounding the force. Even UN Secretary-General **António Guterres**, an academic by training and certainly

no soldier, remarked on the 'precarious' conditions at the base – which he visited on 30 May – and called for it to be reinforced. But if any action was taken, it was not enough. Guterres also called on G5 countries to complete the deployment of promised troops for the force as soon as possible and to 'resolve the problems of command and control that persist'.

FLAWS

It is now rumoured that G5 presidents, concerned by the Sévaré attack and the Boulkessy massacre, have decided to replace the force commander, Mali's General **Didier Dacko**, and his deputy, Burkina's Colonel Major **Yaya Séré** (AC Vol 59 No 3). Mauritania's President **Mohamed Ould Abdelaziz** has made no secret of his frustration. 'If the headquarters has been attacked, it is because there are a huge number of flaws, which we must tackle if we want to stabilise the Sahel,' he said.

The Mauritanian colonel **Salem Vall Ould Isselmou** has been appointed to command the western sector of the G5 and there is speculation that a Chadian, or a Mauritanian with a Chadian number two, could replace Dacko. But any public announcement of such a change in the middle of an election campaign in Mali, could be delicate.

Meanwhile, there are reports that France may be planning to 'redeploy' troops from Barkhane to G5. It has always been envisaged that the French force would act as a back-up to the G5

operation, but it seems Paris feels it should take a more active role. Paris hopes that the G5 force will gain sufficient strength to take over some of Barkhane's role but that prospect looks distant as matters stand.

For now, the main priority is for the joint force to be ready to launch a major new operation after the rains end in late August/early September and it becomes easier to move through the currently boggy or flooded terrain. There have also been calls for the early deployment of the police element of the joint force, to work with local judicial authorities.

But if it is to scale up its activities, the force needs equipment and funding. EU payments are delayed by financial controls. In early June Niger's President **Mahamadou Issoufou** said that the G5 was 'about to receive' the €100 million promised by **Saudi Arabia** – but in early July there were no signs it had arrived.

In the meantime, France has been supplying equipment, including bullet-proof vests, helmets, night-vision equipment and mortars, particularly for the Chadian contingent; it has also promised around 70 military vehicles.

Meanwhile, the *Mission multidimensionnelle intégrée des Nations unies pour la stabilisation au Mali* (Minusma) has signed a technical cooperation agreement with the G5 force, the strongest UN support that could be provided in view of **United States** and **British** opposition to giving the force an explicit UN mandate. ●

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POINTERS

Malawi

RATIONING CORRUPTION

■ Critics are calling on President **Peter Mutharika** to resign after a leaked report by Malawi's Anti-Corruption Bureau (ACB) alleged that he benefited from millions of kwacha deposited in a Democratic Progressive Party account to which he is the sole signatory. To every previous allegation of corruption Mutharika has cried, 'bring evidence'. This report has seen him go unusually quiet.

With elections slated for 21 May 2019, Mutharika is facing a challenge from his former deputy, **Saulos Chilima**, who left the governing DPP last month accusing it of corruption (AC Vol 58 No 20). Some suspect the leak came from his office.

The report, dated 4 May 2018, states that Pioneer Investment won a tender to supply 500,000 ration packs to the Malawi Police Service (MPS) for nearly 2.33 billion Malawian kwacha (US\$3.2 million) in August 2015. Six days after signing, Pioneer's owner, **Zameer Karim**, wrote to **Innocent Botomani**, the police service director of finance, requesting an upward adjustment of 20% because the kwacha had fallen against the dollar, although it had in fact only depreciated by 1.6% in that time.

The report says Botomani approved the adjustment without approval, raising the contract value by K466 mn.

On being paid in April 2016, Karim deposited the cheque for K2.8 bn. in his account at National Bank and credited the DPP/ Mutharika account at Standard Bank with K145 mn. In 2017 Pioneer Investment also claimed over K567 mn. as 'interest for late payment'.

Botomani and Karim are said to have laundered a sum of nearly K1.44 bn. (\$1.97 mn.) in total. Both men claim to have no knowledge of any fraudulent transactions.

Party donations are not regulated in Malawi. Former President **Bakili Muluzi** is facing trial over deposits into a personal account. It is also alleged that companies which were later granted licences to explore oil and gas on Lake Malawi may have paid up to \$8 mn. to a charity run by former President **Joyce Banda**.

South Sudan

A SEVEN-YEAR HITCH

■ June's surprise Khartoum Declaration of Agreement, which saw both government and rebels recommit to a cessation of hostilities and work towards power-sharing was just enough to postpone planned sanctions on South

Sudanese leaders at the African Union summit in **Mauritania**. It also allowed Sudan's President **Omar Hassan el Bashir** to present himself as a regional peacemaker. Yet the measures required to put South Sudan's moribund peace process back on track seemed as complex as ever as the troubled nation's seventh anniversary of independence came and went on 9 July.

The apparent progress made after the talks venue was transferred to Sudan surprised many who had witnessed Juba's intransigence at June's Addis round of talks. Yet the only real breakthrough has been the recognition that no deal can work without rebel leader **Riek Machar's** full participation in government.

The Khartoum round had been hastily tacked on to a previously-planned bilateral petroleum summit and much of the declaration was dedicated to reconstruction of, and reparations for, destroyed infrastructure. To many this proved the point that it's all about oil for Sudan (AC Vol 59 No 13).

Getting any agreement to stick is likely to prove challenging, especially on the issue of power-sharing in the proposed three-year transitional government of national unity. So, too, will be raising the cash to finance it. Even if they manage to rebuild oil infrastructure destroyed by fighting, it won't be enough to fund a government bloated by the need to give jobs to all the competing factions. Few outsiders will be willing to pay either, especially when over 70% of the population relies on emergency food aid (AC Vol 58 No 5).

Mozambique

NEW ISLAMISTS ON THE BLOCK

■ A wave of savage attacks in the northern province of Cabo Delgado by self-styled Islamist gangs is posing another threat to Mozambique's embattled government. Last weekend, a raid in the northern town of Palma, in the heart of the area where billions are set to be invested in natural gas infrastructure, saw several villagers brutally murdered, including by decapitation, and houses burned. Eight passengers are also believed missing following an attack on a vehicle in which a severed head was found (AC Vol 55 No 16).

What began as attacks on police posts in October 2017 has evolved into a campaign of terror marked by decapitations and village-burning. The perpetrators say they act in the name of Islam, opposing the state and advocating the boycott of state schools and established mosques. Local Muslim leaders condemn the violence.

Yet the security forces have a poor grasp of the leaders and ideology of the

perpetrators. Many question whether religious ideology is really the main driver. They appear not to be aligned with *Al Qaida* or IS (or *Da'ish*). Dubbed '*Al Shabaab*' by locals because it means 'youth', they have no apparent ties with the Somali Islamist militia. Captured attackers are reported as saying they were paid for their violence, and appear to have limited grasp of Islam's teachings.

A recent study by Mozambican academics, including a Muslim cleric, found that the attackers were largely poorly educated, socially marginalised young men who are easy pickings for jihadist agitators from east Africa involved in organised crime. They reportedly enjoy the *esprit de corps* of a radical cell, and receive pay for violent actions and smuggling contraband.

The oil companies making investment plans for the area have not been targeted. Though not yet overly concerned about the impact of the security situation on their operations, their main worry is the uncertainty about whether or not the violence will escalate.

Angola

THE ROCKS SHE HASN'T GOT

■ For **Isabel dos Santos**, life in the year since President **João Lourenço** took over from her father has been difficult. Her business empire has been dwindling and she is being harried by **Portuguese MEP Ana Gomes**, who wants to deny her the right to retain interests and board positions in Portuguese companies. She is now set to be drawn into a legal battle over unpaid customs duties on Angolan diamonds.

A **Belgian** court re-opened a case on 20 June in which the local customs agency is claiming several billion euros from Omega Diamonds. Omega was part owned by **Russian-Israeli** billionaire **Arkady Gaydamak** and diamond dealer **Lev Leviev**. But its majority shareholder, at the end of a web of companies whose directors included Isabel and her mother **Tatiana 'Kukanova' Regan**, was Ascorp – the Angolan Diamond Selling Corporation (AC Vol 53 No 18). The government ended Ascorp's diamond monopoly in 2003. Omega is alleged to have avoided tax by routing stones to Antwerp via intermediaries in Dubai.

On the day the customs case re-opened in Ghent, Gomes held a press conference, claiming that the Omega scheme had cost the Angolan state US\$8 billion and that Dos Santos and her associates had diverted resources from Angola.

Lourenço visited Antwerp during his state visit to Belgium in May, and promised to crack down on the 'corruption, impunity and privilege'.

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BLUE LINES

It is the conflict that gets conveniently buried, by the African Union, by its neighbour Nigeria and by the UN. Yet the deepening rebellion in western Cameroon against President Paul Biya's regime could explode his bid, announced last week, for a seventh term, and trigger regional mayhem. Since the rebellion started two years ago, more than 200 have been killed and over 100,000 driven from their homes.

National opposition could focus foreign attention on the Biya government's appalling record on economic management and corruption, and now a growing sense of the country's break-up. With a co-ordinated and well-funded alliance, impressive opposition figures such as economist Antoine Ntsimi and lawyers Akere Muna and Maurice Kamto could challenge Biya's rule. But there is no sign that Biya would allow free elections. The last time that happened, in 1992, he lost to Anglophone leader John Fru-Ndi.

While the Cameroonian army is helping Nigeria fight the Boko Haram insurgents, President Buhari is unlikely to pressure Biya on the crisis. Indeed, rights activists accuse Nigeria of collusion. But Cameroon's economy is stalling and Biya is struggling to pay soldiers and civil servants. That could mean ending military cooperation with Nigeria on the northern borders or opening negotiations with the rebels. Both options are risky but doing nothing – Biya's default mode – could bring his 35 years in power to a dramatic finale.

ZIMBABWE

The dollars after the votes

Investors, serious and dubious, are targeting the country, whichever party proves victorious on 30 July

For the country's 5.7 million registered voters this is the highest-stakes election since 1980, as much for its conduct as its political outcome. A credible and peaceful poll will allow a slow resolution of the country's US\$10 billion debt burden, including \$2 bn. of arrears to international financial institutions. More immediately, a free election would trigger substantive flows of private and foreign government finance to shore up the economy, locked down by a foreign exchange and monetary crisis. Matters of trust, security and the economy top the voters' concerns, according to the pollsters. All the more so, given the wholesale theft in diamond and other mining operations over the past two decades and the suborning of the civil service.

The ruling Zimbabwe African National Union-Patriotic Front is using its incumbency to the full, with President Emmerson Mnangagwa's office announcing this week a 17.5% special allowance for all civil servants, compared with wage awards of 2.5% across the wider economy. Civil service salaries already consume about 90% of the \$4 bn. national budget and the deficit is soaring. It could be a brief bonanza. A senior official told *Africa Confidential* that whichever party wins, about one third of the civil service will be made redundant as part of a restructuring deal.

Although the latest independent Afrobarometer pre-election survey had the two main parties – ZANU-PF and the Movement for Democratic Change-Alliance – almost level-pegging, the

opposition is gaining ground. A fifth of respondents would not discuss voting intentions.

In the new survey, released in mid July, ZANU-PF has fallen to 40% from 42% in May and the MDC Alliance has risen to 37% from 31%. It also shows rising support for the MDC's Nelson Chamisa but a slight dip in backing for ZANU-PF's Mnangagwa in the presidential race.

RALLIES GALORE

The momentum behind Chamisa comes mainly from his energetic campaigning. By the close of campaigning on 29 July, Chamisa will have held 77 rallies, while Mnangagwa is reckoned to have addressed about half that.

Both Chamisa's and Mnangagwa's rallies have drawn large crowds, the latter helped by the bussing-in of popular musicians and DJs and doling out party paraphernalia, T-shirts and baseball caps. Despite that, there are multiple reports that attendees at ZANU-PF rallies have been leaving early once the music stops and turgid speeches begin. Embarrassingly for the ruling party, there is video of soldiers urging people not to leave the rallies. Trust in Chamisa has also risen to 48% from 40% in May; trust in Mnangagwa remains at the 47% reported in May, according to Afrobarometer.

The really critical number will be turnout. Some 80% of the respondents told Afrobarometer that they will vote. That would be the highest level since the liberation election of 1980. The Zimbabwe Electoral Commission registered 5.7

ZIMBABWE	3	NIGERIA	4	KENYA	6	MALI	7	SOUTH SUDAN	8
How Britain changed sides		The probity contest		A deluge of injustice		Electoral déjà-vu		SOMALIA	9
ZANU-PF has deftly courted British business and political figures		Buhari's election campaign will rely on his anti-corruption reputation		A new investigation says those responsible for the Solai dam disaster could get off		The presidential election has much in common with the 2013 contest		C.A.R.	10
								POINTERS	12

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million voters (it was 5.65 mn. in 2005) out of over 8 mn. eligible Zimbabweans. Of those, 60% are reckoned to be under 40, and have known no other government than ZANU-PF.

The opposition's attempt to make the election a referendum on ZANU-PF rule, particularly its management of the economy, has paid off. Yet even in the towns, there is some scepticism that those young voters saying they want change will turn out en masse for the opposition. Younger voters, however, seem less cowed by pressure to vote for the ruling party.

There are increasing reports of intimidation, mainly in the countryside, of ZANU activists or security agents threatening violence if communities fail to vote for ZANU PF. But the power of those threats may be diminishing. Again, Afrobarometer's latest survey suggests that fear of electoral violence has fallen from 51% to 43%. People are less worried about what they say now. Opposition candidates, some previously afraid to campaign in rural areas, say they are campaigning with increasing confidence.

A risk of violence remains. This month, it emerged that three bases have been established in Hurungwe, one of which is in the Magunje Show Grounds, which was a torture base during the 2008 runoff campaign. These bases are not being used for violence currently but are run by war veterans calling people to meetings, threatening heavy retribution should ZANU-PF lose.

Another important Afrobarometer finding is that trust in the Zimbabwe Electoral Commission has fallen: 34% of people now believe that ZEC is biased, compared to 30% in May. This follows civic activists and opposition politicians accusing the ZEC of blatant irregularities and illegalities, and more diplomatic questions from some of the observer groups (AC Vol 59 No 13).

The MDC and Chamisa have stepped up the pressure on the ZEC and its chairwoman **Priscilla Chigumba**, focusing on the release of the full version, with photographs, of the biometric electoral register for

cross-checking, and the security of the ballots. To most of these, Chigumba gives a legalistic response, sometimes a casual put-down. But she has done little to boost public perceptions of the commission's neutrality. On 24 July, the police rejected an application for the MDC to organise a demonstration against the ZEC in central Harare, arguing it would interfere with election preparations.

The MDC continues to organise vigils outside local ZEC offices, both as a means to pressure its officials and as a way of mobilising voter interest. To get the turnout it needs, the MDC has to convince its supporters that the process will be fair enough to allow them victory. Election experts claim that it would be extremely difficult to steal more than 500,000 votes in this election, although given the narrow margin between the frontrunners, that might still be enough.

AGENTS AND OBSERVERS

Some activists advise the MDC to refocus its energy from last-minute demands on election rules to ensuring that it can field three trained party agents at each of the 10,985 polling stations due to be set up on 30 July. Civic society organisations are putting just over 6,000 observers on the ground, and this will be part of a bid to organise a parallel voter tabulation as a check on rigging and other malfeasance.

To date, the ZEC has not revealed how it will transmit results from polling stations to provincial centres and then to the capital. Some alternative networks have the capacity to collate results from all the polling stations, AC hears, along the pattern that was used by the opposition party in **Ghana's** elections in 2016. If true, that would provide another valuable check on the ZEC.

A sample of the presidential ballot paper shows that, rather than listing the 23 candidates in one column, as instructed in the electoral act, ZEC has arranged the ballot paper into two columns, with 14 candidates in the first column and nine in the second column. This puts Mnangagwa at the top of the right-hand column. ZEC insists that this design was the most cost efficient of all the options.

Another tussle arose over the Electoral Officers' Manual, which was not published on the ZEC website until 23 July. A leaked version had instructed Electoral Officers to place the screens in the voting booths so that the polling officers could stand on the same side of the screen as the voter, compromising the privacy of people's votes.

Acting Chief Elections Officer, **Utoile Silaigwana**, claims this arrangement

would allow polling officers to prevent people from photographing their ballot paper when they vote.

The ZEC's Chigumba has also faced questions about her neutrality after she was accused of having an affair with Minister of Mines, **Winston Chitando**. Not only is Chitando a minister and a senior ZANU-PF official, albeit one with a career in the mining industry, but he is also running to be MP in Gutu Central, in Masvingo (AC Vol 55 No 3).

Edmund Kudzayi, a journalist, and former ZANU-PF official well-informed about party gossip and intrigue, couched the accusations in dramatic, sexist language. Several MDC activists gleefully joined in the insults against Chigumba.

This allowed ZANU-PF to divert the debate away from one of conflict of interest in a public institution towards an argument about a senior female official's right to privacy. In fact, both the main parties have an appalling record on gender equity. Around 15% of the candidates in the election will be women.

A final element of uncertainty in the election is how the two main parties will hold together on voting day. Both are fractious coalitions. Chamisa secured the leadership of his party, sidelining many more experienced politicians and pushing out **Thoko Khupe**, who left to form her own variant of the party. Many other opposition candidates, such as former Vice-President **Joice Mujuru** and former Trade Minister **Nkosazana Moyo**, have declined to join the MDC under Chamisa's leadership. We hear that the party has developed a template for offering top posts to the widest range of Zimbabweans, should it win. The smaller parties stand to get about 3-4% of the vote, according to Afrobarometer. That could still be a critical percentage in a second round of voting in the presidential elections (AC Vol 59 No 12).

For ZANU-PF, the considerations are more complex. The main rift in the party between supporters of Mnangagwa and the G40 faction supporting former First Lady **Grace Mugabe**, led by the now exiled former information minister **Jonathan Moyo**, has not healed.

As well as having cells in ZANU-PF, the G40 has established its own entity, the National Patriotic Front, which claims to have been promised millions in funding from the Mugabes. The cash didn't arrive and the NPF has not run an effective campaign. However, the G40 split with Mnangagwa could still sway several constituencies, perhaps splitting the vote and helping the opposition.

The last time ZANU-PF faced a serious breakaway party was **Simba**

Makoni's presidential bid in 2008. That split the traditional ZANU-PF vote and allowed the MDC's **Morgan Tsvangirai** to come out on top in the first round of the presidential elections even though the opposition faced far more restrictive conditions than today. In the second round, however, the opposition was bludgeoned into submission and withdrew after over 150 of its supporters were killed (AC Vol 49 No 4).

Another contest within ZANU-PF is the civil/military balance, and the reported tensions between Mnangagwa and Vice-President General **Constantino Chiwenga**. At a funeral for Army Commander **Valerio Sibanda's** mother, Constantino Chiwenga, Vice-President and former Commander of the Defence

Forces, commended Sibanda for his role in smuggling Mnangagwa out of the country, following his dismissal in November 2017.

That directly contradicts the version that Mnangagwa's allies have put out: that the President and his son made a daring escape from Zimbabwe, across the **Mozambique** border, through land mines and past armed sentries, echoing the narratives of liberation war heroes.

Despite this, insiders suggest that Mnangagwa and Chiwenga agree on the general direction: that is, Mnangagwa wins this year and hands over to Chiwenga, who is about ten years younger, in four years' time. Meanwhile, Mnangagwa finds Chiwenga's militaristic approach

useful in pushing new demands on a dysfunctional bureaucracy.

On 19 July, **Simon Khaya Moyo** was fired as party spokesperson and replaced by **Paul Mangwana**. Khaya Moyo has never been a Mnangagwa supporter, having issued the press statement announcing Mugabe's sacking of Mnangagwa.

In contrast, Mangwana is a strong Mnangagwa ally, and his hiring looks like a bid to bolster Mnangagwa's campaign. Other party officials say that Mangwana lacks the authority to settle contentious issues in the provincial coordinating committees, particularly within Mashonaland. Mnangagwa may be captaining the biggest ship but he has many more dissenters on board. ●

HOW BRITAIN CHANGED SIDES

The influence of foreign powers on Zimbabwe's voters will be important. The ruling Zimbabwe African National Union-Patriotic Front makes much of the strong support offered by **China** and its ambassador to Harare, **Huang Ping**. Zimbabwe's skilful Foreign Minister **Sibusiso Moyo** has won over several diplomats, especially in the African Union, the Southern African Development Community and even a few foreign journalists, who accept the narrative that a ZANU-PF victory in the 30 July elections is inevitable.

But the courting of **British** business and political figures by President **Emmerson Mnangagwa** and his colleagues is a particularly deft move by ZANU-PF. The relationship warmed in the wake of Britain voting to leave the European Union in 2016 and is now fully consensual. When asked why London had shifted from its full-throated backing of Zimbabwe's opposition and protests over political violence to public support for Mnangagwa, a retired diplomat said: 'Trade deals are what we do now'. To that, other officials add a growing, if belated, realisation of Beijing's clout in Africa's financial, political and security matters.

Such concerns informed a decision in May by the CDC Group, which is wholly owned by Britain's Department for International Development, to share the risk with Standard Chartered Bank on a US\$100 million loan to companies in Zimbabwe. Coming three months before the elections it was a clear endorsement of Mnangagwa's economic policies.

Britain's shift puzzled, then enraged many activists. The target of their ire is London's ambassador to Harare, **Catriona Laing**. Accusations of Laing's partisanship, initially based on dinner party conversations, took off after she tweeted a photo of herself standing outside a snowy 10 Downing Street wearing a striped scarf on 2 March. The scarf, which was designed by a Harare artist using the colours of the Zimbabwean flag, had been adopted by President Mnangagwa and ZANU-PF as a symbol of his government since January. Critics on Twitter accused Laing of plotting with ZANU-PF and doubted Britain's commitment to free elections.

Laing did not reply but her husband, **Clive Bates**, tweeted back that she had owned the scarf long before it became a political symbol. The diplomatic embarrassment deepened after Mnangagwa's supporters cited the photo as evidence of British backing for ZANU-PF.

Laing cannot be accused of freelancing. She arrived in Harare in September 2014 with a mandate to re-engage with Zimbabwe. Within her first month she hosted the first British trade delegation to visit Zimbabwe in over a decade, looking forward to normalising British-Zimbabwean relations. She was accused of freezing out the opposition, which had been used to sympathetic British ambassadors. Her next post will be High Commissioner to Abuja.

The opposition also claim that Bates has been advising Mnangagwa. A consultant, **Felicity Gutu** described Bates, in a recommendation on his LinkedIn page, 'as a key resource person' for a 'Scoping Exercise' by Jimat Development Consultants when it was working on a 'Results Delivery Unit' within the President's Office, then occupied by **Robert Mugabe**. Bates told *Africa Confidential* that his advice on the matter 'completely unpaid and informal' and it '...didn't amount to more than one or two conversations'. He added that he had never met Mnangagwa, nor had any consultancy contracts with the government or its intermediaries.

More criticism followed after Laing and Bates held a private meeting with civic groups receiving British funding for election programming this month. The groups say they were encouraged to focus less on the risk that ZANU-PF would use the state and the military to rig the election and more on the risk that the opposition would 'spoil' the election to protest electoral irregularities, perhaps creating a post-election crisis. Independent security analysts say the risk of violence from ZANU-PF, with its control of the military, the police and myriad para-military outfits is far greater than anything the opposition could muster. Senior ZANU-PF politicians have repeatedly threatened, without serious sanction, Zimbabweans who might 'vote incorrectly'.

Another signal comes from Lord **Hain**, a former Minister for Africa in Britain and a stern critic of Robert Mugabe, alongside then Prime Minister Tony Blair. Hain has emerged as an advisor to **South African** tycoon **Zunaid Moti**, whose company has announced \$250 mn. in investments in Zimbabwe in partnership with Sakunda Holdings, a fuel-trading company and a leading contributor to the ZANU-PF election campaign (AC Vol 58 No 13). Sakunda's managing director, **Kudakwashe Tagwirei**, is close to Mnangagwa and the company has helped finance the President's Command Agriculture programme (AC Vol 58 No 4). Both Moti Group and Sakunda have been lambasted by anti-corruption activists for their lack of financial transparency. Moti told South Africa's *Mail & Guardian* newspaper that he hired Hain to change media perceptions of his company. ●

NIGERIA

The probity contest

To convince voters of his hard line on corruption, President Buhari's prosecutors will have to win some cases at last

With primaries for the 2019 election fast approaching, President Muhammadu Buhari is under pressure to push ahead with his anti-graft campaign. The Fulani herder-farmer killings and splits in the broad alliance behind his All Progressives' Congress (APC) attract headlines, but his probity and zeal for fighting corruption are also major issues.

Buhari was elected in 2015 with a resounding mandate to move Nigeria on from the instability and corruption associated with his predecessor, **Goodluck Jonathan**. Although Jonathan's People's Democratic Party (PDP) was reduced after election day to controlling a rump of states in the south-east, the upheavals within the APC are highlighting the lacklustre aspects of Buhari's recent record in office, making a PDP fightback or a new party spun off from the APC alliance distinct possibilities.

NEW IMAGE

Both developments seemed unlikely until a few weeks ago. Part of the President's fightback involves improving his anti-corruption image. Key to his chances of success are perceptions of the chief anti-corruption agency, the Economic and Financial Crimes Commission (EFCC). Using law enforcement to tackle embezzlement as civilian president was a change of tactic for Buhari, who as military ruler in 1984 arranged the kidnapping from the streets of London of a former finance minister, **Umaru Dikko**. The kidnapping was only thwarted when a **United Kingdom** customs official at Stansted airport noticed a crate marked 'diplomatic baggage' that was about to be loaded on a plane in fact contained Dikko, drugged, bound and gagged inside.

The EFCC was established in 2003 by the then newly-elected President **Olusegun Obasanjo** to prosecute both high-level theft of public money and organised crime, especially those involving politicians. Fifteen years later, on President Buhari's watch, history seems to be repeating itself as the commission shows a mixed record of sterling successes and unaccountably stymied investigations.

Obasanjo's first corruption-buster-in-chief was **Nuhu Ribadu** in 2003. Reappointed in 2007 and simultaneously promoted by Obasanjo to Assistant Inspector General of Police – three weeks before the President's successor, the late **Umaru Yar'Adua**, was sworn in – Ribadu was instantly demoted by the then Inspector General of Police, **Mike Okiro**, on a flimsy excuse concerning a training course. Ever since, agency has been unable to recover the clout it had in the early days in pursuing senior politicians and other suspected criminals.

MAGU'S RULE

Buhari's appointee to lead the EFCC since November 2015 is **Ibrahim Magu**. Magu is only acting Chair of the Commission because the Nigerian Senate hasn't confirmed him – more than 30 months after his appointment – and in March it formally rejected him. There were serious efforts in December last year to remove Magu and replace him with the Deputy Police Commissioner in charge of operations at Police College, Kaduna, **Ahmad Abdulrahman** – who was generally regarded as the preferred candidate of **Bukola Saraki**, President of the Senate. In March 2017 Saraki clashed heavily with the Nigerian Customs Service, and the presidency, when his armoured Range Rover was impounded at the docks over failure to pay import duties.

In June, Saraki was 'invited to report to the police to answer allegations indicting him from confessions of five gang leaders arrested for active participation in Offa bank robbery and killings of 33 innocent persons', a statement by the Nigerian police spokesman **Jimoh Moshood** said. 'I hereby state categorically that I have no link with any band of criminals,' was the Senate President's reply.

IMPORTANT ENEMIES

Investigations of such crimes do not normally fall within the EFCC ambit, but Magu was finding scant support in the political class, his enemies being said to include **Abba Kyari**, Buhari's Chief of Staff, and a small group of other senior APC officials, Buhari allies and appointees, who cite a range of

difficulties with him.

One of Magu's problems seems to be his determination to go after Sahara Energy for claimed involvement in political contributions in the region. Sahara's Managing Director **Tonye Cole** has fostered consistently warm relations with governments along the West African seaboard. For almost two decades, Sahara has been one of the most successful fuel traders in **Ghana**, favoured equally by New Patriotic Party and National Democratic Congress governments.

Sahara's commercial diplomacy includes its home base in Nigeria. Benefitting from close relations with Obasanjo during his 1999-2007 presidential terms, Sahara has navigated into a position of influence with the next three governments. President Buhari appointed Sahara director, **Mohammed Buba**, as Chairman of the Petroleum Products Pricing Regulatory Agency in 2016. Buba was previously a managing director of Pipelines and Product Marketing Company Ltd, a subsidiary of the Nigerian National Petroleum Corporation (NNPC). (AC Vol 44 No 19).

ACTION THIS DAY

The story that Abdulrahman was to replace Magu was promoted heavily by ThisDay newspapers, owned by **Nduka Obaigbena**, also proprietor of Arise TV and president of the Newspaper Proprietors' Association of Nigeria. Obaigbena is believed to have received more than N550 mn. (\$1.5 mn.) from the then National Security Advisor, Colonel **Sambo Dasuki**. The cash for this came from \$2 billion set aside for arms in a procurement scandal where money for deals brokered by Dasuki and his associates, purportedly for weapons to be used in the fight against **Boko Haram**, was diverted to front companies and individuals. Having been detained on these charges since December 2015, Dasuki was recently granted bail of N200 mn. plus two sureties of the same order by two government employees.

Following his arrest and questioning by the EFCC in 2015, Obaigbena claimed that the three payments by Dasuki between February and November 2014 were compensation – approved at the time, he insisted, by Jonathan – for the **Boko Haram** bombings of his newspaper's offices in Abuja and Kaduna in 2012. Nigerian news media, quoting EFCC sources, reported in 2016 that Obaigbena had repaid the money by an agreed deadline as a condition of his release from detention.

Another official said to be keen to see Magu's back is the Director General of the Nigerian State Security Service

(DSS), **Lawal Musa Daura**. That Dasuki – so far the highest-profile politician from the Jonathan era to be arrested for financial crimes – was arrested by the DSS and then handed over to the EFCC illustrates the constant turf war between the two agencies. (A memo alleging corrupt behaviour by Magu from the DSS was reported as having been behind the Senate's rejection of Magu's confirmation as EFCC chief).

Another example of this is the February 2016 arrest of the son of **Ngozi Olejeme**, who was removed as the chair of the Nigeria Social Insurance Trust Fund after Buhari's accession. DSS agents are reported to have found \$500,000 in cash at Olejeme's address but only \$50,000 was returned to the Treasury. Olejeme has yet to be prosecuted. EFCC investigations are perpetually frustrated by such interagency rivalries and the self-interested gatekeeping of corrupt revenue by the DSS. The EFCC also suffers from jurisdictional disputes with the Federal Attorney General.

FBI LINK

The EFCC has recently launched a collaboration with the US Federal Bureau of Investigation to tackle cybercrime, a blight on Nigeria's reputation since the '419' scam emails of the 1990s. However, sceptics may question how much assistance the EFCC can realistically render the FBI, given the highly political limitations it operates under.

In March, when asked about the Senate's refusal to confirm his appointment, Magu told Channels Television: 'The fact that I am not confirmed shows I am working... Because a number of the people we are investigating are also in the National Assembly... Nobody can purchase me. I cannot compromise what I am doing.'

That same month, Ribadu, the EFCC's first boss, told a conference in Abuja: 'The EFCC alone has over 3,800 ongoing corruption cases in the courts, not to talk of other cases, but they have their hands full... [The EFCC] has done fairly well. You need to see what these people go through to get one case to court. It is hell. Because some people will do everything possible to make sure you don't drag them to court. They do not even sleep.'

Conspicuous among those thousands of stalled EFCC cases are attempted prosecutions relating to the Jonathan administration, and to the theft of billions of dollars' worth of public revenue in oil deals and large-scale infrastructure projects. Most of these centre on Allison-Madueke, who is the focus of ongoing inquiries by the UK's National Crime Agency (NCA)

well as the EFCC. The case has myriad strands and a vast dramatis personae, but in each of its legal theatres the EFCC finds itself wading through legal treacle instead of winning over jurors.

On 25 June, the High Court in Abuja froze further efforts by the EFCC, NCA and British Crown Prosecution Service to pursue the assets of **Benedict Peters**, the billionaire oil investor and boss of Aiteo. Peters claims that his properties have been included wrongly in lists of those named by Nigerian and British prosecutors as money-laundering fronts for Allison-Madueke. Other international businessmen of interest to the EFCC and NCA and linked to Allison-Madueke include **Jide Omokore**, chairman of the Atlantic Energy companies, whom the EFCC accuses of a \$1.6 bn. fraud, and the \$40 mn. yacht-owning **Kola Aluko**. Both men vigorously deny any financial impropriety, though Aluko admits to paying Allison-Madueke's mother's rent in London.

Also in June, the High Court in Lagos ordered that a property valued at N325.4 mn. (about \$900,000) and allegedly belonging to Allison-Madueke be forfeited to the state. The EFCC says that following a 2016 raid on the office of **Donald Chidi Amamgbo**, a Senior Advocate of Nigeria and close associate of the former Energy Minister, the Commission has identified 18 properties and businesses in the UK, **United States** and Nigeria through which it believes she laundered stolen cash (AC Vol 58 No 20).

EFCC WINS

However, as in thousands of other cases on the EFCC's books, very little progress seems to be made year on year in bringing a prosecution against the minister, or any other of President Jonathan's associates linked to high-level graft (AC Vol 58 No 7).

The chief obstruction in these cases is most likely political rather than legal. The long-standing gossip in Abuja is that Omokore had been promised immunity from prosecution by top apparatchiks in Abuja in exchange for help with election funding in what looks like being a difficult campaign for the ruling APC. Magu furthered angered Buhari's team when he insisted on pursuing the court case against Omokore.

Buhari's defenders point to several EFCC investigations of APC officials, such as **Babachir Lawal**, the President's most senior civil servant until he was sacked in October. In the so-called 'grass cutting scandal' discovered by a Nigerian Senate investigation led by Vice President **Yemi Osinbajo**, Lawal, who denies any wrongdoing, was said to have diverted funds meant for cutting

weeds in refugee camps in the North East, a measure to help prevent flooding, to companies that Lawal set up.

Other cases showing at least a measure of EFCC impartiality under Buhari would include those of **Jolly Nyame**, ex-Taraba state APC governor, and **Joshua Dariye**, former APC governor of Plateau State, who were convicted within two weeks of each other in May and June, despite their cases having dragged on at a snail's pace for several years. Nyame diverted N250 mn. (\$693,500) of public funds and another N180 mn. (about \$500, 000) to Salman Global Ventures Limited, which provided no services to Taraba. Dariye skimmed N1.16 bn. (\$3,217,753) from an Ecological Fund. Both sets of offences date to 2007, and their sudden resolution has all the appearance of having been rushed through court to improve the president's anti-corruption credentials. The men were also believed to be about to defect to the PDP.

LINGERING CASES

Yet, over 100 other cases against Senators, governors and other politicians linger on prosecutors' and judges' files. Some trials began 10 years ago and show no sign of concluding.

The slow progress with some of the most high-profile EFCC cases reflects a backlog of official and political intransigence dating back to the return to democratic rule in 1998 and President Obasanjo's tenure. The partial prosecution of corrupt members of the elite has always signalled that with the right connections, anything can be got away with (AC Vol 47 No 19 & Vol 57 No 17).

Few doubt that Buhari's personal integrity is unassailable, nor that he finds corruption odious, but rumours about the political use of oil contract awards still circulate. Despite this, and the slowness of the prosecutorial process, pundits believe – supported by recent opinion polls – that Buhari still has a strong anti-corruption reputation with the electorate.

In January 59% of citizens, according to an Afrobarometer poll, said the government was doing 'fairly well' or 'very well' fighting corruption, a significant increase on its standing on the issue three years before. Buhari recruited prominent human rights activist and lawyer **Festus Keyamo** as his director of strategic communications for the election campaign, which will help his image among the urban middle-classes who want more accountability, and raise expectations of what Buhari's anti-corruption strategy could achieve during a second term. ●

KENYA

A deluge of injustice

A new investigation says those responsible for the Solai dam disaster could escape prosecution

Director of Public Prosecutions (DPP) **Noordin Mohamed Haj** has charged the manager and owner of the Nakuru County farm on which the Milmet Solai dam collapsed, causing dozens of deaths and sweeping away houses, churches, and crops. Along with the General Manager of Patel Coffee Estates, **Vinod Jaya Kumar**, and the owner, **Perry Mansukhlal Kansagra**, who said torrential rains and deforestation on neighbouring farms were to blame, the DPP has also indicted seven government and county officials from Nakuru's Water Resources Management Authority (WARMA), the National Environmental Management Authority (NEMA), and local government.

Patel Coffee Estates is accused of a raft of connected charges, ranging from having illegally diverting rivers and streams to the Solai dam, illegally obtaining permits to do so, to sub-standard and structurally unsound construction by unqualified staff, design flaws, failing to obtain permits and licenses, and not having inspections. Kansagra (who has dropped the 'Patel' formerly at the end of his name) denies the charges, claiming that he had all necessary licences and last paid NEMA to inspect the dams in April.

Two parliamentary committees and the Kenya Human Rights Commission (KHRC) are investigating the disaster, but all have met obstacles.

The dam which burst was built about 20 years ago and is part of Patel Farms, of which Patel Coffee Estates forms a part. The Patel family, who have resided in the area since colonial times, acquired the 3,000-acre spread in the 1980s, establishing two other businesses under the Patel Farms name: Solai Flowers, a major exporter of cut roses, and the Tindress dairy farm, one of the biggest suppliers of milk to the Kenyatta family's Brookside Dairies. Together the farms employ 2,000 people, making them one of the largest local employers. A reputed billionaire, Kansagra also has major businesses in Malindi, Nairobi, and Thika and in 14 other countries, including the **United Kingdom** and **India**.

Kansagra – referred to by some as the 'God of Solai' – has cultivated a reputation as a reclusive philanthropist,

building schools, roads, and clinics on his properties, and supplying local police with free housing, petrol, and vehicles.

Others have a different view of the owner and his company town, however, arguing that diverting local rivers and streams has effectively privatised public resources, and impeded the local community's access to water in towns such as Mangu, Bomet, Nyandarua, and Ndabibi. Employees, meanwhile, speak of dire working conditions including no breaks in 8-12 hour shifts, no access to toilets, pay docked for trivial infractions, denial of sick leave and the right to unionise.

WARNINGS DISREGARDED

The victims' spokesman, **John Mwangi**, told the media that they had been reporting leaks in the Solai dam to management and politicians since 2016, but were routinely ignored. **Simon Wang'ombe**, the Rift Valley Regional Water Resource Manager, confirmed that the farm had disregarded warnings that the dam was structurally unsound and lacked spillways. Residents have been reporting dam leaks and cracks since the 1980s, according to the area's former MP **Koigi wa Wamwere**.

Victims have also complained about compensation since the disaster. Some say they were not included in a government list which offered victims around 50,000 shillings each (US\$500), while others who were say the Nakuru County Commissioner, **Joshua Nkanatha**, and his officials pressured them to sign a document they were not allowed to read before receiving other funds alleged to have come from Kansagra. Later they learned the document contained an indemnity clause stating 'both the discharge and discharger are now mutually agreeable that none of the parties hereto were responsible for the natural disaster'. The Kenya Human Rights Commission says this is illegal, and has accused county officials of colluding with Patel Farms and accepting bribes for victims to obtain funds.

A preliminary report by the Ministry of Interior's multi-agency investigation found long standing negligence, including locating the dam above a

village and at the nexus of an illegally diverted river, which exposed people below the dam to greater risk.

Since then, the institutions probing the tragedy have run into problems and the police have been accused of interfering with the crime scene.

A delegation from the National Assembly's Environment Committee, headed by its Vice-Chair, **Sophia Noor**, visited the farm in May, but was unable to obtain documents including construction permits, licences, audit, and inspection reports. Management, the committee said, claimed ignorance about the capacity of the dam or the amount of water it held.

Meanwhile, a Senate sub-committee headed by Makueni Senator **Mutula Kilonzo Jr.** also toured the farm. It said earlier reports by state agencies contained false information on licensing and inspections and that Patel Farms was legally liable. Kilonzo and his colleagues then said they received threatening calls asking them to 'go slow'. Kilonzo claims County Commissioner Nkanatha is working in cahoots with Patel Farms and should be suspended. He asked the powerful Ministry of Interior's Cabinet Secretary, **Fred Matiangi**, under whom the County Commissioner's office falls, to come before his sub-committee. Initially, Matiangi did not appear, instead issuing warnings against harassing his officers. Later, he promised to investigate allegations that government officials had pressured victims to sign suspect forms.

Nakuru's Senator **Susan Kihika** has questioned Bahati MP **Kimani Ngunjiri**'s defence of Kansagra and his warnings to her: 'I want to tell my sister to be careful when commenting on the Solai dam disaster,' he said in May. Ngunjiri has also been accused of persuading victims of the tragedy to sign the indemnity agreement.

The KHRC has been gathering evidence on Solai itself. In late June, it went there to speak with survivors and to launch its report, 'Damned Dams: Exposing Corporate and State Impunity in the Solai Tragedy'. **George Kegoro**, its Executive Director called the Patel Estates 'a form of modern feudalism'. He said accountability was 'highly unlikely' given the slowness of the investigation, the firm's 'close relations with people in the Kenya government', and the 'fear' of going after someone who was so politically connected.

In May, Kegoro accused local officials of being compromised by their close relationship with the Kansagra family and of taking bribes. The Cabinet Secretary for Water, **Simon Chelugui**, agreed, accusing officers from WARMA

of colluding with the owners while citing discrepancies between what was in the records and what he found on the ground.

Kansagra's connections go beyond his ongoing relationship with the

Kenyatta family's Brookside Dairies. Previously, he enjoyed business relations with ex-President **Daniel arap Moi** and two of his now deceased ministers, **Nicholas Biwott** and former Vice-President **George Saitoti** (AC Vol

53 No 13).

Given all the forces at play, it is hard to avoid the conclusion that the dam inquiry could mirror other Kenyan investigations where political power and influence overwhelm due process. ●

MALI

Electoral déjà-vu

The top two contenders in the 2013 elections slug it out again with incumbent IBK tipped to win

Both the incumbent President **Ibrahim Boubacar Keïta** and his main challenger in the 29 July presidential election, **Soumaïla Cissé**, offer the electorate security, improved basic services and infrastructure, a diversified economy, and jobs for the young. The only real difference between the five campaign promises is that IBK calls them 'axes' (as in axes on a graph) and Cissé calls them 'pillars'. Other than that, there is little to choose between them.

Both men trace their political roots to the 1991 popular uprising that brought democracy to Mali. They served as senior ministers in most of the subsequent governments. Neither was tainted by the excesses of ex-president **Amadou Toumani Touré**'s calamitous second term of office, but most Malians see them as yesterday's men, incapable of breathing new life into their democracy, let alone master the near-civil war in the troubled north and centre of the country. The main gripe of the electorate concerns a demoralised army, systemic corruption

and an economy that produces no jobs.

Voter participation has been steadily falling. In 2013, despite elections following a coup and a would-be jihadist march on the capital, only 45% showed up on polling day (AC Vol 53 No 7). This time, barely half of the brand-new French-produced biometric voter cards have been collected, without which you can't vote. Six of Mali's nine regions (ten if you include the vast diaspora, which may vote) have an almost equal weight in electoral terms; all just under or above the one million mark. In descending order these are Sikasso, Bamako, Ségou, Koulikoro, Mopti and Kayes. With only 720,000 registered voters between them, the three northern regions of Gao, Timbuktu and Kidal weigh considerably less than Kayes on its own, which helps explain why the conflict in the north, despite its many casualties and seriousness, doesn't figure much in electioneering.

IBK is expected to hold his own in Sikasso, Ségou and Koulikoro, while Cissé is likely to take Mopti and the North. Kayes and Bamako

look undecided. Interestingly, these expectations dovetail perfectly with the number of voter cards collected: in the IBK-supporting zones the figure is consistently higher. In tandem with reports from Bamako and the Mopti region of problems encountered in collecting voting cards this is enough to give rise to claims that the elections will be rigged. The Cissé camp claimed on 20 July that it had discovered fictitious voters and polling stations and 1.25 million potentially fraudulent votes.

The Ministry of Territorial Administration, which is run by a pro-Keita minister, organises the poll; a separate General Directorate of Elections is in charge of the voters' register and monitors party financing, while the electoral commission has had its budget slashed from nearly CFA15 billion (\$27 million) to less than CFA 5 bn. and finds its role limited to supervising the poll. It is not authorised to certify the election results; that is done by the Constitutional Court, which is stuffed to the gunnels with supporters of the incumbent.

IN-BUILT ADVANTAGES

Even with these in-built advantages, the results will be closer than in 2013, when IBK took 77% of the poll, and the President is leaving nothing to chance. He has once again hired the services of his old friend **Fabrice Sawegnon** of Abidjan-based Voodoo Communications, well-known for Ivorian President **Alassane Ouattara**'s slick 2015 re-election campaign (AC Vol 56 No 22). Cities are covered with glossy posters proclaiming the government's achievements but Malians don't seem enthused, so IBK and his team look to be relying on more traditional means.

The campaign director is **Boukary Treta**, a former minister and Secretary General of the *Rassemblement pour le Mali* (RPM), the dominant party in the presidential coalition. He must work with former intelligence chief, former defence minister, and now Prime Minister, **Soumeylou Boubeye Maïga**. It is an open secret that Treta wants Maïga's job but they have to work together for victory before they can fight over the spoils. Boubeye is Mali's answer to **J. Edgar Hoover** in his access to the embarrassing secrets of almost all officials and politicians.

Another key element in the battle

SUPER PLANES AT SUPER PRICES

Three years after ordering them, President **Ibrahim Boubacar Keïta** went to the military air base at Senou on 12 July to inspect his new toys: four Embraer A-29 Super Tucano ground-attack aircraft. The aircraft are the counter-insurgency tactician's weapon of choice, and can devastate formations of lightly-armed guerrillas on the ground. Their role is to tackle the armed groups operating in the north.

Some, however, believe they have an equally important role providing profits for politically-connected individuals. The government refuses to say what they cost, claiming operational secrecy. Depending on the configuration and the maintenance package, Super Tucanos go for anything between US\$10 million and \$20 mn. The original order is said to have been for six but Brazilian media reports suggest the final two will not be delivered because Mali has run out of money.

Days after delivery reports started circulating in Malian media that the new planes were unusable because they lacked key elements of their weapons systems. The government has not commented but a mishap of this magnitude would qualify it for inclusion on the long list of scandals to hit the Keïta administration, from the purchase of a hugely expensive presidential jet, to the import of contaminated agricultural inputs and the over-invoicing of army purchases. ●

is IBK's family, notably his influential wife **Keïta Aminata Maïga** and their son **Karim**, widely disliked for alleged corruption and his arrogance. Karim, an MP for the RPM, uses social media to rally the troops online.

IBK and his team are not above using government resources for campaigning and they have the support of local businesspeople and can use the state enterprises to help. Votes can be bought for CFA3,000 (about \$2).

Cissé, who leads the *Union pour la république et la démocratie* (URD) can expect to do better this time, given the government's dismal performance over the past five years. He has procured the services of veteran politician **Tiébéle Dramé** to lead the campaign.

Cissé has made an electoral pact with **Mohammed Youssouf Bathily** ('Ras Bath'), a popular activist and son of a former justice minister who is also standing for election, in order to improve his chances. Ras Bath has been highly critical of Cissé in the past, accusing him of corruption in his weekly radio broadcasts, and the electoral pact has caused many in the movement Bathily helped create, the *Coalition*

pour la défense de la république (CDR), to call him a sell-out. Ras Bath's choice has brought this well-organised national youth movement to the brink of collapse, but Ras Bath will still be able to deliver a portion of the youth vote to Cissé.

The two front-runners will probably face each other in a second-round run-off because the other two contenders, both popular with voters because they are not part of the traditional political class, will prevent any one candidate from clearing the 50% hurdle needed for victory in the first round.

Cheick Modibo Diarra is a mathematician and aerospace engineer who worked with the US space agency NASA in the 1990s and led Microsoft Africa from 2006 to 2011. He briefly was Prime Minister after the removal of the putschist Captain **Amadou Haya Sanogo**, in 2012 (AC Vol 53 No 12).

Maliens in government service remember this as the time their salaries came on time. Diarra's passion for education appeals to the young, as will the support of another former Prime Minister, **Moussa Mara**, who decided to go to Kidal in May 2014 to demonstrate the state's complete sovereignty over its

territory. It was a violent debacle, but it earned him hero status with young Malians (AC Vol 55 No 11).

The other contender, **Aliou Boubacar Diallo**, made his money in the gold mining business, mostly through his company Wassoul'Or. Diallo co-financed IBK's 2013 campaign, but his deep disappointment with the incumbent's track record has prompted him to strike out on his own (AC Vol 58 No 2).

Both Diarra and Diallo are plain speakers and their appeal lies in the fact that they are self-made and do not need state resources to set up and maintain their patronage networks, which is how traditional politics works in Mali.

Unsurprisingly, both are campaigning on a strong anti-corruption platform. Diarra has earned the endorsement of Mali's most influential religious leader, the Chérif of Nioro, **Bouyé Haïdara**, another disappointed former IBK supporter. The hard-line Islamic cleric **Mahmoud Dicko**, of the Islamic High Council of Mali has said publicly that he'll follow the lead from Nioro, but given Dicko's closeness to IBK it will be interesting to see how this conflict of interests plays out. ●

SOUTH SUDAN

Sanctions and splits

Mediators are talking up a five-party power-sharing deal but the leaders shirk responsibility for mass killings

Hardly a day passes without some new iteration of a South Sudan peace deal, new venues for talks, new concessions, and new demands but without much forward motion towards peace being detected. One of the latest was the United Nations Security Council's July resolution, which extended the list of sanctioned individuals, which was the least the council could do after receiving a new report of harrowing atrocities.

The UN investigation reported the killing of hundreds of civilians in attacks by government forces in Leer and Mayendit in April and May. The government had also failed to agree a peace deal by the end of June, the council's deadline.

At June's African Union summit in Nouakchott, AU Commission chair, **Moussa Faki Mahamat**, had appealed for tough measures to send a 'clear message to the players to respect their commitments' (AC Vol 59 No 2). France's ambassador to Juba, **Jean-Yves Roux**, said that sanctions were needed because the ceasefire agreed in

December specified that force was only permitted to combat criminals or in self-defence.

UN LANGUAGE

'Shooting women and children in the back when they flee into the swamps, is this self-defence? No, it's murder. Raping and killing lactating mothers, is it fighting criminals? No, it is committing a crime,' he said. Juba's foreign ministry immediately protested Roux's use of 'undiplomatic language' and attacked the veracity of the UN report. Another routine foreign ministry attack on the Troika (the **United Kingdom, United States and Norway**) followed its forlorn effort to persuade President **Salva Kiir Mayardit** to veto his parliament's decision to extend the government's term by three years.

But the zeal of the UN in declaring new sanctions suffered from the fact that it was only the regime strongmen that Salva has already sacked who were put on the list. And Salva underlined his indifference at the UN's action by appointing Lt Gen **Gabriel Jok Riak** as

his new chief of staff, even though he has been subject to UN sanctions for three years.

July's UN resolution also triggered personal sanctions against former deputy chief of staff **Malek Reuben Riak**, but not the other four specified in UNSC resolution 2418: Defence Minister **Kuol Manyang Juuk**; information minister **Michael Makuei Lueith Kacha**, and cabinet affairs minister **Martin Elias Lomoru** – as well as Bieh state governor General **Koang Rambang Chol** (the only opposition member facing new sanctions). Quite what would be achieved by only sanctioning those who had already been dismissed by Kiir was not immediately apparent.

Predictably, neither **China** nor **Russia** supported the motion, but neither did they veto it, so it was passed by nine votes with six abstentions – just like May's resolution.

Following the latest resolution, Kenya's General **Augustino Njoroge**, deputy chair of the Joint Monitoring and Evaluation Commission established to oversee the peace process (see Box) lamented that there were continuing hostilities between the different Parties and 'flagrant violations' of the ceasefire, and that the deteriorating political, security, humanitarian and economic situation was causing 'unprecedented displacement, famine and economic meltdown.'

Meanwhile, the current Khartoum

mediation is continuing to sound upbeat about its latest 'post-Entebbe' High Level Revitalisation Forum bridging proposal on Outstanding Issues of Governance, which is trying to formulate a power-sharing arrangement to accommodate the five main parties currently involved in the talks. These are the incumbent Transitional Government of National Unity (basically the SPLA-in Government faction along with the former SPLA-in Opposition faction of **Taban Deng Gai**); the mainstream SPLA-In Opposition faction of **Riek Machar**, the nine-member South Sudan Opposition Alliance; the grouping of Other Opposition Parties; and the SPLM-former detainees.

On 17 July, Kiir finally sacked foreign minister **Deng Alor Kuol** – after several months of absence without leave – and replaced him with the staunchly-loyal presidential advisor **Nhial Deng Nhial** – seemingly contrary to the provisions of the existing power-sharing

arrangement established in 2015 (AC Vol 59 No 7).

The latest draft deal proposes the creation of four Vice-Presidential posts, in addition to a First Vice-President job which would automatically go to Machar. It envisages a government of 35 ministries, with the TGNU taking 20 posts, the SPLM-IO getting nine and the remaining seven to be shared between the Former Detainees and the South Sudan Opposition Alliance.

MORE SEATS

The Transitional National Legislative Assembly will comprise 550 members with the government getting 55% and the rest being divided among the various opposition groups. Seats at the Council of States are to be increased from 30 to 50, meanwhile, with the government again taking 55%.

As AC went to press only Machar's group and the smaller Opposition Political Parties appeared in favour

of the latest proposal. It is still not yet apparent how the mediators can square the circle of accommodating the need for inclusivity with the incumbent government's unwillingness to relinquish its political dominance or without seeming to reward rebellion. One of the main reasons for the failure of the 2015 deal was that when the document was presented to Salva Kiir for signature, he crossed out numerous clauses that he didn't like, leaving plenty of room for future disagreement.

Any measures reached on power-sharing for the transitional period are likely to face the same problem as the 2005 Comprehensive Peace Agreement: all the discussions are focused on the interim government structures, without any real attention paid to what happens afterwards. It seems most unlikely that losing members of South Sudan's fractious political elites will ever be satisfied by the results of elections at the end of the transition. ●

SOMALIA

ISIS's nemesis

Al Shabaab offers its Da'ish competitors a simple choice: recant or face execution

The early days of *Da'ish* in Somalia were not auspicious. The leader of Somalia's version of the pan-regional and Middle Eastern Islamist movement also known as 'Islamic State' or ISIS, **Sheikh Abdiqadir Mumin**, first announced his defection from *Al Shabaab* in October 2015 (AC Vol 56 No 23). But he had to flee the Golis mountains hotfoot and take refuge among his clanspeople, the Ali Saleban sub-clan of the Majerteen, to escape otherwise certain death from the *Amniyat*, *Al Shabaab's* dreaded internal security unit. It was clan militias rather than enthusiasts for the new caliphate who kept him safe in the first few weeks after the split. Eventually, *Da'ish* supporters from the South came to join him.

The *Al Shabaab* leadership acted fast after *Da'ish* media put out the call to *Al Shabaab* to give up its *bayah* (oath of allegiance) to *Al Qaida* and join the caliphate declared by **Abu Bakr al Baghdadi** in Iraq. *Al Shabaab* leader **Abu Ubaydah** could not countenance the merest questioning of his leadership, let alone a split. It would also have seemed shameless opportunism – and rank ingratitude – to join the new movement just because Western governments now

appeared more frightened by it. *Al Qaida* had given *Al Shabaab* major support.

Amniyat accordingly purged dissidents mercilessly in northern Somalia and Lower Juba. Anyone thought loyal to *Da'ish* had to recant or be killed on the spot. One of those executed was **Bashir Abu Numan**, a well-known *Al Shabaab* commander in Lower Juba.

BIRTHDAY STUNT

The take-over of the tiny port of Qandala, which is in Puntland, in October 2016 – perhaps to mark *Da'ish's* first birthday in Somalia – was clearly a publicity stunt by the new movement, but it reflected the status quo in the area (AC Vol 57 No 23). Qandala is the main town controlled by the Ali Saleban and most *Da'ish* come from that sub-clan. The Puntland government was content to exaggerate the seriousness of the seizure so as to support demands for more money to help fight the new menace, and to discredit political opponents from the same area who were not *Da'ish* partisans but could be usefully portrayed as such.

Puntland forces eventually retook Qandala with foreign assistance, but *Da'ish* retains links with the town's

population, we understand. The situation is the same in many towns in southern Somalia, where the writ of the Somali National Army or African Mission in Somalia (Amisom) runs by day, and *Al Shabaab's* by night.

Da'ish has been able to mount other military actions using *Al Shabaab* militants who have defected. There are a number of small underground cells in the south which survived *Al Shabaab's* purges and opportunistically mount actions under the *Da'ish* flag. It is unclear, however, whether they are in Mumin's chain of command. Over the last 12 months, *Da'ish* claims over 50 military actions, including about 15 assassinations in Mogadishu, although genuine actions are hard to separate from propaganda claims. In April, for example, *Da'ish* claimed to have shot dead a government intelligence officer in Afgoye, but no local newspaper reported any killings.

The propaganda often outruns the reality on the ground. *Da'ish's* military operations are also more limited than *Al Shabaab's*. Most of its attacks are aimed at assassinating government officials, especially National Intelligence and Security Agency (NISA) and military officers. It has only carried out one suicide bombing (against the Juba hotel in Bossaso in May 2017) and about 10 roadside bombs in the last three years. Apart from northern Puntland, its only other claimed attacks have mostly been in Mogadishu and Afgoye.

It has to be borne in mind that all the parties are waging psychological warfare and *Da'ish* will exaggerate its successes, as will a government anxious

to capitalise on the primal fears it instils in Westerners.

Another caveat to the notion of *Da'ish's* Somali expansion is the fact that it has not developed beyond Qandala – where about 300 fighters may be active – into the south. This is partly because of the extreme violence which *Al Shabaab* offers it, and partly because the situation on the ground there is quieter than before and the motivation for local people to join violent jihad may currently be lacking.

It is also worth pointing out that *Da'ish* operations are not instead of, but in addition to, *Al Shabaab's*. *Da'ish* may have been able to set up clandestine cells in southern locations, such as Mogadishu and Afgoye, but it does

not present the same threat level as *Al Shabaab*. It has been growing, especially in Mogadishu, and appears to have been recruiting people without previous involvement in militant jihad. In so doing, they stay out of the gunsights of *Al Shabaab*, and also NISA.

MAIN TARGET

Da'ish is also aware that attacks in Mogadishu make more headlines than elsewhere in Somalia. The *Al Shabaab* presence in Mogadishu has been the main target of the government for nearly two years. *Al Shabaab* will want to defend its network against the highly accelerated recent efforts of US Special Forces to defeat them rather than waste resources on a small rival movement.

The US military has recently mobilised all its assets against *Al Shabaab* and it has accordingly been keeping a lower profile.

Consequently, *Da'ish* actions in Mogadishu could appear more significant than they really are. Another factor in the apparent increase in the *Da'ish* profile in Mogadishu could be, simply, that much of the population is highly dissatisfied with the current government, meaning its co-operation with NISA and the SNA has declined – fertile ground for jihadist propaganda and recruitment. *Da'ish* could thus appear to be gaining ground even though, as in the rest of the Islamic world, the *Da'ish* phenomenon in militant Islam has peaked. ●

CENTRAL AFRICAN REPUBLIC

Fiscal fails and testing talks

A deceptive lull has descended on Bangui while peace talks are mired in confusion. Meanwhile, chaotic public finances are causing alarm

Just two months ago Bangui was on the edge of the abyss as violence escalated and nobody seemed to have a grip on the situation. Now, the city is calm, but there is widespread concern that the last bloody outbreak of violence was no flash in the pan (AC Vol 59 No 11).

One of the least reassuring signs is the sight of the current government trying to accumulate wealth in case it has to leave office quickly and not mastering its own expenditure. In June, during parliamentary debate on a finance bill, *Loi rectificative des finances*, which is meant to reconcile current spending against budget projections, opposition MPs led by **Anicet-Georges Dologuélé's** party, the *Union pour le Renouveau Centrafricain* (URCA), poked holes in the government's calculations.

BUDGET HOLES

The government claims that the national army, *Forces Armées Centrafricaines* (FACA), which is being trained by the European Union Training Mission and Russia, could free the entire country from the depredations of all armed groups. Yet no money has been allocated for its deployment, URCA MPs pointed out. Although, they added, the government has received FCFA 2.3 billion (US\$4 million) from airport landing fees, and FCFA 3.12 bn. for road tax, these amounts don't appear in the government accounts. To Central African Republic these are by no means

trivial sums.

Secrecy also dominates the exceptionally well-funded offices of the president and the prime minister. Both offices have spent FCFA400 mn. (\$714,000) in the last six months alone which they are not required to account for. Financial experts are saying the International Monetary Fund estimates for government revenue were over-optimistic in 2017. The Fund's decision to disburse \$32.1 mn. in early July will probably be the last for some time and any new facilities will be far smaller.

The current situation resembles that prevailing in mid-2012, when it was becoming obvious that the regime of President **François Bozizé** would not be able to pay government salaries – a key factor in the country's stability (AC Vol 53 No 14). This time, it is not as clear because of the flow of international aid but the main donors are tiring of funding a government that can't reform the revenue collecting agencies, which are also the most vulnerable to corrupt practices.

Another point in common with 2012 is the unpopularity of the head of state with the leaders of neighbouring nations. President Touadéra first alienated President **Idriss Déby Itno** of **Chad** and President **Denis Sassou-Nguesso** of **Congo-Brazzaville**, key mediators and sponsors in CAR's internal affairs and foreign relations. They believe he broke the agreements he made to them personally as soon as

he left their presidential palaces.

Equatorial Guinea won't forgive him for failing to detain some of the men involved in the failed coup d'état of January, some of whom are very close to the CAR presidency (AC Vol 59 No 2). Khartoum can hardly be expected to be well-disposed after a colonel commanding **Sudan's** embassy guards was shot dead inside the embassy compound. While **Congo-Kinshasa** signalled its dislike of Touadéra by welcoming ex-President **Michel Dlotodia** as if he were still a head of state, **Angola** smoulders over the failure of its 2017 mediation with the armed groups. It was requested by Touadéra but he never took it forward. **Cameroon** is disappointed that nothing has been done about resettling CAR refugees.

The regional hostility explains why Touadéra did not travel to Nouakchott for the African Union summit in late June. His ears would have been burning with the complaints of his regional critics.

Even **France**, his second-biggest fan after UN Special Representative **Parfait Onanga-Anyanga** thanks to the lobbying of **Rémy Maréchaux**, Director of African Affairs at the Quai d'Orsay, is losing patience. Paris had urged the IMF so it would increase funds for CAR, but they now see the pointlessness of that, with corruption reaching new heights.

Touadéra and his *chef de cabinet*, **Firmin Ngrébada**, pleaded for France's help and then cynically fuelled anti-French propaganda. The Bangui correspondent for *Radio France Internationale* (RFI), **Edouard Dropsy**, had to flee for his safety for several weeks after he was accused in May by presidency staff and *anti-Balaka* groups of sympathising with Touadéra's opponents. In an interview on France 24, Touadéra named two French men as mercenaries working with **Séléka** as his aides implied that they were working with French intelligence, despite

knowing it wasn't true.

For genuine mystery, however, there is the **Russian** game. France lost face when the Russians took on responsibility for what apparently Paris could not, although few believe Moscow can succeed. President Touadéra seems not to realise that the Russians, according to sources in Bangui, are steadily gaining control of his palace, listening to his calls and taking key decisions. There are still only 300 Russians in Bangui and Berengo, where they train FACA soldiers, and only a few high-calibre officials assigned to the presidency and headed by one **Valeri Zakarov**. Beyond humiliating France, nobody in the expat community can work out what Russia's aims are. If they brought in a new ambassador, significant troop numbers and more genuine security experts, then it would be possible to see a grander scheme (AC Vol 59 No 13).

TANGLED STRANDS

Russia had invited representatives of all the major armed groups to Khartoum to facilitate a negotiation with the Touadéra government at the end of the month. However, in the last two years, Touadéra has approved mediation by Chad, Angola, the Sant'Egidio Catholic lay community, the Centre for Humanitarian Dialogue, and the AU. The result has been confusion as different strands became tangled. It is providing the Russians with a short course in how CAR politics works. No armed group wants to hand Touadéra a

political victory, but each of them, and the government are seriously divided and have weak leaders.

The role of Khartoum in this exercise is still unclear. The Russians feel at home in Sudan but President **Omer Hassan el Bashir's** main motive as host may be to improve relations with France and the European Union. Eventually, **Rwandan** President **Paul Kagame** called Touadéra on behalf of the AU to get him to cancel the Khartoum meeting, which was interfering with the AU initiative, without concealing his displeasure, we hear.

TALKS TRAINING

One of the strands at work is led by the **Burkinabé** former foreign minister **Bédializoun Moussa Nebié**, but slowly. He met Bozizé in Kampala, having already met Djotodia in Cotonou in June. The EU is funding the training of all the actors in the mediation business, while Sant'Egidio is helping civil society organisations to be observers in the planned conference (even though some are already boycotting the gathering because they won't have the right to speak there). Meanwhile, the Centre for Humanitarian Dialogue is working with the armed groups and the South African-based African Centre for the Constructive Resolution of Disputes (ACCORD) to improve the negotiating skills of the government delegates. It is an expensive recipe for confusion.

Another obstacle to peace is the fact that it is unlikely that peace could

improve the living the armed groups already have through 'taxing' trade, markets, livestock herders and by controlling mining activity.

The government and Touadéra are not committed to the peace negotiation. When the delegation for the AU meeting was drawn up they forgot to include Minister of Reconciliation, **Virginie Mbaïkoua**, who was only included after the AU specifically asked for her attendance. Touadéra is much more exercised by the challenge of creating a political party that can win him a second mandate. *Anti-Balaka* was largely responsible for helping him win the 2016 elections but they will not support him again because he failed to meet their expectations.

Three likely outcomes predominate in speculation about the future. The first is that Touadéra keeps ruling CAR, or rather Bangui, unaffected by periodic outbreaks of mass slaughter which is eventually contained by the UN force, MINUSCA. The second scenario is governed by the belief that Touadéra has to go and the hope that a mass popular movement will overthrow him. The third possibility, although unlikely at this stage, is a drastic political overhaul by the regional and overseas players agreeing to curb the destabilisation which the presidency and the cabinet are causing. But France would have to use its leverage in Central Africa on all three key regional presidents, Déby, President **Ali Bongo Ondimba** of Gabon, and Sassou-Nguesso. ●

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POINTERS

Eritrea/Ethiopia

QUESTION ON OROMO PEACE

■ What to do about the Oromo Liberation Front (OLF) and how powerful the rebel faction is, are among the most important 'known unknowns' as the political landscape takes shape following July's shock peace accord between Ethiopia's **Abiy Ahmed** and Eritrean President **Issayas Afewerki** (AC Vol 59 No 14).

Western Oromia was put under an effective state of emergency from late June, sources told AC. The Ethiopian military's chief of staff General **Berhanu Julu** said that a hundred fighters from the OLF had entered Western Wollega and recruited 90 more fighters before blocking roads and committing killings. Abiy visited Asmara on 8 July, where he met Issayas and OLF chairman **Dawud Ibsa**, days before his government lifted the OLF's status as a 'terrorist' group which had existed since the overthrow of the Derg in 1991.

Two days before Issayas arrived in Addis Ababa for the return visit on 14 July, the OLF, which is estimated to have around 500 fighters, announced a 'unilateral ceasefire'.

The OLF remains nervous about what happens next, demanding mediation with Abiy's government in a third country, saying that past experiences had made them wary of being deceived into disarming. The OLF says it will honour the ceasefire, but defend itself if pursued.

How the OLF will enter Ethiopia's new political space remains far from clear. The OLF should be able to open offices in Oromia and compete as a registered opposition party in general elections slated for 2020, potentially posing a stiff electoral threat to **Merera Gudina's** Oromo Federalist Congress, the only opposition party in the region, and even Abiy's Oromo People's Democratic Organisation (AC Vol 58 No 2).

Côte d'Ivoire

IT'S OUATTARA'S PARTY

■ President **Alassane Dramane Ouattara's** new cabinet has not changed all that much, considering he purged from it of all *Parti démocratique de Côte d'Ivoire* members on 4 July over PDCI's leader **Henri Konan Bédié's** reluctance to join the new *Rassemblement des houphouëtistes pour la démocratie et la paix* political alliance (AC Vol 59 No 14).

Conveniently for their cabinet status, almost all the PDCI ministers were in fact retained, including **Thierry Tanoh**, **Alain-Richard Donwahi** and **Kobenan**

Kouassi Adjoumani, but under a different title. They belong to a group within the PDCI calling itself 'In the Footsteps of **Houphouët-Boigny**' (after the country's first president and party founder), which considers the RHDP more 'houphouëtiste' than the PDCI. Bédié later expelled all three from the PDCI's Executive Committee. Joiners included **Abdallah Albert Toikeusse Mabri** and **Joseph Seka Seka**, leaders of two smaller parties that had confirmed their adherence to the RHDP.

Sidiki Konaté, a close ally of **Guillaume Soro**, the Speaker of the Ivorian Parliament, was appointed Arts and Culture minister, which effectively halts the possibility of any rapprochement between Soro and Bédié (AC Vol 58 No 20).

At the Constituent Assembly of the RHDP on 16 July in Abidjan, *Rassemblement des républicaines* (RDR) president **Henriette Dagri Diabaté** was named as RHDP's first Vice-President, Mabri was nominated its second Vice-President and Ouattara accepted the call to become its president.

Ouattara has managed to forge the RHDP largely in his image, keep Soro close but not too close, isolate Bédié, weaken and potentially split the PDCI, rally his troops ahead of October's municipal and regional elections, and reinforce the prospect of a third term, an idea which, in spite of Ouattara extremely deft manoeuvring, almost all political observers consider calamitous (AC Vol 59 No 3).

European Union/Somalia

FARMAJO'S BRUSSELS WIN

■ At the meeting of donor countries in Brussels on 17 July, the European Commission pledged €200 million to President **Mohamed Abdullah Mohamed 'Farmajo's'** government. The agreement includes €100 mn. in direct budget support, and a pot of €83 mn. to prop up agriculture. It represents a return to expenditure on development policy, which the commission is far happier with than simply paying the wages of the soldiers of the African Union Mission in Somalia (Amisom).

The EU nevertheless signed over its contribution of €114.2 mn. for Amisom for one year, albeit with bad grace. The €1.7 billion Brussels has contributed to Amisom over the past decade makes it one of the largest donors to the anti-*Al-Shabaab* military mission, but it has long been anxious to scale down its financial commitment.

Extricating itself from Amisom has proved tricky, however. The EU's attempts in 2016 to reduce its payments to Amisom created bad blood with the AU and triggered threats to withdraw – so

far unacted on – from troop-contributing countries **Uganda** and **Kenya** (AC Vol 57 No 5).

Commission officials lament that the EU found itself trapped into long-term funding commitments to open-ended missions with no exit plan. The anxiety to avoid a repeat experience has informed the EU's stance towards the G5 Sahel. It has committed a total of 100 mn. euro as well as logistical support to the G5 Sahel, but does not want to take a leadership role, and is happy to leave that to **French** President **Emmanuel Macron**.

Italy/Nigeria

UNCIVIL ACTION

■ Royal Dutch Shell and ENI claimed a minor victory on 20 July when the judge in the OPL 245 trial in Milan ruled that the natural resource lobbying groups and civil society organisations (CSO) Global Witness, re:common, Heda Nigeria and Corner House could not sit alongside the Nigerian government as claimants in the corruption trial against the two oil majors (AC Vol 59 No 5).

This was not unexpected: Italian law is extremely restrictive regarding the participation of civil society organisations in trials, although in this case it was the CSOs that brought the case to the attention of the prosecutor.

The oil giants had repeatedly attacked the status of the CSOs in the trial, and have focused, largely without success, on trying to find procedural objections to get the case thrown out. Yet something similar to what the CSOs hoped to achieve could come about thanks to the involvement of **Lucio Lucia**, the well-known Milanese lawyer, in the case on the Nigerian government's side.

At the previous hearing on 20 June, Lucia asked the court to start a civil action attached to the current criminal trial. This poses a new, and arguably more dangerous threat to the companies. Under Italian law companies can be hit only with limited financial penalties in a criminal trial, and hefty damages can only be sought from the individuals involved in the crime. By attaching a civil action to the criminal case Nigeria could claim damages directly from the companies which could amount to billions of dollars.

This aggressive new course is at odds with the more conciliatory approach taken by the Nigerian Attorney General, **Abubakar Malami**. This path will give him less room to soften the Nigerian government's stance towards the company.

However, others fear that if the companies see that the criminal trial is going badly for them, they could push for a settlement of the civil action, possibly a generous offer to shelter them from more damages.

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BLUE LINES

Emmerson Mnangagwa is sending out invitations to his inauguration on 12 August. That shows how much confidence he has that the judges of the Constitutional Court will throw out a challenge to the results which gave him 50.8% of the votes, avoiding a run-off election by just over 30,000 votes.

On 8 August, the opposition Movement for Democratic Change announced it would challenge the results declared by the Zimbabwe Electoral Commission. It has to submit its arguments and supporting evidence by 10 August. The Constitutional Court has 14 days to consider and adjudicate on the petition. Regardless of the eminence of the Court's judges it would be quite a stretch for them to seriously consider a petition covering 11,000 polling stations and 5.7 million voters in just a day before the inauguration.

This, together with repeated raids on the opposition's offices, the seizure of computers and documents, and beating and abduction of opposition supporters, are not the actions of a ruling party and candidate confident that their declared victory could withstand detailed scrutiny.

Indeed, when the United States-led observers requested the polling station returns, ZEC said these would take several more days to compile. This information would be critical to any independent assessment of the election's credibility. Should Mnangagwa and ZANU-PF disregard these concerns and press ahead with the inauguration, it will almost guarantee that the election fails the legitimacy test.

ZIMBABWE

The great observer gamble

After an eight-month charm offensive wooing bankers and diplomats, the government is failing the legitimacy test

Politicians and activists share scepticism about international election observers, suspected of naïveté and bias but lacking political knowledge. For once, international observers mattered. On their verdict on Zimbabwe's elections on 30 July hung the possibility of infusions of billions of dollars that could pull the country out of the economic mire (AC Vol 59 No 15).

Banks, corporations and some governments, notably Britain and China, are eager to validate the elections, arguing that it would bring stability and economic revival (AC Vol 59 No 7). So far, the verdicts range from fulsome approbation to deep scepticism. The African Union, the Southern African Development Community and China quickly judged the elections and results to be credible.

The Commonwealth and the European Union were much more critical, with the US observers concluding within days that the elections had not passed the credibility test. These were the most closely observed elections since 1980, with plenty of veteran top politicians among the monitors. In addition to the AU and SADC groups, the Commonwealth and the EU were back for the first time in 16 years. The Carter Center sent a team.

Another US-backed team - the Zimbabwe International Election Observation Mission (ZIEOM), was joined by a group of dignitaries including former President of Liberia, Ellen Johnson Sirleaf, and the former interim president of Central African Republic, Catherine Samba-Panza, and former US Assistant

Secretary of State Johnnie Carson. Former Prime Minister of Ethiopia, Hailemariam Desalegn, chaired the AU group, and the Commonwealth group was led by former Ghanaian President John Dramani Mahama. Over 200 foreign journalists were accredited to cover the vote.

Citizens found a profitable sideline, selling video footage recorded on their smartphones to observers and journalists. Embassies were on high alert, some brought in IT experts, able to produce statistical projections and analyse algorithms. At least 800 foreign observers joined over 6,000 national observers from civil society groups.

There were almost 11,000 polling stations, mostly well-organised but not all easily accessible. Few foreign observers had four-wheel drive vehicles, and they stayed out of remote rural areas.

DETERRENTS

The observer missions were more a show of symbolic force, headed by African and Western experts with eminence and gravitas. That should have been enough to deter the most brazen attempts at intimidation just before the election.

Yet voters in the countryside, over 60% of the electoral roll, had been energetically wooed, sometimes indirectly threatened, by the ruling Zimbabwe African National Union-Patriotic Front. There was, according to local activists, little overt violence. Instead, ZANU-PF offered short-term sweeteners - cash, food and seeds - and promises for the future, often on a village-by-village basis.

CONGO-KINSHASA 3

Kabila names his dauphin

The President named a successor and ended the third-term controversy

CONGO-KINSHASA 5

Backers and attackers

Kabila's successor will have to cope with neighbours with agendas

ETHIOPIA 6

A flood of rumours

The death of the great dam's chief engineer sees an outpouring of grief

KENYA 7

Raila rebounds

The opposition leader is gaining enough from his compromise to worry Vice-President Ruto

NIGERIA 8

NIGERIA 9

POINTERS 12

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As before, ZANU-PF showed a campaigning force that the cash-strapped opposition Movement for Democratic Change could not match. Yet there are big questions about the electoral roll, which is still heavily weighted to the countryside and doesn't reflect the migration to towns and cities over the past two decades.

Despite voters registering on a biometric system which matched their fingerprints to their voter cards, the same system wasn't used on election day. That would have allowed impostors to vote, provided they had fake identity documents.

Some officials laughed off the possibility of that happening. Observers pointed out the closeness of the declared result: ZANU-PF's **Emmerson Mnangagwa** avoided a difficult second round by just over 30,000 votes, winning 50.8% in the first round of the presidential election.

INCUMBENT ADVANTAGE

At every stage in the electoral process, ZANU-PF had extracted all possible advantage from its incumbency: whether it was pressing the Zimbabwe Electoral Commission to use a ballot paper that gave Mnangagwa's name more prominence, or delaying the release of the electoral register until just before polling day and illegally obtaining data from the register for its campaigning, such as sending text messages to personal mobile phone numbers.

Even that was not enough to assure Mnangagwa victory. For reasons yet to be explained, ZANU-PF did far better in the parliamentary elections – winning over 66% of the seats – than Mnangagwa did in the presidential vote. In another twist, turnout for the parliamentary poll averaged at 75% but shot up to 85% for the presidential poll.

Observers were trying to assess the weight of these factors as doubts were being raised over the ZEC's delays in releasing the results. At the same time, the opposition stepped up its claim that it had won the election and the people's vote was being stolen.

Accusing its detractors of inflammatory rhetoric, ZEC continued

to trickle out the parliamentary results, constituency by constituency. It insisted that none of the presidential results were ready. That prompted more suspicion, not least because the presidential votes had been counted before the parliamentary votes. Several observers had raised concerns about the delayed presidential results although under the law, the ZEC had until 4 August to release them.

By the morning of 1 August, tension was mounting and some 3,000 supporters of the MDC gathered in Harare to protest that the election was being stolen. It was not an official MDC event and police permission had not been granted. Party leaders **Nelson Chamisa** and **Tendai Biti** were said to be out of town, prompting government officials to accuse them of stoking trouble, and then running away.

MOOD CHANGE

Initially, the demonstration was good-humoured. Some footage shows MDC protestors shaking hands with the riot police who made no attempt to break up proceedings. Then, protesting crowds gathered outside the ZEC headquarters in Harare. Suddenly, the mood changed, armoured cars moved in leading truckloads of soldiers, most of them in fatigues, hooded or wearing balaclavas and wielding rifles and sticks. After getting off the trucks, the soldiers started jabbing protestors with bayonets and began beating anyone within reach.

Several workers and traders unconnected with the protest complained of being beaten by soldiers. A group of protestors broke away to throw stones at the headquarters of ZANU-PF nearby. Some broke into the car park, smashed a few windscreens and set one car ablaze. As guards from the building opened sporadic fire, another contingent of soldiers opened more concentrated rifle-fire. At least six were shot dead, two in the back.

Observer groups started rewriting their preliminary reports, adding concern about the deployment of soldiers in the capital. The government response was inconsistent and unconvincing. As Mnangagwa blamed the opposition for threatening the country's stability, officials wouldn't say who ordered in the troops, where they came from, or why many of them concealed their faces.

Although the buck should stop with Mnangagwa, some of his defenders insist the order was given by Vice-President **Constantino Chiwenga**, the former head of the armed forces. It has since emerged that the head of the Zimbabwe Defence Force, General

Valerio Sibanda, was not consulted and that the soldiers were drawn from the Presidential Guard now under the joint control of Mnangagwa and Chiwenga.

The government's posturing over the shootings has reinforced doubts both about the elections and its political intentions. Nor did the violence stop there. On 3 August, hours after the official results had been announced, the MDC announced it would be holding a press conference at the Bronte Hotel, just outside the city centre. But armed police surrounded the hotel, pushing people – many of them observers and journalists – and threatening to throw in tear-gas canisters. Much of it was filmed and broadcast on the international networks, reinforcing the impression that the government had begun a violent crackdown.

Eventually, a government minister turned up, recalled the police and allowed the press conference to go ahead and for Chamisa to announce that he rejected the official results. Later that day, Mnangagwa, having softened his tone since the shootings two days earlier, told journalists that shutting down opposition press conferences was not part of the new Zimbabwe.

If Mnangagwa had not sanctioned the police action, then who had? Activists say the government response was a rehearsed *pas de deux*: the hard men smash the opposition while a smiling Mnangagwa talks up reform and opens Zimbabwe for business. If so, such guile is unlikely to convince most observers.

HARSH WORDS

The post-election crackdown has reinforced observer criticisms of the electoral process, and many are believed to be writing private addenda with still harsher words. Amnesty International says that over 60 opposition activists were rounded up by armed men over the weekend. Some were beaten and some detained. In court in Harare on 7 August, the judge gave bail to 27 opposition supporters accused of affray in the capital.

The Commonwealth observers were writing a formal assessment of the vote but also a separate paper for Secretary-General Baroness **Patricia Scotland** on whether Zimbabwe had successfully made its case to rejoin the organisation. There will be some trenchant remarks in that paper, we hear.

Mahama and the Commonwealth Group came out with a tough critique of the government's use of troops and the shootings. Initially, Johnson Sirleaf was highly critical of the election but rowed back a little in press interviews, after discussions with Harare officials.

Meanwhile, ZANU-PF's talented team

ELECTION RESULTS IN ZIMBABWE'S PROVINCES, 2013 AND 2018 COMPARED

Presidential and House of Assembly elections

MASHONALAND WEST*Presidential (% share):*

Mugabe 71.8%, Tsvangirai 26.0%

Chamisa 39.2%, Mnangagwa 56.3%*House of Assembly (no. of seats):*

MDC-T 1, ZANU-PF 21

MDC Alliance 3, ZANU-PF 18, Independent 1

2013: regular type

2018: bold type**MIDLANDS***Presidential (% share):*

Mugabe 63.6%, Tsvangirai 32.7%

Chamisa 40.2%, Mnangagwa 54.9%*House of Assembly (no. of seats):*

MDC-T 3, ZANU-PF 25

MDC Alliance 5, ZANU-PF 22, NPF 1**MATABELELAND NORTH***Presidential (% share):*

Mugabe 41.2%, Tsvangirai 50.0%

Chamisa 49.0%, Mnangagwa 39.7%*House of Assembly (no. of seats):*

MDC-T 6, ZANU-PF 7

MDC Alliance 5, ZANU-PF 8**BULAWAYO***Presidential (% share):*

Mugabe 24.0%, Tsvangirai 67.4%

Chamisa 66.3%, Mnangagwa 27.7%*House of Assembly (no. of seats):*

MDC-T 12

MDC Alliance 12, ZANU-PF 1**MATABELELAND SOUTH***Presidential (% share):*

Mugabe 51.9%, Tsvangirai 37.5%

Chamisa 41.7%, Mnangagwa 49.4%*House of Assembly (no. of seats):*

ZANU-PF 13

MDC Alliance 1, ZANU-PF 12**Presidential****candidates 2013:**

Dumiso Dabengwa (ZAPU)

Robert Mugabe (ZANU-PF)

Kisimoti Mukwazhe (ZDP)

Welshman Ncube (MDC-N)

Morgan Tsvangirai (MDC-T)

Presidential candidates 2018:

Joseph Makamba Busha (FreeZim Congress)

Nelson Chamisa (MDC Alliance)

Timothy Chiguvare (People's Progressive Party)

Evaristo Chikanga (Rebuilding Zimbabwe Party)

Melbah Dzepasi (#1980 Freedom Movement Zimbabwe)

Peter Gava (United Democratic Front)

Blessing Kasiyamhuru (Zimbabwe Partnership for Prosperity)

Thokozani Khupe (Movement for Democratic Change – Tsvangirai: MDC-T)

Hlabangana Kwanale (Republican Party)

Lovemore Madhuku (National Constitutional Assembly)

Elton Mangoma (Coalition of Democrats)

Noah Ngoni Manyika (Build Zimbabwe Alliance)

Violet Mariyacha (United Democracy Movement)

Divine Mhambi (National Alliance of Patriotic and Democratic Republicans)

Emmerson Mnangagwa (Zimbabwe African National Union – Patriotic

Front: ZANU-PF)

Nkosana Moyo (Alliance for People's Agenda)

Brian Mteki (Independent)

William Mugadza (Bethel Christian Party)

Joyce Mujuru (People's Rainbow Coalition)

Peter Munyanduri (New Patriotic Front: NPF)

Daniel Shumba (United Democratic Alliance)

Peter Wilson (Democratic Opposition Party)

Sources: Zimbabwe
Electoral Commission;
Zimbabwe Election
Support Network**MASHONALAND CENTRAL***Presidential (% share):*

Mugabe 86.1%, Tsvangirai 12.2%

Chamisa 20.1%, Mnangagwa 75.9%*House of Assembly (no. of seats):*

ZANU-PF 18

ZANU-PF 18**HARARE***Presidential (% share):*

Mugabe 38.9%, Tsvangirai 59.1%

Chamisa 71.1%, Mnangagwa 26.5%*House of Assembly (no. of seats):*

MDC-T 23, ZANU-PF 6

MDC Alliance 28, ZANU-PF 1**MASHONALAND EAST***Presidential (% share):*

Mugabe 76.3%, Tsvangirai 21.5%

Chamisa 34.9%, Mnangagwa 61.7%*House of Assembly (no. of seats):*

ZANU-PF 22

MDC Alliance 2, ZANU-PF 21**MANICALAND***Presidential (% share):*

Mugabe 56.5%, Tsvangirai 39.5%

Chamisa 47.7%, Mnangagwa 47.1%*House of Assembly (no. of seats):*

MDC-T 4, ZANU-PF 22

MDC Alliance 7, ZANU-PF 19**MASVINGO***Presidential (% share):*

Mugabe 70.4%, Tsvangirai 25.8%

Chamisa 33.0%, Mnangagwa 61.4%*House of Assembly (no. of seats):*

ZANU-PF 26

MDC Alliance 1, ZANU-PF 25

of diplomats and spin doctors worked hard on the waverers and regional governments. Critically, they secured an endorsement from South Africa's President, and chairman of the SADC, Cyril Ramaphosa. He congratulated Mnangagwa and urged the opposition to seek redress through the courts.

