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AFRICA IN 2019

Disputes, disruptions and a new diplomatic order

In the first of two special issues our correspondents look at the most critical political and economic developments in the year ahead

Campaigners, politicians and plotters have started the year with a flurry of activity: protests about electoral shenanigans in **Congo-Kinshasa**; demonstrations demanding the exit of **Sudan's** President **Omer Hassan el Beshir**; the governing Jubilee party in **Kenya** has started to splinter after top officials quit in protest at Vice-President **William Ruto's** plans to succeed President **Uhuru Kenyatta**; and security forces killed two soldiers and arrested seven more after a failed putsch in **Gabon**.

And that is before the election campaign heats up in **Nigeria** and **South Africa's** ANC holds its annual conference to map out its policies on land reform and plan its strategy for national elections in May. Across the continent there is mounting for pressure for change, especially from the youth and women who make up the majority of voters but are chronically under-represented in current political structures.

OPPOSITION ANGER

Oppositionists are railing against the litany of election disappointments last year from **Zimbabwe** to **Cameroon** and **Egypt** where the victorious incumbents are failing to address economic inequities and political dysfunction. Much of the opposition anger was directed at the national authorities for running what they considered as fraudulent elections, followed by further crackdowns on those questioning the official results.

Like trade and digital innovation, protest is globalising. **France's** *Gilets*

jaunes ('yellow jackets') movement, with its spontaneity and initially leaderless structure, together with its power to force concessions from the government, sparked great interest in Africa.

When middle-class activists in Cairo started to organise along similar lines against new economic policies and the security forces' vested interests, President **Abdel Fattah el Sisi** banned the wearing of yellow jackets. Days later, Sisi was acutely embarrassed when the **United States** CBS television network refused to suppress an interview it had recorded with him in which he spoke of close cooperation with **Israel** in fighting jihadists in the region. This public relations disaster for Sisi, whose government receives over US\$1.5 billion aid from the US with limited accountability raises questions about the political economy of foreign aid. **Egypt** (population 100 million) gets more US aid than any other country bar **Israel** (population 9m) which has been allocated over \$3bn in 2019. Africa (population 1.2bn) gets around \$8bn, not counting Egypt's allocation.

After President **Donald Trump's** government, which counts **Egypt** and **Israel** among its closest allies, announced in 2017 that it would cut aid to Africa by 30% and shut down agencies dealing with foreign assistance, either for governments or business, it has had second thoughts. Prompted by concerns that the US has lost ground to **China** in terms of market and diplomatic influence in Africa, the Trump administration is stepping up its critique of Beijing's trade and debt

policies. And it has approved a new infrastructure fund intended for Africa.

While **China** and the **US** compete for influence in Africa, rising powers such as **India**, **Brazil**, **Russia**, **Saudi Arabia**, the **United Arab Emirates**, **Iran**, **Qatar** and **Turkey** are strengthening ties on the continent. Most of these are government-to-government relations, and have boosted authoritarian regimes.

RACE FOR INFLUENCE

Africa's demographics – it is projected to have a population of 2bn by 2050, of whom 1.25bn will be of working age – and its cornucopia of resources are driving this new race for power and influence on the continent. How governments manage this new crop of relations could shape developments for decades.

This year the focus will be on money and security. Against the lure of Africa's demographics are the economic risks of rising debt, stalling markets and lacklustre growth in some of the biggest economies.

Mali hosts the most dangerous United Nations peacekeeping mission, pointing to the wider band of instability across the Sahel. That takes in the failure of the European Union's aid-driven anti-migration initiatives in the region as the growing power of the Islamic State's affiliated jihadist groups operating in **Mali**, **Niger**, **Chad**, **Cameroon** and northern **Nigeria**. All require the kind of regional African coordination which is made still more difficult with a multiplicity of foreign players. ●

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NIGERIA

A poll without passion

The party-political system is failing the country amid preparations for national elections in February and state elections in March

What should be an epic battle of ideas and policies in Africa's biggest democracy to address recurring economic and security crises is turning out to be one of the country's duller campaigns.

Some of the blame lies with the septuagenarian front-runners: incumbent President **Muhammadu Buhari** and challenger and ex-Vice-President **Atiku Abubakar**. The former, a quiet general with a penchant for economic nationalism, and his adversary, the ebullient buccaneering businessman and professional politician, have quite different temperaments and political views. But competition between them in the run-up to the presidential elections has not taken off. They have not engaged large constituencies in the country such as women or the under-30s, whose combined vote makes up the majority of the country's 84 million registered voters.

Those most likely to vote – Nigeria's elections have hitherto had low turnouts – are divided mainly into two camps behind Buhari and Atiku. The number of floating voters who have shifted their allegiance from one party to another has been small. That is why the smaller parties without the juggernaut of resources behind Buhari and Atiku have done so badly. This year there is an impressive crop of small-party candidates such as former Education Minister **Oby Ezekwesili** and former deputy governor of the central bank **Kingsley Moghalu** but none are likely to poll more than a few per cent.

Most of the heavy lifting for the main candidates is being done by their running mates: Vice-President **Yemi Osinbajo** and **Peter Obi**, a former governor of Anambra State, who many

think will be key players in the 2023 elections.

After a difficult first term, which started with an economic recession and was punctuated by long absences for medical treatment, President Buhari and the ruling All Progressives' Congress have kept their core support in the north-west and the south-west. The two biggest states there – Kano (5.4 million) and Lagos (6.5m) – make up more than a tenth of the electorate. The biggest risk to Buhari is not political performance but party management; the extent to which national chairman **Adams Oshiomhole** can control its rival factions.

Although the ruling party has broadly united behind Buhari's candidacy – all the serious challengers, such as Sokoto governor **Aminu Tambuwal** and the former state governors **Rabiu Kwankwaso** (Kano) and **Bukola Saraki** (Kwara), have defected to the opposition People's Democratic Party (PDP) – there are big political fights at state level.

A month after the presidential elections, Nigerians will elect the governors and assemblies in 29 of the 36 states. In many ways, the outcome of these elections will weigh more heavily on the people than the presidential race. State governments are responsible for health and educational services, along with some housing, transport and other infrastructure. And pressure, through the debate on constitutional reform, is mounting for the state governments to take on more responsibilities and obtain the revenue to do so.

Control of state governments is also critical in the national race. An energetic governor can boost the chances of a presidential candidate and local party structures in the state. There

is also the matter of the resources that the governor can raise for campaigning. On that score, the PDP, which controls just 12 of the country's 36 states, goes into the national race at a disadvantage.

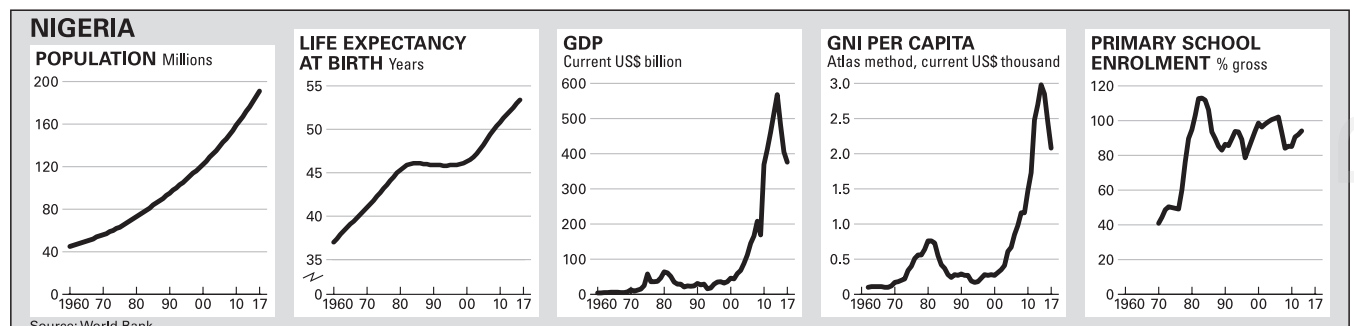
However, under the chairmanship of Rivers State governor **Nyesom Wike**, the PDP is a more coherent party. It has put behind it the leadership fight between party barons **Ahmed Makarfi** and **Ali Modu Sheriff**. Last year, the PDP was bolstered by the defection from the APC of key figures such as **Tambuwal**, **Kwankwaso** and **Saraki**, who brought their own resources and regional support.

Against expectations, the PDP managed its presidential primaries well, with **Abubakar's** victory securing widespread backing across the party, including his erstwhile rivals. **Wike**, who had been backing **Tambuwal**, appears to have been brought around with some reluctance to supporting **Atiku**. **Wike** had seen **Atiku**, whose personal fortune gives him a large measure of independence, as too detached from the party structures. **Atiku** has had to make some concessions to **Wike**, given the critical role of Rivers State and other areas of the Niger Delta in mobilising support and resources for the PDP campaign.

ATIKU COUP

Atiku's biggest coup was his reconciliation with former President **Olusegun Obasanjo** in Ogun state last year. Until then, **Obasanjo** had criticised **Atiku** for corruption and incompetence while he was serving under him as Vice-President (AC Vol 59 No 21). What made the difference was **Obasanjo's** public critique of the **Buhari** government and the failure of his efforts to create a third political force (AC Vol 59 No 3). Yet this surprise reconciliation, in which **Atiku** paid homage to **Obasanjo** in return for a qualified endorsement of his presidential platform, has not yet moved the dial much for the opposition in the south-west.

This leaves the ruling APC with all the incumbent's advantages as it goes into national and state elections while the opposition cannot land a killer



punch. Buhari will carry the populous north-west, albeit with a smaller margin than 2015 as Atiku benefits from Tambuwal and Kwankwaso's support. Both the north-east – from which Atiku hails – and the states of the central northern region should see a modest shift towards the PDP.

This shift is due to Buhari's failure to eliminate the *Boko Haram* Islamist militia, which launched a series of devastating attacks in Borno state late last year and early in 2019. Buhari is also much criticised for his handling of the wave of herder-farmer clashes in the Middle Belt. That crisis claimed more lives in 2018 than *Boko Haram* and dampened agricultural output.

The south-south and south-east will remain PDP strongholds as Atiku benefits from full backing from Anambra's Obi, and more qualified backing from Wike in Rivers. In the south-west Buhari gets the backing of his Vice-President Osinbajo and former governor of Lagos state **Bola Tinubu**. Obasanjo's endorsement should get Atiku extra votes in the south-west but not enough to tip the balance against Buhari in the region.

Reassurances from the Independent National Electoral Commission that it has the capacity and political independence to run a free election

GROWTH, DEBT AND DEFICITS ALL TO RISE

Regardless of who prevails in February's presidential election, Nigeria's economy will hit the 2% real GDP growth predicted by the World Bank and the International Monetary Fund. Predictions by the government and optimists of around 3% growth are a stretch. The problem of growing joblessness will remain.

Major shortfalls, compared with the proposed 2019 federal budget, in both revenues and capital expenditures are almost certain, as were the shortfalls in 2018 compared to its budget. Oil prices below the proposed US\$60 per barrel 2019 budget benchmark could force a hefty budget revision, as an even greater fiscal deficit looms.

Debt will continue to rise regardless of who wins, with interest payments remaining high, before even accounting for recurrent expenditures, as a percentage of revenues. Nigeria's shift towards cheaper, foreign currency debt presents a degree of foreign currency risk even with dollar-denominated oil revenues.

If Abuja ignores OPEC pressure to cap output and if Niger Delta militants leave the oil infrastructure alone, oil production should increase with the start of commercial production at the offshore Egina field. Depending on when it begins production, possibly not until 2021, magnate **Aliko Dangote's** planned 650,000 b/d oil refinery could help start a revolution in the Nigeria oil value chain. ●

have not convinced the critics. This follows delays to its funding and claims of voting fraud in recent gubernatorial elections. The manner of electoral victory in 2019 could be as important as its outcome.