Mnangagwa's team may have done enough to allow the most enthusiastic business people and governments to step up re-engagement. Much will depend on the strength of the opposition's case at the election tribunal and the credibility

of its handling by the courts.

But with US sanctions set to continue, there seems little prospect in the short-term of a deal on Zimbabwe's arrears to the World Bank and African Development Bank, let alone new flows of cash from the IMF (AC Vol 58 No 24). Contrary to the state-owned press insistence, there are no plans for a \$2 billion credit line from Beijing to reboot the economy, despite its strong approval of Mnangagwa.

There is a hard-headed view that Zimbabwe's economic morass is too

deep, and its financial structures and parallel currency systems too fragile to be susceptible to a unilateral fix. Instead, new flows of cash, some from highly questionable sources, will come in.

Financial toes will be dipped in the water, in search of what could be spectacular returns if the deals are cleverly structured. How these will help Zimbabweans, with the public health and education systems in chaos and jobless rates close to 90%, is another question. ●

CONGO-KINSHASA I**Kabila names his dauphin**

The President finally named a successor at the eleventh hour and ended the third-term controversy. Storms still lie ahead

The drama over who will be allowed to run in the presidential elections due in December has dragged the political system to the brink as growing armed conflict increase instability and fear. But on 8 August President Joseph Kabila

approved his former interior minister Emmanuel Ramazani Shadary as his chosen successor. A regime hardliner and securocrat from the eastern province of Maniema, Shadary is expected to maintain a tight grip on the security apparatus and protect Kabila's

financial and other interests if he wins. He was placed under sanctions by the European Union in 2017 for his role in brutally suppressing street protests. The secretary general of Kabila's People's Party for Reconstruction and Democracy, Shadary may be intended to keep the presidential seat warm for Kabila, much in the way that Russian President Vladimir Putin stepped down as president to avoid breaching a two-term limit, before taking the job again after a period away.

Elections have been twice delayed since December 2016, when the final term allowed Kabila under the constitution ended. Information



minister **Lambert Mende** promised Kabila would have announced a 'dauphin', or chosen heir, by July and when the deadline slipped speculation increased that Kabila would stay on. By naming Shadary, Kabila has stepped back from the brink.

The *Comité Laïc de Coordination* (CLC), affiliated to the Catholic church, had been threatening more mass protests in August if Kabila failed to announce plans to step down. Over the last two years, the church has proved one of the most potent opponents of Kabila's continued rule and demonstrations it has supported have rocked the country and triggered crackdowns in Kinshasa. While Kabila has declared he will not now remain, some in the church still say that the refusal to allow an important opposition figure, **Moïse Katumbi**, to enter the country and register as a candidate is still a provocation.

STATUS QUO

Kabila's tactics are informed by calculations over internal security and regional reactions. His latest military reshuffle is widely suspected to be preparatory to setting Shadary up to maintain the status quo of loyal hard men, oligarchs and crime lords. In recent weeks Kabila sent top security officials to meet President **Paul Kagame** of Rwanda, and he visited Luanda himself to meet President **João Lourenço**, in efforts to win their support (see Box).

The nomination of Shadary may be an indication that these countries signalled they would not favour Kabila prolonging his stay in office.

Political rivals in Congo-Kinshasa fear that with Katumbi out of the race, Kabila and Shadary could rig the elections due in December and that political control of the country's vast copper and cobalt reserves will remain in the hands of a kleptocratic cabal. Disputes about the eligibility of opposition candidates, and the issues of electronic voting machines and fraudulent enrolment are now expected to besiege the electoral commission, which has meantime sent signals to Western diplomats that the government is not interested in foreign donor support for the electoral infrastructure.

At a political retreat at the president's Kingakati farm near Kinshasa in the last week of July, at least 16 candidates for the role of dauphin had been proposed by the four coalition caucuses. These included improbable candidates such as the Banyamulenge Tutsi former Vice-President and once Rwandan-backed rebel leader of the 1998-2003 RCD-Goma rebellion, **Azarias Ruberwa**; the president of state mining company Gécamines, **Albert Yuma Mulimbi**; *directeur de cabinet* in the presidency, **Néhémie Mwilanya Wilondja**; and **Modeste Bahati Luwebo**, minister of planning and the leader of the second biggest political party in the ruling

coalition. Also floated was his former prime minister and former finance minister **Matata Ponyo**, who has been instrumental in handling Kabila's financial dealings.

Kabila's opponents are knocking on the door. **Jean-Pierre Bemba**, former Vice-President and leader of the 1998-2003 rebellion by the *Mouvement pour la Libération du Congo* (MLC) flew into Kinshasa on 1 August after his acquittal at the International Criminal Court and 10 years in a Dutch prison. He registered the next day as a candidate and then travelled on 4 August to his stronghold of Gemena, in the western Equatorial region. Thousands swarmed around him as he triumphantly strolled through the town.

Some in the ruling party say that Bemba's conviction for witness-tampering at the ICC could disqualify him as a candidate. Yet his candidacy might be useful to Kabila's purposes in dividing an already fractious opposition. An opinion poll by the Congo Research Group, which is run by former UN investigator **Jason Stearns**, gave Kabila, when it was thought he might stand, 9% of the popular vote and Bemba 17%. The other two main possible candidates, **Felix Tshisekedi**, son of the legendary **Etienne**, and **Moïse Katumbi** were each on 19%. Tshisekedi has now registered as a candidate but Katumbi, the former governor of Katanga and a one-time ally of Kabila, has been denied entry to the country and so missed the registration deadline.

On 30 July he applied for and was refused permission to land his Gulfstream jet in Lubumbashi on 3 August. He then travelled to Ndola in northern Zambia, and tried to drive over the border at Kasumbalesa, surrounded by supporters, but could not enter because no immigration officials were present at the crossing.

RED FLAG

Kabila and his advisors will have had to weigh the advantages of allowing Katumbi to stand, and thus keep the field divided, against the danger that he could become a candidate around whom the opposition might agree to rally. The denial of Katumbi's candidacy is a red flag to the many Katangans who believe their region's wealth is the *milch* cow of the economy, and that they 'deserve' the presidency. Some threaten secession.

During Katumbi's absence in South Africa and Belgium, the government charged him with real estate fraud, convicting him in absentia and threatening to arrest him if he returned. Katumbi dismissed the charges as spurious but stayed out of the country.

Katumbi would appear to have run out of options, but he is still believed to have loyalists in the presidential guard and connections to politicians with links to militias. The ethnic and

regionally based militias, especially in the east, are increasing instability with a growing wave of violence across the country. They, and their sponsors in the Congolese political class, as well

as in **Uganda** and **Rwanda**, are likely to disrupt the political and electoral process in ways yet unknown while Kabila's game-changing decision to leave power sinks in. ●

CONGO-KINSHASA II

Backers and attackers

While Kabila steps down, his successor will have to cope with neighbours with agendas, and the myriad militias they support

Congo-Kinshasa's most important neighbours lie to the east: **Burundi**, **Rwanda**, **Uganda** and **Tanzania**, all of whom have played key roles in the country's ructions over the past three decades. The other two heavy-hitters are **Angola**, which borders Congo-K in the south-west, and **South Africa**, the biggest economy in the Southern African Development Community.

While ex-President **Jacob Zuma** was close to Kabila, President **Cyril Ramaphosa**, though preoccupied with domestic political crises, was cool towards Kabila staying in power, and that could have been an important factor in his decision not to stay on.

Zimbabwe, which was an important backer of both President **Laurent-Désiré Kabila** and his son **Joseph**, was too embroiled in its post-election crisis to play much of a role although President **Emmerson Mnangagwa** and Foreign Minister **Sibusiso Moyo** were closely involved in Zimbabwe's military intervention in Congo-K from 1998 to 2002.

Perhaps the most important regional actors who could influence Kabila's decision not to stay on were **Rwanda** and **Angola**, who were on opposite sides of Congo's 1998-2003 war; Angola backed Kinshasa and Rwanda backed the *Rassemblement Congolais pour la Démocratie-Goma* (RCD-Goma) rebellion. President **João Lourenço** has shown increasing signs of frustration with Kabila since the 2016 security crisis in Congo's Kasai region. Angola's only possible interest in supporting Kabila and Shadary would be to counter Rwanda's ambitions in the region.

Kabila may have tried to buy Rwandan support recently. He received Rwandan foreign minister **Louise Mushikiwabo**, accompanied by former African Development Bank president **Donald Kaberuka**, in Kinshasa on 25 July, and promised to support her bid to become president of the *Organisation Internationale de la Francophonie* (AC

Vol 59 No 14). Then, Kabila sent his intelligence chief **Kalev Mutond**, chief of military intelligence General **Delphin Kahimbi**, and foreign minister **Leonard She Okitundu** to meet Rwandan President **Paul Kagame** in Kigali a few days later. They were understood to be promising Kagame to contain the accelerating rebellion of Rwandan exiles in the Rwandan National Congress (RNC) in South Kivu, under the leadership of former Rwandan Defence Forces (RDF) general **Kayumba Nyamwasa**. These factors will remain important, whoever has power in Kinshasa.

ENEMIES' ENEMIES

In South Kivu the RNC is playing its part in regional national rivalries by fighting the enemies of Burundian President **Pierre Nkurunziza's** regime who are located in Congo-K. These are the rebel groups RED-Tabara, run by exiled Burundian politician **Alexis Sinduhije** and the *Forces Populaires de Burundi*, run by the leader of the failed 2015 putsch in Burundi, Major General **Godefroid Niyombare** (AC Vol 56 No 17). Burundi believes the exiled rebels are supported by Rwanda. By this geopolitical logic, RNC would also be receiving the support of Burundi.

In North Kivu the RNC is also making common cause with Rwandan Hutu *Front démocratique de libération du Rwanda* (FDLR) rebels – frequently associated with the Rwandan genocide – and Congolese Hutu militia known as the *Nyatura* against Kigali and its proxies in Congo-K.

Kigali is angry that the RNC has been able to take root in eastern Congo. Rwanda believes it should have been rewarded for withdrawing its support for the M23 rebellion in 2013 which challenged Kabila's rule. Part of Kigali's quid pro quo for dumping M23 was a deal under which Rwandaphone elements of the *Forces armées de la république démocratique du Congo* (FARDC) would be favoured. Partly to

placate Kigali, Kabila had last month again promoted many Rwandaphone officers during a major army reshuffle.

Kinshasa promised to deal with the RNC but Kigali remains sceptical of Kinshasa's promises to deal with the RNC, pointing to Kahimbi's long-standing security ties with Burundi. In response, Rwanda has allowed ex-M23 fighters under their one-time commander General **Sultani Makenga** to operate in the border region between North Kivu and Rwanda, in the Karisimbi-Mikenno mountain range.

Amid the confusion of the diverse loyalties of the militias an important new division stands out, among Tutsis, in Congo-K as well as Rwanda. Some support the government in Kigali while others back the RNC. The split has its roots in the 2009 arrest in Rwanda of CNDP rebel commander General **Laurent Nkunda**, when Rwanda came under international pressure to stop its support for that rebellion. Nkunda's arrest was seen as a great betrayal by many Congolese and Rwandan Tutsi rebels and army officers.

Nkunda remains under house arrest in Rwanda, and his main financial backer, **Tribert Rujugiro**, has also been made persona non-grata by Kigali. Rujugiro is now an important cog in the RNC machinery and was in Uganda in mid-July for discussions with representatives of various Congolese armed fronts.

Meanwhile, evidence has emerged of apparently Burundi-supported fighters in the Nyungwe forest of northern Burundi raiding into southern Rwanda. These elements are part of a new group dominated by Rwandan Hutu fighters known as the *Mouvement Rwandais pour le Changement Démocratique* (MRCD), most of them formerly with an FDLR splinter group, the *Congrès National de la Résistance pour la Démocratie* (CNRD), which is concentrated in South Kivu. For Bujumbura, this would represent a legitimate response to what it sees as Rwanda's sponsorship of rebels opposed to its government.

The leaders of the new anti-Kigali formation include **Callixte Nsabimana Sankara**, a Tutsi former RNC cadre, as well as CNRD's Congo-based military commander **Wilson Irategeka** and **Paul Rusesabagina**. Rusesabagina is the US and Belgian-based former manager of the Hotel Mille Collines who was praised for his role in saving

lives during the genocide and who was featured in the movie *Hotel Rwanda*.

Kigali believes that Uganda has also been helping the RNC recruit Hutu and Tutsi refugees in Uganda, and possibly also from refugees in Rwanda itself. Rwandan officials believe the recruits are taken to Bujumbura and then infiltrated into Congo-K across

Lake Tanganyika to join the RNC in South Kivu.

Relations between Kigali and Kampala are at an all-time low. President **Yoweri Museveni** has detained his former police chief **Kale Kayihura**, and cited too close relations with Kigali among the reasons (AC Vol 59 No 4).

Renewed hostility between Kinshasa and Kigali could suit Museveni, whose military men eagerly want to get back into Congo-K and plunder the economy and local minerals, especially gold. Museveni has also openly criticised Kabila and accused Monusco of allowing armed groups hostile to Uganda to remain at large. ●

ETHIOPIA

A flood of rumours

The death of the great dam's chief engineer sees an outpouring of grief as regional reactions to Abiy's radical initiatives gather speed

For many Ethiopians, dam engineer **Simegnaw Bekele** was the embodiment of their aspirations for a better future, which explains the widespread shock when he was discovered shot dead in his Land Cruiser in the heart of Addis Ababa on 26 July.

Bekele was the project manager and public face of the Grand Ethiopian Renaissance Dam (GERD), the \$4 billion hydropower project on the Blue Nile. The GERD – brainchild of Ethiopia's former leader **Meles Zenawi** – has wide public support, even among those who don't support the government. For many it symbolises the country's self-sufficiency and independence (AC Vol 56 No 7 & Vol 57 No 12). The engineer was widely seen as a dedicated, self-effacing civil servant bringing that grand political vision to reality.

Authorities have not yet ruled out suicide, but many assume he was murdered. The project was in the news just two days before his death after Prime Minister **Abiy Ahmed** said GERD might not be finished for a decade, alarming those who had believed early estimates that it would produce its first power in 2015. One reason for the delay is that the military-linked contractor, the Metals and Engineering Corporation (MetEC), has been contracted to perform installation work that it is incapable of delivering (AC Vol 59 No 9).

MUCH TO LOSE

Those who suspect murder point out that the troubled MetEC has much to lose from any revelations of its failures over the dam. A minister told *Africa Confidential* some of its work is likely to be sub-contracted soon.

Because MetEC was run by military officers, it had a strong Tigrayan component in its management, including the former Director-General, Major General **Kinfe Dagnew**, who

resigned in April.

Similar political dynamics surrounded a grenade attack on 24 June at a massive rally in support of Abiy which is being blamed on Tigrayans. Both incidents occurred in the symbolic location of Meskel Square, formerly known as Revolution Square (AC Vol 59 No 13).

Last week prosecutors announced charges would be brought against five suspects for the attack and three others for assisting.

Also included in the charge sheet were 10 officials accused of negligence in their security duties, including Addis Ababa's deputy police commissioner, **Girma Kassa**, which raised suspicions that some of the prosecutions were politically motivated. A further eight officials, including a former National Intelligence and Security Service officer, are suspected of being directly involved with the attack. NISS is strongly connected to the Tigrayan People's Liberation Front (TPLF) and was commanded by the powerful **Getachew Assefa** until Abiy removed him on 8 June (AC Vol 59 No 9).

Abiy rose through the military and then the Information Network Security Agency before becoming a leading figure in the Oromo People's Democratic Organisation (OPDO). The early July arrest of another Tigrayan, Major **Biniam Tewolde**, former INSA Deputy Director, on corruption charges could be part of a purge of Abiy's adversaries, although colleagues of his claimed to AC that he was indeed corrupt, which he denies.

The TPLF organised a rally on 28 July in the regional capital Mekelle to support the peace process with **Eritrea**, to defend Ethiopia's federation which some see as under threat, and to express anger at Simegnaw's death. Many of the most outspoken online critics of Abiy

are Tigrayan, while senior TPLF figures have also spoken out against him.

A worrying growth in vigilante action has claimed the lives of Tigrayans, creating fear and causing some families to move back to Tigray. Abiy's critics argue that his use of phrases such as 'daytime hyenas' to describe those sowing discord is a dog-whistle for anti-Tigrayan activity.

REGIONAL DIVIDE

In the past year, the most serious conflict in Ethiopia has been on the Somali-Oromia regional border where hundreds have died and one million people are displaced (AC Vol 59 No 15). The fighting is seen as partly a result of competition between TPLF and OPDO, and also a struggle for control of the valuable trade in the narcotic qat. Somali State's unruly President **Abdi Mohamoud Omar** (aka **Abdi Iley**) previously received support from military officers who have strong connections to the TPLF, which created the new armed forces after the defeat of the Derg military regime in 1991.

On 4 August, Abiy's government ordered the military into Jijiga, the Somali regional capital, reportedly after Abdi Iley sent his paramilitary Liyu Police force to threaten rival politicians in nearby Dire Dawa, an autonomous city. The federal intervention, presumably to control the regional leadership, triggered chaos with Somali youth looting shops and burning churches, leading to around 30 deaths in Jijiga.

Even Abiy's supporters have questioned the wisdom and constitutionality of such a use of the military, although there is popular support for Abdi Iley's removal.

In a since-deleted Facebook post, Oromia region spokesman **Negeri Lencho** said the intervention delivered a message to TPLF leaders supporting the Somali strongman. 'The tragic downfall of the puppet lowland dictator and his mafia groups is a big lesson for his highland old masters, fighting proxy war through manipulation and since recently threatening the federal system of disintegration,' he wrote, expressing sentiments that are unlikely to improve OPDO-TPLF relations. ●

KENYA

Raila rebounds

The veteran opposition leader is gaining enough from his historic compromise with Uhuru to worry Vice-President Ruto

Five months after the handshake between President Uhuru Kenyatta and opposition leader Raila Odinga and its promise to build bridges between Kenya's hostile ethnic groups, Odinga seems to be emerging as the major beneficiary. So much so that the ruling Jubilee Alliance could split over it — with one faction loyal to Kenyatta and the other to his deputy William Ruto. This could leave Odinga able to pick followers from either side to combine them with his ever-solid Luo base and cobble together a winning coalition in the 2022 general elections. Whether Odinga has such a strategy in mind is not clear, but it is certainly the wish of the thinkers who craft his party strategy.

In 1997, Odinga abandoned the robust pro-democracy opposition to join the Kenya African National Union (KANU), the political organ of President Daniel arap Moi's rule, becoming its secretary general in 2002, supplanting the young William Ruto from the secretary general's seat — over which he has held a burning grudge ever since, we are told. Odinga then led a strong splinter group out of KANU in 2002 that allied with Mwai Kibaki's opposition National Alliance of Kenya (NAK) to hand the emasculated KANU a resounding defeat at that year's general elections. KANU, whose presidential candidate was Kenyatta, never recovered. Odinga's most loyal supporters expect an encore, especially after he refused to rule out running yet again for the presidency during a widely-watched TV interview on 1 August. He declared the party platform he campaigned for in 2017 intact but vowed that it would be realised by 'evolutionary not revolutionary' means.

The agreement between Odinga and Kenyatta, reached after an all-night meeting on 8 March with no aides or political allies present, seems to have rescued Odinga's political career from the cul de sac he had driven it into following what many called his farcical self-inauguration as 'the people's president' in Nairobi on 30 January (AC Vol 59 No 6). Though enthusiastically received by his core supporters from the Luo community, the mock inauguration was criticised by Western diplomats and even Odinga's key opposition allies in the National Super Alliance (Nasa),

Stephen Kalonzo Musyoka, Wycliffe Musalia Mudavadi, and Moses Simiyu Wetangula, who now claim they opposed the stunt.

Today, however, it is these three who are in the political wilderness; cut out of the 'building bridges' handshake, the political patronage that came with it, and disowned by Odinga's Orange Democratic Movement (ODM), the strongest and best-funded party in the Nasa coalition. They announce a new opposition formula to win the 2022 general election without Odinga every other week.

GETTING THE CREDIT

In the meantime, Odinga is emerging as the lead government spokesman on its anti-corruption drive, and the need to unify Kenya's fractured ethnic groups. He has also been the government's envoy of choice for sensitive diplomatic missions such as reconciliation between South Sudan's warring leaders, and negotiations with Prime Minister Narendra Modi of India in early July aimed at increasing Kenya's agricultural exports to the subcontinent. This serves Odinga well: he takes credit for brokering peace in a troubled conflict zone as well as for anticipated Indian private investment to the predominantly-Luo region bordering Lake Victoria. The appointment of Luo public servants in various state-owned enterprises and as ambassadors in early July has also helped convince Odinga followers that joining Kenyatta was not in vain or a betrayal (AC Vol 59 No 12).

And there may be more appointments of Odinga's allies into the government. The cabinet reshuffle that was expected in the afternoon of 6 August was postponed, we hear, because Kenyatta and Odinga needed more time to consult on the names and positions of four prospective ODM nominees to the cabinet.

Odinga has taken time to reassure his most devoted followers that he has not abandoned 'the journey to Canaan' but taken a short detour that will get them there in time for the next general election. Reparation for 'historical injustices' inflicted especially under Jomo Kenyatta's presidency (1964-78), and 'electoral justice' (which was the Nasa watchword for the repeat

presidential elections last year, will be key components of the Building Bridges report when it is published later this month, he says.

From sources inside the Building Bridges task force, *Africa Confidential* understands that it will recommend constitutional reforms including a cabinet structure in which winning and losing political parties will be represented; a measure of proportional representation in the electoral system; restoration of the post of prime minister as it existed between 2008 and 2013 (which seems tailored for Odinga); and a more ethnically-inclusive system of public service appointments. The report will also contain long woolly commitments to a national ethos, elimination of ethnic rivalries, inclusiveness and commitment to devolution and the anti-corruption drive. To keep Kenyatta mollified, Odinga speaks favourably about the President's 'Big Four' initiative to kick-start the economy.

Ruto and his allies are miffed. Many of Odinga's present duties should have been his. Slowly, the 2017 Jubilee party manifesto which included many aspects of building bridges — such as promoting national unity, equity in resource allocation, and anti-corruption — has been taken over by the new Odinga-Kenyatta partnership.

Ruto has failed to shake off the tag of having accumulated much of his wealth by questionable means, repeatedly being accused of land-grabbing, which he denies, and ODM members of parliament have openly questioned his commitment to fighting corruption. Kenyatta has not leapt to Ruto's defence, which worries Ruto's Kalenjin constituency, who have long operated on the expectation that Kenyatta's Kikuyu will vote for Ruto under the Jubilee banner in 2022, returning the favour of the enormous Kalenjin turnout for Kenyatta in the 2013 and 2017 elections. Although many Kikuyu voters claim they will vote for Ruto in 2022, and Ruto continues to hold meetings in Kikuyu country almost weekly, a fringe group in the Kikuyu leadership claims it owes the Kalenjin no political debt.

Meanwhile, Ruto is making entreaties to the dejected NASA leaders, Mudavadi, Wetangula and Musyoka, about the prospects for a pro-Ruto alliance in 2022. They welcome the chance to hit back at Odinga. Combined with Ruto's vigorous persuasion of Coastal Nasa leaders to back his candidacy in 2022, he remains the frontrunner in what appears to be a combination of some Jubilee-supporting regions (Kalenjin and Kikuyu), the Coast and the home regions of the three

NASA renegades (the Kamba counties and the Luhya).

But Odinga is also targeting Ruto's core base. In mid-April, he visited former President Moi 'for talks on the Kenyan nation' in the presence of the current KANU leader, and Moi's son, **Gideon Moi**. Though Kalenjin (like Ruto), the Moises have never been comfortable with

Ruto, and Odinga's strategists hope that he can rope the rump KANU into ODM, and reclaim his Coast base to create a new alliance in 2022 that could have Kenyatta's support (AC Vol 57 No 20). But it's too early to tell.

Whatever happens, the new ethnic alliances in the offing are a far cry from the unified Kenya that Kenyatta

hopes to bequeath to the nation when he leaves office in 2022. Against the background of Kenya's current fiscal austerity, securing his legacy via the Big Four looks even more implausible than before. The handshake may have been well-intentioned, but it has not put an end to politicking and coalition building. ●

NIGERIA I

Barbarians at the gate

A wave of defections to the main opposition party have President Buhari looking anxiously over his shoulder as elections approach

The All Progressives' Congress, whose leader President **Muhammadu Buhari** is taking a holiday in London, has been under political siege for weeks while its senior members contemplated a mass defection to the opposition. Most of the waverers have now quit, leaving the APC without a working majority in either the Senate or House of Representatives.

The loss of three state governors has compounded the party's problems as the political climate heats up ahead of national elections in February.

It seems that **Lawal Musa Daura**, the Director of State Security and a cousin of Buhari's, thought it was time to stop the rot. In the early hours of 7 August, he ordered his officials to barricade the gates to the National Assembly to prevent opposition politicians meeting later that day to elect their favoured officials (AC Vol 59 No 15).

If that was Daura's plan, it backfired badly. Vice-President **Yemi Osinbajo**, who is in charge during Buhari's absence, promptly sacked Daura and ordered the withdrawal of the security guards.

At the centre of events is Senate President **Bukola Saraki** who, after long consultations with Buhari and his rivals, defected to the opposition People's Democratic Party. As the third-most powerful politician in the hierarchy, Saraki is a key player, a multi-millionaire with his own presidential ambitions (AC Vol 59 No 14). This slow chipping away of the APC leadership continued all week. **Aminu Tambuwal**, Governor of Sokoto, joined the defectors to the People's Democratic Party (PDP); the deputy governor of Kano followed suit as did lawmakers in both states. Former APC governor of Kano and Defence Minister, **Rabiu Kwankwaso**, also defected to the PDP (AC Vol 54 No 14).

Such a combination of top politicians starts to look like a convincing challenge to Buhari in the APC's northern heartlands. Then there are the state governors in the Middle Belt – Kwara's **Abdulfatah Ahmed** and Benue's **Samuel Ortom** (AC Vol 54 No 22). Neither can boast of great achievements but both are exploiting the federal government's mishandling of the clashes between the herders and farmers which are hurting their region more than others.

Both Tambuwal and Saraki cited the high-handedness of APC officials and their failure to keep its campaign promises as reasons for leaving the fold. Saraki has already been named a national leader of the PDP.

Some PDP insiders say that Tambuwal, genuinely popular across the political spectrum, has been promised the party's presidential ticket ahead of other contenders such as former Vice-President **Abubakar Atiku**, former governor of Jigawa, **Sule Lamido** and Kwankwaso (AC Vol 54 No 1). As successful as the campaign to attract defectors from the ruling party might have been, the next task facing the PDP – uniting around a common candidate – will be much more exacting.

At 52, Tambuwal comes across as a more vigorous alternative to the 75-year old Buhari but he lacks the incumbent's mass support in the north accumulated over the last 15 years. And Tambuwal's home base is also coming under attack.

Back in Sokoto, Tambuwal has to contend with Senator **Aliyu Wamakko**, his predecessor and former political godfather. A contingent of the senator's followers stormed the tarmac of the airport in the state capital to welcome Wamakko this week. They wanted to show that the APC is still a force to be reckoned with in Sokoto.

In Kano, Bauchi, Imo, Akwa

Ibom and Benue states, governors and their deputies are also involved in confrontations and conflicting party loyalties. Deputy governors in Kano and Bauchi have quit their posts and the APC.

In Akwa Ibom, in the south-east, there was another falling out between political godfather and godson in the same week. Senate minority leader **Godswill Akpabio** crossed the floor from the PDP to the APC after losing control of the party structure to his handpicked successor (AC Vol 54 No 19). Still popular in Akwa Ibom, and among members of his former party members at national level, Akpabio could emerge as the Deputy President of the Senate. Buhari and the key Lagos power-broker **Bola Tinubu** are said to have discussed such a plan at the presidential residence, Aso Rock, last week (AC Vol 59 No 7). Yet there are plenty of obstacles blocking Akpabio's path to the post of Deputy Senate President.

The incumbent is **Ike Ekweremadu**, a PDP senator from Enugu State in south-eastern Nigeria who was last week invited to the Economic and Financial Crimes Commission to answer questions about his assets declaration (AC Vol 57 No 1). Senate President Saraki was also locked in a long-running trial with the Code of Conduct Tribunal on similar charges. Like his boss, Ekweremadu denies all wrongdoing.

The PDP, through its spokesman **Kola Ologbondiyan**, has backed the senator. 'We wish to remind Nigerians and the international community that this is only the newest [sic] in the series of attempts to destroy the senator in the run-up to the 2019 general elections', it said in a recent statement.

These manoeuvres are important because they shape the balance of power in the National Assembly. Following the defection of Saraki, the APC wants to replace him as Senate President with **Ahmed Lawan**, a pro-Buhari senator. It would then try to get Akpabio in as his Deputy. One of the ways they might have been able to achieve that would have been to exclude opposition PDP senators from the National Assembly, and to stop them holding their own elections.

That now seems out of the question. But the latest crisis over the barricading

of the National Assembly and Daura's sacking is not over. Osinbajo has won plaudits for his swift reaction – although insiders insist he would have consulted Buhari before making such a critical move – but allies of Daura are outraged by the sacking. They are demanding that President Buhari make a personal statement about it. The conspiratorially-minded suggest the affair was timed to coincide with Buhari's absence from

the country.

This is significant because that, following the defections in the National Assembly, the PDP calculates that it has enough votes to impeach Buhari, and ordering a blockade of the National Assembly would clearly be a serious breach of the constitution.

In Buhari's absence, as Acting President, Osinbajo would have been legally responsible for the blockade.

With his rapid reaction, he dodged that bullet. But the episode showed the extent to which senior members of his party are willing to resort to illegality to pursue their political agendas.

With the party lacking a majority in both houses of the national assembly and the opposition's determination to impeach Buhari, the run-up to primary elections due in September or October will be fraught. ●

NIGERIA II

Politics of patronage

Long-delayed legislation promises to free the oil industry from state control – but will the government want to surrender this trump card?

Nigeria's governments come and go but its oil and gas governance legislation keeps rolling on. The Petroleum Industry Bill (PIB) was conceived during **Olusegun Obasanjo's** first elected term as president to reform the labyrinth of institutions revolving around the Nigerian National Petroleum Corporation (NNPC) and spur lagging investment. A draft was finished in 2008 under his successor, the late **Umaru Yar'Adua**, setting out a new tax and regulation framework for the sector, Nigeria's only major source of exports and government revenue.

The bill was blocked by the National Assembly until 2015, when **Goodluck Jonathan** lost power to **Muhammadu Buhari**. Under the current government, the PIB has been broken up into four redrafted bills to speed passage. The Petroleum Industry Governance Bill (PIGB) – the first and supposedly the least contentious – was finally approved by the National Assembly in March (AC Vol 54 No 11 & Vol 57 No 8). 'We have broken the jinx after 17 years. We are working on the other accompanying bills,' **Alhassan Ado Doguwa**, Majority Whip in the House of Representatives, declared. If Buhari signs the PIGB into law, it will establish a distinct role for the state in policy, regulation and commercial operations, in line with worldwide industry practice.

The Nigeria Petroleum Regulatory Commission will issue new licences and supervise the industry, from upstream (exploration and production) to midstream (transport and bulk storage) to downstream operations (refining, marketing and distribution). This will include export and import licences, currently a prime source of state patronage, and political minefields such as the pricing of domestic fuel, whose

state subsidy absorbs roughly 25% of the federal budget. It will also set the price paid by the state for natural gas, which the international oil companies complain is too low to justify additional production.

The final law will also incorporate two state-owned companies. The proposed National Petroleum Company would be responsible for most of the assets held by the NNPC, principally the state's majority share in joint ventures established with the international oil companies (IOCs) which, until a decade ago, produced nearly all of Nigeria's oil and gas. The Nigeria Petroleum Assets Management Company would take over NNPC's other assets, its share in the production-sharing contracts (PSCs), awarded to the IOCs under a different commercial structure in the mid-1990s, to develop the rich reserves in Nigeria's offshore blocks.

Of the duration of this complex restructuring, the PIGB merely states that the 'Minister shall put in place a clear plan and timeline for transitioning into the new entities to prevent disruption of industry operations'.

RED TAPE

Industry professionals do not expect rapid change. The maze of red tape between NNPC, the Department of Petroleum Resources and the Ministry of Petroleum Resources provides the presidency and top officials with political control over Nigeria's most important sector. The President nominates the NNPC board, which includes his influential chief of staff, **Abba Kyari**, and is chaired by the Minister of State for Petroleum Resources, **Emmanuel Ibe Kachikwu**, formerly general counsel and board member at ExxonMobil Nigeria.

With an election looming in February 2019, Buhari has little political incentive to surrender this patronage, which recently included the awarding of licences to export NNPC's share of the crude oil to a number of unqualified local companies with influential connections. NNPC insiders are broadly in favour of turning it into a commercial entity separated from a professional regulator, but question whether Buhari will sign legislation which, unlike most bills, is driven by the Senate. The legislature drafted and amended the PIGB, guided by an independent Technical Committee on Petroleum Industry Reforms made up of private-sector experts and taking into account a series of public hearings.

'The biggest challenge is whether the government is willing to sacrifice direct control of the industry,' says a member of the technical committee. If the President rejects the bill, it could still be passed by the Senate with a two-thirds majority. The oil companies and their advisors see the PIGB as an internal matter for the state. The new regulator's board would be appointed by the President, subject to Senate confirmation, and could be open to as much political influence as Nigeria's other regulators. The government will retain its vast upstream assets.

The upstream operators say that the most important measures for them are in the Fiscal Bill, currently before the Senate, and this could take years to become law. This bill sets the level of royalties and petroleum profit tax in the upstream sector and, to a lesser extent, in the downstream industry (pipelines, processing and transport). All sides stand to benefit from an overhaul of royalties and petroleum profit tax in Africa's largest hydrocarbon-producing country. The joint ventures, which have been operated in the onshore and shallow water fields for decades by the IOCs – Royal Dutch Shell, ExxonMobil, Chevron, Total and ENI – have been scaling down. The JV's share of production has fallen to 45% of the total as slow contract and investment approvals by the NNPC and insecurity in the Niger Delta have led to a switch

in investment to the Production Sharing Contracts (PSCs) and offshore fields.

The majority of the joint ventures are due for renewal starting next year. The terms set out in the new bills look marginally more favourable to them and would offer more certainty over investment decisions and the award of subcontracts. The IOCs and the growing number of Nigerian independents in upstream operations say they would also be helped by the removal of the NNPC's dual role of regulator and partner, which they see as a conflict of interest.

The main impact of the new tax regime would be in the highly lucrative offshore fields, mostly running under the PSCs, whereby operators and their partners share costs and revenue according to a complex formula. The Fiscal Bill proposes to raise the tax take

considerably. The PSCs were permitted by a 1995 law which granted access to new deepwater discoveries which required prolonged upfront investment that the NNPC could not fund. The oil price at the time was low and Nigerian officials who had no experience of licensing deepwater production agreed terms that have been highly favourable to the oil majors developing the assets.

BILLIONAIRES

There was no demand for royalties for the state and little tax has been paid by the IOCs, according to lawyers advising on the matter. The IOCs still operate licences mainly awarded under the **Sani Abacha** military regime (1993-98) to Nigerians with no previous experience of the industry. Some of whom have since become billionaires, notably

retired general **Theophilus Y Danjuma**, whose South Atlantic Petroleum formed a partnership with Total in the Akpo field, and **Folorunso Alakija** and her family business, Famfa Oil, with Chevron in Agbami, another deepwater mega-field.

The PSCs' other major defect is that they provide no commercial terms for producing natural gas. As a result, associated gas – the gas 'associated' with wells whose main purpose is to extract crude – has been flared, an environmentally harmful waste of resources, and a number of gas fields are stranded or undeveloped.

Enactment of the new terms could quickly release investment on hold in the deep water, especially in gas fields which could in turn increase the supply of gas to the underperforming

HOW TO BECOME A BUCCANEER

Nigeria currently produces roughly two million barrels of crude oil a day (including condensates), of which the Nigerian independents' share is just over 10%, mainly in fields acquired from the IOCs during the presidency of **Goodluck Jonathan**.

Many of their executives used to work for Shell and Chevron, which were keen to sell off declining onshore and shallow-water fields in the Niger Delta blighted by attacks on infrastructure from militant groups and shift their operations offshore.

The earliest big local upstream operator was Conoil Producing, owned by **Mike Adenuga**, one of Nigeria's wealthiest men and the owner of the Glo mobile-phone business, who secured his first oil licence during the military regime of **Ibrahim Babangida** in 1991.

Seplat plc, which acquired its assets from Chevron, is the only Nigerian operator listed on the main London Stock Exchange. It is run by **Austin Avuru**, a former Nigerian National Petroleum Corporation (NNPC) man, and has on its board **Basil Omiyi**, formerly the most senior Nigerian executive in Shell, and Lord **Malloch-Brown**, previously the UK's Minister for Africa and a leading United Nations official.

Oando, a Lagos-listed public limited company, was originally a downstream player, and acquired its producing fields from ConocoPhillips when it divested from Nigeria. Oando is run by **Wale Tinubu**, a nephew of **Asiwaju Bola Ahmed Tinubu**, the former Governor of Lagos State and party boss in the south-west of the governing All Progressives Congress (APC). Oando's management are in dispute with the minority shareholders **Gabriele Volpi**, the Italian owner of leading oil service company Intels, and **Dahiru Mangal**, one of the wealthiest businessmen in the north, who was close to the late President **Umaru Yar'Adua**. On 9 July Volpi's company won a \$680 million judgement against Oanda at an arbitration court in London.

Other leading local operators are the privately-owned Eroton, whose chairman **Onajite Okoloko** was one of the founding partners in Oando and runs the Notore fertiliser plant in Rivers State; Neconde, which acquired fields from Shell; and Aiteo, owned by **Benedict Peters**, who was reputedly close to the former Oil Minister **Diezani Allison-Madueke**, now under investigation in the UK (AC Vol 58 No 7).

Most of the indigenous operators borrowed heavily to buy their assets from the IOCs at the top of the market. The crash in the oil price and the value of the naira since 2014, followed by militants' attacks which shut down production, forced many of them to reschedule their dollar loans and sell assets. The Shoreline group, led by **Kola Karim**, this year reached a deal with Vitol giving the Dutch-based oil trader a share of the output from its ex-Shell field in return for over \$500 mn. to keep the Nigerian operator afloat. The field is co-owned by Heritage Oil, which was sold by its founder, Britain's **Tony Buckingham**, to the former Prime Minister of Qatar Sheikh **Hamad bin Jassim al Thani** in 2014.

Vitol, along with the UK-based, Nigerian-run private equity firm Helios, also acquired most of Oando's downstream assets last year. Oando's midstream business got a boost in April when it secured a share in one of two contracts to build cross-country natural gas pipelines awarded by NNPC with a total value of over \$2.8 billion. This followed a meeting of reconciliation in Lagos between President **Muhammadu Buhari** and Bola Tinubu, the estranged national leader of the APC who secured much of the funding for Buhari's 2015 election campaign.

Other big deals are in the works. First E&P, run by the former Shell and BG executive **Ademola Adeyemi-Bero** and chaired by the former Oil Minister **Odein Ajumogobia**, has announced a \$724 mn. deal with leading oil-service giant Schlumberger to finance development with the NNPC of two blocks it acquired from Shell.

The influential banker **Tony Elumelu**, who chairs the Nigerian conglomerate Transcorp Corporation, is looking to acquire fields worth over \$1 billion from Shell.

The Dangote Group, owned by Africa's richest man, **Aliko Dangote**, is building a \$10 bn. oil refinery which it claims will be the world's largest and will expand into petrochemicals on a greenfield site outside Lagos. The group is borrowing \$3 bn. and expects the 650,000 barrels-a-day refinery to go into full production in 2020.

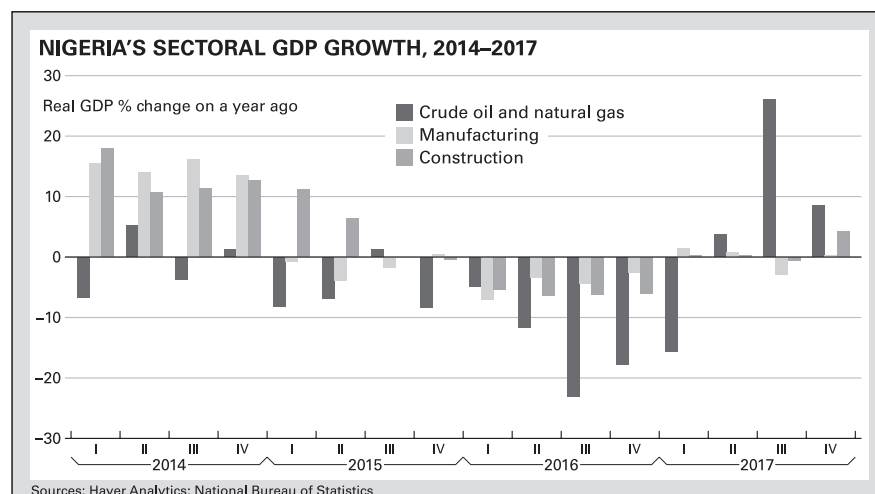
Dangote hopes to list its highly profitable cement business on the London Stock Exchange to help fund these costs. The refinery, when operational, should transform the market in fuel, in which Aiteo, Oando, **Femi Otedola's** Forte Oil and **Tonye Cole's** Sahara Petroleum are leading players, and in the partly privatised power sector. ●

power generation sector. Nigeria has not held a formal bidding round for new fields since 2007 but the oil majors have large untapped gas reserves, as has Addax Petroleum, the formerly Swiss-based independent now owned by China's Sinopec International Petroleum Exploration and Production Corporation (SIPC). Such crucial decisions are unlikely to be made months before an election next year, say industry observers.

Two other bills are undergoing public hearings. The Petroleum Industry Administration Bill aims to make licensing more efficient but the Host Communities Bill is likely to be contentious in the National Assembly. The bill requires all companies with operating licences to set up a Petroleum Host and Impacted Communities Development Trust and hand over to these trusts an annual 2.5% of their operational budget for investment in infrastructure, job creation, health, education and training for local people.

CONSTITUTIONAL CHALLENGE

The industry supports the principle behind the bill, having lost 40% of production in 2015-16 to attacks and disruption by communities, but lawyers warn that the proposals will be challenged on constitutional grounds and provoke regional disputes over the benefits. Non-oil-producing states, especially in the poorer north of the country, are expected to claim a share of these benefits for oil depots



or pipelines running through their territory, a concession that southern politicians would contest.

With or without this legislation, oil and gas remains the engine of Nigeria's economy for the foreseeable future. The oil majors predominate as investment worth a combined \$25 billion in two projects alone off the Niger Delta awaits approval. Shell cites operational and legal risks for the delayed decision on Bonga South-West/Aparo, an extension of Nigeria's first field to produce oil and gas in water deeper than 1,000 metres. The other is in Zabazaba, a field in the OPL245 block, whose acquisition in 2011 by Shell and Eni for \$1.1 bn. is at the centre of a corruption scandal involving **Dan Etete**, formerly Abacha's oil minister, leading to ongoing

criminal proceedings in **Italy** against the companies (AC Vol 55 No 7). Global Witness claims that this fee did not go to the Nigerian treasury but to Etete, a convicted money launderer who had awarded himself ownership of the block in 1998 via a company he secretly owned, Malabu Oil and Gas.

The size, complexity and regulatory dangers of Nigeria's upstream industry have deterred the smaller international companies, which have opened up the oil industry elsewhere along the coast of West Africa and in East Africa.

However, industry observers point out that companies that invested in Nigeria's upstream 15 years ago when the PIB was being conceived have endured uncertainty but made handsome profits. ●

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POINTERS

South Sudan

DEAL OR NO DEAL?

■ 'Very much a starting point' was the verdict of United Nations Special Representative **David Shearer** on the latest agreement by the main political actors of South Sudan on 5 August in Khartoum. Far from a final peace deal, it only sets out terms for power-sharing between the key players during a three-year interim government which should follow an eight-month 'pre-interim' period. But that only starts when yet another compact is signed. Insiders are sceptical the deal will hold, especially after President **Salva Kiir Mayardit** refused to shake hands on it with arch-rival **Riek Machar** at the signing.

This round of talks had little input from the regional and international guarantors of the peace process, who say they won't fund any deal that is less than watertight. The Khartoum round was driven by **Sudanese** President **Omer el Beshir** and **Ugandan** President **Yoweri Museveni**, who are the international players with most to gain from peace. El Beshir has spoken optimistically of getting South Sudan's oil production back on track, which benefits both countries, but that won't be enough to finance the revival of their economies and the bloated Juba administration outlined in the agreement. Riek would be 'First Vice-President' in the new dispensation, while four 'Second Vice-Presidents', 35 cabinet portfolios, and 10 deputy ministers would be carved up between the deal signatories.

A technical boundary commission then needs to be established to assess the number and borders of states within ninety days, the deal stipulates. If this takes longer than 90 days, a nationwide referendum would take place to establish the state structures prior to the end of the pre-interim period. 'Ninety days is completely unrealistic,' said one expert. 'No poll could possibly be held in time.'

South Sudan oppositionists told *Africa Confidential* some of them were bullied by Sudanese intelligence into signing the deal, which also tried to circumvent one opposition leader opposed to the pact, **Thomas Cirillo**, by attempting to push one of his deputies to sign in his stead and claim Cirillo had been replaced.

Mali

COURT IN THE ACT

■ Despite a calamitous first five years in office, President **Ibrahim Boubacar Keïta** (IBK) sailed through the first round

of the presidential election with 42% of the vote amid a flurry of allegations of electoral fraud. Jihadist violence hampered voting in the fiefdoms in Mopti and the north of his chief rival, **Soumaïla Cissé**, whom he faces in the run-off on 12 August. Cissé and two other candidates, **Aliou Boubacar Diallo**, who came third, and fourth-placed **Cheikh Modibo Diarra** have lodged a joint complaint about the conduct of the poll with the Constitutional Court.

The Court president, however, **Manassa Danioko**, was, like two of the nine judges, appointed by IBK. Three more were appointed by the President of the General Assembly, **Issaka Sidibé**, who is a member of Keïta's governing *Rassemblement pour le Mali* (AC Vol 55 No 3).

Even the normally circumspect European Union Election Observer Mission warned on 31 July that the Court 'has trouble establishing the necessary confidence in its impartiality'. The Court let that one ride, but sprang into action on 3 August, issuing a strongly-worded statement and a threat of legal action after social and electronic news media published an uncorroborated rumour that IBK had sent US\$1.8 million to the Court premises on 29 July for distribution among the judges. IBK is widely expected to win the second round comfortably.

Congo-Brazzaville

THIS BUM FOR HIRE

■ President **Denis Sassou-Nguesso** is no stranger to Washington's K Street, where all the major **United States** lobbying firms are found, having previously hired lobbyists to campaign against so-called vulture funds and to help win debt relief. Now, as the country's debts pile up once more, he has forked out US\$2 million on a new agent (AC Vol 50 No 21).

The lucky lobbyist this time is **Ari Ben-Menashe**, a veteran of the African political lobbying game. Ben-Menashe already has a \$6 mn. retainer from **Libya's** General **Khalifa Haftar** (AC Vol 58 No 9).

A former **Israeli** intelligence operative and arms dealer, Ben-Menashe gained notoriety as **Robert Mugabe's** lobbyist, and for having given prosecution evidence against the late Zimbabwean opposition leader **Morgan Tsvangirai** at his trial on trumped up charges of treason in 2004. He was later investigated by **Zambia** over a maize deal (AC 41 No 21 & Vol 49 No 10).

According to the contract lodged under the US Foreign Agents' Registration Act, Ben-Menashe will focus on 'dealing with the IMF and the governments of **France** and the **United States** concerning economic policy' and

will 'strive to obtain for you the political and economic support of the **Russian Federation**'.

'More particularly,' it continues, 'we shall attempt to obtain for you security cooperation and a significant military grant in aid for equipment and training.'

Congo-B's debt-to-GDP burden has soared to over 110% following three years of recession. It is thought to owe its creditors, many of them **Chinese**, around \$9 bn.

Ghana

GAS CONTRACT CLAIMS MINISTER

■ The sacking of Energy Minister **Boakye Agyarko** on 6 August for supposedly mishandling renegotiations with the Dubai-based Ameri group on a power supply contract has triggered a crisis in President **Nana Addo Dankwa Akufo-Addo's** government. Under the previous government, Ameri, which has negligible technical capacity, had been contracted to provide gas turbines for electricity generation via a **Greek** engineering firm (AC Vol 57 No 12). Industry sources reckoned the original deal was overpriced by some \$200 million – about 60% over the market rate – and point to obscure third parties receiving important benefits from it. Critics say the Akufo-Addo government's renegotiation plan would have cost the country even more than the original arrangement.

Prior to its election victory in December 2016, Akufo-Addo's New Patriotic Party had pledged to renegotiate or cancel the Ameri contract, along with other questionable deals (AC Vol 59 No 10). Although Agyarko led the renegotiating team he consulted the Ministry of Finance, the Attorney General, and the Energy regulator before sending the proposal to the Presidency.

The usual practice with such critical negotiations is to allow cabinet to debate the terms. For reasons yet to be made clear, the President instead issued an executive order implementing it. Allies of the President say Agyarko should take the blame for a damaging and opaque renegotiation. One statement suggested the President had been misled.

For a politician and lawyer as experienced as Akufo-Addo, that explanation doesn't add up. It comes on the heels of another controversial contract worth over \$80 mn. pushed through without scrutiny by Minister of Communications **Ursula Owusu**. The IMANI centre, an Accra-based think-tank, is pursuing that case through the courts, demanding the resignation of Owusu, a close ally of the President's. But the Ameri deal threatens much more political damage with civic activists and opposition politicians demanding more than just the sacking of Agyarko.

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BLUE LINES

For a few weeks Africa is shrugging off its marginal role in international affairs.

After the tours of Africa by China's President Xi Jinping and India's Prime Minister Narendra Modi in mid-year, Britain's Prime Minister Theresa May and German Chancellor Angela Merkel criss-crossed the continent in the week ending 2 September. The May and Merkel sojourns will be followed by a raft of Africa meetings at the United Nations General Assembly, a Group of 20 meeting in October in which Germany will push ahead with its Africa compact plan, and an Africa Union-European Union summit in November. But the main event for most African leaders will be the Focus on China-Africa Cooperation in Beijing on 3-5 September.

Of course, trade volumes are not the sole determinant of the diplomatic pecking order – particularly as criticism mounts of the growing debt owed to China – but they are a critical pointer, and China's US\$200 billion of trade with Africa compares to the United States' \$50 bn. and Britain's \$35 bn. Apart from business, Beijing tends the relationships with relentless visits to Africa by presidents and prime ministers. By contrast, May's trip to Kenya is the first by a British prime minister for over 30 years. If President Xi is leading the African tour medals table, France's Emmanuel Macron is running a close second. Britain is still near the back of the pack after India, Japan, Korea, Turkey and Germany.

ZIMBABWE

The judges join in

The court may have confirmed him in office, but Mnangagwa emerges from the controversial election a weakened President

In what President Emmerson Mnangagwa must reckon is the final piece of theatre after the disputed elections, the Constitutional Court's judgement on the opposition's petition was beamed live by state television on 24 August. To almost no one's surprise Chief Justice **Luke Malaba** and his panel of judges, all appointed by Mnangagwa or his predecessor **Robert Mugabe**, threw out the petition questioning the Zimbabwe Electoral Commission's arithmetic and its adherence to the constitution.

Some top lawyers found Malaba's crass partisanship beyond belief (AC Vol 58 No 5). Not only did Malaba's panel fail to give serious consideration to the petition but it is using the case to weaken the opposition still further, by imposing punitive damages on the Movement for Democratic Change for exercising its constitutional rights at the court.

According to the judgment, an election cannot be declared invalid unless the legal trespasses by the election body are substantially non-compliant. The burden of proof apparently was with the applicant, **Nelson Chamisa**, not the ZEC.

Had Chamisa 'placed before the court the V11 forms from all the stations that he had a right to be present...the entire challenge to the figures would have been easily resolved.' The MDC Alliance had deployed polling agents across the country and collected thousands of V11 forms, which record the results for each polling station.

But after the election, many opposition polling agents say they were threatened

or attacked by militia loyal to the ruling Zimbabwe African National Union-Patriotic Front (ZANU-PF) or soldiers. Those polling agents said they were told to sign altered V11s or refrain from submitting the originals to Harare.

BLOCKING BUREAUCRACY

There are formidable bureaucratic obstacles to getting the original polling documents and other primary sources of evidence. Seven days, according to Justice Malaba, was enough time to request that the relevant ballot boxes be opened by ZEC. However, to have a single ballot box opened for re-counting, the applicant must serve notice to every candidate (there were 23 presidential candidates), as well as every local council candidate in that ward, because the voters roll for the polling station is sealed in the local council box.

Alongside those barriers, the security crackdown targeted the MDC's collection of election data. On 2 August, police and state security raided Harvest House, the party's headquarters in Harare. Although the search warrant specified that the police were looking for weapons, their primary focus was on V11 forms and computers, we hear. Twenty-seven people were arrested. Much of the MDC Alliance leadership went into hiding, making it harder to coordinate strategy.

Justice Malaba also dismissed the MDC Alliance's evidence of ZEC's miscalculations on the basis that they did not affect the threshold of 50% plus one required to win the presidential election:

NIGERIA	2	MOROCCO	4	BOTSWANA	5	CONGO-KINSHASA	6	CONGO-KINSHASA	8
Blame game scuppers reform		Wrath rules		The worm turns		Kabila's two- front offensive		SOUTH AFRICA	9
The long-awaited bill for restructuring the petroleum industry is unworkable		Royal anger is claiming ministerial heads as the king tries to stem social discontent		Masisi's actions against his predecessor's policies have triggered a backlash		While stacking the poll odds in favour of his candidate, the President is promoting hard men		US/AFRICA	10
								POINTERS	12

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'whether or not a candidate has reached this threshold is a question of fact. It is not a question of figures.'

Again, Malaba accused the opposition of failing to provide adequate evidence. However, ZEC had admitted to the arithmetical errors pointed out in the MDC application, and twice adjusted downwards the official score for Mnangagwa.

Following the ruling, Chamisa claimed a legitimate right to lead the people, and announced peaceful protests and plans to lodge a petition with the African Commission on Human and People's Rights (ACHPR). The MDC Alliance National Council meets on 29 August to discuss the way forward, but the party is under serious pressure. ZANU PF is yet to announce its 'costs' in the case but insiders reckon it will be around \$3 million.

On the afternoon of the Court ruling, the value of the Zollar, the local currency units held in the Reserve Bank's electronic transfer system, plummeted. Analysts estimate at least \$80 mn. worth of \$2 Bond Notes and at least \$100 mn. worth of \$5 bond notes were released into circulation in August. This latest creation of money without assets to back it, and as foreign liabilities are mounting, is stoking up

economic trouble. In the short term it was intended to douse the anger of those in the cities infuriated by the theft of the elections.

Mnangagwa's personal position is also weaker. Officially, he won with just 50.67%, while many of his MPs won by a large margin. There are questions around his ability to control MPs and, importantly, the armed forces, in the wake of the military crackdown against protestors on 1 August.

Whether Mnangagwa was really unable to control the military, or is distancing himself from the crackdown to sanitise his image is a matter of debate. Reuters news agency reported a fierce argument between Mnangagwa and Vice President Constantino Chiwenga over the military's role during or after the elections.

Defenders of Mnangagwa claim that he has been a moderating influence on the military as the risks of violence grew. Even if that was true, it hasn't worked. Many opposition activists and mobilisers went into hiding a few days after the elections. Soldiers were hunting down activists in their homes. Many were abducted and severely beaten, many homes were destroyed.

Soldiers also targeted vendors and street children whom they accuse of rioting on 1 August. Several suburban markets were burned and bulldozed. This violence was significant not just for its intensity, but because most of the perpetrators were in the military rather than the ZANU-PF militia or police. Previously the military has held itself aloof from civilian politics, delegating political repression to the police. In fact, many opposition supporters had been supporters of the military as was shown in the big post-coup

demonstration last November.

At least three security groups are in contention: soldiers in units loyal to Vice President Chiwenga such as the Presidential Guard; soldiers loyal to the Zimbabwe Defence Force Commander General Valerio Sibanda; and military and intelligence officers personally loyal to Mnangagwa as well as some of the militia which have been guarding the mines (and benefiting from production) in the Midlands and Matabeleland North. Security sources say there has been upsurge in militia operations across the country over the last two years, to protect commercial rather than political interests.

INTERNATIONAL FREEZE

The rigging and intimidation around the election, and the crackdown that followed it, mean that neither the European Union or the United States will back a resumption of international support for Zimbabwe, in the International Monetary Fund and other institutions. That freezes the country's situation unless Mnangagwa can secure massive bridging finance from China, perhaps premised on a barter deal for the country's platinum reserves. Mnangagwa's diplomatic efforts at the Focus on China-Africa Cooperation in Beijing on 3-4 September could prove critical.

Before he leaves for Beijing, Mnangagwa has to pick his new cabinet as plans to travel with a full ministerial delegation. Given his personal weakness in the party and the loss of much western support for Mnangagwa, his appointees are likely to be core ZANU-PF politicians with no room for outside professionals, let alone a power-sharing arrangement with the opposition. ●

NIGERIA**Blame game scuppers reform**

After ten years of drafting, the National Assembly has produced an unworkable bill to restructure the petroleum industry

Plans to modernise the national oil industry have been derailed again by partisan politics and vested interests in a debacle that could cost Nigeria tens of billions of dollars in lost investment. Not only are Nigerians losing out to other leading oil producers in Africa and the Middle East, they are not getting the investment in gas production that they need both for export and for the power generation sector. Although Nigeria has the ninth

biggest reserves of gas in the world, countries such as Mozambique and Tanzania are pulling in far more investment because they have agreed on a clear set of industry regulations.

The Petroleum Industry Bill was meant to change all that (AC Vol 59 No 16). Here was an attempt to draw up a single legal framework for the country's unruly and opaque oil and gas sector, a framework which would modernise Nigeria's regulations and fiscal terms

to keep up with the big technological changes.

But 10 years after Rilwanu Lukman, then Minister for Petroleum Resources, delivered his first draft of the Petroleum Industry Bill, the latest blueprint for reform has stalled in the legislature. Under the Goodluck Jonathan and Shehu Musa Yar'Adua governments, the National Assembly failed even to vote on draft legislation.

Ibe Kachikwu, the current State Minister for Petroleum Resources, who was a lawyer with ExxonMobil until 2015, came up with a new strategy together with Bukola Saraki, the currently embattled Senate President: to break an unwieldy bill into four components.

The first to be drafted and debated was the Petroleum Industry and Governance Bill, described by its

supporters as dealing with process and structure, the least contentious part of the reform initiative. It was separately adopted by the Senate and the House of Representatives at the beginning of the year, with a harmonised version agreed by both chambers by March. On 9 May, Saraki told Reuters news agency that the bill was with the Presidency awaiting ratification and warned that delays might bury it: 'If we don't pass it by July, by the time we come back in September it is all going to be elections.'

But the PIGB had not gone to the Presidency. It was with the Clerk of the National Assembly, held up by the legislature's legal department. On 30 May, the Senate agreed to return the bill to committee to resolve 'some fundamental issues, which require fresh legislative action'. Saraki called for the committee to complete its work within a week. The revised bill did not reach the Presidency until July, according to a source at the Clerk's Office.

Presidency sources say the bill was returned to the Senate later that month, with recommendations and revisions, shortly before Saraki announced his defection from President **Muhammadu Buhari's** All Progressives Congress to return to the People's Democratic Party, which he left for the APC in 2014 (AC Vol 59 No 11). As Saraki had predicted, a legislature distracted by looming election campaigns and the turmoil of defections is yet to get to grips with the details of the bill.

The draft harmonised PIGB released by Odujinrin & Adefulu, the Nigerian law firm specialising in energy which helped the National Assembly draft the bill, shows the problems. That draft is close to the bill sent by the National Assembly to the Presidency.

DRAFT FLAWS

The bill is littered with errors, some serious. It proposes to split the Nigerian National Petroleum Corporation (NNPC) into three entities: a regulator and two commercial companies, initially to be owned by the Ministry of Petroleum Resources, Ministry of Finance and Bureau of Public Enterprises. Both Articles 78 and 106 of the bill refer to the shareholding of the National Petroleum Company but presumably the initial reference should have been to the Nigeria Petroleum Asset Management Company, which will hold NNPC's stake in deepwater licences.

Other flaws are trickier to resolve. The bill proposes to retain the Petroleum Equalisation Fund, a body which tries to stabilise prices across the country in line with a government benchmark. This would involve retaining fuel subsidies; yet abolition of subsidies was a crucial

aim of crafting new legislation.

The draft bill also proposes that the new commercial entities have powers to sell off assets without any requirement for disclosure, tender or oversight. Article 102 proposes that the National Petroleum Company – which will inherit most of NNPC's assets, including a lucrative stake in Nigeria Liquefied Natural Gas, joint-venture licences and other facilities – 'shall not be subject to the provisions of the Fiscal Responsibility Act 2007 and the Public Procurement Act 2007'.

Article 104 further says: 'The Board of Directors of the National Petroleum Company may, with the approval of its shareholders, utilise any appropriate

mechanism, including sale of assets and interests, to offset any liabilities of the National Petroleum Company, meet any of its future obligations or to achieve its strategic objectives.' For good measure, Article 106 confirms: 'The Board of the Petroleum Company may divest its shares in any of its subsidiary companies in order to achieve its strategic objectives as laid out by its shareholders.'

These articles confer huge powers on the Ministers for Petroleum Resources and Finance. As majority shareholders with the support of politically appointed directors, the two ministers would be able to push through sales of significant national assets to entities of their own choosing,

CAMPAIGNING AND THE END OF POLICY

Aside from his central role in the fight over oil industry reform, Senate President **Bukola Saraki** sees himself as contender for the presidency next year. Saraki joined President **Muhammadu Buhari's** All Progressives Congress in December 2013 but returned to the rival People's Democratic Party on 31 July in a coordinated wave of defections.

The field is already crowded with other defectors: former Vice President **Atiku Abubakar** (1999-2007) is now back in the PDP for a third time, while **Aminu Tambuwal**, Sokoto Governor, who has also flirted between rival parties, said on 16 August that he was 'under intense pressure from various quarters' to stand for the presidency. **Rabiu Kankwaso**, a two-time Governor of Kano who lost out to Buhari for the APC nomination in 2015, is also back in the PDP and eyeing the top job.

Although Buhari's nomination for the APC looks a foregone conclusion, the PDP primary elections could spark a more acrimonious fall-out. The APC was able to keep disappointed ambitions onside ahead of the 2015 elections, presenting a united front that the PDP will need to match if it is to make a serious challenge.

APC officials insist Buhari will run a positive campaign highlighting the great production boost in farming since 2015 which was in part a response to the oil price crash that year. The government's record on security will be much harder to defend. Although the oil-producing Niger Delta has been relatively quiet this year, we hear that politicians on both sides are hiring militant gangs. The government says that the Islamist **Boko Haram** fighters, although not defeated as Buhari had pledged, now focuses on terror attacks rather than an insurgency to capture territory.

Although opponents claim there is a corrupt cabal around the President, there is nothing to match the astonishing cash-and-carry deals that marked the PDP's final years in office. All the PDP hopefuls are career politicians who served in governments they later criticised for malfeasance.

Buhari won few votes in the South-South and South-East regions in 2015, and it is far from clear a rival northern candidate on the PDP ticket would gather much momentum in either region. **Goodluck Jonathan**, as the PDP incumbent with a strong network among power brokers in the east, generated a turnout of barely 40% in the region in the 2015 election.

In communities in the Middle Belt or North Central region, the violence between herders and farmers, now killing more people than **Boko Haram** attacks, has polarised communities for and against Buhari. The PDP hopes to make sweeping gains in the region and has been lambasting the government's record there accordingly.

However, some ambitious southerners may prefer a second and final four-year term for Buhari to seeing a new northern leader come in to close the door for another eight years.

The PDP wants capitalise on the question of Buhari's health. The President is in his late 70s and spent several months in London in 2017 receiving treatment for an undisclosed condition. In the South-West such concerns may give the President a boost: Vice-President **Yemi Osinbajo**, a Lagos man, has shown he is ready to take big decisions and is a heartbeat away from the top job.

The gathering frenzy shows that much of the political class is far more interested in staging well-financed campaigns than the more tedious tasks of public administration and fixing the country's mounting problems. ●

in a manner and for a price that they determine, all under the protection of commercial confidentiality. There is no oversight capacity to prevent abuse of these powers.

Also unresolved are contradictions over NNPC's vast portfolio of liabilities. Article 126 establishes 'the Nigeria Petroleum Liability Management Company ... which shall be vested with certain liabilities of the Nigerian National Petroleum Corporation and the pensions liabilities of the Department of Petroleum Resources'.

The liability company is to be owned by the three successor entities to NNPC: the National Petroleum Company, the

National Asset Management Company and the Nigeria Petroleum Regulatory Commission. As such, the regulator – which was meant to be independent – is also a partner with the two companies that it is meant to oversee, in a company holding potentially billions of dollars of debt. That builds in a conflict of interest between regulator and regulated.

Sources at the Presidency argue that the bill could make a bad situation still worse. In turn, the Senate, which had wanted to present the passage of the PIGB as an example of its leadership and command of detail, is blaming the latest failures on obstructionists in the Presidency.

With partisan fighting reaching new levels in the National Assembly after a raft of defections in both chambers to the opposition, this critical legal reform seems certain to be the first major casualty of the 2019 election campaign.

The challenge for reformers is to find the political will and capacity to rescue the PIGB before it lapses after the elections. Already, however, the well-worn resort to rival factions trading blame is under way, centring on personalities rather than policy, and leaving open the possibility of no change. That may be what vested interests have wanted all along (AC Vol 58 No 21). ●

MOROCCO

Wrath rules

Bouts of 'royal anger' are claiming ministerial heads as the king tries to enforce governmental competence and stem social discontent

Another senior minister – one of the most respected members of the coalition government led by Prime Minister **Saad Eddine el Othmani's** *Islamist Parti de la justice et du développement* (PJD) – has been sacked by King **Mohammed VI** (M6) in a fit of '*colère royale*' (royal anger). The king dismissed Finance Minister **Mohamed Boussaïd** on 1 August, three days after delivering a major speech in the troubled northern town of Al Hoceima calling for government action to tackle chronic social and economic problems.

As with the former Education and Interior Minister **Mohamed Hassad**, removed last year in the *colère royale* that followed an outbreak of protests and the spread of the grassroots movement *Hirak el Shaabi* (popular movement) in Al Hoceima, Boussaïd's sacking was a shock, given his reputation as one of Morocco's harder-working and more intelligent public servants (AC Vol 58 No 12). Formerly a successful governor of Casablanca, Boussaïd was also respected in financial circles. His successor, head of *Banque Centrale Populaire* (BCP) for the past decade **Mohamed Benchaaboun**, has a tough job on his hands.

An official statement said the sacking underlined 'the principle of accountability, which His Majesty is keen to apply to all officials, whatever their rank or affiliations'. M6 was responding to growing anger at a lack of trickle-down from Morocco's economic reforms. Mega-projects such as the Tanger-Med container port and

the high-speed train expected to link Tangier and Kenitra later this year, as well as investment in advanced industries, promote an image of the kingdom as one of Africa's most go-ahead economies. Yet the state health and education sectors are seen to be in crisis. High levels of youth – especially graduate – unemployment create social pressures that governments struggle to cope with. M6, a royal advisor says, 'knows a multi-speed economy cannot work in favour of national unity: all Moroccans must benefit'.

Three institutions the king trusts – Bank Al-Maghrib (BAM, the central bank), the *Haut-Commissariat au Plan* (HCP, the national planning commission) under **Ahmed Lahlimi Alami**, and the *Cour des comptes* (public accounts court) led by the former Prime Minister **Driss Jettou** – have produced a flow of reports pointing to continued weaknesses in the economy and the failure to improve living standards for the majority. The HCP has forecast GDP growth of 3.1% in 2018 and 2.9% in 2019 – well below what is needed to generate jobs and higher incomes. Jettou and the BAM governor, **Abdellatif Jouahri**, have persistently warned of rising payment arrears that are weighing heavily on Moroccan business and creating shortfalls in service delivery.

Othmani's government is widely perceived to be failing to deliver. Hence, *colères royales* have become an established instrument of government. M6 has been increasingly assertive in recent years after he appeared to

retreat from politics following the 2011 'Arab Spring', which opened the way for the PJD to form a series of coalition governments. Othmani is much more pliable than his PJD predecessor **Abdelilah Benkirane**, and buys into M6's notion that the country's problems can be solved by greater discipline in government and society.

This was underlined when the 21 August *Fête de la Jeunesse* (Morocco's national youth day) saw the potentially unpopular restoration of conscription, which was abolished in 2006, for men aged 19 to 25. National service will run for 12 months and women aged 20-27 will be able to join up voluntarily. This would 'reinforce young people's sense of citizenship', as well as improving their training and employment prospects, said a statement from the Royal Cabinet.

BIG STICK

The spread of *Hirak al Shaabi* from Al Hoceima to other cities has highlighted the potential for protest to explode on Morocco's streets. While M6 has been keen to show marginalised people that he is listening to their grievances, the judicial system is applying a big stick to go with the carrots offered by the king. *Hirak* leader **Nasser Zefzafi** was among 54 defendants sentenced to 20 years in jail for 'undermining public order and threatening national unity' during the demonstrations in May 2017. Mass demonstrations in Casablanca and Rabat protested the draconian sentences in July, but the policing was light-touch, so as to avoid conflict in the heart of the kingdom. An independent jurist said, 'the *Hirak* trials were surprisingly poorly run compared with some other recent high-profile cases'. At least 11 of the *Hirak* protestors were included among the 889 offenders given royal pardons to celebrate the Eid al Adha festival – once more pointing to the monarch's power to operate as a traditional autocrat in Morocco's

‘constitutional monarchy’.

Back in *Hirak*’s heartland, the Rif, arrests of protesters, activists and bloggers continue, human rights workers say. The *Fédération de la gauche démocratique* leader **Omar Balafrej** makes comparisons with ‘*les années de plomb*’ (the years of lead) when, from the 1960s to 1980s, M6’s father, King **Hassan II**, repressed opponents violently. Morocco has come a long way since the previous king opened his dungeons – not least in the forms that opposition takes.

The *Makhzen* (ruling establishment) and its allies in big business have been hit in their pockets by an unprecedented social media campaign which started in April when, under the hashtag #boycott, critics of rising prices and the ruling political and business elite called on Moroccans to shun the products of three major groups: **Aziz Akhannouch**’s Afriquia petrol stations, **Miriem Bensalah-Chaqroun**’s Oulmès mineral water and the French brand Danone’s yoghurt. Their profits have slumped since, showing how the boycott caught the public imagination and how unpopular some of the *Makhzen*’s leading players are. Bensalah-Chaqroun has been mooted as a possible future premier and she has been travelling frequently with the king on his African visits (AC Vol 59 No 13).

The organisers of the boycott

remain unknown but early reports suggested that the still very popular Benkirane may have had a hand. This was strongly denied but the suggestion reflects Benkirane’s continued status as a far weightier politician than Othmani. Activists linked to the 20 février movement, named after the first big demonstration of the 2011 Arab Spring but which was snuffed out after the uprisings, are much more plausible suspects.

The *Confédération générale des entreprises du Maroc* (CGEM) increasingly close identification with M6’s African agenda and ‘developmental state’ policies was underlined when Bensalah-Chaqroun was replaced as the head of the employers’ federation by **Salaheddine Mezouar**. Mezouar, formerly a finance and foreign minister and head of the loyalist *Rassemblement national des indépendants* (RNI), is closely identified with *Makhzen* interests.

A petroleum products billionaire, Akhannouch is now head of the RNI and Agriculture Minister (AC Vol 58 Nos 2 & 21). His energetic overhaul of the RNI and his leadership of the Ministry of Agriculture and Fisheries have strengthened his close ties with M6. Yet the sacking of Boussaid – a ‘technocrat’ who was in government as an RNI minister – showed how few are immune as the king seeks to counter threats to his development programme.

Speculation abounds around the future of other apparently secure ministers including another multi-millionaire, Industry, Trade and New Technologies Minister **Moulay Hafid Elalamy**, who headed Morocco’s failed campaign to host the FIFA World Cup in 2026.

M6 needs his government to perform to ensure the future of the monarchy, not least with the succession of the 15-year-old Crown Prince **Moulay El Hassan**, who is studying at the *Collège Royal*, the private school for royals in Rabat. Issues of succession have been put into perspective by M6’s recent minor heart operation and persistent concerns about the 55-year-old monarch’s general health. Hassan has a prominent public profile, appearing frequently at public events impeccably turned out, and sometimes in photo ops with global mega-stars.

Less visible at present is his photogenic mother, Princess **Lalla Salma**, whose business ambitions – including an association with Côte d’Ivoire’s wealthy First Lady, **Dominique Ouattara** – have become subjects of considerable speculation. Lalla Salma’s investments in other African countries are being transferred to official investment funds, having suffered losses, and her stock is at its lowest since she married into the royal family in 2002, several sources have told *Africa Confidential*. ●

BOTSWANA

The worm turns

The President’s moves to reverse policies close to his predecessor’s heart have triggered a backlash

After sidelining many party stalwarts and making a unilateral decision to anoint **Mokgweetsi Masisi** as the new President of Botswana, **Ian Khama** is now ruing his choice. The men have turned against each other, opening a rift that threatens to split the governing Botswana Democratic Party before next year’s general election. So bitter is the acrimony that on 6 August the BDP postponed its primaries after Khama launched a crusade against party members and cabinet ministers aligned with Masisi. When the primaries finally took place on the weekend of 25/26 August, the two cabinet ministers targeted by Khama lost their primaries. Only MPs may serve as ministers.

The falling out happened immediately after Masisi took over the presidency in April. After a month in

office he held his first presidential press conference; Khama, by contrast, held not one during his entire 10-year tenure from 2008. It was at this maiden briefing that Masisi went on a charm offensive aimed at both the press and the population at large as he announced a raft of policy changes (AC Vol 59 No 13).

Among them were darts aimed at policies close to Khama’s heart. Khama is fiercely opposed to alcohol and imposed highly restrictive trading hours, as well as punitive taxes on it. Masisi promised to review them. Khama also banned hunting, and government advertising in the private media. These too would be reviewed, Masisi said. Khama is a keen pilot and a retired army general. Masisi ended his permission to fly army aircraft and withdrew his hitherto unlimited access to government aeroplanes.

Khama, 65, has been flying army planes since the age of 24, when his father, **Sir Seretse Khama**, Botswana’s first president, appointed him a brigadier in the defence forces.

In May Masisi sacked **Isaac Kgosi**, Khama’s much-feared intelligence chief and right-hand man. Corruption cases against the untouchable Kgosi never came to court.

The row escalated when President Masisi withheld permission for Khama to hire Kgosi as his private secretary. Khama has since threatened to sue the government for the right to appoint a private secretary of his own choice.

Rattled by Masisi’s actions, Khama is now using social events around the country to campaign openly against the President’s allies in the BDP and is gradually garnering support from party members not in the Masisi camp. In retaliation, Masisi has ordered a state media blackout of Khama, who used to appear on the front page of the state-owned *Daily News* almost every day.

Over the past three weeks, Khama has held at least five charity and community meetings. Since none have been covered by the state media, he has been driven to hire a private public relations company

to publicise his activities. Although apparently unaware of the irony of going to an institution for which he showed so much contempt while he was in power, Khama has been trying to enlist the sympathy of the privately-owned mass media at his treatment. As President he openly expressed disdain for the private press and never offered an interview to non-state media. Since his falling out with Masisi, however, privately-owned newspapers have carried three interviews with him.

In one such interview Khama threatened to stop supporting the BDP if the party continues to implement policies that he does not believe are in the public interest.

‘Firstly, I would like to state that the President is entitled to come up with his own policies just like I did, but if you reverse a policy I would expect you to do so because it is not working and that whatever you put in place would be better,’ Khama told *The Voice* newspaper. ‘So those reversals that have been happening up to now, I don’t agree with

them. As a member of the BDP, I belong to the party, so I should be able to support its programmes and policies. I hope there won’t come a time that they start introducing policies and programmes that I cannot support, which would then affect my support for the party.’

Khama loyalists in the BDP who were left in the cold by Masisi or opposed his nomination as president in the first place are rallying to his call. Other officials are joining in because they feel threatened by Masisi’s reforms, including an impending declaration of assets law for senior government officials and other accountability measures. ‘The issue is the uncertainty of some BDP MPs and the fear of being charged with corruption when the new law kicks in,’ said one political analyst. ‘Masisi’s posture doesn’t seem to promise them protection following his treatment of Khama.’

‘[People] are uneasy and Khama is simply capitalising on that to hold the party to ransom and, by extension, the presidency. Masisi’s gospel of cleaning up is foreign to the old party strongholds.’

Khama’s threat to withdraw his support of the BDP is not an idle one. His influence in rural areas and in the central districts where he is a paramount chief should not be underestimated.

Masisi’s dilemma demands a precise and carefully calculated move with impeccable timing, but already Khama and his allies are piling on the pressure. Masisi’s first mistake, say Gaborone insiders, was to conduct only a half-hearted clean-up. He should, they say, have purged all Khama’s men and kept them busy in the courts while he created a following of his own.

The BDP is scheduled to hold an elective congress in July, ahead of the 2019 election. It is then that Masisi should be reaffirmed as President and the BDP’s choice as leader if the party retains power in the October election (AC Vol 59 No 6). If the rift with Khama has not been fixed by then, however, there remains a chance that Masisi could be ousted to make way for someone more congenial to the ex-president’s beliefs and privileges. ●

CONGO-KINSHASA

Kabila’s two-front offensive

While stacking the election odds in favour of his candidate, the President is promoting men to cope with militia violence

Many oppositionists believe that the nomination of **Emmanuel Ramazani Shadary** to stand in the presidential election in place of President **Joseph Kabila** means the continuation of the two-term head of state’s rule in all but name. This impression is confirmed by the exclusion of two of the most important presidential challengers, **Jean-Pierre Bemba** and **Moïse Katumbi**, from the poll. The Kabila-friendly electoral commission ruled against Bemba’s candidacy over his International Criminal Court witness-tampering conviction and the regime seeks Katumbi’s arrest on what he says are spurious charges. If Shadary wins, the pundits are saying, Kabila will rule from the shadows as if he had never succumbed to massive regional and Western pressure to leave power and called elections for December.

Nor is Kabila leaving anything to chance in the security department. While some of his internal opponents and regional enemies are ramping up militia violence across the country, he has put in place two experienced and loyal fighters with track records of extreme violence in key positions.

The two men, Generals **Gabriel Amisi Kumba** and **John Numbi**, were put under sanctions by the **United States** for ‘undermining democratic processes’ and repressing human rights (AC Vol 53 No 24). Both earned bloodthirsty reputations during the brutal conflicts that have plagued Congo-Kinshasa over the past 20 years. Amisi has now become deputy chief of staff of the national army, the *Forces armées de la République démocratique du Congo* (FARDC), for operations and intelligence. Numbi, who was also appointed well before Shadary’s candidacy was announced, is the new inspector-general of the army, a role which allows him to interfere in military affairs at all levels. Numbi is also the only four-star general left in the army, which makes him even higher-ranked than the new military chief, General **Célestin Mbala**.

The duo will corral unruly factions of the security apparatus on Kabila’s behalf. Amisi, in particular, has a relationship with the Rwandophone elements within the FARDC and has been close to the Kigali government in the past. Much of the FARDC is an assemblage of former militias and

armed wings of former rebellions, some of which – after **Rwanda’s** long intervention in the internal politics of its western neighbour – have old and important ties to Kigali. Numbi leverages enormous influence in Kabila’s home province of Katanga.

Once a pillar of the pro-Rwanda *Rassemblement Congolais pour la Démocratie-Goma* (RCD-Goma) rebellion, Amisi – who hails from Maniema province, as does Shadary, was involved in the brutal 2002 repression of a mutiny and uprising against RCD-Goma troops in Kisangani, alongside his then RCD-Goma comrades **Laurent Nkunda**, who went on to lead the Rwanda-sponsored *Congrès national pour la défense du peuple* (CNDP) rebellion of 2006-08. Another Amisi ally was **Bernard Byamungu**, who went on to play an important part in the CNDP and was later a commander of the *Mouvement du 23 mars* (M23), the Kigali-sponsored militia which caused mayhem in the east before President **Paul Kagame** was persuaded to withdraw his support in 2013 (AC Vol 54 No 22). Kabila once suspended Amisi from the FARDC in November 2012 for links to the M23, but rehabilitated him to become commander for western Congo in 2016.

Numbi, who was instrumental in installing Kabila as president after the 2001 assassination of Kabila’s father, **Laurent-Désiré**, had long been a pillar of Kabila’s security architecture, first as chief of the air force, then as his trusted commander of the joint Congolese-

Rwandan Operation *Umoja Wetu* targeting the Rwandan Hutu-led Forces *Démocratiques de Libération du Rwanda* after the March 2009 agreement which followed the dismantling of the CNDP. Kigali sees the FDLR as a legacy within Congo-K of the Hutu supremacists responsible for the Rwandan genocide. Numbi then served as chief of police until his suspension in 2010 over the death of human rights activist **Floribert Chebeya** (AC Vol 53 No 15). The US sanctioned Numbi for his role in threatening candidates during gubernatorial elections in Katanga in 2016.

The army reshuffle will serve two purposes. First, it entrenches the old 1996-2003 wartime network that formed Laurent-Desiré Kabila's Rwandan-backed *Alliance des Forces Démocratiques pour la Libération du Congo* (AFDL) that deposed President **Mobutu Sese Seko**. This would make it very hard for Shadary to survive without Kabila. Secondly, it readies the state for any rebellion that may emerge in the east.

KATUMBI CONNECTIONS

Katumbi may be out of the presidential race but, like most Congolese politicians, he is not without militia connections of his own. Some Kinshasa officials now say Katumbi only pretended not to be able to cross the border from **Zambia** on 3 August. Officials in Kinshasa are examining Katumbi's connections to **Zambian-Senegalese** businessman **Abdoulaye Ndiaye**, a prominent figure in Zambia's gem-mining sector who is a joint venture partner of **Israeli-Russian** oligarch **Lev Leviev**, a bitter business rival of Kabila's best billionaire friend, the controversial Israeli mining magnate **Dan Gertler**.

Mbusa Nyamwisi, Kabila's former foreign minister and once the leader of the *Rassemblement congolais pour la démocratie-Kisangani/Mouvement de libération* (RCD-K/ML) that controlled parts of Ituri and northern North Kivu between 1998 and 2003 is also working with Katumbi, according to sources in Europe. Nyamwisi, an ethnic Nande, remains in exile but many of his stalwarts continue to have close connections to armed factions waging near constant attacks on FARDC positions and civilians in their old area of operations. Many of the armed groups in North Kivu are also increasingly conniving with Rwandaphone and Nande ex-M23 elements who are returning from the camps in **Uganda** and **Rwanda** where they were housed after the defeat of the M23 revolt five years ago. The ex-M23 faction that surrendered in Uganda in 2013 issued a statement on 13 August questioning

BAD COPS PUT IN CHARGE

When Generals **Gabriel Amisi Kumba** and **John Numbi** were rehabilitated, new regional commanders in the *Forces armées de la République démocratique du Congo* (FARDC) were appointed to back the change in the national command.

General **Muhindo Akili Mundos**, sanctioned by the UN for his alleged role in collaborating with the Ugandan rebels, the Allied Democratic Front (ADF), in the massacre of civilians, has now been made operational commander of South Kivu – so important in terms of security and mineral wealth. One of the new commanders under Mundos is General **David Rugayi**, who was once investigated by the UN for his connections to the *Forces Démocratiques de Libération du Rwanda* (FDLR). His appointment is seen as part of an increase in the influence – separately – of both **Rwanda** and **Burundi**. Both countries have proxy militias to act on their behalf in Congo-Kinshasa (AC Vol 58 No 20).

Meanwhile, General **Innocent Gahizi**, a Congolese Tutsi commander who reported to **Laurent Nkunda** when he led the *Congrès national pour la défense du peuple* (CNDP), one of Kigali's past proxies, has been posted back to Goma, stirring major concerns among local people who recall the days of the CNDP's greatest power with fear. Gahizi used to guard the North Kivu-based farms of Rwandan businessman **Tribert Rujugiro**, who used to be an advisor to and ally of President **Paul Kagame**, but who now is believed to be financing the Rwandan National Congress of Rwandan dissident General **Fausin Kayumba Nyamwasa** (AC Vol 57 No 25).

General **Shiko Tshitambwe** used to be Rugayi's deputy until they fell out. He has just been named commander of the **Chinese-trained** 32 Brigade of the FARDC. A close friend of the president, Shiko is expected to take care of opposition militias in the Beni and Lubero area of North Kivu and lend support to the beleaguered operational commander, General **Marcel Mbangu Mashita**, who stays in place in Beni. Mashita, a Kabila loyalist, runs the FARDC's operations against the ADF but he was unable to prevent 17 FARDC men being killed and their weapons stolen on 24 August just outside Beni (See Feature).

In the west, Kabila has nominated General **Fall Sikabwe** to take over as the commander of the 1st defence zone from Amisi, protecting Kinshasa. In 2015, the UN Mission in Congo-K (Monusco) had flagged Fall, then regional commander of North Kivu, as a human-rights abuser and threatened to cut support to FARDC operations. Deployed under his command in the western city of Mbandaka will be **Eric Ruhorimbere**, a notorious ex-RCD-Goma and ex-CNDP commander who played a major role in brutal FARDC operations in the Kasai region during the *Kamuina Nsapu* insurgency of 2016 and 2017 (AC Vol 58 No 3). ●

the government's commitment to fair electoral procedures and criticising the exclusion of Katumbi. Officials in Kinshasa say that Katumbi may have been financing the activities of ex-FARDC defector **John Tshibangu**, who was arrested in **Tanzania** earlier this year on a Zambian passport, having just before circulated videos of himself with a group of fighters near where the Congo-K, Ugandan and **South Sudanese** borders meet.

Meanwhile, other Nande militias in the Lubero area of North Kivu are fighting an ethnic Nyanga militia, the Ndume Defense of Congo-Renové (NDC-Renové) run by former army officer **Guidon Shimiray Mwiswa**, who was placed under UN Security Council sanctions in February for militia activity and illicit minerals export. He is known to be acting as a proxy for the FARDC.

The potential for violent instability to increase is always there, along with the suggestion by some that Kabila could use it – or foment it – to postpone the December elections if he should find it in his interests.

Nyamwisi has the firm backing of Uganda's President **Yoweri Museveni**, who has been openly critical of the Congolese government and the UN mission in Congo-K (Monusco) for failing to stem violence on his borders. The Congo-based Ugandan exile militia, Allied Democratic Forces, killed 17 FARDC soldiers near Beni on 24 August.

Meanwhile, relations between Uganda and Rwanda are worsening, with Rwandan officials griping about Kampala's support for Rwanda National Congress (RNC) rebels under the broad leadership of **South African-based** ex-Rwandan general **Faustin Kayumba Nyamwasa**. RNC fighters, some of whom have been recruited in Uganda and **Burundi**, are setting up in South Kivu province, much to the annoyance of Kigali, which hopes Kinshasa will deal with them now that President Kagame has given assurances of his support for Kabila and his dauphin Shadary (AC Vol 59 No 16). Nyamwasa, who was protected by outgoing President **Jacob Zuma** in exile in South Africa, has lost his political asylum status there. ●

CONGO-KINSHASA

One province's perilous poll

Kasaï Central is scarred by famine, militia, cult and government violence, none of which is likely to ease before elections take place

Until the *Kamuina Nsapu* revolt erupted two years ago, the province of Kasaï Central had been peaceful. All that changed when the *Kamuina Nsapu* militia, led by a would-be traditional leader **Jean-Prince Mpandi**, burst on the scene. Mpandi was quickly killed by the national army, the *Forces armées de la République démocratique du Congo* (FARDC), but the militia fought on, attacking the provincial capital of Kananga in September 2016, and later spreading to other territories and provinces via secret

initiation ceremonies (AC Vol 59 No 5).

The consequences of the rebellion, its suppression and the political imperatives of the political parties here illustrate all the dangers and failings of Congolese elections.

The FARDC re-deployed thousands of troops from other provinces to crush the rebellion in Kasaï Central and, two years on, it is evident that they have largely succeeded, albeit brutally and at huge human cost. In western Kasaï province, meanwhile, several armed groups remain active.

FALLOUT OVER COLTAN

A bitter legal dispute has erupted between the controllers of a lucrative coltan mine in the unstable and militia-riven North Kivu province, and one of its main buyers, the CDMC buying house. The mine, belonging to the *Société Minière de Bisunzu* (SMB), in Rubaya, Masisi territory, was closed on the orders of Mines Minister **Martin Kabwelulu** after mine managers were attacked in early May (AC Vol 59 No 10). On 13 August the mine was officially opened again.

The row centres on SMB president **Ben Mwangachuchu's** claim that the CDMC buying house, which is headed by **Serge Mulumba**, is buying coltan from artisanal miners illegally working deposits inside the SMB concession.

CDMC struck back and on 28 July secured judgement against Mwangachuchu from a Goma court for defamation. Mwangachuchu was sentenced to three years in prison and the company fined US\$1 million. The trial looked weighted against Mwangachuchu. The judge refused to accept that his lawyers were representing him and would not let them speak in his defence. Mwangachuchu has appealed the judgement and remains at liberty while his lawyers mount an appeal.

The law suit and the closure of the mine are linked to the activities of controversial coltan buyers **Chris Huber**, from **Switzerland**, and **US** citizen **John Crawley**, according to sources close to Mwangachuchu. They have been in Kinshasa for several weeks, hoping to influence politicians, sources add. The pair appear to be on a coltan buying spree, offering significantly higher prices than their competitors, prompting widespread allegations either that they are trading at a loss in a bid to destroy the competition, or capture market share.

Some buyers use illegitimate cash to buy minerals at high prices, selling them on later as part of a money-laundering scheme.

Kabwelulu favours CDMC because his brother is in the company's management team, local sources say. They add that Huber and Crawley appear to have the support of Justice Minister **Alexis Thambwe Mwamba**. Thambwe's own lawyers represented CDMC at the Goma court where Mwangachuchu's case was heard.

Thambwe contacted the highest authorities in Tanzania in a bid to secure the release of a container of coltan that had been seized by customs in Dar es Salaam, Goma sources say. The container had been shipped by CDMC, but was held at the port after SMB alleged the minerals had been stolen from its mining deposits. A court is due to hear arguments about the container in September. Another container full of coltan, but this time belonging to SMB has also been blocked in Dar, following a demand issued by an official in the DRC embassy to Safmarine, a shipping company. The official reason is that the coltan was transported from Goma during the suspension imposed on SMB's mine site. The DRC mines ministry has apparently suggested that all parties lift their objections and allow both containers to leave Dar, but SMB has refused, saying there is no valid reason for its container to be held and that it will fight the case to the bitter end. ●

Bana Mura, the most powerful among them, receives covert support from the provincial authorities and the FARDC, and is engaged in a process of ethnic cleansing, with its mainly Pende and Chokwe combatants chasing out Lulua people, particularly from the diamond fields around Tshikapa, so that they can take over the lucrative business.

Back in Kasaï Central, hundreds of thousands of people have been displaced from their homes and farms, either by armed groups or the FARDC's scorched earth counter-insurgency tactics. Farmers have missed two and in some cases three harvests, and malnutrition is widespread while starvation increases. Some international humanitarian agencies have installed themselves in Kananga but staff there say that they only have enough money to reach, at best, 20% of those affected.

Government staff throughout Kasaï Central who fled their posts during the crisis have mostly returned and the large swathes of territory that were rebel-held just twelve months ago are now back under government control. Most of the FARDC troops brought in to crush the rebellion are now back in Ituri and the Kivus, but some remain, manning roadblocks. These are the bane of travellers' and traders' lives as soldiers extort money, steal goods and generally discourage movement.

The Kasaï Central governor at the time of the crisis, **Alex Kande**, was replaced by **Denis Kambayi**, the former national minister of sport and a member of the ruling *Parti du Peuple pour la Reconstruction et le Développement* (PPRD). Kambayi was widely believed to have used his time as sports minister to covertly recruit youth from Kinshasa's streets to form a pro-government militia, and this is thought to be his qualification for the governorship. Within a few months of taking office, Kambayi brought a proposal to the provincial assembly to recruit 200 young men from each territory in Kasaï Central to assist the security forces in 'keeping the peace'. The measure was approved but an outcry from civil society organisations, who have been staging noisy protests at his office, appears to have delayed its implementation. Kambayi has also reportedly recruited militia combatants to his personal bodyguard, though he denies the charge.

Kasaï Central vice-governor **Kabuanga Kabuanga Manix** used to belong to **Jean-Pierre Bemba's** *Mouvement de Libération du Congo* (MLC), but these days heads his own party, the *Congrès des Alliés Pour l'Action au Congo* (CAAC), which is part of the ruling Presidential Majority

coalition. Kabuanga gets along poorly with Kambayi, but the two still have a working relationship.

Kasaï Central has historically been a stronghold of the opposition *Union pour la Démocratie et le Progrès Social* (UDPS) but its leader **Felix Tshisekedi** has not impressed locally, having yet to set foot in the province after inheriting the mantle from his late father **Etienne**

(AC Vol 59 No 16). The UDPS has at least put forward candidates for the Kasaï Central provincial assembly elections but they are said by local analysts to be an unimpressive bunch. The candidates will need – at the least – strong backing from Tshisekedi to make an impression at the polls. Adding to the challenge, two factions of the UDPS which support the government have split from the

party while retaining the name. This is likely – as probably intended – to confuse voters. If a unity candidate emerged to oppose Kabila's choice, **Emmanuel Ramazani Shadary**, local people are very likely to vote for him, so hungry are they for change. But whether opposition votes get counted in the province, or indeed in the country as a whole, remains to be seen. ●

SOUTH AFRICA

Europe discovers Africa, again

With China making the running in Africa, British and German leaders try to catch up with promises of investment

Facing heavy weather at home, President **Cyril Ramaphosa** is looking to foreign capitals to boost his country's ailing economy, creating jobs and a sense of progress ahead of next year's elections (AC Vol 59 No 12).

In addition to pledges from **China** (US\$15 billion) and **Saudi Arabia** and the **United Arab Emirates** (\$10 bn.), Ramaphosa is counting on injections of cash from the European Union (EU) – **Germany**, **France** and the exiting **United Kingdom** in particular – at upcoming summits of the G20's Africa compact in Berlin and an EU-SA summit in Brussels in mid-November following zero political contact during the second term of the Zuma government.

British Prime Minister **Theresa May** and German Chancellor **Angela Merkel** are criss-crossing the African continent arguing that there are links between economic growth and long-term security in Africa to stem immigration which has become a political football in Europe and severely weakened Merkel's position. May was due to visit South Africa, **Nigeria** and **Kenya** while Merkel was due in **Nigeria**, **Ghana** and **Senegal**.

Both want to improve trade ties and convince their country's big companies to invest more in Africa and match government contributions as part of a long-term plan to reduce the flow of African migrants to Europe.

In announcing £4 bn. (ZAR 75 bn.) in British aid to Africa this week, May said that responsible land reform would open new investment opportunities and pledged better British terms for trade after Brexit and a continuation of the existing economic partnership agreements with the European Union ahead of Britain's withdrawal from the EU next March.

'I think the fact that the British Government has given Ramaphosa

something of a lifeline on land reform will help deter obstructionist elements in the white farming community and the dwindling white right-wing,' said a white captain of industry close to the Ramaphosa government.

But British investors accompanying the Prime Minister were more cautious, warning that question marks over property rights and private ownership would have a detrimental effect on foreign investment.

United States President **Donald Trump**, whose white nationalist supporters have close ties to some of the organisations lobbying for South Africa's white farmers, condemned Ramaphosa's handling of the land issues. Trump added that he had asked Secretary of State **Mike Pompeo** to investigate the killing of white farmers and hinted at ending the US preferential African trade deal, AGOA, in retaliation. After that outburst, the rand fell against the dollar.

Ramaphosa hit back with his most fiery speech yet, employing the sort of rhetoric last used by **Zimbabwe's** President **Robert Mugabe** to attack Britain's failure to meet its promise to finance land reform in Zimbabwe. 'I don't know what Donald Trump has to do with South African land because he has never been here. He must keep his America and we will keep our South Africa,' Ramaphosa said.

'We are living as a nation black and white. We will find solutions for our land question, so Donald Trump must leave us alone.' May's qualified support for land reform was seen as a helpful British rebuttal to Trump.

But the big foreign money is coming from China. Beijing has pledged \$15 bn. to back the corruption-plagued electricity distributor, Eskom. Former finance minister **Pravin Gordhan** continues with reforms of the ailing

state-owned enterprises recently given a ZAR59-bn (\$4.3-bn) lifeline by a government battling to balance the books (AC Vol 59 No 5).

The China pledge was made by President **Xi Jinping** on the eve of the BRICS Business Summit held in South Africa last month highlighting Asia's key role in Africa. South Africa is the smallest economy in the BRICS grouping consisting of China, **India**, **Brazil** and **Russia**.

Western contributions to bolster Ramaphosa have so far been dwarfed by pledges from China and the Gulf countries but, according to an ANC official, Ramaphosa is keen to restore the status of relationships with the EU, the US and the Commonwealth which were marginalised during Zuma's rule.

'Although we have a significant program of partnership projects with South Africa there was no political engagement with South Africa during Zuma's second five-year term,' said an EU official in Brussels. 'Pretoria made it quite clear that the focus of its foreign policy was elsewhere.'

MERKEL LEAD

Last June, Merkel announced her country's intention to lead the G20's Africa compact aimed at fast-tracking infrastructure and private sector investment in the African continent (AC Vol 58 No 11). Ramaphosa is expected to attend the G20 Africa summit in Berlin in late-October where a group of German businesses, foundations and non-governmental organisations are being assembled to meet the presidential delegation.

It is likely that Ramaphosa's visit could be elevated to a full state visit before or after the conference. Either way he is expected to have a one-to-one meeting with Merkel, *Africa Confidential* understands. In mid-November, Ramaphosa will attend an EU-SA summit in Brussels which officials view as an opportunity to resume and expand partnership projects between the two. Hopes are rising in diplomatic circles that the time could be ripe for a major EU initiative to boost Ramaphosa's reforms.

The process of winning over foreign

investors was launched in April, on the eve of Ramaphosa's visit to Britain for the biannual Commonwealth heads of government meeting, when he announced a foreign investment drive with a target of \$100 bn. within the next five years (AC Vol 59 No 6).

At the same time he announced the appointment of four senior trade and investment envoys led by former finance minister **Trevor Manuel**, now the chair of Old Mutual, one of South Africa's oldest and biggest companies, and senior executive of Rothschild bank.

In two public interventions since his appointment, Manuel has sounded cautious about prospects of success, stressing the disastrous legacy of the Zuma era and expressing doubts about whether investors can be attracted while there is uncertainty over property rights. Ramaphosa has been less forthcoming on the timing of three planned summits to address Investment, job creation and land reform. According to analysts, these summits are now likely to take place in September and October but there is little visible planning and the business community is beginning to fear that they might get entangled in pre-election politicking.

After a good start to his campaign against the deeply embedded graft left by Zuma, Ramaphosa is finding increasing resistance from populists and Zuma-era rent-seekers who are undermining his reform agenda and plotting to unseat him at the national election which must be held by mid-2019.

The country's captains of industry, who support Ramaphosa and were relieved by his victory in last December's African National Congress leadership contest, are becoming nervous about his strategy and his grip on power.

'I think we all underestimated the extent and depth of corruption that took root during the Zuma Presidency,' said a company boss who is promoting Ramaphosa's reforms. 'Either he knows what he is doing and is unable to show his hand or he lacks the power to do what he knows has to be done or, worse still, the structural corruption has gone so deep that he can't move,' the businessman said.

One ray of light for the reformists in the ANC is that the courts have finally ruled that the appointment of the national director of public prosecutions, **Shaun Abrahams**, was invalid, opening the way for Ramaphosa to appoint a

more neutral and effective candidate than Abrahams who was widely seen as protecting Zuma and his cronies.

But Ramaphosa has repeatedly been forced onto the defensive on land reform by **Julius Malema's** Economic Freedom Fighters who first introduced and won a motion in Parliament in favour of expropriation without compensation and more recently pushed the ANC to embrace a change in the country's Constitution which many ANC members see as unnecessary.

Whereas the ANC want to extend land titles to more black South Africans through expropriating both state and private land, the EFF want all land to be transferred to the state and then leased back to citizens. At a little over 1%, economic growth is way short of the level needed to make an impact on national unemployment levels of over 25%. The jobless figures are as high as 40% for graduates and 50% among black youth in some provinces, analysts say.

White flight from the country has accelerated. The richest white industrialists such as the Oppenheimer dynasty have long since relocated and invested their personal wealth in Europe and sundry offshore destinations. ●

UNITED STATES/AFRICA

Little growth, less opportunity

The Trump administration's attitude to anything it sees as standing in the way of US interests leaves sub-Saharan nations in limbo

African countries have been low priority targets for **Donald Trump**, in his role of great reformer of international trade. But in seeking to remove tariffs, the US has put in a few of its own that harm African trade.

On 31 July **Rwanda** became the first African country to be sanctioned under the 18-year-old African Growth and Opportunity Act after repeatedly refusing to lift tariffs on imports of second-hand clothing. AGOA, which has offered duty-free access to the US market for about 7,000 products since coming into force in 2000, was extended for 10 years in 2015. It has been the US's flagship trade legislation for Africa for the past two decades.

The so-called '*mitumba*' row has been rumbling on since last June, when the US Secondary Materials and Recycled Textiles Association (SMART) petitioned the US Trade Representative's office, arguing that a move by members of the East African Community to

slap tariffs on imports of second-hand clothes breached AGOA's terms. The EAC had said the tariffs were meant to help the region develop its own textiles sector (AC Vol 58 No 14).

Threatened with suspension from AGOA, **Kenya**, followed by **Uganda** and **Tanzania**, backed down. Rwanda refused to back down and has now paid a price, albeit a small one. The suspension will affect only about \$1.5 million worth of Rwandan trade, equivalent to roughly 3% of the country's total exports to the US. Rwanda will retain its other duty-free benefits under AGOA. President **Paul Kagame's** government claims it can create 25,000 jobs locally by phasing out clothing imports (AC Vol 59 No 7).

'We regret this outcome and hope it is temporary,' was the terse remark by Deputy US Trade Representative **C J Mahoney**. Previous US administrations would probably have allowed the '*mitumba* ban' to stand, but Rwanda's partial suspension is consistent with

the Trump administration's approach to international trade policy – no favours will be given, however small.

The US government appears to have no plans to repeal AGOA but made it clear at the annual AGOA forum of US and African government officials in Washington on 11 and 12 July that it views the act as of limited value.

US Trade Representative **Robert Lighthizer** again offered a carrot and stick to delegates. 'Deepening the US-Africa commercial relationship is critical to both American and African interests,' he told the AGOA forum. Repeating his message from the 2017 forum, held in Togo, Lighthizer said that 'one-way tariff preferences can only do so much to drive trade and investment'.

Trade in goods between the United States and sub-Saharan Africa increased between 2015 and 2017 by nearly 6% to \$39 bn., according to a report published in June by the US Trade Representative. But it is hardly serving its purpose as a tool for economic development, or in driving US-Africa trade relations. US imports from Africa have been level at about \$25 bn. per year, and oil and precious metals compose the vast bulk of US imports under the act – \$11.2 bn. and \$4.1 bn. respectively.

South Africa (\$7.8 bn.) and **Nigeria** (\$7.1 bn.) lead the pack in exports under AGOA. **Angola** (\$2.6 bn.) and **Côte d'Ivoire** (\$1.2 bn.) are the only other

African countries with more than \$1 bn. worth of exports to the US. Meanwhile, US investment in sub-Saharan Africa declined steadily, to \$29 bn. in 2016, down from \$37.5 bn. in 2014.

If the Trump administration is happy to neglect AGOA, it is holding out the carrot of bilateral trade deals to sub-Saharan African countries, promising to 'announce exploratory talks soon'. These 'model agreements' would be the template for accords with other countries and, in an attempt to reassure African delegates at the forum, would 'lock in the benefits of AGOA', Lighthizer promised. 'When corporations decide where to invest and do business, much more goes into the equation,' he said.

Having been the first nation in the East African Community to back down from the 'mitumba' ban, Kenya has sought to position itself at the head of the queue for a trade deal, hiring Ryberg and Smith, LLC on a \$10,000 monthly retainer to lobby US lawmakers on AGOA (AC Vol 58 No 18), and K-Street lobby shop – the Trump-linked Sonoran Policy Group – on a \$1.2 mn. annual fee, to take its wider message on trade and investment to Capitol Hill and the White House.

The charm offensive appears to have worked. Kenyatta became the second sub-Saharan African head of state after Nigeria's **Muhammadu Buhari** in April to be received at the Trump White House on 27 August, and AGOA and increased trade and investment with the US were at the top of the agenda. 'Kenya

is certainly on the shortlist' (for a US trade deal), says **Peter Pham**, head of the Africa programme at Washington's Atlantic Council think-tank, and a well-connected Republican party insider.

Côte d'Ivoire and **Ghana** are also thought to be at the head of the queue to be offered such a 'model agreement'.

There is a precedent to this approach. The US tried, unsuccessfully, to strike a free trade agreement with South Africa and the five-member Southern African Customs Union more than a decade ago.

AGOA and bilateral trade pacts aren't the only US offer on the table. The BUILD (Better Utilisation of Investments Leading to Development) legislation now making its way through Congress would establish a United States International Development Finance Corporation to direct private-sector capital towards low-income or lower-middle-income economies and countries transitioning from a non-market to a market economy.

In international trade, leverage is critical, which is why other regions prefer to negotiate as a bloc with the US. The plans for an African Continental Free Trade Area (AfCFTA) agreed in March should be the ideal tool to foster US-Africa trade relations. However, although 48 of the 54 countries in Africa have signed up to it, Nigeria has not, and the continental pact is many years away from becoming a reality. In any case, given that the Trump White House has scrapped both the Trans-Pacific Partnership with 12 Pacific Rim

countries and a similar trade agreement with the European Union, and also threatened to scrap the North American Free Trade Agreement (NAFTA), it is hard to imagine this government agreeing to a pan-African trade deal that offers preferential terms.

TRUMP'S WAR

While Rwanda's suspension from the US apparel market is largely symbolic, the elephant in the room at the AGOA forum was the trade war that Trump is waging on Europe and south-east Asia, which will hurt the wider supply chain.

The hit from Trump's so-called Section 232 measures imposing additional tariffs on steel and aluminium imports will land on African countries, particularly South Africa. South African mineral and metal exports to the US rose to \$4.8 bn. in 2017, a 36% increase on 2016. Those figures are certain to be affected by the new tariffs, and the threat of further measures on automotive and auto components will make matters worse.

African ministers at the AGOA forum called on the US to exempt exports from sub-Saharan Africa from Section 232. Unlike the promise of a trade deal with the US tomorrow, the Trump tariffs on steel and aluminium, and Section 301 measures, which seek to correct unfair trade practices or trade against the US, will have an impact today. That is likely to put a dampener on any hopes of improved US-Africa trade relations any time soon. ●

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POINTERS

São Tomé and Príncipe

WHOSE COUP IS IT ANYWAY?

■ The government has foiled a plot to kill Prime Minister **Patrice Trovoada** and kidnap President **Evaristo Carvalho** and the National Assembly President **José Diogo**, it claimed on 7 August. Two São Toméans and three **Spanish** ex-soldiers, allegedly armed with grenades and AK47s, were detained, but the news was greeted sceptically by many islanders.

The only suspect officially named is **Albertino Boa Morte Francisco**, a minister in the short-lived government of **Gabriel Costa** of 2012-13 (AC Vol 55 No 22).

The detained ex-soldiers say they are innocent. They claim that Francisco invited them to set up a bodyguard service for opposition politicians ahead of the parliamentary elections on 7 October. The fifth man, **Armando Bonfim**, is a São Toméan former member of the 32 'Buffalo' Battalion of the apartheid-era **South African** army. Sixteen São Toméan veterans of the unit were involved in the one-week military coup of July 2003 in São Tomé, and several then found work as bodyguards for Trovoada (AC Vol 44 No 15). In August 2017, **Peter Lopes**, another 32 Battalion veteran, accused Trovoada of having been the mastermind and financier of the 2003 coup, which he fiercely denied. The commander of the Presidential Guard was sacked and three members of the force detained on suspicion of supplying the alleged coup-plotters' weapons.

It is the second plot the administration claims to have foiled in six weeks. In June, **Gaudêncio Costa**, a *Movimento de Libertação de São Tomé e Príncipe-Partido Social Democrata* (MLSTP/PSD) MP, was arrested along with an army sergeant and accused of planning to assassinate Trovoada. Both were released after two days.

Pundits believe the coup plots were orchestrated by Trovoada to help his *Acção Democrática Independente* party in the elections or, possibly, to provide an excuse to declare a state of emergency and suspend the poll.

Côte d'Ivoire

TWO SUITORS FOR THE FPI

■ The political landscape has been in flux ever since **Henri Konan Bédié's** *Parti démocratique de Côte d'Ivoire* (PDCI) left the *Rassemblement des houphouëtistes pour la démocratie et la paix* (RHDP) coalition in July (AC Vol 59 No 15). Bédié and President **Alassane Dramane Ouattara** parted after it became clear each was interested in standing for the

presidency in 2020.

The split leaves Ouattara on his own but very much in charge of the presidency and the RHDP, the party that now completely resembles the *Rassemblement des républicaines* (RDR) he led between 1990 and 2017. In a unilateral gesture of reconciliation marking Independence Day (August 6) he released 800 prisoners, including leading FPI cadres.

But if wooing the divided FPI was on Ouattara's agenda, his ex-partner Bédié got there first. He first met **Affi N'Guessan**, leader of the officially recognised FPI faction. The other, larger faction, led by **Aboudramane Sangaré**, remains loyal to ex-President **Laurent Gbagbo**, currently on trial at the International Criminal Court for crimes against humanity. All this has brought the former First Lady, **Simone Gbagbo**, released on August 6, back under the spotlight. She thanked Ouattara for releasing the prisoners but it didn't stop her meeting PDCI secretary **Jean-Louis Billon** two days later.

Ever the canny politician, Bédié has also been meeting Sangaré since February and Billon has also been to The Hague to see ex-president Gbagbo, while Simone met Sangaré in late August, a meeting that felt like the reunion of old friends. In all it seems that a new political alliance with the PDCI and a reunited FPI at its heart has been in the making for much longer than the public supposed.

The joker in the pack is **Guillaume Soro**, Gbagbo's former Prime Minister, Parliament Speaker and Bédié ally, who has just revived his *Union des Soroïstes* (AC Vol 59 No 14), the clearest sign yet that he will run on his own ticket in 2020.

Mauritania

PUTTING IT TO THE VOTE AGAIN

■ All the main opposition groups are set to participate in the legislative, municipal and regional polls set for 1 and 15 September, ending what for many was a lengthy boycott of what they claimed was a rigged election system. One reason for the change of heart is the fact that if the opposition gains over one third of parliamentary seats, which it is already close to, it could block further constitutional changes, particularly if President **Mohamed Ould Abdelaziz** tried to scrap presidential term limits.

The government talks the language of democracy, but has abolished the Senate and detained three prominent opponents hoping to stand for parliament: **Mohamed Ould Cheikh**, former senator **Mohamed Ould Ghadda** and radical anti-slavery campaigner **Biram Dah Abeid**. The regime fears the street-appeal of the charismatic Abeid's anti-system rhetoric, which mobilises young harratines (descendants

of slaves).

In 2013's legislative and local polls the moderate Islamist party *Tawassoul* and the *Alliance populaire progressiste* (APP) of former speaker **Messaoud Ould Boulkheir** won parliamentary seats and significant municipal influence, while groups such as the *Rassemblement des forces démocratiques* (RFD) led by **Ahmed Ould Daddah** – half-brother of the country's first president – sat it out.

The boycott tactic was repeated at last year's constitutional referendum, leaving the government to claim victory and shut down the senate immediately. But in Sebkhia, a majority black district of Nouakchott, disenfranchised voters still turned out to vote against the government. That prompted a rethink.

Mozambique

NO SON, YOU CAN'T RUN

■ A nervous Frelimo has been using increasingly blatant manipulation and strongarm tactics to fend off challenges to its candidates in October's local elections, especially in the contest for the Maputo mayoralty.

The National Elections Commission (CNE) ruled the candidate list of Youth Association for the Development of Mozambique (Ajudem) ineligible because it did not have enough substitute candidates. However, this was only because a campaign of intimidation had persuaded some of them to withdraw. The real reason is widely held to be that Ajudem leader **Samora 'Samito' Machel Jr.** presents a serious electoral threat to Frelimo. Samito, son of Mozambique's first President **Samora Machel** is a businessman who has been quietly gathering support for a bid to follow in his father's footsteps, we hear.

Samito was to have been the Frelimo candidate in Maputo before being dropped without explanation in July. Frelimo insiders say party leaders were afraid of his reformist agenda, and his relationship with President **Filipe Nyusi** has cooled. Frelimo's candidate is now the elderly **Eneas Comiche**. Samito's announcement on 13 August that he would stand for Ajudem sent shock waves through the ruling party, raising fears of a split. Frelimo conservatives see the hand of Samito's stepmother, **Graça Machel**, in his political ascent, but sources close to Samito deny it.

The CNE has also disqualified Renamo's candidate, Venancio Mondlane, who shocked Frelimo by taking 40% of the vote in the 2013 mayoral poll, when he was standing for the Renamo offshoot *Movimento Democrático de Moçambique* (MDM). Mondlane rejoined Renamo after its leader **Afonso Dhlakama** died in June (AC Vol 59 No 10).

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BLUE LINES

In time for the start of the election campaign season, Matthew Page of Chatham House has produced a compelling analysis of the 'Taxonomy for Corruption in Nigeria' for the Carnegie Foundation. Page offers a detailed guide to the types and mechanics of corruption in Nigeria whose common feature is the theft of public resources. It is a useful corrective to the blaming and shaming between rival parties ahead of next February's elections.

Page's taxonomy starts with a claim that 75% of journalists have accepted 'financial gifts' and that some media companies have received millions of dollars from ruling parties. It reports that the 2015 elections cost US\$550 million to organise and the rival parties spent \$2 billion. Almost all of that, most via criminal means, came from the public purse. Within government, corruption takes money from social investments, with the country's health and education services in continuing decline.

At the heart of the system is the oil and gas industry which generates most of the revenues that are stolen. The taxonomy also looks at trade-related corruption, how tariffs and import bans can benefit local monopolists. It has less to say about deliberate trade mispricing though which the experts at Global Financial Integrity reckon that Nigeria loses several billion dollars each year. Alongside sections on judicial and police corruption, the taxonomy refers to anti-corruption corruption; how the country's anti-graft agencies have served the ends of their political masters.

UGANDA

Wave of protests rattles Museveni

The Bobi Wine protests are growing into demonstrations against autocracy and impunity as the veteran President's grip falters

Ever since President Yoweri Museveni's personal guards beat up and almost killed the popular musician-turned-politician Robert Kyagulanyi, aka Bobi Wine, on 14 August, the normally effective mixture of security force brutality and mass detentions has failed to quell growing protest. What began as popular outrage at the treatment of Bobi Wine in detention, including savage beatings and torture, has become a general protest against the impunity of Museveni, his family, the security forces, and their arbitrary exercise of power.

For two years now, discontent with Museveni has been coalescing around the removal of the 75-year age limit on candidates for presidential office, even though the limit was only introduced in 2005 (AC Vol 57 No 19 and Vol 58 No 21). Museveni is 74. A private member's bill to raise the limit caused a furore two years ago, and when legislation came to parliament in September last year, passing eventually, troops were sent into the parliamentary chamber after fisticuffs broke out among the MPs, among them Bobi Wine. The presidential guard moved in, dragging MPs off to vans where they were beaten.

Bobi Wine's diffuse 'People Power' movement might have eventually faded away had it not been for Museveni's personal order – so Kampala sources report – to have him 'disciplined' after he went to the north-western border town of Arua to hold an election meeting on 13 August. Members of the opposition Forum for Democratic Change (FDC) were

challenging the ruling National Resistance Movement (NRM) for the seat but it was Kasiano Wadri, an ex-MP backed as an independent by Bobi Wine who was victorious in the poll.

HOTEL ATTACK

Soldiers with the elite Special Forces Command (SFC – the new name for the Presidential Guard), of which Museveni's son Major General Muhoozi Kainerugaba has been commander, descended on the hotel where Bobi Wine and other opposition politicians were staying, breaking down doors, firing their weapons and beating Bobi Wine and others with metal bars. Witnesses say Bobi Wine's driver, Yasin Kawuma, was shot dead.

FDC activist Night Asara was beaten and kicked by the soldiers, detained and denied treatment. She appeared in court the next day in Gulu, 150 kilometres from Arua. Activist Atiku Shaban was so badly beaten, media reports said, that he may never walk again. Bobi Wine's whereabouts were unknown for 72 hours.

A source in the domestic intelligence service, the Internal Security Organisation (ISO), told *Africa Confidential* that at least six people died as soldiers were spurred on by an angry Museveni, who was following the unfolding events on the SFC's tactical communications network. He may have been provoked, sources say, by stones hitting one of the cars in his convoy, or possibly by the sheer size of the crowds that have been greeting Bobi Wine at his rallies and concerts. When it appeared that Bobi Wine and another critically

AFRICA/US	3	ZIMBABWE	5	ZIMBABWE	6	ZAMBIA	7	ETHIOPIA	8
Turning down the volume		The house of hunger revisited		Open for negotiations		Graft worsens cash squeeze		AFRICA/EU	9
Washington's new man in Africa is trying to relaunch his country's diplomatic efforts		Power struggles behind the scenes are going to shape the next phase of national politics		The President's new cabinet brings in younger loyalists and economic technocrats		Fears over embezzlement have caused donors to suspend payments		KENYA	10
								POINTERS	12

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battered MP, **Francis Zaake**, might die in custody, they were hurriedly treated – Bobi Wine by army doctors – before being released. Bobi Wine is among 33 who have been charged with treason.

Protests in Kampala spread to other towns and attempts by the government to roll back public anger collapsed. The treason charges and a hastily released picture of guns supposedly recovered from Bobi Wine's hotel did not do the trick. Several messages by Museveni on social media were widely ridiculed but the sign that things might be going seriously wrong for the President was the conspicuous silence of his followers in the NRM. Public pressure – especially from international coverage of the affair – forced the army on Museveni's orders to suspend the court martial of Bobi Wine and allow him to leave the country. He is now receiving medical treatment in the **United States**.

Museveni compounded his inept handling of the unrest in a rambling three-and-a-half-hour speech on the evening of 10 September. The address was meant to reassure the public about security after the assassination of a popular police officer, **Muhammad Kirumira**, by gunmen on a motorbike. Rejecting the advice of his minders, we hear, the President delivered a homily about the economic prosperity of Uganda, surprising many who had expected to hear a plan for dealing with

the killings. He repeated his familiar tune that the young should be grateful for the economic gains of the NRM after over three decades. He angered many listeners by saying his own children were 'busy with their wealth' and 'not looking for jobs' because as a parent he had provided for them. The reactions on social media were universally hostile.

Museveni's political position has also been eroded recently by a failed campaign to reform the system of land tenure. He embarked on a nationwide tour to promote the radical change but failed to find popular support. His ignominious retreat from this policy has also weakened his standing. And his attempt to clamp down on social media by licensing WhatsApp also smacks of desperation.

ASSASSINATIONS

Kirumira is the latest in a number of government and security figures to have been assassinated by gunmen on motorbikes. Victims include: **Andrew Felix Kaweesi**, a former deputy head of the Uganda Police killed in 2017 and described as a 'mentor' to Kirumira; **Joan Namezzi Kagezi**, a prosecutor shot in 2015; and **Abiriga Ibrahim**, an ultra-loyal NRM MP who supported the recent removal of age limits on presidential candidates (AC Vol 59 No 4 & Vol 56 No 8). Ibrahim's death in June triggered the by-election in Arua.

There is a widespread belief that the killings are carried out by rogue elements in the security services loyal to former police chief Gen. **Kale Kayihura**. The general was Uganda's longest-serving police chief and Museveni's chief enforcer during 12 years of repression which critics say included murder and extortion. However, when controversy over the illegal rendition of **Rwandan** political refugees blew up, Museveni sacked him, and he was arrested for

alleged high crimes on 18 July. Kayihura had also been blamed for failure to respond to a string of rapes and murders of 24 women in the Entebbe township near the official residence of the President (AC Vol 59 No 16).

The head of military intelligence, Brig. **Abel Kandiho**, is one of those who blames the killings on a network linked to Kayihura. He has privately accused the former police chief of waging a campaign aimed at depicting the inner cities as ungovernable. Others have said it was Gen Kayihura's closeness to the President's wife, a formidable political figure in her own right, that caused his downfall. **Janet Museveni** is the education minister and often spoken of as a potential successor to her husband.

The current damage to the President's personal standing matters because so much power is concentrated in his hands and has been for so long. In the past 15 years he has concentrated power in the executive, creating a government within a government at State House, bringing the wider security establishment, the army and police under the indirect supervision of Special Forces Command and removing all constitutional barriers to his continued stay in power. In the run-up to the 2016 general election he shored up his position as the only candidate of his party. In a meeting with NRM MPs after the Bobi Wine controversy started – after which Speaker of the House **Rebecca Kadaga** wrote to him asking him to explain the torture allegations – he reportedly said he could even abolish Parliament if he wanted to.

Some of his close advisors say that the violence by the security forces is the only option the President feels he has left to bring dissatisfied and unemployed youth angry at 32 years of his rule and routine corruption back under control. ●

AFRICA/UNITED STATES**Turning down the volume**

Washington's new man in Africa is trying to relaunch his country's diplomatic efforts in a much more crowded field

When Kenya's President **Uhuru Kenyatta** asked for advice about how to handle United States President **Donald Trump** during his state visit to Washington DC on 27 August, a lobbyist told him: 'Talk business and security.' It turned out to be a good steer, with Kenyatta emerging as Trump's man in Africa. The two hit it off

at a press conference after the meeting, a far warmer show than Trump's painful meeting with **Nigeria's** President **Muhammadu Buhari** in May. However, Trump has shown next to no interest otherwise in Africa. His wife, **Melania**, has announced she will be making her first ever visit to Africa in October a month before the ruling Republicans

face mid-term elections in which they could lose control of the House of Representatives.

The Kenyatta encounter was just four days after Trump had triggered a public spat with **South Africa** after he tweeted that he had asked Secretary of State **Mike Pompeo** to investigate the country's plans for 'farm seizures and expropriations and the large scale killing of farmers'. The tweet appeared to be based on a grossly inaccurate report carried by Fox News.

It prompted a measured response by South Africa's President **Cyril Ramaphosa** arguing in the London *Financial Times* that his land reform would not 'erode property rights but will ensure that the rights of all South

Africans, and not just those that currently own land, are strengthened'. Others in the governing African National Congress were less restrained, with an official calling Trump a 'modern leader of the Ku Klux Klan', referring to the claimed influence of white nationalists on the US presidency. The US-South Africa spat worsened with the rand falling against the US dollar in the markets.

Against that backdrop, Kenyatta, one of Kenya's biggest landowners, emphasised to Trump their common support for freebooting capitalism, unpicking state regulation and a hard-line military policy against Islamist groups. Just as Trump is pushing the building of a wall with **Mexico**, Kenyatta talks about reinforcing his country's frontier with **Somalia**.

Earlier this year, the US had damped down its criticism of Kenya's election and subsequent clashes between the police and the opposition, and the White House Budget Director **Mick Mulvaney** said the Trump administration would stop US efforts to promote gay rights or access to abortions in Africa. The quid pro quo is likely to be Kenya voting alongside the US in the United Nations General Assembly and taking a more pro-Washington stance in trade talks.

The personal chemistry between Kenyatta and Trump, however fleeting, points to the key role of personal relations, especially in Africa and the Middle East where the administration is winding down wide-ranging US engagement, relying instead on a few regional strongmen. Just as Trump is relying on **Israel's Benjamin Netanyahu** and **Saudi Arabia's Mohammed bin Salman**, Kenyatta has positioned himself to be the White House's 'Africa guy'.

MARGINAL CONCERN

That role has to be set against the reality that relations with Africa are now a more marginal concern to the US President than they have been for over half a century. They will also fit into the administration's bigger plan to cut the roles of the State Department and USAID while expanding that of the Department of Defence.

That is the inheritance of Ambassador **Tibor Nagy**, who was nominated as Assistant Secretary of State for African Affairs 475 days after Trump was sworn in. With bi-partisan support Nagy's confirmation hearings went well and he has been setting out a tougher line than expected on political rights in **Congo-Kinshasa**, **Cameroon** and **Zimbabwe**.

Nagy has to navigate the limitations imposed on the Bureau by global policies, cuts in funding, a brewing personnel crisis in Washington and at embassies abroad. There is also much less appetite

for the promotion of human rights and good governance.

In Washington's totem of diplomatic priorities, **China** tops the list with a declining interest in the tribulations of Europe. When it comes to crisis management, trouble with **North Korea**, **Iran**, and **Russia** pushes Africa further to the sidelines. It is remarkable that when a group of US soldiers were killed in **Mali** last year, prompting a lengthy investigation, few lawmakers were aware that Washington had sanctioned an operation there.

Lack of knowledge about the US's diplomatic or military stance in Africa reflects both its marginalisation in the wider scheme of things as well as official secrecy. For example, officials had insisted that the US\$110 million drone base at Agadez in **Niger** would be for surveillance purposes only. Last month Nigerien officials told the *New York Times* that another drone base, further north at Dirkou, was being used to attack jihadists in **Libya**. The Central Intelligence Agency declined to comment.

The episode points to the securitisation of US policy towards Africa but also a lack of human presence on the ground in the region. Washington's current stance suggests little concern about how other countries have been courting Africa as the US is pulling back from the region, according to an essay by **Judd Devermont**, Africa Director at the Centre for Strategic and International Studies (CSIS).

Over the last three months, Africa has welcomed the leaders of **Argentina**, **Brazil**, **Britain**, **China**, **France**, **Germany**, **Russia**, **South Korea**, and **Turkey**. All are opening more embassies in Africa and stepping up their diplomatic efforts there. Even on the Trumpian priorities of business and security, these countries are eclipsing the US.

On the main growth areas in African economies – telecommunications and information technology, farming and food processing, oil and minerals – Asian and European companies dominate. At the 3-4 September Forum on China-Africa Cooperation in Beijing, attended by all but a handful of African leaders, the main US response was another warning about the risks of borrowing too much from China.

Similarly, on counter-terrorism and efforts to stop piracy and drugs-smuggling, Europeans and Asians are making the running. Alongside those developments, there are strategic changes in Africa's links to the international system. In the Horn, **Djibouti** is the site of China's first overseas military base while also hosting the navies of France, Germany, **Japan** and **Russia**. **Turkey**, **Iran**, **Qatar**, the

United Arab Emirates and **Saudi Arabia** are forging new political and military ties in North and East Africa. If there is a new Great Game in Africa, the Trump administration doesn't want to play.

Despite this backdrop, Nagy, as Washington's top diplomat in Africa, has started to strengthen some long-standing relations with the region. His cheerleaders say that Trump's lack of interest in Africa could give Nagy more autonomy over policy than in other regions, even if he is starting from a modest base.

With over two decades of experience as a foreign service officer, eight tours of duty in both East and West Africa, including postings as US Ambassador to **Guinea** (1996-99) and **Ethiopia** (1999-2002), Nagy has substantial experience for the post, which will be his first political appointment.

After retiring from the Foreign Service in 2002, Nagy was appointed Vice Provost for International Affairs at his alma mater, Texas Tech University. He was brought back into government for a few months in August 2016, during **Barack Obama's** administration, to head the US Embassy in Nigeria.

He strongly backed Trump's new National Security Strategy: '...the world that the NSS describes and the strategies it offers to meet its challenges are spot on.' He added a few body-blows against the previous administration: 'At times it seemed the Obama administration was dealing with a world it imagined — with unicorns prancing about the leprechaun guarding his pot of gold at the end of the rainbow — rather than the one which actually existed.'

Another column praised Trump's speech to the UN General Assembly last year demanding a greater return on the US's contributions. Nagy wrote: '[it was] refreshing for the President to avoid the self-flagellation style of his predecessor... This was a speech by a US president to the UN I wish I had heard when starting out in diplomacy in 1978.'

Yet Nagy can reach out beyond the Republican party base – and its stance against refugees and political asylum – due to his own experience of displacement and statelessness. He was born in **Hungary** in 1949, where his father was an engineering officer in the Hungarian army.

Nagy's father backed the rebels in the 1956 Hungarian Revolution. After the Soviet invasion, father and son fled on foot to **Austria** where they were processed for political asylum. The family was admitted to the US as political refugees nine months later. Nagy's father was a foreign service officer in USAID for over two decades and sparked his son's interest in diplomacy.

WASHINGTON'S NEW ORDER

Those hoping that the elevation of **Mike Pompeo**, a hardline conservative who graduated from West Point military academy and Harvard Law School, to US Secretary of State would see more resources for Africa policy and initiatives have been disappointed. Pompeo, who was moved in April to the Secretary's job from his post as CIA Director, shares President **Donald Trump's** approach to Africa: a military-first approach on Africa's crisis zones with no sign of pushback against the swingeing cuts in budgets for diplomacy or aid in the region.

The main difference is that policy under Pompeo is clearer and implemented with more efficiency and there are far fewer high-profile contradictions between the President and the Secretary. Pompeo did not even bother to respond to Trump's tweet announcing that he had told the Secretary to investigate killings of white farmers in **South Africa**.

Since his arrival at Foggy Bottom, Pompeo has tried to reassure State Department officials who were marginalised under his predecessor, **Rex Tillerson**. He took office without a coterie of personal aides, relying more on the skills and advice of officials in the Department. Some hoped that Pompeo's closeness to Trump might allow him to claw back some of the budget cuts but there is no sign of that yet. An official at State told *Africa Confidential*: 'What I fear is much better management, and much worse policy. And [Pompeo] will have the tools to implement that.'

Another official told us that there is a 'total absence of leadership at State – if you don't put your players on the field, you lose. [Bureau of African Affairs] is being backstopped by career staff who are there to implement policy, not come up with it.'

This year's review by the Office of Inspector General states that 'among those diplomatic posts in high-risk environments for political violence, crime, terrorism, and corruption '13 of the 27 embassies designated as high-threat, high-risk posts are in Africa'. This makes it difficult to attract well-qualified staff.

'In terms of capacity,' said a DC-based policy analyst, the Africa bureau at State 'is running on fumes. They have "actings" all the way down the chain... They had one political appointee, but lost her... This bumps all the way down the chain and nobody is empowered to make decisions, resulting in an enormous strain on staff.'

This staffing crisis is undermining the State Department in its dealings with the ascendant Pentagon as well as its policy-making capacity. Africa activists and lobbyists say the Department's funding cuts to human rights and democracy promotion projects is already affecting political dynamics in Africa.

Another policy analyst warned of longer-term consequences: 'If you're trying to solve conflict in South Sudan or Niger and your only counterpoints are Russia and China... fighting for democracy is less compelling as an ideal. When that's the case, the prospects for non-violent change shrink.' ●

The CSIS's Devermont, a former CIA analyst on Africa, urges Nagy to do more rebuilding of relations, perhaps organising another African leaders' summit in Washington, four years after the one organised by the Obama administration. The US should build closer ties with those states, rapidly expanding trade and security cooperation with Africa, argues Devermont. He adds that the US could act as an honest broker in some of the region's inter-state disputes and cites the deal brokered by **Chester Crocker**, the **Ronald Reagan** administration's Assistant Secretary of State for African Affairs, on **Cuba's** military withdrawal from **Angola**.

In both business and security cooperation, Devermont argues that the US should better define its strategic advantages and target its efforts accordingly. Apart from his messages on Congo-Kinshasa and Zimbabwe, Nagy is said to want to focus on Kenya, Nigeria, **Ghana** and **Côte d'Ivoire** – all

countries he knows well. And he wants to step up the US role in **Ethiopia**, whose reforming prime minister, **Abiy Ahmed**, was in Washington last month, where he met Vice-President **Mike Pence** as well as teams from the State Department and the Pentagon.

Officials say that the US has been working with other regional powers to back Abiy's outreach to **Eritrea** and reform of the security system within and beyond Ethiopia. Should Abiy falter or be ousted by his foes in Ethiopia's security forces, expect the US to get further involved. Along with the Sahel, unravellings in the Horn of Africa ring alarm bells in the Pentagon and CIA as well as the State Department.

Although his officials won't discuss it on the record, Nagy will have to do a lot of running repairs to compensate for the lack of senior US diplomats in Africa as well as the damage wrought by Trump's dismissal of countries in the region, arbitrary trade sanctions and immigration bans on majority-Muslim

countries such as **Chad**. In many cases the African response – bemusement at the Trump style and reinforcing ties with more enthusiastic suitors in Asia – speaks for itself.

Conversations between Nagy and South African officials are likely to be awkward, although the pragmatists and business interests close to President Ramaphosa want an ally in Washington, if only to be able to send a helpful message to the markets. There are also some hard economic-diplomatic issues to resolve.

Washington's decision not to exempt South Africa from new steel tariffs was interpreted by some in Pretoria as retaliation for not backing US policy positions at the UN. Foreign Minister **Lindiwe Sisulu's** rebuke of Trump's comments on land reform suggests that Pretoria's position is unlikely to change. Officials on both sides talk about the possibility of some incremental improvements with Nagy and his new team in place. That would help Ramaphosa's drive for \$100 billion in investment when the roadshow comes to New York later this month.

With Nagy in place, Washington is set to push a better coordinated response to President **Joseph Kabila's** ambiguous commitment to free elections in Congo-Kinshasa. This has already taken shape with tougher sanctions against Kabila's business partners and political allies, but we hear that further measures are preparation. US oil companies will encourage closer ties with President **João Lourenço's** professed reforming regime in Angola. A team from Luanda headed by Lourenço has already been through Washington on a business mission.

Washington may also find itself a broker in the fractious relations between Ethiopia and **Egypt**, whose leader **Abdel Fatah el Sisi**, is a keen Trump-booster in the region. Few expect major new US initiatives or even tactical changes in main conflict zones in the Sahel and the Horn. In those areas, Nagy will be metaphorically outgunned by the Pentagon and the CIA.

Rather, his focus is likely to be on backing diplomatic efforts with the US's limited budgets for development and trade initiatives. Although the administration is cutting USAID by a third, its backing of the US-led International Development Finance Corporation is seen as a belated response to China's dominance role in directing finance to developing economies. Like Kenyatta, Nagy will be talking a lot about finance and security. With that brief and the time-honoured advice 'to keep Africa off the President's desk', Nagy may be able to rebuild a US diplomatic presence in Africa despite the budget cuts and the noise on Pennsylvania Avenue. ●

ZIMBABWE

The house of hunger revisited

Power struggles behind the scenes are going to shape national politics as the two main party leaders try to consolidate

Both of them fought the 20 July election for the first time as party leader. Both lost personal authority in the process: **Emmerson Mnangagwa**, because his party did so much better in the parliamentary elections than he did in the presidential vote; and **Nelson Chamisa**, because opposition supporters blame poor tactics almost as much as state rigging for his party losing the election.

In spite of his win, President Mnangagwa's task will be the more complicated because he has to balance several different factions within the ruling party, as well as rival groups within the intelligence services, police and defence force.

Until his ousting in November, **Robert Mugabe** was the key arbiter in the Zimbabwe African National Union-Patriotic Front (ZANU-PF). Whomever he blessed would, temporarily sometimes, rise in stature and power. In the Movement for Democratic Change (MDC), the direction of its late leader **Morgan Tsvangirai** was central in everyone's calculations.

Neither man established a succession plan for fear of losing control over the balance of power. A designated heir would mean a power shift towards that person. Neither of the successors, in either party, had been able to build up much authority before the leadership changes.

Mnangagwa had been one of several contenders, military and civilian. Suddenly, he was President. His rivals were quick and forceful in reminding him from whence he had come and upon whom he still depended, particularly those who controlled the military.

With the death of Tsvangirai, who seemed to believe right to the end that he would recover from cancer and fight a heavy-duty campaign, it was Chamisa who sidelined other claimants to the succession with some ferocity.

This meant that those who had previously viewed Chamisa as their equal were not going to let him exercise power easily. His quarrel with former MDC Vice-President **Thokozani Khupe** returned to haunt him in the days after the election.

Both parties are now divided houses. Top officials want to appear part of a united project while jostling for position and leverage, trying to

foster an internal coup or other radical change that works to their advantage. None of the main players want to split and form a new party. The possibilities of power reside in whoever controls one of two monolithic blocs.

The MDC fought an under-financed election campaign (AC Vol 59 No 17). Armed with less foreign funding, it couldn't match ZANU-PF's spending on advertising in the cities and operations in the rural areas. The MDC campaign offered a vision that was not only ambitiously modern but alien to the immediate needs of most Zimbabweans.

A bullet train was never going to do anything for the rural sector or anyone else. Huge solar electricity power stations seemed an idea lifted directly from the **Zambian** opposition's election campaign two years previously, with no indication of where they would be located, which communities would benefit from the jobs created, or whether the construction of the power stations would be a largely foreign project.

The MDC's big selling point was that it would form a government that was not ZANU-PF. But although Chamisa made life hard for Mnangagwa in the presidential race, ZANU-PF easily beat the MDC in the parliamentary elections. That suggests residual support on the ground for ZANU-PF and its local policies.

DISTRACTIONS

The concentration on winning the succession and fighting the election campaign meant no attention had been paid to the MDC's own housekeeping. Employees at party headquarters sued the MDC because they had not been paid – and the court attached party assets, including rights to the headquarters building. Khupe and her breakaway version of the MDC claimed legal rights over what had been joint MDC property.

And Chief Justice **Luke Malaba's** award of punitive costs against the MDC in its failed election appeal, amounting to as much as US\$3 million, will damage its finances further. The question is to what extent a weakened Chamisa will face challenges from other opposition heavyweights such as former Finance Minister **Tendai Biti** or former Trade and Industry Minister **Welshman Ncube**.

When stories were circulating on

social media about Chamisa cutting a secret deal with Mnangagwa, there seemed to be an unspoken rivalry between him and Biti as to who was more hostile to ZANU-PF.

In the violent chaos after the elections, Biti injected his flight from the police with international drama. Consumed by its arguments about how to handle the opposition, ZANU-PF let him do it. Foreign journalists were doing interviews with Biti but the police could not find him.

Biti's arrest at the **Zambian** border, and then illegal deportation, gave him maximum publicity. The incident showed the connivance between ZANU-PF and **Edgar Lungu's** beleaguered government.

We hear there was **British** and Western pressure on ZANU-PF and Chamisa to reach agreement involving seats for the opposition in Mnangagwa's new cabinet. That might have created a superficial sense of national unity to woo international investors, but would have been the end of Chamisa as the undisputed leader of the opposition. Biti and Chamisa both served in the power-sharing government under Mugabe after the 2008 elections.

This time, Mnangagwa saw no advantage in sharing power with the opposition. Western states are not about to offer any financial concessions in the short term. Instead, Mnangagwa gave priority to balancing ZANU-PF's factions, regional groups, pragmatists and security hardliners when appointing the cabinet.

The military has its own internal differences. Retired General **Sibusiso Moyo**, the post-Mugabe foreign minister, and General **Philip Valerio Sibanda**, commander of the defence forces, are said to be unhappy with Vice-President General **Constantino Chiwenga's** dominant role in the regime.

Some insiders claim that the divisions are exaggerated to help the public image of Mnangagwa's faction after seven Zimbabweans were shot dead in election protests on 1 August in Harare. The liberal London *Guardian* published an extraordinarily lyrical opinion piece, ghostwritten for Mnangagwa, comparing the blooming of jacaranda trees to the need for political accountability.

At the Forum on China-Africa Cooperation on 3-4 September, Mnangagwa had a one-to-one meeting with **Xi Jinping** which, insiders say, covered Zimbabwe's need for \$2 billion in standby funding, not to balance the books, but to satisfy requirements from the IMF and other lenders. There is no word as to whether Xi agreed. Western states, notwithstanding deep

reservations about the elections and state violence, are prepared to discuss some form of financing deal (AC Vol 59 No 16).

The next British ambassador to Harare, starting in January 2019, will

be **Melanie Robinson**, suggesting London expects to play a leading role and showing how little the elections have changed its policy towards the Mnangagwa government. Robinson

knows the World Bank and IMF well, having spent her career in overseas development, not the Foreign and Commonwealth Office (AC Vol 59 No 15). ●

ZIMBABWE

Open for negotiations

The President's new cabinet includes some younger loyalists and a core of economic technocrats to bring in capital

After his inauguration on 29 August, President **Emmerson Mnangagwa** made it clear there would be no power-sharing and few outsiders in his cabinet. True to his word, the vast majority are loyalists to the ruling party.

Mnangagwa's most imaginative move was to appoint **Mthuli Ncube** as finance minister. With sundry professorships at several top universities as well as stints as vice-president of the African Development Bank and director of the World Bank-backed African Capacity Building Foundation, Ncube is well placed to open the difficult negotiations with the international financial institutions (AC Vol 55 No 11).

His priority will be to find a way to repay Zimbabwe's arrears to the World Bank: financing could come from sources such as the Cairo-based Afreximbank, credit guarantees from **China**, perhaps secured on mineral reserves, and some bridging finance from commercial sources. Cutting the budget deficit to 5% of gross domestic product within a year is another priority for Ncube. Top government officials say privately that the civil service will be cut by a third.

Ncube also has a plan for currency reform: he wants to drop the bond note by the end of the year. Zimbabwe would then either join the **South African** rand-based Common Monetary Area, adopt the US dollar as its only currency, or introduce a new Zimbabwe dollar. With the US dollar-RTGS ('real-time gross settlement') exchange now at 100 to 181 and the US dollar-to-bond note exchange now at 100 to 161, currency reform is much needed.

Yet there is still a critical shortage of US dollars in the Reserve Bank of Zimbabwe to back these decisions. As a consequence, in the past two weeks there has been a cement shortage because companies cannot import spare parts, there is a looming bread shortage, and **Kenya** Airways closed its Zimbabwe offices because the Reserve

Bank cannot remit the \$80 million it owes the International Air Transport Association for tickets purchased in Zimbabwe.

Worst of all, clinics and hospitals have running out of imported medicines as an outbreak of cholera worsens. The government declared a state of emergency in Harare on 11 September due to the spread of the disease.

This will be the first test for **Obadiah Moyo**, the new Minister of Health. When he was Chief Executive of Chitungwiza Central Hospital, Moyo faced protests by nurses accusing him of 'corruption, maladministration and using intimidation tactics', which he denied.

Moyo's initial promotion from dialysis technician to 'doctor' came after he cared for **Sally Mugabe**, ex-President **Robert Mugabe's** wife during her final years before her death in 1992. He has also managed the dialysis treatment of the current Minister of Foreign Affairs and one of the architects of the November 2017 coup, General **Sibusiso Moyo**. Perhaps it was this that earned Obadiah Moyo his place in cabinet, since Mnangagwa had to use his quota of direct nominations to parliament to make him an MP.

NEW BLOOD

The appointment of **Sekai Nzenza** to the Ministry of Labour, Public Service and Social Welfare has been warmly welcomed. Nzenza has worked for international development organisations in Asia, the Americas and Africa and has campaigned against corruption. She surprised the ruling Zimbabwe African National Union-Patriotic Front by winning a fiercely contested primary election in Chikomba East, where both the G40 provincial structures and the pro-Mnangagwa Politburo attempted to impose candidates. ZANU-PF wants to co-opt Nzenza's strong local network.

The new Minister of Sport, Youth, Art and Culture, Olympic swimmer **Kirsty Coventry**, won media attention. She

has a strong national and international profile and is not a party member. Neither was she consulted before the appointment was announced.

Although an experienced athlete, she is unlikely to chase out the crooks who have dominated the national football and cricket organisations, let alone manage the unwieldy Youth portfolio, a hotbed of factionalism and corruption. It was previously held by **Patrick Zhuwao**, Robert Mugabe's nephew.

Meanwhile, **Juliy Moyo** remains Minister of Local Government, proving the strength of his relationship with Mnangagwa. Following the announcement of the local council results in early August, the new councillors should have begun work immediately. However, **Juliy Moyo** insisted that the councillors who won their seats in urban opposition strongholds must wait three weeks (from victory on 3 August to inauguration on 26 August), a completely unconstitutional move. Nor was it legal for **Juliy Moyo** to appoint the caretaker commissions he put in place, because at the time, the government had already been dissolved in preparation for the election.

Another Mnangagwa ally linked to graft and mismanagement, **Joram Gumbo**, was also retained as Minister of Energy, although he was moved away from Transport, where he had made embarrassing blunders about the ownership of the new Zimbabwe Airways (AC Vol 59 No 8).

Regime stalwart former Air Marshal **Perence Shiri** has kept the key portfolio of Land, Agriculture, Water and Rural Resettlement (AC Vol 49 No 14). He controls the land reform process, which provides access to patronage for ZANU-PF and the military. He will continue to direct 'Command Agriculture', the programme under which the rural population purchases all inputs from and sells all produce to the government. His portfolio also includes overseeing the administration of traditional chiefs, which is key to the ruling party's control over rural areas.

Oppah Muchinguri becomes the first female Minister of Defence, a reward for her loyalty to the President (AC Vol 58 No 23). She may also serve as a counterweight to the military interests in the cabinet represented by Vice-President **Constantino Chiwenga**,

Sibusiso Moyo and Perence Shiri.

With 20 ministers, the cabinet is just one minister smaller than the government appointed last November. But the ranks below the top table have swelled substantially; the

wider ministerial team includes 14 deputies, 10 provincial ministers and two ministers of state, a total of 46 compared to November's 37 (21 ministers, three deputies, three ministers of state, and 10 provincial

ministers). With a couple of exceptions, few of these officials inspire confidence that the government is committed to reform. Their role is either to consolidate the President's authority or patch up party rivalries. ●

ZAMBIA

Graft worsens cash squeeze

Fears that embezzlement has hit government departments have caused donors to suspend payments

Western donor governments have placed key assistance programmes under heavy scrutiny as evidence emerges of wide-scale corruption in three important government departments, *Africa Confidential* has learned. Payments

by the health, education and local communities departments may have been diverted.

At the same time, the government is plundering social spending so it can meet debt service payments, government sources in Lusaka say. Current account

expenditure, including ministerial trips, is being partly funded by the government pension scheme, we hear, causing delays to pensions contributions and payments to pensioners (AC Vol 59 No 17). Civil service salaries were not paid on time in August, in part because a debt repayment had to be made on 3 September, the sources say. Former finance minister **Felix Mutati**, now Minister for Works and Supply, is among those who have blamed the government publicly for the liquidity crisis. He said the government was not collecting enough revenue and was guilty of an 'imprudent use of resources', according to *Zambian media*.

The Education Department is undergoing a forensic audit after pressure from *Britain's* Department for International Development, AC can reveal. There may have been chronic fraud back to 2012 due to misuse of the Integrated Financial Management Information System, which was adopted by many developing countries to control government payments and procurement, at least in part to prevent fraud.

A report by the Auditor General raised the alarm with DFID last year, but it was not made public. Payments are understood to have been made to shell companies and the auditors wish to speak to more than 400 individuals, we understand. Until it has some satisfactory answers, DFID has suspended all payments.

DFID has also suspended its funding of cash transfers to poor families because US\$4.7 million is believed to have been diverted at the *Zambian post office*, which administers the payments. DFID has even demanded restitution. Donors provide a third of the total. The scheme was believed to be a great success and President **Edgar Lungu** requested the number of recipients be increased from 257,000 households, the figure for 2017, to 700,000 this year. However, the increase was put on hold because enquiries revealed that many of the intended recipients were not paid and that the scheme has been subject to fraud.

Finland, Sweden, Ireland and Unicef have frozen funding and DFID has privately asked for £3 mn. (US\$4 mn.) to be returned. DFID officials believe ministers were made aware of the fraud, which *Zampost* officials used to buy expensive vehicles, but refused

LUNGU CAMPAIGN SIDELINES COURT

The Patriotic Front has printed large numbers of election posters and other materials bearing the slogan 'Lungu 2021', even though the Constitutional Court has yet to pronounce on whether the President may stand for another term. The seven-member court, all of whose judges were appointed by President **Edgar Lungu**, ended hearings on a possible third term in May and is not expected to rule until next year at the earliest. Lungu claims that his first term, which lasted 18 months, does not count as a full term and so does not violate the constitutional requirement that no president serve more than two terms.

As well as the election materials, the PF has formally adopted Lungu as the party's nominee for the presidency, assuming the court will rule in Lungu's favour (AC Vol 59 No 2). PF Secretary General **Davies Mwila's** announcement last November of the candidacy of Lungu would also have been intended to choke off the ambitions of any other PF members to contest the nomination.

Lungu has indirectly warned the judges against ruling against him. Speaking on 2 November last year, Lungu said, 'Right now, there is a matter in court, which is sub judice, but they are saying I have already done two terms and I shouldn't contest in 2021. People are saying *Zambian courts* should be like *Kenyan courts*, that they should be brave and make decisions which are in the best interests of the people... To my friends in the court system, I say don't plunge us into chaos by imitating or emulating Kenya or any other court system for that matter which does not care about the interests of the people.' He also predicted protests and chaos could follow a decision against a third term.

A senior PF insider gave *Africa Confidential* a spin doctor's account of the political landscape around Lungu: 'OK, we know that the constitution does not allow President Lungu to stand for another term of office, legally speaking. But we expect the judges to interpret the constitution politically. The cost of not having EL [Lungu] on the ballot in 2021 is huge.... If the Court did the unthinkable, of ruling against EL, the party will break up, the UPND, emboldened by the judgement and subsequent squabbles in our camp, might win [the] 2021 [election] and the chances of many top government officials, including EL, of being taken to court on corruption charges are very high if that happened. So, unless HH [**Hakainde Hichilema**, UPND leader] is also disqualified, say through a conviction or any other factor that may rule him out of the running, we cannot afford to have another person other than EL as presidential candidate in 2021.'

Senior PF figures thought to have presidential ambitions include Lusaka lawyer **Kelvin Bwalya Fube**, who played an important role in securing Lungu's election in 2015, **Chishimba Kambwili**, who was expelled from the PF for expressing presidential ambitions but remains a PF MP after a court challenge, and former Minister of Foreign Affairs **Harry Kalaba**, who also remains a PF MP despite resigning from the government in January. ●

PF'S BY-ELECTION SLEDGEHAMMER

The opposition has raised a storm of complaints about dirty tricks by the ruling Patriotic Front during the run-up to its by-election victory in the Eastern Province constituency of Kasenengwa on 6 September. **Sensio Banda** took the seat for the PF with over 10,000 votes to less than 2,000 for his nearest rival on a 28% turnout.

The constituency is Patriotic Front (PF) heartland and so the result was unsurprising, but the heavy-handed tactics it used to put victory beyond question caused outrage. The PF poached Banda from the opposition National Democratic Congress (NDC), the party established by the outspoken former PF grandee **Chishimba Kambwili** (AC Vol 58 No 22). According to Kambwili, Banda was to have been the NDC candidate but switched to the PF, leaving the NDC without enough time to field an alternative candidate.

The PF took other measures to clear the field of competitors. **Faustin Sitima Banda**, a University of Zambia engineering lecturer, was adopted by the main opposition party, the United Party for National Development (UPND), as its candidate. Faustin Banda, who was the UPND candidate for the same constituency in the 2016 election, then vanished before filing for his candidacy. He left his home and turned off his phones, party activists said, only resurfacing after the deadline for nominations had passed, leaving the UPND also unable to field a candidate. He had also joined the PF. Ruling party insiders say he is now earmarked for an appointment in the diplomatic service. The UPND accused Faustin Banda of secretly working for the PF and demanded his arrest for obtaining money and election materials on false pretences.

The opposition United, Prosperous and Peaceful Zambia (UPPZ) president **Charles Chanda** also accused the PF of attempting to bribe its candidate, **Abel Ngwenya**, into not registering his candidacy, and of flooding the streets with violent PF activists.

Pundits are divided on why the PF put so much effort and resources into the fight for what should have been a safe seat. The previous PF MP, **Victoria Kalima**, who was also Minister of Gender, took the seat in 2016 by a similar margin to Sensio Banda. Her so far unexplained death in June at the age of 46 created the vacancy. In a further illustration of the fluidity of Zambian political parties, Sensio Banda stood in the constituency in 2016 for the Rainbow Party, the radical PF offshoot formed by former **Michael Sata** right-hand man, **Wynter Kabimba**.

Some think that President **Edgar Lungu** is feeling anxious about his popularity, but others speculate that the PF wants urgently to secure a two-thirds majority in parliament, which would be necessary to enact changes to the constitution. The PF, which has announced plans to take a Constitutional Amendment Bill to Parliament soon, can rely on the votes of the smaller opposition parties, the independent MPs in parliament and needs fewer than five more seats on top of those to reach the required level. With such a majority Lungu could attempt to change the constitution to enable him to stand for a third term.

The UPND has accused the PF of mounting a campaign to bribe UPND MPs to cross the floor and help secure the majority. ●

to terminate Zampost's contract.

The Ministry of Health is another area of strong concern to Unicef and others, donor sources told AC. Enormous quantities of drugs have been stolen from government warehouses with suspicion of high-level involvement, and there is concern that fake drugs have been purchased from corrupt suppliers, leaving many parts of the country short of vital drugs and medical cover. Ambulances were also required at inflated prices (AC Vol 59 No 8).

EXPENSIVE

The defence sector is another source of concern, especially as Lusaka concludes deals to buy sophisticated and expensive equipment, such as two modern twin-engined C27-J 'Spartan' military transports from **Italy's** Leonardo. The Dubai branch of the Italian bank Intesa San Paolo is lending just over \$95 mn. for the deal, we understand. Earlier this year Zambia arranged deals worth close to \$500 mn. for **Israeli** defence electronics, although they have not been finalised (AC Vol 59 No 7). Another massive commercial loan is in the pipeline to support the supply by **Russia** of civilian aircraft to revive Zambia Airways, a deal which may include a presidential jet. If all these projects go ahead nearly another \$1 bn. could be added to the pile of debt in which **Chinese**-backed projects have played a large part up to now.

The economic picture and the ballooning debt should, pundits say, be a gift to **Hakainde Hichilema**, leader of the opposition United Party for National Development, but few of his attacks appear to be hitting home. Although senior Patriotic Front figures have been leaving, they have chosen to go their own way and the opposition remains fractured. ●

ETHIOPIA

Deep waters

Abiy is distancing himself from the troubled dam project, which some political opponents are trying to use against him

The death of the Grand Ethiopian Renaissance Dam (GERD) project manager, **Simegnaw Bekele**, was ruled a suicide by authorities last week, but the announcement has done little to dampen the growing furore around the prestige project.

Federal Police told journalists that forensics showed nobody else was involved in the 26 July shooting inside

the engineer's Land Cruiser in central Addis Ababa. They also said Simegnaw had written farewell letters to his staff and family (AC Vol 59 No 16).

The press conference, televised on 7 September, was preceded by a documentary by media affiliated with the ruling Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) which recounted the failings of

the Metals and Engineering Corporation (MetEC), the military-linked electro-mechanical contractor for the GERD.

Conspiracy theories, based on the timing of the broadcasts and inconsistencies in the official account of the death, persist along with suspicions of a cover-up. Such views are most common among Prime Minister Abiy Ahmed's opponents in the Tigrayan People's Liberation Front (TPLF), the most powerful member of the ruling coalition before Abiy's appointment, indicating that the GERD has become a bone of contention in internal EPRF politics.

Simegnaw's death came only two days after Abiy expressed his concern that the dam could take a decade to complete at the current rate of progress.

Subsequently, confirming issues first reported by *Africa Confidential*, the government stripped MetEC of key responsibilities on the dam because not only could it not carry out the electro-mechanical installation work, it had not even sub-contracted it (AC Vol 58 No 18 & Vol 59 No 9).

Last week, the authorities went further. Documentary viewers were informed that MetEC has been paid 69% of the contract value – 16.8 billion birr (\$610 million) out of 25.6 bn. birr – but had completed only 42% of the work. These figures echo reports by the state-owned Sugar Corporation about MetEC's inadequate performance in that sector.

As usual, the **Italian** civil works contractor Salini Impregilo has emerged almost unscathed, despite the admission that the well-connected company has been ruthless in claiming penalties for delays.

MetEC's shortcomings at the GERD look set to be made up for by some combination of the turbine suppliers GE and Voith Hydro, as well as China Gezhouba Group Company. Alstom Energy, which was bought by GE in 2015, said in January 2013 it had been contracted by MetEC to supply and commission eight turbines and generators in three years for €250 mn.

CAPTAINS OF INDUSTRY

MetEC was created in 2010 by the late Prime Minister **Meles Zenawi** from a collection of Defence Ministry companies as a vehicle for Ethiopia's industrial advancement. Although formally accountable to the Prime Minister's Office, it was run by serving military

officers. That meant it was top-heavy with Tigrayans, as former TPLF rebels formed the core of a new military in the 1990s after they seized state power.

Tigrayan Major-General **Kinfe Dagnaw** stepped down as MetEC's Director-General in April, days after Abiy was sworn in. Little has been heard of him since. A senior politician potentially in the firing line is **Abay Tsehaye**, a TPLF co-founder who was Director-General of the Sugar Corporation when it handed out huge contracts to MetEC.

Abiy and his allies appear to be justified in going after MetEC's former leaders. The organisation has few defenders and is alleged to have been involved in large-scale corruption, although no detailed allegations of embezzlement have been made. Indeed, it may be impossible to clean up the EPRDF system without MetEC facing the music. The concerted campaign against it indicates that arrests are likely. Such destabilising activity at the heart of the GERD looks set to delay it further, especially in conjunction with Simegnaw's death.

Suicide looks a plausible explanation for that tragedy, but there are many doubters. Sceptics question the length of time the forensics report took, and point to the police changing their account of which side regarding Simegnaw's head the bullet entered. Nor were they impressed with the notion that his jeep could not have been locked from outside. Unless there is more transparency, the conspiracy theories will linger.

What this all adds up to is the politicisation of the GERD,

part of which Abiy seems to have engineered deliberately to disassociate his administration from a risky, controversial and struggling hydropower scheme.

The Ethiopian public will need letting down gently as the EPRDF put enormous store in and encouraged public support for the GERD, including voluntary contributions out of salaries, and persuading members of the public to buy bonds in the dam.

Much of that enthusiasm was driven by a belief that Ethiopia had been denied its right to utilise Nile waters originating in its territory due to the dominance of **Egypt**, and that colonial-era accords unjustly excluded sub-Saharan African riparian nations from its management (AC Vol 57 No 12).

REGIONAL HUB

As Abiy moves against MetEC, a new regional dynamic is taking shape. The thinking behind the GERD was that ultimately it would foster regional integration with the Ethiopian capital Addis Ababa as its hub as the country delivered cheap power to its neighbours. Gulf influence has led to blossoming relations with Ethiopia's former enemy, **Eritrean** President **Issayas Afewerki**, who has also now made his peace with neighbour **Djibouti** (AC Vol 59 No 14). Abiy has an emergency loan from the **United Arab Emirates** and, hopefully, large-scale Gulf investment and increased port options to look forward to. But his opponents also believe that the UAE, in order to help its Egyptian ally, is making a slowdown in progress on the GERD part of a condition for that help. ●

AFRICA/EUROPEAN UNION Another trade muddle

The marriage between the EU and the continent's 48 ACP members will rumble on amid talk of a grandiose free trade pact

Formal talks on the successor to the 2000 Cotonou Partnership Agreement between the European Union and the 79-nation African, Caribbean and Pacific (ACP) community – which includes 48 African countries – were officially supposed to start in September. But that deadline has already been missed and confusion reigns on both sides over both the time-scale and the substance of negotiations (AC Vol 59 Nos 11 & 14).

To many, particularly on both sides of the Mediterranean, the concept of

the ACP is obsolete, as is a trade and political agreement that covers both **South Africa** and **Vanuatu**. A handful of European countries – led by **Germany** and **Sweden** – would prefer to abandon the EU-ACP deal and strike individual agreements led by an EU-Africa pact.

Part of the problem is that EU-Africa relations are covered by a multitude of tracks, of which Cotonou is only one. Another is that, in the words of **Carlos Lopes**, the AU's chief negotiator on the talks, 'Africa now has more choices'.

To the 31 Caribbean and Pacific

nations, Cotonou is the only game in town. To African countries, it is just a piece of the puzzle, complicated by the raft of bilateral tax treaties between African countries and EU member states, as well as the talks between the EU and African leaders to increase co-operation on migration control. There are also continent-wide and regional agreements.

While both the EU and ACP have agreed on their respective negotiating mandates, the EU is well aware that the AU is taking a more aggressive approach – currently the AU has no formal role in the Cotonou negotiations, which are handled by the ACP secretariat, an organisation that lacks resources and institutional memory.

At its summit in Nouakchott, **Mauritania** in July, the African Union was tasked with ensuring that the new agreement is based on 'a strong and sustainable continent-to-continent

partnership'. While some worry that this means that the talks will be even more heavily skewed in the EU-AU direction – 'the Cs and the Ps risk being left out', one EU official tells *Africa Confidential* – others are sympathetic to its arguments.

'The AU evidently would like to see more recognition of an EU-Africa partnership, and I think it's very valid. It's not only on the ACP side that people think that,' a Commission official told AC.

In his State of the Union speech on 12 September, European Commission boss **Jean-Claude Juncker** said that an EU-Africa trade pact should be the long-term objective.

But the lack of agreement on an alternative means that the existing model of Cotonou – covering three regions, and based around three pillars covering development cooperation, economics, and trade and political co-operation – will stay intact, at least for now.

The process of ratifying the African Continental Free Trade Area (ACFTA) is important to the AU's negotiating leverage. Speedy ratification, they say, would force the EU to reopen negotiations on the four economic partnership agreements (EPAs) which are yet to be ratified. African leaders are bitter about the EPAs which, they argue, allowed the EU to play off regional blocs against each other. As it is, ACTFA will have to take on board many of the concessions made by the Southern African Development Community (SADC) in their EPA – the only one to have been implemented successfully thus far (AC Vol 58 No 21).

'The reality is clear that the EPAs were badly negotiated and apart from

the SADC most of them have not been implemented,' says Lopes, the former executive secretary of the United Nations Economic Commission for Africa who was appointed to lead the AU's post-Cotonou negotiations by **Moussa Faki Mahamat** at the Nouakchott summit. Lopes argues that the ACFTA is one of the factors that gives the continent 'more choices' than it had 20 years ago.

FREE TRADE HOLDOUTS

'There is a political push in Africa for the continental free trade area to be the main instrument through which to conduct trade with Europe,' he told AC.

African Union officials say that domestic political considerations in the lead-up to elections are the only reason why **Nigeria** and South Africa have not yet signed. They expect four or five of the outstanding non-signatories to have signed by the AU's next summit in Addis Ababa in January 2019.

'Eritrea is the only country with an ideological reason to stay out, but it won't be wise to be isolated from the African economy,' an AU official tells AC.

But many on the EU side are sceptical that the ACFTA will become a reality any time soon. They point to the troubled experience of Africa's regional blocs in driving economic integration. Intra-African trade still amounts to only about 18% of the total trade conducted by African countries – for the EU internal trade is 70% – and governments have frequently ignored provisions on tariff-free trade to protect critical industries.

'It will take many years before we see a continental free trade agreement being implemented. Doing away with

tariffs is a great objective but it will take time,' says the EU official.

Britain's formal exit from the EU next March, overtures to African countries in the Commonwealth about more favourable trade and investment deals in the near future, and the promise of an additional \$60 billion of **Chinese** investment from President **Xi Jinping** at the China-Africa summit this month also offer greater leverage to African countries to drive a harder bargain.

And yet. 'I'm not sure it will be the best option for these countries [to play off the US, Europe and China against each other],' warns the Commission official.

Lopes responds, 'Europe is still the number-one trading partner as a bloc but its position has been eroded and, contrary to perceptions, Africa is not a minor partner when it comes to trade to Europe. We are the third-largest partner with the EU after the US and China... and we are stronger when we negotiate as one voice.'

If that makes an ambitious agreement unlikely, both sides appear to be sanguine at the prospect of the March 2020 deadline being reached without an ambitious successor pact in place. In the absence of a successor agreement, Cotonou can roll over.

'I would see there is no risk of no deal. It is not like Brexit,' Lopes says. 'If we don't have an agreement by 2020 then we will extend what we already have.' For the moment, the message from the EU appears to be similar: 'Business as usual is always easier to agree so it could be that we just tinker around the edges,' says a Commission official. Ambition is in short supply. ●

KENYA

Fuelling a debt crisis

Deadlock over plans to raise fuel taxes to satisfy the IMF risks derailing the President's economic plans

Kenya's debt burden has been growing rapidly for the past four years, rising from 45% of GDP to near 60% now. Solid growth rates have given leaders freedom to ignore the warnings of fiscal hawks up to now and the government still shows little sign that it is ready to rein in spending. It has run up a fiscal deficit worth 10% of GDP, while debt and debt servicing costs have surged, largely as a result of the US\$4 billion **Chinese** loan for the Mombasa-Nairobi standard-gauge railway (AC Vol 55 No 14). Budget giveaways in the

run-up to the 2017 elections did not help, and neither did many businesses delaying investments until the dust had settled after the hotly disputed poll.

With calm seemingly restored to the political scene, Cabinet Secretary for Finance **Henry Rotich** is anxious to raise money. But MPs won't let him. All tax-raising measures proposed in the current Finance Bill were thrown out by the National Assembly on 29 August.

At the heart of the bill – and the controversy – is a planned 16% value

added tax on fuel products. Originally contained in the Finance Act 2013, the VAT charge was supposed to come into force in 2016. Hefty fuel taxes are very unpopular, however – particularly in a country that struggles to collect income tax, accentuating the widely held (and accurate) belief that the wealthy do not pay their fair share – and so MPs deferred its introduction until September 2018. Following the debate on the bill on 29 August, they voted overwhelmingly to repeat the trick.

This has put the International Monetary Fund's \$990 million stand-by credit facility at risk. A decision from the Fund on whether to extend the facility was due as *Africa Confidential* went to press. The signs have not been promising; the Kenyans are yet to approve the publication of an IMF staff report on the country's finances.

The Jubilee government has been promising fiscal discipline to the Fund

since 2012 and vowing that it would scrap tax exemptions as part of a wider plan to grow revenues, reduce the deficit and put the brakes on the debt pile-up.

Undeterred by the dismembering of his bill, Rotich promptly signalled his intention to ignore MPs, directing the Kenya Revenue Authority and the Energy Regulatory Commission to effect the tax. Imposing fuel duties on car-loving Kenyans is a big gamble – the levy has increased the average price of petrol to 128 shillings (\$1.25) per litre, of which the Treasury will take 55 shillings.

President **Uhuru Kenyatta** has prevaricated. His signature is required for the bill to become law and he could throw the legislation back to MPs and tell them to back the tax, particularly if the IMF withdraws access to international credit. But MPs on all sides of the House, and particularly opposition leaders, are urging the President to defy the Fund.

Amani National Congress leader **Musalia Mudavadi** said the Treasury had no reason to increase fuel taxes, 'other than agreeing to be bullied by the World Bank', and added that agreeing to the bill as amended would 'arrest disaffection with government's appetite to fleece Kenyans through taxes'. Minority Leader **John Mbad**i, who leads **Raila Odinga's** Orange Democratic Movement group in Parliament, argued that government over-borrowing had made Kenya vulnerable to international lenders. 'IMF ... wants the country to tax everything for their own interest,' Mbad said.

It is not just on tax that short-term politics is trumping the Kenyan economy in the National Assembly. MPs also opposed plans to scrap the controversial – and unsuccessful – cap on bank interest rates (AC Vol 57 No 18). This was implemented in September 2016 as a rebuke to banks charging interest of well over 20% – a prohibitive rate for most local businesses and individuals – restricting the interest that banks can charge on loans at no more than 4 percentage points above the Central Bank Rate. The CBR is currently 9%.

UNCAPPING

The interest-rate cap has not stimulated private lending as promised. Instead, it has made banks more inclined to engage in low-risk lending to the state. That may suit President Kenyatta's 'Big Four' agenda, which will require hefty investment in manufacturing, universal health care, affordable housing and food security in the short term. But it will do nothing to help the private sector.

Kenyatta, for his part, changed his mind about the cap in the spring and now supports scrapping it. As with the fuel levy, however, he has sat on his hands thus far. 'It has really brought private-sector lending to a standstill,' a senior European banker in Nairobi told AC. 'It's going to be interesting to see how the President steps in.'

'The private-sector contribution to growth in Kenya and most of the region is low,' she added, a factor which she attributed in Kenya to the difficulties

facing businesses wishing to borrow. 'Growth is essentially driven by large infrastructure projects.'

The confusion is already having a knock-on effect on Nairobi's many development finance institutions. The focus of much of their activity is on financing infrastructure projects and providing liquidity to local banks to then, in turn, pass the cash on to businesses. But the rate cap deters them from lending to local businesses, and the row with the IMF, which could put the \$8.5 billion that the Central Bank holds in reserves in the firing line, is a roadblock to agreeing a list of public-private infrastructure projects.

CHINESE MONEY

Kenya has had little difficulty finding money on the bond market, raising a \$2 bn. Eurodollar loan in February, and the promise of more Chinese money at the Forum on China-Africa Cooperation this month may well encourage Nairobi to act tough with the IMF (AC Vol 59 No 5). Yet that could change quickly. Media reports suggest that the prospectus attached to the Eurodollar loan requires the government to reimburse investors immediately if it 'ceases to be a member of the IMF or ceases to be eligible to use the general resources of the IMF'. The Fund pulling the plug could prompt a cascade effect, forcing the Central Bank to use its dollars to defend the shilling. Not for the first time, Kenyatta is stuck between a rock and a hard place. ●

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POINTERS

South Sudan

TERRAIN TRIAL

■ The conviction of 10 of the 12 soldiers accused of the July 2016 Terrain Hotel attack in Juba has had a lukewarm response from human rights organisations. They say it is only a start towards accountability for horrific abuses visited on civilians during the past five years (AC Vol 59 No 15).

The incident, in which five foreign humanitarian workers were raped and the South Sudanese journalist **John Gatluak Nhial** was shot dead in cold blood, caused international outrage. But local campaigners complain that action was forthcoming in this case only because most of the victims were foreigners, and that thousands of local women similarly abused are still awaiting redress.

Two soldiers were sentenced to life imprisonment for the murder; the remaining eight received terms of between seven and 14 years for rape, sexual harassment and looting. One was acquitted for lack of evidence. The only officer on trial, First Lieutenant **Luka Akechak**, accused of overseeing the rampage, died in jail.

The judge ordered South Sudan's government to pay the hotel over US\$2 million in compensation, as well as \$4,000 to each of the five rape victims. The victims' lawyers deemed the payments 'very embarrassing' and 'an insult'. The court martial also ruled that Gatluak's family should receive 51 head of cattle.

Amnesty International has just issued a report accusing the government of torture and cataloguing numerous abuses against prisoners who languish in jail awaiting trial under South Sudan's dysfunctional legal system.

As a final peace deal awaited finalising at the regional summit in Ethiopia on 12 September, however, there was still no sign of the long-awaited hybrid court or any of the other structures to ensure transitional justice except on paper (AC Vol 59 No 16).

Sierra Leone

A BRIDGE TOO FAR

■ After trashing ex-President **Ernest Bai Koroma's** plan to build a new US\$300 million airport as a 'sham', President **Julius Maada Bio** has pledged another Chinese-financed project set to cost over four times as much. The announcement, during Bio's visit to Beijing for the Forum on Chinese-African Cooperation, is sure to set

the government on a collision course with donors and international financial institutions.

The project, to be built by PowerChina International, is a resurrection of President **Ahmed Tejan Kabbah's** dream of a bridge over Tagrin Bay to connect the capital, Freetown, to Lungi international airport. The bridge, which Bio said is close to his heart even though he never mentioned it during his presidential election campaign, has been costed at \$1.3 billion, AC can reveal.