Aside from the integrity of the elections, and how partisan disputes might be resolved, there are wider questions about the security of the vote. There are risks of violence in

three distinct zones: the Niger Delta, where militants have signed up to back particular politicians against their rivals; the Middle Belt, where politicians in both main parties have tried to exploit the herder-farmer clashes for votes; and the north-east, where there are fears that *Boko Haram's* affiliate, Islamic State in West Africa, could organise a spectacular attack to influence the outcome of the elections. ●

SOUTH AFRICA

The fight for the ANC's soul

Ramaphosa must appeal to the left to win a mandate for liberal economic reforms. It's not the only paradox here

The African National Congress's strategists do not doubt the ruling party will emerge from the May national and provincial parliamentary elections by far the largest party, but the size of the vote has key implications for how it will rule. Internal polls by the ANC's leaders foresee a win with only 45-48% of the popular vote – strongly down on the last election – which means that alliances will be necessary to continue governing in the provincial assemblies, and possibly also nationally.

In the 2016 local elections the ANC won large metropolitan areas such as Tshwane (Pretoria), Johannesburg and Nelson Mandela Bay (Port Elizabeth), but because they polled less than half of the vote, the opposition Democratic Alliance and the Economic Freedom Fighters were able to take control by forming coalitions. That effect may well extend from municipalities up to the

next tier of democratic institutions. In the 2014 elections the ANC got 62%, the DA 22% and the EFF 6%. Last October, an Institute of Race Relations opinion poll showed that the ANC would get 59% of the vote, the DA 22% and the EFF 10% of the vote, on a 69% turnout. An Ipsos poll released on 6 January put support for the ruling party at 61%, with 19% and 9% for the DA and EFF respectively, and 2% for the Inkatha Freedom Party.

Strong volatility on the political scene is set to continue unless the ANC unexpectedly – and improbably – wins with a landslide. As political volatility persists through the year, the currency can also expect a bumpy ride.

In the election, President **Cyril Ramaphosa** will need the support of the Congress of South African Trade Unions (Cosatu) and the South African Communist Party (SACP), the other two

planks of the 'tripartite alliance', while he continues to try to purge the party of supporters of ex-President **Jacob Zuma**. But Cosatu and the SACP are opposed to the government's plan to stop bailing out the heavily indebted state-owned enterprises (SOEs), such as electricity utility Eskom, the national broadcaster the SABC and South African Airways. Ramaphosa's problem here is what his opponents, in and out of the party, most wish to exploit.

The Zuma faction, whose influence remains stronger than the media coverage implies, is taking left populist positions such as the nationalisation of industry, opposing privatisation of SOEs and calling for the expropriation of land without compensation to be enshrined in the constitution. If Ramaphosa

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openly opposes these policies he will be portrayed as a puppet of 'white monopoly capital' and a foe to black advancement. The EFF intends to make this its key campaign message.

If Ramaphosa meets Cosatu and the SACP's demands to avoid being outflanked, he risks the SOE bail-outs demolishing the attractiveness of the country to foreign investment. He could find that his compromise has robbed him of the means to reboot the economy.

DILEMMAS ALL ROUND

It will not be straightforward for the Zuma faction to take advantage of Ramaphosa's dilemma, however, because it will be fighting the centre and left wings of the party while simultaneously campaigning for the ANC to win the elections, which could compromise its message.

Reports of the demise of the Zuma faction have been premature. The party is still divided between pro-Ramaphosa and pro-Zuma groups, and Ramaphosa's victory as ANC president at the party's December 2017 national elective conference was narrow. Ramaphosa's strategy so far has been not to take on corrupt ANC figures directly but to set up inquiries and let the prosecuting authority indict them.

Ramaphosa is also trying to take the

wind out of the Zuma faction's and the EFF's sails by supporting expropriation of land without compensation, albeit with conditions (AC Vol 58 No 6). Ramaphosa reckons with such a 'unity' strategy he would convince some Zuma supporters he is still one of them, and earn their vote in the elections.

But competition between different ANC alliance partners will also increase. Cosatu and the SACP supported Ramaphosa for ANC president and are therefore within the Ramaphosa camp, but this also means that they cannot field their own independent candidates. If any Cosatu or SACP members want to stand for election, they will have to be nominated through the ANC's internal branch nominations system. This will increase competition for scarce places on the candidate nominations list and bring Cosatu and the SACP into direct competition with pro-Ramaphosa and pro-Zuma candidates already battling for places. That competition will be intensified by the fact that since the ANC share of the vote is likely to fall, candidates who are low down on the ANC list may not be elected at all. Some of the competition is likely to get violent, both between the ANC and the EFF, and within the ANC.

Zuma loyalists are feverishly campaigning in their provincial bases

– KwaZulu-Natal, Limpopo, Northwest, and Mpumalanga – but they will be happy if the ANC wins its provincial bases with below 50% of the total vote nationally, we hear. This would mean the ANC having to strike an alliance with either small opposition parties, or with one of the bigger opposition parties, the DA or the EFF.

If the ANC's vote does fall below 50%, but it still wins, the Zuma group is planning to call a special ANC national elective conference, which would then take a new leadership vote on the basis that Ramaphosa has failed as leader. If the ANC wins over 50%, the Zuma group will say it is the voters rewarding the ANC for Zuma's presidency. They will then want a unity governing arrangement whereby the Zuma and Ramaphosa groups get equal cabinet posts and SOE positions. They would insist the privatisation of SOEs stop, that expropriation of land without compensation go ahead, and a National Health Insurance scheme be introduced.

The bigger the margin of victory for the ANC, the tougher the Ramaphosa group is likely to be on implementing privatisation and cleaning all Zuma loyalists out of the cabinet and SOE posts. The pace of prosecutions against Zuma loyalists and EFF members would also increase dramatically. ●

SOUTH AFRICA

Win first, then work

Ramaphosa is almost certain of victory in May, but then his challenges really begin

South Africa is facing an even tougher year economically in 2019. The disastrous legacy of former President **Jacob Zuma** may seem distant but its echoes will continue to sound and clog his successor's agenda.

In his first ten months in office, **Cyril Ramaphosa** has made impressive strides in ridding his government and vital state institutions of corrupt elements. But the narrowness of his victory in the December 2017 African National Congress leadership election has constrained his ability to make more sweeping changes. Zuma loyalists like ANC secretary general **Ace Magashule** and Deputy President **David Mabuza** still wield significant power. Ramaphosa will be hoping that after the presidential election in May, the balance of forces on the 86-strong national executive committee of the ANC will swing decisively in his favour.

Ramaphosa's State of the Nation Address on 7 February will be the joint work of a powerful committee of business-oriented advisors, *Africa Confidential* understands.

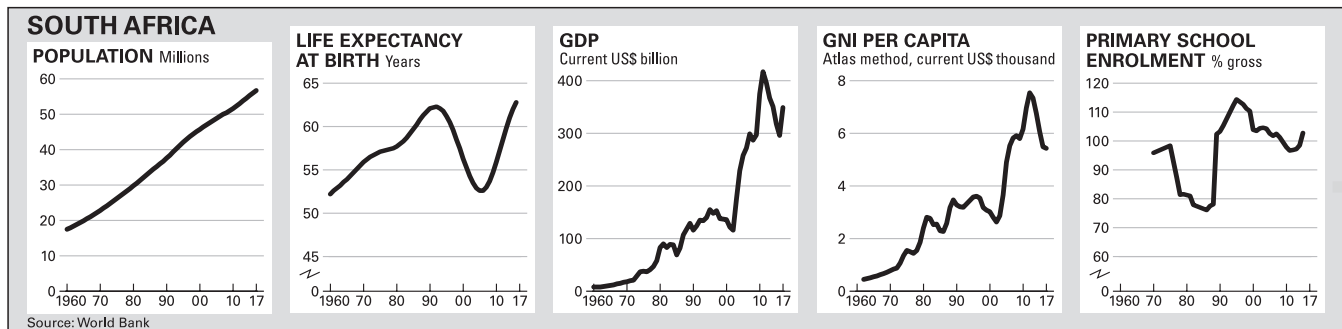
Ramaphosa will move decisively to rebuild institutions of democracy which were all but destroyed during the Zuma era but are now under new leadership. Worst affected were the intelligence services, the police special investigations unit, the national director of public prosecutions and particularly the national tax collector, the South African Revenue Service (SARS).

Of significant help to the reforms will be testimony to the state capture commission led by Deputy Chief Justice **Raymond Zondo**, which began sitting in August and will resume hearings in mid-January. Further prosecutions will be brought on the foot of the commission's investigations of the

Gupta family's network of influence within the state and government, although the final report is not due until March 2020. Also, prosecutions that were delayed under Zuma will resume under the new National Director of Public Prosecutions, **Shamila Batohi**.

The report at the end of March 2019 of the judicial commission into the Public Investment Corporation, led by former president of the Supreme Court of Appeal **Lex Mpati**, is likely to join further dots in the corruption matrix and expose politically connected investments by the 2 trillion rand (US\$1.4bn) fund likely to be highly embarrassing to the ANC (AC Vol 59 No 24). Ramaphosa has skilfully used some of South Africa's most respected judges, whether serving or retired, to investigate high-level corruption.

Aided by his anti-corruption warrior Minister of Public Enterprises **Pravin Gordhan** and his maverick, market-sensitive Finance Minister, **Tito Mboweni**, Ramaphosa will have to face tough decisions on bailing out ailing state enterprises. The freight transport giant Transnet, the national airline South African Airways (SAA), the arms manufacturer Denel the national broadcaster SABC all face cash crunches and more than half the country's 278



municipalities are either technically bankrupt or nearly so. Combined government debt will top R1.6 trillion (\$113.4bn) in 2019.

In his Budget on 20 February, Mboweni will have no option but to bail out Eskom, the worst victim of state capture and fast running out of money (AC Vol 59 No 20). Eskom needs R20 billion (\$1.5bn) by the end of March. SAA, which received only a partial bailout in the mid-term budget, will need R14bn (\$1bn) by then. And the SAB, a basket case, will need R3bn (\$216m).

In its March review, global credit ratings agency Moody's is likely to fall in line with Standard & Poor's and Fitch and lower South Africa to junk investment status. This will lead to forced selling of bonds by investment-grade funds and indices.

A downturn in the global economy will further hamper Ramaphosa's efforts to revive an economy battling to grow at more than 1% and dipping in and out of recession (the projected growth rate for 2019 is 1.5%). The rand is likely to move between R13.50 and R15 to the US dollar.

After the worst year for stocks in more than a decade, South African equities are expected to move into positive growth in 2019. Despite the state of the economy, hope is in the air.

MANDATE WAIT

Ramaphosa's narrow victory and lack of an electoral mandate has constrained his ability to cut thousands of jobs in the bloated state-owned enterprises, which is in turn thwarting his commitment to revive an ailing economy that relies on dwindling state resources. But once he wins his mandate in May, he is likely, with support from Gordhan and Mboweni, to start shedding public-service employees and forming sustainable partnerships with the private sector, in line with both the letter and the spirit of the October 2018 national investment conference, which saw a new spirit of reaching out by both the government and business.

Ramaphosa and his ministers will push for a social compact with labour and business under which some 16,000

public-service jobs could be shed. It will be an important test for Ramaphosa and Mboweni to see whether he can withstand the pushback from the labour unions and civil society.

Ironically, a win for Ramaphosa in the election might not make for a stress-free year for the ANC, which remains split between competing constitutionalist and rent-seeking factions over EWC and whether to move closer to the opportunist and increasingly belligerent EFF (AC Vol 59 No 23). The divide is likely to deepen as Ramaphosa speeds up reforms.

Having Zuma as the face of the

ANC's campaign in KwaZulu-Natal will clearly be a major embarrassment for Ramaphosa, who had to force him out as leader in February. But it is one of a series of compromises the new President has had to make to prevent Malema's EFF and Zuma loyalists in the ANC from getting the upper hand and to maintain the fragile unity in the governing party.

Yet Ramaphosa will use the power of the incumbent to consolidate his authority. Party officials have seen him at work and know he is no pushover. He will also move after the election to draw lines of acceptable conduct for the EFF in relation to racist attacks on Public

THE RISE OF THE POPULISTS

The African National Congress's legacy of poor public service delivery, continued high unemployment and homelessness and procurement corruption have been eating away at its vote for several years. There is a widespread perception that white privilege has not abated and that new black elites are getting fabulously rich through state tenders, appointments and Black Economic Empowerment (BEE). This is very fertile ground for populists within and without the ANC.

Julius Malema and his associates have built the Economic Freedom Fighters and **Andile Mngxitama** the Black First Land First (BLF) movement on the perception of ANC betrayal. **Jacob Zuma** was the focus for their anger and now that he has gone they have embraced increasingly radical policies to make up for his absence. Both movements have exploited unresolved apartheid legacies, such as skewed land ownership, domination of mainstream business by white South Africans and continuing racism. The EFF has called for the nationalisation of banks and mines, expropriation of land with compensation and have been violently occupying companies it claims are racist.

In 2016, Cosatu's largest trade union affiliate, the National Union of Metalworkers of South Africa, and at least nine other affiliates that opposed Zuma, formed a new trade union called the South African Federation of Trade Unions (AC Vol 58 No 10). Numsa has launched a new Workers' Party to contest the elections. This is likely to increase left populist lurch in South Africa's politics in 2019.

Community protests against lack of government delivery and against 'white monopoly capital' over the past few years have not slowed and protests against poor government services, corruption, waste and lack of accountability has given South Africa the highest number of protests in the world. They have become increasingly violent as property, buildings and assets are targeted for destruction. This was seen in the 'Fees must Fall' university protests for free tuition. The genesis of attacks on property has its origin in the apartheid-era when protestors in the 1980s attacked government and white business property which were seen to 'part of apartheid'. Many communities are motivated by the ANC/EFF call for expropriation of land without compensation but some have seized unoccupied land in their immediate area on their own initiative.

Communities across the country have also launched protests against mining companies over the lack of promised low-cost housing, local economic development and environmental rehabilitation. Encouraged by the likes of Malema, communities are also increasingly challenging the make-up of BEE deals. ●

Enterprises Minister Gordhan and his family. He has threatened to sue the EFF leader. The courts could also move against senior EFF and ANC officials for their role in the looting spree at VBS Bank.

Ongoing uncertainty about the

course of land reform will keep foreign investors on guard. But there is a growing acceptance in foreign capitals that once Ramaphosa has his mandate, he will put in place the mechanisms to prevent land grabs and ensure that there is no threat to either economic growth

or food security (AC Vol 59 Nos 19 & 22). He will also introduce a coherent and comprehensive programme of land reform which can be achieved with or without EWC.

All the rest is noise – and there will be plenty of that. ●

ANGOLA

Goodbye to all that

President Lourenço's long honeymoon will come to an end as public focus shifts to the economy

João Lourenço will consolidate his power in 2019, cashing in on his popularity and position as President of both the country and the ruling *Movimento Popular de Libertação de Angola* (MPLA) to weed out the last tendrils of the network of influence of his predecessor, **José Eduardo dos Santos**.

Minister of Finance **Archer Manguera** will be replaced, as will **Edeltrudes Costa**, director of the Office of the President of the Republic, and Chief of Staff **Frederico Cardoso**. Their jobs will go to Lourenço loyalists as he shakes up the transitional government for which he settled when first taking office in September 2017.

But Lourenço's political honeymoon, longer than most because he dramatically turned against his former mentor Dos Santos, winning huge public support, will come to an end this year. Patience with the continuing poor quality of public services and lack of employment will start to wear thin as Lourenço is increasingly judged on results rather than rhetoric.

Despite his best efforts, the political discourse will increasingly move away from the fight against corruption to focus on the economy, leaving him on far less solid ground (AC Vol 59 No 13). It will create space for more criticism from within his own party as well as from the opposition and civil society.

This will probably result in more

strikes and protests. As these become better organised, we may see groups such as doctors or teachers looking to work together and mobilising popular support more successfully. Lourenço's rhetoric as a reformer will be put to the test. Already, there are signs that new restrictions are being imposed on the press and we may see a more authoritarian streak coming to the fore.

The surprise arrests of some of Dos Santos's cronies will become bogged down in court procedure. A judiciary that has barely functioned since Angola became independent in 1975 will struggle to convict high-profile defendants such as **José Filomeno dos Santos 'Zenu'**, the former President's son, who is being held on allegations of embezzlement (AC Vol 53 No 22 & Vol 58 No 22). Either the case will be settled or the former head of the sovereign wealth fund will be convicted on a lesser charge. New arrests may, paradoxically, weaken Lourenço's position because they could cause discord within the MPLA elite and fear among Angola's super-rich. This is his key constituency and without its approval he would be isolated.

The economy will continue to be Lourenço's Achilles heel. His promise to work an 'economic miracle' increasingly looks as if it might require divine intervention. Government forecasts that the economy will grow by 2.8%

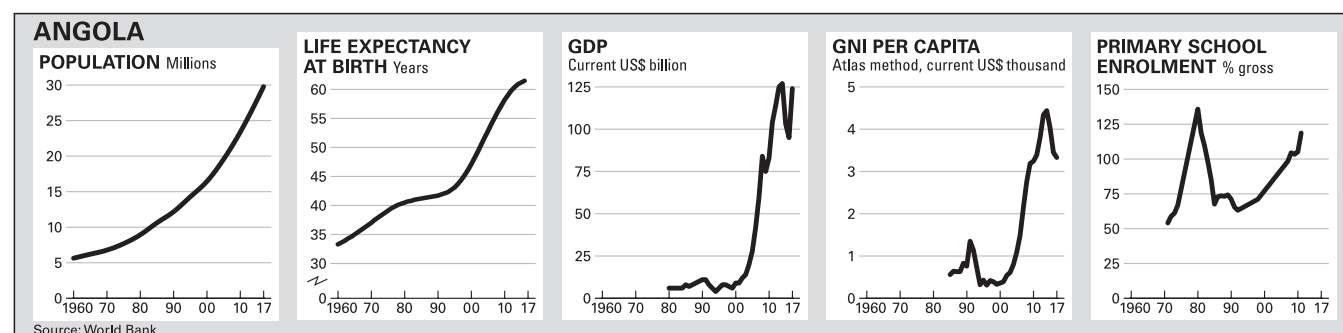
in 2019 already look optimistic. The International Monetary Fund expects 2.5%. A fourth recession in as many years is unlikely, but even if the economy does expand it is unlikely to exceed the 3% at which the country's suffering population is growing annually. Inflation, which fell in 2018 despite an almost halving of the value of the kwanza, will not drop below 15% and could stay higher.

OIL WARNING

As ever, all eyes will be on the price of oil. The state budget was calculated using an average crude price of US\$68 per barrel. Even before it had got through Parliament the oil price had fallen well below that level. The built-in surplus does give a little bit of wiggle room but a drop towards \$50 could sound the panic alarm in Africa's second-largest oil producer.

An IMF stabilisation programme will start to be implemented in 2019, which will give bond traders confidence in the country's fiscal discipline but will result in moves which are hugely unpopular with the average population, such as scrapping fuel subsidies and further devaluing the kwanza. The fear will be that this nips any early signs of a recovery in the bud.

Over the course of the year it will become increasingly clear that Lourenço's wish to diversify Angola's oil-dependent economy by attracting foreign investment is not yet viable. Success will depend on his ability to invest the proceeds of oil sales better to fix up infrastructure and, in the long term, improve education. After years of mismanagement, much of Angola's oil production is promised to **China** to pay off loans for projects which are already crumbling, but Lourenço will



find that foreigners are not willing to come to the rescue. Until the country's main highways are properly resurfaced, at the very least, few investors will put their money into tourism or agricultural projects as the government hopes.

A more open business environment should attract an increase in investment in the established areas – oil and mining – which could cover up the failure in other sectors if the oil price stays steady. For instance, a decent discovery by Total from the ultra-deep exploration well it plans to drill on Block 48 could go a long way towards reviving excitement in Angola.

A jump in oil investment would boost the numbers but do little to make the average Angolan feel better off. Already there is muttering on the streets of Luanda that Lourenço's government has failed to improve people's lot. Despite his best efforts, he may never be able to achieve the unprecedented prosperity Dos Santos oversaw between 2009 and 2014, even if it was distributed unfairly and was entirely dependent on a booming oil price.

Increasingly, Dos Santos will use this to his advantage as the dispute with Lourenço becomes ever more public. That details of their spats have

emerged from the secretive corridors of the 'Kremlin', as the MPLA centre of power is known, marks a sea change in Angolan politics (AC Vol 59 No 9). Although Dos Santos is a weakened figure, and his interventions have little immediate impact, they embolden Lourenço's opponents and potentially weaken the MPLA, which has proved so dominant partly because of its display of public unity. As the split deepens, MPLA deputies still loyal to the former President, such as Dos Santos's daughter **Welwitschia 'Tchizé'** or **João Pinto**, might even vote against their own party in Parliament – a first for Angola. ●

ETHIOPIA

Fighting fear with freedom

Abiy Ahmed calculates that a new era of democracy and respect for civil rights could counter any backlash to his reforms

It promises to be another tumultuous year for Ethiopia and its struggling ruling coalition, the Ethiopian Peoples' Revolutionary Democratic Front. After what amounted to an internal coup d'état in the first half of 2018, Prime Minister **Abiy Ahmed** has consolidated his dominance of the EPRDF and now has to work out what to do with his considerable power (AC Vol 59 No 21). The general direction of travel is clear. Repressive laws will be revised and the shackles removed from the media to encourage a more vibrant private press.

Those changes are intended to pave the way for free and fair parliamentary elections in 2020, which will be overseen by a more independent electoral board led by the former judge and opposition leader **Birtukan Mideksa**. Although Birtukan's former ally **Berhanu Nega** of the Ginbot 7 opposition group, which was until recently officially 'terrorist', is calling for elections to be postponed, Abiy seems keen to hold them as scheduled.

An initial test of the waters will be local elections, which are the foundation for the EPRDF's de facto one-party rule. They were delayed in 2018 following unrest but are scheduled for the first half of this year. After the EPRDF almost lost power in 2005, its late leader **Meles Zenawi** hugely expanded the number of village and district council seats, knowing that the ruling Front was the only organisation capable of contesting the three million-plus positions. It will therefore be revealing to see whether the opposition is sufficiently organised

to challenge the EPRDF in 2019. If not, the Front's constituent parties, whatever state they find themselves in, will be well set for a strong performance in 2020, given their continued control of local governments.

OROMO RIVALRY

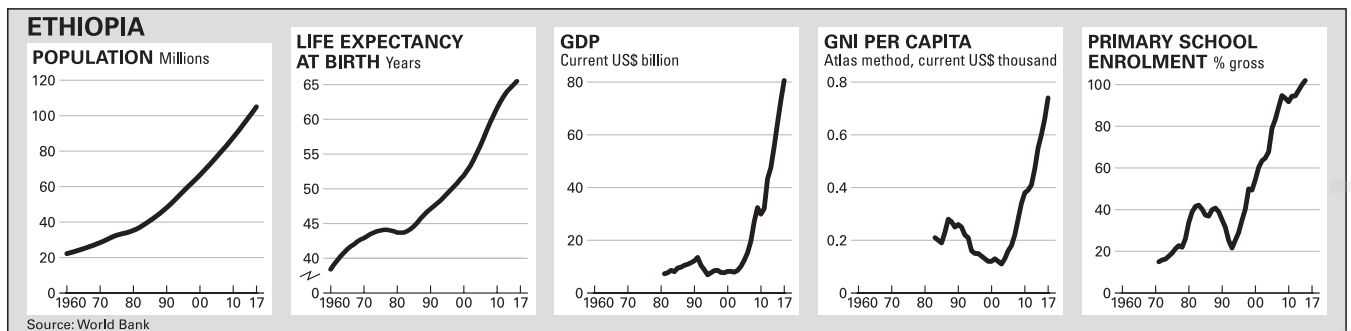
The opposition's capacity to compete in these local polls is a particularly pressing question in Oromia, where Abiy's Oromo Democratic Party is already in a simmering contest with the popular Oromo Liberation Front – assuming that the OLF registers itself and puts up enough candidates to compete. Although Abiy and regional President **Lemma Megersa** have given the ODP a major facelift, many Oromos still see the OLF as the standard-bearer of the Oromos' struggle for self-determination.