It currently takes three hours by road and ferry to reach Freetown from Lungi. Bio's announcement was greeted with glee in the local media. When the bridge was first mooted in 1996 it was described as an 'expensive diversion' from Sierra Leone's problems (AC Vol 37 No 13).

Bio heavily criticised Koroma's decision to commission a Chinese firm to build a \$300 mn. airport at Mamamah, on the Freetown side of the bay. An EY feasibility study for the government said the project would require government subsidies for at least 10 years (AC Vol 57 No 4).

Mamamah airport was also close to Koroma's heart (AC Vol 56 No 23). Government officials and Koroma himself promised IMF personnel the project would not go ahead but he formally launched the project five days before the general election last March (AC Vol 59 No 5). Some Western critics of the bridge project say it is a perfect example of China's 'debt trap diplomacy'.

Senegal

NOT LACKING CONVICTIONS

■ Having lost his first appeal against conviction for the misuse of municipal funds, **Khalifa Sall** has been dismissed as mayor of Dakar by President **Macky Sall** – even though the ultimate decision on his guilt has yet to be taken by the Court of Cassation (AC Vol 59 No 17).

Khalifa is still determined to stand against Macky in next February's presidential contest, and as soon as the Dakar appeal court upheld his March 2018 conviction, his lawyers confirmed that they would appeal again.

There is a slim but real chance that his election nomination will be formally registered before Senegal's highest court gives the final verdict, which will decide if he can be a presidential candidate or a mayor.

The fine print of the country's local government law allows the head of state to eject a mayor from office for misbehaviour before they have exhausted the appeal process, but the ruthlessness with which Macky dismissed Khalifa when he lost his first appeal has dismayed Senegalese human and civil rights circles.

Khalifa is the main casualty from the drama, but so, too, is Macky's reputation as a reformist democrat, as well as the claimed political independence of the Senegalese judicial system.

Meanwhile, **Karim Wade** – son of former President **Abdoulaye Wade** – insists he will return from Qatar to campaign for the presidency. But Senegal's Supreme Court says it cannot restore his rights to stand for office or vote.

Karim is currently ineligible to register as a voter or presidential candidate, having refused to pay a \$250 million fine imposed on him by the state anti-corruption court. Macky gave him a presidential pardon from his six-year jail sentence, but not the fine (AC Vol 57 No 14). Some members of his *Parti démocratique sénégalais* would like a new candidate.

Botswana

SAYS NO TO COMPUTER

■ Ending weeks of controversy, President **Mokgweetsi Masisi** announced that the government was rowing back on a scheme to introduce electronic voting machines in next year's general election. The government had planned to adopt EVMs following a 2016 amendment of the electoral law but have dropped the plan after protests.

The opposition Botswana Congress Party had taken the Independent Electoral Commission to court alleging the ruling Botswana Democratic Party-led government intended to rig the 2019 election by manipulating the EVMs. The government withdrew the EVM plan the day before the court was expected to make its ruling.

The BDP has lost support in recent years, failing in 2014 for the first time since independence in 1966 to win an absolute majority, its vote falling to 47% from 53% in 2009 (AC Vol 55 No 22). It will face a united opposition in 2019 after four parties formed a coalition, the Umbrella for Democratic Change (AC Vol 59 No 6).

The plan to introduce EVMs was widely seen by voters and politicians alike as a ploy for the BDP to hang on to power, and its abandonment is another part of Masisi's charm offensive since taking office. He has reversed various unpopular directives by his immediate predecessor, **Ian Khama** (AC Vol 59 No 17).

Officials from the Independent Electoral Commission (IEC) visited the Election Commission of **India's** headquarters in May, where the machines are widely used, and invited their Indian counterparts to give evidence in favour of the machines in Botswana. They declined to travel to Botswana, however.

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28 September 2018 - Vol 59 - N° 19

BLUE LINES

First came the shocking but not wholly surprising news on 24 September that José Filomeno dos Santos, better known as Zenú, son of the former President, José Eduardo dos Santos, was being held in preventive detention in connection with a US\$1.5 billion corruption case. Zenú was appointed by his father in 2013 as Chief Executive of the Fundo Soberano de Angola with some \$5bn of state funds.

Sacked from the Fund in January by new President João Lourenço, Zenú was charged in May with fraud on a \$500m transfer of cash from the central bank in Luanda to a company in Britain. Angolan-Swiss businessman Jean-Claude Bastos de Moraes, an asset manager with the fund, is also being held in Luanda.

According to filings from the Panama Papers leak in May 2016, Bastos de Moraes earned over \$41m in just 20 months for managing the fund's assets.

How far might this probe go? Prosecutor-General Alvaro da Silva João insists the state has 'sufficient evidence' of Dos Santos and Bastos de Moraes's involvement in 'acts of corruption'. Anti-corruption campaigner Rafael Marques de Morais reports that Zenú had a plan to raise a \$30bn investment fund, managed by his company Mais Financial Services and backed by his father. The former central bank governor Valter Filipe, has been sacked and is being held responsible for ordering the \$500m transfer. The question now is from whom did Filipe get his orders.

NIGERIA

Big business gets stuck into the elections

A string of corporate fraud cases is stirring up partisan rivalries ahead of next year's presidential vote

Prosecutors in Milan began to set out their case against oil giants Royal Dutch Shell and Italy's ENI in court on 26 September. Both companies are charged with paying over US\$1 billion in bribes via Nigerian officials to secure OPL 245, one of the biggest oilfields in Africa. Although the case may drag on for years through the appeals system and higher courts, it could damage reputations and change the way companies operate in Nigeria and beyond.

In the short term, it will fuel arguments over corruption between President **Muhammadu Buhari** and his rivals in the opposition People's Democratic Party (PDP) before national elections next February. Opinion polls show that although Buhari scores badly on security and economic management, he is still seen as fighting corruption.

His prominent opponents in the PDP, many of them multi-millionaires, accuse Buhari and his All Progressives' Congress of bashing corporations to win over wavering voters and claim he is frightening investors. The PDP espouses ostensibly pro-market policies, more privatisation and a plan to float the naira. Some of the party's main backers are embroiled in some of the corruption cases that the Buhari government is probing.

However, the PDP stands a realistic chance of winning if it can agree on a strong presidential candidate and holds together. In the gubernatorial elections on 22 September in south-western Nigeria's Osun State, previously held by the APC, the opposition had a slender lead. A rerun

in seven polling units where the vote was cancelled will determine the final outcome. South-west Nigeria, particularly Lagos, Osun and Ekiti States, will be critical to next year's result.

The Shell-ENI case in Milan over OPL 245 in 2011 is just the latest in a line of cases probing corruption in multiple jurisdictions linked to major international companies in Nigeria (AC Vol 59 No 15 & Vol 56 No 24).

CHARGES

Shell and ENI deny any wrongdoing. But Italian and Nigerian fixers for the deal were convicted on corruption charges on 20 September. Now, ENI Chief Executive **Claudio Descalzi** and Shell's former Executive Director for Upstream **Malcolm Brinded**, along with senior colleagues, face charges in Milan.

MTN, a **South African** telecoms company, is fighting claims in a report by Nigeria's Department of State Security (DSS) that it remitted US\$11.1 billion in profits through illicit channels out of the country to tax havens in the 2000s.

The DSS report, which *Africa Confidential* has seen, names several banks, Nigerian and international, as complicit in the transactions. It recommends further investigation of all governors of the Central Bank – **Charles Soludo**, **Sanusi Lamido Sanusi** and current governor, **Godwin Emefiele** – since 2006. The DSS report claims that the losses to Nigeria's treasury in this period total \$25.6bn.

Although sources close to MTN see the latest claims as a pre-election shakedown,

SOUTH AFRICA	2	KENYA	4	SOUTH SUDAN	5	SOMALIA	7	UGANDA	8
Investors weigh rescue plan		Populists hack at the budget		No cash, no peace		Money worries		SIERRA LEONE	9
A presidential fightback against Zuma-era sleaze triggers mixed reactions		Backbench MPs gang up against budget plans by President Kenyatta and Raila Odinga		The new deal between the warring parties has ambition but wary donors won't fund it		The federal state is barely holding together and yet a new currency is set to launch		ETHIOPIA	10
								POINTERS	12

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the company is likely to cut a deal on the remittance and a back-tax bill, which is also in dispute, but the bidding will start at over \$1bn. It also knows that **Oscar Onyema**, director of the Nigerian Stock Exchange, is eager to get MTN to list to boost the local capital market and forex inflows. Emezie, whose term as CBN governor expires next year, has tried to soothe nerves by saying that the banks which handled MTN's remittances would not be penalised.

International banks are also in the

frame. In March, the **United States** investment bank JP Morgan faced a civil action brought by Nigeria in London over its role in managing funds in the OPL 245 case. JP Morgan argued that it was only obeying orders from President **Goodluck Jonathan's** government to transfer \$800m, paid into a government account by Shell and ENI, into private accounts in Nigeria. The case continues.

A note by an analyst at Hong Kong-based HSBC in mid-September criticising Buhari's economic policies drew a stinging response. The government highlighted HSBC's links to laundering funds for several disgraced officials, including the late military ruler General **Sani Abacha** in the 1990s, former Delta State Governor **James Ibori**, convicted in London in 2012 for corruption, and unnamed serving Senators.

Standard Chartered, also a stern critic of Buhari-nomics, has admitted 'mistakes' in its role in the current MTN fiasco and was named by the US Justice Department in July last year as one of

the banks operating accounts for oil deal broker, **Kola Aluko**, who is under investigation for money laundering. Aluko was close to **Diezani Allison-Madueke**, Minister of Petroleum Resources in 2010-15, who is the subject of a lengthy fraud investigation in **Britain** (AC Vol 58 No 7).

An official in the presidency told us: 'Companies say they want a level playing field and it is the only basis for sustainable foreign direct investment. We are trying to re-establish the rule of law ...if they break the law they should expect to be sanctioned.'

The government's problem is to convince Nigerians that such investigations pay off; the US Justice Department earns billions of dollars in fines and seizures each year, even on cases that could have been heard in Nigeria, Europe and South America. But Nigerians complain they see little evidence that funds clawed back from international fraud cases are put to good use by the government. ●

SOUTH AFRICA

Investors weigh rescue plan

A presidential fightback against lingering effects of recession and Zuma-era sleaze triggers mixed reactions in the business world

With the election of President **Cyril Ramaphosa** in February, South Africa experienced waves of 'Ramaphoria', following the hollowing out of the state under President **Jacob Zuma** and his disaster-prone leadership (AC Vol 59 No 5). Zuma is now facing a fraud trial and judicial commission and yet another inquiry – all in evidence that all those storms are firmly in South Africa's past.

And yet. The economy sank into recession a fortnight ago after two consecutive quarters of negative growth (-2.2% and -0.7%), against a backdrop of 27.2% unemployment, a budget deficit of 4.3% of GDP in 2017, uncertainty over land reform and creaking infrastructure. International investment has been put on hold, money has flowed out of the country and some of the most prominent industrialists have emigrated.

The rand broke through the R20-to-the-pound (sterling) level after reports exposed an alleged plot by Zuma and his sympathetic sleepers in the African National Congress to replace Ramaphosa as leader of the party. The currency had risen to 16 to the pound just four months earlier.

Within two weeks of the alleged anti-Ramaphosa plot, the former President travelled to Doha in **Qatar** to meet the head of state, without informing Ramaphosa as required by protocol. Zuma's unauthorised visit to Sheikh **Tamim bin Hamad al Thani** is being interpreted in diplomatic circles as a possible foray to explore self-imposed exile and a distinct sign that the embattled former President's influence is waning.

But at home Ramaphosa faces growing criticism from both ends of the political spectrum – on the left for repackaging neoliberal policies, in the eyes of **Julius Malema's** populist Economic Freedom Fighters (EFF), and on the right for capitulating to the populists.

The business community has in the main stayed loyal to Ramaphosa in the belief that he is the only bulwark against a slide back into full-blown corruption and further weakening of state institutions. However, they are surprised that the President has not yet appointed a new national director of public prosecutions, following the dismissal of the discredited **Shaun Abrahams** in August.

There has been increasing concern among captains of industry in recent months over Ramaphosa's strategy of embracing the demands of the EFF leadership to change the constitution to allow for land expropriation without compensation – even before a parliamentary committee has reported. 'The fact is that he has not yet been able to convince foreign investors of either of his key undertakings on land reform and economic recovery,' said a key analyst in London.

The analyst said that so far the President had failed to reassure investors that land reform would not damage the economy or undermine food security (AC Vol 59 No 11). Nor has he made visible progress in getting the economy back on its feet, following downgrades, a degree of capital flight, an increase in unemployment and recent widening of the chasm between haves and have-nots.

Consequently, his fiscal stimulus package, announced on 21 September, came not a moment too soon. It prompted mixed reactions at home and abroad, but analysts and senior business executives want to assess both the swiftness and the depth of implementation.

Speaking on 25 September at the Council on Foreign Relations in New York, where he is also attending the UN General Assembly, Ramaphosa hinted he was working on a solution to the land reform conundrum involving the large tracts of state land. He hopes his appointment of an expert panel will help (see Box).

RAMAPHOSA'S ADVISORY PANEL ON LAND REFORM

- **Vuyokazi ('Vuyo') Mahlati**, member of the National Planning Commission and president of the African Farmers' Association of South Africa (chair of panel)
- **Ruth Hall**, researcher and professor at the University of the Western Cape's Institute for Poverty, Land and Agrarian Studies
- **Professor Abdus Salam Mohammad Karaan**, professor in agricultural economics at Stellenbosch University
- **Daniel Kriek**, Free State commercial livestock farmer and president of AgriSA, an umbrella group of farming associations
- **Bulelwa Mabasa**, attorney with expertise in land restitution and reform
- **Thato Moagi**, young emerging farmer (aged 27) and entrepreneur
- **Thandi Ngcobo**, chief executive and founder of the Dr J L Dube Institute for Humanitarian and Development Praxis at the University of KwaZulu-Natal
- **Tembeka Ngcukaitobi**, advocate, public speaker and author whose work for the Legal Resources Centre and Johannesburg Bar spans public law, labour law and competition
- **Nick Serfontein**, chairman of Sernick Group, which is cooperating with Ramaphosa; 2016 Free State Farmer of the Year and Mentor of the Year
- **Wandile Sihlobo**, agricultural economist, head of research at the Agricultural Business Chamber, independent advisor to Agrifair Food Groups ●

The most significant element of the package is that the state will redirect roughly 450 billion rand (US\$32bn) of spending to focus on the ailing education system, collapsing health care and infrastructure, and the dismal state of most of South Africa's 278 municipalities, as well as urban black townships.

Ramaphosa stressed that the package would be implemented with existing resources, as 'fiscal space is constrained'. He also announced the appointment of a ten-person advisory committee on land reform, which represents a diverse spectrum of interests spanning racial, language, sectoral and demographic barriers.

The panel members will have a tough job finding a balance between unrealistic expectations and demands for expropriation without compensation and without the necessary requirements for expansion of agriculture, on the one hand, and a sustainable, long-term programme of land reform on the other. Former President **Thabo Mbeki's** intervention on the question of race will make their task even more difficult. In a paper leaked from the Mbeki Foundation, Mbeki argues that the ANC has departed from its long-held fundamental principles of non-racialism by making land reform a black/white issue.

Mbeki said that when in February Zuma called on 'black parties' to unite around the policy of expropriation without compensation, he was making a bold departure from ANC policy and that the party could no longer claim to represent the people. It was now a black party relying on a black majority, rather than uniting South Africans across all races.

'Jacob Zuma was advancing a perspective about the "resolution of the national question" [ANC language for the race question] radically different

from the long-established and historic position of the ANC ... as part of this he [Zuma] also made bold to change the very nature of the ANC, characterising it as a "black party",' Mbeki wrote in the leaked document.

Analysts say Mbeki's intervention could lay the groundwork for a future split in the ANC. The already high stakes have been raised by the national election that must be held by July next year.

VISA CHANGE

Ramaphosa said that the tightened visa regime introduced under Zuma would be relaxed, removing obstacles to the revival of the tourism industry (AC Vol 56 No 13).

He signalled that his government was prepared to work more closely with the private sector on implementation of the stimulus plan and would focus on mining and agriculture as the main sectors for development. He has repeatedly stressed that he wants to see increased agricultural production as an outcome of land reform.

Meanwhile, potential investors in the oil and gas sector welcomed the President's decision to withdraw the Mineral and Petroleum Resources Development Act 2002, raising hopes that it will be revised to ensure the removal of provisions which investors regard as toxic. The draft law has been in limbo for the past three years, subject to several hundred draft amendments in Parliament.

Ramaphosa also announced the creation of an infrastructure executive team, which is likely to be led by the former Finance Minister **Pravin Gordhan** and include Telkom SA's **Jabu Mabuza**, a Ramaphosa ally who co-leads a group of prominent business advisers. Mabuza also chairs the reconstituted electricity supply commission, Eskom.

Gordhan, now Minister of Public Enterprises, in charge of reviving corrupt and ailing state-owned enterprises, said the stimulus would be a game-changer. 'We often get criticised for having nice policies but not being able to implement them,' he said. 'This

CALLED TO ACCOUNT

Opposition leader Mmusi Maimane of the Democratic Alliance has requested confirmation from the Zondo Commission into state capture that the following former and serving state officials be called to testify:

- **Lynne Brown**, former Energy Minister
- **Jessie Duarte**, ANC Deputy Secretary-General
- **Arthur Fraser**, former spy chief/Director-General of the State Security Agency, now National Commissioner of Correctional Services
- **Malusi Gigaba**, former Finance Minister, now Minister of Home Affairs
- **David ('DD') Mabuza**, current Deputy President of the ANC and South Africa
- **David Mahlobo**, former State Security Minister
- **Gwede Mantashe**, Chairman of the African National Congress
- **Tom Moyane**, former head of the South African Revenue Service, the national tax collection agency
- **Cyril Ramaphosa**, current ANC President and President of South Africa
- **David Douglas ('Des') van Rooyen**, former Minister of Local Government
- **Jacob Zuma**, former ANC President and President of the Republic of South Africa
- **Mosebenzi Zwane**, former Minister of Mineral Resources ●

is an important “new start” in the way we do things in government.’

Economic Development Minister **Ebrahim Patel** said the stimulus package would help reignite growth, restore investor confidence in the economy and prevent further job losses. Investors and analysts remain more sceptical, however.

Gordhan will have his first face-to-face meeting with foreign investors since he took up his new ministerial brief in February as a keynote speaker at the 2018 Financial Times Africa Summit in London on 8 October.

Mid-month, Ramaphosa will address employment and investment summits in

South Africa before the midterm budget, which Finance Minister **Nhlanhla Nene** will present to Parliament on 24 October. He is then due to travel to Berlin for the G20 Compact with Africa investment summit, on the fringes of which he is expected to hold talks with Chancellor **Angela Merkel** of Germany, and possibly President **Emmanuel Macron** of France.

The European Union has also scheduled an EU-South Africa summit in Brussels on 15 November to reignite a political relationship with South Africa which ground to a halt in the dying days of Zuma’s presidency (AC Vol 59 No 17).

The crisis in confidence on both

the consumer and business fronts has emerged against the backdrop of a commission of inquiry into state capture, led by Deputy Chief Justice **Raymond Zondo** (see Box). The announcement of the investigation has been steadily eroding the credibility of the ANC as it sheds light on how much the party knew about the hijacking of state power but did nothing to stop it.

Judging by the list of people the Democratic Alliance **Mmusi Maimane** has requested be called to testify, the critics’ claim that South Africa did not have a Zuma problem holds true. Rather, they say, it had an ANC problem – and still has one. ●

KENYA

Populists hack at the budget

Backbench Jubilee and Nasa MPs are ganging up against revenue plans by President Kenyatta and Raila Odinga

On Tuesday 18 September, President **Uhuru Kenyatta**’s governing Jubilee party and the opposition (at least in name) National Super Alliance (Nasa), led by **Raila Odinga**, held separate emergency parliamentary group meetings with one common aim: to marshal their MPs to support a revised budget for the current financial year (July 2018 to June 2019). The most pressing need was to ensure that they approved a highly unpopular value added tax on petrol and petroleum products.

Vocal MPs, the press and religious leaders had opposed the original 16% tax, arguing that it would burden ‘the ordinary *mwanaichi*’ [citizen] (AC Vol 59 No 18). The President suggested a compromise of 8% and Odinga thought this reasonable. Yet rather than the usual compliance by MPs to orders from party bosses, this time Kenyans witnessed a wholly different result: bipartisan collaboration among backbench Jubilee and Nasa MPs that nearly defeated the President’s Finance Bill. Using messages on WhatsApp, backbench MPs plotted to accept nothing short of zero VAT on petroleum products in the name of the people. Though the strategy failed this time it could change the Kenyan political landscape, should backbench unity persist.

The widely anticipated debate took place on 20 September, two days after the ‘orders from above’. What saved the government from humiliating defeat was a technical ploy: when the matter was put to a voice vote, the Acting

Speaker, **Soipan Tuya** (an otherwise respected Maasai MP for Narok), ruled that the Ayes had it when it was clear to everyone watching proceedings on television that the Noes were more numerous and louder. Pandemonium ensued. Backbenchers yelled their disagreement with the Speaker and with front-benchers, whom they accused of ‘betraying the people’. Pro-government MPs yelled back, calling their opponents ‘hecklers’.

In an unprecedented move, MPs from Kenyatta’s Kikuyu backyard, corralled by **Catherine Waruguru** (Laikipia) and **Gathoni wa Muchomba** (Kiambu), led the dissenting Jubilee minority in anti-government chants. Fearing that the back bench might call for a division on the vote, Majority Leader **Aden Duale**, assisted by former Finance Minister **Amos Kimunya**, and Minority Leader **John Mbadi**, supported by the Minority Whip **Junet Mohamed**, instructed those MPs who would listen to leave the chamber immediately.

Duale later admitted that he played ‘a trick’ to quell a revolt in the ranks. About a hundred MPs, mostly Jubilee, marched out together with four top Odinga loyalists: Mbadi, Mohamed, **Opiyo Wandayi** and **Gladys Wanga**. This denied those still in the chamber the two-thirds majority they needed of the 215 MPs originally seated to override the Finance Bill.

When Speaker **Justin Muturi** resumed his seat, he asked for a fresh vote but soon contradicted himself, saying there was no need, as the

Hansard record proved the Ayes had won. Some claim he was acting on a directive from State House. Had the bill been defeated, it could have whetted backbenchers’ appetite for a leadership that defies Kenyatta’s and Odinga’s front-bench placemen. The bipartisan approach still promises to lead Kenyan politics in uncharted directions: MPs have vowed to challenge the results of the vote in court and to impeach the Speaker.

Kenyatta’s years of heavy government spending on salaries, infrastructure and now his ambitious Big Four legacy projects, despite consistent revenue shortfalls, have at last produced a crisis that will hurt both main parties (AC Vol 55 No 14). Nasa has come out in support of the Big Four agenda for agriculture, healthcare, manufacturing and affordable housing, as well as the government’s budget and taxation policies (AC Vol 59 Nos 12 & 16).

BIG SPENDERS

Between 2014 and 2017, total government expenditure rose by 30% while revenue shortfalls ranged between 3% and 8% annually. The rising expenditure stemmed partly from a mounting wage bill (especially for teachers, civil servants and the armed forces), payments on international commercial bank loans, and Chinese standard-gauge rail debt offsets. But Kenyatta and Deputy President **William Ruto** have also been consummate spenders, promising new roads to somewhere every month, a laptop to every schoolchild (even in villages without electricity), free maternity care (even for those who can afford to pay for it) and cash handouts to the elderly regardless of income.

They have also cut taxes as well as fees for issuing land title deeds and national school examinations results – even as the revenue/expenditure gap has widened. The deficit has been met

TO THE SPOILS GOES THE VICTOR

On the surface, Kenya is the kind of country where the political leader who tops the polls as the person most likely to be the next head of state also has a reputation for being 'the most corrupt leader in the country'. Deputy President **William Samoei Ruto** is no exception.

In March this year, Ipsos Synovate, Kenya's most respected pollster, put Ruto in the lead for 'my preferred presidential candidate in 2022', when the next general election is due. He led with 30%, against 14% for **Raila Amolo Odinga**, followed by **Ali Hassan Joho**, Governor of Mombasa, **Stephen Kalonzo Musyoka** and others. Five months later, in August, Ipsos carried out a corruption prevalence survey asking Kenyans to name 'the most corrupt political leader' they know. Again, Ruto topped the survey with 33%, followed by the Governor of Kirinyaga, **Anne Mumbi Waiguru**, with 31%.

Yet there is no inconsistency. Those who said Odinga would be their preferred President in 2022 would rate Ruto low for corruption; so would a minority of Jubilee voters, as well as those who chose Odinga's allies Joho and Musyoka. However, 90% agreed that most Kenyans are averse to corruption.

Ruto angrily trashed the poll as 'fake' information, contrived by opponents he will face in the 2022 presidential race. Waiguru's response was more bizarre. She claimed that the poll was cooked up by those scared of a powerful potential ticket offering Ruto with herself as running mate, and declared that she was not as corrupt as ex-President **Daniel arap Moi**.

Waiguru is widely seen as a big beneficiary in the 761 million Kenyan shilling (US\$7.8mn) National Youth Service corruption case of 2015 (AC Vol 57 No 23 & Vol 59 No 13). Many Kenyans were scandalised when Chatham House in London invited her to give a keynote address in July on devolution and gender in Kenya. ●

by domestic borrowing – crowding out private-sector clients – and foreign commercial loans. Between 2016 and 2018, the public-sector deficit ranged around 8% of GDP, rather than the 6% or lower that the government had pledged to the IMF as a condition for its US\$1.5 billion Kenyan stand-by facility.

Just as problematic, in 2016 Kenyatta approved an interest cap on all bank loans at 4 percentage points above the Central Bank Rate, leading to a reduction in credit to small and medium-scale enterprises (AC Vol 57 No 18). The IMF also wanted the cap removed but the backbench populists would have none of that, and so it remains. Despairing of the cap and the fiscal deficit, the IMF suspended its standby facility in early September. The Kenyan shilling responded by dipping in value. Moody's downgraded Kenya's credit rating to B2 in February over government debt sustainability concerns.

Oddly, Kenyatta and the populist MPs share a view on the origins of the problem. Both consider Treasury Cabinet Secretary **Henry Rotich** and his top associates Principal Secretary **Kamau Thugge**, Economic Secretary **Geoffrey Mwau** and Central Bank Governor **Patrick Njoroge** – all whom have worked for the Fund at some point – as parties in an IMF conspiracy which aims to hit the poor with austerity measures, cuts in public projects and handouts, and market-determined interest rates (AC Vol 59 No 14).

GOOD POLITICS

Although Kenyatta described Parliament's rejection of the 16% tax as 'good politics but poor leadership', he has also privately criticised the Treasury for favouring austerity and for its lukewarm approach to the expansionary stance required by the Big Four. Economists at the Executive Office of the President, led by **Bernard Mbui Wagacha**, back

the President in opposition to the IMF, Treasury and Central Bank. Only after much persuasion did Kenyatta accede to higher taxation in the current budget.

In a way, the government chose the wrong moment to raise taxes and cut spending. The press and social media are saturated with stories of mega-corruption at national and county government level. People give Kenyatta credit for action in this regard, but they want the government to use the funds recovered to plug the deficit, and demand that Jubilee spurns IMF guidelines and the advice the President is getting from Treasury top brass. How long the Treasury's senior staff can survive is a matter of conjecture, yet if Kenyatta removes them as the populists demand, the economy will nosedive, as happened in **South Africa** when **Jacob Zuma** fired Finance Minister **Pravin Gordhan** in 2017. As things stand, business confidence is declining for the first time in years. ●

SOUTH SUDAN

No cash, no peace

The new agreement between the warring parties has ambition but twice-bitten donors won't fund it. Few believe it has a future

It's official: the peace agreement has been signed, all protocols observed, the countdown begun. With all parties supposedly on board, a Revitalised Transitional Government of National Unity is due to be established in May, after an eight-month 'pre-transitional period'. Then, after three years of coalition government, democratic elections should be held,

under a revised permanent constitution, to determine the future. What could possibly go wrong?

The ambitious timetable required the immediate establishment of a National Pre-transitional Committee by 26 September, and an Independent Boundary Commission to determine the number and borders of states. This is probably the most contentious issue

at the peace talks, which the mediators hoped to defuse by stipulating that this will be settled by a referendum before the new transitional government takes office, should the parties fail to agree in time.

The cantonment agreement envisages that all organised forces will gather in agreed locations in no less than battalion strength within 30 days, with recruitment and training of new recruits to cease immediately. The deal further requires the creation of a hybrid court and various other measures, including the training, funding and deployment of an expanded Regional Protection Force.

It also envisages the establishment of a Revitalised Ceasefire and Transitional Security Arrangements

Monitoring and Verification Mechanism (RCTSAMVM) as well as a revised and reconstituted Joint Monitoring and Evaluation Committee, all prior to the formation of the new power-sharing government by May 2019. The JMEC also needs a new head, following the resignation of **Botswana's** former President **Festus Mogae** who has led the somewhat toothless body since 2015. For the interim, the JMEC is being led by its deputy chief of staff, **Dominican** diplomat **Thomson Fontaine**.

There is still widespread international concern about the failure to end fighting around Yei, and between supporters of chief rebel leader **Riek Machar** and loyalists of the current First Vice-President, **Taban Deng Gai**, in the main opposition heartland of central Unity State (AC Vol 58 No 22). **United Kingdom** special representative **Chris Trott** made it clear that there would be no chance of further engagement until all the guns fell silent and December's cessation of hostilities agreement was fully respected.

The Intergovernmental Authority on Development (IGAD) is seeking funding to deploy regional forces from **Somalia** and **Djibouti**, as well as to finance and legitimise forces already en route from **Sudan** and **Uganda**. Since Sudan already hosts two separate peacekeeping forces – the UN-African Union Hybrid Operation in Darfur (UNAMID) and the UN's Interim Security Force for Abyei (UNISFA) in the contested area of Abyei and the undemarcated border between Sudan and South Sudan – and Somalia is still hosting a regional African Union peacekeeping force, their potential deployments are raising obvious concerns. So, too, is the fact that neither Sudan nor Uganda can be regarded as neutral when it comes to South Sudan.

UN Secretary-General **António Guterres** warned that countries in the region must support the 'rigorous implementation' of UN sanctions and the arms embargo, specifying that any movement of military forces, weapons, or related material into South Sudan is prohibited.

If all goes to plan, and everything is in place to convince the key protagonists that their security is assured, then Riek and the other opposition leaders should be willing to travel to Juba and participate in power-sharing. Government forces narrowly failed to kill Riek in July 2016, shortly after he returned to Juba with his safety guaranteed. Even if he feels secure enough to return again, funding will be needed.

So far, however, the usual donors, particularly the Troika of the **United States**, **UK** and **Norway**, as well the

European Union, are sceptical about the deal and won't provide further funding unless certain conditions are met.

After hefty cuts to its peacekeeping budget the UN is urging other funders to step up, but the key Western donors do not want to finance anything less than a concrete peace agreement. They are also unhappy about a deal that, in effect, would subsidise not only Khartoum and Juba but also, in a de facto sense, **China**. Beijing – long involved in the local oil industry – has offered loans to rebuild South Sudan's shattered infrastructure, but many think Beijing should be putting up cash of its own.

While the notion that donors might be willing to finance Sudanese troops to patrol their neighbour's oilfields may not be entirely unprecedented, it does not have great appeal in the West.

The outgoing UN Special Envoy for Sudan and South Sudan, **Nicholas Haysom**, told the UN Security Council that the Troika countries had 'shown no appetite' to fund the current peace process without a clear provision to ensure 'transparency and propriety' in financial transactions 'including accountability for past misappropriations of public funds'. The Juba government's Information Minister, **Michael Makuei Lueth**, insists on putting it the other way around. If the Troika countries want the agreement to stick, they must pay.

UNREALISTIC

In August, just before the agreement was finalised, the Troika cautioned that the arrangements agreed to date were 'not realistic or sustainable' (AC Vol 59 No 16). Given their past failures, it said, South Sudan's leaders would 'need to behave differently and demonstrate commitment to peace and good governance'.

The Troika remained less than convinced when the final agreement was signed in September. The parties, it said, needed a 'significant change in their approach', with an immediate end to violence and full humanitarian access; the release of political prisoners; and 'a real commitment to effective and accountable implementation', to be demonstrated by robust security and enforcement mechanisms, checks on executive and majority power, and the 'transparent use of resources for the benefit of all South Sudanese'. One appointment which seems almost designed to disappoint the Troika is that of Lt Gen **Malek Reuben Riak** as Deputy Minister of Defence. He is under UN and EU sanctions for preventing aid supplies getting through. In May, Juba appointed as Army Chief of Staff Gen

Gabriel Jok Riak, who is also under sanctions.

The US activist **John Prendergast**, of the Enough! project, previously influential in pushing Washington into supporting the independence aspirations of the Sudan People's Liberation Movement (SPLM), dubbed the peace-deal a 'Faustian bargain', calling it 'a crass division of the spoils between the rival factions with the biggest guns'. It lacked, he said, meaningful checks and balances to constrain a presidency which 'wields immense powers that are used mainly to loot the country's resources and deploy extreme violence against opponents'.

NOT PLAYING MALONG

Meanwhile, despite the IGAD mediation's insistence that everyone is on board, there are still some significant hold-outs, and schisms within the opposition alliances. Worryingly for **Salva Kiir Mayardit**, ex-army-chief-turned-rebel 'King' **Paul Malong Awan** remains completely outside the process, representing a big threat from his home area, the western Dinka heartland of northern Bahr el Ghazal (AC Vol 59 No 10).

The political heavyweights among the grouping of Former Detainees also remain aloof, particularly former SPLM Secretary-General **Pagan Amum Okiec**, former security chief **Majak D'Agoot** and former Foreign Minister **Deng Alor Kuol**. For the time being the only member still on board is **John Luk Jok**, who remains Minister of Transport in the Juba government (AC Vol 59 No 15).

Although the mainstream opposition, Riek's SPLM/IO, insists it fully accepts the agreement, it still has serious reservations which it expects the regional mediation to address to its satisfaction. The issues it wants resolved include the number of states, and various technical governance and constitutional review mechanisms. Not everyone trusts that these matters will be dealt with properly. The mediation hitherto has brushed aside such matters of fairness, accountability and good governance, in favour of restoring oil revenues.

SPLM-IO spokesman **Mabior Garang de Mabior**, refusing Salva's invitation for its leadership to return to Juba immediately 'as a gesture of goodwill', pointedly reminded his government counterpart that 'we are ending a civil war, not a domestic dispute' and insisted that their return would not take place prior to the deployment of the Regional Protection Force, allowing humanitarian workers to reach all people in need, and the launch of 'a process of national reconciliation

and healing’.

While Riek’s camp is understandably nervous about returning without sufficient security provisions, a widespread trust deficit exists across the board.

Mabior, the eldest son of South Sudan’s founder **John Garang de Mabior**, has a particular grudge against Salva. At the first cabinet meeting of the short-lived previous national unity government in early 2016, Salva humiliated Mabior, who was wearing his trademark bow tie, by refusing to allow him to participate until he was ‘properly’ dressed.

Mabior’s mother, **Rebecca Nyandeng de Mabior**, who, as John Garang’s widow is effectively dowager mother of the nation, is similarly unimpressed by Salva, but he needs both on board to convince doubters that he is serious about the establishment of a genuinely inclusive new administration.

There is still measurable unrest in the Equatoria provinces. Former Deputy Chief of Staff Lt Gen **Thomas Cirillo Swaka**, founder of the National Salvation Front (NAS), maintains that the deal fails to address the root causes of the governance crisis and particularly the ‘over-concentration of

political and fiscal power’ which has allowed an ongoing land-grab by Dinka supporters of the President (AC Vol 59 No 2). NAS claims that these have been used to ‘capture the state hostage for criminal enterprises’ which deprive ethnic minorities of their ancestral land, and to ‘foster the pervasive culture of impunity’.

Despite the optimism surrounding the latest deal outside the country, it closely resembles the failed 2015 agreement. If power-sharing in 2015 quickly dissolved into renewed civil war, many wonder, why would a similar deal deliver peace in 2018? ●

SOMALIA

Money worries

The federal patchwork is barely holding together while a new currency launches. Farmajo’s absence in New York is raising questions

The Finance Minister of the federal government, **Abdirahman Bayle**, believed he had good reason to congratulate himself at the end of a week of talks with the International Monetary Fund on 22 September. His country had fulfilled all 27 conditions for receiving debt relief, and is ready to issue a new currency. Only US\$41 million is needed to complete the plan but with the blessing of the Fund the money should be found with ease.

To many experienced observers the insouciance of the Bretton Woods institutions in the face of adversity in Somalia is nothing new. But while the financial plans go forward, the federal member states have been putting the entire federal project in danger by refusing to cooperate with the Mogadishu administration. The country’s prospects for unification are the worst they have been for a long time.

The IMF and the World Bank have a mixed record in Somalia. To many, the economic liberalisation policies they insisted on in the 1980s helped pave the way for the civil upheavals that followed. Some Bank policies back then led to Bantu peoples being dispossessed in the Juba area, in the south. White elephant projects came and went. And now, a national currency is in the offing, even though Mogadishu and the federal member states (FMS) are at daggers drawn. The IMF has even been here before. President **Ali Mahdi**, the then Somali leader, issued a new currency created with IMF support in 1989 which failed dramatically.

On 8 September all the presidents

of the FMSs, except Somaliland, issued a joint statement halting relations with the federal government in Mogadishu over several complaints.

First, the intelligence service, the National Intelligence and Security Agency, although already politicised to some extent, has become even more so with the appointment of the ex-journalist **Fahad Yasin Haji Dahir** as deputy chief (AC Vol 59 No 10). Yasin is the de facto representative of **Qatar** in Mogadishu and a key player at the presidency. Analysts see his appointment to NISA on 1 September as an attempt by President **Mohammed Abdullah Mohammed ‘Farmajo’** and his team to improve their monitoring of their opponents and put Farmajo in a good position for a second presidential mandate. Not, as many have pointed out, to improve the government’s capacity to fight the *Al Shabaab* Islamist insurgents.

During the last year NISA has increasingly been used against the government’s political opponents, to hinder the work of journalists and keep alternative views off the media. Presidents of FMSs may often behave similarly, but it does not excuse the failure to object by the **United Kingdom**, the European Union, or other funders of the government, many are saying.

The Mogadishu presidency has been organising parliamentary opposition in the FMSs of Hirshabelle, Galmudug, and South West State using Qatari money that goes to the presidency, not the treasury. Federal government ministers travel to their home areas to use

government money to shore up support for themselves. The prime minister, **Hassan Ali Khaire**, speaks against corruption and yet allows, sources in the government say, members of his cabinet to use their official position and money to fight their political rivals. The Minister for Planning, Investment and International Development and a close adviser to the president, **Gamal Mohamed Hassan**, is spending a fortune on buying a parliamentary seat for his Warsangeli clan, we hear.

LOST CONTAINERS

Nothing also came of the government promises to the FMSs to share resources to fight *Al Shabaab*. At the body which is meant to coordinate federal and FMS strategy against the Islamist militia, the National Security Council, ammunition was promised in June 2018. According to senior Somali military officers, 15 containers of ammunition were ‘lost’ in Mogadishu by the government. No comment followed from the international community, although the incident illustrated why the US refuses to have anything to do with the Somali National Army, unlike the Europeans and others.

The presidency’s reaction to the challenge from the FMSs to its legitimacy was to reach for its wallet. The Hirshabelle President **Mohamed Abdi Waare**, was met in Mogadishu by two MPs close to Farmajo and Khaire and offered money. A few hours later, our sources say, he met the Qatari ambassador and left with \$2m for Hirshabelle, which was reported in Somali social media.

In the next few days, allies of the prime minister offered South West State President **Sharif Hassan Sheikh Adan** an extension of his mandate and for elections to be postponed to November 2019. He did not accept, however, because the offer held important political dangers for him.

All eyes are now on the next

gathering of the FMS presidents, along with chairs of political parties, in Garowe on 10 October. There, an embryo of a national opposition could form which could take drastic measures against the federal government with popular support.

Farmajo needs to split the federal presidents but he is confident that he can defeat any no-confidence vote at the Mogadishu parliament: at least

54 cabinet members are MPs, which makes such a vote very difficult in a Parliament of 275 members but with an average of 90 absentees. Meanwhile, the international community supports him regardless of the weakness of his position and his poor public image.

Against this backdrop many are wondering why Farmajo does not go the UN General Assembly, like other African presidents, to promote

himself and his government. A cynical observer in Mogadishu provided one answer; Farmajo is a **United States** citizen, accountable to US laws, and not therefore protected by the special rules that govern UNGA attendees. Besides the protocol nightmare of the US receiving a US citizen as a foreign president, he could run into lawsuits that could compel a longer stay in his adoptive country. ●

UGANDA

Museveni to tough it out

The President is taking no chances and making no concessions. He is mobilising 24,000 reservists as popular protests continue

Thousands of new security personnel are being deployed to meet the threat of mass civil unrest after the triumphant return to Kampala of **Robert Kyagulanyi** aka **Bobi Wine** to huge crowds on 20 September. The MP, singer and People Power leader had been receiving medical treatment in the **United States** for injuries inflicted by soldiers in the street and in detention. He has been charged with treason (AC Vol 59 No 18).

In yet another rambling address to the nation on TV and radio on 18 September, President **Yoweri Museveni** prepared for Bobi Wine's return by saying he was mobilising self-defence forces and reserves totalling 24,000 men and women. The cabinet has also authorised US\$104 million in new borrowing to increase camera surveillance in public areas and on highways. Ostensibly, these measures are designed to deal with an embarrassing series of high-profile assassinations of Muslim leaders and ex-security personnel, the most recent of whom was former police chief **Muhammad Kirumira** on 8 September, who left the force in January after criticising the police leadership.

The show of force is characteristic of the tactics developed by disgraced former police chief General **Kale Kayihura** to crack down on urban protest movements led by opposition figures such as Bobi Wine and his People Power movement and his predecessor in widespread social protest, **Kizza Besigye** of the Forum for Democratic Change. Some sources believe Kayihura or his sympathisers may be behind some of the assassinations.

People Power has eclipsed the FDC leader (AC Vol 59 No 16). Besigye pioneered civil disobedience tactics for popular protests in the wake of the

Arab Spring in 2011, when a general election was taking place in Uganda. He led the highly popular Walk to Work movement, which gripped the capital for about three months (AC Vol 52 No 9). The two movements have not united, however, and their supporters have accused each other of disrupting their rallies. They put up separate candidates in elections. So far, Bobi Wine has the backing of former army commander Gen **Mugisha Muntu** but not the more radical opposition faction led by Besigye.

When Bobi Wine was expected at Entebbe Airport, the police and the army sealed off the road to Kampala and deployed tear-gas trucks, armoured cars, roadblocks and scores of armed patrols. Journalists en route to the airport were arrested and anti-government politicians such as Kampala Lord Mayor **Erias Lukwago** and MP **Medard Sseggon** and were prevented from leaving their homes (AC Vol 54 No 14). Soldiers in trucks swamped the area near Bobi Wine's home, beating civilians with sticks in an effort to deter people from going out. Police were filmed slapping and kicking a man who they blamed for wearing a red 'People Power' shirt. Security sources say extended surveillance on the network of the pop star – who the authorities accuse of being funded by foreign money – will continue with the aim of isolating and breaking up his associations with NGOs, foreign missions such as the US Embassy in Kampala and international media contacts.

FOREIGN INTERESTS

According to the President, Bobi Wine is a catspaw of foreign interests such as NGOs, which are often blamed for instigating protests. The prevailing

wisdom in the intelligence services is that if Bobi Wine is cut off from international support the protests will fade away. 'His network is known now,' said a security source who signalled that the government may consider further deportations of individuals sympathetic to the singer or his movement. **Jacqueline Wolfson**, founder and chief executive of the Shule Foundation, an education charity, was deported on 9 September after the state accused her of using her organisation as a cover to fund Bobi Wine.

These tactics run parallel to the state's unashamed use of force, a policy not without its critics in the regime. The involvement of regular troops led by the Special Forces Command that guards the President comes at the cost of intelligence-led approaches favoured by the Internal Security Organisation and External Security Organisation. One intelligence source sympathetic to the goal of suppressing the wave of unrest told *Africa Confidential* that cameras and high-tech surveillance were a poor use of resources compared to informers and low-level intelligence.

NO ANSWERS

The state is clearly at a loss as to what to do about the People Power movement. Apart from massive force, the President and his advisors appear to have no answers, and misdiagnose the causes of the unrest. Many are blaming **Rwanda**.

A wider and coordinated campaign of civil disobedience could return Uganda to the daily chaos that followed Walk to Work in 2011. The massive recruitment of local defence forces in Kampala could also be an attempt to keep young men off the streets and out of the demonstrations. The army's stipulation that recruits should be aged between 18-35, have no current employment, have a minimum of primary-level education, and hold a national identity card targets the same demographic as many of the protesters. The recruitment looks like permanent conscription into the army, in effect closing the door for the same group of individuals to reintegrate into the community with military skills.

That was the experience of the so-called 'Crime Preventers', a group of students and activists tasked with encouraging Ugandans to support Museveni. They were initially a

force only linked with the security establishment through association and were therefore difficult to track or manage (AC Vol 59 No 4). That the 'Crime Preventers', whom the opposition

accuse of being a pro-government militia, for example, did not rise up in a counter-protest against Bobi Wine suggests that the strategy has been a failure. ●

SIERRA LEONE

Man in a hurry

Julius Maada Bio has promised much on education, and the anti-corruption bandwagon is already rolling

Determined to make his mark early, President **Julius Maada Bio** has promised a revolution in transport, in education and in tackling corruption. As well as promising a US\$1.3 billion bridge to link Freetown to Lungi international airport, he is bent on free education for all (AC Vol 59 No 18). On 20 August, he launched the programme, boasting, 'When I promised free and quality education my opponents said it was a political gimmick. But today, I have proven them wrong.'

President Bio's flagship campaign pledge is to revamp the entire education system at primary and secondary levels. Much as his ambition has been applauded, planning the changes has been difficult because the exact numbers of pupils and teachers are not known. Civil servants and politicians created many 'ghost' schools, institutions which exist only on paper and are allocated government funds which are then stolen. Bio has taken the unprecedented step of appointing to the education portfolio two ministers and two deputy ministers to underscore the programme's importance.

Alpha Osman Timbo, a former secretary general of the Sierra Leone Teachers' Union and now Minister of Primary and Secondary Education, has conducted a census, on the basis of which the government announced that there are just over 2.14 million pupils in 8,907 schools. This includes privately-funded schools, however, which will not benefit from the programme. Even so, the figures are suspect. Freetown and its immediate western environs – data for which can be cross-checked – have long been known to be home to most schools but the census found only 1,850 there. It is hard to believe that there are 7,057 schools outside the capital.

On 17 September, the Harvard-trained Financial Secretary, **Sahr Lahai Jusu**, announced that he had authorised the payment of 25.1bn leones (\$3 million) to 3,491 schools to

cover students' fees. This figure seems more realistic. The government has also increased the allocation for education from around 15% to 21% of the budget.

Some difficulty may spring from Bio's insistence that primary and secondary-level education be compulsory as well as free. Bio intends to use the 2004 Education Act, under which parents can be punished for subjecting children to 'excessive chores' or making them hawk goods instead of sending them to school, but it has rarely been used.

There are carrots too. 'Conditional cash' will be made available to poor parents to encourage them to send their children to school rather than make them sell goods on the street. Two weeks after schools reopened, the policy seemed to be working. Freetown streets previously clogged with children selling everything from peanuts to bread were clear. Some 5bn leones (\$595,000) has been set aside this year for the scheme. A further 69.6bn leones (\$8m) is budgeted for free meals for schoolchildren in 'remote communities'. The measure is popular but could well run into logistical problems and is the kind of scheme that is vulnerable to abuse. During the Ebola outbreak, officials routinely stole food meant for quarantined homes using companies they had set up to bid for distribution contracts.

A bigger problem is educational bricks and mortar. Attracted by the free education promise, the influx of school pupils has overwhelmed the existing facilities, with desks, chairs and classrooms themselves not available for many. About 41% of Sierra Leone's population is aged 15 or below, according to the 2015 national census, meaning three million out of a population of just over seven million qualify for free education. A July supplementary budget set aside money for teaching materials and textbooks but not new infrastructure.

Finance Minister **Jacob Jusu Saffa** has revised projected economic growth downward from the improbable

6.1% claimed in President **Ernest Bai Koroma's** October 2017 pre-election budget to 3.7%. The country's main source of tax income ran dry when the iron ore operations of **China's** Shandong Iron & Steel Group stopped in November, a month after the previous government's last budget. SISG blamed low world prices and poor-quality ore. A senior company official told *Africa Confidential* that bauxite contaminants in the ore make it more expensive to process and harder to sell in European markets. The total value of exports in the first quarter of this year amounted to a trifling \$110.5m, 25% lower than for the same period in 2017. Imports, on the other hand, totalled \$355m, 11% lower than in the same period last year but still leaving a trade deficit of \$244.5m.

TAXING TIME

More vigorous domestic revenue collection has helped, as has elimination of duty waivers, over which the previous government was widely criticised, including by the IMF (AC Vol 59 No 3). Saffa announced that revenue collected by the state during the period amounted to 1.07 trillion leones, over 200bn leones more than for the same period last year.

The government has been trying to reduce the state payroll, which Bio's officials claim was bloated by Koroma cronies. It started by clearing out about 100 of President Koroma's advisors and experts from State House. Such political appointees could hardly have expected to survive the change in administration, and although the move was popular its impact is negligible. The government's ban on ministries and agencies holding conferences, seminars and workshops at hotels, rather than government facilities, has saved money but threatens to ruin the hotels, many of which have failed to recover from the impact of Ebola on tourism.

Further savings will come from forcing state agencies to open every contract to competitive bidding, says **Ibrahim Brima Swarray**, appointed in June to serve as chief executive of the National Public Procurement Authority (NPPA). In a report to be launched shortly, Swarray claims to have saved the government \$70m by reviewing contracts and forcing the granting agencies to submit them to competitive bidding. Competitive tendering for

government contracts is already the law, however. Swarray says review of a contract by the Sierra Leone Ports Authority for tugboat towing services saved the government \$58.3m in annual costs over a period of 10 years. And a contract review of an award by the Sierra Leone Police for radio telecommunications equipment saved over \$4m.

The NPPA was set up by President **Ahmed Tejan Kabbah** in 2004 but marginalised under Koroma, whose government issued many important contracts by 'executive clearance', meaning they could not be reviewed or submitted to competitive bidding. Swarray's report will raise the NPPA's profile as an anti-corruption framework.

HOUNDED OUT

Much more high-profile and radical has been the work of the Anti-Corruption Commission under the youthful **Francis Ben Kaifala**, who took up the position in June. President Koroma appointed an energetic ACC chief when he first took office in 2007 but by 2010 the prosecutorial zeal of ACC chair **Abdul Tejan-Cole** had become too much for the elite when three ministers were indicted, and he was hounded out of the country after receiving threats. No further high-level prosecutions or investigations took place under Koroma.

Shortly after assuming office, Kaifala ordered the arrest of former Vice-President **Victor Bockarie Foh** and former Mines and Mineral Resources Minister **Minkailu Mansaray** on charges of embezzling funds earmarked for hajj pilgrims. A few days later, Foh

and Mansaray quietly paid \$60,000 to the commission, some of the sum allegedly embezzled. Both men will face trial, with the payments to the ACC likely to be presented as evidence.

In August Kaifala had an arrest warrant issued for **Kholifa Koroma**, the former Chief Immigration Officer. Koroma fled the country after learning that the ACC had arrested **Alfred Kallon**, a senior employee in the Administrator General's office. Accused of selling hundreds of diplomatic and other passports, Kallon told investigators that he was acting on behalf of Kholifa Koroma. Kallon is now in custody. An Interpol notice has been issued for Koroma. The illegal sale of passports had been highlighted in the report of Bio's transition team (AC Vol 59 Nos 13 & 14).

When it learned of the ACC investigation, the US embassy approached Kaifala saying that its consular section held over 100 such passports, which had been submitted by individuals applying for visas. On 12 September the ACC, with the embassy's collaboration, arrested nine such passport-holders who had gone to pick up what they thought were their visa-stamped papers at the US consulate in Hill Station, Freetown. Also arrested was **Allieu Kanu**, Sierra Leone's former ambassador to the UN, who later served as chairman of the Independent Media Commission. He is alleged to have collected upwards of \$7,000 from people in return for service passports, which are passports issued to government employees who need to travel but do not qualify as diplomats, and visas which labelled them as his employees.

US diplomats told Kaifala that they would facilitate the deportation of any Sierra Leonean in the US whom the ACC indicts in a court of law. Among those believed to be living in the US is **Leonard 'Logus' Balogun Koroma**, a former transport minister whom the Bio transition team recommended be investigated over a contract to buy and maintain 100 buses from China for the astronomical sum of \$12.3mn.

President Bio has also made good on his promise to set up a judicial inquiry into corruption in the previous government. Nigerian judge **Biobebe Georgewill** will preside alone on a commission to determine whether certain high-ranking officers of state maintained 'a standard of life above that... commensurate with their official emoluments' while in office and whether they stole state assets. This is the measure that is believed to be causing most concern to ex-President Koroma, his ministers and political appointees to state agencies and departments.

The main opposition All People's Congress, which is still chaired by Koroma, brought a case in August to the Supreme Court pleading that the commission of inquiry be fully debated and voted on in Parliament before opening. The APC holds 68 seats in the chamber to the 49 held by President Bio's Sierra Leone People's Party (AC Vol 59 No 9). But so far, the SLPP has been able to garner the support of smaller parties and paramount chiefs to get all its appointees and measures approved, and the commission of inquiry appears to be popular even among some of the newly elected APC MPs. ●

ETHIOPIA

Rallies shatter fragile peace

Ethnic killings, shootings by police and mass detentions rock Addis Ababa as Abiy's democratic openings trigger ferment

Ethiopia's rulers scheduled the triumphant return of two diametrically opposed political movements a week apart in a move that spoke of either breezy confidence or naivety. The events that followed in and around Addis Ababa included 50 deaths, thousands of arrests, the reappearance of authoritarian policing, and vicious recriminations between rival supporters.

First came Ginbot 7 and its leader, **Berhanu Nega**, former mayor-elect of Addis Ababa, an economics professor and part-time rebel (AC Vol 51 No 8). His

mass rally in Addis Ababa Stadium on 9 September passed peacefully, and many waved the pre-federal era flag, a plain green, yellow and red tricolour. They generally oppose Ethiopia's division into ethno-national units, whether promoted by the ruling Ethiopian Peoples' Revolutionary Democratic Front coalition, or its opponents.

Trouble stirred the following week when supporters of the previously outlawed Oromo Liberation Front (OLF) arrived in town, and flags became a focus for skirmishes with local police. OLF

and Oromo activists make strong claims to Addis Ababa, the self-governing federal capital, which they believe should be under the administration of Oromia state. The rally celebrating the return of **Dawud Ibsa** and his comrades from exile in Asmara on 16 September came and went without a hitch. But by then violence had spread across the city and its western environs in Oromia.

What exactly happened between 13 and 16 September is unclear – obscured by patchy information and competing accounts. The dominant theory about the deaths is that those celebrating the OLF's return attacked individuals from minority Southern communities in Oromia towns near the city, such as Burayu. Others claim Oromo communities were attacked and provoked, with some alleging that Ginbot 7 orchestrated events.

The atrocities outraged thousands in Addis Ababa, who took to the streets on 17 September, accusing the Oromia

police of standing by as Oromo mobs killed innocents of other nationalities. Soldiers shot five protesters dead. In another worrying blast from the past, access to the internet was shut down for two days and the authorities rounded-up 1,400 alleged troublemakers and took them to a remote camp for 'training'.

The government, meanwhile, has edged towards an explanation that unidentified groups deliberately stoked ethnic tensions to incite violence and derail its reform programme. The Oromia regional government spokesman said a gang from Addis Ababa was involved and Burayu's security head said almost 400 people with weapons from the city were detained. There were other suggestions that Ginbot 7 had been active in Arba Minch, a city in Southern Nations region where some victims' families originated, and that also saw unrest.

All told, the violence and loss of life amounted to a spectacular own goal for both Prime Minister **Abiy Ahmed's** administration and the returning political parties, which were banned until Abiy reached out to them earlier this year (AC Vol 59 No 14). Some speculated, as usual, that the violence was the result of provocations by the Tigrayan People's Liberation Front, or disgruntled security operatives with TPLF connections. That theory has gained currency because the TPLF has been the biggest loser from Abiy's rise.

The most logical explanation, however, is that political activists are

making the most of their new-found and unaccustomed freedom, which is leading to violence. It is, after all, a fragile and volatile transition in an already unstable multi-ethnic federation.

For Ginbot 7 and its supporters, this moment is an unexpected reprieve, having been shut out of Ethiopian politics since the 2005 elections, when Berhanu was elected mayor of Addis Ababa (AC Vol 46 No 16). The EPRDF, shocked by the size of the opposition vote, revoked many results and jailed Berhanu. Now, Ginbot 7 can rally Addis Ababans and other city-dwellers by highlighting the threat to the city from youth directed by hard-line Oromo activists such as **Jawar Mohammed** and **Tsegaye Ararsa**. Jawar has accused his opponents of seeking to dismantle federalism.

The OLF also has much to gain from an open political process, capitalising in Oromia on their reputation as true standard-bearers of Oromo liberation from Abyssinian tyranny. However, they are organisationally weak, especially around Addis Ababa.

Arguably, the political movement with the most momentum is Abiy's ruling grouping, which has now changed its name from the Oromo People's Democratic Organisation to the less Marxist-sounding Oromo Democratic Party (ODP). The ODP could also gain from the violence. As Oromo and Ethiopian nationalists accused each other of violent extremism, the ODP

held its congress, where Abiy waxed lyrical about the potential of Oromo democratic traditions.

His party also voted new domestic intelligence chief **Demelash Gebremichael** onto its Central Committee, in defiance of a pledge to separate security and politics, and removed party stalwarts in favour of younger firebrands. While the OLF has long had legitimacy, OPDO's new incarnation as the ODP has gained legitimacy by deposing the TPLF, and now the two Oromo forces are set to compete for the hearts and minds of disaffected youths.

CALCULATED RISK

Although party politics is doubtless a consideration for Abiy, he also has other domestic matters on his mind. The Addis chaos was little different from what has been occurring across Ethiopia, between Somali and Oromo, Guji Oromo and Gedeo, in Benishangul-Gumuz, Hawassa, and various other Southern Nations locations. He has taken a risk by allowing a crackdown, which is a blow to his democratising credentials, but as the alternative could be spiralling ethnic violence it presumably seemed the lesser of two evils.

However, with divisions over the nature of the Ethiopian federation now out in the open again as OLF and G7 re-enter the fray and politicians of all stripes test the democratic space, nobody expects the process to be smooth. ●

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POINTERS

Egypt

SISI IN THE CITY

■ President **Abdel Fattah el-Sisi's** appearance in New York for the 73rd session of the United Nations General Assembly proved a rare diplomatic tour de force for Egypt's government. After a shaky start, when Sisi compared the legacy of his predecessor, Egypt's second president **Gamal Abdel Nasser**, to **Nelson Mandela's** in a speech on the side-lines of the Assembly, the Egyptian president managed to shore up a series of alliances.

At a joint press conference, **United States President Donald Trump** praised Sisi for 'doing an outstanding job with respect to terrorism... you're at the forefront.'

Sisi's efforts with Trump over the past year have already paid off handsomely; on 25 July, the US released US\$195 million in suspended military aid. On 17 September it approved the sale to Egypt of 60,000 rounds of tank ammunition.

Sisi also held private meetings with **Christine Lagarde**, managing director of the International Monetary Fund, which is currently administering a widely unpopular \$12 billion loan and austerity reform programme, and **Jim Yong Kim**, the head of the World Bank, which has issued loans worth \$3.15bn since 2015 (AC Vol 59 No 8). He also found time to push European Council president **Donald Tusk** to host an Arab League-EU summit later in the year. Corporate America was not neglected and Sisi called in on **John J. Christmann**, chief executive of the Apache Corporation, a Houston-based oil and gas company with immense reserves of crude in its Egypt concessions.

Sisi's schedule was not disrupted by the recent criticism by UN human rights chief **Michelle Bachelet** of the confirmation of 75 death sentences in a mass trial in early September, including Muslim Brotherhood leaders **Essam El-Erian**, **Mohamed Beltagy** and **Wagdy Ghoneim**. Sisi's supporters saw the sojourn in New York as a triumph.

Tanzania

GRAFT-BUSTERS BUSTED

■ Shortly after coming to power in November 2015, President **John Magufuli** sacked **Edward Hoseah**, long-serving director general of the Prevention and Combatting Corruption Bureau (PCCB), replacing him with **Valentino Mlowola**, a tough-looking cop. He tasked Mlowola with tackling grand corruption, but now,

less than two years later, he has sacked him and installed **Diwani Athumani**, another senior cop (AC Vol 57 No 23).

Magufuli tasked Diwani 'to weed out all members of the bureau's staff who are tainted by corruption'. Mlowola failed to bring a single high-profile case to court during his brief tenure despite the government establishing an anti-corruption court in 2016. PCCB's former chief accountant **Godfrey Gugai** is still being investigated over property he accumulated during 10 years at the Bureau.

One explanation for its poor record is the PCCB's lack of capacity to investigate complex corruption cases involving multiple foreign actors and jurisdictions. The President, Prime Minister **Kassim Majaliwa**, and other ministers regularly order PCCB to investigate new cases involving senior officials, further stretching the Bureau's limited resources. Most say that the PCCB's real problem is that it may not take on cases involving political heavyweights, such as Escrow/IPTL scandal, which implicates top members of the ruling *Chama Cha Mapinduzi* (AC Vol 58 No 14).

A report by Dar-es-Salaam-based civil society network Policy Forum paints a picture of how PCCB pursues low-level officials for trivial offences while allowing big fish to swim free.

On 10 August, the **United Kingdom's** development minister **Penny Mordaunt** agreed to provide President Magufuli with £105 million in aid, including £8m for anti-corruption efforts. Britain would 'share UK expertise to improve Tanzania's criminal justice and legal systems to help tackle corruption'.

EU/Africa

BRUSSELS BRIDLES BEIJING

■ The promise of an EU-Africa trade pact as part of a new 'partnership of equals' between the two continents was one of few surprises in **Jean-Claude Juncker's** last State of the Union speech as European Commission President on 12 September. The offer came as a shock to Eurocrats accustomed to the Juncker Commission only being interested in Africa in regard to migration.

EU officials are rattled by the perception of **China's** dominance in Africa, especially after President **Xi Jinping** offered US\$60 billion in additional aid, loans and investment at the Forum on China-Africa Co-operation – *largesse* Brussels can't match.

A paper by the EU executive accompanying Juncker's speech stated that 'the long-term perspective is to create a comprehensive continent-to-continent free trade agreement between the EU and Africa'. Commentators put the emphasis on 'long-term', however. Until

then, the existing (but, with one exception, unsigned) Economic Partnership Agreements, trade deals with North African countries and the 'Everything but Arms' agreement will remain the building blocks of EU-African trade. The Commission has not yet listened to the calls of **Germany** and others to re-open the EPAs (AC Vol 59 No 18).

The only thing that is genuinely new is €50 million in technical support to the African Union as it seeks to finalise an African Continental Free Trade Area, which Brussels insiders say is just as far in the future as the Africa-EU trade deal.

African Union

EU AUDITORS SLAM SPENDING

■ The financing of the African Union has always been problematic for donors and the secretariat alike, with the goal of self-financing as distant now as ever. Despite member states setting up the Peace Fund to raise finance for AU security missions and agreeing to increase the Fund's resources to 12% of the AU's regular budget by 2014, it received just under €6 million from African countries in 2016.

The African Peace and Security Architecture (APSA), established by the AU in 2002 to act as a 'standing decision-making organ for the prevention, management and resolution of conflicts', says in its latest annual report that it intervened in 28 out of the 67 violent conflicts occurring in Africa during 2016. Most of that, however, was financed by the European Union.

Now, the Commission's accountants want their say. A 17 September report from the EU's Court of Auditors, which monitors EU spending, slammed the European Commission's financing of APSA, saying it should 'refocus EU support away from supporting operational costs towards capacity-building measures'. In Brussels's accounting philosophy, no subsidies or grants should be handed over without looking forward to a time when the recipient will be self-sufficient.

The EU allocated an extra €350m in APSA funding between 2014 and 2020, a €50m annual increase. The report said the audit of contracts worth €102.5m concluded by the Commission between 2014 and 2016 found 48% of the funding went on paying salaries and a further 18% on 'seminars, training, travel and per diems'.

Fewer than half of AU member states paid their agreed contributions to the AU budget on time and in full, with donors contributing 54% of its €395m annual budget in 2017. The EU calculates that funding APSA saves it an estimated \$900m per year in spending on peace-keeping missions.

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BLUE LINES

Atiku Abubakar's emergence as Presidential candidate for the biggest party challenging President Muhammadu Buhari in Nigeria's elections in February guarantees a lively contest for voters but little else. For Atiku, 71, and Buhari, 75, it is a final roll of the dice; for their followers it will be a demanding test of campaigning skills and political organisation. A better-run electoral commission and voter registration process with biometric technology have made elections more competitive over the past five years.

Those who insist Nigeria's presidential battle is more about personalities than policies are only half-right. There is a distorting mirror between Buhari's All Progressives Congress – seen as tough on corruption but anti-business – and Atiku's People's Democratic Party – seen as weak on corruption but pro-business. As the owner of a major logistics and IT company, Atiku has strong business support. Buhari's tough line on international companies and big banks plays well with poorer voters.

If Buhari's APC benefits from a consensus behind his candidacy, there are glaring divisions further down the hierarchy which could hit its campaigning strength. Nine of the party's state governors called for a meeting with Buhari to complain about the management of primary elections in the states; that is, their candidates lost. The PDP is a much more unified party at state level but Atiku's biggest task is to persuade all the party's rival presidential contenders to close ranks behind him.

SOUTH AFRICA

Riyadh to the rescue

The bail-out of the state-owned Denel arms company has diplomatic costs as Pretoria is pulled further into Saudi Arabia's camp

Officials working on Saudi Arabia's planned US\$100 million investment into South Africa's ailing state-owned arms company, Denel, say it could be finalised by the end of the year. The deal follows President Cyril Ramaphosa's meeting with King Salman bin Abdulaziz al Saud and Crown Prince Mohammed bin Salman in Riyadh in July, when a Saudi trade and investment package of at least \$10 billion for South Africa was announced.

Few specifics emerged, other than it would prioritise power and energy, including the troubled state-run power producer Eskom. But *Africa Confidential* has learned that the Saudis will allocate at least \$100m to Denel under agreements to buy more military equipment and transfer technology and know-how. This would promote a strategic relationship that will enable Saudi Arabia to become less reliant on imports.

Saudi Arabia has the world's third-largest defence budget (an estimated \$75bn) after the United States (\$600bn) and China (\$150bn), but is very dependent on military imports. Saudi Arabia wants to set up its own assembly lines producing small-calibre ammunition, large-scale artillery munitions and bombs. It wants its own production companies to meet half of its military requirements within a decade. The Saudis have confirmed that they have held talks with several arms manufacturers in South Africa, including Paramount Group and Denel, and expect to conclude the first deals this year. South Africa's Department of Public Enterprises

confirmed the talks without specifying any companies.

'It would help Saudi Arabia become more self-sufficient in arms but it would also lead to the strengthening of the South African arms industry,' said a Saudi official.

SUSPECT SALES

Saudi Arabia's historic relationship with Denel cooled when President Nelson Mandela's government introduced human-rights-related controls on arms sales. But local activists say those rules have not stopped several questionable sales from South Africa to elsewhere in Africa and the Middle East. Some of the biggest deals have been with the United Arab Emirates, Saudi Arabia's close ally in the war in Yemen against Houthi rebels backed by Iran.

The day after President Ramaphosa met Mohammed bin Salman in Riyadh, South Africa's Minister of Defence, Nosiviwe Mapisa-Nqakula, travelled to the UAE to meet Mohammed bin Ahmed, Minister of State for Defence Affairs, to discuss further deals. These would build on joint ventures such as the ones between Denel and the UAE government-owned Tawazun.

Tawazun Dynamics, a Dubai-based joint venture between Tawazun and Denel, won a \$330m contract in 2013 to produce precision-guided munitions for the UAE air force. The company also produced the advanced 'Al Tariq' technology, which can convert conventional bombs into laser-guided weapons.

BOTSWANA	3	GUINEA	5	CAMEROON	6	CONGO-KINSHASA	7	ZAMBIA	8
Elephants in an angry room		Turks in troubled waters		Limbo after ghost elections		Hanging on a click factor		LIBERIA	10
An accusation about elephant poaching is central to a presidential dispute		Another over-priced port contract comes under fire for political patronage and secrecy		As the ruling party prepares to claim victory, divides are getting out of control		Opposition parties question the reliability of the new voting machines		POINTERS	12

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In 2017 Saudi Arabia and the UAE imported hundreds of armoured personnel carriers, 40mm and 80mm shells, software, hardware and other technologies from Denel. The UAE imported 60mm shells, 250kg bombs and one million rounds of 7.62mm ammunition. Last year, South Africa overtook the **United States** as a supplier of small-arms ammunition to the UAE.

However, Saudi Arabia's bailout of Denel could be problematic for Pretoria's diplomacy in the Middle East, as could South Africa's deals with both Riyadh and the UAE as the Yemen War escalates. South Africa has tried to pursue a middle ground between the rival blocs: Saudi Arabia, the UAE and

Egypt with their strong US ties, on the one hand; **Iran**, **Qatar** and **Turkey** on the other. That is coming under heavier pressure, not least because the rival camps are intervening in the Horn of Africa, where South Africa has its own interests. Iran's substantive trading relations with South Africa date back to the Shah's reign and the apartheid era; Tehran and Pretoria still have strong diplomatic ties.

QUESTIONS

Any deal between Saudi Arabia and South Africa's Paramount could raise questions for Ramaphosa as he struggles to contain former President **Jacob Zuma** and his allies, who still wield political and financial power within the African National Congress.

Paramount chairman **Ivor Ichikowitz** has a business relationship with **Robert Gumede**, a multi-millionaire with strong ties to the Zuma elite, who switched allegiance to new Deputy President **David Mabuza**, the former Premier of Mpumalanga Province. Mabuza, who has rejected accusations of money-laundering and hiring hit squads to eliminate political foes in Mpumalanga, was critical to

Ramaphosa's win in the ANC leadership elections in December.

With Gumede's backing, Mabuza would have a platform to run for the presidency. Some of Zuma's supporters want Mabuza to stand in 2024 and reassert control over the ANC on their behalf.

Another complication in the arms deal with Saudi Arabia is that the populist Economic Freedom Fighters of **Julius Malema** and the right-of-centre Democratic Alliance of **Mmusi Maimane** will accuse the Ramaphosa government of selling the family silver, getting little for South Africa in return. The secrecy of the deal will also mobilise anti-corruption and human rights activists. It was Zuma's involvement in \$6bn worth of deals between South Africa and Western arms companies that prompted the criminal charges against him. Since those charges were reinstated this year, he has made two court appearances and pleaded not guilty to all the accusations.

Before he was ousted in February, Zuma was trying to finalise a \$100bn deal with **Russia** for two nuclear power stations in South Africa (AC Vol 58 No 9). It would have been one of

DENEL IN THE DUMPS

Its forerunner Armscor was once a pillar of the Apartheid regime, and now the state-owned Denel arms and aerospace company is almost bankrupt and mired in political troubles. A plan to rescue the company, established during the political transition in 1992, with over US\$100 million of investment from **Saudi Arabia** and **United Arab Emirates** is going ahead but risks tilting Pretoria's foreign policy too strongly to Riyadh and Abu Dhabi (see Feature).

An explosion at Denel's Cape Town factory, a joint venture with Rheinmetall of **Germany**, killed eight people on 3 September in the worst peacetime incident in the company's history. The cause of the detonation, which levelled the building and surrounding walls of unit N16 where guncotton propellant for artillery shells was prepared, has yet to be determined.

The disaster and compensation settlements have compounded woes at the company where the entire board of directors and chairman have been replaced. Earlier this year, Denel's Chief Executive **Zwelakhe Ntshepe** resigned along with **Stephan Burger**, the head of the Land Systems subsidiary, where land mine-resistant armoured vehicles are built, racking up more losses. To date, none of the **Finnish**-licensed and designed Patria 'Badger' armoured cars commissioned for the South African National Defence Force have been delivered. Instead, Land Systems is concentrating on export orders on which it is said to be losing money.

Like so many of South Africa's state-owned enterprises, Denel's finances have been hit by mismanagement and corruption, most of it linked to ousted President **Jacob Zuma's** allies, the Gupta family (AC Vol 59 No 6 & 17).

The Guptas pushed a plan for Denel to expand into Asia which won Zuma's support. Under Zuma's presidency, the government arranged unsecured loans to Denel and in 2015 set up a joint venture with the Gupta-linked VR Laser Asia to form Denel Asia (AC Vol 59 No 5). The move, opposed by the Treasury because it gave preferential terms to the Guptas, was cancelled last year. This slowed down Denel's expansion into the Asia Pacific region and its domestic order book continues to shrink.

The Gupta plans for Denel Asia are under investigation by the Zondo Commission into grand corruption in the state and private companies. It is also looking at the role of the former Minister of Public Enterprises, **Lynne Brown** (AC Vol 58 No 16). Denel's operations remain shrouded in secrecy, a culture inherited from the apartheid era.

Denel is part of the government's bigger state enterprises problem with banks unwilling to lend to the Eskom power company, national carrier South African Airways and transport giant Transnet. The Treasury is in urgent talks with financial institutions to set up a R30-40 billion (US\$2.3 to \$2.7bn) aggregate loan facility, guaranteed by the government, that could ease the state companies' liquidity squeeze. Last month, Public Enterprises Minister **Pravin Gordhan** told parliament's public enterprises committee that Denel 'is caught in a vicious cycle in which it can't pay suppliers and so can't manufacture to get revenue'.

Adding to its woes, Denel has R2.34 bn (\$160 million) of bonds maturing this month.

Parliament has granted Denel, and the carrier South African Express, a delay until the end of October to provide an accurate account of their positions in annual reports and financial statements. Denel's current guarantee of R3.3bn (\$225m) is due to expire at the end of the month and the SOE has asked the government for an extension as well as an additional R1bn (\$70m) to pay loans, debt and interest due this year.

This temporary reprieve may shield the company, which directly employs almost 5,000 workers, and it is hoping to avoid a repeat of the crisis last December when it needed an R850m (\$60m) government guarantee to pay salaries and suppliers. ●

Rosatom's biggest projects and would have benefited some of Zuma's business allies, such as the Guptas.

The deal was blocked by two successive finance ministers, **Nhlanhla Nene** (see Pointers) and **Pravin Gordhan** (AC Vol 56 No 25 & Vol 58 No 8). Now Minister of Public Enterprises, Gordhan is trying to stabilise the government's finances, depleted by the past eight years of grand corruption and state capture.

Activists claim that President **Vladimir Putin**, who had made advance payments based on Zuma's personal assurances about the Rosatom deal, is allowing Russian money to find its way to the ANC's foes in the EFF and the right-wing lobby group AfriForum.

Russia is conspicuous by its absence from the countries that have responded to Ramaphosa's appeal for \$100bn in investment. Along with Saudi Arabia, the UAE has pledged \$10bn, and **China's Xi Jinping** pledged \$15bn. We hear that one of the conditions of Beijing's commitment was tight control on public disclosure of the deals negotiated.

Ramaphosa's eagerness to tap in to new investment from the Middle East and Asia complicates policy at

home as officials try to clean up the government's books.

'I am not comfortable about the terms and lack of transparency with the commitments from Saudi Arabia and China,' said a presidential advisor in Pretoria.

Speaking at Rhodes House in Oxford University on 5 October, Gordhan said that \$1.2bn had gone missing in a single transaction for Transnet, the publicly owned transport operator, and \$350m had turned up in an account in Hong Kong under the control of the Gupta family.

Gordhan is to give evidence to the Zondo Commission on state capture during the week ending 12 October, to prepare the ground for prosecuting senior officials under Zuma as well as the former President himself. So far, investigations by the police, the Public Protector and the Zondo Commission have identified \$3bn of irregular spending by the government under Zuma's leadership. This would include the laundering of funds stolen from state-owned enterprises and awarding of government contracts to front companies (AC Vol 59 No 2).

Tracking down the funds and bringing the culprits to book, let alone clawing back the stolen money, will be arduous work. The near crash of Denel is an object lesson. The firm's results plunged from a \$6m profit in 2016 to a \$1.6bn loss in 2017 following a fall-off in sales. Most of all it was hit by malfeasance, after hand-picked allies of the Gupta family were installed in management positions pending a takeover in which control would have passed to an Indian-based consortium led by the Guptas (see box).

South Africa is seeking the extradition of the Guptas – who fled the country in February as Ramaphosa took office – from their base in Dubai, in connection with fraud and money-laundering charges amounting to billions of dollars. Minister of International Cooperation **Lindiwe Sisulu** confirmed at the UN General Assembly last month that South Africa had applied to the UAE for the Guptas' return to face trial. How the UAE handles this matter will be an important test of its strengthening relationship with South Africa. ●

BOTSWANA

Elephants in an angry room

Britain's royal family has been drawn into a political fight over elephant poaching ahead of an international wildlife conference

Former President **Ian Khama's** supporters are accusing his successor **Mokgweetsi Masisi** of presiding over the mass slaughter of elephants by ivory hunters in Botswana. Until now Botswana has had one of the best records on wildlife conservation in the world.

These latest claims could disrupt the Illegal Wildlife Trade conference (IWT), which both Khama and Masisi are due to attend. Prince **William**, the Duke of Cambridge, is expected to address the conference which opened on 11 October. Masisi's government is taking soundings on a plan to lift the ban on hunting elephants, a move which divides conservationists.

Princes **William** and **Harry** have visited Botswana many times since they were children and have long been involved in wildlife conservation charities. In August 2017, Prince Harry took **Meghan Markle** to an exclusive safari camp in the country's Okavango Delta to celebrate her 36th birthday. Prince Harry calls Botswana his 'second

home' and in January last year he became a patron of Rhino Conservation Botswana alongside Ian Khama's brother **Tshekedi**, the current Minister of Environment, Natural Resources and Tourism. The engagement ring Harry gave Meghan is set with a Botswana diamond.

The British government is sponsoring the fourth IWT conference in London this week and has provided funding for all the IWT conferences since their inception in 2014, according to a source familiar with the matter. Civil servants from the UK Department of Environment, Food and Rural Affairs, Foreign and Commonwealth Office and Department for International Development have been deployed to work on preparing and making final arrangements for IWT conferences. This includes the conference in Kasane, Botswana in March 2015, ostensibly organised by Botswana.

Although Masisi was Khama's hand-picked successor as president and served as his deputy for four years, the

two have fallen out badly. Since he took power in April, Masisi has reversed some of Khama's most cherished policies and stopped some of Khama's retirement perks (See Box, 'Behind an elephantine rivalry').

The row over elephant hunting is the most serious yet. Last month, the conservationist **Mike Chase** of Elephants Without Borders and a friend of the Khamas and Prince Harry, accused the Botswana government of disarming the Department of Wildlife and National Parks' anti-poaching unit and allowing ivory-hunters the chance to slaughter dozens of elephants in Botswana.

'I'm shocked, I'm completely astounded,' Chase told the BBC. 'The scale of elephant poaching is by far the largest I've seen or read about anywhere in Africa to date.' Chase claimed to have discovered 87 dead elephants during an aerial survey. He blamed the 'disarming' of the anti-poaching unit for the problem, the BBC reported.

Comparing his latest findings with data from the Great Elephant Census, which he conducted in 2015, Chase said that he had recorded twice the number of recently killed elephants in Botswana than anywhere else in Africa. Much of Chase's Great Elephant Census project, the first pan-African survey of savanna elephants was funded by the billionaire philanthropist and co-founder of Microsoft, **Paul Allen**.

BEHIND AN ELEPHANTINE RIVALRY

The row over the elephants points to a wider political fight. It looks more than accidental that the story about **Mike Chase's** claims of mass slaughter of elephants in Botswana broke while President **Mokgweetsi Masisi** was in **China** for the Forum on China-Africa Cooperation in early September.

Although Beijing backs the global ban on ivory trading, China remains the biggest market for smuggled ivory. **Ian Khama's** supporters may hope that the elephant issue will work against Masisi at the London conference. Chase and his Elephants Without Borders organisation insist they are apolitical.

As president, Ian Khama, a teetotaler, restricted alcohol sales outlets, licensing hours, and put heavy duties on alcoholic drinks. All those measures have been dropped or are about to be lifted.

President Masisi sacked **Isaac Kgosi**, a close Khama ally, as Director-General of the Directorate of Intelligence and Security (DIS), an armed intelligence organisation with powers of arrest criticised for operating like a private police force.

John Kalafatis, who was shot dead in 2009, and his family became a target of the DIS. Four Botswana Defence Force soldiers, described as being 'on loan' to the DIS, were convicted of Kalafatis's murder in a Gaborone court. A few months after the soldiers's conviction, then-President Khama pardoned them without explanation. Oppositionists claim they have been bugged and burgled by DIS. **Harry Tembo**, a former DIS officer reported by the local press to have been a witness in an investigation into the DIS was shot and hacked to death in February 2012.

Khama tried to hire Kgosi as his private secretary, a post supported by the state, after his dismissal. But the government refused, prompting Khama to threaten legal action. Masisi has withdrawn Khama's 'right' to fly any government aircraft, a privilege the keen pilot has exercised since his training for the police's air wing.

Through their company, Selek Springs, Khama's brothers, twins **Tshekedi** and **Anthony**, made US\$10 million as agents for foreign arms companies supplying the Botswana Defence Force and Botswana Police Service, the Botswana parliament was told in 2015. The company has acted for **Britain's** Alvis Vickers, **Austria's** Steyr-Daimler-Puch and **Belgium's** FN Herstal, among others.

Ian Khama is now campaigning against Masisi at public meetings, which state media ignore (AC Vol 59 No 17). He has also been using his position in the governing Botswana Democratic Party to support parliamentary candidates opposed to Masisi. ●

Botswana faced a storm of condemnation as wildlife lovers registered their shock. Even British Prime Minister **Theresa May** added her voice on Twitter. But the Botswana government disputes Chase's claims, as do other conservationists. Some in Gaborone see it as part of Ian Khama's campaign to retain influence, prevent investigation of his record as president, and embarrass Masisi at the wildlife conference (AC Vol 59 No 13).

Many suspect Khama of trying to line up his younger brother Tshekedi to run for the presidency on the ticket of the governing Botswana Democratic Party in next year's elections.

The anti-poaching unit has been deprived of automatic weapons but retains high-powered rifles, the government points out. President Masisi took the decision in May because only the army should be allowed to carry military weapons, it added.

However, anti-poaching duties also fall on the Botswana Defence Force, which was patrolling the area where Chase found the most carcasses and whose soldiers carry automatic weapons as a matter of course. President Masisi defends his record: 'All our security forces are involved in the protection of the wildlife species including the prisons, the police, the army, and our intelligence security agencies over and above the anti-poaching rangers; and they are armed, legitimately and within the law'. The ban on automatic weapons has not been in place long enough to make any

difference, the government added.

The DWNP anti-poaching unit is under the authority of Tshekedi Khama's ministry; he defends a shoot-to-kill policy against poachers. Political opponents accuse him of using the unit as a private army and want Masisi to sack him. Neighbouring **Namibia** has accused the unit's patrols of killing innocent villagers only suspected of poaching near the ill-defined border between the two countries. **Zambia** and **Zimbabwe** have made similar complaints. In 2015 alone, 30 Namibians, 22 Zimbabweans and an unspecified number of Zambians were shot dead on suspicion of poaching, according to figures cited by ivory trade expert Professor **Keith Somerville**. President Masisi quietly revoked the shoot-to-kill policy after hearing representations from Namibia.

'DRAMATIC ASSERTIONS'

The government said that Chase's aerial survey, which he has been conducting under contract to the government, was incomplete. The data covers all elephants found dead over a two-month period, and over a wide area, the government said. Many media reports suggested that the elephants Chase had spotted had died within a short space of time and in the same area.

Botswana conservation scientists **J.W. McNutt**, **Mark Vandewalle** and **Kathleen Alexander** wrote to the BBC, taking issue with the report on Chase's claims. They said, 'The current EWB

report of 87 fresh carcasses in Botswana in the 2018 survey (to date) cannot be characterised as an extreme loss of elephants compared to other countries nor to numbers reported for Botswana in past surveys... using Chase's numbers directly, we find no scientific basis for the dramatic assertions made in the recent BBC report and question why such a report was disseminated to the media prior to completion of the current survey and data analysis.'

Thato Raphaka, Permanent Secretary at the tourism ministry, told a parliamentary committee on 10 September: 'We asked Chase to show us the evidence of his report and he is now changing his story. We have referred the matter to the Attorney-General for him to explore ways of suing Chase for breaching his contract. We contracted him to do a survey and he was supposed to report to us and not the international media.'

Chase sits on the board of wildlife charity Tlhokomela Trust with Ian and Tshekedi Khama. Prince Harry invited Chase and his partner **Kelly Landen** to his wedding. Chase first got to know Harry during his holidays in Botswana over 10 years ago, according to media in Landen's home town of Buffalo, New York state.

Khama looks set to outshine his successor at the conference. The public relations firm handling the conference is offering interviews with Khama and President **Ali Bongo Ondimba** of **Gabon**, but not with Masisi. ●

WHITEHALL JUGGLES ARMS SALES AND WILDLIFE INITIATIVES

The **British** government organised an arms sales promotion in Botswana a week before the Illegal Wildlife Trade (IWT) conference it sponsored in London in February 2014, *Africa Confidential* has learned.

On his return to London, the British defence sales official who invited the arms companies to promote their wares in Gaborone briefed the then British Minister for Africa, **Mark Simmonds**, at the Foreign and Commonwealth Office about the Defence and Security Organisation event in Gaborone ahead of the IWT conference. AC has also learned that the sales official from the DSO, part of the UK's department for trade, also attended the IWT, as did many of the arms manufacturer exhibitors. It is not known if similar promotional events have taken place close to the subsequent IWT conferences, the latest of which opened on 11 October.