Since exiled OLF leaders' return last year under Abiy's amnesty, there have already been serious and sustained clashes with government forces, and these are likely to continue in 2019 in the atmosphere of intensified competition. What is not clear is how much ideological ground lies between the two parties; it looks like a power struggle revolving more around personalities than politics. Abiy has already co-opted the prominent former OLF leader **Lencho Leta** and may well try to reach out to others, but he has also said that two or three parties should contest for power in Ethiopia's most populous region, and currently the OLF has no interest in being swallowed up by its former nemesis.

The second largest region, Amhara, also promises to be an interesting crucible as the ruling Amhara Democratic Party (ADP) tries to occupy some of the ethno-nationalist ground and exploit opposition to the Tigrayan People's Liberation Front, another EPRDF member party, which has helped the recently established National Movement of Amhara (NaMA) become a political force. The return of Berhanu and Ginbot 7 is also a factor, though they purvey a more pan-Ethiopianist and avowedly liberal democratic ideology. So far, the internal struggle in Amhara has not suffered from the violent politics of Oromia, but it has led to increased tensions with Tigray and its embattled ruling TPLF.

This is because NaMA, and increasingly the ADP, say that the TPLF took Amhara land when Ethiopia's multinational federation was set up in the early 1990s. It is not clear how these claims can be resolved using constitutional means such as referendums. At the same time, it is no more likely that the TPLF will cede ground either physically or psychologically than that Amhara nationalists will drop their claim. Conflict is likely therefore to increase in the disputed Wolkait and Raya areas, as will the struggle over self-rule for the Qemant, a minority in Amhara whose claims are backed by the TPLF, presumably in retaliation for Amhara's territorial ambitions and annexation of Wolkait in the 1990s (AC Vol 57 No 17 & Vol 59 No 23).

The TPLF appears to be in a stronger position than the ODP or ADP because Tigrayan solidarity has increased in reaction to what some see as the federal government's discrimination against the six-million-strong nation. It faces a challenge from the opposition Arena party, but the TPLF's problems seem likely to be more broadly external, including resistance from **Eritrea's** unshackled dictator **Issayas Afewerki**,



whose historic animus against Tigray has not been diminished by the rapprochement with Addis. However, the TPLF's authoritarianism and failure to develop rural areas have caused considerable popular resentment among ordinary Tigrayans, so it may face more problems than anticipated.

VOLATILE SOUTH

The situation in the Southern Nations region is arguably the most volatile, with several ethnic groups campaigning for their own state as Abiy's political opening encourages more assertive positioning. The Sidama are the furthest advanced, but the Wolayta, Gurage and Kaffa are not far behind. This creates plenty of uncertainty for the ruling Southern Ethiopian Peoples' Democratic Movement (SEPDM), as its position within the EPRDF will be greatly weakened if the region it governs fragments. But the creation of new nations within the federal network could help dilute some of the ethnic tension between older adversaries. That, anyway, is the hope of advocates of more devolution.

The SEPDM's new leaders will probably try to stop the rot, and they may well find support from Abiy and his allies in the party and government as they seek more time to work out the desired new political configuration.

Abiy has formed the Administrative Boundaries and Identity Issues Commission, which could be used as a vehicle for delaying the constitutional demands of the Sidama and others. But if the EPRDF establishment steps in to delay the autonomy claims as it has done before, then that will likely trigger violence from those whose ambitions are thwarted.

TPLF leaders and activists claim that Abiy's border commission is the first step to unravelling the federal system. It is certainly hard to see how the commission can rule any more successfully on long-contested matters than the entities established by the constitution to do so. It is also worth noting that Abiy prefers to stress a diverse Ethiopian identity rather than the claims of individual groups, and that he is advocating a liberal democratic makeover. As such, he seems more attuned to Ginbot 7's individualism, for example, than to the OLF's collectivism, but Oromia is his electoral constituency.

This conundrum has led some to believe that a rather presidential Prime Minister may seek to amend the constitution to create a powerful, directly elected president – especially if his region-based party is on the verge of being trounced in Oromia. However, any such efforts would doubtless face a storm of opposition, not least from

Tigray, which has said it is prepared for a struggle to defend the federal system.

The political drama will almost certainly take place against the backdrop of an economy that staggers along as it transitions to a more liberal model. Large Chinese loans for grand infrastructure projects are unlikely to materialise, but investors and donors encouraged by Abiy's political and economic opening are likely to be generous. The pledge of a \$1bn loan and \$2bn in infrastructural investment by the United Arab Emirates should come in handy, and we understand that Abiy has requested one year's free supply of petroleum products from Saudi Arabia.

However, there is little promise of the structural transformation away from agrarian poverty which Meles tried to bully the country into achieving. And a failure to maintain the economic momentum achieved under authoritarian rule will insert negative feedback into a chaotic political opening – especially if the millions of jobless and under-employed Ethiopian youths believe the new government is not living up to its many promises.

Abiy has a penchant for wearing trendy hats when he makes public appearances. He should advise everybody to hold on to theirs as he tries to reconfigure Ethiopia's political system. ●

EGYPT

Business thrives, society waits

Gas finds, steady oil prices and the recovery of tourism help a strengthening economy while rights take a back seat

The Egyptian economy is primed to show impressive results in 2019 on the basis of core indicators such as real GDP growth, the current account and foreign direct investment. However, high rates of debt and inflation will continue to be a drag on its performance, and there is little sign of any let-up in the harsh repression of

political and civil liberties by President Abdel Fattah el Sisi, who looks to be settling in for the long haul.

The government has declared that municipal elections will now take place in the first half of the year, following a long period of preparation. Local councils elected in 2008 were dissolved in June 2011 in the aftermath of the

uprising against former President Hosni Mubarak. Since then, municipalities have been run by government-appointed officials. Basing their judgement on the end-2015 parliamentary election and the re-election of Sisi in March 2018, state officials will seek to ensure that the new councils are dominated by Sisi loyalists. There is likely to be tight vetting of candidates, and a relatively low turnout.

Egyptian voters may also be called on to approve changes to the constitution, including an extension to Sisi's term. Under the constitution that was approved in 2014, Sisi should leave office in 2022 on completion of his second four-year term. According to a report published in late November by

Mada Masr, a local news source known for its investigations of Egyptian state activities, a unit has been set up under the umbrella of the General Intelligence Service to drive the process of amending the constitution by the middle of 2019, with the avowed aim of improving the structures of the main branches of government. The unit is said to be led by **Mahmoud el Sisi**, a son of the President and also a senior GIS officer (AC Vol 59 No 24).

Among the proposals under consideration is an extension of the presidential term of office to six years while keeping the two-term limit in place. The amendments would also entail a return to a two-chamber parliament, with a reduction in the membership of the current House of Representatives (which would revert to being the lower house) from 596 to 350. Constitutional amendments may be proposed by either the President or a bloc composed of at least one-fifth of the MPs, and they need to be approved by at least two-thirds of members of parliament before ratification via a referendum. *Mada Masr* reported that the plan is for the process to start in March and to be completed by the end of June.

The campaign launched by the Egyptian army against Islamist insurgents in northern and central Sinai in February 2018 will be scaled back, but to a limited extent. The army has inflicted heavy blows on the insurgency but has by no means eliminated it. The government will try to switch the focus to promoting economic development, but such plans could be easily blown off course by any resurgence in jihadist activity.

The government will continue to work on its plans to achieve a long-term truce in Gaza between Hamas and **Israel** underpinned by **Qatari**-financed development. This would yield benefits for Egypt in Sinai in the shape of closer security co-operation with Hamas and increased exports to Gaza.

Insurgents proclaiming allegiance to *Da'ish*, or Islamic State, will continue to pose a security risk in the Nile

Valley, operating from hideouts in the Western Desert and using supply lines from **Libya**. However, this threat is diminishing. The Egyptian armed forces are investing heavily in new equipment procured from a range of sources, including the **United States**, **France**, **Germany** and **Russia**.

The build-up of naval forces, in particular, appears to be geared towards confronting potential rather than actual threats to Egyptian economic assets, notably the Suez Canal and offshore oil and gas installations in the Mediterranean and the Red Sea. One of these potential threats is a **Turkish** military response to any moves by **Cyprus** to develop natural gas fields in cooperation with Egypt.

Meanwhile, real GDP growth has averaged more than 5% since mid-2017 and will probably rise further in 2019 as a result of increased natural gas production, the recovery of the tourism sector and continued heavy investment in construction, including the new administrative capital, which is starting to take shape. One of the critical factors to watch will be private consumption, which has lagged behind other growth indicators over the past two years, reflecting the impact of high inflation on household spending. Inflation fell in 2018 after averaging 30% the previous year, but was pushed up again in the middle of the year by a fresh round of cuts to energy subsidies.

FISCAL FAIR WINDS

Egypt's three-year, US\$12 billion programme with the International Monetary Fund will come to an end in November 2019, but this does not necessarily mean that the pressure to rein in the fiscal deficit will abate, as the government has become increasingly dependent on global bond investors who have concerns about fiscal sustainability similar to the IMF's. If world oil prices remain below \$67 a barrel, the price assumed in the government's current budget calculations, there is a good chance that the target of a primary fiscal surplus of 2% of GDP will be met in 2019, and that inflation will fall to

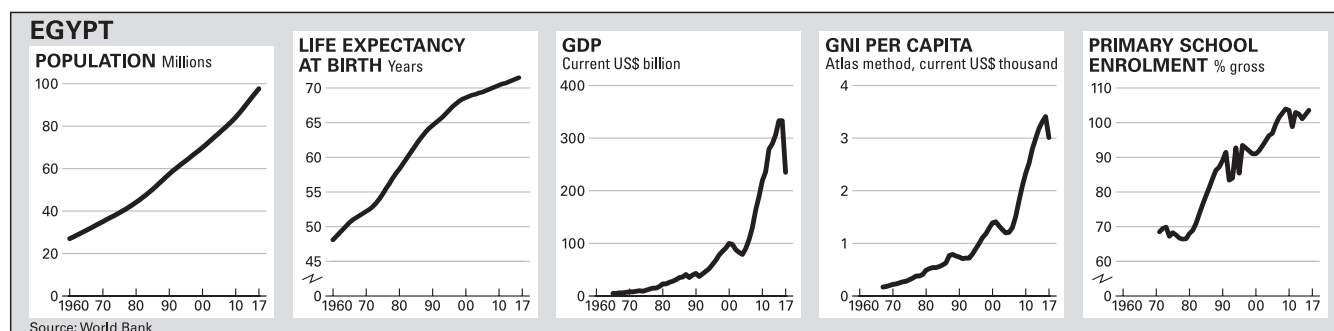
single digits. The current account will be boosted by the halt to imports of liquefied natural gas (LNG) and the steady rise in tourist arrivals.

Another important indicator is inflows of remittances from Egyptians abroad. These have increased to more than \$20bn a year since the end-2016 devaluation of the Egyptian pound (AC Vol 58 No 5). However, they could be affected by moves in **Saudi Arabia** to reduce the number of expatriate workers. With the disbursement of the final tranche of the IMF loan, Egypt's external debt will rise above \$100bn, equivalent to roughly 35% of GDP. Some components of that debt, notably \$17bn in deposits from Gulf Arab allies, will be paid back during 2019 as they mature (AC Vol 57 No 8 & Vol 59 No 8).

The gas sector will continue to attract intense attention, as the Zohr field reaches its long-term plateau production level of 3.2 billion cubic feet a day in the second half of 2019, and as international companies gear up for fresh exploration and development projects. The **Italian** multinational Eni, operator of the Zohr field, will provide some findings from its initial exploration of the Nour field, off the northern coast of Sinai, amid expectations that its reserves are of an order similar to the 27 trillion cubic feet found in Zohr.

New blocks in the Mediterranean will be awarded from a bid round that closed in October last year, and bids are due to be submitted to explore for the first time in Egypt's Red Sea waters. Egypt will also receive the first gas supplies from **Israel's** Tamar field via the East Mediterranean Gas pipeline (originally built to take gas to **Israel**), and there will be further discussions about using Egyptian infrastructure to channel exports from new fields in **Cyprus** via the Idku and Damietta LNG plants.

With the extra output from Zohr and other fields, as well as gas from Tamar, there will be a surplus of gas in Egypt for the first time in six years, allowing for exports to resume, albeit at a relatively low level, from the LNG terminals and via the pipeline to **Jordan**. ●



SOUTH SUDAN

Peace maybe, prosperity no

Old adversaries finally appear ready to make a go of peace but the international community is reluctant to foot the bill

If everything goes to plan and on schedule, South Sudan should finally turn the corner in 2019 and take its rightful place among the community of African states that have recovered from the traumas of independence struggles and civil war. The optimism is palpable as most of the former adversaries finally agree to put their differences aside and once again attempt to work together, ready to let bygones be bygones in preparation for the establishment of a Revitalised Transitional Government of National Unity. It should usher in a new era of inclusivity and democratic rule in May after an eight-month interim period intended to overcome the obstacles that proved insoluble during the regionally brokered peace talks.

Much still remains to be done, but as the politicians realise donor patience is running out, and the population is unwilling to support any further squabbling between the contending factions of their supposed liberators, there seems to be a genuine, new impetus towards compromise in the name of peace and post-war reconstruction.

However, expectations that further international assistance will soon come pouring in to help rebuild a shattered nation may be out of sync with reality. **United States President Donald Trump** has led the way in slashing aid – while **Britain's** preoccupation with its exit from the European Union has resulted in South Sudan's hitherto greatest benefactor looking the other way at this crucial time. National Security Adviser **John Bolton** did not mince his words: 'We will not provide loans or more American resources to a South Sudanese government led by the same morally bankrupt leaders who perpetuate the

horrific violence and immense human suffering.'

So, unlike previous peace agreements, the current process is not underwritten by any major international power but is instead under the aegis of East Africa's regional body, the Intergovernmental Authority for Development (IGAD – AC Vol 59 No 19). This does not augur well. The 12 September peace deal envisages the deployment of 4,000 regional peacekeepers to augment the UN Mission and provide security for the return of opposition figures – especially **Riek Machar** – who is due to return in May as First Vice President in the new power-sharing government but clearly has well-founded concerns for his security following the 2016 collapse of the previous agreement (AC Vol 57 No 17). President **Salva Kiir's** forces have tried to kill him at least twice. This may prove a problem as delays in the security arrangements could knock the timetable off.

Khartoum has a stake in southern peace. It will gain substantially, under the sharing formula, if Southern oil-exports resume. It could also improve a reputation tarnished by its genocidal counter-insurgency campaign in Darfur, which led it to jump-start peace efforts, although it is now facing its own troubles as spreading unrest threatens President **Omer el Beshir's** control. This year, Beshir may well be too preoccupied to continue **Sudan's** leading role within IGAD on South Sudan. Ethiopia, which previously took centre-stage, is similarly preoccupied by its new-found rapprochement with **Eritrea**, as well as in widespread internal political reforms. Nor are **Kenya** or **Uganda**, whose reputations have both suffered

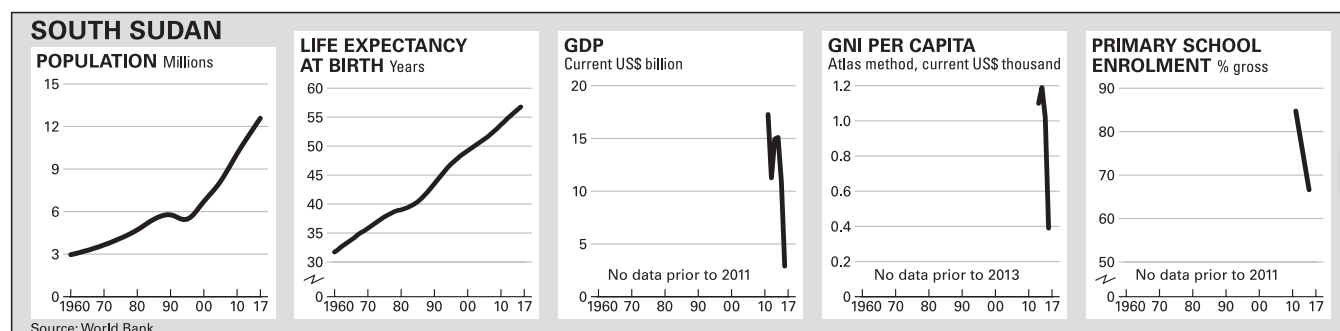
from prior engagement with South Sudan. There are precious few others – least of all **Djibouti** and **Somalia** – able to fill the regional vacuum on the South Sudan peace process.

Yet the need for decisive leadership was sorely demonstrated following a recent assault on four ceasefire monitors from the regional mechanism established to oversee the truce, the Ceasefire and Transitional Security Arrangements Monitoring and Verification Mission (CTSAMVM). On 18 December a team of senior officers went to monitor the situation in Lure, a farm south of Juba belonging to Salva that played a central role in the recruitment and training of Dinka-supremacist militias responsible for much of the ethnic violence around Juba in 2013. They were arrested by members of the intelligence service, the National Security Service, detained and abused for four hours. A female **Ethiopian** colonel was stripped naked, as were a Sudanese army colonel and a Kenyan major.

Juba's response to the complaints was entirely in character, as well as a perfect example of a bad habit that it needs to overcome. There was no apology nor explanation. Indeed, when the UN Security Council made a condemnation in the wake of a report alleging widespread sexual abuse of displaced women around the opposition stronghold of Bentiu in November, the government responded furiously. Juba accused *Médecins Sans Frontières* of making 'unfounded and baseless allegations' and threatened the organisation with reprisals. It is not a good sign.

EMERGENCY CONTINUES

Both the current government and the new one set to take over in May are going to have to establish better relations with their benefactors as South Sudan remains one of the world's most pressing humanitarian emergencies, with the United Nations 2019 Consolidated Appeal seeking \$1.5 billion in aid, and the UN High Commissioner for Refugees asking for a further \$2.7bn for the next two years for over two million South



Sudanese refugees in the region. Over half the population are still dependent on emergency food aid, while one in three is displaced.

It is unlikely that other countries, let alone UN agencies, will follow the US lead in cutting emergency aid out of exasperation with the insouciance of the authorities in Juba in the face of urgings to reform. 'It is only the starving who will suffer,' the donors will say, even though they know that the plunder of emergency supplies

is key to local warlords and national forces maintaining the loyalty of their fighters. Yet they are unlikely to make up the shortfall.

Aspirations for no-strings infrastructural funding from **China** will also need to be scaled back as countries across Africa, from Kenya to **Sierra Leone**, are waking up to the realities of Beijing's expectations for repayment for road, railway and bridge building. With large chunks of its future revenues already offset by previous loans towards

rebuilding its wrecked oil-production infrastructure, and oil-price volatility likely to continue, the petroleum sector is unlikely to prove a substitute for rapidly declining donor funding, even if it were able to double its output this year as intended.

So, while the new year brings increasing confidence in political reconciliation, hopes of great and sudden improvement in living conditions and standards could well be disappointed. ●

SENEGAL Sall safe for second term

The President is a shoo-in for re-election, but then he will have to make good on his grandiose promises

President **Macky Sall** is unlikely to need a second round to secure re-election in February. He has the advantage of incumbency in a much-reduced field of candidates, following the publication of the Constitutional Council's 3 January decision to accept just five: the incumbent; former president **Abdoulaye Wade's** son **Karim Wade**; the rising opposition firebrand **Ousmane Sonko**; Dakar's jailed former mayor **Khalifa Sall**; and the virtually unknown **Issa Sall**, who leads the

University of the Sahel (AC Vol 58 No 16). While some of his competitors can boast a sizeable – and, in some cases, growing – following, none can match the resources President Sall will bring to bear. Candidates such as Sonko are likely to make inroads but will fall well short. Meanwhile, the President's main rival, **Khalifa Sall**, is sitting out a jail sentence on corruption charges which many believe were brought only to keep him out of the race for the presidency. His appeal will be heard while his

namesake is being confirmed for a second seven-year term of office (AC Vol 59 No 23). Finally, **Karim Wade**, a former minister, is domiciled in **Qatar** and not expected to campaign in Senegal.

Macky Sall is likely to campaign on the huge infrastructure projects he has started in the coastal triangle demarcated by Dakar, the seaside tourism town of **Mbour** and the railway centre, **Thiès**. These projects are central to the *Plan Sénégal Émergent* (PSE), which has been the pillar of his government's development plans. Inside the triangle, the new **Blaise Diagne International Airport**, now operational after numerous delays, and the new town of **Diamniadio** (under construction) are focal points, as are the new **French**-built and operated toll road and the projected US\$250 million railway connecting both to Dakar.

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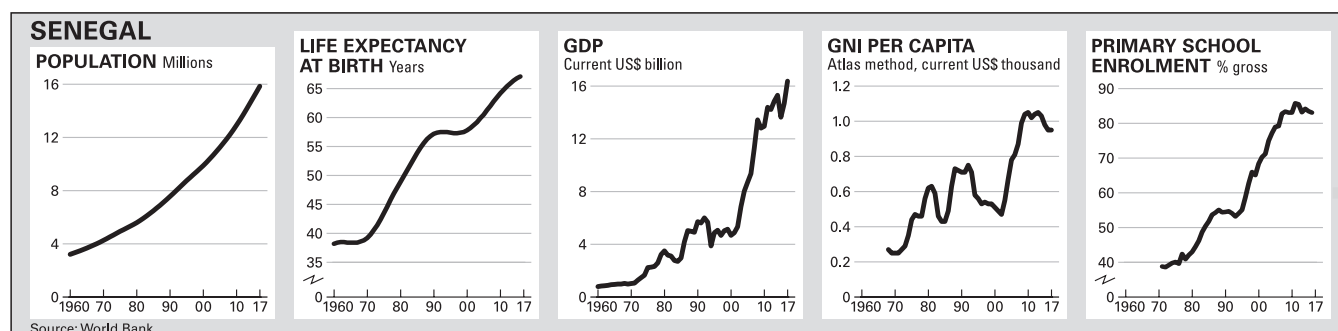
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Sall's detractors call these investments wasteful. They point to the \$88m Abdou Diouf International Conference Centre and the 15,000-seat Dakar Arena indoor sports centre, which bring in hardly any revenue. The same could be said for the luxury hotels, flats, office blocks, industrial park and the new ministerial city which are planned under the Diamniadio project.

There is little local economic benefit from these projects – most of the building contracts went to foreign businesses – and Senegal's growing public debt now tops \$10 billion, although the African Development Bank (AfDB) and the International Monetary Fund say the debt is sustainable. Critics focus on President Sall's predilection for prestige projects. His latest concerns the time-honoured pipe dream of having a profitable flag-carrier airline.

FLY AGAIN

The new Air Sénégal company is the third attempt in two decades to build a viable national/regional/intercontinental airline and is unlikely to fare any better than its predecessors, or the vast majority of other sub-Saharan African carriers. It will be competing directly with the likes of Air Côte d'Ivoire and the Ethiopian Airlines affiliate ASKY. Following three mishaps since it became operational last year (and perhaps in anticipation of such performance glitches), the Senegalese aviation authorities have already ordered the **French** holiday airline Corsair to give up its Paris-Dakar route in favour of Air Sénégal as of February. Similar anti-competitive measures against Brussels Airlines by the last government did not save the previous effort, Senegal Airlines, which folded in 2016 after five loss-making years. These moves are certain to prompt retaliatory action.

The rest of the country – outside that coastal triangle – gets little of the government's attention, with the exception of the country's second largest town, Touba, a politically important religious centre that will be linked to the triangle by a brand new motorway, and the southern province of Casamance, which has laboured for

more than 35 years under a stop-go armed insurgency. In recent years the rebel force has splintered into smaller units which have turned to banditry for survival (AC Vol 55 No 17). Today, the movement consists of a few dozen men clustered around the rebel leader **Salif Sadio** who are hiding in the forests near Bignona, from which they emerge to stage armed robberies, abduct people and steal food. They have nowhere to go since their last protector, former **Gambian** President **Yahya Jammeh**, was ousted after losing the 2016 presidential election (AC Vol 58 No 3). Sall has great hopes of developing the region, of a boost to tourism in Jammeh's absence, and of getting his neighbour finally to build a bridge across the River Gambia that will replace the notoriously unreliable Farafenni ferry and vastly reduce travel time.