An email from the DSO's **Graham Webber** seen by AC invited several arms manufacturers and high-technology firms to a sales promotion event in Botswana a week before the wildlife conference in February 2014 promising many top officials and ministers would attend. The email promised the firms coming to the Gaborone International Conference Centre the presence of Botswana's Ministers of Defence, Justice and Security, Transport and Communications, and Environment, Wildlife and Tourism. Senior officers of the Botswana Defence Force, the Directorate of Intelligence and Security, the police and the Civil Aviation Authority would also be there. The event, which would be opened by the British High Commissioner, included seminars on 'relevant security and defence topics', and a 'focus on security departments'. Webber continued in his email, 'If there is any potential customer you think this misses, please let us know and we will try to cover them.'

Because the British government sponsored and financed the IWT London February 2014 conference, the closeness in time of the arms promotion could lead to accusations the UK was exploiting interest in wildlife conservation to sell more arms. The promotion event took place from 5-7 February 2014 in Gaborone and the IWT conference followed in London on 13-14 February. The IWT conference was opened by **Charles**, Prince of Wales and his son, Prince **William**, the Duke of Cambridge.

The defence equipment firms included Qinetiq, Supacat, British Aerospace, Thales Group, CQC, Heckler & Koch, and many other less well-known arms manufacturers and cyber security companies supplying everything from sonar equipment to body armour. Fourteen companies exhibited in Gaborone. Botswana's then defence attaché in London, Colonel **Lambert Tshweneetsile**, the British High Commissioner to Botswana, **Nick Pyle**, the High Commission's representative to the Botswana government, **Kebatshabile Tsie**, and the then Department of Intelligence and Security director, **Isaac Kgosi**, were key to arranging the exhibition, according to a source with knowledge of the event.

The then Botswana defence minister, **Dikgakgamatso N. Seretse**, welcoming the exhibitors to Gaborone, paid tribute to Botswana's close cooperation with the UK in military matters, saying 'Our cooperation in defence and security interaction...has allowed for frank discussions and the exchange of data, and has facilitated relevant workshops and seminars which have enhanced leadership and managed to improve our defence and security institutions.' ●

GUINEA

Turks in troubled waters

Another over-priced port contract comes under fire for political patronage and secrecy

The *Port Autonome de Conakry* (PAC), Guinea's principal sea port, is a strategic national asset, so the fact that it is now to be run by **Turkey's** Albayrak (*Albayrak Turizm Seyahat Insaat Ticaret AS*), a major conglomerate active in construction, logistics, and services, has caused a storm among local stakeholders. On 10 August, the government signed a 25-year deal worth US\$500 million in a contract that includes the rehabilitation and expansion of the port. As soon as the contract was made public the protests started.

The port workers' trade union objected almost immediately, saying that none of the normal procedures, including public tender, a feasibility study, or due diligence had been followed. It also feared the new deal meant job losses and that the port's users and operators were in the dark as to what the new management had in

store. Opposition leaders **Cellou Dalein Diallo** and **Sidya Touré** likened the deal to 'a car boot sale' and called on Parliament to examine and decide on the contract's validity, something that should have happened before it was signed.

Question marks continue to surround the deal. On the Turkish side, **Ahmet Albayrak**, the president of the group's board, signed. But on the Guinean side, PAC director **Hawa Keita** said that she had been ordered to sign the contract without being given time to study it; she did not have a copy either. Former transport minister **Oyé Guilavogui** was reportedly against the deal, but his successor, former opposition spokesman **Aboubacar Sylla**, defends it vigorously. He denies Albayrak wants to shed jobs and promises that the Turks will make the PAC more competitive and give its nearest rivals Dakar, Lomé and Abidjan a run for their money.

It subsequently emerged that there had been serious misgivings about the deal throughout the PAC. A group calling itself the PAC Ad Hoc Commission – very likely consisting of high-ranking technical staff at the port – twice released lengthy comments on the proposed deal, saying that it lacked clarity in a large number of areas. Apart from technical issues, the Commission wanted to know who was to finance the upgrades and what was the justification for the lengthy duration of the contract. It bemoaned a shortage of answers to its questions.

The biggest bombshell was the open resignation letter of PAC Finance and Accounting director **Ibrahim Kalil Keita**, addressed to President **Alpha Condé**. Keita had worked at the port for 35 years. Written on September 13, the letter enumerated the known problems, and added that the necessary port extension works were already being carried out by the China Harbour Engineering Company (CHEC). As a finance expert, Keita wanted to know who was going to pay the \$770m loan the **Chinese** extended to Guinea for the project – mostly through the China Import-Export Bank – once Albayrak took over the facility. Keita had also said that there was no urgency, as claimed by Sylla, for rushing the Turkish deal.

The PAC's own management, headed by Hawa Keita, who was appointed in June 2016, had managed to turn the PAC's financial problems around. Albayrak's business plan was vague and the wording of the contract document left sufficient wriggle room as regards the \$500m investment, which Kalil Keita doubts will ever materialise.

President Condé first rejected the resignation but faced with the breadth and depth of criticism across the PAC leadership decided to renew the port's management entirely. He sacked the two directors (Keita and her deputy **Aissata Haribot**) on September 15 and also had Human Resources manager **Aboubacar Sidiki Dramé**, another critic of the deal, removed. He left the job of getting rid of whistleblower Kalil Keita to the newly appointed port director, **Hélène Savané**, who promptly obliged, citing 'grave error', the go-to formula for a politically motivated dismissal since the days of the late president **Lansana Conté**.

The switch in management recalled how the container port was taken from Getma, a Necotrans subsidiary in early 2011, and given to Condé's friend **Vincent Bolloré**, a move that is now subject of a **French** judicial inquiry into whether Bolloré bribed Guinean officials (AC Vol 59 No 13).

President Condé and his Turkish counterpart **Recep Tayyip Erdogan** have been good friends since March 2016, when the Turkish President visited Guinea during one of his frequent Africa trips. Turkey has been deepening its ties in Africa, including the Horn and **Sudan**, as it acts as a counterweight, along with **Qatar**, against **Saudi Arabian** and **United Arab Emirates** hegemony.

On his Guinean visit, Erdogan donated 50 buses to help alleviate Conakry's daunting traffic problems and announced the construction of special bus lanes throughout the city under the brand name Metrobus. The company selected to carry out this work was Albayrak and although the current state of affairs with regard to Metrobus is unclear, the rapport between the two heads of state and the implications for politically loyal businesses on the Turkish side set a precedent. Turkish Airlines added Conakry to its vast African network in January 2017.

The port deal has all the hallmarks of a one-two between two presidents with Albayrak, obviously very well-connected to the Turkish presidency, walking away with the prize. Condé visited Turkey twice in the space of two months, first in early July, to be present at Erdogan's inauguration as re-elected

president and again in August, just after the Albayrak deal had been signed, to celebrate his friend's re-election as chairman of the ruling *Adalet ve Kalkinma Partisi* (AKP). Guinean media reported that the fastest rising star on the Turkish political scene and Erdogan's son-in-law, **Berat Albayrak**, is connected to the group of the same name but sources in Turkey say this is incorrect.

Protests against the takeover continue. A meeting was held on 10 September between the trade unions and the port's two – now former – directors, Keita and Haribot, but when the union leader for the dock workers, **Cheick Cherif Touré**, wanted to brief his members, police fired tear gas into the crowd and arrested Touré. The union leader emerged three weeks later, having been held in detention awaiting his trial before a local court. He was sentenced to 13 days in prison and a \$50 fine for defamation of the president and his son, **Mohamed Alpha Condé**. Speaking to a local radio station, Touré had accused Condé junior of being involved in the Albayrak deal, information for which no independent confirmation is available. Touré walked free on 1 October, vowing to continue the union's fight for the annulment of the contract with the Turks. ●

CAMEROON

Limbo after ghost elections

As the ruling party prepares to claim a landslide victory, the country's regional and linguistic divides are getting out of control

The national elections on 7 October could be the worst yet in Cameroon and will further weaken President **Paul Biya's** claim to legitimacy. But Biya's *Rassemblement démocratique du peuple Camerounais* (RDPC) is preparing to announce a landslide victory based on the mobilisation of its strongholds in the south of the country, we hear.

Just over 50% of eligible voters – 6.5 million out of a population estimated at 25 million – were able to register and get the biometric voting cards. Voter turnout was as low as 5% in large swathes of the country, due mainly to Islamist militia attacks in the north and the rumbling clashes between government soldiers and secessionist fighters in the two big Anglophone regions. Most observer groups – except the African Union and *l'Organisation internationale de la francophonie* – did not bother to send representatives to

cover the polls. Stung by this, some ruling party officials created a team of 'observers' claiming to represent Berlin-based Transparency International. The plan was quickly exposed, resulting in still more ridicule for the ruling party on social media. Opposition activists don't hold out much hope for a robust critique of the elections from either the AU or the OIF observers.

The combination of the weak economy and growing unrest across the country should have made this Biya's toughest election yet as he faces a more determined but still divided opposition. In reality, Biya's victory will be assured again due to his control over Elecam, the election commission, the judiciary and the *Conseil Constitutionnel*, which adjudicates on election petitions. Social media reports and videos of ruling party officials buying votes, stuffing ballot boxes and distributing multiple voters

cards to their supporters are firing up the opposition. In the absence of any serious censure on Biya from regional leaders or international organisations such as the European Union, more opposition militants are talking of direct action against the regime.

With a counter-insurgency force, trained by **Israel** and the **United States**, and notorious for its brutality against civilians, Biya and his allies calculate they can push back any protests accusing him of stealing another election.

The 85-year-old Biya, Africa's oldest leader, is expected to win handily and had barely felt the need to take to the campaign trail, with the opposition candidates failing to unite behind a single candidate (AC Vol 59 No 20). So, there was excitement when **Maurice Kamto**, the candidate of the opposition *Mouvement pour la renaissance du Cameroun* and one of the Biya's main challengers, declared himself the winner at a press conference held on 8 October at his party headquarters in Yaoundé and 'invited the outgoing president of the Republic to organise conditions for a peaceful political transition so as to avoid a serious post-electoral crisis that could drive it [the country] into chaos and instability'. Kamto did not back up his assertion with figures but said that

there had been a surge of support for him in the West and coastal regions, formerly strongholds for the Social Democratic Front, an Anglophone party with a strong national network. Kamto's success is bad news for the SDF's new leader **Joseph Osih**, an Anglophone from the south-west whose support extended across some of the Francophone regions.

Gregoire Owona, Deputy Secretary General of Biya's RDPC, retorted that Kamto 'hasn't won anything at all' and said the government was considering legal action against him. For many Cameroonians this revives memories from the presidential crisis of October 1992 when Biya used repressive measures to secure a victory he was accused of stealing from **Ni John Fru Ndi**, then the main opposition candidate, who proclaimed himself president-elect.

For the moment, the country is in limbo. Neither Kamto nor Biya's party have announced any results and Cameroonians will have to wait until 22 October when the *Conseil Constitutionnel* announces the final results, as required by the electoral code.

Although there are no official figures on the turnout, it will be far lower than the 68% claimed at the 2011 presidential poll. Despite predictions by political observers of a massive turnout in the main cities of the country, numbers were depressed by poor and chaotic organisation which

ensured that thousands of voters were prevented from exercising their rights. In the country's Francophone regions, where the turnout was estimated by several unofficial sources to be around 55%, many people did not cast their vote because they failed to collect their voting cards in time or because they could not find their names on the registration lists.

INSECURE

Meanwhile, turnout in the country's two-English speaking regions was estimated at 5%, according to the International Crisis Group, with security concerns the main deterrent to voting. In these turbulent regions, armed separatist groups had called for the boycott of the elections and threatened violence against those who dared to take part in a presidential election organised by the regime in Yaoundé. The deployment of massive security forces in the main regional towns such as Limbe, Buea, Bamenda and Kumba simply accentuated people's feeling of insecurity. In Bamenda, the Northwest region's capital, three separatists were killed by soldiers as they tried to disrupt the voting.

Like most elections which have been organised since the country's return to the multiparty system in 1992, the poll was marred by irregularities and fraud. Opposition candidates lambasted the presidential elections, describing massive irregularities masterminded by

RDPC officials and their allies with the complicity of Elecam.

Cabral Libii from the *Parti Univers* accused Elecam officials of validating irregular results recorded in several polling stations across the country. Others reported that opposition representatives were prevented by police and RDPC officials from entering polling stations despite official authorisation.

Local news reports suggest that frauds were organised across the country by RDPC officials. Although malpractice was less prevalent in the country's main cities such as Douala, Yaoundé and Bafoussam, it was widespread in the countryside. There, the absence of international observers and opposition's representatives in the polling stations gave free rein to local ruling-party barons to buy and manipulate the vote. In the *Région Forestière*, Biya scored 100% of the vote according to the pro-regime television channel Vision 4.

In Biya's native South region, meanwhile, videos were posted on social media purporting to show RDPC supporters being issued with voting cards allowing them to vote up to 10 times. One of the most shared videos published on Facebook showed RDPC militants holding several voting cards or being offered CFA10,000 (US\$20) to vote for Biya. In the predominantly Muslim northern region, people were told to vote for Biya on pain of being denounced to the security forces as jihadists. ●

CONGO-KINSHASA

Hanging on a click factor

Opposition parties question the reliability of the new voting machines as leading presidential candidates are barred

With barely 10 weeks until presidential, legislative and provincial polls, Congo-Kinshasa's political class and electoral commission (the *Commission électorale nationale indépendante* – CENI) are yet to agree on the rules of the game.

On 17 September, CENI hosted a team from the Westminster Foundation for Democracy (WFD), which presented its analysis of high-tech voting machines controversially acquired from **South Korea**. The report recommended 15 amendments to the hardware, software and electoral processes in order to minimise risks of electoral fraud.

With CENI releasing details only on the eve of the press conference, few members of the foreign press corps

were in attendance. Many in Congo-K's political class appeared to have been caught similarly off-guard; one labelled the WFD team 'un cheveu sur la soupe' ('a hair in the soup'), questioning their feeble engagement with stakeholders in the election. This contrasted with the stance of Catholic bishops, who expressed their support for the report and improvements to the machines. The Catholic Church, via the *Conférence Épiscopale Nationale du Congo* (CENCO), provided the venue for the launch and CENCO IT staff were briefed on the report before its release, we hear.

The report stemmed from a visit to Kinshasa by the **United Kingdom** Minister for Africa, **Harriett Baldwin**, in April 2018. Following encouragement

from UK Ambassador **John Murton**, Baldwin responded favourably to a plea from CENI's vice-president, **Norbert Basengezi Katintima**, a former agriculture minister and ruling-party MP, to analyse the machines' technical capacity. It is unclear whether Baldwin spied an opportunity to convince CENI against using the machines, or rather viewed the proposal as a means to endorse them. Staff at the UK mission remain unconvinced that Baldwin displayed that level of strategic thinking.

Although WFD stopped short of certifying the machines, the abrasive Basengezi will nevertheless feel vindicated after months of controversy surrounding their procurement – without public tender – from Miru Systems. *Jeune Afrique* reported in March that Basengezi and his son **Marcellin Mukolo**, who advises CENI on the introduction of new technology, led negotiations for the US\$150 million contract and oversaw the development of prototypes. Rumours abound that the family, which is close to that of President **Joseph Kabila**, profited from the purchase.

Now that the report is public, CENI will have to deal with pressure to fix security vulnerabilities. Weaknesses which need to be addressed include everything from fundamental design flaws, such as an exposed USB port, to easier-to-rectify software issues, such as a limit on the number of ballot papers that can be processed on election day. While this last would prevent overvoting, CENI stubbornly insists that only 660 ballot papers will be issued with each machine. This is 10% more than the maximum number of voters per polling station, allowing for supplementary votes. CENI also remains wedded to distributing the machines with SIM cards, leaving them vulnerable to unsolicited communication. The electoral commission remains similarly unwilling to agree to an audit of the database log file (a record of interaction with the machine).

EMBASSY TENSIONS

The **United States** reiterated its opposition to the machines during a presentation by outgoing UN Ambassador **Nikki Haley** in late August; however, *Africa Confidential* understands that Washington is likely to temper its rhetoric after receiving an advance briefing by the WFD team (AC Vol 58 No 24). Yet EU missions were kept in the dark, exacerbating tensions between Western embassies over the electoral process and increasing the impression that UK-EU cooperation is on the decline with Brexit on the horizon.

Opposition parties will similarly need to reconsider their objections if they want to compete in a vote to replace Kabila as President at the end of the year. It is now impossible to compile, print and distribute conventional ballots (which will need to be the size of a broadsheet newspaper) in time for polling on 23 December. If the electoral calendar is to hold, the use of voting machines will be the only option.

At the report launch, CENI's national executive secretary, **Ronsard Malonda**,

committed to involve party agents and independent observers in configuring the machines before polling day. A lack of opposition engagement with the biometric voter registration process this year indicates that the chances of buy-in remain limited. In an attempt to discredit the process, opposition politicians have long argued that this is an electronic vote – introduced in violation of electoral law.

Few have confidence in CENI after its handling of applications for presidential candidates. On 19 September, CENI confirmed the exclusion of several front-runners, including former Vice-President **Jean-Pierre Bemba** and two former prime ministers, **Antoine Gizenga** and **Adolphe Muzito**. This, coupled with the absence of **Moïse Katumbi** from the country during the candidacy registration period, has left the opposition weakened (AC Vol 59 Nos 5, 16 & 17).

Bemba, however, will be celebrating the International Criminal Court's ruling that he has already served sufficient time in custody for bribing witnesses. His unexpected acquittal on 8 June on a 2016 war crimes conviction, by the ICC's appeals chamber, led many to predict that he would mount a credible campaign for the presidency. His exclusion, however, has again changed the calculus.

Before his release, Bemba's party, the *Mouvement pour la libération du Congo* (MLC), had opposed the use of voting machines. Tempers flared at the WFD report launch when an MLC delegate accused Basengezi of failing to engage with party IT experts. CENI had previously responded to a series of technical questions submitted by the *Union pour la démocratie et le progrès social*, led by **Félix Tshisekedi**, son of the long-time oppositionist **Étienne**.

With Bemba and Katumbi out of the race, it is Tshisekedi who is best placed to position himself as the common opposition candidate. It is not clear, however, whether he can secure either

the endorsement of his peers or the support of his late father's base. The younger Tshisekedi continues to spend his time out of the country wooing other party leaders. He has yet to visit his father's birthplace in Kasai-Oriental, or secure the repatriation of his corpse from Belgium. That leaves the large Luba-speaking electorate open to offers. Tshisekedi is also yet to match the slick public relations of Katumbi, who attended the UN General Assembly meetings in late September and subsequently released a video message in Lingala calling for abandonment of the voting machines.

RAGE AGAINST MACHINES

The chorus of those opposed to deploying the machines continues to grow, with the musician **Koffi Olomide** voicing concerns and the influential civil society platform *Comité laïc de coordination* running a national campaign against their use. At a high-level forum on 4 October convened by CENI's president, **Corneille Nangaa Yobeluo**, only three out of 21 presidential candidates expressed support for using the machines. Nangaa tabled a technical discussion of the matter for this week.

Meanwhile, the presence in Kinshasa of a delegation from the UN Security Council has only increased posturing by the Congolese political class. While **France's** Ambassador to the UN, **François Delattre**, called for greater consensus around the use of voting machines, the UN delegation focused its energies on convincing CENI to request logistical support from the UN peacekeeping mission, MONUSCO. Western embassies remain sceptical about local capacity and fearful that a shortage of resources will provide a pretext for delaying the elections. Although CENI is unwilling to demand assistance publicly, we understand it continues to engage with the United Nations Development Programme behind the scenes. ●

ZAMBIA

A splurge before the squeeze

As the government goes on another shopping spree, international banks are reassessing plans for fresh lending to Lusaka

Israel and Zambia are almost ready to sign a new US\$400 million package for high-tech aviation equipment to be funded with a loan from Israel's Hapoalim Bank (AC Vol 59

No 7). The deal is believed to include a new presidential jet. **Russia** is also set to deliver a Sukhoi SSJ regional jet airliner with a luxury specification suitable for a head of state.

Military experts question Zambia's need for the new equipment it is ordering from Israeli contractor Elbit Systems, as well as its enormous cost. Elbit has \$400m of existing supply contracts with the Zambian military for surveillance equipment and other services, such as 18 Skylark mini-drones, an unspecified number of F-5 supersonic jet fighters, ground vehicles, and upgrades to the air force's Russian-made Mi-17 E transport helicopters. These deals, signed last year, also include centres for flight-training, and command control and communications.

FERRARI IN THE SKY

Controversy continues over the planned €95 million-plus acquisition of two top-of-the-range twin-engined C-27J Spartan military transport aircraft from the **Italian** aerospace company Leonardo. The deal, signed barely two weeks after Finance Minister **Margaret Mwanakatwe** pledged to cease new borrowing, looks likely to cost the exchequer far more than the purchase price. 'Where the manufacturers make their money isn't in the initial supply, it's the maintenance and support contracts. How they [Zambians] can afford to keep them in the air I don't know – it will sink them,' one ex-military pilot with experience of such transports told *Africa Confidential*.

Aircraft of this type are normally used by troops in special operations, such as covert raids or rescue missions, or stealthy extraction of military assets. Military experts consulted said they doubted Zambia had any requirement for them. The deal also comes with an eye-watering price tag. Arranged by the London branch of Italian bank Intesa San Paolo, with funds from the bank's Dubai office, the structuring fee totalled US\$1 million, we hear. ●

One of the contracts was part-funded with a \$48m loan from Israel Discount Bank, which was signed by President **Edgar Lungu** on 5 September 2016, *Africa Confidential* can reveal.

That was the day Lungu learned that the Constitutional Court had endorsed his election victory, restoring his residual executive powers prior to his inauguration on 13 September. Lungu's rush to sign the \$48m defence deal before waiting to form a cabinet raises suspicions about the use of the money. A \$500m state guarantee he signed during this time later had to be cancelled (AC Vol 59 No 11).

The latest Elbit deal includes over \$100m allocated for the purchase of an aircraft for civilian use, which will have a military tail number, AC has learned. The jet, we understand, is a Gulfstream G650 and would be earmarked for presidential use. Much of the rest of the \$400m deal is a maintenance package, we understand.

MUSIC SYSTEM

The aircraft may also be equipped with Elbit's MUSIC anti-missile system, which fires lasers at incoming heat-seeking missiles. Elbit has said it was supplying an African country with the MUSIC system in a context that suggested Zambia may be the client. A defence expert described the installation of such a system on a presidential jet as 'insane'.

Some of the Israeli contracts are, like many of the **Chinese** loan-backed projects, over-priced, say financial experts in Lusaka. The upgrade of the Maina Soko military hospital in Lusaka by Israeli company Ashtrom is costing almost \$200m, which officials close to the project say is extremely high. Ashtrom also has a \$400m contract for military housing and barracks in Kawambwa District, which the same Zambian government source says is over-priced.

The overall cost of the Elbit and Ashrom contracts is \$1.4 billion, although the government is still to sign the latest \$400m tranche with Elbit. More than \$50m of other equipment was

ordered from Israel Weapons Industries in January 2017, mainly weapons and ammunition for the army, also funded with a loan from Hapoalim Bank.

FLYING RUSSIAN

The Gulfstream, however, may not be the only luxury aircraft set to fly from Kenneth Kaunda International Airport. In a deal first reported in July 2017, Russia was set to deliver five Sukhoi Superjet SSJ100 regional jets (medium-range airliners), but this has been reduced to one, we hear in Lusaka. Initially, **Yury Slyusar**, President of Russia's United Aircraft Corporation, said that in addition to four standard SSJ100s, there would also be 'one aircraft in the VIP version for the head of state'. He was contradicted in August by Minister of Transport and Communications, **Brian Mushimba**, who told local press, 'Zambia Airways is not talking to Russia about any planes... Those are conspiracy theories'. It is AC's understanding that under the revised deal, only the luxury-equipped SSJ100 will now be supplied.

A statement in July from Russia's Ministry of Industry and Trade confirmed the original negotiations with Zambia, with the Minister of Industry and Trade, **Denis Manturov**, reported as having reconfirmed in September the supply of the VIP version SSJ100 at the Hydroaviation Salon 2018 expo. He added that the other four passenger aircraft remain under discussion.

It is part of a drive to boost Russia's aviation exports, which soared by almost 50% last year. On 9 April in Nairobi this year, Russia's state-owned export development institute announced a partnership with the African Import Export Bank (Afreximbank) for a \$20bn fund towards financing packages for Russian-made commercial aircraft for African airlines, accompanied by a showcasing of the SSJ100.

Senior Patriotic Front sources confirmed that the deal offered to Zambia came with a hefty finance package. Although each SSJ100 costs about \$35m, the sum being discussed

was far greater, say senior officials. The total cost was at least \$400m and may have included other elements besides the aircraft, they said. The details were never made clear to ministers, having been negotiated in secret, AC was told.

After this, the end of Zambia's borrowing spree may be in sight. Foreign lenders are putting discussions about new loans to Zambia on hold. The scandal over the misappropriation of public funds and a donor aid freeze, followed by a rapid weakening of the kwacha, which hit 12.5 to the US dollar on 1 October, and the downgrade by credit ratings agencies in July, have damaged market confidence (AC Vol 59 No 19).

Finance Minister **Margaret Mwanakatwe** has been urging all, including the International Monetary Fund to 'be positive about the economy'. In private, senior civil servants say that cash shortages have resulted in a near-freeze in funding to government departments, as the treasury prioritises debt service. Suppliers are threatening to sue over unpaid government bills. Meanwhile, the IMF is in no hurry to replace its resident representative, who was recalled early from his posting after pressure from the Zambian government (AC Vol 59 No 18). In the Fund's latest internal listing of vacancies to be filled, the Zambia post was not included, we understand. It's another sign that Mwanakatwe's public optimism about the chances of a funded IMF programme are spin rather than substance, say senior diplomats.

ISRAELI WORRIES

This crisis has delayed the Israeli deal, which has been awaiting final authorisation since preliminary agreements were signed in May, and could still scupper it. Israeli officials worry about reputational problems caused by the deal and the bankers are questioning the chances of being paid – particularly as they see a growing risk of regime change.

Trying to boost revenues, the government is imposing new demands

on mining companies. Relations became strained after Mwanakatwe announced changes in the taxation regime in her budget speech on 28 September. Zambia's Chamber of Mines, in a statement on 4 October, said tax regime instability would make Zambia 'uninvestable'. Mineral Royalty Tax hikes that will increase by up to 67% and 'novel taxes not seen

anywhere else in the world' are among the factors the Chamber says will shrink the industry resulting in less tax revenue rather than the intended windfall.

FEELING THE EFFECTS

Almost everyone is feeling the effects of the ballooning debt burden. On 2 October, just days after insisting

that rumours of a fuel price rise were malicious gossip, the Energy Regulation Board announced a significant rise in fuel costs – caused by the kwacha weakening against the dollar. The rise comes just after news that Mwanakatwe had approved a salary increase for top officials including President Lungu on 9 August, backdated to 1 January this year. ●

LIBERIA

The heist that never was

Elected on a pro-poor ticket as a 'man of the people', George Weah has fast become mired in allegations of graft

President **George Weah's** carefully choreographed image as a champion of the slum poor, which got him elected with an overwhelming majority in December 2017, is unlikely to survive a slew of allegations, some of them self-inflicted.

The latest and most critical is the apparent disappearance of 15.5 billion Liberian dollars, worth US\$104 million. Weah's government has pointed an accusing finger at his immediate predecessor, the Nobel and Mo Ibrahim Prize-winner **Ellen Johnson Sirleaf**. Central Bank of Liberia (CBL) Governor **Nathaniel R Patray**, appointed by Weah in July, issued a statement on 2 October saying that no such disappearance had happened. The mystery of the money's whereabouts remains, and accusing fingers are pointing to Weah, who has surrounded himself with old players from the corrupt era of the dictator **Samuel Kanyon Doe** and convicted war criminal **Charles Taylor**.

In late September, Information Minister **Lenn Eugene Nagbe** had announced that the cash could not be found. The money, which had been shipped from **Sweden**, was minted by Crane Currency, one of the oldest banknote paper production facilities in the world. Liberia does not have a minting facility. The 'missing funds' amount to roughly 5% of Liberia's GDP.

Even for a country inured to corruption, this one was a jaw-dropper. The bank's internal records showed that the money, in two shipments, had been deposited in its vault, the last consignment arriving in August, seven months after Weah was inaugurated.

The mystery surrounding the 'disappearance' deepened after Weah ordered an investigation which produced conflicting accounts from

Nagbe and other high-ranking officials. The President immediately imposed a travel ban on more than 30 former and current Central Bank officials. He also announced that he was engaging the assistance of the US government, the Economic Community of West African States (ECOWAS), the African Union, United Nations and International Monetary Fund (IMF) to help him trace the banknotes.

Shortly after that, on 28 September, a Monrovia court – acting on a request from Weah's government – ordered the arrest of **Milton Weeks**, a holdover from Johnson Sirleaf's administration whom Weah forced to resign as Central Bank Governor in early July, midway through his five-year term. Also on the arrest list was **Charles Sirleaf**, the urbane Deputy Governor for Operations, who acted briefly as Governor before Weah appointed financial specialist Patray to replace Weeks.

Sirleaf is a son of the former President. Weah's officials claimed, in several incoherent statements, that much of the money had disappeared on her watch. President Johnson Sirleaf commissioned the minting of the banknotes in 2016 after a decision, urged by the IMF, to pay 25% of the government's vast wage bill in Liberian dollars to enable the Central Bank to restore its foreign currency reserves.

Some interpreted Weah's allegations against Johnson Sirleaf as an attempt both to smear the widely respected former President, and to ease the replacement of her son by a Weah crony. Others said that Weah, under pressure from rising inflation and having failed to match his 'pro-poor' rhetoric with substantive action, was trying to scapegoat the ex-President, who faced blistering attacks from her own Unity

Party during the elections, allegedly for favouring Weah over her dour Vice-President, **Joseph Boakai** (AC Vol 58 No 21 & Vol 59 No 2).

The attacks prompted an intervention by Johnson Sirleaf, rare since she retired in January. In an interview with the BBC, she stated that 'the country's reputation and innocent people's reputation have been impugned'.

Weah's ministers 'must go back to the media and say that the investigation is concluded and the evidence and facts are known, they must go back to the media and correct it.'

She added: 'The Central Bank has already done an investigation on the direction of the Minister of Justice. Why haven't they released the report of the investigation? Why are they sitting on it? Has the President realised what he has done to the country? The reputation of the country is also at stake. They're talking about 16 billion; do they know what the GDP of this country is?'

That was the first public reference to an internal investigation by the bank which CBL Governor Patray had quietly ordered shortly after Nagbe's claims.

PUBLIC PRESSURE

Johnson Sirleaf's intervention increased the pressure on Weah. Hundreds took to the streets of Monrovia and social media-savvy Liberians created the hashtag #BringBackOurMoney. A Liberian hip-hop tune (or 'hipco song', as local people say) called 'Bring Our Container Back' trended widely, becoming the most popular requested music on call-in radio. When Weah appeared at the United Nations in New York in late September, he met dozens of angry protesters waving placards reading 'Bring Back Our Money'.

His boast to the UN General Assembly on 26 September – that his country 'has finally turned the corner' and he is now focused on a 'pro-poor agenda' – though well received by heads of state and diplomats in the hall, was derided by Liberians outside. Few living in Liberia or abroad are willing to give Weah the benefit of the doubt over Johnson Sirleaf.

Once back in Monrovia, Weah reverted to his wounded underdog image, defending himself in a rambling speech on 30 September. The supposed loss of \$104m now mattered less than the former President's suggestion that he was unschooled in basic economics.

The following day, 1 October, he threw a lavish birthday party to which he invited hundreds of Monrovia's rich and poor alike – a desperate move, critics said, to burnish his image of cutting across Liberia's class distinctions; and stick it to the old political aristocracy.

The hangover from the party set in as Patray issued a statement assuring the 'general public and our partners in progress' that 'there is no 16 billion Liberian dollars missing, as has been erroneously reported in the media'. The statement welcomed Weah's announcement of an investigation, particularly the hiring of an international audit firm to 'conduct a forensic audit of all flows of printed money between 2016 and 2018'.

WEAH CIRCLES OLD AND NEW

The scandal has drawn unwelcome attention to Weah's conduct, and his circle of advisors, since becoming President. In May, a few months after being sworn in, he was seen flying around in a private jet which he had conveniently parked at Spriggs Payne Airport in Sinkor, Monrovia.

Responding to widespread rumours that he had bought the plane for \$30m,

Weah issued a statement saying it belonged to a friend of his in **Burkina Faso** 'who is the manager of a big company'. This friend, he said, had told him to use it 'any time I want to travel because he has seen me use planes owned by **Ivory Coast** and others'. As a 'celebrity', Weah said, he has such generous friends all over the world.

The friend, it turned out, was **Mahamadou Bonkougou**, the Burkinabè president and chief executive of the construction group EBOMAF who also owns the airline Liza Transport International, based in Burkina Faso. *Africa Confidential* has learned from sources close to Weah that he was in fact introduced to Bonkougou by **Emmanuel Shaw**, a former finance minister in the Doe government who is now a close Weah advisor. Both Bonkougou and Shaw were influential in negotiating loans from a **Singaporean** financial firm amounting to \$536m to help pay for a coastal highway in south-eastern Liberia. Bonkougou is interested in getting the contract for his construction firm.

The IMF has criticised the loan agreement, which was hastily approved by the chronically graft-prone legislature. In March 1990, as Finance Minister, Shaw orchestrated President Doe's purchase of a 60-seater Boeing 707 for some \$20m a few months after rebel attacks began which engulfed Liberia in a ruinous civil war.

Other dubious characters around

Weah are Information Minister Nagbe, once a commando in Charles Taylor's rebel army. In March, Weah caused national outrage when he appointed **Charles R.G. Bright**, a former top aide to Taylor, as his senior economic advisor, with the status of super-minister (AC Vol 59 Nos 8 & 12).

The prominence of former Taylor officials in Weah's government has left foreign observers befuddled and caused great anxiety among Liberians, including Johnson Sirleaf and many officials in her government who fought against Taylor. In September, **Cindor Reeves**, a key prosecution witness in the Special Court for **Sierra Leone's** trial of Taylor, fled across the border claiming that he was a target of assassination attempts by Taylor holdovers in Weah's government. Reeves is now being given protection by the Residual Court of Sierra Leone at an unknown location in that country.

People have started to notice the evidence of immense wealth around their leader apart from the private jet, a marked contrast to his pre-presidency days of austerity. Weah pulled down his old property on 9th Street in Sinkor shortly after becoming President and has built a glittering mansion in its place. He has also acquired several other large properties in Monrovia, refurbished his old Jamaica resort in the tourist area of Thinkers Village, and is building an estate on a 50-acre stretch by Farmington River, near Roberts International Airport. ●

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POINTERS

Somalia

SHELTER FOR FAVOURITISM

■ The case of a business manager who lost his job because he was not in the inner circle of President **Mohamed Abdullah Mohamed 'Farmajo'** is discouraging diaspora investors. The Bill'san ('Beautiful') Company was set up by **Abdiweli Garyare** (Marehan/Reer Eli) on his return from living as a refugee in the **Netherlands**.

Abdiweli built bus shelters and offered advertising space for rent on them. After success in Hargeisa and Garowe, the company opened a branch in Mogadishu a few weeks ago.

Then, disaster. Early in October, after Farmajo got in touch with **Abdirahman Omar Osman** (aka **Eng. Yarisow**), the Governor of Benadir and Mayor of Mogadishu, Yarisow cancelled Bill'san's right to do business, forcing Abdiweli to leave. Yarisow had been full of praise for the enterprise before. The Mayor has no power to ban a legally licensed business but there is no mechanism to stop him.

In the 2016 parliamentary elections, Abdiweli's Marehan sub-clan, the Reer Eli, was supposed to alternate a seat with another sub-clan, the Reer Siyad Hussein, under the complex ethnic arrangements for selecting MPs (AC Vol 58 No 1). Abdiweli was to have been the candidate for the Reer Eli, but the Reer Siyad Hussein did not honour the agreement to alternate. **Abdishakur Ali Mire** was duly 'elected'. The electoral disputes committee did not intervene.

Abdishakur is part of Farmajo's inner circle, business sources in the capital say; he is associated with a group of political operatives close to Farmajo who have been accused of obliging companies to pay kickbacks when they win government contracts. They deny this. Abdiweli does no business with the government but clearly felt his best interests were served by going back to the Netherlands.

South Africa

ANOTHER ONE BITES THE DUST

■ South Africa has notched another record it would rather not have: seven finance minister changes in two years, following the resignation of **Nhlanhla Nene** (AC Vol 59 No 5). **Tito Mboweni**, a former Governor of the South African Reserve Bank, was sworn in on 9 October to replace him as Finance Minister.

Losing one of his loyalists is a body blow to President **Cyril Ramaphosa**, but Nene was sunk after admitting in his evidence to the government-appointed Zondo Commission into 'state capture'

that he had lied about his association with the corruption-tainted Gupta family currently under investigation.

He told the Zondo commission that he had met the Guptas on ten occasions including at their notorious residence in Johannesburg and at their commercial headquarters. That contradicted what he had said in a 2014 media interview.

It also emerged last week that Nene's son, **Siyabonga Nene**, might have benefitted from a loan from the Public Investment Corporation, from which public service pensions are paid, while his father was chair of the PIC in his capacity as Deputy Finance Minister.

Africa Confidential understands that **Julius Malema**, the populist leader of the Economic Freedom Fighters, had threatened to expose more 'secrets' about Nene if he did not resign.

If Ramaphosa has lost an ally, it also appears that he was unable to replace him with his first choice. Former Deputy Minister of Finance and Gupta whistleblower **Mcebisi Jonas**, declined the job, a well-placed source told AC (AC Vol 58 No 8). Nor has Mboweni been keen to take over the finance ministry. In 2014, when it was speculated that he might get the finance portfolio ahead of Nene, he took to social media to dispel the rumours: 'I am not available... you cannot recycle the same people all over again.'

Zambia

A CLUMSY CRACKDOWN

■ The death of **Vespers Shimuzhila**, a University of Zambia student who suffocated when police fired a teargas canister into her room following student demonstrations over unpaid government meal allowances, and the government's reaction – Information minister **Dora Siliya** blamed the students – is a microcosm of the government's tin-eared response to recent criticism.

It followed the deportation of eminent Kenyan academic and lawyer Patrick Lumumba on 29 September upon his arrival at Lusaka's international airport over unspecified 'security concerns'. Lumumba's warnings over the risks of indebtedness from Chinese project finance, which the Zambian government is anxious to defend, are believed to be the reason for his deportation. Lumumba had been invited to speak to students on China-Africa relations. 'I only carry ideas. I don't move with guns,' he told Kenyan media. The claim that he was a security risk was 'an act of stupidity,' he said.

Siliya's announcement on 3 October that the government is exploring taking legal action against *Africa Confidential* was also met with ridicule, particularly on social media, where the comments from followers of Siliya's Twitter account were almost universally critical. 'Your

stand up comedy, Madam Minister, is incomparable,' commented one follower.

Since AC revealed the donor freeze over corrupt schemes in core ministries, the government has suspended more than 100 civil servants in an apparent effort to show it is taking action (AC Vol 59 No 19). It also tried to create some positive spin from its US\$2.7 million repayment to the **United Kingdom's** Department for International Development on 1 October, with Silya disingenuously suggesting that this demonstrated the money had not been misappropriated. AC understands that this \$2.7m is on top of the \$4.7m believed to have been diverted by the Post Office, and DFID demanded it be frozen after discovering that it had also been allocated to capital expenditure instead of the intended welfare payments (AC Vol 59 No 18). A great deal of money still needs to be traced, we hear.

African Union

GOING BILATERAL ON MIGRATION

■ Although the African Union was unable to corral member states behind a common stance on trade negotiations with Europe in Addis Ababa last month, the European Union is just as divided on migration policy. **Hungary** delayed adoption of the EU's common negotiating mandate for about a month after demanding tougher rules on migrant returns (AC Vol 59 No 11). But the European Commission knows that this is a non-starter; African leaders won't agree to any toughening of conditions attached to migration flows.

Morocco has led Africa's rejection to the EU's idea of setting up 'regional disembarkation platforms' or 'hot spots'. Its foreign minister **Nasser Bourita** has accused European leaders of exaggerated talk of a migration crisis in an interview with **German** journalists on 3 October. The numbers bear that out. Around 78,000 migrants have entered Europe by sea so far this year, compared to 131,000 in 2017 and 300,000 in 2016. To keep the peace, the EU executive will not push for a new general agreement on migration, we hear, and will instead cobble together several ad hoc deals.

Talks between Brussels and the **Egyptian** government were launched last month aiming to strike a 'cash-for-migrants' agreement. Officials say a deal could be finalised by an EU-Arab League summit scheduled for February in Cairo. More complex, but also in the planning stage, is a deal with Libya modelled on the EU's migrant agreement with **Turkey**, under which Ankara has received €4 billion from Brussels in return for keeping **Syrian** refugees from reaching European soil. **Italy** is pushing the hardest for a Libya deal, we hear.

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BLUE LINES

Few of the estimated 700,000 people who marched through central London last Saturday urging a 'People's Vote' – another referendum – on whether the UK should leave the European Union can have been aware of the potential impact on their cause of a pending law suit in Kimberley, capital of South Africa's diamond-mining area.

The financier Arron Banks, who donated £9 million – the UK's biggest ever political donation – to the Brexit campaign is in dispute with a former partner in a diamond mine enterprise in South Africa, Christopher Kimber. The 'Hawks' investigative unit is probing Kimber's claims about criminal activity by Banks, who is also accused of setting up a training camp where unlicensed firearms may have been kept. Banks denies any wrongdoing across the board.

One of Kimber's allegations is that Banks was offered lucrative connections with a Russian diamond company, Alrosa, and opportunities in gold-mining in Russia. Kimber says that Banks diverted investment money raised for mining in South Africa and Lesotho to the pro-Brexit website Leave.EU and other anti-EU campaigns, all of which Banks also denies.

Did any of Banks's political donations originate in Moscow? He insists not, but some British 'remainers' are salivating at the possibility of the June 2016 referendum being declared null and void, should it be proved that Moscow gold swung the British electorate against the EU.

NIGERIA

Now the race looks serious

The challenger Atiku Abubakar has built a new coalition, but strong northern support for President Buhari will give him staying power

He froze over in Nigeria on 11 October. That's when former President **Olusegun Obasanjo** endorsed his once Vice-President and newly crowned leader of the opposition People's Democratic Party (PDP), **Atiku Abubakar**. It showed how determined both men, for differing reasons, are to drive President **Muhammadu Buhari** from power in next February's elections.

The two titans had been mortal enemies since 2003, when Obasanjo used the powers of the presidency to dismember Atiku's network and thwart his ambition of getting the top job. Given the dominance of patronage networks across the country, these feuds have come to dominate politics as much as, or more than, ethnicity or religion.

More influential still is cash. Street wisdom explains this plutocratic competition as 'government of the greedy, by the greedy, for the greedy', in an economy fuelled by government contracts diverted through the patronage networks.

Even political kingpins change loyalty and party according to where the money is. Atiku, accused of heroic levels of malfeasance by his opponents, has shifted party three times since leaving the PDP in 2006, before returning earlier this year.

In the end, this mattered little to the PDP delegates at the convention who picked him as their presidential candidate. Opponents accused Atiku of winning a bidding war for the nomination by offering far more than any of the former governors competing for the candidacy.

PDP delegates were persuaded by the argument that Atiku was the only candidate who could beat President Buhari and his All Progressives Congress (APC). Despite spending the last decade in the wilderness, Atiku's personal wealth, vast contacts, and deep knowledge of the nation's politics convinced the PDP congress to choose him as the flagbearer.

GENERAL SUPPORT

The arrival of former head of military intelligence General **Aliyu Mohammed Gusau** on the second day of the congress, telling PDP officials that he and his fellow northern generals **Ibrahim Babangida** and **Abdulsalami Abubakar** would support Atiku's campaign if he got the nomination, was the final boost.

Chaos at the APC conventions during the first week of October, with indecisive, cabal-rigged primaries all over the country, underlined the party's weaknesses and Buhari's inability to control them. The fact that many Nigerians admire the PDP candidate because 'Atiku grow money' highlights his influence over the country's oligarchs, but also points to President Buhari's vulnerability on the economy.

Nigeria emerged last year from its deepest recession in 25 years, but citizens see little recovery in their daily lives. Social indicators, health and education provision, for over 80% of the population are declining. Reports of rent-seeking and inertia in the president's inner circle – dominated by family members and kinsmen – has tarnished the anti-

ETHIOPIA	5	MOZAMBIQUE	6	AFRICA/ECONOMY	7	CÔTE D'IVOIRE	9	AFRICA/ECONOMY	10
Push-ups and makeovers		Poll knocks Frelimo		Struggling to keep pace		Lining up for battle		S.TOMÉ & PRÍNCIPE	12
Faced with an attempted coup, the Prime Minister turned it into a PR triumph		The ruling party lost key cities in the local elections. Reformers are demanding change		The high priests of world finance say Africa is falling short of the growth it needs		Falling support for the President's party in local elections is a foretaste of 2020		UGANDA	10
								NIGERIA	12
								ZIMBABWE	12

HOW THE RACE LOOKS IN THE REGIONS

The south-south and south-east for Atiku

The Igbo heartland is the backbone of PDP support and went overwhelmingly for **Goodluck Jonathan** in 2011 and 2015. President **Muhammadu Buhari** will be unlikely to reach the 25% margin in any of the five states here. **Atiku Abubakar** has chosen former Anambra governor **Peter Obi** as his running mate to shore up support in the region and to ride on Obi's reformist credentials, which remain strong from his period in office and may redress Atiku's poor reputation on governance. Obi was also a leader of the minority All Progressives Grand Alliance (APGA) party, which still controls Anambra state and will be important in the governor's race there. PDP also stands a good chance of sweeping all five governorships here, although the APC currently controls Imo state and may well hold on.

The Niger Delta went solidly for local man Jonathan in 2015, and remains likely to favour Atiku in 2019, with the exception of Edo state, home of APC's energetic and aggressive chairman **Adams Oshiomhole**. The region was the site of some of the worst electoral rigging and violence in 2015, which seems likely to be repeated in 2019.

APC minister and former Rivers governor **Rotimi Amaechi** and former Akwa Ibom PDP governor and now APC Senator **Godswill Akpabio** are working hard to flip their states to the APC for the governorship races. Nonetheless, President Buhari will be hard pressed to win even 25%, and may lose in Edo state as well, where old PDM members like **Tony Anenih** have retired but remain influential. Organised militants are being hired by both parties, especially in Rivers and Akwa Ibom, making violence all but inevitable in these states.

North-eastern trends

Religion figures strongly in the north-east, where perceptions of the APC as Muslim and the PDP as Christian persist from 2011 and 2015, even though both presidential candidates are Muslim with Fulani roots. Ethnic minorities across the region that converted to Christianity in recent decades have also discovered electoral strength in Christian political identity, which the PDP has exploited heavily. So, Christian-majority Taraba state sits well in the PDP column, and states with sizeable Christian populations such as Bauchi and Gombe also look competitive, although Bauchi seems likely to remain with the APC. Adamawa may also be 50/50 in religious affiliation, and as Atiku's home state he can be expected to do well, although the APC has the governorship.

Identity is not the only issue on people's minds, as insecurity mounts over the unvanquished **Boko Haram** insurgency, and the continuing farmer-herder crisis flares without serious government attention. The north-east also remains Nigeria's poorest region, with little infrastructure, and anger runs deep that much of the relief that the federal government was supposed to spend in the region – on emergency relief as well as improved security – has disappeared into private pockets.

Gombe's PDP governor **Ibrahim Dankwambo** is stepping down after two terms and appears ready to keep the state for PDP, which may also help Atiku. Borno and Yobe have been controlled by APC and its predecessor parties throughout the Fourth Republic, and seem likely to remain so, despite the persistence of the **Boko Haram** conflict here.

The north-central calculus

Religious identity also figures strongly in the Middle Belt, where violence may result, depending upon election outcomes. President Buhari's failure to address the farmer-herder crises across this region has hurt the APC. Volatile Plateau state is likely to face a rough election period, with the APC governor facing intense opposition and Buhari likely to lose there. Senate President **Bukola Saraki**, despite losing his bid to be the PDP presidential candidate, has already used his considerable influence to swing Kwara in 2018 and perhaps Kogi state in 2019 to the PDP, while Benue state is also likely to flip to the PDP. Local APC machines appear strong in Nasarawa and Niger, although both could prove competitive.

North-west for Buhari

This is the president's base and where he is likely to run up the score, especially in populous Kano and northern Kaduna, where his support among the young *talakawa* (poor or working class) rules the streets. Moreover, the north-west has nearly three times the population of Atiku's base in the south-east, and south-eastern turnout has usually been low.

(continued opposite page)

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corruption credentials that swept him to power in 2015 over the hugely corrupt administration of President **Goodluck Jonathan**.

KINGPINS

Atiku's prospects for success depend on his ability to build a coalition with the nation's political kingpins. Before his struggle with Obasanjo, Atiku led the influential People's Democratic Movement (PDM), which was originally built by **Shehu Musa Yar'Adua**, President **Umaru Yar'Adua's** elder brother who was murdered by General **Sani Abacha's** assassins in prison in 1997 (AC Vol 38 No 25). PDM provided the backbone of the PDP when it was formed in 1998 during the transition to the Fourth Republic, helping to deliver both the 1999 and 2003 elections.

A dramatic falling out over the 2003 elections led Obasanjo to undermine the PDM network in his second term, using the carrot of government contracts and the stick of arrest by the Economic and Financial Crimes Commission to hound Atiku's support base. Many supporters abandoned him during this period, but some remain influential across the Middle Belt and the south, including in the oil industry and Lagos business circles. PDP leaders are hoping that Atiku can revive the old PDM machine, despite the age of some its key members, with the help of younger allies.

Moreover, Nigeria's constitution requires that a candidate must receive a majority of the votes nationwide, plus 25% of the vote in two-thirds of the nation's 36 states in order to be elected president in the first round of voting. If those conditions are not met, the election then goes to a second round between the top two of the first round. Consequently, both the PDP and APC are looking to regional strategies in 2019.

THE RIGGERS' PLAYBOOK

Party activists speak with nostalgia of elections before 2011, when they could use their control of local and state governments simply to change the numbers overnight as vote totals would

move up the cumbersome collation levels from polling station to the ward, to local government, to state, and finally to the federal level.

This is still the pattern in many rural areas, in the south-east and the Niger Delta. Yet Professor **Attahiru Jega's** reforms when he was chair of the Independent National Electoral Commission from 2010 to 2015, particularly the biometric voter cards and electronic card readers, disrupted the established rigging operations, making the 2015 vote a serious contest. In theory, only legitimate voters can cast a ballot, because their thumbprints are on their voter's cards, and the final tallies could be sent to INEC to check numbers as they moved up the collation chain.

Recent by-elections suggest that the riggers have adapted. From the outset, the voter cards have been problematic. Party apparatchiks, more in rural areas, discovered that they could intercept the cards, and INEC was not always careful in distributing them. Additional cards can also be bought directly from the **Chinese** vendor, and some INEC staffers are willing to sell voter data from the commission's compromised data bases, which are vulnerable to hackers.

INEC sometimes gives cards in rural areas, internal refugee camps, and elsewhere to traditional district heads and chieftains – many of whom are party stalwarts – to distribute. Many of these cards do not reach their owners, only to reappear during the elections in the hands of others. In December 2014, for example, INEC announced that 83% of the voter cards in Yobe state had been distributed, despite the fact that most of the state was then occupied by **Boko Haram**.

In the latest registration exercise, INEC reported that as of mid-August, over seven million voter cards – nearly a tenth of registered voters – had yet to be collected by voters from distribution centres run by state and local governments. Some of them are hoarding them for use by blocks of their own supporters on election day.

Given the problems electronic card readers had in reading thumbprints in the first place, and the willingness of INEC polling unit staff to allow anyone with a card to vote, an unknown number of local political machine supporters and under-age voters may vote two or three times each on election day, especially in rural areas.

Such votes will also escape any parallel vote counts, since the rolls will record them as belonging to legitimate voters. Moreover, INEC staff will often

(continued from opposite)

However, Governor Tambuwal of Sokoto and former Kano governor Rabiul Kwankwaso have defected to the PDP, and although they probably will not deliver a win for Atiku in their states, they may well keep the APC machine from inflating the numbers and deliver the 25% that Atiku needs, as well as possibly winning gubernatorial races there. In addition, southern Kaduna state, which is overwhelmingly Christian, will vote solidly for PDP, and APC governor Nasir el Rufai's ongoing difficulties with party factions could endanger his base in the northern half of the state, suggesting that Buhari may also suffer there.

South-west as decider

With the above tally of 17 states leaning for Atiku and the PDP, and 13 for Buhari and the APC, the six states of the Yoruba heartland will again likely prove the kingmakers as in 2015, and be vigorously fought over. Recent by-elections in Osun and Ekiti showed the APC and PDP evenly matched, and Ondo, Ogun, and Oyo states have important PDP factions present, although APC appears to remain ahead at the moment.

President Buhari's support across the south-west fell dramatically as the economy plummeted and it has remained weak. His popular running mate and former Lagos Attorney General, Vice-President Yemi Osinbajo, however, is shoring up the ticket here, in part because many across the region imagine that the president's health problems might cause him to step down in his second term and make Osinbajo president.

Lagos and its six million registered voters – the most in any state – may well decide this election. Bola Tinubu, the state's APC godfather of godfathers, again proved his power by undermining the sitting APC governor Akinwunmi Ambode during the primaries for daring to challenge his authority, and he seems ready to keep the state firmly in the APC column. The PDP, however, remains strong in the state, and its gubernatorial candidate Jimi Agbaje may capitalise on the divisions caused by Tinubu's campaign against Ambode.

The Buhari-Osinbajo ticket will also struggle with the president's flagging popularity and the fact that Lagos's Igbo voters, who constitute perhaps 40% or more of the population, may find the Atiku-Obi ticket more convincing. Although Tinubu has most of his eggs in the APC basket, he himself was once a PDM member and ally of Atiku, as well as a business partner, and this old friendship may prove important if the APC stumbles. ●

allow individuals without cards to vote on election day as long as they bring some other form of identification or some other way to vouch for their citizenship. Many legitimate voters are able to vote this way, sometimes voting alongside an illegal voter using his/her card, and inflating the totals.

Greater difficulties in rigging have also increased the appeal and price of vote-buying across the country. Reports from the July 2018 gubernatorial election in Ekiti state claimed the victorious APC had offered 5,000 naira (about US\$14) per vote, defeating the PDP candidate's bid of 4,000 naira. Also important was the fact that the outgoing PDP governor had neglected to pay thousands of civil servants and teachers and had to borrow the money from the governor of Rivers State.

In some polling units, voters must take a photo of their vote in the booth with their phones in order to receive their cash, or to avoid attacks from party thugs. Political toughs have also been reported preventing voters from

reaching polls in areas controlled by the opposing party.

INEC ON THE BLOCK

Recent by-elections have also seen the APC use the power of incumbency to lean on INEC to cancel elections in opposition wards or local governments when vote totals went the 'wrong' way, and order reruns with dubious outcomes amid massive police and military presence.

When PDP candidate **Ademola Adeleke** was declared victor in the Osun gubernatorial election by 353 votes on 22 September by the state-level INEC officer, the federal INEC stepped in and suspended seven polling units. These were rerun five days later, with the APC candidate, **Alhaji Gboyega Oyetola**, emerging victorious overall by 482 votes.

Local media reported that INEC staff were forcibly removed and replaced by staff wearing badges from the presidency. Amid heavy security and reports of widespread violence, voters and election observers were prevented from accessing polls, such

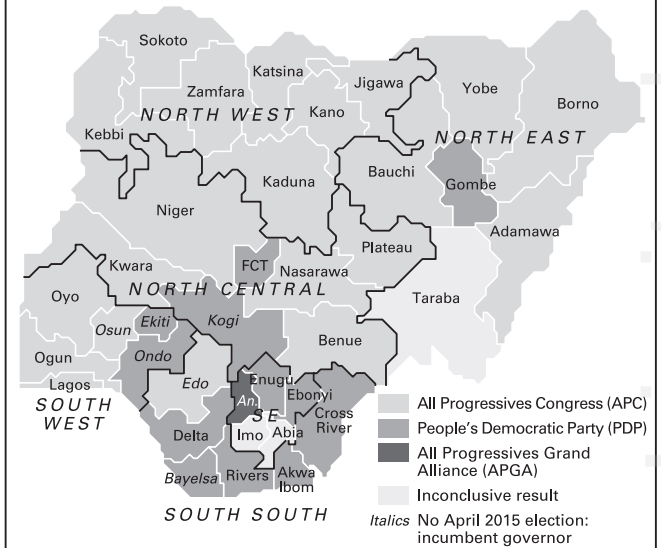
2015 AND 2019 ELECTIONS MAPS

2015 PRESIDENTIAL ELECTION

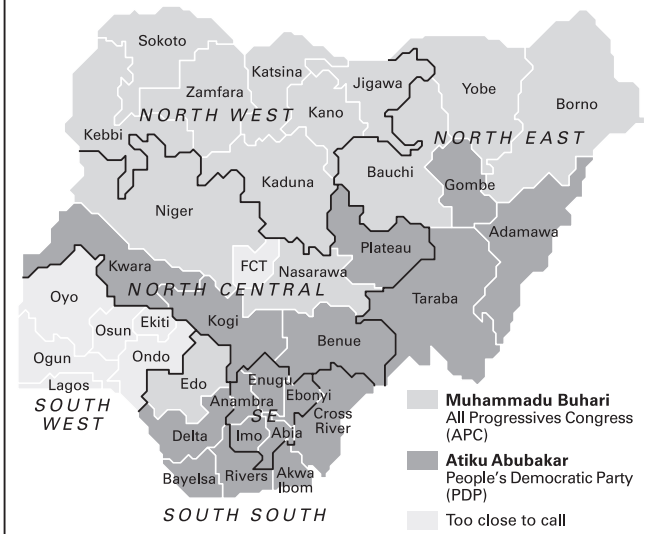


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2015 GUBERNATORIAL ELECTIONS



2019 PRESIDENTIAL ELECTION forecasts



2019 GUBERNATORIAL ELECTIONS forecasts



that foreign governments and local civil society activists were outraged and the outcome was discredited.

INEC's loyalties are in question. Its ruling commissioners are seen as evenly divided between APC and PDP, but the chair, Professor **Mahmood Yakubu**, is of uncertain leanings, if any. The Osun election debacle, however, has PDP leaders worried. Also, APC control over the military, police, and the State Security Service may prove pivotal in changing election results and intimidating voters, as the PDP did when it was in power. If the election is close, as appears likely, then a runoff is possible for which INEC may be unprepared.

What is certain is that these rigging activities, or the presumption that opponents are engaging in them, will provoke clashes in some localities.

Plateau, Kaduna, Rivers, and Akwa Ibom states are vulnerable, and Kano and Katsina states may join the list if President Buhari is not declared the winner.

His street support is still impressive across the north and he remains a force to be reckoned with – even if his APC allies are divided or upset with the primaries or his overall approach to governance. With the powers of incumbency behind him, he may hold the upper hand. Many of the 21 APC governors will also hold this advantage, but more of them will be vulnerable to PDP challengers, especially in Plateau, Kaduna, Kogi, Imo, and perhaps even Lagos and Kano, although these latter two states look stronger for the APC.

Atiku's deep experience in election matters may outflank Buhari's APC

handlers, but he will need more than just his deep pockets to outbuy or check the APC machine. He will also need to demonstrate genuine public support, mobilised by a major ground operation backed by local PDP networks.

At 71, Atiku is more energetic and comfortable with speaking on the stump than the taciturn, 75-year-old Buhari. That will be important for reaching Nigeria's social media-savvy voters, who threw their weight behind Buhari in 2015 but have grown frustrated with his slow pace. If the election does end up close, as appears likely, the APC's control of the security forces may prove pivotal and provoke a crisis. If, however, Atiku does in fact win and the APC respects the result, as Jonathan did in 2015, Nigerians may at least come to feel that elections, however flawed, can lead to change. ●

ETHIOPIA

Push-ups and makeovers

Even when faced with an attempted coup d'état, Prime Minister Abiy somehow turned it into a public relations triumph

After disgruntled – and fully armed – troops marched into Prime Minister **Abiy Ahmed's** office in central Addis Ababa on 11 October, initial reports unconvincingly suggested the head of government had simply discussed pay with the 250 or so men. Himself a former Lieutenant Colonel, the Prime Minister did some push-ups with the assembled men, and the image of beaming commandos with their athletic commander-in-chief was duly splashed across the globe in the manner of a typical photo-op.

Yet less than a week later in parliament, as he announced a new cabinet, Abiy revealed that the bizarre incident was part of a plot to derail his reforms and claimed that some of the soldiers wanted to kill him. That forbidding revelation was, however, largely overshadowed by another piece of canny political theatre.

Discussion of a major government restructuring – aimed in part at bringing TPLF-dominated federal security agencies to heel – was overshadowed by the decision to appoint women to staff half of a streamlined cabinet. However, in a less savvy PR display, they decided to name the new super-ministry that now houses the intelligence, immigration, online surveillance agencies and the Federal Police and Federal Affairs department the Ministry of Peace.

This important shake-up of federal government came on the back of a delayed Ethiopian Peoples' Revolutionary Democratic Front congress earlier this month. It is supposed to be held at least every two-and-a-half years but the last was held in August 2015. At the latest congress Abiy was re-elected chair of the party with all but one vote from a party council comprising equal members from each of the four EPRDF constituent parties' Central Committees. Even if there are discontents in every camp, and especially the TPLF, which dominated the EPRDF until Abiy's appointment, his continuing honeymoon with the public has encouraged his enemies to bide their time. They know that even with Abiy at the wheel the EPRDF juggernaut is wobbling; without him, it could well veer off the road.

In the run-up to the congress, each party held its own conference,

and **Muferiat Kamil** was elected as the leader of the Southern Ethiopian People's Democratic Movement in what looks to be a long-term replacement for **Hailemariam Desalegn**, Abiy's predecessor. Muferiat was then named Minister of Peace. Few doubt her tenacity and administrative capabilities but, as indicated by the show of military discontent, she has a mammoth task in repurposing the federal security apparatus.

Take the Information Network Security Agency, the fief of then military intelligence officer Abiy a decade ago, where he clashed as an ambitious caretaker leader with his boss, Brigadier General **Tekleberhan Woldearegay** (AC Vol 59 No 8). The latter resigned shortly after Abiy became leader, and another Tigrayan INSA senior manager, **Biniam Tewolde**, was arrested on suspicion of corruption, to the chagrin of TPLF activists. The new head of INSA is **Temesgen Tiruneh**, who is also Abiy's new National Security Advisor. He is likely to face resistance from INSA's middle management.

INTELLIGENCE TEST

The National Intelligence and Security Services was the domain of the elusive **Getachew Assefa**, a TPLF politburo member, until Abiy removed him in June. NISS is now headed by **Adem Mohammed**, an Amhara general and previously Commander of the Air Force (AC Vol 59 No 9). In a bid to transform the security apparatus, Adem pledged to depoliticise NISS. Nonetheless, highlighting the competing priorities, the new domestic intelligence chief, **Demelash Gebremichael**, was appointed to the Central Committee of Abiy's Oromo Democratic Party (ODP) in September (AC Vol 59 No 19).

Rather than keep politics out of spying, the main focus for Adem and Muferiat is likely to be to ensure that NISS retains its effectiveness at combating security threats, while purging the agency of semi-autonomous networks connected to Getachew and other former senior officials. Immigration, a department of NISS, has long been seen as uncooperative and prickly by the rest of the government, suggesting that overhauling it will also prove tricky.

Another big mover in the reshuffle

aside from Muferiat was **Aisha Mohammed** from Afar region, who became Ethiopia's first female Defence Minister. That may show an effort by Abiy to manage the struggle between Ethiopia's most influential communities, the Tigray, Amhara and Oromo, by widening the power base to peripheral regions.

However, a long-existing plan to incorporate the ruling parties of Afar and four other non-EPRDF regions into the organisation did not pass at the congress, primarily because of the likely destabilising effect it would have on a now much more fragile front. Similarly, the EPRDF seems as far as ever from becoming a single united party.

There were complaints from the rebranded Amhara Democratic Party's activists, as the organisation lost out on major new roles at the foreign and defence ministries, although there are five ADP ministers in total. **Dagmawit Moges** was appointed as Minister of Transport after a brief spell as deputy mayor of Addis, but until the last minute she was expected to be named Defence Minister.

The ODP's **Workneh Gebeyehu** remains at the Foreign Ministry – one of six ministers from Abiy's party – while the new leader of Somali region's ruling party, **Ahmed Shide**, was named Finance Minister, replacing **Abraham Tekeste** from the TPLF, who was capable and popular with donors. That left the formerly influential ruling party of Tigray with only one representative on Abiy's now 20-strong Council of Ministers.

Ahmed proved to be the last Minister at the Government Communication Affairs Office, which was disbanded. Its responsibilities for press management and government public relations are moving to a new secretariat at the Prime Minister's Office. While that structure is yet to be tested, journalists worry that it represents a further effort to control public perceptions, which will not be conducive to Abiy's stated desire to see a more assertive and liberated press.

Centralisation is a key dynamic. Abiy gathered diverse allies into the slimmed-down cabinet and handed them important roles. That raises obvious concerns about loyalty and obedience being valued above competence and experience. However, the promotion of the women works against such an interpretation, according to some. They argue that the newcomers are competent, must be given a chance to perform, and that the focus on gender equality could be transformative in such a patriarchal society.

While there is a consolidation of power around Abiy, other forces are

at play stemming from two related phenomena. The four EPRDF parties have been drifting apart for a while, and now there are real challengers to their pre-eminence in their own regions, and generally from the opposition, which has been given a new lease of life by Abiy's amnesties.

The EPRDF had been held together primarily around Marxist-Leninist-tinged doctrines promoted by the late **Meles Zenawi** and his inner circles: democratic centralism, ethnic federalism, revolutionary democracy and, latterly, the so-called Democratic Developmental State.

Since Meles's death in 2012, all four EPRDF parties and the doctrines have faced the strain of personal ambitions,

policy failures, authoritarianism and, consequently, diminishing popularity. With power the main remaining adhesive, a once formidable front appears now to be little more than a façade.

SKIRMISHES

The parties are now focused on their own constituencies and the politics of achieving influence within the diverse federation. As a result, conflict over regional boundaries has increased. There have been skirmishes between Amhara and Tigray, and Oromia and Benishangul-Gumuz in recent weeks. Most serious has been the long-running conflict between Oromia and Somali region, and the Oromo of West Guji

with the Gedeo of the Southern Nations region (AC Vol 59 No 15).

Further demonstrating the trend, in recent weeks, two of the traditionally most powerful regions made notable appointments at their security bureaux. A former army defector to the Oromo Liberation Front, **Kemal Gelchu**, now maintains order in Oromia and former convicted opposition plotter **Asamenew Tsige** heads Amhara's security apparatus.

Abiy may well believe sincerely in a great democratic leap forward for Ethiopia, aided by hitherto sidelined constituencies such as women and neglected regions. But he will need more than good intentions and a flair for PR stunts to transform the EPRDF's faltering federation into a functioning polity. ●

MOZAMBIQUE

Poll knocks Frelimo confidence

The ruling party lost some key cities in the local elections. Party reformers are demanding radical change

As Mozambique awaits the final verdict on the local elections of the *Comissão Nacional de Eleições* (the electoral commission – CNE), due as *Africa Confidential* went to press, it is already clear that the ruling *Frente de Libertação de Moçambique* (Frelimo) has been punished heavily by the electorate. Despite winning most of Mozambique's 53 municipalities, its overall support across the country has plunged, with many victories only by the slimmest of margins. So slim, in fact, that the main opposition *Resistência Nacional Moçambicana* (Renamo) is claiming fraud in many of them.

In several constituencies Frelimo, though the largest party, is outnumbered by the combined vote for Renamo and the smaller opposition party *Movimento Democrático de Moçambique* (MDM). Dissident sources in Frelimo say that had it not been for the fraud and intimidation, Renamo would have won twice the eight municipalities it carried.

Officials in the northern municipalities of Montepuez and Moçimboa da Praia say that Renamo officials were bribed to turn a blind eye to ballot-stuffing and spoiling. It is a common problem, top Renamo and MDM sources told AC. In Ilha de Moçambique, won by Renamo, AC has learned that public servants who stood for Renamo, such as teachers, were sacked. The names were on a list leaked to Frelimo dissidents of more than 20 people accused of betraying the party.

Mozambican civil society group *Votar Moçambique* has said the elections were not free, fair or transparent and said the authorities, especially the police, were biased. Donors generally endorsed the election results, prompting some local commentators to accuse them of turning a blind eye for fear of the instability that could result from political change.

The **United States** Embassy called the polls 'largely free, fair and credible' in most places, and recommending established legal channels be used for challenges. This annoyed and disappointed Mozambican reformers, who are feeling let down by the donors generally.

Frelimo losses were particularly heavy in the north, the area which expects the heaviest investment in infrastructure for gas exploitation and will be critical to any future economic recovery as the country struggles to rebound from the 2016 crisis triggered by the secret borrowing of over US\$2 billion in dubious security projects (AC Vol 57 No 10). As a northerner, President **Filipe Nyusi** was expected to help bring in the vote, not lose it. During his presidency, the divide between the poor north and the relatively better-off south has become more pronounced, which could cost Frelimo heavily in next year's general election.

Renamo's wins include the important northern industrial city of Nampula and nearby Nacala, where turnout was 60%, in spite of Frelimo investing heavily in

its campaign. The higher the turnout, in general, the higher the Renamo vote. Frelimo insiders say the strength of Renamo's showing owes most to resentment at Frelimo's performance in government.

Voters in Cabo Delgado, the main gas-producing area, also blame the government for the increasing tempo of brutal attacks by militants loosely attached to as yet unidentified Islamist militia groups (not, as once widely reported, to Somalia's *Al Shabaab*). The attacks are also worrying the gas companies. The motivation for the insurgency is not well understood and the state's response has grown considerably in scale, although there are fears it will provoke yet more resentment of central government as it threatens to cast all inhabitants of certain areas as 'terrorists'.

Tanzania has been conducting joint operations with the Mozambican army against the militants. On 20 October they arrested 104 suspected militants it says were planning to establish bases in Mozambique. Some 189 militants have been on trial in Mozambique since 3 October. Some attribute the attacks more to resentment of Frelimo than adherence to jihad. In Pemba, Cabo Delgado's key city, Frelimo won the local poll with 54% of the vote, down from around 80% in previous elections.

ERRORS OF COMMISSION

The CNE stands accused in the north of bias in favour of Frelimo which takes the form of out-of-hand rejection of Renamo's claims of fraud. Even in places where the count went on longer than the 48-hour window allowed for appeals against the result, the CNE has ruled Renamo's appeals out of time. Frequently, when early returns indicated a possible Frelimo loss, the count was deliberately slowed down, meaning

the appeals would fall outside the 48-hour window. It is just one of a series of complaints against the commission.

One of the most contentious results was in Marromeu, where ballot boxes from 10 of the 39 polling stations were removed by the local chief of the *Secretariado Técnico da Administração Eleitoral*, the technical arm of the CNE, and counted without any party observers or opposition members of STAE present. Renamo had been well ahead in the public count of the other 29 polling stations, but the final results gave Frelimo 47% against 44% for Renamo and 9% for MDM. The CNE acknowledged there were 'irregularities' but again refused an appeal on the grounds that it was out of time.

Other districts where Renamo has a particularly strong case are Monapo, Moatize and Alto Molocue, in Tete and Zambezia provinces. In Monapo, the provisional count that omitted one polling station put Renamo in the lead with 49% to Frelimo's 45%. But in the final results Frelimo squeaked through by around 200 votes; an impossible feat,

say observers, since the 1,099 votes to Frelimo from the final polling station exceed its 800 registered voters. In Moatize the final result was even closer, with Frelimo winning by just 97 votes after a secret second count by Frelimo-aligned officials who broke into the warehouse storing the ballots, negating a provisional Renamo win, according to local media. In Alto Molocue, a suspect recount swung Frelimo to victory by just 113 votes, according to Mozambique scholar **Joseph Hanlon's Mozambique Political Process Bulletin**, which reported the elections exhaustively. Renamo and MDM have now taken their case to the Constitutional Court.

INTERNAL STRIFE

Against this background, the dissident voices within Frelimo are growing in volume, especially as the possibility of repeating such results at next year's general election draws near. Those seeking to change the party from within fear that continuing to tweak election results to conjure narrow victories will not wash any longer, and Frelimo could

lose power – or at least struggle to govern with a weak mandate.

This is the current of opinion which President **Samora Machel's** son, **Samora Machel Junior**, known as Samito, is attempting to rally. His attempt to become Frelimo's candidate for mayor of Maputo was blocked by the 'dinosaurs' in the politburo with the support of President Nyusi (AC Vol 59 No 17). The party lost votes to reforming party *Juntos Pela Cidade* as a result, although it won overall in part because Renamo candidate **Venancio Mondlane** was excluded on a technicality.

Frelimo is now in confusion. If Samito stood as an independent in the presidential election he would be unlikely to win, but could take as many as 10-15 percentage points from Frelimo. He is contesting his dismissal from running for mayor at the next Frelimo Central Committee meeting, but his enemies are delaying the meeting. The old-stagers of the party appear determined, so the reformers believe, to let the party lose power with all guns blazing rather than submit to reform. ●

AFRICA/ECONOMY

Struggling to keep pace

The high priests of world finance say African economies are falling short of the growth needed to keep up with surging populations

Although the International Monetary Fund and the World Bank maintain that Africa's economies will, on average, expand faster during 2018 than last year, both Washington DC institutions have downgraded their growth forecasts. While the IMF and the World Bank respectively predicted overall sub-Saharan Africa (SSA) real GDP growth of 3.4% and 3.1% at their April meetings, at this month's annual meetings in Bali, Indonesia, they downgraded their predictions for the region to 3.1% and 2.7%. That works out at less than one percentage point in per-capita terms at a time when the IMF's African Department director **Abebe Selassie** has warned that hoped-for future per-capita growth of approximately 1.5% through the early 2020s is much too low for Africa's needs. At this rate, ignoring the question of income distribution and differentiation between economies, SSA's GDP per-capita would take until the late 2060s to double.

Moreover, it is far from clear that the approximately 4% GDP growth the IMF says is needed will soon materialise.

The IMF has marginally increased its April prediction of 2019 SSA real GDP growth to 3.8%, equivalent to a more satisfactory 5.4% – almost the speed of 'emerging and developing' Asia – excluding still-underperforming **Nigeria** and **South Africa**. The World Bank's 2019 GDP projection of 3.3% growth presents an even less favourable picture, with per capita growth in the major African economies **Angola**, **Nigeria** and **South Africa** remaining negative through to 2020, and the remainder of SSA slightly exceeding 2% at that time.

The risks and concerns over Africa's growth and overall economic outlook remain legion, including a less optimistic global economic outlook, due partly to heightened **United States-China** trade tensions; the impact of recent and future changes in commodity prices; recent and future reductions in SSA's access to international capital; heightened debt and debt service levels; slower-than-desirable reforms to enable greater collection of domestic revenues; and political and security risks.

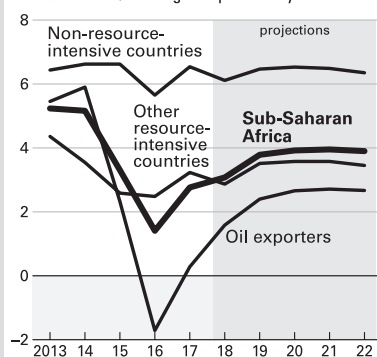
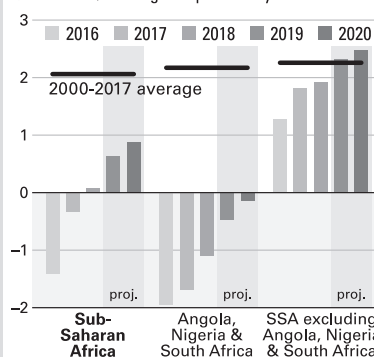
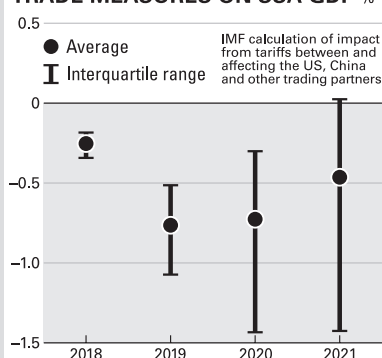
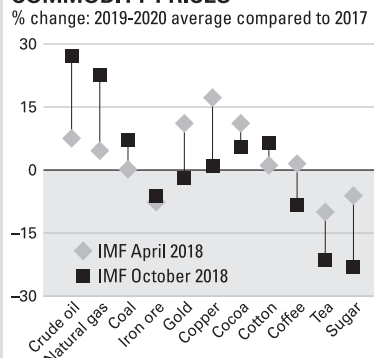
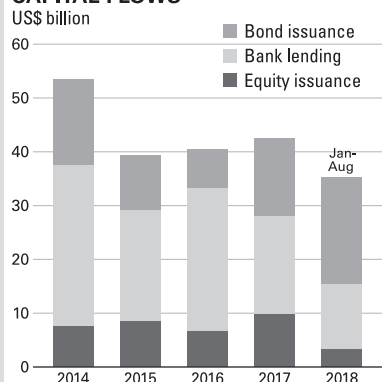
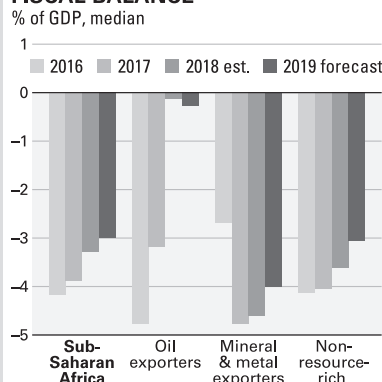
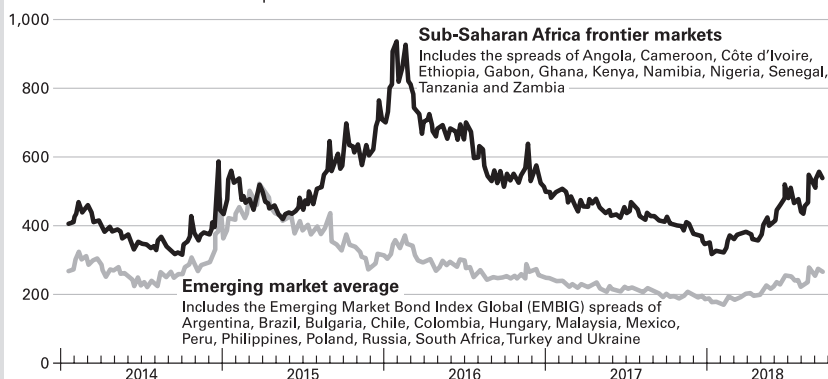
In the longer term, African

governments and the Bretton Woods institutions ponder in their reviews the longer-term impact of Africa's relatively low human capital and productivity, and the future impact of increased automation. They are also mindful of the need, given future increases in Africa's potential workforce, to double job creation rates from the current IMF estimate of 10 million or so annually.

Recent reductions in 2018 and 2019 global growth projections by the IMF from 3.9% to 3.7% are perhaps less concerning from an African perspective than the specific impact of growing tensions between the US, China and other advanced economies on SSA's commodity-dependent economies.

IMF economists now calculate that a US-China tariff war, potentially dragging in other trading partners, could cost SSA potentially over 1% of GDP next year, and 1.5% of GDP by 2020-21. Even the IMF's best-case scenario would see a hit of 0.5% from 2018.

After a three-year period where, relative to GDP, net capital flows into SSA generally exceeded those to emerging markets, African economies now face a less favourable capital-raising and investment outlook. Two quarters during which new SSA Eurobond issuances (over US\$14 billion) exceeded last year's total has been followed by a third-quarter slump, and significant (albeit not to early 2016 levels) increases in frontier SSA economies' bond spreads, as emerging market spreads widen in the aftermath of **Argentina's**

SUB-SAHARAN AFRICA: REAL GDP GROWTH % change on previous year**SUB-SAHARAN AFRICA: GDP PER CAPITA** % change on previous year**AVERAGE POTENTIAL IMPACT OF TRADE MEASURES ON SSA GDP** %**EXPECTED CHANGES IN SELECTED COMMODITY PRICES** % change: 2019-2020 average compared to 2017**CAPITAL FLOWS****FISCAL BALANCE****MARKET SPREADS** Basis points

and **Turkey's** currency woes. Increases in US interest rates, meanwhile, reduce the relative attractiveness of emerging and frontier market assets.

World Bank statistics suggest bank lending and equity issuances have, overall, been down this year compared to both 2017 and 2016. It remains to be seen whether Nigeria will issue its planned \$2.8bn of Eurobonds before the end of 2018, not to mention how expensive such borrowing will be, albeit at a time Nigeria's position is strengthened by oil prices over \$80 a barrel.

The IMF's SSA Regional Economic Outlook warns that debt-refinancing risks could be 'substantial' in 2019-20 and 2024-25, owing to the spike in maturing debt. This contrasts with Selassie's current view that SSA's future 'access' to financing is a greater concern than this debt 'rollover' risk. The World Bank, nevertheless, warns of major Eurobond refinancing risks impacting several SSA economies from 2021, exacerbated by the foreign exchange risk inherent in the maturing debt.

Others worry that a reduction in Africa's access to financing could force increased dependence on China. Citi's chief Africa economist **David Cowan** observes both that the IMF may have been relatively late to warn on Africa's potentially impaired access to financing, and that China is likely to remain focused on major infrastructure projects and not offer 'budget support' for recurrent spending.

In Cowan's view, China is unlikely for now to play hardball with tardy SSA borrowers, as some fear. US Senators recently citing numerous developing economies (including SSA) as beholden to China's alleged 'debt-trap diplomacy' disagree, as do those warning on **Zambia's** hidden billions in Chinese debt (AC Vol 59 No 18).

China aside, the IMF's previous warnings on African debt remain relevant, as several SSA economies remain either in distress or at high risk of distress, and median SSA government debt/GDP levels remain over 50% – albeit significantly below the levels of advanced economies. Interest and other debt service payments remain high as a percentage of revenues in a number of African economies (AC Vol 59 No 10).

Domestically, as the IMF and others observe, a number of African countries are grappling with bad debts within their domestic financial systems, as banks struggle with increasing non-performing loans from both state-owned enterprises and private sector borrowers. **Ghana's** withdrawal in August of the licences of five financially imperilled and poorly managed banks, followed by their consolidation into

a new entity, is just one example of action central banks have been forced to take. Nigeria's banks remain beset by controversy which could yet require AMCON (Asset Management Corporation of Nigeria) takeover, or central bank censure for their alleged role in allegedly illegal repatriations by major corporations.

Economic growth also remains differentiated not just between behemoths and more nimble economies, but also between oil exporters, which are sluggish as a group, non-oil commodity producers, and fast-growing non-resource-intensive economies. At a time of recovering oil prices, the oil exporters – overall – benefit from the greatest reduction in both their fiscal account and current account deficits this year and, in the absence of another oil price shock, in 2019.

Among Africa's largest economies, Nigeria, whose budget and national planning minister **Udo Udoma** says growth will exceed 2% this year, is predicted by the IMF to fall below this threshold, before accelerating above 2% next year. Its central bank governor, **Godwin Emefiele**, appears to disagree with the IMF view that currencies should be more flexible, and that recent downwards pressure on Africa's exchange rates mostly reflects a strengthening US dollar and does not therefore require the use of foreign exchange reserves.

Meanwhile, South African 2018 growth estimates have been almost halved, to under 1%, albeit with hopes of 2019 acceleration under President **Cyril Ramaphosa's** government. Angola, under President **João Lourenço**, grapples with increasing debts and non-

UPSIDES AND DOWNSIDES TO NEW TECH

The release of the World Bank's new health and education-driven 'human capital index', in which African economies dominate the bottom quartile of the rankings, comes as both the Bank and IMF are analysing factors that could affect future growth.

The IMF's October regional economic outlook for sub-Saharan Africa ponders the potential impact of new technologies, the so-called 'fourth industrial revolution', on Africa's future GDP per-capita growth, exports, and ability to develop strong manufacturing sectors that have assisted economic development elsewhere. While new technologies could, and in some cases already have, allowed greater access or 'leap-frogging', such as mobile technologies in the financial services sector and the agriculture sector, future technologies could put African jobs and growth at risk.

Particularly concerning is a scenario where the historical relationship of technology and labour reverses such that labour and the fourth industrial revolution technologies – including machine learning, artificial intelligence, and automation – become substitutes for labour rather than complements.

IMF models suggest that in the downside 'substitutes' scenario, SSA GDP per capita will 'converge' or close the gap more slowly with more advanced economies, while in the upside 'complements' scenario low-wage SSA's GDP per capita should converge more rapidly towards high-wage advanced economy levels.

Broadly speaking, complements to labour would include 'leap-frogging' technologies, and substitutes for labour would include technologies/automation leading to the 're-shoring' of manufacturing, services or other activities back to advanced, industrialised economies. Academic studies assessing the 'automatability' of labour tasks differ in their implication on whether SSA exports should be more vulnerable to automation compared to those of other regions.

Even in the downside, substitutes, scenario, the IMF believes that SSA could still close the gap by generating 'economy-wide' improvements in productivity driven by infrastructure, business environment and improved education. On this front, the October World Bank Africa's Pulse focuses on the perennial and even increasing gap in SSA productivity compared with advanced, industrial, economies and even other developing economies. ●

existent growth despite prior hopes it would expand at around 2% this year, and projections that it should accelerate considerably in 2019. **Egypt** remains on course for growth above 5% this year and next, as the IMF monitors its fiscal consolidation efforts.

As 2018 draws to a close, Africa's fastest-growing economies remain in

East and West Africa, with **Benin, Côte d'Ivoire, Ghana, Senegal, Ethiopia, Kenya** and **Rwanda** all on target to exceed 6% GDP growth this year and next. And, based on current projections, **Burkina Faso, Tanzania** and **Uganda** could be among up to 10 African economies exceeding this threshold in 2019. ●

CÔTE D'IVOIRE

Lining up for battle

Falling support for the President's party in local elections is a foretaste of the national vote in 2020

The ruling party could only count on mixed results in the just-ended regional and local elections, held on 13 October. President **Allassane Dramane Ouattara's** *Rassemblement des houphouëtistes pour la démocratie et la paix* (RHDP) secured 60% of the 30 Regional Councils – a layer of government between the larger districts and the smaller departments created in 2011 – but only a disappointing 46% in the municipal elections, the lowest administrative level for which elections

are held.