Tourists have indeed started to come back. The French holiday resort company Club Med, once itself the target of a rebel attack (AC Vol 39 No 2), made its first flight back to the Cap Skirring resort in October. More will follow. Tourism was an important reason for relocating Blaise Diagne Airport neatly halfway between Dakar and Mbour, gateway to the seaside resort area known as Petite Côte. This tactic appears to be working. Tourism, construction and commercial agriculture (peanuts, horticulture) contribute to a good economic outlook: AfDB expects the economy to continue ticking over at 7% growth last year and this. In the north, irrigation-fed agriculture is growing on the strength of a plan, very dear to President Sall, to become self-sufficient in rice. However, other regions, particularly Senegal's far east and south-east, are still badly neglected, with Kolda and Kédougou bottom of the pile. Here, 70% of the population lives on less than \$2 a day.

Mamadou Faye, director general of the state oil company *Société des pétroles du Sénégal* (Petrosen), has indicated that in the course of this year 10 oil blocks in the promising but troubled offshore waters will become available, either as new blocks or because previous contracts have expired. Oil is expected

to start contributing to the economy as of 2021-22 but the sector's image has been tainted by opaque dealings and arbitration issues (AC Vol 59 No 23).

With the Casamance threat in effect ended, Senegal should be concentrating its efforts on fighting the spread of armed jihadist groups throughout the subregion. It has been spared the kind of terrorist attacks and low-intensity conflict that have blighted its Sahelian neighbours (although in 2009, following attacks in neighbouring **Mauritania**, the Dakar Rally was moved to South America). Yet it may regret staying aloof from regional efforts to deal with the menace. It is not a party to the French-driven G5 Sahel force for not very convincing reasons. This position could be revisited since Senegal has a disciplined and professional army with extensive UN peacekeeping experience, and within a 'G6' it could provide a useful counterweight to otherwise probable **Chadian** domination, and to the low quality of the other member armies (AC Vol 59 No 25).

CURBING OPPOSITION

With Senegalese citizens participating in jihadist efforts across the region and some early signs of violent Islamist activity, Dakar should be more concerned. Unfortunately, heightened security concerns also go hand-in-hand with a palpable growth in government intolerance towards critical voices, be they anti-corruption groups, NGOs or the media. In November last year, **Aly Ngouille Ndiaye**, Senegal's former Minister for Mines and now Interior Minister, announced an inquiry into the finances of both *Y'en a marre* (the hip-hop-driven movement which opposed Abdoulaye Wade's failed bid for a third term in 2012 and historically the reason why Sall is in power today) and its foreign supporters, some of whom have been forced to stop working in Senegal. With his political future now secure, Sall will increasingly turn his attention to stifling these forms of opposition to his rule, to safeguard his political heritage and his patronage machine during his second and – in principle – last mandate. ●

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AFRICA IN 2019

The youngest continent fights back

Shakier economies and an accelerating youth revolt dominate our second special issue on the year ahead

There are clear parallels between the wave of protests demanding radical change across Africa this month with the early days of the North African revolt in 2011, known as the Arab Spring. In most cases, those protests had brought together activists outside traditional party and civic structures.

Mostly under 30, the protestors were angry and brave, using digital technology as an organisational tool. They were taking on some of the world's most ruthless security states. That is true for the current protests against economic devastation in **Sudan** and **Zimbabwe** as well as misrule in **Congo-Kinshasa** and **Uganda**. And as the anger of the youth grows in **Tanzania** and **Zambia**, the grip of their security services will be tested too.

For today's dissenters, there are some harsh lessons from the 2011 wave. Most of the bright hopes of those determined protests in 2011 – in **Egypt**, **Libya** and **Tunisia**, and the milder ones in **Algeria** and **Morocco** – were snuffed out within a year. After regime change, Egypt has reverted to ultra-authoritarianism and Libya is being ripped apart by rival militias.

A long tradition of constitutionalism has bolstered gradual reform in Tunisia although dissent is growing again. Innovative economic ideas in Morocco have pushed back some of the protest impetus but the kingdom also depends on harsh repression. In Algeria, where the 81-year-old and incapacitated President **Abdelaziz Bouteflika** will

probably stand for and win re-election in April, *le pouvoir* has stifled opposition with a mix of largesse from some of Africa's biggest foreign reserves and the fist of the deep security state.

ECONOMIC ANGER

In 2019 as in 2011, the spark for revolution has been anger at weak and badly managed economies run for the benefit of vested interests in business and the military. The free-market mantra has little relevance in the many African regimes where public assets have been taken over by local and foreign private companies, either covertly or in some rigged privatisation processes.

That is the background to the disputed elections in Congo-Kinshasa whose official results could allow outgoing President **Joseph Kabila** and allies to rule by proxy, and maintain a wrestler's grip on the biggest reserves of cobalt, an essential component for electric cars, in the world. That helps to explain strong support from **China** and **Russia** for Kabila's 'negotiated election victory' with **Félix Tshisekedi**, the more pliable of the two opposition frontrunners.

It also explains the lukewarm backing for fair and transparent elections in Congo-Kinshasa by the European Union and the **United States**. Feeling threatened by Beijing and Moscow's support for autocrats, Western governments are reluctant to make new enemies in Africa. That is another brutal lesson for young dissidents in

Africa: for regimes that slaughter their own people, the risk of sanctions is diminishing.

On top of that leeching away of national resources, Africa's economies, still projected to grow on average by 4% a year by the African Development Bank's optimistic statisticians, will have to navigate a downturn in the global economy, at least as bad as the US-triggered crisis in 2007-2008.

BRUTAL RESPONSES

In Sudan and Zimbabwe, it was the combination of state-imposed price hikes worsening inflation, a currency crisis, rampant corruption in the regime and a political-security cabal operating with impunity that led to open revolt. Those regimes have sent security forces to round up oppositionists, house by house, in many cases detaining and torturing their targets.

Both regimes have used live rounds against protestors, with Sudanese security forces aping the tactics of the **Syrian** regime under President **Bashar Al Assad** with an armed raid on a hospital in Omdurman which had been treating people with gunshot wounds.

A courageous team of Sudanese TV journalists got the footage on international networks, prompting the World Health Organisation and sundry Western governments to issue mild rebukes to the Khartoum regime. The endgames in Harare and Khartoum are likely to play out with little outside intervention. ●

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KENYA

Three's a crowd

The marriage of convenience between Uhuru and Raila will start to unravel as money grows tight and a rival consort asserts himself

Kenya's political landscape in 2019 will be dominated by two-way competition between Deputy President **William Ruto** of the ruling Jubilee Party and former Prime Minister **Raila Odinga** of the Orange Democratic Movement (ODM), as each man positions himself for the presidential election of 2022. Each will be trying to cobble together a winning coalition by buttressing his ethnic stronghold and winning over the 'swing' votes in regions such as Maasailand, Kisii, Luhya and the Coast.

President **Uhuru Kenyatta's** mantra is that the time for party politics is over and that all leaders should concentrate on economic development, based on his signature 'Big Four Agenda' (food security, affordable housing, manufacturing, and affordable healthcare), and reconciliation, based on the 'Building Bridges Initiative' agreed between him and Odinga last March. He will continue to state this line, arguing that he wants a legacy of an ethnically united Kenya, and will continue to reach out to former opposition leader Odinga and his Luo people.

Both Odinga and Ruto will on the surface claim they support the Big Four and Building Bridges even as they continue their individual campaigns and trade acerbic barbs. Many Kenyan pundits say the only person who has not grasped the new reality is Kenyatta, as he continues to insist on a politics-free country until 2022.

In his efforts to succeed Kenyatta, Ruto will campaign for the presidency in Jubilee strongholds (Uhuru's Kikuyu Mount Kenya region and his own Rift Valley among the Kalenjin) while saying he is bringing Big Four projects to them, so as not to offend the presidential

directive to stay off politics. And he will continue to make forays into western Kenya among the Luhya, the people of the Coast and Kisii. But he continues to watch his back in the Rift Valley where fellow Kalenjin **Gideon Moi** (son of ex-President **Daniel arap Moi**) is determined to spoil his act by running for the presidency in alliance with Odinga's former running mate **Wycliffe Musalia Mudavadi** (a Luhya) and, possibly, **Stephen Kalonzo Musyoka**, who still commands a considerable following among the Kamba.

Odinga will also pay lip service to the dream of building bridges and the hope of an economic miracle based on the Big Four in the remaining four years of the Kenyatta presidency (AC Vol 59 Nos 12 & 16). To his core Luo constituency, he will repeat the line that the March reconciliation handshake with Kenyatta was a tactical retreat in his lifelong campaign for the presidency which will finally bring development to Luoland. For that reason, he will campaign in the name of building bridges as directed by the President between rival ethnic groups that were divided by the 2017 election, while also strengthening his ODM's hold among the Luo and Luhya, and in Nairobi and the Coast.

In addition to strengthening his base, Odinga will call for a referendum to move Kenya from a presidential to a parliamentary constitution, a proposal under debate by the Building Bridges Commission. Oddly, having campaigned for a devolved system of government since the 1990s, Odinga will continue to urge the dissolution of the recently established 47 county governments because 'they have failed the people'. To replace them, he proposes seven regional governments based on the old provinces.

This will bring him into direct conflict with Ruto, who favours the current constitution with a powerful president.

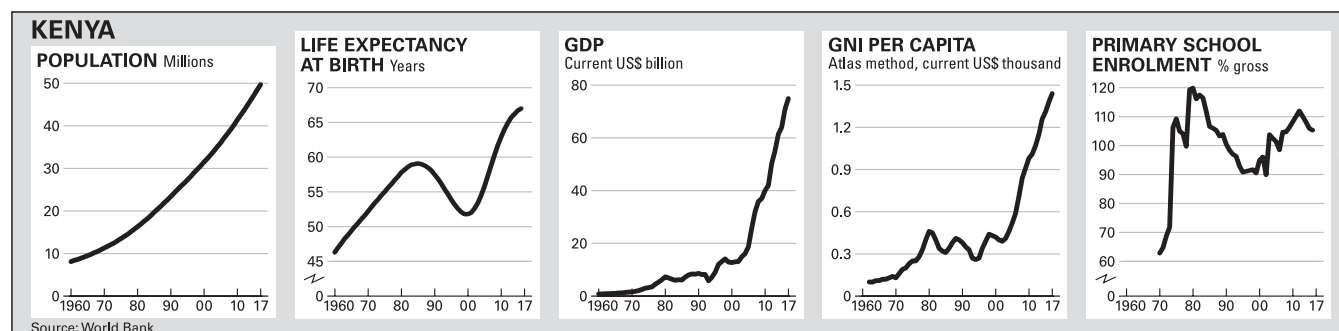
Odinga has a vested interest in the referendum precisely because Ruto is opposed to it. Should his own side win it, it will energise the flagging opposition National Super Alliance (Nasa) coalition, bring in new allies and put him in a position of strength from which to challenge Ruto. This is exactly what Odinga did during the November 2005 constitutional referendum. Having fallen out with President **Mwai Kibaki** over a dishonoured power-sharing agreement, Odinga used the opportunity offered by the referendum to run a spirited campaign against the 'Kilifi' draft constitution favoured by Kibaki and defeated the government, winning 58% of the vote.

Though Odinga was thrown out of cabinet the following month, the victory boosted his standing and attracted many opponents of Kibaki, predominantly Kikuyus, to put together the ODM, which many believe won the still-disputed 2007 election.

REFERENDUM BIND

Ruto, who was Odinga's right-hand man in the ODM in those days, remembers this all too well, and a constitutional referendum will be the last thing he wants. But it will be the first recommendation Odinga wants from the Building Bridges Commission. Sooner or later, Kenyatta will have to declare himself on the subject. Opposing the referendum will antagonise Odinga and could destroy the shaky rapprochement between them. Agreeing to a plebiscite will antagonise Ruto and lead to new ethnic alliances and antagonisms, as happened in 2005, putting paid to Uhuru's dream of enduring harmony. Pushed into a corner, Uhuru would probably rather stick with Ruto than concede to Odinga.

The economy will continue to struggle throughout much of 2019 and the President will start to realise just how difficult it will be to realise the ambitions of the Big Four. The IMF predicts that Kenya's GDP will grow



by 6.1% – close to the average annual growth that the economy has achieved since the Jubilee government took power in 2013.

This does not leave the government much room to achieve its grand objectives. To start with, there are constraints imposed by the rising debt burden (AC Vol 59 No 18). Public debt servicing will consume about 47% of the revenue the government is expected to generate, the result of a need to pay rapidly maturing commercial debt and

Chinese infrastructure loans that the government has contracted. As a result, there will be insufficient revenue to build the 500,000 affordable houses that Uhuru has pledged under the Big Four, in addition to ensuring food security, universal health coverage and an increase in manufacturing's contribution to GDP from 9% to 15% by 2022.

Because the President will insist on higher spending for his pet projects, the Kenyan Treasury, contrary to its own technocrats' convictions, will be forced

to borrow on the domestic market, thereby crowding out private borrowers. This will lead to an increasing scarcity of credit for the private sector that was already being felt in 2018. Because the Jubilee government has failed to abolish the cap on interest rates that President Kenyatta signed into law in 2016, the IMF will continue to withhold standby credit to Kenya. The shilling will continue a slide against major currencies that began at the end of 2018. ●

ZIMBABWE

Turbulent beginnings

As protests against austerity grow, factions within the military and ruling party are vying for power and bludgeoning dissent

Everything hangs on the economy in 2019, but the outlook is dire. There are two semi-functional currencies apart from real US dollar notes: electronic 'US dollars' in local bank accounts, which are effectively worth less than cash US dollars, because they cannot be exchanged for cash US dollars; and local 'bond notes', a temporary cash currency introduced in 2016 to ease the US dollar shortage. Prices are charged differently according to the method of payment, in spite of the Ministry of Finance's insistence that a local dollar is equivalent to one US dollar. This misguided claim has a severe impact on the pricing of imported goods, particularly fuel, which is being imported using real US dollars and sold locally for electronic payment. The 2019 budget projects a \$1.6 billion deficit even if the economy grows at the predicted 3.1%. This is the kind of challenge that will characterise the year ahead.

Finance Minister **Mthuli Ncube's** new theme is 'Austerity for Prosperity' and he is attempting to implement what he calls a 'Transitional Stabilisation Programme'. There have been some nods towards government cutbacks, with the Public Service Commission retiring 3,384 Youth Officers in December and agreeing a 5% basic salary cut for senior civil servants. As the public service wage bill is still over 90% of expenditure, these reductions are important, but a significant reining in of government overspending is unlikely because the Minister of Finance is not powerful enough to control all public spending. Moreover, civil servants, struggling to survive in the tight economy, are likely to be

increasingly vocal about demanding raises – as seen in the December and January doctor and teacher strikes.

With less and less foreign currency available to import essential equipment or supplies, more local businesses will collapse. There are already shortages of fuel and important drugs, which cannot be imported without foreign currency. The social strain from these shortages will be exacerbated by electricity, internet and basic food shortages – the electricity company is unable to replace spare parts or pay for imported electricity, the internet companies are \$22 million in debt to international companies, and local supermarkets are struggling to pay for food imports without US dollars.

As economic difficulties intensify, it is likely that senior officials will remain focused on consolidating power. When **Emmerson Mnangagwa** won the 2018 election, he established his legitimacy as the president of Zimbabwe, rather than the figurehead for a military coup, and as the leader of the Zimbabwe African National Union–Patriotic Front by being adopted as the party's candidate for the 2023 presidential election at the ZANU-PF conference in December (AC Vol 59 No 25).

In 2019, the party will conduct a complete restructuring at provincial and national levels. This will be a fraught process, as the factions Mnangagwa intends to sideline will not accept it. In particular, Mnangagwa is going to face challenges from former war veterans leader **Chris Mutsvangwa**, who feels his role in the President's elevation went unrecognised (AC Vol 59 No 22) and from Vice-President **Constantino Chiwenga** and other

senior military figures, who are angry with Mnangagwa's plan to run for office in 2023.

The restructuring will be particularly contentious in Manicaland, where the ZANU-PF provincial chairperson, Deputy Minister of Home Affairs, **Mike Madiro**, failed to deliver a successful election result for Mnangagwa, who was beaten by opposition Movement for Democratic Change (MDC) leader **Nelson Chamisa** in the province. Madiro, a Mnangagwa loyalist who was appointed soon after the coup to 'clean up' Manicaland, is now locked in a contest with **Oppah Muchinguri's** ally, Deputy Chair **Joseph Mujati**. Muchinguri has always supported Mnangagwa, but, as 'godmother' of Manicaland and Minister of Defence, is a powerful politician in her own right. Other intense party contests during the restructuring will be seen in Masvingo among other places.

WHOSE ARMY

Mnangagwa's other significant challenge in 2019 will be managing military relations. Last December he promoted Brigadier Generals **Thomas Moyo** and **Anselem Sanyatwe** to the rank of Major-General (AC Vol 59 No 23). Moyo was a key organiser during the 2017 coup and Sanyatwe commanded the troops who fired on civilians on 1 August. Mnangagwa and Chiwenga are locked in an intense competition for control of the fuel revenue coming in through Sakunda Energy. The violent response to the increase in fuel prices in January 2019 is at least partly a result

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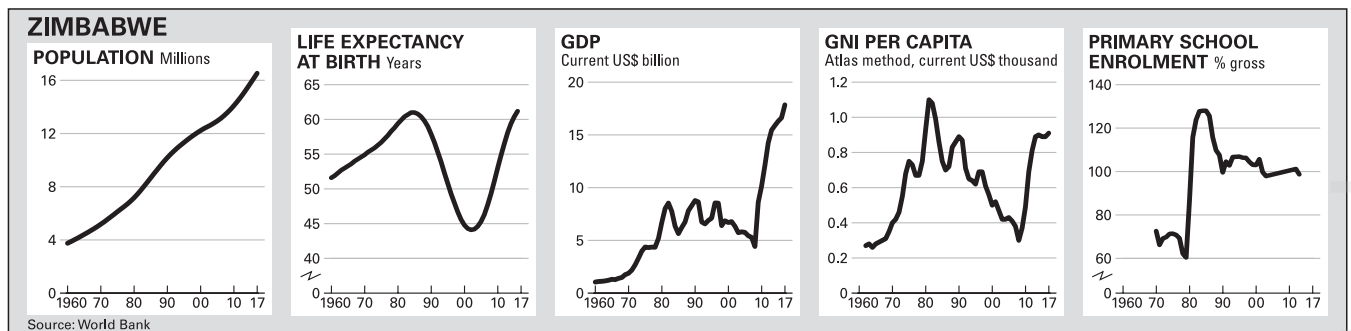
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of this competition.

The divisions and factionalism are not only at the most senior ranks. In November 2018, military experts reported arrests and the disappearance of lower and mid-ranking officers who were accused of spreading anti-Mnangagwa sentiment.

The MDC had a turbulent 2018: the death of founder **Morgan Tsvangirai**, a bitter leadership contest, a rushed and poorly-funded election campaign, all under a sustained barrage from ZANU-PF, backed by the state (AC Vol 59 No 4). This year threatens to be equally tempestuous. The party will hold its congress in October, and there are already signs of discord between current president Chamisa, backed by a strong cohort of young opposition activists and party militia, and older, more established MDC leadership

figures, such as **Elias Mudzuri** and **Douglas Mwonozora**. The remnants of the party that remain after the January crackdown on the opposition face a challenging and divided year.

However, if the party is not banned or dismantled, the party enters 2019 with a strong support base – Chamisa may not have been inaugurated as president, but with 2.1 million votes, he won more than any opposition leader in a previous election, making particularly strong inroads in rural areas.

The plethora of other opposition parties that scrambled for political legitimacy in the 2018 elections will fall away naturally. Former ZANU-PF politicians, such as **Joice Mujuru**, **Ambrose Mutinhiri** and **Daniel Shumba** will be reabsorbed into the party or fade into obscurity, while opportunistic businessmen such as **Noah Manyika**

and **Nkosana Moyo** will return to their diaspora lives. **Thokozani Khupe** will continue to challenge and harangue the MDC leadership in the coming years, but the election results – she won only 45,000 votes in total – proved that her party, the MDC-T Khupe, has no prospect of developing into a significant force (AC Vol 59 No 12).

Overall, 2019 will be a difficult year economically and socially. For a population that was slowly beginning to recover from the hyperinflation of the 2000s, another economic collapse and social crackdown will be exhausting. After the elections and the trauma of witnessing soldiers shoot civilians in the street, Zimbabweans are disillusioned. January's economic collapse and extreme levels of violence indicate that 2019 will be a year of desperation. ●

ZAMBIA

Debt and discontent

The economy and the popularity of President Lungu are shrinking fast, but the opposition is struggling to take advantage

With no prospect of a deal with the International Monetary Fund, the stand-off with donors over embezzled aid money far from resolved, ballooning domestic arrears, and low foreign reserves, the government's funding crisis is likely to deepen in 2019. President **Edgar Lungu** seems resolved not to take any of the multitude of measures that could provide much-needed relief, such as bringing a firm halt to new borrowing. If he did, it would be a step towards a funded programme with the IMF, which in turn would likely trigger financial support from other international financial institutions and donors. The government seems instead wedded to new loans for overpriced, non-priority projects, such as the new Gulfstream G650 business jet destined to transport Lungu in luxury (AC Vol 59 No 20).

Meanwhile, the crisis in the health sector continues as government bills remain unpaid, and shortages of medicines will likely worsen this year.

Failure by the government to provide donors with promised information from its audit into money stolen at the Ministry of Education means that further aid cuts are possible (AC Vol 59 No 19). The government's efforts to negotiate with **China** to extend repayment schedules of some loans may yield some relief, but the more than \$5 billion of additional loans in the pipeline with China will, unless they are cancelled, make an IMF deal unlikely.

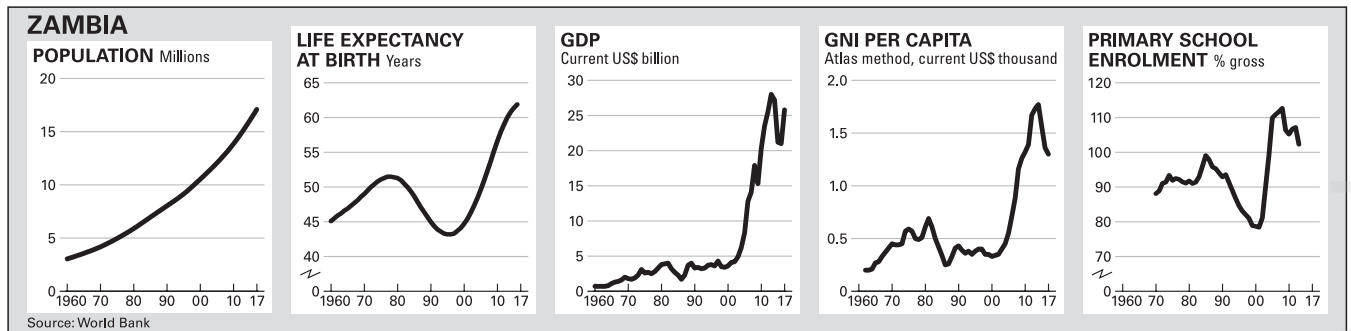
Debt service costs are projected to almost double to \$1.4bn this year as several Chinese loans amortise, and ministry insiders are concerned that the pressure to pay will be far more severe than even 2018, when there

were last-minute scrambles to find money and payments were delayed. The government plans to buy more than \$500 million from the Central Bank's foreign reserves, which are already low at \$1.6bn, putting more pressure on the kwacha, which could weaken further as the year progresses.