It lost acrimoniously in some, and the bruising battle for the city hall of Le Plateau, Abidjan's business district, which pitted **Fabrice Sawegnon** against **Jacques Gabriel Ehouo**, will not be quickly forgotten. Sawegnon is the founder-director of Voodoo Communications, which designed the slick re-election campaign materials for Ouattara in 2015 and **Mali's Ibrahim Boubacar Keita** this year (AC Vol 59 No 15). After unconvincingly presenting

himself as an 'independent', the RHDP 'endorsed' him after a delay intended to support, unconvincingly, an impression of independence from Ouattara.

Ehouo is also in the communications business. He was discreetly supported by **Noël Akossi Bendjo**, the mayor who was forced out of office earlier this year on unconfirmed and allegedly politically motivated corruption charges, and stood for the *Parti démocratique de Côte d'Ivoire* (PDCI), which last July distanced itself from President Ouattara's unified RHDP project (AC Vol 59 Nos 14 & 17). There were allegations of widespread fraud, intimidation and violence from both sides but the end came when Sawegnon reluctantly conceded defeat on 15 October.

Equally hard-fought was the victory of former football international **Bonaventure Kalou**, who ran as an independent. Kalou defied a campaign

of voter intimidation and threats of violence to win the mayoralty of Vavoua, in the centre. The determined government-backed resistance was led by Lieutenant Colonel **Zakaria Koné**, the former 'com-zone' of the same town who has yet to account for his murky past (AC Vol 58 No 3). At the time of writing, Grand Bassam and Port Bouët were still contested.

Elsewhere, electoral clashes foreshadowed the next political battle, which will decide the fate of three candidates who want to take President Ouattara's place, should he decide not to run for a controversial third term. He has recently started dropping hints that he may be prepared to abandon the idea, which many feel would plunge the country back into uncertainty and political turbulence (AC Vol 59 No 17). This battle will take place within President Ouattara's historical political vehicle, the *Rassemblement des républicains* (RDR), which continues to exist even though it has now formally morphed into the RHDP. The three protagonists will be former rebel

leader and current Parliament Speaker **Guillaume Soro**, defence minister and former presidential favourite **Hamed Bakayoko** and the latest anointed heir **Amadou Gon Coulibaly**, the current Prime Minister.

SORO'S LOSS

Soro lost badly in two places. In Fresco (centre), his veteran lieutenant **Alain Lobognon** conceded defeat to his arch-enemy **Fulbert Beugrefoh** of the RHDP, who has never forgiven his ex-boss for failing to protect him when he was arrested in 2015 for allegedly taking money from the national football team. In the densely-populated Abobo district of Abidjan, Soro had assembled a team in support of **Tehfour Koné**, who was easily defeated by Bakayoko. Again, the losing side alleged rigging, intimidation and in the case of Abobo, murder. Soro was saved in his own fief of Ferkessédougou, where his friend **Kawali Ouattara**, a local gold baron, won an easy victory and in the northern locality of Gbon, where his candidate **Alpha Yaya Touré** saw off a challenge

financed by the RDR's Secretary-General and education minister **Kandia Camara**.

Soro knows that these fiefdoms will not be enough, should he decide to contest the presidency in 2020. Hence his presence, through his trusted envoy **Afoussy Bamba-Lamine**, at a hastily convened extraordinary congress of the PDCI in Daoukro, the home town of its leader **Henri Konan Bédié**. Others present included **Affi N'guessan**, who leads part of what remains of former President **Laurent Gbagbo's** political vehicle the *Front populaire ivoirien* (FPI), which was decimated in the polls, and leaders of smaller parties who have decided to jump the RHDP ship. Bédié said that the PDCI will now be seeking what he termed as 'the reconquest of power'. He can take heart from the fact that the PDCI has not been electorally punished for its divorce from the RDR/RHDP. But it is unclear who will represent the PDCI in 2020, which promises a battle every bit as bloody as that foreseen on the other side of the political divide. ●

AFRICA/EUROPEAN UNION

Who speaks for Africa?

African nations are losing out by allowing the EU to set the agenda in talks on a successor treaty to the Cotonou Agreement

Negotiations over a new Cotonou Agreement faced a slow, arduous start owing to divisions on both sides of the bargaining table. The European Union has had to accommodate tough conditions on migration from countries like **Hungary** and **Poland**, while African countries – part of the African, Caribbean and Pacific (ACP) community – have been torn between using the ACP as its champion and the African Union. The treaty governs all relations between the ACP and the EU on trade, aid and diplomacy and is intended to last for many years. The current treaty expires in 2020.

The AU and the ACP have been competing for the right to negotiate for Africa all year. In April, the AU signalled its intention to negotiate as a bloc at the AU summit in Kigali, and the ACP then published its competing position in May in **Togo**. The AU heads of state then upped the ante at their summit in Noakchott, **Mauritania**, in July by appointing **Carlos Lopes**, the distinguished **Bissau-Guinean** economist and former head of the UN's

Economic Commission on Africa, as high representative for the talks.

However, African countries are now going to be represented in the talks by the ACP Secretariat, which is widely viewed as a toothless institution with a poor record of advocacy for Africa in the EU. In 43 years, said one commentator familiar with the EU-ACP scene, the secretariat has achieved 'next to nothing'. The ACP-EU joint parliamentary assembly, which is composed of Members of the European Parliament and ACP-country parliamentarians, is a 'widely derided', the commentator added. Its meetings, often in glamorous locations, are very popular with MEPs, but rarely result in much.

African foreign ministers performed a volte face on representation at their meeting in Addis Ababa in September, backing the ACP's negotiating mandate instead of the AU's own plan for a Common African position in the Cotonou talks which it adopted at the April summit. The ACP quickly took advantage, and launched negotiations with the EU on the margins of the UN

General Assembly later in the month.

The shift was led by **Morocco** and the Maghreb countries, which have their own trade deals with Brussels, as do the six countries in the Southern Africa Development Community. With the 12 members of the Economic Community of West African States (ECOWAS) bloc following them, the AU quickly saw its common position crumble. **Kenya**, meanwhile, abandoned the joint position after being offered the prospect of the successor treaty to Cotonou being signed in Nairobi, we understand.

Ironically, much of the lobbying for the ACP to represent Africa was done by the European Commission. The ACP's chief negotiator at the talks will be **Robert Dussey**, Togo's foreign minister.

The EC supports both the ACP secretariat and the AU financially, and granted €50 million in technical support for the AU's plans for an African Continental Free Trade Agreement in September.

One Brussels-based insider explained the Commission's rationale. 'They see the AU as unreliable and a bit of a loose cannon. The ACP is a group they [the EU] can control. They are a reliable negotiating partner.' Unlike the AU, which has designs on becoming a major world player, the ACP is viewed as little more than a supplicant.

'At the end of the day they will just follow the EU line,' the insider added. Brussels journalists note that EC press representatives have been 'pushing' stories promoting Dussey.

Personalities, and the AU's recent bout of assertiveness, are also a factor. **Rwanda's** President **Paul Kagame**, who has chaired the AU this year, sought to beef up its secretariat and make the organisation self-financing via a 0.2% levy on imports. **Egyptian** President **Abdel Fattah el Sisi** will take over the AU presidency from Kagame with the AU's first summit under his chairmanship in January to focus on the migration theme.

That has ruffled feathers among the likes of **South Africa** and **Nigeria** who worry that a strong AU could dilute their status in international diplomacy. Insiders say that Lopes is too competent for his own good. 'He is very impressive, well-briefed, and sometimes shows it too readily,' says treaty talks insider.

BREXIT EFFECT

The imminent departure of the **United Kingdom** from the EU has also had an impact on the process. British diplomats had taken a lead on trying to scrap the ACP with the support of **Germany**, the **Netherlands**, **Poland** and the Nordic countries. Brexit, however, has left **France** and **Portugal**, who are both anxious to make the most of their post-colonial connections in all three ACP regions, to make the running. Francophone and Lusophone countries tend to be the most loyal to the ACP.

Unlike the Addis Ababa-based AU, the ACP has a very small secretariat but has been very good at politics. History also plays a role. Togo hosted the Lomé

Convention in 1975 but then found itself shut out of the Cotonou process when its EU aid was suspended after President **Gnassingbé Eyadéma** won a presidential election in the 2003 which was marked by accusations of fraud and violence (AC Vol 44 No 21).

The ACP's role in the talks has prompted frustration both among AU officials and Europeans who fear that the ACP is outdated and risks ceding more ground to China in the competition for strong links with Africa.

'Africa has to be much clearer on what it wants...we need a clear signal from the African Union on both content and the process,' says one civil society leader.

Yet the about-turn in Addis is not the end of the matter. The meeting at which the decision in favour the ACP was taken, which was chaired by Rwanda's foreign minister **Louise Mushikiwabo**, broke up without a formal vote or agreed minutes. As the meeting was at ministerial level, the coming heads of state summit in November in Addis Ababa could decide in favour of the AU again. Insiders say that the presidents are likely to quietly accept the ACP's leading role in the talks but will seek to exclude the ACP from the EU-Africa portion and control that separately, even though it threatens to make the negotiations even messier.

The African heads of state are understood to be uncomfortable with the decision of their own foreign ministers, under heavy pressure from

the ACP Secretariat and the EC, but it is too late to go back on that now. Excluding Dussey and his ACP team from the African part of the treaty talks will be the heads of state's attempt to claw back some dignity for the AU, in spite of the complications it must involve.

The three main pillars of the post-Cotonou framework – which deal with development, migration and political dialogue – will thus be negotiated between the EU and ACP. The AU will try to lead the African compact negotiations without Dussey.

'PARTNERSHIP OF EQUALS'

The treaty is meant to result in the codification of the ambitious 'partnership of equals' in trade and political dialogue that outgoing Commission President **Jean-Claude Juncker** promised. But the procedural machinations mean that the talks and the treaty will move at a glacial pace. Substantive talks are unlikely to get going before next May's European elections, after which a new EC and President will be appointed. 'We will end up with a piecemeal approach that is even worse than before. If you work on so many tracks it is not going to be possible to get a big deal,' one NGO leader in Brussels told *Africa Confidential*.

'This is a huge missed opportunity. Too many African leaders have chosen the easy option of a few billion euros in European aid,' says one insider. 'So much for that "partnership of equals"'. ●

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POINTERS

São Tomé and Príncipe

POLL BLOW FOR TROVOADA

■ Prime Minister **Patrice Trovoada** and his ruling *Acção Democrática Independente* (ADI) emerged from the elections of 7 October as the biggest party, but they lost eight seats and their majority (AC Vol 55 No 22). The ADI won 44.2% of the votes and 25 seats on an 81% turnout, while the main opposition party *Movimento de Libertação de São Tomé e Príncipe/Partido Social Democrata* (MLSTP/PSD) surged to 42.5% and 23 seats in the 55-member National Assembly.

The PCD-MDFM-UDD coalition established by the *Partido de Convergência Democrática* (PCD) and the *União Movimento Democrático Força de Mudança-União Democrática para Cidadania e Desenvolvimento* (União MDFM-UDD) won 5 seats.

The recently appointed MLSTP/PSD leader **Jorge Bom Jesus** is likely now to form a government in Trovoada's place but with only a one-seat majority in parliament when MPs take their seats on 22 November. He can count on the support of 28 MPs, including the five of the PCD-MDFM-UDD.

The *Movimento Cidadão Independente de São Tomé e Príncipe* (MCISTP), founded by the Monteiro brothers, two controversial and wealthy businessmen who left the MLSTP/PSD in May, received 1.6% of the votes and two seats in the Caué district.

Trovoada's government was the first since the first multiparty elections in 1991 to complete its four-year term, an achievement which was acknowledged by Jesus during the campaign. Jesus, who replaced the controversial **Aurélio Martins** in June, attacked the Trovoada government's economic and social record and its curbs on civil liberties, an allusion to Trovoada's autocratic style (AC Vol 58 No 17). In contrast, Jesus presented his party as united and rejuvenated.

The ADI has been punished for failing to keep its main promises from 2014, including building major port infrastructure and creating jobs. Voters were unimpressed by some infrastructure projects pulled out of the hat just ahead of polling day.

Uganda

MUSEVENI WIDENS THE TENT

■ President **Yoweri Museveni** is to appoint former members of the opposition as ministers, according to a leak of a cabinet list. The President

means to divide the opposition and repair the damage to his reputation caused by the **Bobi Wine** protests and defuse them, Kampala pundits are saying (AC Vol 59 No 18).

The President's brother, **General Salim Saleh**, held lengthy meetings with several of the cabinet nominees at the Mountain of the Moon luxury hotel in Fort Portal this week. All have previously dissociated themselves from the opposition and include **Beatrice Anywar**, once a leading figure in the Forum for Democratic Change (FDC) and environmental activist (AC Vol 50 No 19). She voted in favour of the removal of the presidential age limit in parliament last year (AC Vol 58 No 21). Museveni's cabinet already includes **Betty Olive Kizza Besigye**, a one-time aide of FDC leader **Kizza Besigye**. Other members of the proposed cabinet include former FDC MP **Cecilia Ogwal**; **Alex Ruhunda**, a former FDC member; FDC MP **Anita Among**; **Muhamad Nsereko**, an independent-minded National Resistance Movement member; and FDC MP **Abdu Katuntu**.

The move also comes as many voices are demanding direct talks between Museveni and Besigye. Some of the President's advisors, always anxious to maintain a balance of ethnic and urban support, not only want to broaden the make-up of the cabinet but also advise forming a unity government.

Nigeria

THE FLIGHT INTO ISRAEL

■ The leader of the supposed Igbo independence movement, **Nwannekaenyi 'Nnamdi' Kenny Okwu Kanu**, seems to have turned up in Israel after going on the run from a trial in Nigeria. Israel denies all knowledge of his presence. His Indigenous People of Biafra (IPOB) organisation has been subject to a joint military and police operation, 'Pythion Dance', aimed at squashing it. The campaign has led Amnesty International to claim human rights abuses have been committed by government forces. Commentators in Nigeria are concerned about the possibility of 'Igbo nationalists' and various militias that used to be active in the Niger Delta being paid by politicians to foment violence in the coming federal general elections (AC Vol 58 No 20).

Kanu's lawyer, **Ifeanyi Ejiofor**, and his brother **Prince Emmanuel Kanu** said that a recent video on Facebook which appeared to show Kanu in sandals, a white tallit shawl and skull cap, praying at the Wailing Wall in Jerusalem (Kanu claims the Igbo people are a lost tribe of Israel) is authentic. Two days after the viral video appeared, Kanu addressed his followers, telling them that 'I owe my life to the State of Israel. The zoo called

Nigeria cannot jail me.' Kanu was forced to surrender his passports in 2015, before he was charged with membership of an illegal organisation.

Kanu's online Radio Biafra – which the former London estate agent used to run from a crèche in Dalston, East London – announced last November that he'd been sacked as boss of IPOB and of the station, with **Ezenachukwu Okwudilis** taking over as leader (AC Vol 58 No 14). There are claims that tens of millions of dollars have been looted from his overseas supporters.

Zimbabwe

THOSE PESKY HUMAN RIGHTS

■ Ex-Finance Minister, Zimbabwe African National Union-Patriotic Front stalwart, **Robert Mugabe** hard-man, former sanctions target and multiple farm-owner **Patrick Chinamasa** is not well-known for soft-sell diplomacy. It was a surprise, therefore, to see him take star billing at a meeting in Brussels on 17 October hosted by the Hanns Seidel Stiftung, the political foundation of the Christian Social Union, **German Chancellor Angela Merkel's** Bavarian coalition partner (AC Vol 58 No 24).

The sparse audience expected to hear some routine speech about how attractive Zimbabwe now is for foreign investment. Berlin indicated in late August that it would soon re-open credit lines. Instead, he gave his listeners a one-two on **China** being more attractive to ruling parties like ZANU-PF because it is not bothered by human rights violations.

'You mix trade and economics with politics, and just want to talk about human rights. China does not do that,' Chinamasa's told a roomful of German and European Union officials and policy experts. Chinamasa warmed to his theme. 'When you get to the negotiating table, it is very clear that we are not equals,' he said, accusing European countries of 'dictation and prescription' in their human rights conditionality.

Although EU officials are very sensitive to the perception that Brussels has lost ground to China, visibly rattled European Commission official **Domenico Rosa** retorted that, unlike the EU, China only offers loans and not grants, and was 'creating a new dependency and a debt crisis'. Rosa went so far as to ask, 'If African countries recognise universal values then why can't they respect them?' when defending conditionality.

A **Kenyan** government official doubled down on Chinamasa's theme. Europe's obsession with promoting LGBT rights, he said, had nearly derailed the UN's Sustainable Development Goals and could do the same to the successor to the EU-ACP Cotonou agreement.

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BLUE LINES

Apart from the disputed casualty figures – the Nigerian army says six people were killed and Amnesty says more than 45 – the best measure of the seriousness of a security crisis is the deafening silence of mainstream politicians. Few seeking votes ahead of next year's national election criticised the military's tactics, let alone proposed any resolution to the deepening confrontation between the Shia Muslim minority and the state in Nigeria. Few public figures will even comment on the clashes which some fear could prompt Shia groups to take up arms.

There is no doubt about the gravity of confrontations that ensued when members of the Shia-supporting Islamic Movement of Nigeria marched through Abuja from 27-30 October demanding the release of their leader, Ibrahim el Zakzaky, held since clashes in December 2015. The most vocal reaction to the clashes came from Osai Ojigbo, director of Amnesty International's Nigeria affiliate, who said video footage and eye-witness accounts showed government soldiers firing live ammunition at the protestors without warning.

The army's explanation met with ridicule on social media after a spokesman posted a video of United States President Donald Trump arguing that soldiers posted to the US border with Mexico could shoot migrants who threw stones at them because 'our military fights back'. The Nigerian army tweeted, 'please watch and make your deductions.' After a wave of criticism, its media department deleted the posting.

ZIMBABWE

Trafigura in a tug-of-war

At the heart of ructions in the ruling party is a battle to control the country's fuel supplies

A split at the top of the ruling party between President **Emmerson Mnangagwa** and his two vice-presidents – **Constantino Chiwenga** and **Kembo Mohadi** – is manifesting itself in a vicious fight for control of the country's oil sector. The President is believed to fear that Chiwenga intends to oust him from power.

The military-backed owner of Sakunda Holdings, **Kudakwashe Tagwirei**, is believed to have upset Mnangagwa and his allies, who are now trying to loosen his grip on the fuel supply and distribution business, which is backed by the Dutch-headquartered global commodities firm Trafigura (AC Vol 55 No 10).

Mnangagwa's allies are briefing that Tagwirei has 'captured' the state and its institutions, although before the current row he was considered a pillar of the regime. Without implicating the army, the former war veterans leader **Christopher Mutsvangwa**, a special advisor to Mnangagwa, said that Tagwirei was dividing the presidium, the ruling Zimbabwe African National Union-Patriotic Front's leadership body.

'How can a businessman have preferences in the presidium? That is trying to turn the country into a banana republic,' he told a Sunday newspaper. He claimed Tagwirei was getting preference ahead of other players in allocations of foreign currency, ranging between \$80 million and \$90m a month, from the Reserve Bank of Zimbabwe (RBZ).

The crusade against Tagwirei was meant 'to stop the flow of cash to the military', sources said. That involves breaking

Trafigura's monopoly on the fuel pipeline running from Beira in **Mozambique** and disbanding the Command Agriculture programme, first bankrolled by Trafigura to the tune of \$192m in 2017 (AC Vol 58 No 4). Command Agriculture has since relied heavily on government funding, but is thought to have become a conduit for looting by senior regime figures. It is run by Tagwirei and the military.

FUEL DISCONTENT

'But the key interest is the fuel assets. Trafigura acquired these through Sakunda on acquisition of the company,' said a fuel industry source familiar with the fights. Mutsvangwa accuses Trafigura of 'using public infrastructure'. 'How can a pipeline and underground fuel reserves built by the country end up being run by a private individual? With its facilities, Zimbabwe should be a regional hub for fuel, but for 20 years it has had artificial shortages of fuel when it has the third-largest facility in the world,' he complains.

Through exclusive agreements, Trafigura controls the Feruka pipeline, which connects its important storage facilities in Beira to Harare (AC Vol 58 Nos 11 & 13). This has enabled the company to push its product to **Malawi**, **Zambia** and **Botswana**.

Zimbabwe's Competition and Tariff Commission approved Trafigura's acquisition of Sakunda Energy on condition that it allows other fuel importers to use the Feruka pipeline. However, industry players say that other companies have been put off the installation by Trafigura's 'punitive

SOUTH AFRICA	3	ZAMBIA	5	NIGERIA/SA	6	SOMALIA/US	7	CAMEROON	8
Cyril's new business plan		Debts and denials		The Brexit connection		US strikes, Shabaab gains		LIBERIA	9
After bolstering his political base, Ramaphosa is wooing the companies		The armed forces defend the purchase of expensive private jets		African politicians and business people are getting drawn into the Brexit shenanigans		The Islamists are showing resilience. The government is trying to manage expectations		MADAGASCAR	10
								POINTERS	12

DEBTS BALLOON, PRICES SKYROCKET

Zimbabwe's new Minister of Finance, the primarily apolitical **Mthuli Ncube**, faces an enormous and contradictory challenge. He has to win foreign confidence to attract investment so as to halt the death spiral of an economy burdened by enormous overseas debt. And he must do it at the very moment factions of the ruling Zimbabwe African National Union-Patriotic Front (ZANU-PF) compete to appropriate crucial sectors of the flailing economy. So far, he has depended on promises and warm words whose effect is still under consideration.

According to a recent government of Zimbabwe strategy paper, the external debt is US\$7.4 billion. Yet the more worrying figure is domestic debt, which ballooned from \$275.8 million in 2012 to \$9.5bn in 2018 (official government figures), through the issuing of treasury bills and central bank overdrafts. As the treasury bills were not backed by US dollars, the government has been unable to pay them back.

Leading Zimbabwean businesses are stuck because they were coerced into purchasing treasury bills which remain unpaid despite maturing as long as five years ago.

Throughout the year, the exchange rate between the electronic money in the RTGS (real-time gross settlement) system and US dollar cash has been climbing, as has the exchange rate between bond notes and US dollar cash. This generated anxiety, as RTGS payments should represent US dollars in citizens' bank accounts, and former Finance Minister **Patrick Chinamasa** had promised Zimbabweans that bond notes would always be exactly on a par with the US dollar in their bank accounts.

Cognisant that one of his first jobs as Finance Minister must be to stabilise the spiralling economy, Ncube ordered the banks on 1 October to separate clients' bank accounts into accounts backed by hard cash and those backed by RTGS.

Panicked Zimbabweans, believing that their savings were on the brink of losing all value, rushed to empty their accounts. Supermarkets took advantage of the all-round fear to raise prices sharply.

Ncube's other big announcement, on 1 November, was that all electronic payments would attract a 2% tax. Though increasing government revenue is a priority, this tax was wildly unpopular, as it makes already high prices unaffordable, and because Zimbabweans rely heavily on electronic payments (either mobile money or swipe) in this cash-starved economy.

Obert Mpofu, a veteran minister under **Robert Mugabe** who was shuffled out of cabinet along with other older factionalists to make room for the new 'technocrats' such as Ncube, took advantage of the disgruntlement to criticise the finance minister for not seeking the party's permission. Although Ncube successfully passed and implemented the bill in spite of Mpofu, this incident was a reminder of his lack of political capital, regardless of how warm an international welcome he may have had.

There is also an overall fiscal deficit of \$2.3bn. This is primarily driven by 'an unbudgeted review of salaries' for the still bloated civil service which is 'projected to require around \$500m', as well as \$650m for 'crop input support' and \$475m for grain procurement under the Command Agriculture programme (AC Vol 58 No 4).

The government's failure to reduce the size of the civil service has been a source of contention with international financial institutions for a number of years. This cost was exacerbated by unbudgeted pre-election bonuses to ensure the loyalty of key security services. Command Agriculture is also a contentious cost, as it is a source of both income and rural control for the military, rather than an efficient means of producing food.

Ncube will need to address the fiscal deficit in the coming year, yet the most expensive sources of overspending are overtly political. ●

pre-paying for the facility for many years. That has excluded other players from using the pipeline, he told *Africa Confidential*. Cross is a former managing director of the Beira Corridor Group and an MP with the opposition Movement for Democratic Change.

Tagwirei has been 'flirting with the generals' ever since the coup that deposed former President **Robert Mugabe**, who was replaced by Mnangagwa in November, sources close to Tagwirei and Mnangagwa said.

CABAL FEAR

This has been a source of great worry for Mnangagwa and his allies, who believe a military cabal, led by Chiwenga, is plotting to oust him (AC Vol 59 No 18). Tagwirei, whom Mnangagwa disclosed was his cousin when he attended the funeral of Tagwirei's father, has been working closely with Chiwenga and several other army generals in recent months, sources close to the men report.

At that funeral, 'The whole army went there, the whole government was closed. I was outraged: A single person closing government business? This is a sign of inordinate power. Where does it come from? We want to know who is backing him,' Mutsvangwa told *The Standard* newspaper. Now, sources have told AC, Mnangagwa is concerned about a 'brewing coup' that may be supported by oil dollars. One source said Tagwirei's offices 'resembled a barracks' because of the frequent visits by top military men.

This is not surprising. Before the coup, the military 'emptied the fuel tanks' at all Sakunda-controlled depots before rolling out their armoured personnel carriers on the streets to force Mugabe from power. 'He was part of the inner circle of people who planned the coup,' a source within the army said. 'The idea was for Mnangagwa to serve one term and hand over power to Chiwenga, who would serve two terms before handing over to retired general **Sibusiso Moyo** [who belongs to the minority Ndebele]. That was meant to at least balance the tribal interests.'

Moyo, the Minister for Foreign Affairs, is the general who announced the November military takeover on television. Curiously, he has been unwell with a reported kidney ailment since September and has not been seen in public. Chiwenga has also been ill since November, he told mourners at his sister's funeral. He was hospitalised in South Africa last month.

Zimbabweans speculate that the two may have been poisoned by those keen to eliminate potential challengers to Mnangagwa's stay in power although such rumours always fly around during power struggles. Tagwirei's proximity

charges' and use road transport instead.

The pipeline has potential competition. **South Africa's** Mining Oil and Gas Services (MOGS) wants to construct a multibillion-dollar fuel pipeline from Mozambique branching into three southern African countries through Zimbabwe. This may undermine the Feruka pipeline, in which Trafigura has invested a great deal of money. As a result, the National Oil Infrastructure Company (NOIC), the state-owned firm which owns the pipeline jointly with Lonmin, formerly Lonrho plc, is trying to

stand in MOGS's way.

Partly to justify its resistance to another pipeline, NOIC had already roped in Trafigura to undertake two upgrades on the old line to enable it to pump up to 16m litres of fuel per month. It had funded an upgrade four years ago when a drag-reducing agent was introduced which allows quicker movement of fuel, pumping a maximum of six million litres per day.

Eddie Cross, who is working with MOGS, said Trafigura had secured 'exclusive rights to the pipeline' by

to Trafigura has given him access to cash, which he has used to bail out the government as well as to make gifts to politicians and military officers.

The first sign that Mnangagwa's regime was targeting Tagwirei emerged late last month when a dismissed ZANU-PF member, **William Mutumanje** (also known as **Acie Lumumba**), who had just been appointed by new Finance Minister **Mthuli Ncube** to chair a communications task force, alleged that Tagwirei was a 'queen bee' fleecing the economy by dominating the fuel sector. He said Tagwirei was working with four RBZ directors who were giving him preference in allocating foreign currency, some of which was being diverted back into the directors' bank accounts.

Although RBZ Governor **John Mangudya** at first defended the directors, he swiftly suspended them and they are believed to be under investigation. Mutumanje's outbursts were then followed by Mutsvangwa's allegations, which critics said could not have been made without Mnangagwa's permission. 'Remember, he is Mnangagwa's advisor. He could not have spoken of Tagwirei splitting the presidium without discussing that with his principal,' a source familiar with the developments said.

During the campaign period before the 30 July elections, a grenade was thrown at the stage at White City Stadium in Bulawayo soon after a ZANU-PF rally addressed by the President. The grenade was traced to military stocks. Mnangagwa said he knew the people behind the attack, and warned he would deal with them after the election. His allies suspect it was Chiwenga, who wanted 'to remind ED about their one-

term pact'. Apparently, Mnangagwa had already started talking about two terms during the campaign.

Reports of animosity between Chiwenga and Mnangagwa, called ED by many of his supporters, have been a frequent headline in local newspapers, though these have been denied by Mnangagwa. At an annual national assembly in Harare on 1 November, the ZANU-PF Youth League coined slogans heralding Mnangagwa's re-election in 2023. 'Those who were saying Mnangagwa will rule for only one term are lost,' said the Youth League's political commissar **Godfrey Tsenengamu**, in a clear reference to the Chiwenga faction. Chiwenga, who has been beside Mnangagwa at most of his public meetings, was not present.

'ESCALATION OF HOSTILITIES'

Soon after, Mnangagwa, through Statutory Instrument 214 of 2018, stripped Chiwenga of all powers assigned to him for the defence and war veterans' portfolios; he had earlier been given oversight of procurement and research. One cabinet source called this 'an escalation of hostilities' between the two.

Mnangagwa is already working with Finance Minister Ncube to stem the flow of cash to the armed forces through Command Agriculture. 'Expenditure on agriculture has been one of the major components driving the budget deficit recently. Expenditure on the sector reached \$1.1 billion as at August 2018, against an annual budget target of \$401m,' Ncube said. But in a sign of defiance, the Air Force of Zimbabwe commander, Air Marshal **Elson Moyo**, said: 'We foresee Command Agriculture

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going on for ten years to come.' He said it had ensured food security in the country.

At least two sources within the energy sector told AC that Mnangagwa had sent his son, Emmerson Jnr, to assure Tagwirei that he was not responsible for his current woes. But Tagwirei is said to have been unconvinced.

A member of the Seventh-Day Adventist Church, Tagwirei reportedly argues that all his deals have been sanctioned by either Mnangagwa or the responsible authorities. 'He has clearly been disturbed by recent events,' said a close friend from church. 'He is a victim of renewed factional wars in ZANU-PF.'

Even as he was facing a barrage of attacks from Mnangagwa's allies, Tagwirei came up with a 1.6 billion-litre facility to ease a fuel crisis. **Joram Gumbo**, the Energy Minister, said the facility was negotiated 'with Sakunda and its partner Trafigura'. Even before its conclusion a fortnight ago, Trafigura released 100 million litres of fuel to the government, which immediately eased shortages in the economy. The facility will be paid for after 12 months, Gumbo said. ●

SOUTH AFRICA

Cyril's new business plan

After bolstering his political base, President Ramaphosa and his new finance minister are wooing the companies

The target is US\$100 billion in new investment over the next five years. Six months after he launched the campaign to finance national economic expansion, President **Cyril Ramaphosa** is more than halfway there.

China, Saudi Arabia and the **United Arab Emirates** have announced investments of \$34bn in manufacturing, the power sector and, most controversially, arms production. A range of companies, many of them locally owned, have plans for a further

\$20bn of new projects.

Part of this is a delayed reaction to Ramaphosa taking over the presidency in February with promises to end grand corruption and create jobs as well as his wooing of South Africa's business class. Apart from the investment dollars, business confidence is up, according to the national chamber of commerce, since the appointment of new Finance Minister **Tito Mboweni**.

Mboweni takes an unforgiving approach towards state-owned companies, insisting he will cut back

their funding from the treasury. Last week he went further to propose closing the ailing flag carrier, South African Airways, because it has drained state funds under the management of **Dudu Myeni**, an acolyte of former President **Jacob Zuma**.

As Mboweni sets out a tougher pro-market strategy, Ramaphosa has stepped up the charming of the business class, describing industrialists as 'heroes'. He also said it was time to end the talk of 'white monopoly capital', an expression heavily promoted by Zuma.

Despite the shifts in policy, such as Ramaphosa's gradual clear-out of Zuma allies from the security, prosecutorial and internal revenue services, and despite the rhetoric, the economy is still stuttering. It will grow at just over 1% this year and unemployment has risen for the second successive quarter, up to 27.5%, an increase of 127,000

people. The worst hit are South Africa's youth: 39% of people between the ages of 15 and 34 are not in employment, education or training. As the country's formal sector – manufacturing, transport and construction – shrinks, the informal sector is expanding.

BIG QUESTIONS

The first wave of 'Ramaphoria' immediately after Ramaphosa assumed office soon gave way to concerns that he was losing the battle for control of the ANC against allies of the former President. A succession of victories over appointments in recent weeks has helped Ramaphosa, but big questions such as the future of land reform remain unresolved.

'It is far too early to say that we have turned the corner,' said a well-connected business facilitator, 'but Ramaphosa's fight to root out corruption and his emphasis on policy stability and job creation have lifted the business mood.'

Most judged Ramaphosa's investment summit on 26 October a success. The event was attended by one thousand business people. Three of South Africa's leading tycoons – **Adrian Gore** of Discovery, Investec's **Stephen Koseff** and **Patrice Motsepe** of African Rainbow Minerals – gave strong support for the President's plans to turn the economy around.

The conference downplayed business foreboding over land reform (AC Vol 59 No 11). An ANC resolution to use expropriation without compensation as part of its land reform strategy, adopted in Parliament and endorsed by Ramaphosa, has rattled big companies, which link it to moves to regulate the mining sector more tightly (AC Vol 59 No 19).

Ramaphosa told the conference that there would be no Zimbabwe-style landgrabs and that the plan would not undermine food security or damage the economy. Business groups remain sceptical and cite it as the main deterrent to foreign investors.

Since Mboweni's appointment as Finance Minister last month, the government has adopted a tougher stance on debts owed by state companies and job cuts, targeting the broadcaster SABC as well as other state corporations such as the electricity supplier Eskom (AC Vol 59 No 20).

BUDGET WARNINGS

In the bleak midterm budget just after his appointment, Mboweni announced partial bailouts of state enterprises with warnings about productivity and the need to restore commercial viability. He has brought a new tone and style to

a troubled portfolio that has changed hands seven times in less than two years (AC Vol 59 No 20).

Ramaphosa is making incremental progress in rooting out corruption by using multiple tactics: top officials, past and present, are giving evidence to the Zondo Commission of Inquiry into State Capture; officials accused of corruption have been suspended or fired; and the reform wing of the ANC is edging out politicians overtly loyal to Zuma and his networks.

Last month, Ramaphosa suspended **Tom Moyane**, the head of the South African Revenue Service. A judicial commission, set up to investigate mismanagement and corruption in the service and led by Justice **Robert Nugent**, says Moyane is responsible for a shortfall of \$3.5bn in taxes.

Ramaphosa has also been ordered by the Public Protector, **Busisiwe Mkhwebane**, to act against Home Affairs Minister **Malusi Gigaba**, who was found by the High Court to have breached his oath of ministerial office by lying about an agreement with mining chief **Nicky Oppenheimer** over allocating land for a private airport. Gigaba, a former finance minister with close links with to the Zuma network, is also embroiled in a social media row about sending pornographic images on his mobile phone. He has refused to resign unless Ramaphosa asks him to do so.

It's a matter of time before Gigaba is forced out. It is understood that as a former head of the ANC Youth League, he was retained under a deal with Zuma loyalists when Ramaphosa took office. At that time Ramaphosa fired or demoted 10 ministers close to Zuma, including some suspected of corruption.

Siyabonga Gama, former head of the state-owned public transport facility Transnet, was dismissed on 21 October over scandals involving the loss of tens of millions of rand in procuring locomotive trains and rail stock.

And the pro-Zuma ANC Secretary General, **Ace Magashule**, who faces investigation into corruption in his office while premier of Free State Province, was linked to a secret meeting with Zuma and dissident ANC officials to unseat Ramaphosa. Ramaphosa cannot fire Magashule because he was elected at a party conference, but if the investigations find the Secretary General culpable, he will have to step down immediately.

Ramaphosa, meanwhile, is facing questions in Parliament over how much he knew about the looting of the VBS bank. A report by forensic investigators found that the VBS management presided over losses of over \$100m through theft. The probe implicated several officials

from the ANC and the populist Economic Freedom Fighters of **Julius Malema**. The bank is now in curatorship.

Ramaphosa, we hear, was told of the scandal brewing at VBS a year ago, while he was deputy to Zuma. Asked by foreign correspondents how much he knew about political corruption during his term as Deputy President, Ramaphosa said he would be making a statement to the Zondo Commission. That suggests he has information which could lead to prosecutions.

In the past fortnight, Parliament's select committee on public accounts has exposed corruption in procurement by the police forensics department, amounting to tens of millions of rand and implicating at least 20 senior police officers.

PROSECUTOR PROBLEM

A big obstacle for Ramaphosa is the lack of a new national director of public prosecutions and the difficulty of getting agreement over the post. The former director, **Shaun Abrahams**, a Zuma loyalist, was suspended for misconduct in September pending a thorough probe. A court ruling now obliges Ramaphosa to appoint a successor by 11 November. But the position is so contested and so crucial to the anti-corruption campaign that he has appointed a high-level panel of representative legal and activist organisations with a mandate to reach consensus about a suitable candidate for the post.

The national director's office has been in disarray for several years. The crisis has deepened in recent months, delaying action in many serious corruption cases, with defence lawyers taking advantage of internal divisions in the office. Acting director of the National Prosecuting Authority **Silas Ramaite** has recently been the subject of reports that he was secretly filmed having sex with a security guard in his office. That controversy has been overshadowed by questions about who installed the secret cameras.

The disarray in the prosecutor's office makes the appointment of a new director one of the government's most important. So do the divisions in the ANC between factions backing Ramaphosa, now in the majority, and those backing Zuma.

The right candidate could assume leadership of the anti-corruption fight, lifting it above political contention. That would give Ramaphosa space to focus on economic revival. It would also boost efforts to ensure that many of the perpetrators of the fraud and corruption of the past decade are prosecuted and pushed out of the ANC before next year's elections. ●

ZAMBIA

Debts and denials

The Auditor-General documents widespread irregularities while the armed forces defend the purchase of expensive private jets

The report of the Auditor-General into the country's public financial management during 2017 has added fuel to the burning controversy over accusations that the government is wasting phenomenal sums and incurring excessive foreign debt. It is also now acknowledging the correctness of reports by *Africa Confidential* which it previously denied and defended the acquisition of extremely expensive defence, electronic and aviation equipment.

The 2017 AG report released on 19 October showed a vast increase in recorded public sector embezzlement over 2016, from 386,000 kwacha to K31 million (US\$3m). The AG office – the acting AG resigned in June and has not been replaced – talked of 'criminal undertones' in some cases where public officials claimed pay and per diems for work never undertaken, 'benefitting a few individuals' rather than the country. Although some improvements in public finances are recorded, there is concern that in key areas fraud has been on the increase. Misappropriations of funds have almost doubled and overpayments have increased seven-fold.

Commenting in the wake of the frauds at the Education, Health and Local Communities ministries which caused donors to stop payments, **United States Ambassador Daniel Foote** criticised 'corrupt individuals in institutions' looking for self-enrichment, Foote said that this 'promotes crime, violence and instability'. Foote said that 'if US money is being misappropriated, then we will have to take a hard stance on our aid to Zambia'. The US currently gives the country more than \$400m in aid every year. Other bilateral aid funds remain suspended while the frauds of cash transfer payments to the poor, and the education ministry are investigated (AC Vol 59 No 19). Dozens of civil servants have been sacked.

Donors remain concerned by Zambia's borrowing practices, we hear, and hope that the International Monetary Fund mission's visit to Lusaka this week will add to the pressure on the government. But since, Washington insiders say, there is little hope of an IMF deal, pressure from the Fund may have little impact. One option for donors could then be to cut aid by the amount that they believe the government is wasting on certain costly acquisitions.

The **British** government reduced aid to **Malawi** in 2009 after then President **Bingu wa Mutharika** purchased a private jet.

Meanwhile, the Ministry of Defence has confirmed and defended the defence acquisitions reported in *Africa Confidential*, and has not denied purchasing the costly anti-missile system we understand is to be fitted to a Gulfstream G650, the world's most expensive purpose-built executive jet (AC Vol 59 No 20). While explanation of that purchase has not yet officially been made, a 14 October statement by Ministry of Defence Permanent Secretary **Stardy Mwale** confirmed the purchase of five Sukhoi Superjet 100 aircraft, which it claimed the Air Force needs for commercial purposes, anti-poaching surveillance and VIP travel – including for the President. It is unclear why the Air Force is purchasing commercial aircraft, which cannot be used for surveillance activities, an expert said. The VIP version of the SSJ100 will cost up to \$49m, Sukhoi recently confirmed, up to \$20m more than the standard passenger model.

Mwale claimed that in making the acquisitions the Zambia Air Force is merely fulfilling its constitutional duty

to provide the 'highest standards of aviation security to the President and all government officials'. **Mozambique's** President **Filipe Nyusi** caused outrage when he bought a private jet for less than \$10m, and the jet which caused Malawi's aid to be cut by the same amount cost \$15m (AC Vol 58 No 24). Zambia's jets, even without their maintenance packages and extras, will cost over \$100m. Mwale brushed off criticisms by passing off the highly unusual act of an air force acquiring civilian airliners as normal.

RED CARPET

The report that Zambia was close to agreement on spending \$400m on the Gulfstream 650 and associated equipment from **Israel** caused outrage. It was compounded when President **Edgar Lungu** gave the red carpet treatment to former Israeli Prime Minister **Ehud Olmert**, who was released from prison last year after serving 16 months for corruption. There was no official connection between Olmert's Lusaka visit and the deal. The two men were photographed together on a morning run in Zambia on 20 October.

Political pundits say the Patriotic Front is fighting a losing battle with public opinion, given the strong recent hostile reactions to the frauds in the ministries and the expensive defence contracts. The government's defence of its image has also not been helped by the emergence of further details from Zambia's Competition and Consumer Protection Commission of the reports that state broadcaster ZNBC is effectively

COURT RULES AGAINST LUNGU OPPONENT

The Constitutional Court has overturned a High Court ruling that nullified the election of Patriotic Front Finance Minister **Margaret Mwanakatwe** to her Central Lusaka seat at the 2016 general election. The lower court had ruled in November 2016 that Mwanakatwe had used government resources in her campaign, bribery and violence to defeat the United Party for National Development candidate **Charlotte Scott**, who is married to former Acting President and PF co-founder **Guy Scott**.

The Constitutional Court ruled on 31 October that the High Court had erred in nullifying Mwanakatwe's win on five out of six counts alleged by Charlotte Scott on grounds that many observers found questionable. It held that the transgressions of electoral law were too small to have an effect on the poll result. It acknowledged that Mwanakatwe had used a government vehicle in her campaign; that she had paid money to a church for a construction project to encourage its members to vote for her, among other donations intended to win votes. The court conceded that the car was used, but only once, and ruled that the bribery was 'only' small. If the police had blocked her opponent from campaigning at Mwanakatwe's behest, this did not disadvantage her because it is the electoral commission of Zambia that conducts elections, not the police, the court said.

While the High Court had ruled that Mwanakatwe's payments to the church constituted vote-buying, the higher court dismissed this on the ground that it occurred a few days before Mwanakatwe was officially announced as a candidate – though, unofficially, she had already been selected, and the project continued throughout the election period. The Constitutional Court is set to rule on whether President Lungu should be allowed to stand for a third term of office. ●

owned by China – at least for the 25-year duration of its \$273m loan for a highly controversial digital migration deal (AC Vol 59 No 18). A 19 October statement by the commission said it had granted conditional authorisation for a proposed merger between ZNBC and Hantex International Corporation,

which is controlled by China's Star Times International. The proposal was made on 20 June by the joint venture, Top Star, which is majority owned by Star Times with ZNBC holding 40%. This entity in turn owns 60% of ZNBC.

The Competition Commission noted complaints that Top Star's existence had

the potential to 'result in...reduced tax revenue... limit growth of other private operators' and 'reduce consumer choice and welfare'. Once the loan for the cost of digital migration is repaid, Star Times will 'revert all assets to ZNBC'. Thus, ZNBC assets are currently held by Star Times. ●

NIGERIA/SOUTH AFRICA

The Brexit connection

African politicians and business people are getting drawn into the shenanigans surrounding Britain's exit from the European Union

A criminal investigation by Britain's National Crime Agency, announced on 5 November, into businessman and Brexit campaigner **Arron Banks** could touch on some of his diamond interests in South Africa which are already the subject of legal action.

The NCA investigation is trying to find out how Banks, whose insurance companies had hit financial problems, could afford to finance his campaign group Leave.EU to the tune of £9 million (US\$13m) in the run-up to Britain's referendum on EU membership. Banks, a former member of the Conservative Party, also financed the United Kingdom Independence Party and is a close friend of its former leader **Nigel Farage**.

Banks's financing of the Brexit campaign, the biggest political donation in British history, triggered curiosity and then accusations about how a minor businessman running a group of troubled companies in various tax havens could have paid for it from his own resources. Banks, who has denied all wrongdoing to a parliamentary committee and in a series of media interviews, insists the campaign funds came from his own companies and he received no cash from foreign donors.

Just over two years before British police launched their investigation, Banks broke with his South African business partner, **Christopher Kimber**. The two had bought four diamond mines in South Africa from De Beers to recover stones from the tailings (discarded mined earth).

Kimber, an experienced diamond entrepreneur, who went into a joint venture with magnate **Johann Rupert** in 2011, fell out with Banks over the terms of their separation. Kimber said the break came in February 2016 when he discovered that Banks was exporting stones from sources other than his mines in order to meet supply pressure from

Europe.

After Banks filed a civil claim against his former partner, Kimber has filed a replying affidavit in the civil case about Banks's links with an exiled politician in **Lesotho**, **Botswana** National Party leader **John Thesele Maseribane**. Kimber claims that Banks made substantial payments and offered him private security protection after a coup in Lesotho.

Banks rejects all of Kimber's claims and is fighting him in a civil action in the Northern Cape High Court in Kimberley. But Banks is also the subject of a criminal investigation by South Africa's 'Hawks' unit, to whom Kimber has sent another lengthy affidavit alleging numerous offences in South Africa by Banks.

The Hawks, overwhelmed by anti-corruption cases involving allies of former President **Jacob Zuma**, are not treating the Banks case as a priority. However, the civil case between Banks and Kimber is proceeding. And, we hear that British investigators will be reviewing the extensive cache of corporate documents that have surfaced in the South African cases.

In his affidavit to the Northern Cape Court, Kimber claims that Banks solicited investment from **Russia's** state diamond company Alrosa for his mining projects in South Africa, and diverted some of those funds to the Brexit campaign.

Kimber's affidavit to the Hawks makes further claims about Banks being in possession of unlicensed firearms in contravention of the Firearms Control Act relating to the management of one of his mines in South Africa.

In June, Banks faced three-hours of questions by a Westminster parliamentary committee on the source of his donation to the Brexit campaign and any business ties with Russia. The committee also tried to obtain an accurate valuation of Banks's mines in Lesotho and South Africa as well as

the status of his Gibraltar-registered insurance business – Southern Rock Insurance Company – which is entangled in a complex web of offshore nominees and opaque and complex business structures. The committee failed on all counts and Banks cut short his evidence by insisting that he had an important lunch appointment.

In 2015, Southern Rock was teetering on the brink of bankruptcy and was bailed out with a huge cash injection of £77.7m from Isle of Man-based ICS Risk Solutions in return for an undisclosed percentage of future revenue. Banks has remained tight-lipped on the origin of the money. The accounts are not public but will be a focus of interest in the British investigation.

SWEET DEALS

The Brexit campaign has prompted interest in **Nigeria** for less obscure reasons. The leading opposition Presidential candidate, **Atiku Abubakar**, is a strong supporter of Brexit, believing that it will open new trading opportunities for Africa. The multi-millionaire wrote an opinion piece in the British *Daily Express* entitled 'Africa longs for Brexit'.

Citing the words of British Prime Minister **Harold MacMillan** in his 1960 tour of Africa that 'a wind of change' was sweeping through the Commonwealth, Atiku's piece compared the colonial ties between Britain and Africa with the EU's current relationship to the African continent, and highlighted what he saw as the opportunities for Nigeria from Brexit.

Of the EU's single market, Abubakar writes 'where it becomes a case of fortress Europe against the rest of the world then free trade suffers'. Repeating one of the examples given by pro-Brexit groups in their occasional critiques of the EU's approach to trade with developing regions, Atiku states that 'sugar cane from Nigeria faces a 115.4% tariff while if we refine it for human consumption it becomes 375.6%. Impossible to trade.'

Although Atiku's argument is that Nigerian sugar farmers will do better after Brexit, the influence that Nigerian sugar producers will have in Britain after it leaves the EU would be far less than **Brazil's** or **Mexico's**. Brexit-supporters and their corporate supporters are

playing the long game.

There are multi-layered links between the Brexit campaign, sugar production and tax havens in the Americas. Former Brexit Secretary **David Davis** MP worked for Tate & Lyle for 17 years. And as a Minister, Davis was vocal on the EU sugar tariff. Tate & Lyle, sold in 2010 to American Sugar Holdings, is the largest sugar refiner in the UK.

Brexit supporter and former deputy chairman of the Conservative party

Lord Ashcroft is a **Belizean** citizen, its Ambassador to the UN between 1998 and 2000, and owns the Bank of Belize. **Andy Wigmore**, Banks's second in command at the Leave.EU campaign, was at the time of the referendum in 2016 a diplomat at the Belize embassy in London promoting trade and investment, while Banks was Belize's 'special envoy to Wales'. Wigmore's father was awarded an OBE for services to the sugar industry. Wigmore has declared on social media

that Belize exports all of its sugar to the UK, and that Belize is the biggest supplier of sugar to Tate & Lyle.

At a stroke, Atiku won the good graces of some powerful corporate and political interests in Britain. Apart from his refusal to sign a trade treaty with the EU, President **Muhammadu Buhari** has not made clear his position either on Brexit or the EU's mooted new policy of a 'partnership of equals' with Africa (AC Vol 59 No 19). ●

SOMALIA/UNITED STATES

US strikes, Shabaab gains

US operations increase but the Islamists are showing resilience. The government is trying to manage expectations

The most lethal United States drone strike against *Al Shabaab* in over a year killed about 60 fighters at Aga Adde, near Galharere in the Central Region, on 16 October. The US offensive has increased in tempo since President **Donald Trump** decided to give the Central Intelligence Agency and the Joint Special Operations Command (JSOC) a freer hand in the Horn. Strikes against *Al Shabaab* went from 14 in 2016, to 35 in 2017 (including four aimed to target Islamic State adherents in the Qandala area).

Yet, despite US tactical successes, *Al Shabaab* is regaining influence in most of south-central Somalia, including Mogadishu itself, US military sources told *Africa Confidential*.

Since US operations against *Al Shabaab* intensified from May 2017, the Soviet-built military airport of Baledogle, 70 kilometres north of Mogadishu, has become the centre of the US presence. The Pentagon has allocated nearly US\$13 million to rehabilitate the 3.2-kilometre runway. While elsewhere on the African continent, small US military forward bases have been closed, in Somalia (as well as **Djibouti** and **Niger**) there have been increases in US boots on the ground. About 500 US personnel – up from about 50 two years ago – train Somali Special forces (Danab) and special units of the National Intelligence and Security Agency, about 700 soldiers in all, and carry out operations with them (one US Special Forces soldier was killed in June). Danab and US Special Forces have been able to launch hit-and-run operations against *Al Shabaab* that have created a sense of vulnerability within the military wing of the Jihadi movement.

However, whatever the official statements claim, no major *Al Shabaab* commander has been killed and assets destroyed have been quickly recovered. The US currently has access to good tactical intelligence: the 16 October strike targeted a convoy of two trucks and three cars which were going through an unpopulated area on their way to Middle Shabelle.

Tactical errors still take place, however. Last year, US Special Forces and their Somali comrades launched a raid on Barire village in Lower Shabelle which killed 10 people, including three small children and four elderly people, none of whom were connected to *Al Shabaab*. The raiders believed they were on the track of **Mahad Mohamed Ali 'Karate'**, an important *Al Shabaab* leader and former head of its Amniyat intelligence organisation (AC Vol 55 No 19). He was not there and most victims were mere civilians. The high level of 'collateral damage' is an important feature of US operations, which many local observers believe undermines the value of its operations even when they hit the intended target.

Al Shabaab's ability to carry out military operations is increasing, including in towns where they had little presence before. In Mogadishu itself, as well as in most of the surrounding villages in Lower or Middle Shabelle, senior *Al Shabaab* figures are chairing meetings, distributing *zakat* (Islamic 'tax' for donations to the poor) and making *dawa* (proselytising).

Although they only show up for 15 to 30 minutes at a time, they are demonstrating their control and reach while putting a heavy question-mark on the Somali federal government's claim on the trust of the people in and

around Mogadishu. The Prime Minister, **Hassan Ali Khaire**, is attempting to counter this impression by pressuring journalists and social media activists.

STRAY BULLETS

Al Shabaab's problems do not include supply. Although the government makes much of its fight against corruption, both the US military and the African Union's force Amisom know that ammunition has gone astray at Mogadishu port (AC Vol 59 No 19). The US halted supplies of food and fuel for the Somali National Army last December because they could not be accounted for. Corruption is an intractable problem for the government of President **Mohammed Abdullah Mohammed 'Farmajo'** because it needs funds with which to buy support from MPs and soldiers and secure its position in the federal member states, where elections are taking place.

The international community is slowly beginning to come round to the view that *Al Shabaab* is a political problem which will require a political solution. This is unlikely to be a major concern of the new US ambassador to Somalia, **Donald Yamamoto**, however, who is expected in Mogadishu at any moment. His immediate task is to try to help repair relations between the regional states and the government in Mogadishu. Many egos, and much paranoia and greed will need to be soothed if the current crisis is not to destroy what has so far been achieved – little though it may be.

For now, the US officially supports the Somali government, which is led by one of its own citizens, Farmajo, although there are contradictions. It was the US, sources close to the regional states presidents told AC, that financed the meeting in Garowe where the regional states decided to withdraw cooperation with Mogadishu. The US is also providing money for the elections in South West State, our sources say. These have become highly controversial because Farmajo's government sent armoured cars, MPs, ministers and a lot of public money to bolster its candidate, **Abdiaziz Hassan Mohamed 'Lafta**

Gareen', who was recently federal minister of Energy and Water. US policy-makers are fed up with the distractions – financial and political – of the elections in the regional states at a time when they believe the focus needs to be on weakening *Al Shabaab* and getting the security architecture right.

UNLIKELY CANDIDATE

However, one anti-*Shabaab* political initiative is taking shape, possibly with US and **Ethiopian** support, that of allowing Salafist political actors into the political mainstream, even though many are there already, if not publicly declaring themselves. The best example is the candidacy of **Mukhtar Robow Ali 'Abu Mansur'** for the presidency of South West State (AC Vol 58 No 18).

Before standing, Robow, a former leader of *Al Shabaab* who defected last year, consulted the US, the Inter-Governmental Authority on Development (IGAD), and **Ethiopia** and **Kenya**. All agreed that his candidacy could trigger significant defections from *Al Shabaab*. Robow may also simply want to assert himself as a 'player' in South West State and to build up his stock of fighting men in order to defend himself against, or attack, *Al Shabaab* militarily.

Here a germ of ultimate compromise with *Al Shabaab* may be growing. Last year's senate elections allowed former warlords and business people connected to the now dormant piracy and kidnap for ransom sector to take seats without any comeback. If they should not pay for their past crimes, why should Robow

be expected to be punished for his past role in *Al Shabaab*, many ask?

Salafists are also ubiquitous in the business sector, and growing in influence. Salaam Bank and Hormud are nearly hegemonic in the telecoms and banking sectors and belong to the same Salafist-owned holding company. Despite the fact that Salafism is not widespread in the Somali population, their businesses are gaining enormous presence in the economy.

Surprisingly perhaps, US policy is backing this change. Whether it is being used as a lever for exerting pressure on the Farmajo administration, or represents a possible ultimate solution through negotiations between officially-sanctioned Salafists and *Al Shabaab* is yet to be seen. ●

CAMEROON

Biya's hollow victory

The country is not safer, more stable or any clearer about the succession despite an apparently decisive election victory

Few were surprised when President **Paul Biya**, 85, defeated his two main challengers – **Maurice Kamto** from the *Mouvement pour la renaissance du Cameroun* (MRC) and **Cabral Libii Ngue** from the *Univrs Party* – and swept to a seventh term in office. Officially, he had won 71.3% of the 7 October presidential vote, against 14.9% and 6% of the vote for the others respectively, but the conduct of the poll, the count and its context have been heavily criticised. Now, however, Cameroonians are supposed to understand and accept Biya's unquestioned dominance. Yet the nationwide split on language lines, the brutal insurgency and the equally violent counter-insurgency, as well as the activities of *Boko Haram* in the extreme north continue much as before.

As if to emphasise the fact that Biya's legendary stable rule was no more, 79 pupils from the Anglophone town of Bamenda were kidnapped on 5 November on the day of Biya's inauguration. The authors of the action were not known as *Africa Confidential* went to press, but the worldwide publicity has shone an unwelcome light on Biya's rule.

Kamto is calling himself the president-elect, so confident is he in the falsity of the official results. He has called for non-violent resistance against the regime (AC Vol 59 No 20). He is far from the only political actor and

civil society leader who believes that Biya's ruling party, the *Rassemblement démocratique du peuple Camerounais* (RDPC) manipulated the polls and the count, with the complicity of officials of the obedient Constitutional Council and Elecam, the national election body. At a recent press conference, **Samuel Kleda**, the Archbishop of Douala, cast doubt on the official results – especially those that gave Biya a decisive victory in the poorest and most neglected part of the country – the extreme north – and even 81% in the war-torn Anglophone areas.

Nor has the election improved intercommunal relations in the country, which is now torn between people of Beti ethnicity, who largely voted for Biya, and the Bamileke from Grassfields region, who backed Kamto. Biya's victory was celebrated only in his native region from the south where he officially scored more than 99% of the vote and in some neighbourhoods of Yaoundé, which have large Beti communities.

The regime relies on conspiracy theories that depict members of the opposition as part of a foreign-inspired plot to destabilise the country, although these have been wearing thin. However, while international concern has been minimal and European countries have generally turned a blind eye to election fraud because stability has prevailed until recently, Biya's inept handling of the Anglophone crisis now has them worried. He may attempt cosmetic

political and social reforms to pacify the international community but there is no sign yet he is ready to relinquish his highly centralised method of government and control of close allies.

While most RDPC insiders believe that the ailing president intends to serve out his new seven-year mandate, the question of Biya's succession remains a taboo subject in the party. Former RDPC barons **Marafa Hamidou Yaya**, the former State Minister in charge of Territorial Administration, and **Jean-Marie Atangana Mebara**, the former Secretary-General of the Presidency, were suspected of nurturing presidential ambitions in 2011, and now both are in prison with scant prospect of release (AC Vol 53 No 16 & Vol 49 No 24).

HEIRS APPARENT

Because of Biya's age, speculation about a successor is inevitable. Although none of them have put themselves forward, three or four individuals are seen as possible inheritors of his mantle.

Louis Paul Motazé, the Minister of Finance and the president's nephew, is often mentioned (AC Vol 56 No 8). Although he has a reputation as a competent and dynamic minister, very few Cameroonians would accept yet another member of the Bulu-Beti group whose elites have dominated Cameroon's politics over the past four decades.

Another potential dauphin is **René Sadi**, the former Minister of Territorial Administration and current Minister in Charge of Special Duties at the presidency. Although he is often considered as a moderate within the Biya regime, Sadi is handicapped by the fact that he originates from a small ethnic minority group often associated with the Beti. **Laurent Eso**, the Minister of Justice and one of the

longest-serving ministers, also has this handicap, hailing as the 77-year-old Douala native does from the Littoral region, which is now dominated by the Bamileke immigrants from the Western

region of the country (AC Vol 52 No 1).

Philemon Yang, Biya's longest-serving prime minister, is also considered a possible successor. The 74-year-old, who comes from the

disturbed Northwest Region, one of the country's English-speaking regions which are demanding secession, might find support hard to win from the Francophone community. ●

LIBERIA

Weah awash in scandal

The new President's promises to tackle graft and promote Liberian companies are already wearing thin

George Weah rode a wave of goodwill at home and abroad into the Liberian presidency as yet another peaceful African political transition was celebrated. But the shine is already coming off his widely accepted January election as allegations of corruption and incompetence in the new government multiply.

In his inaugural address Weah trumpeted his victory as an overwhelming mandate to end corruption in the public service. 'I promise to deliver on this mandate,' he declared. 'As officials of government, it is time to put the interest of our people above our own selfish interests. It is time to be honest with our people. Though corruption is a habit amongst our people, we must end it. We must pay civil servants a living wage, so that corruption is not an excuse for taking what is not theirs. Those who do not refrain from enriching themselves at the expense of the people – the law will take its course. I say today that you will be prosecuted to the full extent of the law.'

In September, the government was rocked by the 'container' saga, in which Liberian dollar banknotes worth L\$16 billion (US\$104 million) disappeared without trace, leaving senior officials in the administration giving contradictory explanations (AC Vol 59 No 20). The whereabouts of the money is still unknown.

This scandal has been compounded by another one, involving \$25m which was supposed to be pumped into the local economy in July by the Central Bank. The cash was intended to soften harsh economic conditions caused by a steep rise in the exchange rate between the Liberian and US dollars.

This money, too, appears to have gone down the same mysterious plughole as the 'container' funds. After much speculation, Finance and Development Planning Minister **Samuel Tweah** said in a radio interview late last month that \$15m of the \$25m had been sent for distribution to the banks.

Instead, local media have reported, it went to importers. Wherever it went, no beneficial impact has been felt, leaving speculation to centre on the possibility that some of it has been stolen. Whatever the money's ultimate fate, Tweah's explanation has been receiving short shrift.

Weah is also coming under fire for his apparent authoritarian tendencies. Last week, the President submitted a bill calling for the cancellation of tenured positions within the executive branch of government. Instead of appointees serving fixed terms of office they could be removed by the President at will.

LIBERIA FIRST

Weah is accused of reneging on another important inauguration pledge. In January, he declared that as Liberia opened its doors to foreign direct investment, his new administration would not permit Liberian-owned

businesses to be marginalised. 'We cannot remain spectators in our own economy. My government will prioritise the interests of Liberian-owned businesses and offer programmes to help them become more competitive and offer services that international investors seek as partners,' he said.

However, since the government took over, many of the contracts for roads and development projects have been given to foreign businesses, and particularly companies owned by **Lebanese** nationals with strong ties to the President, according to the local news outlet *FrontPageAfrica*.

Among them is **Shawki Fawaz**, managing director of SSF Entrepreneur Inc and West Africa Construction, whose two companies share five major new contracts between them.

Mohamad Bittar, another Lebanese business owner, has received permits to construct housing units in Grand Kru and Sinoe Counties, which local media say were obtained without going through the process set out by the Public Procurement and Concessions Commission (PPCC). Construction is expected to start later this month backed by the **Japanese** government, we hear.

The PPCC recently confirmed that yet another Lebanese national, **Ali**

JUSTICE DELAYED BUT MAYBE NOT DENIED

The influence of political allies of the imprisoned war criminal **Charles Taylor** on the government of President **George Weah** continues to grow. Members of the National Patriotic Party, led formerly by Taylor and now by his ex-wife **Jewel Howard-Taylor**, are a crucial component of Weah's victorious coalition and she now serves as Vice-President. The President is said to be afraid of her potential to mobilise political forces beyond his control, and he has been doing his utmost to keep her out of the public eye.

Although many men and women with unsavoury reputations from the civil war era remain at liberty and at no risk of arrest, the high number of ex-colleagues of Charles Taylor in positions of power is worrying many. **Yvette Freeman**, a Taylor loyalist who was one of those who listened to his address over a speakerphone from Frankland prison in England on the occasion of his birthday last year, has been named Deputy Minister of Labour (AC Vol 58 No 4).

To some international jurists, the failure to prosecute Liberian war crimes in their own right is a blot on the record of international justice. However, the sentencing to 30 years in prison of **Mohammed Jabbateh** (aka Jungle Jabbah) in Philadelphia in April has been concentrating their minds (AC Vol 59 No 12). In July, **Jucontee Thomas Woewiyu**, a former spokesman for Taylor's National Patriotic Front of Liberia, was convicted of immigration fraud in the **United States**. He will be sentenced on 26 November. In January, Taylor's ex-wife **Agnes** will be tried at the Old Bailey in London on war crimes charges.

Rather than lessen the possibility that long-neglected war crimes suspects will be tried, their presence in Weah's administration may even increase it. ●

Kobeissi of the Building Materials Centre, has been contracted to revamp the VIP terminal at Roberts International Airport (RIA) in Monrovia.

Both Bittar and Kobeissi have long-standing ties to President Weah and are said to be involved in works for several of his own property projects. Bittar was also awarded the Doe Community road contract. In addition, according to the PPCC, Bittar Construction Company has been awarded the contract for supply of building materials worth nearly \$3m for the construction of the new 14 Military Hospital in Monrovia.

Last week came the revelation, again in *FrontPageAfrica*, that officials at Roberts International Airport had received presidential instructions to grant an old friend of Weah's, the Ghanaian businesswoman **Angela Diala List**, rights to operate the business lounge and two shops at the new terminal. The Liberia Airport Authority, which put the contract out to tender, has promised a competitive bidding process but many local businesses are watching keenly to see how that will go.

Such awards are causing dismay among international stakeholders, who worry that an already weak investment climate is fast deteriorating. The latest *Doing Business in Liberia* report from the US Department of Commerce concluded that the government's aims to strengthen institutions and introduce pro-business reforms are undermined

by weak regulation, corruption, lack of transparency, and poor physical infrastructure. Although much of this pre-dates Weah's inauguration, there are no signs of improvement. Liberia ranks number 172 among 190 economies, according to the latest World Bank annual ratings on the ease of doing business.

Samuel P Jackson, an economist and advisor to the **Ellen Johnson Sirleaf** and **Charles Taylor** governments, says that the Weah administration 'has not demonstrated it has developed the will or the communications strategy to deal with murmurings of corruption'. Jackson cites the government's failed attempt to secure a road construction deal involving the controversial Eton Finance Private Ltd, a company without any provenance in the international markets which promised to lend the government of Liberia \$536m. The IMF immediately warned the government against the deal (AC Vol 59 No 8). After signing the loan agreement, intended to help construct coastal highways, it emerged that Eton had been struck off its home registry in **Singapore** and revived only after Weah's election. It is not known how much money has been lost in the deal, which Tweah now recognises was invalid.

President Weah also sought to give the Burkinabè businessman **Mahamadou Bonkougou** a \$420m deal for the financing, design, construction

and supervision of road corridors in Monrovia. Weah had previously admitted that the businessman was a friend and had loaned him his private jet. Bonkougou is known to have financed several presidential campaigns in the region, and is currently embroiled in a legal dispute with the former Prime Minister of **Benin**, **Lionel Zinsou**, whom he has accused of refusing to repay loans for his failed attempt to win the presidency in 2016.

REVENGE AND BLAME

The government is faring little better on the political front. **Varney Sherman**, the lawyer and politician accused of taking bribes from the mining company Sable, is close to the current administration and eager, insiders say, to take revenge on ex-President Johnson Sirleaf for not doing enough to protect him, in his eyes, from the Sable case and other accusations of wrongdoing, all of which he denies (AC Vol 57 No 10). Weah, however, is reluctant to act because the former President's support, albeit largely tacit, helped him enormously in the 2017 election. Yet this did not prevent his administration from trying initially to lay the blame for the 'container' scandal at her door. Although many believe he should be facing trial himself, Sherman wants to prosecute a bribery case against the former President regardless of its chances of ultimate success. ●

MADAGASCAR

Big men bid high for top job

Three ex-presidents are sparing no expense wooing some of the poorest voters in Africa. There's a wide field, but not much choice

The voters of Madagascar faced a list of 36 candidates when they went to the polls for the presidential elections on 7 November. They include an evangelical pastor, a respected singer-songwriter, a bat guano entrepreneur and an assortment of former prime ministers and ministers. Only three stand a serious chance of election, all of whom have previously held the country's highest office: **Hery Rajaonarimampianina**, the incumbent; **Marc Ravalomanana**, president from 2002 until a coup in 2009; and **Andry Rajoelina**, who led that coup and remained president until elections in 2013. The other 33 candidates are remarkable by their absence, or rather, their lack of funds. Some regions have seen hardly any campaigning at all.

The outgoing president, **Rajaonarimampianina**, has struggled to produce noticeable economic growth to address the island's widespread poverty. Although foreign investment has increased since democracy was restored in 2013, 92% of the population lives on less than US\$2 a day and an alarming 47% of children are chronically malnourished (AC Vol 58 No 2). Despite the advantages of incumbency, few observers, or voters, rate **Rajaonarimampianina's** chances of re-election.

Elected in 2002, the dairy magnate **Ravalomanana** presided over seven years of growth, increased investment and a steady rise in the standard of living until being ousted, due to a combination of his own arrogance and

his adversaries' opportunism. Forced into exile in **South Africa**, his business empire destroyed and his power base dissolved, **Ravalomanana** returned in 2014 a diminished figure, financially and politically. While many middle-aged Malagasies might remember his term of office fondly, the influential business operators who revelled in his downfall are not yet ready to back him fully. That may change, should he make it through to the second-round run-off in December.

If rallies, media coverage and razzamatazz are reliable indicators of popular support, then it is the man who deposed **Ravalomanana**, **Rajoelina**, who will assume power in January. He is backed by a campaign budget estimated at anywhere between \$35 million and \$55m, which has paid for helicopters, planes, orange T-shirts and posters in their millions, mobile big screens and his own TV station. **Rajoelina's** slick communications outfit presents him as a messianic figure, dressed in his party's signature bright orange, preaching hope and selling dreams to packed stadiums across the country.

The political strategy is two-

pronged. First, Rajoelina has developed – some say purchased – strong grassroots networks, particularly among the rural communities representing about 80% of the population. These are less exposed than city dwellers to the rampant corruption and cronyism that characterised his four years in power (AC Vol 53 No 18). Second, the leader of the self-styled ‘orange revolution’ has unrelentingly targeted new voters, who have only a vague memory or knowledge of the severe economic downturn triggered by his coup. Since Rajoelina left power in 2013, 2.4 million citizens have reached voting age. It is this demographic, representing about one fifth of Madagascar’s 12.5 million potential voters, that the pop concerts, firework displays and millions of free orange T-shirts aim to seduce.

‘NEW MIAMI’

Ideology is in short supply, however. There is little difference between the rival political programmes, which are generally built on vague promises. In a country where 35% of adults are non-literate and where only one child in two finishes primary school, civic engagement and political literacy are reserved for the minority urban elites. Rajoelina is astute enough to know that his outlandish promise to turn the dilapidated east-coast port of Toamasina into the ‘new Miami’ will not be critically assessed by the majority of voters.

Ravalomanana has run a similarly active if more low-budget campaign.

His supporters say he did not distribute T-shirts because he didn’t want to sink as low as his opponent; cynics claim it was because Rajoelina blocked his containers of T-shirts in Toamasina port. One diplomat argues it’s simply a question of money: ‘He [Ravalomanana] may not be able to afford these elections.’

But if Rajoelina has the cash, merchandise and full stadiums do not necessarily translate into votes. There is a widespread – and not unreasonable – public perception that all politicians are equally corrupt, self-serving and ineffective. When candidates were required to open election bank accounts in the interests of financial transparency, the few who obeyed only deposited a nominal sum and then ran their campaigns from other accounts.

On 8 October, 22 of the 36 presidential candidates filed a request to the *Haute Cour Constitutionnelle* to have the elections postponed, complaining that the electoral lists were not reliable, but the HCC and the *Commission Electorale Nationale Indépendante* quashed the request on 29 October, saying it had come too late in the process. Twenty-five candidates have refused to engage in any campaigning in protest.

Despite the ruling, the electoral roll still carries many names more than once, and others not at all, while long-dead people are still registered. The number of registered voters increased from 7.5 million in 2013 to 9.8 million this year, but each region still, suspiciously,

represents roughly the same proportion of the electorate as in 2013, something that is statistically very unlikely.

There have been squabbles between the main candidates over access to stadiums for rallies, over permission to deploy campaign helicopters, and over airtime on state media. The urban middle classes suspect the shadowy hand of **China** or **France**, the former colonial power, to be pulling the political strings behind the scenes. Most don’t take such thoughts seriously, but they demonstrate a lack of faith in the democratic process and in any of the candidates’ ability to turn around Madagascar’s fortunes. This could well work in favour of Rajoelina.

A poll purporting to be from a reputable civil society organisation suggests that he and Ravalomanana will face each other in the second round on 19 December and that the final result could fall within the margin of error for a recount, although Rajaonarimampianina, rumoured to have given up on making it through the first round, is expected to back Ravalomanana in the run-off (AC Vol 58 No 9). Neither of these sworn enemies would be likely to accept the other’s victory. The greatest danger for Madagascar’s political, economic and social stability would come from a drawn-out dispute over the result. In 2001, a similar poll dispute brought Madagascar to the brink of civil war. The impoverished population cannot afford to suffer another such calamity. ●

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POINTERS

Sierra Leone

A BRIDGING LOAN TOO FAR

■ The **Chinese** government is putting pressure on President **Julius Maada Bio** to go ahead with a project to link Lungi International Airport, which lies on the other side of Tagrin Bay, by bridge to the capital, Freetown, say political insiders in Sierra Leone. Bio signed a number of memoranda of understanding on projects under the Belt and Road Initiative when he was at the Forum on Chinese-African Cooperation in September in Beijing. *Africa Confidential* understands that State House is having second thoughts about the bridge because of the immense cost and the risk of long-term indebtedness. The project, which the President once said was close to his heart, would cost an estimated US\$1.3 billion, and would be financed by a Chinese state loan to Sierra Leone. In Beijing Bio met contractors interested in the project, chiefly PowerChina International (AC Vol 59 No 18).

The MOUs need to be followed up with a letter of confirmation before work can proceed.

United States senators have attacked China for engaging in 'debt-trap diplomacy' throughout Africa, accusing it of foisting massive infrastructure schemes on developing countries with the aim of saddling them with long-term debt. Commentators in Freetown fear the bridge could have this effect. The World Bank and IMF criticised ex-President **Ernest Bai Koroma's** humbler plans for a new airport at Mamamah, on the Freetown side of the bay (AC Vol 59 No 5). That project would have cost \$300 million. Bio cancelled it upon taking office. Air travellers currently have to take a boat or hovercraft over the bay to reach Freetown. The road route around the bay takes several hours.

South Sudan

DAY RETURN TO JUBA PLEASE

■ The much-publicised return of rebel leader **Riek Machar** to attend the 31 October peace celebrations in Juba was hailed as a milestone in the finalisation of the latest peace deal but much ground remains to be covered. The amount of distrust still in the air was clear from the fact that Riek flew back to Khartoum immediately after the ceremonies. Virtually all the disparate rebel groups have split into pro- and anti-peace factions, with a new grouping, the National Alliance for Democracy And Freedom Action, led by People's Democratic Movement chairman **Hakim**

Dario Moi, attempting to unite all the hold-outs.

Under the Revitalised Agreement on the Resolution of the Conflict of South Sudan, Riek, who fled Juba in July 2016 after the previous peace deal collapsed, is slated to participate in a government of national unity in May 2019 which would follow an eight-month 'pre-transitional' period (AC Vol 59 No 19). Measures to be taken first include the confinement of fighting forces to barracks, the demilitarisation of Juba and other populated areas, and a commission to redraw the federal state boundaries imposed by President **Salva Kiir**.

Also outstanding is the establishment of a hybrid court to address the widespread atrocities which have claimed at least 383,000 lives. The auguries are not good, seeing that Juba University awarded genocide indictee Sudanese President **Omer el Bashir** an honorary degree last week (AC Vol 59 No 13).

Although a number of high-profile detainees have now been released, including Riek's spokesman, **James Gadtet Dak**, and **South African** adviser, retired colonel **William Endley**, who were both on death row, some significant political prisoners remain, particularly well-known youth activist and Cambridge University PhD student **Peter Biar Ajak**, who has been detained since 28 July.

Africa/EU/Migration

DON'T CALL THEM TRANSIT CAMPS

■ European Commission President **Jean-Claude Juncker** officially abandoned the idea that the European Union was trying to set up migrant camps in North Africa during a visit to **Tunisia** on 26 October (AC Vol 59 No 14). 'This is no longer on the agenda and never should have been,' Juncker told a news conference in Tunis with Tunisian Prime Minister **Youssef Chahed**. Commission officials say that the EU executive's new preferred phraseology is 'regional disembarkation arrangements'.

The facilities are still going ahead. Brussels agreed to provide an extra €55 million in funding for **Moroccan** and Tunisian border controls in July, while talks on further aid is under discussion.

Morocco, which nationals of many African states can visit without visas, has become a major gateway for illegal migration into Europe, with 47,000 entering **Spain** in 2018, four times the number for the whole of last year. Analysts say the increase may have been a tactic by Morocco on the EU designed to extract more money in return for stemming the flow of migrants.

Morocco publicly dismisses the panicked approach of EU leaders, but it has just required people from **Congo-**

Brazzaville, Guinea and Mali for apply in advance to enter the kingdom.

Talks on a formal migration-control deal are likely to bear fruit first with **Egypt**. The EU and Egypt signed two deals worth €135 million in October, and insiders suggest President **Abdel Fattah el Sisi** is seeking a generous package of aid and low-interest loans from Brussels in return. 'Although we ban camps, we pay the price as they live here as equal to Egyptians,' Sisi said on 4 November. And it will be the EU that foots the bill.

Botswana

KHAMA MOVES ON MASISI

■ While professing no intention to remove his hand-picked successor, ex-President **Ian Khama** looks set to do just that. Although President **Mokgweetsi Masisi** underwent a lengthy grooming process, Khama now says he prematurely handed over power. He said that he had received legal advice that he remains leader of the ruling Botswana Democratic Party until the elective congress in July next year. The congress had looked set to confirm Masisi as the party's presidential candidate for the October 2019 elections.

Although he is ineligible for re-election as the country's president, having served the two allowable terms of office, Khama is an important traditional chief and has support in the BDP (AC Vol 59 No 13 and No 17). He dropped his bombshell in an interview with *Mmegi* newspaper. He would not act but if someone else challenged Masisi's leadership, it would be 'out of my hands', he said. BDP aspiring MP and Khama supporter **Tshephang Mabaila** appears ready to act as Khama's stalking horse. He has claimed Masisi is an 'illegitimate leader' as part of his appeal against suspension from the party for trying to gather support for a motion of no confidence in Masisi.

Khama is playing it cool. 'I am not instigating that I take back the party presidency because I assumed I handed over to him. If I didn't do it properly then it will come out in court,' he said. The feud has emboldened party members who were always opposed to Masisi.

Addressing parliament on 5 November, Masisi acknowledged publicly that mediation efforts by party elders had not been successful, saying the transition has 'not been as smooth as expected'. As matters stand, whoever bears the flag for the BDP into the presidential election is virtually certain to win. The factionalism within the opposition is just as bad as in the BDP, if not worse. The Umbrella for Democratic change has just expelled a key party from its electoral alliance, thereby weakening itself considerably.

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23 November 2018 - Vol 59 - N° 23

BLUE LINES

Developments in Nigeria and South Africa, covered in this issue, point to the danger when political and business interests converge. President Cyril Ramaphosa's directorship of Lonmin, the company operating in Marikana when the police massacred protesting mineworkers, nearly sank his political career. Ramaphosa is leading an anti-corruption campaign targeting international outfits such as McKinsey and KPMG for their relations with Jacob Zuma's government. This week Ramaphosa faces tough questions about his son's business interests and a donation to his election campaign.

In Nigeria, opposition presidential candidate Atiku Abubakar, a multi-millionaire whose fortune came from oil services company Intels, is the business candidate par excellence. He wants to sell off large stakes of Nigeria's oil and gas industry, float the naira, and make corporate tax levels the lowest in Africa. Apart from obvious conflicts of interests, there is the matter of one of Atiku's strongest backers, a former director of military intelligence. In documents obtained from the Milan court which is trying officials from Royal Dutch Shell and ENI for grand corruption in the purchase of oil block OPL245, this senior officer's name repeatedly comes up centre-stage. Some in the Atiku camp argue that legal proceedings against the two companies, in Italy and Nigeria, should be stopped in favour of the block's rapid development. It may be another tricky case of business interests colliding with political ones.

NIGERIA

Promises, promises

Both main presidential contenders pledge millions of jobs and billions on infrastructure but there are real differences in their policies and strategies

With ninety days to go before national elections in February, formal campaigning started on 18 November with a flurry of extravagant pledges and policies, almost all of them uncosted and many of them replete with internal contradictions.

As the national economy recovers slowly from the 2016 recession, the biggest promises focus on creating jobs and cutting poverty through mammoth public works programmes (some with private capital), with pledges to boost health and education spending close behind. Many voters in Nigeria are deeply sceptical of the political class so it's an open question as to how seriously the manifestos will be taken.

Independent opinion polls suggest the parties are right to concentrate on jobs and money above all else, but many voters will also judge the presidential candidates on their style and character. That means the two main parties, the governing All Progressives' Congress and the opposition People's Democratic Party, will spend millions on reputational issues.

Although 79 candidates submitted credentials for the presidential election, only a handful could claim to be national figures. **Obi Ezekwesili**, the former Education Minister and ex-Vice President of the World Bank's Africa region, is running on the ticket of the Allied Congress Party of Nigeria. A leading campaigner for women's rights and co-founder of the Bring Back Our Girls campaign, she targeted successive governments for failing to rescue the

250 schoolgirls kidnapped from Chibok in Borno State. Ezekwesili will raise gender and equity issues that have growing resonance but her party lacks the resources and network to take on the two main juggernauts, the APC and the PDP.

The same goes for **Kingsley Moghalu**, a former deputy governor of the central bank who is standing for the Young Progressives Party. The 55-year-old technocrat hopes to scoop up votes from the 70% of Nigerians under 40, but many are too disillusioned to vote.

Another small candidate of stature is **Donald Duke**, standing for the Social Democratic Party, who is widely known for a forthright description of how parties, in the states and nationally, rig elections. After dallying with an impromptu alliance put together by ex-President **Olusegun Obasanjo**, Duke opted for the SDP ticket to put down a marker.

OBASANJO TWIST

Obasanjo's political twists and turns fascinate and influence voters. In the 2015 elections, he turned from the PDP, of which he was a co-founder, and backed his former military comrade **Muhammadu Buhari**. That endorsement helped Buhari, at least in the south-west of the country.

Since then, Obasanjo has turned against Buhari too, urging him in an open letter not to stand for a second term. Obasanjo's most bizarre twist is his latest. He has endorsed the PDP's presidential candidate **Atiku Abubakar**, having excoriated him at length in his autobiography and in the country's colourful newspapers.

CONGO-KINSHASA 2

Militias flex their muscles

UN leaders are under fire for not engaging with neighbours behind eastern violence

SOUTH AFRICA 3

Ramaphosa rattled

After the anti-corruption drive, Zuma's successor faces allegations of conflicts of interest

ZIMBABWE 4

Finding for the government

An inquiry into the post-election violence is having unintended consequences

MOZAMBIQUE 5

Frelimo waits them out

Gas projects and the need for investment are pushing the secret loans saga to the margins

ETHIOPIA 7

SENEGAL 8

LIBYA 9

ALGERIA 10

POINTERS 12

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However, Obasanjo's choice of leader has been unfailingly accurate since 1979. The only leader whose rise to power that Obasanjo didn't support was General **Sani Abacha**, who was widely thought to have been poisoned by his fellow military officers in 1998.

A REAL FIGHT

With some high-level defections to the PDP and relentless critiques of the sluggish economy, top APC officials concede they have a fight on their hands. **Abba Kyari**, Buhari's chief of staff, has published an op-ed arguing that for the first time, an elected government is taking on the vested interests that have held back the economy and cutting the country's debilitating dependence on oil exports. Even without crashing oil prices and recession, that project is ambitious and long-term. Now, the APC is scrambling to throw some tempting pledges into the political mix.

Its 'Next Level 2019' manifesto promises to retrain 10 million workers and create another 10 million jobs in

agriculture, ICT and industry. The APC sees the state leading the strategy for recovery.

Last week Finance Minister **Zainab Ahmed** raised US\$2.8 billion in Eurobonds to finance infrastructure spending in 2019, which triggered opposition questions about the timing, less than three months from national elections.

Buhari wants to set up a 'People Moni Bank' to give soft loans to small businesses and artisans. This is one of the social investment schemes handing out unguaranteed loans of 10,000 naira (\$30) which the opposition has described as an 'alternative form of vote-buying'.

Another problem for the APC was the discovery that the designer of its manifesto had copied the logo and slogan of from South Carolina's Winthrop University.

The PDP, smarting from a defeat in by-elections in Kwara in the Middle Belt region, released its policy document – *Get Nigeria Working Again* – with grand plans to sell national assets and privatise the state oil corporation, the Nigerian National Petroleum Corporation (NNPC). It promises tax cuts to companies, to create three million jobs annually and double the GDP size to \$900bn by 2025. Almost as an afterthought, Atiku said his government would spend \$90bn on infrastructure each year for four years.

Much of the money would be raised from private sources, he claims. It would need to be, as the average for an

annual budget is around \$25bn a year, with capital spending running at less than a third of that.

ONE-TERM DEAL

Atiku has also gone on record to limit himself to one term ending in 2023 and sign a legal commitment to that effect. One onlooker wondered which of the pledges is most likely to be broken first.

Atiku has pronounced himself against fuel subsidies and talks about deregulating the downstream oil market, privatising state refineries and bringing in new trading companies. Despite those ambitions, Atiku insists he will lower the price of fuel. His two most contentious promises are to privatise the heavily indebted NNPC and to allow oil-producing states to keep a far greater share of the export revenues, perhaps as much as 100%, if they agree to pay heavy taxes to the federal government.

Such a shift of power would be immensely popular in the Niger Delta and the south-east but would be fiercely resisted in the north and in parts of the south-west. Even if Atiku has no intention of implementing such promises, they would have a powerful political effect.

If nothing else, the manifestos reinforce perceptions of the APC's policy of state-led economic development and its focus on reining in vested interests (albeit with a very mixed record of success) and the PDP's aims for deregulation, sale of state entities and private-sector-led growth. ●

CONGO-KINSHASA**Militias flex their muscles**

Violence is escalating in the east, as UN leaders come under fire for not engaging with neighbouring countries responsible for it

With elections right around the corner, armed groups in the east are ramping up their attacks on government forces and United Nations peacekeepers. Meanwhile, a split in the opposition is widening, with moderates on one side and those with radical and possibly violent agendas on the other. A general election, for presidential, parliamentary and provincial offices is scheduled to take place by 23 December.

On 14 November, armed assailants near the commercial hub of Beni in North Kivu province killed at least a dozen Congolese soldiers and seven UN blue helmets from **Malawi** and **Tanzania** as

they supported what diplomatic sources described to *Africa Confidential* as a poorly planned operation. The killings took place amid an escalation of attacks by ethnic militia in neighbouring Ituri province which has claimed the lives of up to 75 government troops since September, government sources say.

The deaths come almost on the first anniversary of the killing of 15 Tanzanian peacekeepers by fighters of the Allied Democratic Forces rebel movement from **Uganda** last December, in one of the worst attacks on UN peacekeepers since 24 **Pakistani** soldiers were killed in **Somalia** in 1993 (AC Vol 58 No 25).

The leader of the United Nations Organisation Stabilisation Mission (Monusco), **Leila Zerrougui**, has endorsed the government's efforts to hold credible elections despite multiple concerns about electronic voting machines and the exclusion on dubious legal grounds of major opposition candidates, notably former Katanga province governor **Moïse Katumbi** and former Vice-President **Jean-Pierre Bemba** (AC Vol 59 No 20). She has not yet attempted to get the government to hold talks with those who are behind the armed groups in the east and so try to reduce political tensions. Many officers in the national army, the *Forces armées de la République démocratique du Congo* (FARDC), openly talk about the prospect of a third Congolese war as the fighting escalates.

Earlier this month, Congolese opposition politicians met in Geneva to pick a consensus candidate to run against Kabila's chosen successor, **Emmanuel Ramazani Shadary**. They opted for **Martin Fayulu**, an articulate

national parliamentarian who can mobilise the Kinshasa street, but the next day **Félix Tshisekedi**, son of the late and perennial opposition candidate **Etienne**, pulled out, quickly followed by former information minister **Vital Kamerhe**. That leaves Fayulu backed only by the disqualified Katumbi and Bemba, along with former foreign minister **Mbusa Nyamwisi**, who once ran the Ugandan-backed RCD-K/ML movement that controlled parts of Ituri and North Kivu during the 1998-2003 war, where armed attacks are again increasing in tempo.

Zerrougui is under pressure to go along with the government line that the ADF is a Ugandan Islamist movement that threatens the elections in the Beni area, which is also grappling with an Ebola outbreak. In fact, the ADF has been interwoven into Congolese communities for decades, with many of the communities split between support for Nyamwisi's RCD-K/ML and loyalty towards the army, which seeks to use them as infiltrators. Both the national army and Nyamwisi therefore use the ADF as a proxy. Moreover, ethnic Mai-Mai from Nyamwisi's majority tribe, the Nande, have also been stepping up attacks against the army (AC Vol 57 No 25). The Ugandan army was deployed on the Congo-K border on 19 November to try and prevent ADF infiltration.

UN forces were ordered to support operations against the ADF in the Mayangose jungle near Beni. Western intelligence officials say fighters in Mayangose seem to have been

reinforced with loyalists of Nyamwisi's former rebel army as well as the former *Mouvement du 23 mars* (M23) rebel group that took over North Kivu's main city of Goma in 2012 before surrendering in Uganda and Rwanda after their defeat in 2013. The operation went ahead and FARDC units supported by UN troops were ambushed, leading to the many deaths on 14 November. After the operation, the army sacked its head of intelligence in the Beni zone because he was suspected of leaking information to Nande Mai-Mai groups close to Nyamwisi.

Western diplomats are quietly voicing frustration with the performance of Monusco, which has been subject to swingeing budget cuts and criticism that it has no exit strategy despite being in place for nearly 20 years. In particular, despite the emphasis placed by UN Secretary General **Antonio Guterres** on preventative diplomacy, neither Monusco nor Zerrougui's fellow Algerian UN diplomat **Saïd Djinnit**, the UN Special Envoy for the Great Lakes, seem especially in a rush to explore or address the tensions that are causing Uganda, **Burundi** and Rwanda to foment violence in eastern Congo-K.

Government intelligence officials and UN forces have recently detected the presence in South Kivu of Burundian troops, which complicates an already volatile situation. The anti-Paul Kagame Rwandan rebels of **Kayumba Nyamwasa**, the Rwandan former general who was subject of several assassination attempts while in

exile in **South Africa**, are allied with Congolese Banyamulenge Tutsis against Burundian rebels allied with Mai-Mai (AC Vol 59 No 16). Between South Kivu and the Beni area, ex-M23 commander **Sultani Makenga** lies in wait in the Mikenso mountain range just north of Goma, ready to come to the aid of militias in the area backed by Kigali if needed (AC Vol 58 No 20).

CHAOS THEORY

There is concern within UN headquarters in New York that Monusco is too narrowly focused on the ADF and its depredations against civilians, which is a symptom rather than the cause of the rising instability in the east. Nyamwisi, who had a reputation as a ferocious and wily rebel leader during his time at the helm of RCD-K/ML, has been reported as saying privately that he wants to cause so much chaos in Ituri and North Kivu that the FARDC will split on ethnic lines, leading to mutinies and defections throughout the country.

Indeed, many officers in the elite, mainly Katangese, presidential guard are weighing up whether or not to support Shadary if he wins, especially if it comes at a cost of major violence in the east. Katangan politicians are not happy that Kabila's anointed successor is not from the copper and cobalt producing region. Giant mining companies, such as Glencore, also have much to lose from a Shadary victory, which would probably persist with the government attempts to increase taxes and royalty payments (AC Vol 59 No 12). ●

SOUTH AFRICA

Ramaphosa rattled

After leading the charge in the anti-corruption campaign, Zuma's successor faces allegations of conflicts of interest

President **Cyril Ramaphosa** is under increasing pressure to explain the contradictions of his five-year term as deputy President of the ruling African National Congress (ANC) under former President **Jacob Zuma**, who is facing multiple fraud charges and accusations of 'state capture' by the billionaire Gupta brothers.

The opposition parties on his left and right now have an added stick with which to beat Ramaphosa before next May's general election, where he is seeking to consolidate his mandate following the narrowest of victories at the ANC's elective congress last December.

The President has agreed to repay a 500,000 rand (US\$36,000) donation to his election campaign made last December by a company with links to his son, **Andile Ramaphosa**, and which has been the beneficiary of government projects. He initially told parliament, in reply to a question by Democratic Alliance leader **Mmusi Maimane**, that the money had been paid into his son's account but later said that it had been paid by a logistics company, Bosasa, now known as African Global Operations. The payment was made on behalf of former Bosasa CEO **Gavin Watson**.

Correcting his earlier reply, Ramaphosa said he had inadvertently

misled Parliament due to lack of information about the payment. His campaign manager added that the President was not aware of the payment either at the time or when he was replying to the question in Parliament.

When Maimane dismissed Ramaphosa's response as inadequate and both he and Economic Freedom Fighters leader, **Julius Malema**, called for a full investigation into all payments into his election fund, Ramaphosa said he would repay the money and investigate all payments into the election fund account.

Ramaphosa supporters fear that such an investigation could lead to further problems if he is forced to disclose the wide range of donors to his campaign.

'It could open a new can of worms when he least needs it,' said Intellidex analyst **Peter Attard Montalto**. When Ramaphosa was elected President nine months ago he set three goals for his administration: a zero-tolerance policy on the corruption which blighted the

Zuma presidency; to revive an ailing economy relegated to junk status; and to initiate a programme of fundamental land reform to correct a deep racial imbalance in land distribution.

Ramaphosa has made some impressive headway in getting rid of some of the ministers and officials suspected of leading the raid on taxpayers' money. Economic indicators are still bleak but he has convinced local and international investors that he is able to turn the economy around (AC Vol 59 No 19 and No 22).

However, his high-risk policy embracing a constitutional change to enable the expropriation of land without compensation (EWC) has given Malema's party the opportunity to set the political agenda and distract attention from the issue of sustainable land reform (AC Vol 59 No 11).

'We think investors are underestimating the [political] noise that can be forced on the EWC issue and the political damage it can do in the interim to investment,' said Montalto.

GUPTA LEGACY

The pervasive influence of the Guptas has been the recurring theme at the Zondo Commission, a state inquiry to establish how the Gupta family members allegedly facilitated 'state capture' by peddling their political connections to the Zuma family to win contracts from the state through a network of front companies and well-placed individuals (AC Vol 59 No 4).

The three brothers fled the country to Dubai when police launched a series of raids on their home and businesses the day Ramaphosa took office. South Africa has successfully negotiated an extradition treaty with the **United Arab Emirates** but observers consider it unlikely either that the Guptas will return to face trial or that the money they amassed will be recovered.

In her evidence to the commission, meanwhile, former Public Enterprises Minister **Barbara Hogan**, who resigned from the Zuma cabinet, said that the ANC's policy of cadre deployment, whereby appointments were made according to ANC membership, was counter-productive. As Deputy President and head of the ANC's deployment committee, Ramaphosa was jointly responsible for those appointments.

Hogan said Zuma had bullied her into appointing **Siyabonga Gama** as CEO of Transnet, despite the fact that he was facing serious allegations of misconduct, and that he shouted at her, she said, to try to prevent **Jacob Maroga**, the discredited CEO of the electricity utility, Eskom, from being fired. Senior officials of Transnet and Eskom are under investigation for massive fraud.

Ramaphosa is poised to appoint a new director of public prosecutions which will take much of the huge burden of leading the anti-corruption campaign off his shoulders. *Africa Confidential* understands that the most likely candidate on a published

short-list of five is **Sharmila Bahoti**, former prosecutor of the International Cricket Commission into match-fixing in 2000.

FLAWED PROCESS

But analysts say that his campaign to change the constitution to enable EWC could prove his biggest headache yet. Critics of the campaign say that putting the focus on changing the constitution has allowed politics to trump policy. The Constitutional Review Committee has endorsed the ANC's policy but critics argue that the process has been flawed, with written evidence not being properly processed and oral consultations not properly conducted, and that this could lead to legal challenges.

Even if the programme of drafting the amendment to the Constitution goes according to plan it is unlikely that the process will be completed before the election in May. That would mean resuming the process to approve the wording in the second half of next year.

The accompanying Expropriation Bill, which will enable the implementation of EWC, will be introduced parallel to the process to change the constitution but cannot be implemented before the constitutional amendment is approved as it would render the change unnecessary. Implementation of EWC is unlikely much before the following national poll in 2024 because of the many legal challenges that are likely. ●

ZIMBABWE

Finding for the government

An inquiry into this year's post-election violence is having unintended consequences for both the President and his chief rival

When President **Emmerson Mnangagwa** appointed a commission of inquiry to investigate the 1 August 2018 post-election violence, it looked like a further bid by the government for legitimacy (AC Vol 59 No 17). The elections had failed to consolidate Mnangagwa's post-coup position internationally or locally. Election monitors, already critical of the Zimbabwe Electoral Commission's partisanship and of uneven access to campaign resources between the two main political parties, were shocked when the military opened fire on unarmed protesters and other civilians in the streets of Harare after the contested election results were declared.

The three-month inquiry is intended to demonstrate the President's commitment to transparency and reform, how unlike ex-President **Robert Mugabe's** government it is, and how dangerous and undemocratic the opposition is. If it happens also to weaken the standing of the military, Mnangagwa will not be unhappy.

In the event, Mnangagwa won the 30 July presidential election by a very slim margin, weakening his credibility both inside and outside the ruling Zimbabwe African National Union-Patriotic Front (ZANU-PF).

While the inquiry may be aimed at restoring Mnangagwa's reputation, it is also aimed at the opposition. The terms

of reference say the inquiry will also 'investigate the circumstances which necessitated the involvement of the military in assisting in the maintenance of law and order', not identify the shooters or who commanded them. Included in the list of seven commissioners are **Charity Manyeruke**, a political scientist who provides frequent commentary with a pro-ZANU-PF bias to the state media, and **Lovemore Madhuku**, a past presidential candidate who openly disparages the Movement for Democratic Change (MDC).

However, the testimonies of members of the armed forces before the commission have exposed the extent to which, nine months after the coup, the military was still very much in control of the state at the time of the election.

Commander of the Defence Forces **Philip Valerio Sibanda** and Police Commissioner General **Godwin Matanga** both requested that the security services be allowed to testify in camera. These requests were denied by former South African President **Kgalema Motlanthe**, the chair of the commission,

and the interviews were heard in public. From these, Zimbabweans have learned that at a meeting on 10 July, the Joint Operations Command (JOC) appointed a National Reaction Force, under Brigadier General **Anselem Sanyatwe**, head of the Presidential Guard. This force comprised 16 riot police and 62 soldiers, including air force and intelligence officers, split into three brigades, Alpha, Bravo and Charlie, commanded by Major General **David Sigauke**, Lieutenant Colonel **Samson Murombo** and Lieutenant Colonel **Magwenze**.

Sigauke became notorious during the run-off presidential election of 2008, when he was deployed in Chinhoyi, an area that experienced high levels of electoral violence.

Shortly after the JOC drew up the deployment strategy, the brigades were called in for briefing. In the three weeks leading up to election day on 30 July, the men were confined to barracks. With no Minister of State Security, the JOC was convened under the command of the Minister of Defence, **Constantino Chiwenga**. In this way, three weeks before the electoral violence, Chiwenga and the senior security figures in the JOC prepared an elite armed force to be sent into action wherever they thought it would be needed.

According to Police Commissioner Matanga, the police called for military assistance on 1 August without referring back to Mnangagwa to deploy the soldiers. But Mnangagwa had already approved a national command mechanism, and was not required to authorise a military deployment. However, one effect of the testimony is to record the limits on Mnangagwa's power and the weakness of the civilian 'faction' (see AC Vol 59 Nos 18 & 22).

The commission secretariat's efforts to propagate Mnangagwa's narrative – that the deployment of force was made necessary by opposition violence – are

backfiring. When the commission first sat, injured protesters and victims' relatives arrived to testify only to discover that the secretariat had already drawn up lists of witnesses in private and they weren't on them. Of the 37 witnesses heard in Harare, at least two-thirds were introduced as ZANU-PF members, ZANU-PF candidates or ZANU-PF affiliates.

BULLET PROOF

Thanks to civil society intervention, a few non-ZANU-PF affiliates were heard but the commission's treatment of them was criticised. **Adrian Munjere**, hit in the hand by a bullet on 1 August, testified that he had been trying to run away from soldiers firing into a crowd when he was shot. **Vimbai Nyemba**, a commission member, questioned how Munjere could possibly know that the soldiers shot him, as he did not see the bullet travel from a gun to his hand. Another non-ZANU-PF statement revealed that state doctors had written in their post-mortems that victims with bullet holes in their backs had died from opposition-inflicted stab wounds.

The commission spent a week taking testimonies in Bulawayo and Mutare to determine what had happened at an event in Harare. Many of the sessions focused on trying to prove the 'inherently violent' nature of the MDC, rather than establishing what took place on 1 August. According to one witness in Mutare, during the funeral of MDC founder **Morgan Tsvangirai** in February, supporters of the MDC's **Nelson Chamisa** threatened to burn a hut with **Thokozani Khupe**, Vice-President of the splinter MCD-Tsvangirai, in it. The witness introduced himself as 'a headmaster and a ZANU-PF member'.

Most loudly mocked was a claim by Brigadier General Sanyatwe that the soldiers had shot into the air at a 45-degree angle, and that one soldier

photographed kneeling to take level aim was in fact crouching to avoid protesters' stones. Sanyatwe still insists that the dead civilians were killed by opposition supporters before the soldiers arrived.

The findings of the inquiry will not be made public but will be delivered to Mnangagwa. It is possible that he will choose not to publish them, or to publish selectively. However, even without the official report, it is unlikely that the commission will be the vehicle for international legitimacy and local scapegoating Mnangagwa may have hoped for.

Yet rather than capitalising on the weakness of arguments presented to the commission and the tensions within ZANU-PF, the opposition is flailing. MDC leader Chamisa claimed that he could not have incited the 'very stupid' 1 August protests because he had been 'waiting for the election results elsewhere', prompting anger from supporters and detractors alike.

On that day, Chamisa put out a message on Twitter saying the MDC would defend the vote and giving his support to the demonstrators. The protests had begun the previous day, so his tweet was not the spark for the action, but his voice was seen as an important legitimising factor.

Chamisa has apologised to protesters and the MDC, but his apology has not assuaged their sense of betrayal and the incident has not helped Chamisa's waning credibility outside the party. Rather than using the commission as a platform to defend the right to protest and to highlight the continued threat that state security poses to the opposition, he has refused to respond to the commission's summons. However, he is refusing on protocol grounds, saying he should not be made to appear unless Mnangagwa and Chiwenga are also summoned, which critics are calling a missed opportunity. ●

MOZAMBIQUE

Frelimo waits them out

The increasing pace of offshore gas development and the need for investment are pushing the secret loans saga to the margins

The abandoning of the **United Kingdom** Financial Conduct Authority's criminal investigation into Credit Suisse bank over its role in Mozambique's US\$2 billion in hidden loans for dubious security projects that never came to fruition has been widely

criticised by investigators, civil society groups and investors (AC Vol 57 No 11). Despite promising to do so, the FCA has not initiated a single criminal prosecution for money-laundering and the worst that any party can expect if found to blame in the Credit Suisse case

is a fine or a ban.

The disappointment in the FCA decision is based on readings of the report by risk consultancy Kroll Associates, published last July, which showed numerous irregularities (AC Vol 59 No 14). The findings indicated Credit Suisse lacked basic information on whether the companies they were lending to were viable. The most serious potential offence that critics of the FCA say it ignored is money-laundering. 'The money was paid straight from the banks to Abu Dhabi. It's a clear red flag; that alone should be enough for the FCA to investigate,' one investigator familiar with the case said. Taking into account

YOUR BANK HAS BEEN DECLINED

All Mozambican bank card payments stopped working on 16 November in an unexpected addition to the country's financial woes. Bank account holders could not withdraw money from cash machines while card payments and direct debits were blocked, sparking serious fears that a run on the banks would leave the country dangerously short of cash and the currency vulnerable. Mozambicans outside the country were left high and dry with no access to funds.

The interbank society of Mozambique, SIMO, has blamed 'unsustainable' conditions demanded by providers of the software that controls all these transactions, **Portugal's** Bizfirst. SIMO calls the conditions 'blackmail'. But Bizfirst insists that SIMO was in breach of contract and claims that the Mozambicans ignored two warnings issued in November that the payments system would shut down, having earlier failed to pay long overdue fees.

In spite of the complaints of harsh business practices, blackmail and more, observers expect incompetence in Maputo lies at the heart of the problem.

Bizfirst took a hard negotiating position in talks in April, we hear, but SIMO did not act to replace Bizfirst with an alternative contractor or take steps to resolve the points of difference. Critics pointed to the silence of Central Bank governor **Rogério Zandamela**, who despite the Central Bank owning 51% of SIMO, said nothing until Tuesday when he bizarrely claimed Bizfirst's system shutdown was a cyberattack. Zandamela ran into more criticism by claiming SIMO was finding a new provider while Bizfirst was negotiating with local banks to restore the service. On 21 November it was reported that local banks will pay the €5 million owed to Bizfirst, and the system resumed operation. It is unclear if and how the banks will be reimbursed by the authorities.

Financial sources suspect that months of internal bickering over how to resolve the problem led to the inaction, and then to ending of the service. Zandamela and SIMO should have anticipated the problem and dealt with it before it reached this point, critics say. There have been calls for his resignation over the affair, but there is no replacement available. ●

overpricing and money re-allocated to the Ministry of Defence in an opaque accounting exercise, over \$1bn is unaccounted for.

Bondholders told *Africa Confidential* that they believed Credit Suisse was not transparent with them about its other lending commitments to Mozambique, only revealing its other \$622 million loan, to Proindicus, when forced to do so during the 2016 debt exchange. In that deal, the original bond issued by state tuna-fishing company Ematum was restructured into the Mozam sovereign bond (AC Vol 57 no 23). One bondholder complained that the bank should have answered questions about the details of the loans. The investor said they would never have agreed to the Mozam exchange had they known the details of the Proindicus loan. The source says that one of the larger bondholders asked Finance Minister **Adriano Maleiane** about it directly during exchange discussions in London, and he denied the loan existed.

Concern has been expressed that the FCA decision sends the wrong signal about UK regulatory enforcement. The **United States** Department of Justice continues its criminal investigation into the loans and **Switzerland** is also looking into Credit Suisse's role. There is less examination of the **Russian**-owned VTB despite its major role in the lending, which totalled almost half of the \$2bn.

NEW DEBT DEAL

The downgrading of the FCA inquiry comes just after the Mozambican government agreed in principle a new deal with 60% of the holders of the Mozam sovereign bonds. This restructures the remaining \$727m debt

on terms far more favourable to the bondholders than those presented by the government in March (AC Vol 59 No 6). Rather than the 50% 'haircut' proposed by Maleiane earlier this year, bondholders will accept a trim of only 1.7%, or, as one financial expert put it, 'basically nothing'. Mozambique's bargaining position against the bondholders' group is weak.

The new bond is larger, at just over \$900m, and will be more attractive to creditors as interest payments are tied to Mozambique's expected gas revenues. After repeated delays and uncertainty, the buy-in of US oil giant ExxonMobil has breathed new life into the gas sector projects and given reassurance to investors that the money will eventually start to flow.

As part of the bond restructure, the government has committed to paying 5% of its revenues from the gas projects into a new Value Recovery Instrument (VRI) capped at \$500m and ending when the bond matures in 2033. It will pay 4% of the new bond's 5.875% coupon in cash, and the rest from the VRI. Although the effective interest rate has almost halved, creditors will still make large profits. Between \$1.7bn and \$2.2bn will be paid to creditors on the original loan of \$760m, according to the anti-debt lobbying organisation, the Jubilee Debt Campaign.

Mozambique's apparently newfound desire to normalise relations with its creditors coincides with the new impetus behind the gas projects.

It may also signal the government's need to re-engage with the International Monetary Fund. Investors remain cautious, and IMF discussions have been largely fruitless while the country has remained in default. The

Fund is considering giving Mozambique a so-called shadow programme, we hear, which does not come with a loan but is a step towards securing financing from the IMF after the freeze in 2016.

INVESTIGATION FATIGUE

There are fears that the International Financial Institutions are doing just what the ruling party, the *Frente de Libertação de Moçambique* (Frelimo), hoped they would – become tired of the failure of Mozambique to account for the illegal, secret loans, and 'move on'. Donors, IFI staff and diplomats once invested in getting to the bottom of the secret loans saga are transferring to different locations, climbing their corporate ladders and the institutional interest in pressuring Maputo to account for the funds is accordingly fading. Lenders and donors want to return to their core function – getting money out of the door. This comes as a blow to Mozambican civil society, which was grateful for foreign help in its own campaign against corruption.

Restoring relations with the IMF is important because the state needs billions of dollars in loans to fund its own participation in the gas concessions. In April state petroleum company ENH hired financial consultancy Lazard Freres, which is already advising the government on its debt restructuring, to help it raise \$2bn to refinance its stake in the ENI's gas concession in the Rovuma basin. Société Générale has been helping ENH raise funds for its interests in Anadarko's block for which it needs another \$2.3bn, according to the IMF. These funds will need sovereign guarantees, which will once again add to Mozambique's public and publicly guaranteed debt stock. ●

ETHIOPIA

Rounding up the suspects

The arrest of senior officials on corruption charges is popular with the public but many are Tigrayan, which is creating tension

For millions of Ethiopians, the arrest of former senior officials from the intelligence services and the Metals and Engineering Corporation (MetEC), a wayward military enterprise, were welcome signs of impending justice in a nation that generally sees too little of it.

The rounding up of around 70 individuals after a five-month investigation led by the Attorney General's Office demonstrates that Prime Minister **Abiy Ahmed's** government intends to punish those responsible for some of the worst excesses of the past. It had long appeared that the slate might be wiped clean for almost everyone, despite Abiy's admission in parliament that systematic torture was used by the security forces (AC Vol 59 No 11).

Now, Attorney General **Berhanu Tsegaye** has accused former deputy chief of the National Intelligence and Security Service and Federal Police Commissioner **Yared Zerihun** of human rights violations, along with a host of other prison bosses and intelligence figures. They included **Tesfaye Urge**, the ex-head of NISS's anti-terrorism taskforce, who is accused of having orchestrated the grenade attack at a 23 June rally in Addis Ababa attended by Abiy.

A key outstanding question is whether Berhanu, an ally of Abiy in the Oromo Democratic Party (ODP, formerly Oromo People's Democratic Organisation), will now go after the big fish, **Getachew Assefa**, NISS's former long-time overlord. One news agency reported an arrest warrant for him was out, but there has been no confirmation, and Tigray region looks set to resist handing him over.

The issue is significantly complicated by the fact that Getachew is a recently re-elected member of the politburo of the Tigrayan People's Liberation Front (TPLF), the party that mostly called the shots in the ruling coalition until the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) picked Abiy to lead the government and upended Ethiopian politics (AC Vol 59 No 9).

The detention of the MetEC officials also has a strong Tigrayan focus because many senior members of the armed forces, and thus the corporation's leadership, were originally drawn from the TPLF. The most high-profile arrest

was also the most visible. The former Director-General of MetEC, Major General **Kinfe Dagnaw**, ended up encircled by soldiers in Humera, Tigray, not far from the Sudan border, as television cameras rolled. It wasn't the only piece of media footage that was to play a role in proceedings.

METEC ACCUSED

Kinfe was head of the sprawling conglomerate that Berhanu has accused of a host of failures, mismanagement, and crimes, including making irregular procurements over six years worth 37 billion birr (\$1.3bn) without competitive tenders. He also accused MetEC of using two rusting hulks it bought from the state shipping line to run arms between Iran and Mogadishu – although that is one of a number of claims that have yet to be substantiated, including by regional security analysts.

Less contentious are allegations that MetEC was paid in advance for uncompleted dams, sugar plants and a fertiliser complex, and that billions of birr are unaccounted for. Just for the Grand Ethiopian Renaissance Dam (GERD) project, it is said the company was paid 16bn birr, but only 9bn birr was spent on the electro-mechanical and steel works (AC Vol 59 No 18).

In total, 27 MetEC officials were arrested – including Kinfe's then deputy, Brigadier General **Tena Kurunde** – many of whom appeared in court, where a federal judge gave the investigators another 14 days to build their case. Around the same time, state-owned and party-funded media made their own case for the prosecution.

A documentary apparently made by the regional government's Oromia Broadcasting Network detailed MetEC's incompetence and alleged illegalities, including a former Ethiopian ambassador to **Djibouti** repeating the gunrunning allegations, and the GERD misdemeanours.

The documentary's narrator left little room for doubt in viewers' minds: 'Now the big concern is not delaying of the project, rather the whereabouts of this huge amount of money that has been robbed from the poor country. It is now the question and interest of the citizens to see these thieves and corrupt hands standing before justice.'

While Kinfe offered a staunch defence of MetEC's activities in an interview last month – blaming partners like the Sugar Corporation and claiming an anti-corruption commission had already cleared the corporation of graft – it is fairly clear which way the wind is blowing.

These media propaganda techniques, which make acquittals inconceivable, are familiar. In 2012 and 2013, as the government wiped out the few remaining troublesome opposition activists and crushed an Islamic reform movement, state media pumped out documentaries with lurid accusations of links to *Boko Haram* and Eritrea (AC Vol 53 No 16). In the MetEC case, the targets may be more legitimate, but the tactics are just as crude.

One reason for the approach is that a few popular targeted prosecutions are the only feasible way for Abiy to undertake any sort of house-cleaning operation. That is because a more systematic investigation of abuse and graft would mean disturbing his own political home: Oromia president and Abiy's close ally, **Lemma Megersa**, used to be head of the regional security apparatus, while Foreign Minister and ODP politburo member **Workneh Gebeyehu** is a former Federal Police Commissioner. Veteran OPDO leader **Abadula Gameda's** career was dogged by allegations of corruption, as were many other senior party figures, and Abiy himself is a former deputy head of the Information Network Security Agency.

TIGRAYAN TROUBLE

While the targeting of senior officials maintains the reform momentum and pleases the public, it also adds to political tensions. Ethiopia faces multiple challenges, including growing communal violence and the likely break-up of a multi-ethnic southern region, but the most pressing one relates to Tigray.

The TPLF-run regional government is already under pressure after border disputes flared with Amhara, and the mood soured further as **Eritrean** President **Issayas Afewerki**, the TPLF's sworn enemy, went on a tour of that state with Abiy. Claims of encirclement are rife, and intensified after Tigrayan officials were detained (AC Vol 59 No 14).

After initially objecting to Abiy's direct overture to Issayas, the TPLF, led by the Tigray province's de facto governor and party chair **Debretsion Gebremichael**, who himself has lost considerable federal power this year, appeared to be striking a conciliatory pose. That changed recently, as

Debreetsion first spoke of Tigray's willingness to defend itself, and then on 18 November declared the crackdown

and Kinfe's arrest were politically motivated. It looks like Abiy and allies will need more than the upcoming

trial and further state-orchestrated exposés to put Ethiopia's political house in order. ●

SENEGAL A well-oiled machine

The President deflects criticisms of the management of oil resources while deftly removing all credible challengers to his re-election

The flies are buzzing around Senegal's highly promising offshore fields even though there have been no major announcements of new oil and gas discoveries in 2018. The juniors have been holding their own against majors including BP, China's CNOOC and France's Total, who are concentrating on offshore assets – Total partnering with Petronas of Malaysia in the Rufisque Offshore Profond Block. This was previously held by African Petroleum, long associated with the United Kingdom-based Vasile Frank Timis. Timis is in arbitration over who owns this and another block at the International Centre for Settlement of Investment Disputes in Washington DC.

Timis was behind another company, Petro-Tim, which faced accusations – always denied – of corrupt relations with government officials (AC Vol 57 No 24 and Vol 58 Nos 7 and 10). Petro-Tim obtained a licence to prospect for oil in the Cayar Offshore Profond

and Saint Louis Offshore Profond from the then President **Abdoulaye Wade's** son, Infrastructure and Energy minister **Karim Wade**, in 2012. The deal was confirmed by the newly elected President **Macky Sall** that April, when his brother, **Aliou Sall**, held an executive position in the company, from which he has since resigned.

It has subsequently emerged that Petro-Tim did not have the expertise to develop oil resources.

The Anglo-Irish company Tullow Oil, which was negotiating with the state oil company *Société des pétroles du Sénégal* (Petrosen) for the same blocks, found itself bypassed by Timis. Tullow wrote letters protesting against the way the deal was handled, which in its turn triggered an investigation by the *Inspection générale d'Etat*. Its October 2012 report stated that the deal was illegal and should never have been concluded or signed because the company lacked both technical and

financial means to be considered for an exploration licence. Anti-corruption crusaders and Senegalese civil society say that the rapid sale of the two blocks in question, first to Timis Corp and then Kosmos Energy in 2014, constitute tax evasion to the tune of 90 billion CFA francs (US\$157 million). Timis responded by lodging claims of defamation against 11 Senegalese journalists and opposition politicians in October 2016. The IGE report has never been published in full but the Senegalese daily *Le Quotidien* published its main findings four-and-a-half years later in May 2017. Local civil society organisations have repeatedly asked for its full publication. No IGE annual report has been published since 2016, to protect some individuals against legal action, civil society claims.

Ousmane Sonko, a former tax inspector and leader of the *Patriote du Sénégal pour le travail, l'éthique et la fraternité* (Pastef) party, has won a substantial following by chronicling the scandals in a book released in May 2017, much of which focuses on the Petro-Tim affair. He believes Senegal's newfound assets have already been sold off and he demands action against **Aliou Sall** for influence-peddling and conflicts of interests. He also wants parliament to start procedures at the High Court against ministers he blames for allegedly giving away Senegal's offshore assets, such as former mines minister **Aly Ngouye Ndiaye**, and his successor, **Maïmouna Ndoeye Seck**. They should have re-assessed the Petro-Tim deal and binned it, Sonko maintains.

None of these officials will face any punitive action, least of all Aliou Sall, who in September 2017 was given a juicy position at the head of the *Caisse des Dépôts et Consignations du Sénégal* (CDC), best described as a state-run finance and investment firm modelled on the French original. Sall has always denied any wrongdoing regarding his personal ties with Timis.

Also in Sonko's line of fire is the current minister of Economy, Finance and Planning **Amadou Ba**, for having colluded with alleged tax evaders when he was heading the *Direction générale des impôts et des domaines* (DGID), the tax and revenue authority, from 2006 to 2013. Sonko, who reported to Ba between 2011 and 2013, claims that his efforts to thwart tax evasion were blocked by Ba but denies holding a grudge against his former boss.

Former mines minister **Thierno**

SALL CLEARS THE ROAD TO RE-ELECTION

Ousmane Sonko's incendiary book has certainly provoked debate but will not be enough to propel him and his *Patriote du Sénégal pour le travail, l'éthique et la fraternité* party into the presidential palace at next February's polls, be it the colonial building currently in use in Dakar or the one President Sall is reportedly planning to build at a cost of 100 billion CFA francs (US\$175 million) in Diamniadio, Dakar's new satellite city. Sonko's trenchant style puts off many voters, and the fact that his two wives wear veils worries those who fear that he would seek as president to undermine the secular nature of the French-inherited state administration.

Other candidates include the architect **Pierre Goudiaby Atépa**, who can be expected to pick up votes in his native Casamance, in direct competition with Sonko who hails from the same region.

The biggest challengers to **Macky Sall's** re-election have both been eliminated, in the time-honoured Senegalese tradition, by using the courts against them. **Karim Wade**, who lives in **Qatar**, was convicted for corruption and then pardoned but he remains excluded from the race on nationality grounds, even if he could win the backing of his father's *Parti démocratique Sénégalais* (AC Vol 55 No 24, Vol 57 No 14).

Another tough opponent would have been the former presidential ally and former mayor of Dakar, **Khalifa Sall**, whose political style and record in office won him huge popularity. He was arrested on corruption charges in April last year and convicted this year (AC Vol 58 No 9). Earlier, the president dismissed him as mayor of Dakar. Even if his appeals succeed, they will take so long that he is out of the contest, and now no serious opponent stands between President Sall and re-election (AC Vol 59 No 18). ●

Alassane Sall, now in the opposition, and former Prime Minister **Abdoul Mbaye** have joined in the criticism, even though they must bear some of the responsibility for the mess the oil sector has become.

The government's response has been a sustained campaign to discredit Sonko. **Mame Mbaye Niang**, the tourism minister and one of Macky Sall's most vociferous cheerleaders – this month he created the *Plateforme Senegal 2035* to support Sall's re-election bid – accused Sonko of plagiarism and being in cahoots with Abdoulaye and Karim Wade.

'BEACON OF TRANSPARENCY'

Others joined in. **Seydou Guèye**, the spokesperson for the *Alliance pour la République* (APR), Macky Sall's principal election vehicle, has accused the opposition of spreading fake news, saying Senegal was a beacon of transparency worldwide. Nonsense, says **Birahime Seck**, of the pro-transparency *Forum civile*. 'There is no transparency in the way the natural resources of this country are managed.'

What is popularly regarded as a blatant example of the lack of transparency is the presence of the president's father-in-law, **Abdourahmane Ndiaye** (nicknamed 'Homère') at the head of the board at Petrosen. Civil society organisations

and trade unions have long demanded his sacking, claiming incompetence. They also decry the heavy-handed way Petrosen's director **Mamadou Faye**, in the post since 2012, runs the state enterprise.

Another example of the murky relationship between the oil sector and government is the construction of a building that will house the National Oil and Gas Institute (*Institut nationale du pétrole et du gaz*). The project will, in part, be paid for by unnamed oil companies. Kosmos hinted in its Corporate Social Responsibility report for 2016 that it may be one of them. The building itself will be designed by the architect **Pierre Goudiaby Atépa**, who introduced Timis to Aliou Sall when the latter was working at the Senegalese embassy in Beijing, where Goudiaby has an office. The architect has also launched a presidential bid (see Box).

The Petro-Timis affair is not the only controversy. A company called Tender Oil belongs to **Ovidiu Tender**, who is three years into a 12-year prison sentence for fraud in Romania. Like Timis, Tender originally hails from Timisoara, Romania. The circumstances under which he managed to get hold of the Saloum Onshore and Sud Sénégal Offshore fields, which he acquired in late 2014, are even more opaque than Timis's case. Earlier this year the Senegalese

authorities woke up to the fact that they had handed two oil blocks to a prisoner in a foreign jail. He has reportedly been banned from doing business in Senegal but he appears to remain in possession of the licences.

DIRTY BILL

Meanwhile, a new bill governing the oil and gas sector is likely to be passed into law in December by a parliament dominated by the presidential movement **Benno Bokk Yakaar** and its main constituent party, the APR. Pro-transparency activists have made repeated, and, so far, unsuccessful requests for copies of the bill. The new law will cover the petroleum code, the revenues and the question of local content, often bandied about as a means to create local jobs in Senegal, of which there has been, to date, very little evidence. Passing the law without serious scrutiny means it is likely it contains loopholes that will enable President Sall to allocate revenue income and funds where he wishes. With that income, his main political rivals eliminated, and any serious challenge from civil society smothered, there is nothing to stop Macky Sall. 'If anything there is one thing you've got to hand him,' commented one observer drily. 'He has played his cards extremely well.' ●

LIBYA

Posturing in Palermo

The latest effort to solve Libya's crisis produces grandstanding but little progress as European powers compete for influence

The Palermo conference on Libya on 12-13 November called by Italy's Prime Minister **Giuseppe Conte** was as much about Italy's primacy in the north African conflict as about the meeting's official message; 'for Libya, with Libya'. The conference, which also brought in the **French** and the **Russians**, was a power play by Italy vis-à-vis the Paris summit on Libya in May, to which the French government did not invite Italy.

Since the failure of the last attempt at an international solution to the Libyan crisis – the 2015 Libyan Political Agreement – the European powers have tended towards competition over consistency. In the event, Italy's effort resulted in plenty of photo opportunities for Prime Minister Conte and the major Libyan actors but little else – 'a total mess on all levels', according to

one Libyan advisor. French Foreign Minister **Jean-Yves Le Drian**, Russia's Prime Minister **Dmitry Medvedev** and European Council President **Donald Tusk** all turned up, alongside Egypt's President **Abdel Fattah el Sisi**, Tunisian President **Béji Caïd Essebsi** and Algerian Prime Minister **Ahmed Ouyahia**. The main Libyan actors were all in attendance, with **Faiez el Serraj**, chairman of the UN-backed Presidency Council, making the trip along with the heads of the country's two parliaments, **Aguila Saleh Issa** from the eastern House of Representatives, and **Khalid al Mishri** from the western assembly, the High Council of State.

France and Italy have consolidated their backing of rival factions within the Libyan quagmire. France is the main European supporter of **Khalifa Haftar**, head of the largest military force in

eastern Libya, the Libyan National Army (LNA). Italy works closely with Serraj and the Presidency Council's Government of National Accord, based in Tripoli, as well as with powerful elements in Misurata.

Where France claims to favour forcing through early elections, Italy speaks of first shoring up coastal security to stem illicit migration across the Mediterranean. The divide has left Libya's remaining political class asking what the Europeans want, beyond securing the interests of their favoured oil companies, Total and ENI, both of which are active in Libya.

Russia's approach is comparatively clear. Moscow backs Haftar in his stated goal of a military solution without pretensions to political compromise. On 7 November Haftar visited Moscow to see Defence Minister **Sergei Shoigu** and **Yevgeny Prigozhin**, the head of Wagner, the Russian firm which sends Kremlin-approved mercenaries abroad, and who is close to President **Vladimir Putin**.

Haftar's participation remained in doubt until after the conference was under way. *Africa Confidential* understands one obstacle was the planned attendance of **Turkey's** Vice-President **Fuat Oktay**, which did not

sit well with the general. He also was opposed to the presence of Mishri, a member of the Muslim Brotherhood, and the PC's interior minister **Fathi Bashagha**, the dominant Misurata military figure. Having declared that he would not attend the summit 'even if it takes 100 years', Haftar arrived in Palermo late on 12 November, after the Turks pulled out. The LNA delegation, featuring Haftar's advisors **Ahmed al Aboud** and **Mahmoud al Ferjani**, maintained that the general's physical presence at the conference did not signify formal attendance.

International efforts to broker a political solution in Libya have often been more theatrical than practical, offering little hope of real progress. Only Haftar appeared to gain from the latest round. Having held the summit hostage, he signalled to his audience in Libya that the country's future will depend on him, one way or another (AC Vol 59 No 7). The overall effect was to reinforce regional rivalries rather than build national consensus.

On the ground, the fundamental

patterns of the conflict are unchanged since the total breakdown of the fragile post-conflict order in 2013. Warlordism prevails over politics and low-intensity conflicts continue around the country's oil infrastructure. The regional split between east and west that emerged at the end of the civil war is unresolved. Militias reign, and often function as criminal rackets (AC Vol 59 No 6).

MILITIA CLASHES

In Tripoli, the four main militias that have carved up the city for themselves – the Tripoli Revolutionaries Brigade, Nawasi Brigade, Rada Special Deterrence Force and Abu Salim Brigade – are increasingly rubbing up against one another. In late October and early November, the Tripoli Revolutionaries and Rada fought small skirmishes on at least two occasions around the city port. To make matters worse, the Seventh Brigade, a militia from the nearby town of Tarhouna led by **Mohamed al Kani**, has made repeated attempts to capture parts of the city from the major Tripoli militias.

The United Nations has been left with the thankless task of keeping the prospect of a political solution alive. UN special envoy **Ghassan Salamé** has sketched out a reasonable proposal under which a national conference would be held in Libya with less input from outside powers. Salamé hopes this could lead to elections later next year to form a unity government which could begin to wrest the capital and the oil crescent from independent warlords.

At present the UN's plan looks like a tall order. Competing, ill-conceived European conferences outside of the UN framework have done little to help. So long as the international powers are intent on dividing their support between the Misuratan militia force in the west, and the larger but less advantageously positioned LNA in the east, the likely outcome is the perpetuation of a damaging stalemate.

Salamé aims to hold an all-parties National Conference 'in the first weeks of the New Year', but few believe that he can gain enough agreement among the parties to hold to such a timetable. ●

ALGERIA

The sick men of North Africa

Grey heads are rolling throughout the establishment as Bouteflika's circle purges rivals, clearing the way for his fifth term of office

Presidents routinely use 1 November, when Algeria commemorates the start of its war of liberation from France, to call for accelerated economic reforms which will reduce reliance on hydrocarbons and build a better future for disaffected youth. This was **Abdelaziz Bouteflika's** rallying call to mark this year's 64th anniversary, but what all but the most blinkered Algerians saw at the formal wreath-laying at El Alia Cemetery was a wheelchair-bound and apparently extremely infirm octogenarian. His supporters still want him to stand for a fifth term in next year's elections (AC Vol 58 No 5).

After months of changes in senior ranks of the military and rumours that more political and business leaders' heads could roll following a number of scandals, Algerian Kremlinologists were keen to see which officers and officials would be standing behind the ailing President.

One of the most respected Algiers dailies, *El Watan*, went so far as to call the fifth term project both 'Kafkaesque' and 'surreal', as Bouteflika struggled to make

the one public appearance no Algerian leader can avoid. 'One must be insane and intellectually weakened to accept the plan of those who have benefited from his rule and who want to stay in power at all costs,' the paper said. Many Algerians are painfully aware of their President's frailty and agree with the veteran activist **Louissette Ighilahriz**: 'No one sees President Bouteflika apart from his doctors. I don't know who is taking him hostage.' Ighilahriz resigned as a *Front de libération nationale* (FLN) senator on 21 October in protest against fifth-term plans.

But the ruling elite sees few credible alternatives to Bouteflika: potential successors such as the former challenger **Ali Benflis** have been sidelined; ex-Premier **Abdelmalek Sellal** may even return as Bouteflika's campaign manager for a fourth time, but is not seen as a likely successor (AC Vol 44 No 10). One of the few possible successors, the current Prime Minister and *Rassemblement national démocratique* (RND) leader **Ahmed Ouyahia**, is a divisive figure (AC Vol 59 No 1). Efforts to create an opposition

pro-reform movement, *Mouwatana*, to derail the fifth term, have involved younger politicians such as *Jil Jadid* ('New Generation') leader **Soufiane Djilali** and gained some headlines, but no real traction.

Most of the ruling FLN will fall in behind Bouteflika, but the old ruling party's leadership is deeply divided. Its vocal but ageing Secretary General, **Djamel Ould Abbès**, resigned on 14 November, supposedly on health grounds. This followed spats with other senior FLN members, culminating in a dispute with Justice Minister **Tayeb Louh**, who attacked Ouyahia for his record of using scorched earth tactics against Islamist insurgents in the 1990s. Officially, Ould Abbès is on sick leave, leaving the party in the charge of a group headed by parliamentary speaker **Mouad Bouchareb**. Many believe the outspoken Ould Abbès has been sidelined before the election. Ironically, it was he who first announced that Bouteflika would stand again. Meanwhile, a former speaker of parliament, **Abdelaziz Ziari**, has been arguing for Ouyahia. 'I do not see anybody, apart from the current leader of another party of the majority... who could fill Abdelaziz Bouteflika's chair,' said Ziari, an FLN politburo member, arguing that the ruling party was in 'disrepair' and lacked any credible alternatives to the incumbent.

Bouteflika's shadow still looms large, with policy decrees, appointments and political manoeuvring emerging in his

name from his medicalised suite in the Zeralda presidential palace, courtesy of presidential brother **Saïd Bouteflika** and a phalanx of loyalists led by Vice-Minister of Defence and Army Chief of Staff Lieutenant General **Ahmed Gaïd Salah** and Security Services Coordinator Major General **Athmane 'Bachir' Tartag**. This triumvirate supports the Bouteflika clan's hold on the levers of power and the economy by keeping allies in key positions. Construction magnate **Ali Haddad**, a business friend of Saïd Bouteflika's, is likely to remain head of the flagship of Algerian crony capitalism, the *Forum des Chefs d'Entreprise* (FCE), despite claims this summer that even his head might roll as the El Bouchi cocaine smuggling scandal highlighted wider abuses of governance (AC Vol 59 No 14).

But the triumvirate itself is under heavy pressure. Sources close to the presidency told *Africa Confidential* that Saïd Bouteflika may have serious health problems of his own. Close observers say he has been much less visible in recent months.

PRE-ELECTION FEVER

Months of appointments and purges of the senior ranks, orchestrated by the triumvirate with **Gaïd Salah** pulling the strings, say as much about pre-election political dynamics as they do about fallout from the El Bouchi affair. Officers have been reshuffled and retired across the security services since the sacking in June of Major General **Abdelghani**

Hamel of the *Direction générale de la Sûreté nationale* (DGSN). The police chief ostensibly fell because of failures over El Bouchi, but many think he was seen as a challenge to the Bouteflikas. In the febrile atmosphere since then, normally confident members of the *décideur* class prefer not to step out for coffee, acting with the sort of caution characteristic of the days when military coups were a fact of Algerian life.

Among other changes since Hamel's departure, *Direction centrale de la sécurité de l'armée* (DCSA) commander Major General **Mohammed 'Lakhdar' Tirèche** and *Contrôleur général de l'armée* General **Boumediene Benattou** (replaced by Major General **Hadji Zerhouni**) were sacked in August. In September Major General **Abdelhamid Gheris** was named Ministry of National Defence Secretary-General, replacing **Amine Zenakhri**. Other changes in the same month include the replacement of Air Force commander **Abdelkader Lounès** by Major General **Hamid Boumaïza** and the retirement of Land Army Commander **Ahcène Tafer** – replaced by the former 3rd Military Region commander Major General **Saïd Chengriha**.

There was shock in August when reports emerged that Gaïd Salah had ordered investigations into fake travel expenses and other alleged abuses by senior officers, including ex-Gendarmerie commander **Menad Nouba**, the 1st, 2nd and 4th Military Region commanders – **Lahbib**

Chentouf, Saïd Bey and Abderrazak Cherif – and MND finance director **Boudjemaâ Boudouaour**. The generals were arrested, alongside an unnamed colonel and appeared in a Blida courtroom on 14 October charged with corruption, but after considerable turbulence in *décideur* ranks, Bouteflika ordered their release, it was announced on 5 November.

MILITARY MATTERS

Amid mounting criticism of his command of the armed forces, Gaïd Salah has made visits to the regions to try to improve his image. He joined mid-October live-fire exercises in the 5th Region, conspicuously in the company of his hires, Land Army commander **Chengriha** and regional commanders including **Amar Athamnia** (5th), **Hassan Alaïmia** (recently appointed to the 4th) and **Mohamed Adjroud** (6th). But many concluded that the release of the five arrested generals demonstrated the limits of the triumvirate's grip over the armed forces.

In the lead-up to next year's elections, all elements of 'le pouvoir' (the military/security establishment) will have to pull together if a smooth change of leader is to be achieved. This probably means first re-electing Bouteflika and then finding a successor on whom the most powerful factions can agree. Algeria scarcely pretends to be a democracy any longer: the critical decisions will be made by military *décideurs* and their civilian allies. ●

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POINTERS

Madagascar

SECOND-ROUND GRUDGE MATCH

■ The second round of the Madagascar presidential election on 19 December promises to be a hard fight between two sworn enemies: **Marc Ravalomanana**, who led the country from 2002-09, and **Andry Rajoelina**, the man who deposed him in a coup. They polled 35% and 39% respectively in the first round, with the incumbent, **Hery Rajaonarimampianina**, taking a mere 9% of the 5.3 million votes cast.

Rajoelina invested heavily in first-round campaigning, hoping for outright victory and will be disappointed at beating Ravalomanana by just four points (AC Vol 59 No 22). Now, he is casting doubt on the election software, hoping to build a sense of grievance among his supporters which will translate into second-round votes.

Ravalomanana is relatively upbeat. He is on better terms with the outgoing president than Rajoelina and hopes his votes will switch to him in the final round. However, Hery's party, *Hery Vaovao ho an'i Madagasikara* (HVM), is in disarray after its crushing first-round defeat and may struggle to deliver its supporters' votes to Ravalomanana. Also, many members were instrumental in removing Ravalomanana from power in 2009 and will be loath to see him return.

Now, the horse-trading begins. Given that the two contenders are separated by less than 200,000 votes, even the minor candidates are worth courting. These will be hoping for ministerial posts in the new government.

The other key factor is money. Rajoelina outspent Ravalomanana in the first round but may not have budgeted for a protracted contest. His opponent spent frugally, gambling on reaching the second stage before spending the big bucks. A major HVM backer has transferred his allegiance to Ravalomanana. Other kingmakers are keeping their options open for the moment, waiting to see which way the cats jump.

Guinea-Bissau

VAZ KICKS IT INTO TOUCH

■ Hopes that parliamentary elections on 18 November would end more than three years of political paralysis caused by the conflict between President **José Mário Vaz** and the majority faction of the *Partido Africano para a Independência da Guiné e Cabo Verde* (PAIGC) have been dashed. Vaz appointed Prime Minister Aristides Gomes in April – under

pressure from the Economic Community of West African States (AC Vol 59 No 10) – with a remit to organise new polls.

But the late arrival of election registration kits meant voter registration didn't start until late September, and by late October, only about 25% of all potential voters had been registered. President Vaz used this to postpone the election set for 15 November. He and his allies want to merge the parliamentary elections with the presidential elections due in mid-2019 to give them a better chance of victory.

Vaz and his supporters, formerly a minority faction within the PAIGC, have recently founded the *Movimento de Alternância Democrática* (MADEM-G15) led by **Braima Camará** along with other defectors from the PAIGC. The PAIGC majority faction, under the reforming former Prime Minister **Domingos Simões Pereira** appears to be leading in the polls. The international community backs Pereira's call for an election as soon as possible, while Gomes wants January.

Most see the latest delay as yet another ploy by Vaz to game the system. Observers fear that Vaz will again find himself 'obliged' to postpone elections again as anger grows over alleged manipulation of the electoral register. Then, he would be able to dismiss Gomes and appoint a prime minister more to his liking, perpetuating his rule yet further.

Morocco/EU/Russia

FERTILISE THIS

■ Morocco is close to agreeing a new trade deal with the European Union, less than a year after the European Court of Justice ruled that its existing pact could not cover Western Sahara (AC Vol 59 No 3). It is also likely to broker a 'cash-for-migrants' deal with Brussels in its bid to curry favour with the EU. But relations have been strained – by fertiliser.

The bone of contention is a proposed EU law seeking to reduce the level of cadmium, a heavy metal contained in phosphate fertiliser, to 20 micrograms per kilogramme by 2025. Moroccan phosphate typically contains 40-80mg/kg. The European Commission argues that cadmium causes kidney, bone and cardiovascular diseases, pointing out that several countries have already imposed a 20mg limit.

Russia, whose phosphate naturally has a far lower level of cadmium, and Morocco are the two biggest fertiliser suppliers to the European market. The state-owned *Office chérifien des phosphates* (OCP), whose board is headed by King **Mohammed VI**, exports 32% of its phosphate to the EU – equivalent to over \$1.5 billion. Most EU governments have agreed to support a 60mg limit, but the law also has to be

decided in the European Parliament.

Rabat accuses Moscow of dirty tricks, claiming that the Safer Phosphates group, which has been lobbying MEPs and EU officials and marketing itself as an environmental organisation, is a front financed by Russian mining company PhosAgro. The Moroccans say that while most centre-right MEPs in Brussels support the 60mg threshold, Russian lobbying has seen the far right back the Greens and Socialists in demanding tighter standards.

Ghana

MAHAMA WANTS A REPLAY

■ The victory of **Samuel Ofose-Ampofo** in the contest for national chairman at the opposition National Democratic Congress convention in Accra on 18 November could set the stage for former President **John Dramani Mahama** to emerge as the party's candidate in the 2020 elections.

Ofose-Ampofo polled 3,656 votes, ahead of **Dan Abodakpi** with 2,199 and **Huudu Yahaya** with 1,823. Mahama's rivals had hoped a victory for Huudu might have complicated the former President's ambitions for a political resurrection after his humiliation in the 2016 election (AC Vol 57 No 25).

The former finance minister, **Kwesi Botchwey**, would have considered standing as a compromise candidate but has ruled out competing with Mahama, we hear. Other contenders include: **Joshua Alabi**, former Vice-Chancellor of the University of Professional Studies; **Ekwow Spio-Garbrah**, former Trade Minister; **Alban Bagbin**, former majority leader in parliament. Leftist **Augustus 'Goosie' Tanoh** has rejoined the party and had some backing from former President **Jerry John Rawlings** but lacks a broad enough base in the party.

The question of Rawlings's influence in the party is critical, given his testy relations with Mahama. NDC members from Volta region, Rawlings's historic base in the party which he founded, lost badly in 2016. At public gatherings, Rawlings has been socialising with President **Nana Addo Dankwa Akufo-Addo**. At a party during Prince Charles's early November visit to Accra, he danced with Rawlings's wife **Nana Konadu** while Rawlings danced with Akufo-Addo's wife **Rebecca**.

Akufo-Addo wants to stand for a second term and some NDC barons are unhappy about the prospect of another Mahama run for the presidency. 'He cannot tell us why he wants the job and in the two years since the election has done nothing to change public perceptions that his administration was chaotic and corrupt,' said one. 'He is not the candidate to win back the voters we lost.'

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BLUE LINES

Those criticising the Trump Administration for its lack of interest in Africa may find themselves being more careful what they wish for. About two years late, a form of US policy towards Africa is taking shape sometimes with the overt connivance of regional leaders, other times as part of a critique of certain regimes.

For now, Trump's favourites are easy enough to identify. Top of the class is Egypt's President Abdel Fattah el Sisi who was the first international leader to congratulate Trump on his election win in November 2016. Sisi has kept up the momentum, tying himself close to the US's regional allies, Saudi Arabia and United Arab Emirates, and their policies in Africa and the Middle East.

Algeria and Nigeria, two former nationalist bastions, are boosting counter-terrorism cooperation with the US. We hear that Nigeria is making a regional pitch, alongside Chad and Niger, for US aerial surveillance intelligence and, most recently, drone strikes against positions suspected to be controlled by Islamic State in West Africa and their former allies in *Boko Haram*.

Then there are the oppositional positions. Tibor Nagy, newly appointed Assistant Secretary of State for Africa, promises a tough line on election shenanigans in Congo-Kinshasa. Also, a group in the US Congress called on President Paul Kagame to drop all charges against would-be presidential candidate Diane Rwigara.

GHANA

Hey, big spender!

The debt overhang and over-priced projects threaten the government's social programmes and industrial policy

As Finance Minister Ken Ofori-Atta rose to his feet in Parliament on 15 November to deliver his 2019 budget statement, he faced scepticism about his arithmetic from the opposition benches as well as analysts overseas.

Ofori-Atta, a banker whose professional instincts clash with some party political imperatives, announced a bold plan for big spending on infrastructure, promised steps towards 'A Stronger Economy for Jobs and Prosperity' and progress towards realising President Nana Dankwa Akufo-Addo's celebrated vision of a 'Ghana Beyond Aid'. Although Ghana's foreign aid receipts are declining, mainly because of its newish status as lower-middle income economy, many are unconvinced by the plan to ride a wave of international borrowing towards the firm ground on which it wants to build an industrial hub for West Africa (AC Vol 58 No 1).

Not only has the government failed to persuade people that its debt strategy is sustainable, it faces growing questions about the integrity of senior officials in government and their close family members. Horror stories are circulating about slews of deliberately mispriced contracts, mimicking the pattern of the previous government and in some cases surpassing it.

Getting tough on corruption was a central plank of Akufo-Addo's election manifesto, which promised to appoint a robust and independent special prosecutor to pursue suspected officials and business people. Martin Amidu, a serious appointment as special prosecutor, is about to test his remit.

He should be busy, according to Auditor

General Daniel Domelevo, whose latest reports show a continuing drain on public finances. Richard Quayson, deputy head of the Commission on Human Rights and Administrative Justice, reckons the country loses 13.5 billion cedis (US\$2.8bn) each year to overpriced contracts and commercial criminality.

Ofori-Atta's budget sounded some notes of optimism. Following clearance by the World Bank, Ghana will complete its International Monetary Fund \$900 million credit programme in April 2019, which started under the National Democratic Congress (NDC) government led by John Dramani Mahama. Leaving the IMF's tutelage will allow Ghana to borrow still more on the money markets.

REVIVAL

Second, the government promises to revive the oil and gas industry after the slump in oil prices. President Akufo-Addo has been frustrated by exploration and production companies which have failed to develop their concessions.

With the NPP government at the halfway mark, having entered office in January 2017, its willingness to adhere to fiscal consolidatory measures seems to have convinced the Bank and the IMF, if not all their commercial counterparts, that the government is serious about recovery and macro-economic stabilisation.

There was a political price to pay for the tighter budgets. Complaints by business owners reached a crescendo in August as both government and citizens stopped spending. Then the big banks stopped lending to small and medium-sized

NIGERIA	3	SOUTH AFRICA	4	CAR	6	EGYPT	6	SOMALIA	7
Clean-up gets murky		Fund in the firing line		Paris clashes with Moscow		Sisi and Sons		KENYA	8
Hold-ups in action against pollution in Ogoni region mean tension is rising		The national investment fund finds itself facing investigations over Zuma-era corruption		The country is fast becoming a locus for confrontation between Moscow and Paris		The President's allies are drafting changes to the constitution to entrench his powers		MALAWI	9
								NIGER	10
								POINTERS	12

RUNNING AFTER REVENUES

The government's main challenge is raising money. With foreign investment down to a trickle, the state's success in taxing its own people and collecting revenue will be of critical importance. Analysts at Ecobank, headquartered in neighbouring Togo, do not see much chance of a speedy improvement, however, citing the 'underwhelming' performance of the recent past.

Ecobank and ratings agency Moody's report that Ghana remains at high risk of debt distress despite official projections that the country's debt-to-GDP ratio will fall from 69.2% in December 2017 to 54% by the end of this year. That fall is mainly due to the rebasing of the economy: under the revised figures GDP is 24.6% greater, so reducing its ratio to the debt. Moody's, however, still has concerns about the overall rise in indebtedness this year and its sustainability.

Cassiel Ato Forson, finance spokesman for the opposition National Democratic Congress (NDC), has slammed the government for announcing unbudgeted spending and adding 48 billion cedis (US\$9.8bn) to the national debt since taking office. Forson calculates the government has increased the national debt by 32bn cedis in the past year alone. Bailouts of Ghanaian-owned banks have cost the economy 2.3% of GDP since August 2017.

However, reforms to streamline business at the ports of Takoradi and Tema have boosted customs revenue this year. Transactions have gone online and involve no physical exchanges of paper, narrowing opportunities for corruption. Importers accustomed to massaging import duties opposed the reforms and threatened a boycott of the new systems. They were eventually mollified by President Addo Dankwa Akufo-Addo in September, but some gripes persist.

In 2017 the Ghana Revenue Authority recorded a 22.3% increase over the previous year in taxes collected but still missed its target of 33.4bn cedis (\$6.8bn) by 1.1bn cedis. It aims to collect just under 40bn (\$8bn) this year. Amid talk of another shortfall, the GRA banned all foreign travel by its staff.

A senior official at the Ministry of Finance told *Africa Confidential* that a raft of aggressive methods to collect revenue will be rolled out in the next few months.

A crackdown on defaulters on excise stamp duties, enforceable since 2015 but only policed since last year, has led to raids on some of the plush bars in Accra, including those at the Kempinski and Mövenpick hotels, and the seizure of quantities of spirits without the necessary stamps.

The source said measures to monitor income and expenditure using mobile phone technology and electronic point-of-sale records will lead to a boost in collection of VAT. There will also be a shake-up at the GRA 'from top to bottom' to counter connivance of the staff in tax evasion, he said. ●

enterprises and the cedi fell against the dollar.

Heavy dependency on imports of everything from textiles and white goods to rice and tomatoes has left Ghana exposed to fluctuations in exchange rates and a dip in foreign investment inflows as rising US interest rates draw money away. The cedi has remained relatively stable over the past couple of months at around 4.95 to the dollar.

The slowdown in spending has led to a liquidity squeeze that is hampering Ghanaian-owned businesses (AC Vol 58 No 25).

Now, the government wants to encourage spending by putting money back in people's pockets, boosting employment – despite its creed of leaving business to the private sector. It rowed back on a top income tax rate introduced this year, scrapping taxes on Ghanaians who earn the minimum wage and spending more on modern farming methods and infrastructure, especially roads and railways.

An analysis by Ecobank last month

cites a dwindling foreign appetite and increased preference for short-duration securities as reasons for the government calling off five- and 15-year cedi bond auctions it had scheduled for August and September.

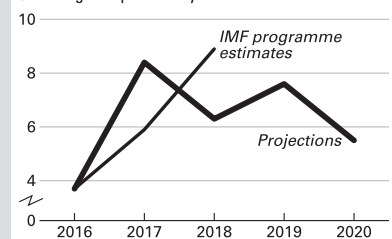
The government raised \$2 billion at auctions in May in London and New York, having obtained parliamentary approval for \$2.5bn; it agreed \$1bn at 8.63% over 30 years and the remainder at 7.63% over ten.

The government bruited that the offer was four times oversubscribed. The last bond issue by the NDC was for \$750m over five years at 9.25% in 2016. Ecobank also forecasts slower foreign inflows, given deeper sensitivity to risks from emerging markets. Much of the money the Akufo-Addo government has raised on the open market has gone towards servicing debt, rather than productive ventures (AC Vol 59 No 1).

Tightening of the money markets in the West has prompted a pivot to the east. Akufo-Addo was accorded a state visit in August at which Beijing promised

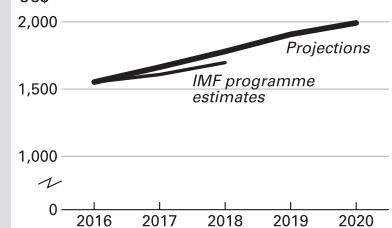
GDP AT CONSTANT PRICES

% change on previous year



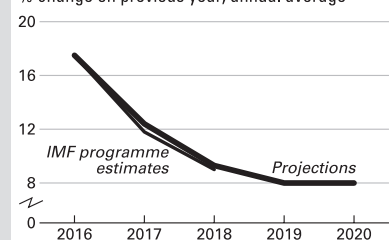
GDP PER CAPITA

US\$



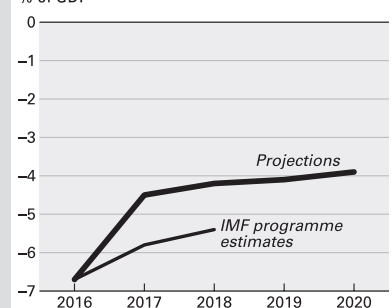
CONSUMER PRICE INDEX

% change on previous year, annual average



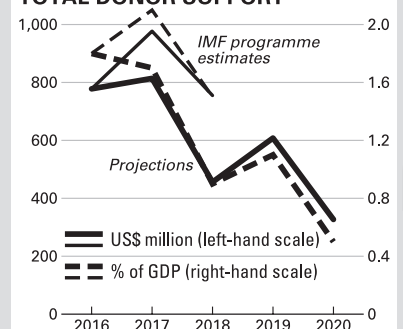
CURRENT ACCOUNT BALANCE

% of GDP



Sources: Ghana government and IMF estimates and projections

TOTAL DONOR SUPPORT



\$2bn worth of soft loans towards infrastructure and health. They signed eight cooperation agreements.

The government's plans for a turnaround depend on scaling up from production of raw commodities for export to expansion of the industrial sector. The goal is a diversified and stable economy.

The industrialisation targets outlined in the NPP's flagship policies in its 2016 manifesto involve mainly agro-processing and light manufacturing under the party's much-touted One District, One Factory scheme – that is 216 new industrial projects.

AGRICULTURE FOCUS

The government says 79 industrial projects will be at some stage of completion by the end of this year: a far cry from the target. The 2019 budget also stepped up measures to modernise agriculture through the existing Planting for Food and Jobs programme and the newly announced Rearing for Food and Jobs, which targets livestock farming.

It is working through the newly created Ministry for Special Development Initiatives, led by **Mavis Hawa Koomson**, and the One Village, One Dam irrigation programme, co-ordinated by Local Development Minister **Alima**

Mahama, with a focus on the poorer northern regions.

In September, President **Akufo-Addo** signed into law the Ghana Integrated Bauxite and Aluminium Development Corporation. From bases in the Eastern Region at Awaso and Kyebi – the President's ancestral town – as well as Nyinahin in Ashanti, the corporation will process the raw material into alumina for export. The Nyinahin reserves are estimated to be worth over \$45bn but the government has less than two years to deliver on their potential before the next election in 2020.

Historically dependent on gold and cocoa, Ghana became an oil economy when production of petroleum in commercial quantities began in 2010 at the Jubilee field, run by Tullow Oil (AC Vol 53 No 17). Oil earnings outstripped those from cocoa in August this year, and both oil and gas and the services sector, contributing over 56% of GDP in 2017, seem promising.

But electricity supply problems caused by systemic mismanagement and creaking plant and equipment left Ghana facing repeated power shutdowns which slowed activity to a crawl for long periods since the millennium. Much of the country came to a standstill between

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2012 and 2016.

A dispute over pricing of gas through the West African Gas Pipeline led to a rash of power cuts in November, leading the opposition NDC to claim the country was experiencing a return to the days of darkness. Delayed action by Energy Minister **John Peter Amewu** ended the clamour for heads to roll but sources at the presidency say that any further problems will lead to dismissals.

Plummeting commodities prices led to a decline in large-scale gold production four years ago. AngloGold Ashanti announced retrenchment at its mine in Obuasi in 2014, closing underground operations and laying off over 4,000 workers as it faced attacks by illegal artisanal miners. ●

NIGERIA

Clean-up gets murky

Hold-ups in promised action against pollution in Ogoni region in the Niger Delta are multiplying and tension is rising

A long-delayed environmental restoration programme in Ogoni is finally in the works after decades of oil spills and fires left it one of the most polluted places in Africa.

And yet, in spite of considerable funding, deadlines are being missed and obstacles to progress are springing up. The programme is fast becoming a hot potato in the presidential election contest, especially for President **Muhammadu Buhari** and his All Progressives Congress. The position of the ailing 75-year-old looked far more certain until former Vice-President **Atiku Abubakar** announced himself as the People's Democratic Party candidate after his defection from APC last year and sought support in the Niger Delta (AC Vol 59 No 23). More delay to the Ogoni clean-up – triggered by the initial 262-page United Nations Environment Programme report published in 2011 – will undermine Buhari's credibility in

the south (AC Vol 52 No 17).

Some fear any clean-up failures could increase the risk of a renewal of violent unrest in the Delta, which has been on hold since 2009's amnesty of the militants, apart from the brief irruption of the Niger Delta Avengers in 2016 (AC Vol 57 No 10). Security and military chiefs in Abuja have indicated to *Africa Confidential* their worries about the potential for Deltan fighters to link up with those calling for a second Biafran republic, along with **Cameroon's** Anglophone rebels spilling over the border (AC Vol 58, No 20).

Atiku, meanwhile, has made two key pledges: to serve a single term; and to lower the fuel price while being against fuel subsidies. He is also in favour of giving fractious parts of the federation, such as the Niger Delta, greater autonomy. He has even suggested that Igbos could separate from Nigeria, subject to a referendum. ('Biafrexit'

was talked up by many Igbo separatists after the **British** referendum decision in favour of leaving the European Union and **Donald Trump's** election victory in 2016).

Atiku's suggestion that the Delta could retain 100% of its oil revenue if it paid large taxes back in to the federal government's coffers will be popular in under-developed Deltan regions, and especially in Ogoni which has a movement seeking autonomy, the Movement for the Survival of the Ogoni People. MOSOP was led in the 1990s by the author **Ken Saro-Wiwa**, and nine MOSOP leaders, including Saro-Wiwa, were executed by the military dictatorship of the late **Sani Abacha** in 1995.

OCCUPATION

The MOSOP campaign concentrated much of its energies against Royal Dutch Shell and other oil companies it wanted expelled from Ogoni because of the pollution and chronic local poverty. After the army occupation that followed left thousands dead and the 1995 executions caused Nigeria to be suspended from the Commonwealth, UN Secretary-General **Kofi Annan** sent **Malaysian** lawyer **Param Cumaraswamy** as his Special Rapporteur to visit Ogoni in 1996. This eventually led to the UNEP investigation

and its 2011 report, 13 years after Nigeria returned to the democratic fold.

Shell and the Nigerian National Petroleum Company are reported to have contributed US\$177 million towards the clean-up. Both continue to pump oil through Ogoni. Shell was expelled in 1993 but remains present in the shape of the joint venture which exports oil from the terminal on Bonny Island. The money is sitting in an escrow account in the Standard Chartered Bank in London. A list of 183 'pre-qualified' companies was announced by Hydrocarbon Pollution Remediation Project in September. The federal government created HYPREP to implement phase 1 of its Remediation of Hydrocarbon Impacted Sites in Ogoniland plan in line with its promise to implement the UNEP report, in April. Some 400 firms met the technical qualifications to do the clean-up work, although many of them cannot be found

on the Nigerian government website of registered companies.

As the list was announced, Environment Minister **Ibrahim Jibril** said the actual work would start in October. It didn't. Jibril then told journalists on 15 November that the list of 21 contractors would be finalised within two weeks. 'I can assure you that we are on course and there is no going back on the Ogoni clean-up,' he said. That deadline has also passed.

HYPREP's official phone line was found to be disconnected when journalists tried to call it at the end of November, and its official email account didn't reply to *Africa Confidential's* inquiries. When AC asked Shell about its confidence in the clean-up, Shell stated its support for the process and passed all other inquiries to HYPREP. The Ogoni clean-up coordinator for HYPREP, **Marvin Dekil**, has an unenviable task in answering the many unanswered

questions that are building up.

There is an underlying fear in Ogoni and neighbouring areas that troops will return and repeat the violence of the 1990s using 'security' for the clean-up operation as a cover to suppress protests and dissent (AC Vol 57 No 5). This fear of a resumption of violence is being exploited by the contesting parties.

When **Dutch** Ambassador **Robert Petri** was in Port Harcourt recently, supporting the HYPREP clean-up but suggesting it be finished before the elections, the current PDP Rivers State Governor, **Ezenwo Nyesom Wike** said: 'each time there is an election, Ogoni kingdom will come up, and when the election is over, the issue is over.' He also called for international intervention in the state, warning that the government was planning violence to help it in the election. If there is violence, insiders say, it is just as likely to come from PDP sympathisers. ●

SOUTH AFRICA

Fund in the firing line

The national investment fund is the latest state body to find itself facing investigations over Zuma-era corruption and state capture

South Africa's Public Investment Corporation, Africa's largest money manager with assets of more than 1.8 trillion rand (US\$132 billion), could prove to be at the heart of a matrix of state corruption which saw billions in government pension fund money being dished out to cronies of former President **Jacob Zuma** for high-risk and politically motivated deals. Confidential documents seen by *Africa Confidential* indicate PIC was influenced by politically connected individuals to make investments in enterprises that would not normally have qualified.

The PIC, which manages the pension money of some 1.3 million state employees, has been dogged by allegations of corruption for the past year, which have all but paralysed its operations. It has a troubled history of political influence and not a single CEO has served out a full term since multi-party democracy was restored in 1994.

There are now indications that President **Cyril Ramaphosa** wants to give PIC more independence and decision-making to prevent favouritism in investment decisions.

Ramaphosa has appointed a former President of the Supreme Court of Appeal, **Lex Mpati**, to investigate governance and mismanagement

and determine whether investment decisions made by the PIC going back to 2015 did unduly 'favour or discriminate against prominent individual people, their immediate family members or known associates'.

The Commission must report by March ahead of a national election scheduled in May. The findings of the PIC inquiry and the Zondo Commission of Inquiry into state capture will weaken the hand of Zuma-loyalists and corrupt elements in the ruling African National Congress (ANC) and give the incoming director of public prosecutions a string of criminal cases to prosecute.

The terms of reference require the Commission to find whether PIC directors or employees benefited personally from any investment decisions or whether they improperly used their positions to benefit others. Documents in the possession of AC indicate that the assessment of the level of risk in prospective investments left much to be desired and that internal processes were often short-circuited and certain proposed investments pushed from above, despite warning signs.

Transactions that will be under the spotlight include the PIC's private placement of R4.3bn (\$316m) in the public offering of media tycoon **Iqbal**

Survé's Ayo Technology Solutions in December last year despite a widespread market belief that the initial price was too high (AC Vol 55 No 5).

The Commission will also probe the enthusiasm of the PIC for **Survé's** second listing in April, of **Sagarmatha Technologies**, which was called off only at the last moment when the Johannesburg Stock Exchange withdrew its approval.

Another PIC investment that will attract close scrutiny is the S&S refinery in **Mozambique** in which the son of former Finance Minister **Nhlanhla Nene** was involved. Nene resigned in October following his admission to the Zondo Commission on state capture that he had failed to disclose his meetings with the Gupta brothers before being re-appointed finance minister by Ramaphosa in February (AC Vol 59 No 20).

The Mpati investigation is also expected to probe the PIC's extension of a R350m credit facility to the ill-fated VBS Bank which, according to a forensic report, collapsed with debts of nearly R2bn (\$147m). The report, which will be followed by a series of criminal investigations, said the bank was looted by its directors and staff and a trail of politically connected individuals as well as politicians in the African National Congress and the national leadership of the Economic Freedom Fighters, which is led by **Julius Malema** and his deputy **Floyd Shivambu**.

The authors of the forensic report commissioned by the Reserve Bank, the central bank, said that the looting of VBS Bank, which took place over the past three years, was 'one of the biggest

THE PUBLIC INVESTMENT CORPORATION AND THE VBS BANK

- **1982:** VBS Bank established.
- **April 2011:** PIC takes 27% stake in VBS Bank.
- **August 2013:** PIC takes 25% of Iqbal Survé's purchase of Independent News and Media from Irish tycoon **Tony O'Reilly**. Survé's proposed 75% share is reduced to 55% by the Competition Commission and Chinese interests take the other 20%.
- **2015:** PIC extends R350m credit facility to VBS Bank which it uses for 'loans' to clients.
- **2016:** VBS Bank grants former President **Jacob Zuma** a loan of R7.81m (\$506,000) to pay back to the state public money used for accessories to his Nkandla retirement home.
- **December 2017:** PIC helps Survé acquire Ayo Technology Solutions with a R4.3bn investment.
- **March 2018:** VBS Bank is placed under curatorship by the South African Reserve Bank (the country's central bank) and forensic investigation is ordered due to severe liquidity crisis.
- **10 April 2018:** Listing of Survé's second technology company, Sagarmatha Technologies, fails after PIC rejects bid for investment. Survé lashes out at rival media groups for sabotaging his media empire.
- **13 April 2018:** SARB commissions forensic investigation into VBS Bank.
- **13 June 2018:** PIC defends the decision to invest in Ayo Technology Solutions despite six months of public controversy and criticism of the decision.
- **July 2018:** PIC chief legal officer **Ernest Nesane** and two board members, **Claudia Manning** and **Tantaswa Fubu**, resign. PIC announces that its delegated director on VBS Board, **Paul Magula**, was dismissed earlier in the year for poor performance.
- **July 2018:** United Democratic Movement leader **Bantu Holomisa** applies to court to have PIC CEO **Dan Matjila** suspended for suspected corruption.
- **15 September:** Suspended PIC company secretary **Bongani Mathebula** summoned to disciplinary hearing for allegedly leaking confidential documents. He is one of six senior PIC staff investigated by Matjila in 2017. Three have left the PIC.
- **10 October:** The forensic report on VBS Bank finds massive corruption and looting to the tune of R2bn (\$147m).
- **15 October:** President **Cyril Ramaphosa** denies prior knowledge of corruption at VBS Bank.
- **17 October:** Ramaphosa announces judicial probe into alleged corruption and mismanagement at the PIC.
- **18 November:** Opposition Democratic Alliance MP **David Maynier** calls for full disclosure of PIC investments under freedom of information laws. PIC contests the application.
- **23 November:** PIC CEO Matjila resigns after a year of wrangling with the Board.
- **26 November:** Former head of SA Revenue Services **Tom Moyane** fails in bid to appeal against his firing for corruption. ●

bank frauds that we have seen in South Africa... It is corrupt to the core... there is hardly a person in its employ in any position of authority who is not, in some way or another, complicit,' they added.

The report also criticised the already discredited audit firm KPMG for giving the bank a clean bill of health just months before it collapsed and found that PIC CEO **Dan Matjila** may have received R5m (\$367,000) in cash from the bank, which he denies.

Ramaphosa's dilemma is how to change the system of 'cadre deployment' in the ANC, which has historically put membership of the ruling party before competence and suitability as criteria for appointments to government and the state-owned enterprises and in investment decisions. The PIC and state-owned enterprises were the key targets of corruption and looting during the Zuma presidency, which saw billions of rand allegedly raked off in kick-backs by the Gupta brothers who were close friends of Zuma and his family and used their connections to win major state contracts.

Matjila resigned from the leadership of the PIC on 23 November following a protracted stand-off with the PIC Board after another investigation found that Matjila had allegedly intervened inappropriately in an investment decision, although it cleared him of being romantically involved with the

woman receiving PIC investment funds.

The Board accepted Matjila's resignation with immediate effect but did not agree to his demand to serve a six-month notice period to hand over to his successor. A severance package has not yet been agreed.

Democratic Alliance MP **David Maynier** has applied for full disclosure of the PIC's investments under freedom of information laws. The PIC has resisted the move but it is likely that the information will become public eventually. Unlisted investments account for some R70bn of the R3tn total.

'The list is likely to be political dynamite and deeply embarrassing for the ANC,' said **Peter Attard Montalto** of Intellidex. 'What remains uncertain is to what extent the fall-out will affect the current ANC leadership,' he added.

Montalto said there would be uncomfortable questions for a wide range of actors close to the ANC but especially Survé's Independent Media Group, his Sekunjalo Investment Holdings and the two technology spin-offs. Survé bought **Tony O'Reilly's** Independent News and Media for R2bn rand (\$150m) in 2013 in a controversial deal which saw an exodus of journalists complaining of editorial interference from the dozen titles in the country's largest print media organisation.

Although Survé was in competition

with the Guptas' media empire, they both curried favour with the Zuma government to obtain their share of lucrative government advertising.

Survé's newspapers supported the Zuma administration in the name of racial transformation but as the levels of corruption became more obvious the newspapers backed off. His newspapers have lost both readers and profits in large numbers.

Since his election as President in February, Ramaphosa has moved systematically to flush out corruption in the ruling ANC, firing a series of government officials and executives of state-owned enterprises and appointing three judicial commissions.

GUPTA TAKEOVER

The main inquiry into so-called 'state capture', headed by Deputy Chief Justice **Raymond Zondo**, has heard evidence from top former and present senior government officials who have given often shocking accounts of the extent to which the Gupta family, Zuma's close allies, had taken over government decision-making (AC Vol 59 No 4).

'The ANC was in a state of madness under Zuma,' former Mining Minister **Ngoako Ramatlhodi** told the commission. 'The party was powerless in the face of the Zuma/Gupta friendship. He sold executive power to the Guptas.' ●

CENTRAL AFRICAN REPUBLIC

Paris clashes with Moscow

The country is fast becoming a locus for confrontation between Russia and France as the UN mission's mandate expires

Because of Russian disagreement, the mandate of the UN's Multidimensional Integrated Stabilisation Mission in the Central African Republic was not renewed in November. Russia had objected to France's draft resolution making the African Union and the UN the only legitimate facilitators of a peace process for the devastated country. It also wanted Minusca to provide logistical support to CAR soldiers who had been trained by Russia. A one-month extension to Minusca's mandate was agreed pending a new meeting of the UN Security Council later this month.

A recent financial blunder also reminded observers that CAR is subject of a tug-of-war between Russia and Western nations. In late November the second largest bank in Russia, VTB, published a report recording a loan to CAR worth 802 billion roubles (US\$12bn).

The bank blamed a software glitch while CAR officials pointed out that it would not be possible for a country with a GDP of only €1.7bn to contract a loan of such a size. Although it soon emerged that the intended destination of the money was Cyprus, where many

Russian companies are registered, Western diplomats and local politicians remain suspicious. Some refuse to exclude the possibility that Russians may be intent on using CAR as part of a money-laundering chain.

France and the European Union are trying to win back the affections of the CAR government of President **Faustin-Archange Touadéra**, who has embraced Moscow's money and its security assistance. Chiefly, however, Moscow's patronage insulates Touadéra and his clique from diplomatic pressure from Paris and Brussels.

The Europeans are hoping that more money will return Touadéra to the fold, after the French Foreign Minister, **Jean-Yves Le Drian**, announced a new grant of €24 million (AC Vol 59 No 24). Now, the EU has decided to allocate a further €38m to new governance and security sector reform and support programmes including the judiciary and the courts. Some €10m is earmarked for the national army, the *Forces Armées Centrafricaines*.

The Western actors in CAR's drama are afraid of what FACA is capable of when not operating alongside Minusca but unwilling to raise objections while relations with the government are

tense. They passed no comment on two recent incidents, in Paoua and Bambari, where FACA troops fought among themselves. In Alindao, over 60 people were killed in a camp for internally displaced people without Minusca intervening. The incident did not attract much attention outside CAR. Also, criticism of FACA can reflect on Minusca, which is supposed to support and monitor FACA deployment, and fuel the Russian propaganda line that France and the West are compromising CAR's sovereignty. For want of a more comprehensive policy, France and the European Union are hoping money will do the trick.

MEDIATOR REJECTED

There has also been a lack of action on the peace process. UN Secretary General **Antonio Guterres** and AU chair **Moussa Faki Mahamat** agreed on the appointment of **Mauritanian Hassan Lebat**, former AU Representative in CAR, and currently a special adviser to **Moussa Faki**, as a mediator. His name was withdrawn, however, after negative reactions from the main donors and some countries in the region.

Touadéra is confident of his own position, however. He believes that he will get a second presidential term thanks to Russian political support and Western inefficiency (and money). In early November, **Najat Rochdi**, the UN Deputy Special Representative and humanitarian coordinator, warned that the humanitarian situation in CAR is more serious today than it was in 2014. ●

EGYPT

Sisi & Sons

The President's allies are drafting changes to the constitution to entrench his powers. Sisi's sons are taking a greater role

President **Abdel Fattah el Sisi's** long-anticipated plan to change the constitution to extend his term in office has begun to take shape. He began his second term as president in June and under the current rules it would be his last. The government is now arranging amendments to the constitution to extend his term, and an unexpected choice has emerged to lead the initiative: his son **Mahmoud**, who occupies a high-level position in the General Intelligence Service, or *Mukhabarat*.

Meetings are being held under

Mahmoud's direction on a near daily basis between the Presidential Palace and the GIS headquarters in north-east Cairo, *Africa Confidential* understands. GIS head General **Abbas Kamel**, who previously served as the director of Sisi's office at the presidency, and the current chief presidential aide General **Mohsen Abdel Naby**, are also involved in the planning. A decision has already been reached on an extension of the presidential term limit to six years from four and to reduce parliament from 596 to about 350 deputies, according to the independent news outlet *Mada Masr*.

The constitutional committee is also said to be considering the establishment of an additional executive body, to be called the Supreme Council for the Protection of the Constitution. According to the plans under consideration the council would be permanent, endowed with special constitutional powers, and chaired by Sisi for life.

US PRESSURE

Extending the presidential term was first mooted by pro-Sisi parliamentarian **Ismail Nasreddine** in the build-up to the March presidential election (AC Vol 58 No 19). Part of the state bureaucracy then favoured cancelling the elections in favour of declaring an extended term for Sisi, but pressure from the **United States** for the government to keep up appearances meant the elections went ahead with the relatively unknown **Moussa Mostafa Moussa** as Sisi's only challenger.

The president has instructed

Mahmoud el Sisi's group to present the draft constitutional amendments in March with plans for a referendum in June.

Until now the presidential sons have avoided the limelight. Sisi wants to prevent comparisons being drawn with the final years of **Hosni Mubarak's** rule, when the 'family-business' model of government saw Mubarak's sons **Gamal** and **Alaa** operate a shadow cabinet and influence procurement and contracts.

Sisi has been working to consolidate the power of the presidency and make it more independent of the Supreme Council of the Armed Forces for some months. Most of the senior leadership of the SCAF, including several who were once close Sisi allies, have retired in the past two years. The junta is still the power centre of government but Sisi's personal influence over it has increased. The merger of the most fiercely pro-Sisi political parties into the Nation's Future Party (originally established by military intelligence in 2014) has also centralised presidential influence over parliament.

On 22 November, Sisi met General **Sherif Seif el Din**, the head of the Administrative Control Authority, which oversees state institutions and government ministries. Sisi's eldest son, **Mustafa**, is a senior official in the organisation, which Sisi has strengthened to the point that it is rivalling the internal security services for influence.

The government's main preoccupation remains the string of 'national projects' upon which Sisi is attempting to build his legacy. After the US\$8 billion expansion to the Suez canal in 2015, the government has borrowed to finance road, bridge, and factory projects across the country. Foreign debt levels have doubled to more than \$92bn since 2015.

The network of companies operated by the Egyptian army has certainly benefited. On 29 November, Sisi joined former SCAF general **Abdel Moneim el Teras**, who now heads the Arab Organisation for Industrialisation – a body controlled by the Egyptian army – and the chairman of the Armed Forces Engineering Authority, Major General **Kamel el Wazir**, to push for the expedition of two of the military's major industrial construction projects in the Cairo conurbation of Badr City and the southern city of Beni Suef.

NEW CAPITAL

The flagship national project is the New Administrative Capital, a fledgling city under construction east of Cairo in which the government hopes to house all the major public institutions and offices of state. The new capital – which now has a provisional name, Wadian – will also display the military's influence. A controlled access city, 'the army will be in the command and control centre and will manage and control the whole city,' retired Brigadier General **Khaled el Hussein Soliman**, the military's lead convener for the project, told US broadcaster NBC in an interview in August.

Sisi's state-led construction projects are only possible because of **Saudi Arabia's** generous financial backing of \$32.5bn since the 2013 coup. On 27 November, crown prince **Mohammed Bin Salman** visited Cairo as part of a North Africa tour which also took him to Tunis and Algiers. The crown prince was accompanied by **Mohamed Bin Hamad al Mady**, the president of the Saudi General Establishment of Military Industries, who sat down with Sisi advisor and minister for military production General **Mohamed al Assar** for talks on closer cooperation between the Egyptian and Saudi arms

industries.

Egypt and Saudi Arabia are also cooperating on a \$2.5bn project to connect their electricity networks. With the help of funding from the Kuwait Fund for Arab Economic Development and the Arab Fund for Economic and Social Development, Egypt hopes to reinforce its grid with Saudi power.

International relations continue to be led by the armed forces, with Chief of Staff **Mohamed Farid Hegazy** regularly conducting the government's diplomatic business abroad. On 3 December, Sisi inaugurated the Egypt Defence Expo, EDEX. Representatives of arms companies from 40 countries visited Egypt's new international exhibition centre, a concrete sprawl on the outskirts of Cairo. Under Sisi, the armed forces have enjoyed a binge on new equipment. Military spending has risen 215% over the past five years with the government purchasing \$6.6bn in arms, making Egypt the third-largest arms importer in the world.

Despite competition from Europe, the United States is far and away the most important partner. On 27 November the State Department approved a \$1bn deal for Boeing to sell 10 AH-64E Guardian attack helicopters. On 31 October, the US Department of Defense announced a \$270m deal for Lockheed Martin to upgrade Egypt's fleet of F-16 fighters. Talks are ongoing between the Egyptian navy and **German** defence company ThyssenKrupp over a potential order of new Meko A-200 frigates.

Sisi's deputies are keen to push through the new constitution before President **Donald Trump's** final year in office in the hope of maximum support and minimal attention from the country's most important international ally. With opposition forces in disarray, the referendum itself is likely to be a mere formality. ●

SOMALIA

Poll fight for Farmajo

A former Shabaab leader stands a good chance of election in South West State and Mogadishu is determined to stop him

President **Mohammed Abdullah Mohammed 'Farmajo'** and his government experienced temporary relief on 2 December when the electoral commission supervising South West State's presidential election postponed the poll – again. The first presidential election among the federal member states, it will now go ahead

on 19 December after being postponed twice because of lack of preparation, as well as massive interference from Mogadishu.

The Mogadishu government has been spending huge sums in support of its favoured candidate, **Abdiaziz Hassan Mohamed 'Lafta Gareen'**, and alienating politicians in all the

regions of the country with its clumsy manipulation efforts (AC Vol 59 No 22). In protest at interference from Mogadishu, most members of the electoral commission resigned. The current South West State president, **Sharif Hassan Sheikh Adan**, resigned from the race because he could not compete financially with Lafta Gareen.

On 25 November, the new electoral commission overseeing the election started its work and registered a number of candidates. Once again, it cleared the former *Al Shabaab* leader, **Mukhtar Robow Ali 'Abu Mansur'**, to stand in the poll. The commission tried to avoid any new controversies by explaining that it upheld the decision of the recently resigned commission

members who had approved the candidacy of the former jihadist. Some believe his candidacy could attract support from people who might otherwise be attracted to *Al Shabaab*.

Five other candidates announced their withdrawal from the coming elections and issued a statement endorsing Mukhtar Robow. They also announced the creation of a new group, the Change Seekers Council, that includes former federal government ministers and others who previously worked for international organisations and hail from South West State. Mukhtar Robow is also a member of the group, which is distancing itself from Sharif Hassan as well as from the government in Mogadishu.

The former National Intelligence and Security Agency chief **Hussein Osman Hussein**, Mukhtar Robow and Lafta Gareen are the front runners. Hussein Osman is a Digil from Lower Shabelle and has a poor chance of winning because his clan carries no

weight in Rahanweyn politics. The real competition will be between Robow and Lafta Gareen, which is why the Mogadishu government has been trying so hard to prevent Robow standing.

CLAN DIVISIONS

As the campaign goes on, tension in the state capital of Baidoa continues to rise. The federal government may be spending freely to get Lafta Gareen elected but it is extremely unpopular in the region. Farmajo's allies believe they can get Lafta Gareen in because this vote only involves local MPs, not the electorate at large. One tactic to blunt the effect of Mogadishu's lack of appeal is to play up clan politics to the maximum. Lafta Gareen is a Harin, a major Rahanweyn clan, but clan politics in Baidoa have been extremely divisive over the course of the civil war and he could become bogged down in internecine quarrels.

Mukhtar Robow, despite expressing sympathy and respect for Farmajo,

is attempting to capitalise on local resentment of the multiple Mogadishu acts of interference. He increasingly appears as the only genuine local alternative against Mogadishu, but many local people cannot forgive him for the murderous actions of *Al Shabaab* when he was one of its leaders and commanders. Many are also uncomfortable with the way some of his supporters are intimidating local MPs, reminding them all too easily of *Al Shabaab's* own methods, although it is unclear whether these acts are sanctioned by Mukhtar Robow or not.

The day before the election postponement was announced, the Mogadishu government sent in 80 federal police officers to Baidoa. It is yet unclear whether they are there to protect Lafta Gareen, or the parliament where the vote should take place. The tensions are now so high that there is widespread fear that violence could break out and threaten the conduct of the poll. ●

KENYA

The year of the empty threat

Twelve months into Uhuru's second term, Kenyans are taking stock, and taking aim at the failures in the anti-corruption campaign

Commentators and pundits have been giving their verdicts on the first year of President **Uhuru Kenyatta's** second term of office since the anniversary fell on 28 November. There is satisfaction at the internal peace brought by the burial of the hatchet with opposition leader **Raila Odinga** in March, but disappointment in the gap between lofty pronouncements and action on the ground, especially over corruption.

The President has made huge promises: on ending corruption, stopping the slaughter on the roads, stopping maize farmers from fleecing the government, and he's given stiff warnings to law-breakers, errant public servants and citizens. The directives are then often violated or ignored. The President has acquired a reputation for issuing 'final warnings' and encouraging rumours of cabinet reshuffles, but without any change following. Then, more presidential threats follow.

For many Kenyans, the impasse is symbolised by the depths of corruption plumbed by the Kenya Police Service in an incident on the first anniversary of the President's second-term inauguration. That evening, detectives

of the independent Ethics and Anti-Corruption Commission (EACC) sprang a trap on three police officers attached to the Kenya Directorate of Criminal Investigation (DCI). The men had allegedly solicited a one million shilling (about US\$10,000) bribe from a **Chinese** resident to prevent them charging him with breach of the immigration laws and robbery. The operation took place at Kabete, 15 kilometres west of Nairobi, in the president's home county of Kiambu.

Just after the three police officers had taken part of the 'bribe' and had been handcuffed by EACC detectives, they managed to raise the alarm with colleagues in nearby Kabete Police Station. Kabete police quickly arrived on the scene, shooting at the EACC detectives and freeing their colleagues, who promptly escaped complete with the handcuffs and the bribe money. The police justified their action in terms of securing their officers from 'intruders' whom the public had mistaken for robbers and raised the alarm.

Few Kenyans take the official police version seriously. In the week before the Kabete incident, a motorcycle-taxi driver in Nakuru, tired of being

shaken down daily by the police, wrestled a traffic cop to the ground and pummelled him to applause from the watching crowd. The episode went viral on social media. Many felt this was a sign of the times. Commentators and pundits take the Kabete and Nakuru incidents as exemplars of what is wrong with the Jubilee government and why there is so much disillusionment in it. The President repeatedly warns the corrupt that their time is up, and then incidents like these occur.

The anti-corruption campaign has seen high-profile arrests of permanent secretaries, county governors and former cabinet ministers but there have been no convictions so far and the prospects of any seem poor (AC Vol 59 No 13). Many of those charged are free on bail and continue in their jobs. The Director of Public Prosecutions, **Noordin Mohamed Haji**, has said the amenability of judges to granting bail is frustrating his work since this gives the accused opportunities to interfere with witnesses.

Chinese who are resident in Kenya, meanwhile, continue to feature in corruption sagas. In the week before the Kabete incident, the press uncovered corruption in the ticketing system of the new Chinese-built and managed standard gauge railway from Mombasa to Nairobi. The scam involved making 'refunds' amounting to millions of shillings to 'ghost' travellers who had booked travel but failed to make it to the train. Three Chinese railways employees have been charged with attempting to bribe DCI detectives

pursuing the case with KSh500,000 (about \$5,000).

The general expectation is that the charges against the Chinese, like those against rich Kenyans, will wither on the vine after court adjournments while they remain on bail. Some observers say President Kenyatta should shoulder blame for the crisis in criminal justice because he turned down offers of international assistance to improve the system while insisting that Kenya had the capacity to do it itself. The Jubilee government also ignored the 2009 Justice **Philip Ransley** Commission's recommendations to halt police recruitment until a new curriculum, longer in duration and more professional than the current one, was implemented. It recommended major investment in police stations and housing.

Instead, Jubilee increased recruitment, crowding up the derelict police stations and the shanty-style accommodation of the average officer to embarrassing levels. The two branches of paramilitary Administrative Police and regular police were recently merged, leading to much internal

rumbling. In mid-September the President inaugurated a new, shiny, all-branches azure blue uniform. It was met with a frenzy of public mockery and disbelief that a change of uniform would reform the service's standards. The Inspector-General of Police, **Joseph Boinett**, had a torrid time defending the new kit, claiming the bright blue colour was meant to improve the 'visibility' of officers.

The Kenyatta administration comes under fire frequently for adopting a wide variety of measures on security which somehow never add to an increase in public confidence in the police. In June 2013, the president inaugurated the '*nyumba kumi kumi*' ('ten houses') security system under which every ten adjacent homes would constitute themselves into a security unit reporting to a local police station. It cost millions and flopped.

In October 2013, the President joined the then Nairobi governor **Evans Odhiambo Kidero** in clearing mounds of garbage in Mathare slum. But the mounds didn't end. They grew. On 6 October this year, Kenyatta was back at Uhuru Market, another slum, with the

new Nairobi governor **Mike Sonko** and the public sweeping away the rubbish. While these photo ops continue, it was pointed out, a **Japanese** government proposal to mechanise rubbish collection and burn waste to generate electricity – as Addis Ababa has done – has been gathering dust in government offices.

The latest measure that is likely to damage the image of parliament and government alike is the bill before the chamber to increase the salary and allowances of MPs. The bill aims to 'restore the dignity' of parliamentarians by massively increasing health benefits for MPs and their families and doubling their salaries.

Both Kenyatta and Odinga have recognised how unpopular this law will be as MPs also plan to increase insurance coverage to multiple spouses and obtain more and bigger vehicles. Pointing to the multiple privileges and trappings of wealth that Kenyatta himself and his deputy William Ruto enjoy, the MPs have vowed to disregard him and override his veto of the bill with a two-thirds majority. This could provoke another presidential warning. ●

MALAWI

Mutharika's uphill battle

An unpopular president faces stiff challenges on all fronts as he seeks to build an election-winning alliance

President **Peter Mutharika** faces an uphill task to secure a second term in next May's elections as corruption scandals, a deputy-gone-rogue, and a former president and formidable opposition threaten to strangle his presidency. All the parties are scrabbling for position and exploring potential alliances with each other.

Mutharika's Democratic Progressive Party (DPP) is facing allegations of corruption, the most damaging being over a donation of 145 million kwacha (\$200,000) paid into a party account by **Zameer Karim**, who has been arrested by the Anti-Corruption Bureau over allegations of corruption and bribery in connection with a MK2.8 billion (\$3.8m) contract to supply food rations to the Malawi Police (AC Vol 59 No 14).

The President returned the money following public pressure including threats of demonstrations and court cases by civil society groups. It later transpired that Karim had also donated five vehicles to the DPP. The police

food contract is not the only case under scrutiny. Nearly 5 million litres of fuel have disappeared from the state-run Electricity Supply Commission of Malawi.

The DPP denies any wrongdoing, though no one has been dismissed. Others, including **Lazarus Chakwera**, the leader of the Malawi Congress Party (MCP), accuse Mutharika of sleeping on the job and point to presidential aides and cronies who have, he says, amassed unexplained wealth.

Mutharika is banking on support from **Atupele Muluzi's** United Democratic Front (UDF) which has been supporting his government since 2014. Mutharika agreed to make Muluzi, the son of ex-President **Bakili Muluzi**, Second Vice-President after senior DPP officials rejected Mutharika's proposal to make him the presidential running mate, *Africa Confidential* understands. They fear Mutharika's age – he will be 80 by polling day – could prevent him completing a full term, which would

leave Muluzi to assume the presidency. The young Muluzi has already told Mutharika that the UDF could not win an election on its own and he needs the DPP, insiders say.

The DPP has faced accusations that it is preparing to rig the election because it has lost too much ground in the northern and central regions, where the MCP has made inroads, winning several recent by-elections.

STABLE ECONOMY

The picture is not altogether negative for Mutharika, however. The economy has been relatively stable, inflation is low, and infrastructure projects mainly funded by **China, India and Japan** are popular. 'People believe the DPP is strong in terms of delivering projects. Many also think it's the most corrupt,' a recent report by the respected Institute of Public Opinion Research (IPOR) stated, predicting that Mutharika would win the 2019 elections by a narrow margin over Chakwera.

Chakwera, who came second in 2014, has been facing internal challenges over his management of party conflicts and primaries for parliamentary candidacies. A former cleric with the Assemblies of God Church, Chakwera has named **Mohamed Sidik Mia**, a prominent Muslim and millionaire businessman, who comes from the Lower Shire in southern Malawi, as his

running-mate for the 2019 polls (AC Vol 58 No 20). After serving as a senior minister in UDF, DPP and People's Party (PP) governments, Mia quit politics in 2014 after then President **Joyce Banda** denied him the opportunity of being her running mate (AC Vol 55 No 3).

Mia has already produced campaign T-shirts bearing his and Chakwera's portrait, but faces hostility from a section of the MCP. 'Mia has developed a parallel team which is now controlling the party. But he is not popular across Malawi,' says a party insider. The source added that Mia's rivals in the MCP would prefer an electoral alliance with the PP.

Banda, meanwhile, who lost to Mutharika in 2014, has already launched her campaign, and has been attracting sizable crowds at rallies across the country. Most opinion polls place her party in fourth position, but that could still give her an important role as a kingmaker (AC Vol 58 No 24).

Banda is keeping her options open,

and has already met Vice-President **Saulos Chilima**, Mutharika's deputy who denounced him for corruption in May. She has also met her former Vice-President **Khumbo Kachali**, and a team from the MCP (AC Vol 54 No 4). Her officials have been exploring the possibility of an alliance with the DPP, we hear. Although her two-year presidency was mired in the 'Cashgate' scandal before she suffered a defeat at the polls in 2014, Banda polled the highest 'trust' ratings of Malawi's senior politicians in a recent IPOR survey (AC Vol 57 No 16). Only 32% of those surveyed said they trusted Banda, but it was still more than Mutharika and Muluzi.

Chilima left the DPP and launched his own United Transformation Movement (UTM) in July, and has been on a sustained media blitz ever since. He plans to run on an anti-corruption, anti-nepotism and transparency ticket, although he refuses to disclose the sources of his campaign funds.

His core team includes Mutharika's sister-in-law **Callista**, the widow of President **Bingu wa Mutharika**, as well as **Noel Masangwi** and **Louis Ngalande**, two former DPP senior officials named in a Commission of Inquiry report on the murder of student **Robert Chasowa** in 2011 (AC Vol 58 No 6).

Chilima and the DPP have swapped accusations of intending to commit electoral fraud. Although Chilima is unlikely to muster enough votes to beat the DPP or MCP, his movement has attracted a large number of young voters and the presence in his team of the formidable former DPP Information Minister **Patricia Kaliati**, now the UTM's Secretary General, could bite into the DPP's vote share (AC Vol 54 No 7).

But the UTM also faces its own internal battles as Kaliati, Masangwi and comedian **Michael Usi** are set to vie to be Chilima's running mate. Chilima has scrapped the post of party vice-president in a bid to reduce party infighting. ●

NIGER

Détente derailed

Government moves to change electoral law to keep a presidential challenger off the ballot paper have reinvigorated the opposition

The road to compromise has proved short in Niamey, and now the opposition is mobilising a fresh campaign of protest over the government's attempts to reform electoral law so as to exclude the exiled former parliamentary speaker **Hama Amadou** from standing for the presidency.

The next presidential contest is not due until 2021, but the rules of the electoral game are being set now. The opposition wants to keep Amadou in the contest and build momentum for him early so as to maximise his chances of succeeding President **Mahamadou Issoufou**, who is in his second and final term.

The administration's proposal has pushed two major opposition groupings, the *Front Patriotique* (FP) and the *Front pour la Restauration de la Démocratie et la Défense de la République* (FRDDR), into announcing a new common platform.

They hope that in tailoring the draft electoral law to prevent an Amadou comeback, and in failing to organise local elections, Issoufou's government has over-played its hand and damaged its democratic credibility with open-

minded voters and Niger's key international partners.

It all looked so different two months ago when opposition politicians accepted a government invitation to re-enter talks over an already much-disputed revision of the electoral law. After a lengthy boycott, the opposition re-joined the National Political Dialogue Committee (CNDP), and agreed to participate in an ad-hoc committee set up by the prime minister, **Brigi Rafini**, to draft proposals for a fresh rewrite of the electoral law, the party balance within the independent electoral commission (CENI) and operating rules for the CNDP itself.

LOSS OF GOOD WILL

The soft-spoken Rafini is perceived as much less partisan than Issoufou's right-hand man and political strategist, Interior Minister **Mohamed Bazoum**, and appeared to have reassured a wary opposition. His new committee was broad-based, with four members each from government parties, the opposition and non-aligned groups, and three from the public administration; appointed in early October, they were charged with

producing new proposals within 21 days.

'In returning to our seats in the CNDP we will test the good faith of the presidential majority,' explained the opposition parliamentarian **Soumana Sanda**.

But when the government put forward its own ideas, opposition goodwill collapsed.

The government was determined that the electoral law should include a provision – Article 8 – that bans anyone who has been sentenced to a prison term of one year or more from standing for the presidency.

This measure appears to have been designed to prevent Amadou from running for the presidency. Amadou was placed in detention during the campaign for the 2016 presidential contest against Issoufou, nominally on remand on charges connected to his wife's alleged acquisition of babies trafficked from **Nigeria** (AC Vol 57 No 2).

This was a hugely contentious case, seen as a politically motivated sabotage of his challenge to Issoufou in 2016. The fact that Amadou was allowed to leave prison to travel to **France** for health treatment further undermined the credibility of official suggestions that he had broken the law.

The opposition split after the election, with the *Mouvement National pour la Société du Développement* (MNSD Nassara) defecting to the government camp, leaving Amadou's *Mouvement Démocratique Nigérien pour une Fédération Africaine-Lumana*

Africa (Moden Fa Lumana) as the chief opposition party. October's talks briefly raised hopes of a more consensual atmosphere, but that rapidly faded after the government's proposals emerged.

And it is not only opposition members who view the proposed Article 8 as a vindictive attempt to block an Amadou candidacy.

The new opposition platform has the potential to attract a broad slice of the electorate: the FP is led by Issoufou's former foreign minister **Ibrahim Yacoubou** while the FRDDR groups supporters of Amadou and former president **Mahamane Ousmane**.

It has also used a more conciliatory tone, learning from the failures of Amadou's incendiary rhetoric of several years back, and refrained from challenging Issoufou's legitimacy or launching a full frontal assault on his presidency.

WARY OPPOSITION

Instead, the platform calls for inclusive political dialogue including political parties, trade unions and civil society, to draft a fresh electoral law on a consensual basis and in line with international democratic standards.

This proposal is cleverly pitched in terms with which Niger's key international partners, the EU, France, **Germany** and the **United States**, would find it hard to disagree. After his foreign ministry stint Yacoubou will be particularly aware of their powerful influence with Issoufou, who has

positioned himself as the West's most trusted security partner in the Sahel and first in line to receive development assistance (AC Vol 55 No 7).

In the past Europe has exerted discreet pressure on opponents to refrain from boycotting parliament. Now the opposition groups hope that Brussels, Paris and Berlin will privately encourage Issoufou and his ruling coalition – the *Parti Nigérien pour la Démocratie et le Socialisme-Tarayya* (PNDS Tarayya) and MNSD Nassara parties – to compromise over the electoral code.

The government has put itself in an awkward position. Having extended the hand of compromise, only to offer a clearly partisan law, scrapping or rewriting Article 8 would look like a loss of face.

And behind the formal positions may lie calculations about the succession to Issoufou. The internal PNDS partisan logic points to Bazoum, the president's key confidant and architect of its successful 2016 election strategy (AC Vol 59 No 8).

As interior minister, he has a key role in Niger's response to the security threat from jihadism spilling over from Nigeria and **Mali**, and in a former role as foreign minister he was instrumental in forging the strategic alliance with regional and Western allies. A consummate tough political operator, he often acts as the government's voice in the international media, and is willing to openly address sensitive issues such as population growth, while the gentler Rafini

cultivates domestic local constituencies of opinion.

But Bazoum might struggle to defeat the populism and charisma of Amadou, who has a particularly strong following among Niamey's urban electorate.

In the current political face-off, the opposition has played a clever game to position itself as the face of inclusive moderation and broad-mindedness. But there's no guarantee it will be able to maintain this stance. As recently as September, a broader overall opposition umbrella grouping, the *Front Démocratique et Républicain* (FDR), was split by internal rivalries, amidst signs that former president Ousmane is trying to get back into the heart of the game. He could see himself as an alternative to Amadou if the latter is excluded from the presidential race.

Ousmane's capacity to mobilise support in Zinder, in the centre-east, could prove a useful complement to the traditional opposition strength in Niamey and the Niger valley. Meanwhile, his commitment to 'republican' values, could reassure those troubled by the Amadou camp's penchant for hot-headed rhetoric.

The government will be hoping that factional rivalries in the opposition will allow it to present itself as a safe choice on development and security, policy priorities that will take precedence over the current fuss over Article 8 in the eyes of many Nigériens, particularly in the rural areas and provincial towns where most people live. ●

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POINTERS

Togo

BOYCOTT THREATENS LANDSLIDE

■ President **Faure Gnassingbé's** ruling party, *l'Union pour la république* (Unir), promises to sweep the board in the parliamentary election on 20 December – but only because the opposition is boycotting what it says will be a rigged contest. Politics has been deadlocked for a year, mainly over opposition demands that the incumbent should not be allowed to stand for two further terms of office. He succeeded his father, **Gnassingbé Eyadéma**, who had ruled Togo since 1967, on his death in 2005.

Faure and the opposition accepted mediation by the Economic Community of West African States (ECOWAS), which painstakingly brokered constitutional reforms. These have not been implemented, however. Demands for change by the longstanding opposition were boosted significantly by the emergence of the *Parti national panafricain* (PNP), led by **Tikpi Atchadam**, which managed to mobilise mass support for the opposition in the traditionally pro-government north.

ECOWAS persuaded all sides to accept a roadmap: a limit of two presidential terms, extending voting rights to the large Togolese diaspora, overhauling the constitutional court and introducing two-round elections for the presidency. The current parliament was supposed to enact these reforms before the 20 December poll. The opposition said the government's draft reform text fails to honour the roadmap. So, they stayed away from parliament last week so that the chamber could not achieve the required majority to enact a change to the constitution.

Yet by boycotting the new elections, the opposition ensures that Unir will increase its representation in parliament and can then enact the government's watered down version of reform.

Togo's bishops, who have huge influence with the public, are worried. They recently issued a new statement warning of the risks of conflict if the ECOWAS reforms are not implemented as recommended by ECOWAS and elections fail to be conducted above board.

East African Community DEMOCRATIC DEFICIT

■ The six-nation East African Community has taken a proactive stance on regional trade in recent years, waging a battle against the **United States** by threatening to impose tariffs

on imported clothing, and agreeing on a model tax treaty (AC Vol 59 No 7). But the failure of the EAC's member states to contribute to its budget has prompted a new cash-flow crisis.

A planned three-week sitting in Zanzibar of the EAC's parliament, the East African Legislative Assembly, was cancelled on 26 November, the day it was due to begin. EALA clerk **Kennedy Madete** conceded that 'liquidity challenges' had forced the cancellation of the plenary.

The bulk of the cost is pay. Most of the parliamentary body's US\$13 million budget is taken up with pay and allowances for delegates. Each country's parliament elects nine delegates to go to the assembly. Each is paid nearly \$15,000 a month. The three-week sitting would have cost up to \$400,000 in expenses and pay for delegates and staff.

This is not a new problem. The EAC's budget for 2018/19 was cut to \$99m from \$110m, with the EAC secretariat forced to fall back on cash reserves last year to make up for the subs shortfall. Just under half of the cash is stumped up by foreign donors, mainly the European Union and its member states (AC Vol 58 No 21).

Local media reported that **Kenya** had contributed \$6.6m, 80% of its required contribution. **Uganda**, **Tanzania** and **Rwanda** have paid a mere \$8m between them while **South Sudan** and **Burundi** owe \$29m between them for the 2017/2018 and 2018/19 budgets.

The cash-flow crisis did not result in the cancellation of an EAC summit on 29 November, however, confirming the view of EAC cynics who say that its leaders like signing treaties and attending summits, but go quiet when it comes to paying the bill.

São Tomé e Príncipe END FOR TROVOADA

■ On 3 December, **Jorge Bom Jesus**, the leader of the *Movimento de Libertação de São Tomé e Príncipe/Partido Social Democrata* (MLSTP/PSD), was sworn in as the new Prime Minister after the 7 October elections left parliament nearly deadlocked. The biggest party, the *Acção Democrática Independente* (ADI) of former Prime Minister **Patrice Trovoada** has 25 seats to the MLSTP/PSD's 23 in the 55-seat chamber. But, as expected, Jesus has the support of the electoral coalition formed by the *Partido de Convergência Democrática* (PCD) and the two-party alliance *União Movimento Democrático Força de Mudança – União Democrática para Cidadania e Desenvolvimento* (União MDFM-UDD). The PCD-MDFM-UDD got five seats, which takes its

alliance with the MLSTP/PSD to a three-seat advantage over the ADI.

The ADI contested the formation of the government because it believed that, as the largest party, it had the right to rule as a minority government, such as existed between 2010 and 2012. This time, however, the coalition went into the election openly saying the parties would rule together and they thus had a clear mandate to form a government.

In the manoeuvring leading up to the formation of the government Trovoada tried to improve his party's negotiating position by nominating another ADI politician to replace him as prime minister. On 22 November, the parties opposing the ADI united to pick **Delfim Neves** (PCD) as the president, or Speaker, of parliament. He got 28 votes to ADI candidate **Carlos Correia's** 25 votes, laying the way clear for President **Evaristo Carvalho** to invite Jesus to form a government.

Mali

BLOW TO JIHADISTS

■ Intelligence analysts believe Malian jihadists suffered a serious setback when **French** troops of *Opération Barkhane* killed **Amadou Koufa**, the militia leader. Koufa, who was among 34 suspected jihadist fighters claimed killed by the French military in a raid on the night of 22/23 November, was a key figure in *Jamaat Nusrat ul Islam wal Muslimin* (JMIN – AC Vol 59 No 5). They are part of the *Al Qaida* franchise in the Sahel.

After JMIN leader **Iyad ag Ghali** Koufa was the most wanted man in Mali and the Malian army lost no time claiming responsibility. Observers note that the Mali armed forces' role was almost certainly confined to gathering and sharing intelligence about Koufa's movements with the French. Officially, such operations are always meant to be jointly undertaken, but French officers did not refer to a Malian role.

In a rare public statement, France's Chief of Staff, General **François Lecointre**, said the raid was a perfect example of coordination of all the French Sahel-based military assets. Mirage 2000 warplanes, attack helicopters and drones combined to create what he described as 'a shock-and-awe effect on the target'.

Koufa's death leaves the JMIN with a weakened foothold in central Mali. He had built up a large following in the 1990s among disenfranchised youth by denouncing elite arrogance and corruption. Like his counterpart and later boss Iyad ag Ghali, whom he met in the first decade of this century, Koufa was radicalised by Salafist preachers from **Pakistan**. Ag Ghali remains the JMIN supremo and probably the next target on the French hit list.

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BLUE LINES

Stripped of the spin from politicians seeking re-election and international financial institutions seeking to make more loans, it has been a dire year for Africa's economies and worse for its markets. Buoyed by demographics and better policies, the likes of Ethiopia are strengthening. Pockets of extraordinary innovation in digital technology in Kenya and Nigeria are rightfully attracting attention and sometimes imaginative investors.

But the bigger structural economic picture is alarming. In the decade from 2004 to 2014, punctuated by a brief pause in 2007-09, Africa's economies grew by 40%, but jobs didn't keep pace with the birth rate. By 2035 there will be more people of working age – 15 to 65 – in Nigeria than in either China or India. Even the most rose-tinted economic forecasts doubt that the economy is even halfway to laying the foundations for the necessary new jobs.

In the short term, the markets are waving yet more warning flags. Stocks and bonds in Africa performed worse than any other emerging market region in 2018. But in 2017, Africa's soaring markets outperformed all the others. That means equities in the biggest markets – Egypt, Kenya, Nigeria and South Africa – are selling at bargain prices. But investors are holding back, rattled by the soaring yields on Eurobonds and forecasts of a new debt mountain. More capital is flowing out than coming in. Africa's capital crunch will be a key story in 2019.

NIGERIA

Sharks in an oily soup

Court papers in Italy claim that international oil companies, investment banks and top politicians benefited from a multi-billion dollar oil scandal

Six months into the court hearings into the purchase of an offshore oil block licence in Nigeria by Royal Dutch Shell and Italy's ENI, **Giusy Barbara**, the presiding judge at the trial in Milan, said on 17 December that the companies were fully aware that part of the US\$1.1 billion they had paid to government would be diverted to corrupt officials and businesspeople (AC Vol 59 No 19).

Judge Barbara was explaining in a written note to the court her reasons for convicting **Emeka Obi** and **Gianluca Di Nardo** earlier this year, respectively Nigerian and Italian middlemen in the scheme which had allowed Shell and ENI to secure one of the most promising oil blocks in Africa at a bargain price. The scheme would also enrich politicians and businesspeople in Nigeria who had been, according to Judge Barbara, 'circling their prey like hungry sharks'.

If the scheme to sell the oil block known as OPL 245 to Shell and ENI Nigeria were to go ahead, Nigeria would lose between \$4.6bn to \$10.6bn, according to London-based resource lobbying group Global Witness. President **Muhammadu Buhari's** government has taken an ambivalent line towards the scandal despite trumpeting its anti-corruption credentials.

The corrosive qualities of the OPL 245 saga dripped across three People's Democratic Party administrations, from **Olusegun Obasanjo**, through **Musa Yar'Adua** – who was lukewarm on all the proposed resolutions – and **Goodluck Jonathan**. It has also created problems

for the current administration, especially for Attorney General and Buhari loyalist **Abubakar Malami** (AC Vol 59 No 5).

In 2017 Malami elected to go to court in London with a civil claim against JP Morgan that both the original 1998 award and the 2011 resolution agreement were illegal, but earlier this year submitted a memo to President Buhari urging approval for a development programme and contract awards by Shell and ENI. This month a civil claim for more than \$1bn against Shell and ENI went forward in London on Nigeria's behalf.

DISCLOSURES

Sources say Malami was influenced to submit the memo by **Ibe Kachikwu**, the entrepreneurial Minister for Petroleum Resources, and local companies close to ENI that stand to benefit. With the possibility looming of further disclosures that might damage the PDP and key players associated with deal on the politically delicate campaign issue of corruption, President Buhari was reported last month to have dismissed the memo.

Buhari is said to have opposed any rush to start production until the legal position is clearer. The case in Milan could also snare some well-connected business people in Nigeria who have been financing the governing All Progressives' Congress.

When **Atiku Abubakar** defied expectations and emerged as the PDP candidate in Nigeria's presidential election, one of the key figures lobbying at the party's convention on his behalf was **Aliyu Mohammed Gusau**, a veteran spy

NIGERIA	3	CONGO-KINSHASA	4	US/AFRICA	6	SAHEL	9	ZAMBIA	10
Election bored game		The Twelve Fixes of Christmas		'America first' for Africa		The forgotten army		MIGRATION	12
Two familiar veteran candidates are failing to strike a chord with the voters		A large war chest, fraud and intimidation make the President's dauphin the heavy favourite		There is continuity in the White House's Africa strategy, albeit in Trumpian language		It is all supposed to go right for the G5 force in the new year, but there are still doubts		UGANDA	12
								ZIMBABWE	12
								ZAMBIA	12

in a lucrative deal to buy Shell assets in 2009), **Nuel Ojei**, another veteran oil trader and **Bayo Ojo**, President Obasanjo's Attorney General from 2003 to 2007.

Prosecutors say that Bature received a suitcase of dollars for helping to facilitate the 2011 agreement but have yet to outline in court how Gusau, Jonathan and two ministers in the then PDP government, **Diezani Allison-**

Madueke at Petroleum Resources and Attorney General **Mohammed Adoke**, benefited from the \$466m pay-off. This was part of a larger sum paid out by JP Morgan, Nigeria's bankers, to a bank account in Nigeria – the transfer was rejected twice, by banks in **Switzerland** and **Lebanon** – and then on to several bureaux de change, where it was disbursed in cash.

But they do claim that Arcadia,

an oil trading group based in London, received a \$10m pay-off, with a further \$5m for the Arcadia chief at the time, **Peter Bosworth** (AC Vol 58 No 16). It is not clear from the court documents what services Arcadia and Bosworth provided in return for this payment. Bosworth and some of his colleagues are still engaged in a dispute with Arcadia's **Norwegian** owner, **John Fredriksen**. ●

NIGERIA

Election bored game

Two familiar veteran candidates are failing to strike a chord with the voters ahead of a critical presidential race next February

As political leaders loudly debate the ethics of signing up to a code of conduct and President **Muhammadu Buhari** throws back, for the fourth time, an electoral reform bill to the National Assembly, there is a marked lack of enthusiasm in the electorate. Elections in Nigeria historically have low turnouts, even in its fast-growing cities.

For the national elections next February and state polls in March, the result will depend more on voter turnout than the popularity of the parties' platforms. Party allegiance is a reflex for many voters, depending on where they live. The latest voter registration figures show that enthusiasm to receive the biometric voting cards was higher in the south-east, south-south and south-west regions than in the north (AC Vol 59 No 21).

A higher turnout in the opposition heartlands of the south-south and south-east will benefit the People's Democratic Party and its presidential candidate, **Atiku Abubakar**. More voter enthusiasm in the south-west would help Buhari and the governing All Progressives' Congress. Buhari's official reason for rejecting the electoral reform bill again is that it would create chaos and uncertainty. But the opposition are crying foul, partly because the new rules would have suited them better rather than striking an unambiguous blow for democracy.

In sheer numbers, Atiku and the PDP will have to pedal much harder to get more of their heartland supporters to the polling stations. The PDP failed miserably on that count in 2015 and lost the election on a low turnout in the south-south and south-east as Buhari won with his ultra-loyal voting bloc of some 12 million in the north.

This time, the dynamics between the candidates are different. Both are northerners but Buhari had a clear edge in the north-west, the most populous region. So far, neither candidate seems to have enthused its base, let alone won over new supporters.

A few hundred turned up for Atiku's launch rally on 3 December in Sokoto where incumbent governor **Aminu Tambuwal** had been one of the leading contenders for the PDP's presidential ticket. Elsewhere, Atiku wants to capitalise on some of the APC's weak candidates. In Kano, a video showing Governor **Abdullahi Umar Ganduje**, who will stand again on the governing party's ticket next year, receiving large sums of cash from a corporate supporter has been used by the opposition to ridicule the Buhari government's anti-corruption efforts.

Atiku, who like Buhari is a poor orator, has addressed rallies in Kwara State and Ibadan in Oyo State in the south-west, one of Africa's most populous and sprawling cities. It was tougher going for Atiku in Rivers State, the oil capital and second richest state after Lagos, because the PDP governor **Nyesom Wike** had backed Tambuwal for the party's presidential ticket and has not been reconciled to Atiku's candidacy (AC Vol 57 No 25).

Wike, who had put a lot of money into Tambuwal's campaign, was unhappy with what he characterised as Atiku's unilateral campaigning style and hasn't attended any of the PDP's set-piece rallies. Neither had the governors of Ebonyi, Enugu and Abia states in the south-east. Their gripe with Atiku is his choice of **Peter Obi** as a running mate.

A successful banker and businessman, Obi was determinedly parsimonious with public funds when he

was governor of Anambra state, leaving more in the treasury than he found. His fellow south-eastern governors seem to resent Obi's reputation for efficiency and integrity. Some have been thinking of defecting to the governing party in protest. Already, **Godswill Akpabio**, senator and former governor of Akwa Ibom in the south-east, has crossed over to the APC (AC Vol 59 No 16). More ructions in south-east, whether or not they're fuelled by largesse from the governing party's coffers, would start to scupper Atiku's chances.

SLOW STARTER

President Buhari, slower to kick off his campaign than Atiku, is yet to name a full campaign team. His energetic campaign manager, Transport Minister **Rotimi Amaechi**, concedes it will be a much tougher election than in 2015. He insists that Buhari has the north locked down and is riding high in the south-west, thanks to talented figures such as Power Minister **Babatunde Fashola** and Ekiti governor **Kayode Fayemi** (AC Vol 59 No 11).

Yet elsewhere, in the Middle Belt or north-central region, open hostility towards or frustration with the government on security and the economy is growing. After Amnesty International reported that over 3,500 people had been killed in the herder-farmer clashes, most of them this year, there were fresh calls for the army Chief of Staff Lieutenant General **Tukur Buratai** to stand down.

In response, the military has accused Amnesty of concocting figures and 'destabilisation tactics'. It also claims that the UN Children's Fund (Unicef) operations in the north-east has provided cover, wittingly or unwittingly, to agents of Islamist militia groups such as **Boko Haram** or Islamic State in West Africa Province. All this points to deepening problems for the government's counter-insurgency tactics and efforts to rebuild peace.

Outside the worst-hit areas in the north-east and the north-central, these setbacks may not have much effect on the vote – unless a militia manages a high-profile attack in one of the bigger

cities. A senior Atiku staffer says his candidate's challenge is to turn popular fatigue with the status quo into votes for the alternative. At the same time, the PDP's top officials have to juggle the rival personalities and fragile factions in the party.

APATHY FACTOR

Buhari's deputy, **Yemi Osinbajo**, points out that following a vigorous contest between two candidates in 2015 with distinct political, regional, religious, career and generational identities, the turnout in Lagos, the commercial capital, had been barely 20%. 'Everyone has an opinion,' he said, 'but not everyone votes'. One pro-Buhari government official said, 'Our overall polling shows a reasonably close race overall, but with strong regional differences – although if you break the numbers down among people who say they will definitely vote, Buhari is well ahead.'

The same governor said apathy extends to those APC governors who feel excluded from some of the patronage and perks their predecessors enjoyed and may not commit fully to

the presidential contest. According to one ministerial aide, 'there just is not as much money in this campaign, from both the main parties, compared with what happened before.'

Although both candidates are Fulanis in their 70s from the predominantly Muslim north, they have differing records and personalities. Buhari remains the devout disciplinarian and Atiku presents himself as the businessman who can kickstart the economy

Atiku's constituency is strongest among the political godfathers and contractors that make up Nigeria's establishment. They feel marginalised and threatened by Buhari's transition agenda but have yet to demonstrate that they can turn out voters in greater numbers than when **Goodluck Jonathan** led the party four years ago.

Issues have played little part in the campaign thus far. Buhari, despite his military background, faces a real challenge on competence on security with the military and the police.

In a contest that focuses on character, neither candidate is strong

on charisma. Where the Buhari team struggles to explain the slow pace of change under his administration, Atiku, who only rejoined the PDP last year, has to deal with the legacy of sleaze, decay and failure that marked the party's long years in power.

There are traditional concerns as to the preparedness of the Independent National Electoral Commission to organise the logistics of more than 120,000 individual polling stations. INEC has agreed measures to beef up cyber security but harbour concerns about interference.

Foreign diplomatic interest, distracted by trade wars and the rise of nationalism and populism, has lessened in Nigeria. International interest in the fate of the Chibok girls kidnapped by *Boko Haram* has long since waned, migrant numbers from sub-Saharan Africa are sharply down, and attention has been grabbed by tensions in the middle East and east Asia. Europe and the **United States** are distracted by internal tensions. For the first time in many years, Nigeria is in danger of looking ordinary. ●

CONGO-KINSHASA

The Twelve Fixes of Christmas

A state-funded campaign war chest, fraud and intimidation make the President's dauphin the heavy favourite on 23 December

Expectations of electoral chaos, fraud and intimidation lead many to conclude that **Emmanuel Ramazani Shadary**, one of President **Joseph Kabila's** ultra-loyalists, will be declared the winner after the voters of Congo-Kinshasa go to the polls two days before Christmas. On 19 December, the governor of Kinshasa, **André Kimbuta**, suspended campaigning in the capital, ostensibly for security reasons. A rally for opposition candidate **Martin Fayulu** scheduled for that afternoon was cancelled as armed police blocked his return to Kinshasa and fired tear gas at hundreds of his supporters. These events are fuelling rumours that the electoral commission may postpone polling day at the very last moment.

Shadary, a former interior minister and head of Kabila's *Parti du Peuple pour la Reconstruction et la Démocratie* (PPRD), was handpicked by the President after he finally bowed to domestic and continental pressure not to seek a constitution-defying third

term (AC Vol 59 No 16). The candidate of the ruling coalition, the *Front commun pour le Congo* (FCC), was quickly out of the traps when campaigning began on 22 November and will have visited each of the country's 26 provinces by election day.

Shadary can count on provincial governors, senior ministers, local oligarchs and regime moneymen such as **Albert Yuma**, the boss of state mining company Gécamines, and **Moïse Ekanga**, who oversees multibillion-dollar credit lines from **China**. Two Congolese tycoons told *Africa Confidential* that they were named as members of the FCC campaign finance team without being asked. They did not protest so as to avoid undue attention. The machinery of state has brazenly been put at the service of Kabila's dauphin while accusations are rife of public resources being funnelled to the campaign and government employees being forced to attend their meetings.

Congo-K's fractured opposition

got off to a hesitant start. All seemed well on 12 November when seven leaders gathered in Geneva, including heavyweights **Jean-Pierre Bemba** and **Moïse Katumbi**, who have been barred from pursuing their own presidential aspirations, and announced they had united behind **Martin Fayulu**, a courageous political fighter who was nearly killed by the police two years ago (AC Vol 59 No 23). A day later, **Felix Tshisekedi** and **Vital Kamerhe** pulled out of the pact, citing the furious reactions back home of the parties they lead – the *Union pour la démocratie et le progrès social* (UDPS), the largest opposition party which was founded in the early 1980s by Tshisekedi's father, and the *Union pour la nation congolaise* (UNC), another major political player (AC Vol 58 No 11).

TSHISEKEDI DEAL

Kamerhe subsequently struck a deal with Tshisekedi to withdraw his candidacy and serve as prime minister if their ticket wins. They hope the former's popularity in eastern Congo-K will combine with the latter's strength in Kinshasa and the central Kasai region. Fayulu doesn't have a comparable national profile but retains the support of Katumbi and Bemba who are the dominant forces in much of southeastern and northern Congo-K respectively. While more than 20 people registered as presidential candidates, only Shadary, Fayulu and Tshisekedi are contenders. All three

have busily toured the towns of the vast country and drawn huge crowds.

The FCC describes their two rivals as neo-colonial stooges and never misses an opportunity to point out that Fayulu's alliance was sealed in **Switzerland** and Tshisekedi's in **Kenya**. The former receives especially sharp insults because Katumbi is in exile in **Belgium**, the former coloniser, and the campaign supports the European Union's sanctions against Kabila officials, including Shadary.

The first two weeks of the month-long campaign were mostly free of violence aside from clashes between partisans of Tshisekedi and the FCC-backing provincial governor **Alphonse Ngoyi Kasanji** in the UDPS's Kasai heartlands (AC Vol 58 No 15). Kamerhe also accused Fayulu's supporters of pelting him and Tshisekedi with stones in Beni. The relative calm receded on 11 December when security forces broke up a Fayulu event in Lubumbashi, shooting dead three men and injuring many more. The following day they killed another person when the candidate moved on to Kalemie. Police shot a teenager dead in Mbuji Mayi on 13 December as the town awaited Tshisekedi's arrival.

The government has exerted more effort obstructing Fayulu than Tshisekedi, who has been largely left alone. Other than the dispersed rallies, Fayulu's plane was prevented from landing in Kindu, Shadary's home turf, and Kolwezi, a mining city run by **Richard Muyej**, a powerful Kabila ally, meaning he was unable to campaign there.

FULL OF PROMISES

The FCC candidate's charm offensive has included promising the population of Isiro that he will personally lobby for the canonisation of a venerated local nun. He also surprised Gbadolite, the hometown of **Mobutu Sese Seko**, by holding a minute's silence to the memory of the long-serving dictator who was ousted by Kabila's father in 1997. Tshisekedi told Mbuji Mayi, the home of the state diamond mining company, *Société Minière de Bakwanga* (MIBA), that he would rescue the firm from bankruptcy and re-establish it as the region's economic engine.

Deep pocketed or well-connected parliamentary candidates have been boosting their chances by distributing largesse. **Modeste Bahati**, the planning minister, paid electricity bills for three months for 300 households in his Bukavu fief and donated cash to rehabilitate a road (AC Vol 53 No 11). **Papy Pungu**, the president of the PPRD youth league standing for election in Kinshasa,

persuaded the state electricity utility to restore the power supply and personally handed over the new equipment to the local community.

FICKLE FRIENDS

Calculations based on political survival have motivated some last-minute changes of heart. **Delly Sessanga** and **Claudel Lubaya**, senior members of Katumbi's *Ensemble* coalition, and therefore supposed to promote a Fayulu victory, urged their communities to vote for Tshisekedi as both men are fighting for re-election in areas which will overwhelmingly turn out for the UDPS man. **Tryphon Kinkiey**, a Mobutuist minister who became one of Kabila's most sycophantic and verbose disciples, has also hitched his wagon to Tshisekedi. Initially sceptical of his fickle reputation, the UDPS welcomed Kinkiey on the grounds that he comes from Bandundu, Fayulu's home region, and may divert votes their way.

Crispin Mbindule, a national deputy for Kamerhe's UNC, appeared alongside Fayulu in his hometown of Butembo in spite of his boss's union with Tshisekedi. **Tharcisse Matadiwamba**, one of Congo-K's best known lawyers and a senior pro-regime parliamentarian, encouraged his constituents in Bandundu to back the local boy rather than Shadary. One Member of Parliament told AC he had shifted his allegiance from Katumbi to Tshisekedi to the FCC 'because Shadary will win'.

The FCC has far superior financial and logistical resources to the other campaigns but its benefits are largely reserved for Shadary and – after him – the PPRD's roster. One candidate for a mid-sized party in the coalition told AC he had received only \$500 from a central fund and was financing the rest himself. A PPRD source said that even those fighting for parliamentary seats for the presidential party were struggling to access campaign cash.

Many doubts remain about how polling day itself will unfold. The United Nations has expressed alarm that armed groups have been threatening supporters of political parties, especially from the FCC, in eastern Congo-K where more than 100 militias operate. Candidates in hotspots such as Beni live in fear of being attacked and killed while electioneering.

A special reticence is reserved for the *Commission Électorale Nationale Indépendante* (CENI, the electoral commission) which is widely derided as either biased towards Kabila or powerless to resist the regime's schemes. Its decision to use 75,000 touchscreen voting machines imported from South

Korea is a source of particular suspicion and anger. While Tshisekedi has changed tack and accepted the plan, Fayulu continued to rage against the tablets and command his supporters not to vote with the 'cheating machines' before acquiescing to them at the last minute.

The European Union and the Carter Center, whose observers published highly critical assessments of the 2011 election, have not been invited back, while the Southern African Development Community and the *Organisation internationale de la Francophonie* will deploy limited missions. The bulk of the observation work will be conducted by about 70,000 hastily trained Congolese working for either the Catholic Church or a coalition of NGOs known as Symocel. An insider told AC he was pessimistic because they lack the means to have observers in every polling office to monitor dirty tricks. He cited a loophole in the revised electoral law which permits an individual to help unlimited numbers of voters cast their ballots, fuelling fears that the FCC will co-opt local leaders such as customary chiefs in remote areas who will assist their whole communities to choose Shadary and other ruling coalition candidates.

CENI's president, **Corneille Nangaa**, has repeatedly promised that a manual count of the ballots printed by the machines will take precedence over the data stored internally, but doubts persist and, in any case, there are misgivings about how results will be transmitted from polling stations to the capital.

Adding to the atmosphere of mistrust, a CENI warehouse in Kinshasa burned to the ground in the early hours of 12 December. Nangaa told reporters that 8,000 machines and materials for 19 of the city's 24 communes were destroyed but reserve stock will be recalled from the provinces and the elections will go ahead as planned. The blaze sparked a chain of accusations after **Henri Mova Sakanyi**, the interior minister, and **Barnabe Kikaya Bin Karubi**, a senior Kabila adviser, immediately labelled it arson. Shortly after, the FCC began pointing the finger at Fayulu and prominent supporters such as **Olivier Kamitatu** for their 'extremism' and inciting the population to violently reject the voting machines. They allege that Fayulu's campaign is more interested in sowing chaos than winning an election. Fayulu's and Tshisekedi's camps say the government started the fire to hamper elections in Kinshasa, an opposition stronghold, or postpone the polls.

If elections are free and fair, few doubt that Fayulu and Tshisekedi

would comfortably defeat Shadary, who is unrepentant about intending to continue Kabila's 17-year legacy in a country where most people live in grinding poverty, millions are displaced by conflict, and corruption corrodes public life at all levels. Similarly, should the polls go ahead on 23 December, most Congolese are resigned to seeing CENI name Shadary the victor and the constitutional court discarding the inevitable legal challenges. Kabila's protégé will then take the oath of office in mid-January.

A win for the FCC will not bring an end to the Kabila era even if a different

man holds the keys to the *Palais de la Nation*. Officials have already said the president will continue to head the PPRD and FCC and in a series of rare interviews with the Anglophone international media the usually taciturn head of state repeatedly refused to rule out a return, à la Putin, at the next election in 2023. Kabila's brother **Zoe** and sister **Jaynet**, both members of parliament and seeking re-election, are prominent members of Shadary's team and the former has been conspicuous on the campaign trail alongside the candidate.

Introducing Shadary at a rally in

Kisangani, the president's wife **Marie Olive Lembe** placed a hand on his head and blessed him as he dutifully awaited the end of her prayer. The symbolism of the benediction, which was circulated widely on social media, demonstrates who will be calling the shots in Congo-K next year.

Yet Kabila may also choose to consider the experience of his long-ruling neighbour **José Eduardo dos Santos**, who carefully picked **Joao Lourenço** to succeed him after extensive and meticulous deliberation, only to find his legacy and network torn to shreds within months. ●

US/AFRICA

'America first' for Africa

The White House's Africa strategy is more Pentagon than State, but there is much continuity, albeit in stridently Trumpian language

When US National Security Advisor **John Bolton** set out what he called 'The Trump Administration's New Africa Strategy' on 13 December at The Heritage Foundation, the conservative think-tank in Washington DC, it looked very much like the old strategy. The priorities, even the phrases, sounded recycled: 'advancing US trade and commercial ties with nations across the region to the benefit of both the United States and Africa'; 'countering the threat from Radical Islamic Terrorism and violent conflict'; and 'ensuring that US taxpayer dollars for aid are used efficiently and effectively'.

Except that this time, the US assessment of strategic interests on the continent is overlaid with Bolton's long-standing policy obsessions: the perceived threat of growing **Chinese** and **Russian** influence; the threat of 'Radical Islamic Terrorism' towards US citizens; and antipathy towards the United Nations in general, and UN peacekeeping operations more specifically.

To these he added the need for a tangible return in terms of US access to markets and commercial opportunity in exchange for US foreign assistance, and the targeting of US funding towards unnamed 'key countries' in support of 'strategic objectives'.

Bolton sees the expansion and leveraging of US economic and commercial ties as critical to countering China's use of 'bribes, opaque agreements and the strategic use of debt to hold states in Africa captive to

Beijing's wishes and demands' and, in turn, safeguarding US national security interests.

Boosting US commercial engagement with Africa will be facilitated through a new initiative entitled 'Prosper Africa', the details of which were ill-defined. The initiative would 'support US investment across the continent, grow Africa's middle class, and improve the overall business climate in the region'. Details are absent on how the initiative will complement existing policy instruments such as the recently-passed bipartisan Better Utilisation of Investment Leading to Development Act (the BUILD Act) and the African Growth and Opportunity Act (AGOA), what sectors will be prioritised and how it will all be funded.

COUNTING DOLLARS

Bolton referenced the finalisation of a comprehensive review of US foreign assistance strategy, and it is clear that the Trump administration intends to withdraw support from multilateral funding and political institutions and 'emphasise bilateral mechanisms to maintain maximum American control over every American dollar spent'.

Bolton also made explicit that the US 'will not tolerate...aid without effect' particularly as it applies to '[stopping] the scourge of terrorism, radicalism and violence', and expects political returns for its cash.

'Countries that repeatedly vote against the United States in international forums, or take action counter to US

interests, should not receive generous American foreign aid.' The largest line item in the US development aid budget is the President's Emergency Plan for AIDS Relief (PEPFAR). It remains to be seen if these funds will be put in the balance against changes the US may demand in recipient country policy.

Moreover, Bolton was clear that 'the United States will also re-evaluate its support for UN peacekeeping missions... [and] will seek to streamline, reconfigure, or terminate missions that are unable to meet their own mandate or facilitate lasting peace'.

With regard to broader security strategy, and in line with US Africa Command commander General **Thomas Waldhauser's** recent detailing of plans to draw down Africom and Special Forces personnel in Africa, Bolton emphasised the need for 'the nations of the region to take ownership over peace and security in their own neighborhood', and praised the G5 Sahel Joint Force, comprised of **Mauritania, Niger, Chad, Burkina Faso**, and Mali as 'a great example of the enormous potential for African joint security cooperation' (see feature).

The briefing came when Africa policy seems to have dropped still further down the totem pole. It followed the appointment of **Lana Marks**, a handbag designer, as Trump's nominee for ambassador to **South Africa**, the continued non-filling of ambassadorial posts in US embassies across Africa, and the failure to nominate an Assistant Administrator for Africa at the US Agency for International Development.

Although it is not the NSC's job to articulate regional strategies, many will welcome a new Africa strategy, even if it remains only a signal at this time.

The seven-page 'New Africa Strategy' references long-standing US concern about democracy, elections, and civil society. But there are fears, given recent exposés, that the lobbying by African governments to persuade Washington

WHERE US BOOTS ARE ON AFRICAN GROUND

In President **Donald Trump's** most recent accounting to Congress about 'deployments of US Armed Forces equipped for combat' (June 2017), he notes 'a particular focus on the US Central and Africa Commands' areas of responsibility'. In the unclassified version of the letter, the President acknowledges the following Africa operations in which the US has deployed combat-equipped forces:

Somalia and Kenya. 'US forces also advise, assist, and accompany regional forces, including Somali and African Union Mission in Somalia (Amisom) forces, during counter-terrorism operations. Additional US forces are deployed to Kenya to support counterterrorism operations in East Africa'.

Djibouti. 'US forces remain deployed to Djibouti, including for purposes of posturing for counter-terrorism and counter-piracy operations in the Horn of Africa and Arabian Peninsula and contingency support for embassy security augmentation in East Africa, as required.'

Libya. 'US forces conducted airstrikes – beginning in May 2016 – against ISIS targets in Libya, including in support of efforts by forces aligned with the Libyan Government of National Accord to recapture the city of Sirte from ISIS, until December 19, 2016. US forces reinitiated airstrikes against ISIS targets south of Sirte for a limited period, from January 18 to January 19, 2017. These airstrikes were conducted at the request of and with the consent of the Government of National Accord.'

Lake Chad Basin Region. 'US military personnel in the Lake Chad Basin continue to provide a wide variety of support to African partners conducting counter-terrorism operations in the region. In Niger, there are approximately 645 US military personnel deployed to support these missions. In Cameroon, approximately 300 US military personnel are also deployed, the bulk of whom are supporting US airborne intelligence, surveillance, and reconnaissance operations in the region. These forces are equipped with weapons for the purpose of providing their own force protection and security, and they will remain in Cameroon, with the consent of the Government of Cameroon, until their support is no longer needed.'

Central Africa. 'The US military counter-LRA [Lord's Resistance Army] mission ended on April 26, 2017. US military personnel remaining in Uganda, the Republic of South Sudan, the Democratic Republic of the Congo, and the Central African Republic are conducting retrograde activities. The number of US military personnel still deployed to those countries in the central Africa region is approximately 410.'

Egypt. 'Approximately 700 military personnel are assigned to or supporting the US contingent of the Multinational Force and Observers, which have been present in Egypt since 1981.' ●

to row back on making aid conditional on human rights improvements may have had an impact.

ADVISOR RAPPORT

Under the stewardship of Trump's second National Security Advisor, HR McMaster, a three-star army general, the profile of the National Security Council – and Africa's within it – diminished. Early interventions on the part of the Trump White House devolved military-related policy-making and operational decision-making away from the NSC to the Department of Defense. In turn, DOD implemented measures to devolve decision-making from the Pentagon to the field.

Trump and McMaster did not get on, and McMaster was sacked and replaced in April by Bolton, a staunch 'neocon' and former US Ambassador to the UN under President **George W. Bush**.

Bolton is reported to enjoy a rapport with Trump that McMaster never had. Sources who had worked with him previously indicated that, despite his reputation as a gruff and alienating figure, he is a surprisingly skilled and effective manager of bureaucracy and political relationships, areas in which McMaster was found wanting. Under McMaster, the NSC initially struggled to staff the position of Africa Director to coordinate inter-agency interaction, information management and policy development as it related to the continent.

After two failed attempts to staff

the position, **Cyril Sartor**, a career Central Intelligence Agency analyst, was appointed in August 2017, but insiders' assessment of his performance so far is overwhelmingly poor. One source described him as 'invisible'. A former senior official and associate of Sartor's said 'he's had no serious impact whatsoever'. Another former NSC official stated that Sartor hasn't asserted himself in an environment in which 'everything is process; everything is meetings'. A former government official stated that: '[Sartor is] very insular... He's not looking to have conversations with civil society. The NSC is culturally alien for him. He doesn't like meetings but as NSC Director, that's your fucking job'.

Recently, **J. Peter Pham**, a scholar at the think-tank, the Atlantic Council, who had been vetted for appointment to Assistant Secretary of State for African Affairs before being ruled out because of an association with **Morocco's** stance on the Western Sahara issue, was thought to be angling for Sartor's job. This will not happen now because Pham has just been appointed US Envoy to the Great Lakes Region.

Outside the White House, concerns are being raised regarding the trajectory of US military engagement in Africa. The disquiet concerns not only what has been an expanding and increasingly muscular military presence on the continent, but moreover the medium- to long-term consequences of an empowered US military in the context of receding and weakened diplomatic

engagement with African partners.

While USAID and the State Department have been depleted by budget cuts and personnel shortages, and their profiles have diminished, the military has been bolstered by an influx of former generals to the highest ranks of the Trump administration, and their firepower has been boosted by a 13% budget increase.

The US saw few strategic security concerns on the African continent in the 1990s. Following the infamous 'Black Hawk down' incident in **Somalia** in 1993, strategic lack of interest was complemented by a distinct lack of appetite for American casualties on African soil.

The 1998 attacks on the US embassies in **Tanzania** and **Kenya** and then the 9/11 attacks changed US perceptions of its security interests on the African continent. Since the turn of the millennium US security assistance, security partnerships, and security-related spending on the continent has increased significantly, particularly with regard to countering the perceived influence of international terrorist groups and their affiliates.

In 2008, the US established its dedicated military command for Africa, **Africom**. Africom now has an Area of Responsibility (AOR) covering 53 countries – all the countries of continental Africa with the exception of **Egypt**, which is assigned to Central Command (Centcom).

Africom is at pains to frame

the content of its engagement with the continent 'without creating the optic that US Africa Command is "militarising" Africa', one Washington Africa-watcher remarked, adding, 'military operations...are broadening in scope without the diplomatic strategy to complement it.'

DIPLOMATIC DEFICIT

Diplomacy is not something the US military has proven itself to be adept at, and it is not among its core competency. Indeed, the top brass have long emphasised the complementarity of their colleagues at USAID and State. In 2013, then-Centcom Commander General **Jim Mattis**, now US Defense Secretary, told Congress that 'if you don't fund the State Department fully, then I need to buy more ammunition ultimately. So, I think it's a cost-benefit ratio. The more that we put into the State Department's diplomacy, hopefully the less we have to put into a military budget as we deal with the outcome of an apparent American withdrawal from the international scene.'

More recently, General Waldhauser stated that 'none of Africa's challenges can be resolved through the use of military force as the primary agent of change. Therefore, our first strategic theme is that US Africa Command activities directly support US diplomatic and development efforts in Africa. Working with our interagency partners – primarily the Department of State and US Agency for International Development (USAID) – is a core tenet of our strategic approach in Africa.'

Yet with ambassadorships filled with acting staff, a litany of African foreign service positions unfilled, an NSC in which the voice of State has been diminished, and slashed budgets, the balance of power among official US actors abroad has clearly shifted and they are increasingly wearing khaki.

A civil society activist who advocates humanitarian interests in Washington observed 'Africom doesn't make policy. But by default, because of their presence and operations, they do; and they have no idea about the dynamics on the ground, and no capacity to deal with that.'

Critics suggest that the US Africa strategy has been led down a number of slippery slopes. Motivated by the imperative to avoid deploying US troops in support of interests and partners on the continent, the US has invested in the capacity of their partners to counter terror through the provision of training and equipment. In time, the top brass realised that these inputs weren't doing the job. As a consequence, US 'advisors' – often elite US troops – have been

seconded to the field to turn training into action. These 'advisors' began operating in more and more dangerous situations with greater potential for casualties. Concurrently, due to prohibitions on engagement in the absence of an attack, the US expanded its drone operations to improve surveillance and launch unmanned attacks on enemy personnel.

Drone operations were initially developed as a stop-gap measure to buy time for other policy instruments to bear fruit, and for in-country partner institutions to catch up. Instead, there has been a steady increase in drone operations in Africa, and a three-fold increase in drone strikes in Somalia since the Trump administration assumed office (AC Vol 59 No 22).

The implications of this mission creep came into stark focus in the aftermath of the killing of four Americans, including two elite Green Berets, and five local soldiers during an operation in Niger in October 2017. The unclassified results of a Pentagon investigation criticise cavalier and complacent actions by troops in the field and paint a picture of troops acting on their own, and manipulating the chain of command to undertake a 'freelance' mission.

Critics of current US policy say it is reasonable to suggest that the incident in Niger is emblematic of what can happen when the White House signals that the NSC will not constrain the DOD's decision-making, which the Pentagon has further devolved to officers in the field. They believe that denying the State Department a role, and resources, in US actions raises the potential for serious additional problems.

TRACKING FUNDING

It has become increasingly difficult to track US security-related spending in general, and in Africa in particular. Spending is allocated across a number of departments, with the majority channelled through State and Defence, and via a range of authorisation and spending vehicles supporting foreign aid, peacekeeping, security cooperation, and military construction.

An example of the difficulty in tracking spending is in the Pentagon's slashing and redistribution of monies from the Counter Terrorism Partnerships Fund, a programme introduced by the Obama administration in 2015. In 2016, the CTPF allocated US\$375 million to support Africom activities in the Sahel, the Lake Chad Basin, and East Africa. In 2017, The Pentagon's budget request increased to \$450m to support African operations under CTPF. At a global level, the Trump administration budgeted just \$40m to support CTPF in Financial Year 2018, down from approximately

\$2 billion in FY16 and FY17.

Figures collated by the Congressional Research Service indicate that the Pentagon notified almost \$500m in train-and-equip funding for Africom's AOR in FY15 (the first year of CTPF funding), up more than 100% from just under \$200m in FY14 and approximately \$100m in FY13. Funding of approximately \$475m for Africom's AOR was notified in FY15 and continued in FY16. Thereafter, figures become more difficult to assess due to the transition to a new consolidated security cooperation funding authority.

Camp Lemonnier, established in **Djibouti** in 2001, remains the US military's only permanent base on the continent (AC Vol 57 No 15). The base is operated by US Navy Region Europe, Africa, Southwest Asia, and is the headquarters for the approximately 2000 personnel of the Combined Joint Task ForceHorn of Africa (CJTFOA), and serves as a hub for Security Force Assistance, operations and logistics for five combatant commands: Africom, Centcom, US European Command, US Special Operations Command, and US Transportation Command. In total, approximately 4,000 US service personnel are stationed there.

The US also maintains a number of acknowledged and unacknowledged forward operating bases, logistics centres and drone bases, some of which are overseen by Special Operations forces. It is in the process of constructing an additional air force base at Agadez in Niger, an increasingly important regional counter-terrorism partner for the US (AC Vol 59 No 18). The \$110m project, being constructed by about 500 US military personnel, is reportedly the largest troop construction operation in US military history, and is expected to house fighter jets as well as armed and unarmed drones. In April 2018, Agadez hosted elements of the annual joint African and allied military exercises known as Flintlock (AC Vol 58 No 6).

Divining the exact number of US military personnel deployed to Africa is impossible, although circumstantial evidence has indicated an expanding military presence. The FY 2018 Defence Budget Overview states that 'during FY 2016 more than 7,000 [US] soldiers deployed throughout Africa. These soldiers participated in more than 250 security cooperation events, exercises, and missions in more than 30 countries'. While the Africom 2017 Posture Statement did not provide global deployment figures for Africom's AOR, the statement cites 'approximately 1,000 personnel conducting 12 named operations across a nine nation region' in motivation for additional intelligence,

search and reconnaissance capacity to support operations in 'West Africa'. The Africom 2018 Posture Statement declares that 'on any given day, up

to 7,200 US uniformed personnel, Department of Defense civilians, and contractors are in Africa representing all services, career fields, and specialties...

[with] approximately 1,800 personnel supporting 11 named operations across a 13-nation region' in 'West and Central Africa'. ●

SAHEL

The forgotten army

The G5 force is mired in problems. It is all supposed to go right in the new year but there are still doubts

After six months of near paralysis, the *Force Conjointe du G5 Sahel* (G5 Sahel Joint Force) is at last about to resume operations next year, according to the **French** army Chief of Staff, General **François Lecointre**. The force is meant to bear the burden of fighting the jihadists active across the entire region, but there is scant respect for its capabilities. It has not been able to take the initiative against its enemies, and one member country is even suspected of colluding with them.

G5 troops are expected in the new year to operate in the Centre Zone, which focuses on the **Mali-Burkina Faso-Niger** borderlands, where the force's first four tentative operations were conducted: between October and November 2017 with *Opération Haw-Bi*, in January with *Opération Pagnali* and between May and June with *Opérations Irko Ka* and *Gourma*. Battalions from the three nations whose borderlands these were conducted some arrests and seized weapons, but without encountering any armed actors. The very gradual build-up of operational capability continued in July with operations in the West Zone, along the **Mauritanian-Malian** border, and the East Zone, on the **Niger-Chad** border.

This stately pace of advance was interrupted by a vehicle-borne suicide attack on the Joint Force's headquarters in Sévaré in central Mali on 29 June by *Jamaat Nusrat ul Islam wal Muslimin* (JNIM) which destroyed much of the Joint Force's headquarters infrastructure and equipment and prevented French President **Emmanuel Macron** making good on his promise that it would be ready in August (AC Vol 59 No 14).

This attack led the force headquarters to relocate to the safer space of Bamako, but even now it has not fully occupied its new location. It also led to the replacement of the force commander, Malian General **Didier Dacko**, by the Mauritanian General

Hanena Ould Sidi, formerly Deputy Chief of Staff of the Mauritanian army. The Sévaré attack was the last straw for political leaders already annoyed with what they saw as Dacko's lack of zeal, although his replacement is not inspiring much confidence either. The Mauritanian took up his appointment complaining about lack of equipment, notably armoured cars, and the state of the headquarters, annoying both G5 leaders and their Western counterparts. The French military, which has an informal leading role in the G5 joint force, has been quietly leaning hard on Hanena to resume operations as soon as possible, arguing that he has more than enough resources to get moving. But Hanena's cautious approach is by no means the only obstacle standing in the way of a robust regional response to the jihadists.

The first is funding. A donor conference in Brussels in February 2018 secured commitments of up to €414 million, but the five member states – Mali, Niger, Burkina Faso, Mauritania and Chad – complain that not enough money is coming through (AC Vol 59 No 5). To date, less than 20% of the sum has been released. UN Secretary General **António Guterres** appeared to back the local commanders in his November report on the G5 Sahel force, noting 'troop deployment continued to be slowed by the absence of secure and fortified operating bases [while] the Joint Force continues to face important training, capability and equipment shortfalls. The lack of individual protection equipment, armoured vehicles, the threat of IEDs... constitute major challenges and have delayed the resumption of the JF's operations'. The donors appear to be listening and the desired equipment is expected to arrive in March 2019 and unlock the stalled operations.

The second challenge is more serious – a lack of alignment of strategic interests between the five states. Many G5 actors call their institution the 'G3 +

2', to underline the lack of commitment of Chad and Mauritania (AC Vol 59 No 3). Chad faces what it sees are more compelling demands on its resources, including *Boko Haram* in the south, and an expanding rebellion in Tibesti and southern **Libya**. Also, Chadian officials have repeatedly made clear that above all they expect their G5 partners to honour their financial and material commitments.

Meanwhile, Mauritania has aroused the distrust of both donors and G5 members. Some suspect the country of not acting sincerely and even trying to prevent the G5 from becoming too involved in security management of its border. The criticism centres on the accusation, never proved, that Mauritania has a non-aggression pact with *Al Qaida* in the Islamic Maghreb (AQIM). Since the outbreak of the latest round of conflict in Mali in 2012, neither AQIM nor JNIM have threatened Mauritania.

Although General Hanena is from south-eastern Mauritania and his family has extensive influence in the area, many doubt his willingness to conduct offensive operations against jihadist groups in the West Zone, not least because Mauritania is holding presidential elections in 2019 and military operations could prove unpopular.

STATE RIVALRIES

The Joint Force also suffers from a lack of trust and rivalry between the states. Despite the rapprochement between the Malian and Mauritanian presidents in recent months, no synergy exists between their armies on the ground. The Mauritanian troops' suspicion of their Malian brothers-in-arms is clear. Notoriously, one officer attached to the Mali presidency supplied information to AQIM on an imminent Mauritanian operation in 2010. In the Centre Zone between Mali, Burkina Faso and Niger, officers of all three countries admit that trust is limited and the sharing of intelligence almost non-existent.

The third challenge is strategic, as jihadist groups tend to take the initiative. They have compelled the force to reorganise by posing threats in areas not yet taken into account by the G5, particularly Burkina Faso's Nord, Boucle du Mouhoun and Est regions, the last becoming the country's new jihadist hotbed. Since early this year, six

attacks have been reported in the south and south-west of Burkina Faso, which are outside the G5's zone. The same is true of Mali, where since the beginning of this year there have been many attacks in the southern part of Ségou (Gouma Koura, San, Markala) and in Koulikoro (Mourdiah, Toubakoro, Banamba). *Opération Barkhane* and the national *Forces Armées et de Sécurité du Mali* (FAMA) are often left to make up for the Joint Force's deficiencies.

Differing priorities between the international community and G5 countries create other difficulties. Where France makes anti-terrorism its priority, the G5 countries emphasise the development component. Thus, the extraordinary G5 summit on 6 December in Nouakchott focused on financing the G5's Priority Investment Plan. Donors promised €2 billion, covering the needs of the PIP's first phase. This is intended to finance 40 cross-border projects in transport, water infrastructure, pastoralism and electrification. The selection of these projects generates recurring tensions between donors and the G5. Difficulties in financing the Joint Force are partly compensated for by promises made to secure the PIP financially.

FRENCH FEAR

Finally, the G5 force continues to provoke resistance from some states and sub-regional organisations, such as **Algeria**, which sees it as a challenge, a French attempt to maintain control of the Sahel security agenda. To thwart the initiative, the Algerians aim to revive the 11-country Nouakchott Process, launched by the African Union in 2013 but thus far given no concrete form.

The AU's Commissioner for Peace and Security, the Algerian **Smaïl Chergui**, promoted a meeting of Sahel-Saharan states in late November in Ouagadougou to revive the process.

It is no surprise that the G5 force is finding life difficult. It struggles to find a niche in the regional security ecology, between old initiatives such as the Joint Military Staff Committee (Cemoc), current bodies such as the UN Multidimensional Integrated Stabilisation Mission in Mali (Minusma), and the Sahelian states' membership of several other multilateral and regional organisations, from the AU to the Economic Community of West African States (Ecowas) and the Community of Sahel-Saharan States (Censad). The effect of this is that some organisations, such as Ecowas, see the G5 as a competitor and won't support it, while others simply fail to engage with it. Libya and **Egypt**, however, neighbouring states directly concerned with the sub-region's security dynamics, are watching the G5 force with interest.

The Libyan National Army leader General **Khalifa Haftar** recently launched a huge operation to 'secure southern Libya' after making official visits to Niger and Chad. Sudden Egyptian interest in the G5, which led Egypt to host a symposium on the Sahel last month, probably relates to Haftar's own agenda and Egyptian interests. This trend will not enhance the confidence of Egypt's historical rival Algeria; its relations with Haftar are at their lowest since he made open threats to wage war on it.

Also in question is the G5 Joint Force's mandate, which covers everything from the fight against terrorism to organised

crime and illegal immigration. If it is having trouble fighting jihadist groups, then it has very poor prospects for taking on the other two. The traffic in contraband and illegal migrants is fluid and will probably easily evade controls. The people and drug traffickers also simply stay out of the G5's area of operations, which do not include the northern band of the Sahara (Taoudeni, Kidal) where traffic passes.

The last and probably most crucial problem is that the criminal networks are close to the governments of Mauritania, Mali, Niger and Chad, making any expectation that they will act seriously against their friends and funders unrealistic. The only exception might be if one elite element took advantage of the Joint Force to eliminate competing cabals and thus win supremacy for the networks they support, like a Mafia power struggle.

Off the record, some G5 officials admit that the fight against organised crime and illegal immigration is intended only to attract the international community's support for the five countries without any real desire to engage. If the priority is indeed the terrorist threat, the G5 must above all win 'hearts and minds'. In the Centre Zone, there is growing mistrust between soldiers and local communities. Abuses against civilians are increasing in Burkina Faso and Mali in particular, and the ensuing action has already involved G5 battalions. In mid-May this year, the G5's Malian battalion summarily executed 12 civilians in Boulkessy. The UN has begun to establish a human rights compliance mechanism to limit this kind of slippage, but has been slow to put it into operation. ●

ZAMBIA

Taking the heaviest of tolls

The leak by a concerned government insider has exposed another costly procurement deal which never went to tender

A highly profitable public-private partnership (PPP) for collecting road tolls has been cancelled suddenly after sparking fury at the poor value for money and seeming exploitation of public finances. Details of the lucrative contract to a politically connected local firm in partnership with an **Austrian** company were leaked to *Africa Confidential* and **Zambian** media. Infrastructure Minister **Ronald Chitotela** was summoned to parliament to explain the extraordinary terms and

conditions and he announced the deal was dead.

The joint venture contractor, Intelligent Mobility Solutions, was already controversial because of its opaque PPP with the Road Traffic Safety Authority (RTSA) for road traffic surveillance, vehicle inspection and registration, and speed cameras. The second contract, now scrapped, was set to make huge profits from Zambia's road tolls with minimal return for the state.

IMS is a 50/50 joint venture

between local **Lebanese** businessmen **Walid el Nahas's** Lamise Trading Limited and Austrian transportation systems company Kapsch TrafficCom. Lamise is best-known locally for manufacturing plastic goods and has no previous experience of transport systems. Kapsch is a well-known constructor of toll booths and associated systems. **Zambian** media have accused Nahas of giving money to President **Edgar Lungu** and his office, and of bribing **Zambian** public officials to win business, which he and the company strongly deny.

Ten toll roads currently exist, but the plan was to have 30 of what the government described as a 'strategic national asset' in place by the end of this year. It now says private capital is needed to keep the project on track, yet the proposal from IMS was unsolicited, according to official documents.

The whistleblower points out that the 10 toll booths already in place are highly successful and expected to raise US\$100 million this year, with the amount set to steadily increase.

It would, the whistleblower added, be fairly simple for the government to raise the necessary finance to complete the rest of the network, given its strong cash flow and earnings record. The government previously claimed that the toll network was not integrated and required the involvement of IMS even though the National Road Fund Agency already administers the existing toll booths successfully.

Under the deal proposed by the joint venture, IMS would invest \$38.3m to install 25 further toll booths and in return receive 30% of the revenue for 17 years. Extrapolating conservatively from the revenue currently coming in, toll roads would generate \$100m in 2019 alone. If IMS were paid 30% of that, assuming no growth at all, it would recoup much of its investment in just over one year, earning \$30m a year at least in each of the remaining 16 years of the contract.

One of the motivations for leaking the documents may have been that officials tried to reduce the concession period to seven years and IMS's revenue share to 5%, but failed, leaving them – and now the public – concerned that the best interests of the public purse were not uppermost in the minds of the political masters of the project. The whistleblower claimed that orders

from on high forbade any renegotiation. 'We are told,' he or she wrote, 'that the command to make this deal happened are coming directly from the highest offices (State House). Otherwise any parties entrusted with the responsibility of managing Zambian strategic assets would never approve such a deal.'

Though the deal had been officially approved, in an abrupt about-turn on 13 December, Minister for Infrastructure Chitotela announced that the project was cancelled as it was not in the public interest. Nahas, however, has said that negotiations were ongoing and the true position remains to be clarified.

'TERRIBLE DEALS'

The whistleblower further commented: 'This is another example of a transactions, where the Zambian Government is selling off strategic assets or handing over control of strategic assets using concession agreements and private-public partnership. The problem is when these opaque deals are examined, they prove to be terrible deals for the taxpayers. For this deal, the logic and business arguments make no sense and defy all rational reasoning.'

IMS was only created in June 2017, and by September that year it had entered into a 17-year deal with RTSA to install roadside cameras and impose and collect fines for speeding. Drivers have complained about the insufficient preparation for the introduction of the cameras, the lack of warning signs, and the seven-day deadline for paying fines.

The fines are not paid into the consolidated government fund managed by the central bank but into an IMS-managed escrow account. It is unclear how much of the money goes to IMS and how much to the government. *Africa Confidential* has discovered that Solicitor General **Abraham Mwansa** advised the RTSA in October that this, and several other aspects of the PPP, was unlawful. He raised particular concerns over a serious breach of Zambia's data protection laws, as IMS receives detailed personal data on everyone who registers a vehicle or pays a fine. Opposition sources say that IMS is close to the ruling Patriotic Front, and fear the personal data will be used by the party as part of a ramping up of surveillance on citizens and/or to give it an advantage in an election campaign.

Transport Minister **Brian Mushimba** admitted in Parliament in May that the government 'was not fully consulted' beforehand and is now renegotiating IMS's contract with the RTSA, but it is unclear what, if any, changes have been made.

Revenues are expected to accumulate rapidly, repaying IMS's \$100m investment in the cameras and associated infrastructure within the first three years and leading to high profits thereafter. Mwansa apparently advised RTSA to suspend its financial arrangements with IMS as 'they are or appear to be unconstitutional or illegal as they open it up to potential litigation'. ●

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POINTERS

Migration

NOT WALTZING IN VIENNA

■ A European Union-African Union meeting in Vienna on digital policy co-operation in the week before Christmas was always likely to be low on excitement, but it did confirm the gulf separating officials from the two sides. **Germany, France and Italy** only sent ministerial level officials to the High-Level Forum Africa-Europe, which had been ambitiously billed for heads of state only.

The disconnect between the priorities of the two continent's leaders was spelt out in Technicolor. European leaders talked about the need to up private investment in Africa, motivated largely by fear that **China** is cornering the market, and of the need for a 'partnership of equals' between Africa and Europe (AC Vol 59 No 19).

That brought a frustrated reaction from **Moussa Faki Mahamat**, the chair of the African Union Commission. 'Stop this stereotypical idea of Africa as a hapless terrain where Europe, China or others have free rein to battle for influence! We choose our partnerships, and create conditions based on mutual interest and benefit. Do not infantilize an entire continent,' he tweeted.

As expected, migration control was the main topic on the margins (AC Vol 59 No 22). **Austria's** right-wing chancellor **Sebastian Kurz** did not mention migration once in his speech as host – unsurprising since Kurz's government was among a handful of European administrations that refused to sign the UN Compact on Migration last week in Marrakech – but a tetchy Mahamat did it for him, expressing 'surprise' that they had rejected the UN compact even though it was non-binding.

North African countries are still playing with Brussels nonetheless. Hosting the UN summit in Marrakech was the latest diplomatic play by the **Moroccan** government, which agreed a series of migration-control programmes with Brussels on 17 December. Morocco has now received €148 million of EU cash in 2018 for such programmes.

Uganda

GRAFTING AGAINST CORRUPTION

■ President **Yoweri Museveni** has set up a new Anti-Corruption Unit, but Kampala pundits believe its real function is to prevent opposition politicians raising money from wealthy businesses for electioneering. The ACU will be headed by Lt Col **Edith Nakalema**, a

close confidante of the President's who wields considerable influence in State House. She recently returned from a high-level military course in the UK.

The President chose 5 December, the 25th anniversary of the foundation of Transparency International, to unveil his plans. He formally launched the ACU at the Kololo Ceremonial Grounds five days later to a huge media fanfare before an immense crowd of bussed-in National Resistance Movement (NRM) supporters (AC Vol 59 No 4). Mobilisation on this level is normally reserved for major election rallies.

Museveni's personal staff have been researching new strategies for asset-monitoring and recovery with official agencies such as the Inspector-General of Government, the Financial Intelligence Agency and the Auditor General (AC Vol 58 No 25). Nakalema's unit will be senior to them.

Nakalema can investigate the assets of anybody of interest and has the power to seize assets. This kind of reach indicates that political actors and their backers are to be targeted. Former Prime Minister **Amama Mbabazi** was able to mobilise major financial support for his unsuccessful bid for the presidency and Museveni wants to prevent that from happening again (AC Vol 57 No 3). Nakalema and other operatives will be on the lookout for new funding opportunities for the NRM too, we hear, as they scan the political landscape for individuals and groups not aligned to Museveni's agenda (AC Vol 59 No 19).

Zimbabwe

MNANGAGWA'S RESOLUTION

■ A seemingly downbeat Zimbabwe African National Union-Patriotic Front annual conference this month lacked the overt factional fireworks many had expected. Yet it laid down a major political marker while most media attention was focused on the resolution floated by the War Veterans and the Women's League to ban anyone under the age of 52 from standing for the presidency. Had that motion passed, with its transparent object of excluding the 40-year-old Movement for Democratic Change leader **Nelson Chamisa** from the next election, it would have been open season on President **Emmerson Mnangagwa** in the international and regional press.

It didn't, but it still helped obscure the significance of the unanimous endorsement of Mnangagwa as leader of the party and its presidential candidate in 2023. It is widely believed that ZANU-PF and the military, represented by current Vice-President and former chief of staff **Constantino Chiwenga**, agreed prior to the November 2017 coup that

Mnangagwa would rule for one term and then make way for Chiwenga (AC Vol 59 No 22).

Other resolutions consolidated the President's hold over the party, such as the new requirement that all party information be communicated only through the Secretary for Information and Publicity, currently **Simon Khaya Moyo**. Mnangagwa is attempting to improve his grip on the party but less than two days after the conference ended, divisions were already on display as a group of War Veterans demonstrated outside government buildings, claiming that **Victor Matemadanda**, Secretary General of the War Veterans' Association, and Mnangagwa had abandoned them. Unless Mnangagwa can manage key constituencies like this he will struggle to develop a support base that he can rely on in a serious internal faction fight.

Most of the speaking time on day one was taken by Mnangagwa, who emphasised his mandate to govern and the illegitimacy of the opposition challenge to his power.

Zambia

LUNGU'S TO LOSE

■ President **Edgar Lungu** has got his wish and been given leave by the Constitutional Court to stand for a third term of office. Critics will say he effectively granted his wish to himself, since he appointed all the members of the court, who approved the controversial application unanimously on 7 December. His claim was that because he came to office after a by-election, he did not serve a full term. He was elected in January 2015 after the death in office of President **Michael Sata** and re-elected in August 2016.

Zambia's constitution does not directly impose a two-term limit on the presidency. The relevant clause simply states, 'no person who has twice been elected as President shall be eligible for re-election to that office'. It was not the validity of the term of office that was in question, but the number of times a president could be elected. Debate, however, and argument in court revolved around whether or not he had served a full term.

The judges showed reluctance to make a ruling on the application, which was first received in January 2017, and behind the scenes, Lungu exerted heavy pressure on them. The court had ruled in his favour in a legal challenge brought by the opposition United Party for National Development against his disputed election (AC Vol 58 No 16). Decisions of this court cannot be appealed, so it looks certain that unless he falls ill, Lungu will stand again for the Patriotic Front in the 2021 elections.