With little prospect of copper prices rising and ever more limited access to loans not tied to specific projects, the government's solution to its revenue shortage is to ramp up taxes this year, including new levies on copper mining, which the government expects to deliver a \$200m revenue boost.

The reforms would leave Zambia with the most punitive tax regime of all the main copper-producing countries, according to a study by EY in December. Mines were set to lay off thousands of workers and decrease production significantly, but there were signs earlier in the year that the government is responsive to pressure. First Quantum Minerals promised not to make 2,400 planned job cuts if the government withdrew its tax proposals, we hear. Mining sources claim that the new tax regime would in fact reduce net mining revenues by around \$100m.

Eurobond holders take a slightly



more positive outlook than the mining companies, believing that government will continue to prioritise the \$240m per year interest payments on the bonds to avoid the fallout from a sovereign default. The fact that this will increasingly come at the expense of basic services is not the concern of the bondholders, who see cheap debt that is worth the risk. Default is possible, they admit, but the recent restructure of neighbouring **Mozambique's** bonds in which investors saw an only limited decrease in their return on investment has boosted their confidence that even with a restructure, they will get a respectable return in the end (AC Vol 59 No 6).

The close of 2018 brought the long-awaited decision from the Constitutional Court that Lungu is eligible to stand for a third Presidential term, setting the political scene for 2019 (AC Vol 59 No 21). The news may quell some of the brewing rebellion in government as rising discontent with Lungu and personal ambitions led some to start laying the groundwork for their own

bids for the top job in 2021, or others joining to support them. The news that Lungu will most likely be the 2021 candidate, and the lack of any truly compelling challenger, is expected to lead some in the ruling Patriotic Front at least to fall into line as their focus shifts back to ensuring the embattled PF wins the next general election.

OPPOSITION COALITION

Whatever support the PF and Lungu personally have been losing has not translated itself into strong support for the opposition, which has been fragmented and under-resourced and – some say – uninspiring. Most of the opposition parties have recently formed a loose coalition to back one presidential candidate in the next election, probably United Party for National Development (UPND) leader **Hakainde Hichilema** – though some believe the group will push for a different UPND candidate if Hichilema cannot demonstrate stronger political leadership as elections draw nearer. The biggest challenge will be keeping the coalition together.

Many officials and party members are tired of Lungu's style of governance where decisions are often made at State house by the President and his unelected aides, then imposed on ministers and state bodies. The rift between those senior government officials who were formerly, or in some cases still are, members of the Movement for Multi-party Democracy and those who identify as original PF continues to deepen, with the so-called 'true greens' increasingly disillusioned with Lungu. More are expected to jump ship and follow the example of former Information Minister **Chishimba Kambwili** and former Foreign Minister **Harry Kalaba**, who have formed new opposition parties with their own followings and vocally oppose Lungu (AC Vol 58 No 23).

This worries Lungu and his allies, who are resorting to increasingly heavy-handed tactics to hang onto support through intimidation and bribery; a tactic that could run its course quickly in Zambia, ending in unrest and bankruptcy faster than the government – and investors – imagine. ●

TANZANIA

Sliding into autocracy

President Magufuli is stifling liberties but investment confidence is crashing and resource nationalism is yielding few benefits

Since entering office a little over three years ago, President **John Pombe Magufuli** has focused on domestic affairs. Despite the approach of the 2020 general election, he will pay greater heed to international relations in 2019. Western engagement will become increasingly uncoordinated as individual countries balance their commercial and strategic interests against anxieties about continuing repression of dissenting voices, a worsening investment climate and threats to security. This last concern will force Tanzania to become more deeply engaged with its East

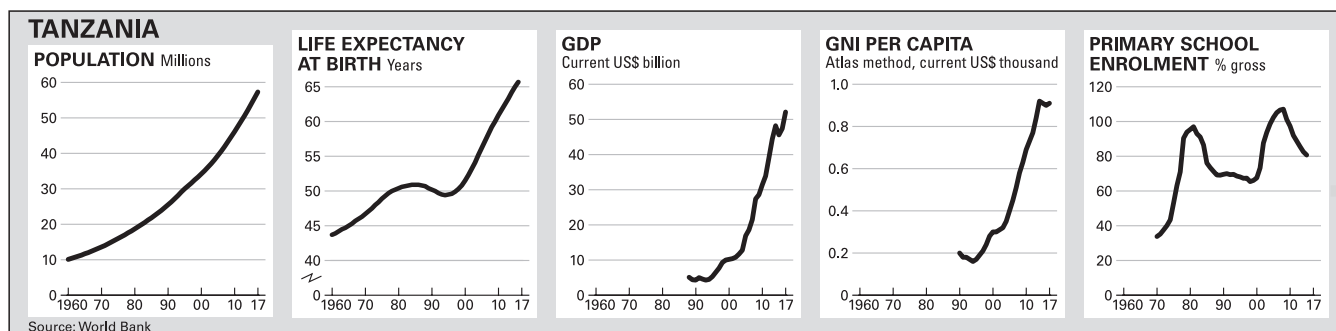
African neighbours.

Relations with Western donor countries will figure large at the beginning of the year. The current disruption was triggered by the launch of a clampdown on lesbian, gay, bisexual and transgender (LGBT) people in Dar es Salaam in October 2018 and the recall the following month of the European Union's ambassador to Tanzania, **Roeland Van de Geer**. Van de Geer, who had been a strong advocate of respect for human rights, found that his freedom to do his job was increasingly restricted. A breakdown in the day-to-

day management of aid money has led to over US\$1 billion in assistance being held up, while concerns over human rights and the investment climate leave little political space to work with President Magufuli's government (AC Vol 59 No 7).

There are official forums for working the difficulties out yet little progress can be expected. February will bring a high-level dialogue on the aid relationship between heads of mission in country and government representatives. Separate political discussions with the EU and its member states are also expected in the first quarter.

Tough talk at these forums is unlikely to be reflected in a united front from individual countries, EU and non-EU. Despite **Denmark** withholding \$10 million in November 2018, other countries are unlikely to cut aid to Tanzania. The worst that may happen would be a little more aid shifting to civil society organisations (AC Vol 59 No 19). European companies are as interested



as any others in Tanzania's new taste for large industrial and infrastructure projects (AC Vol 59 No 9). Tanzania has received trade missions from **Belgium, France, Germany and Sweden** in recent months. **Norway** is strongly pushing energy multinational Equinor's interest in a possible liquefied natural gas project, as well as potential Norwegian involvement in fertiliser production.

The EU may be willing to cut back, suspend or place conditions on the approximately \$100m it gives in general budget support. Similarly, the World Bank is likely to continue to take a hard line on future aid disbursements. It has already asked for reform of statistics legislation introduced last year, a commitment not to target LGBT people and a plan for guaranteeing education for girls who become pregnant.

The impact of cutbacks or delays in aid should not be discounted. Tanzania has a widening current account deficit which is contributing to depreciation of the shilling against the dollar. This is likely to continue as public infrastructure projects progress. Losing aid will affect both the deficit and the exchange rate negatively in the coming 12 to 24 months. One effect of this

feared by the business community is the introduction of currency controls.

While Tanzania has dealt robustly with emerging violent extremist groups over the past two years, it will remain concerned about continuing relationships between groups and individuals across the region. The insurgency in northern Mozambique has involved not only Tanzanian and Mozambican fighters, but also elements from *Al Shabaab* in **Somalia** and the Allied Democratic Forces (ADF) from eastern **Congo-Kinshasa**, according to local security forces. There is much uncertainty about whether *Al Shabaab* is involved, but whether or not it is, it presents a challenge to the country's security services, which do not excel at intelligence-led counterinsurgency. Regionally, Tanzania will become more involved in Great Lakes politics.

Domestically, the opposition will continue to be disempowered. Proposed amendments to the Political Parties Act will again come before the National Assembly. If passed as proposed, these will weaken opposition parties by giving the Registrar of Political Parties unprecedented control over financing and internal party activities. Even if they are watered down through

the combined efforts of donors and Tanzanian interest groups, there will be continued pressure on party leaders through the courts and harassment by police. Gains made by the opposition during the 2014 local elections, particularly in urban areas, will be overturned in December, when the next elections are due. The probable low turnout will reflect increasing citizen disaffection with political processes.

CULTURE POLICE

Nearly half the country's population is under the age of 15, and young people will find it harder to find a place for themselves in Magufuli's Tanzania. Youth culture is tightly policed. Social media is closely monitored and the most popular artists must submit to oversight from the cloudy eye of the National Arts Council, a censorious and increasingly active leftover from the old one-party rule towards which Tanzania is sliding back. Youth disaffection will be seen in low voter turnouts as the political and civic space becomes increasingly depopulated. Religious leaders can fill the vacuum. Civic and political actors – including Magufuli and his *Chama Cha Mapinduzi* party – will struggle to engage the young. ●

CÔTE D'IVOIRE

A rapidly growing field

As Ouattara mulls a third term despite widespread opposition to the move, his predecessor is confident of a triumphant return

If confirmed at a review hearing set for 1 February, the acquittal of ex-President **Laurent Gbagbo** at the International Criminal Court (ICC) will inject further momentum into a comprehensive recomposition of the political landscape that is already well under way.

Some form of alliance between President **Alassane Dramane Ouattara** and **Henri Konan Bédié** seems likely (AC Vol 59 No 17). Already, the 15

January acquittal has reinvigorated Gbagbo's *Front Populaire Ivoirien* (FPI). If he does make it back soon, he will be welcomed as if it were the Second Coming, and his supporters are almost certain to add a quasi-religious tint to his liberation, which was as unexpected by them as by seasoned ICC-watchers.

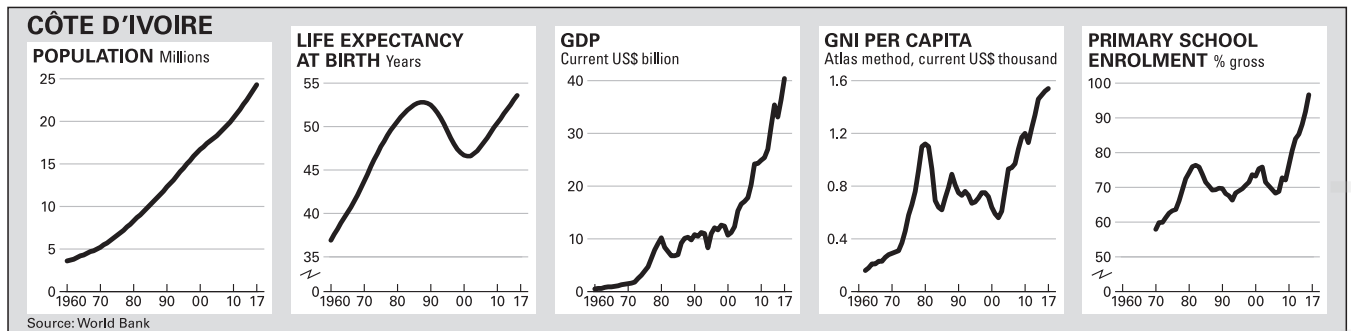
A year ago, Gbagbo's FPI appeared irretrievably split between his hardline loyalists and the moderates led by **Pascal Affi N'Guessan**. But the former

president's return home could restore the party's unity – and its electoral prospects.

The news from the Hague adds to the multiple pressures now besetting Ouattara. He is attempting to forge a dominant and broad-based ruling party, the *Rassemblement des houphouëtistes pour la démocratie et la paix* (RHDP), but the ambitious project is threatened by the defection of dissidents.

For Ouattara – whose government's reaction to Gbagbo's acquittal was surprisingly sanguine – recent developments are unhelpful, boosting an already resurgent opposition, even if there is an appeal and the process is prolonged.

With the head of state's second term ending in 2020, succession speculation has focused on contenders from the government camp. These



were hitherto seen as the RDR's Prime Minister **Amadou Gon Coulibaly** or Defence Minister **Hamed Bakayoko**, and the PDCI vice-president **Daniel Kablan Duncan** or Energy Minister **Thierry Tanoh**, or even the increasingly estranged Parliamentary Speaker **Guillaume Soro** (nominally RDR) (AC Vol 59 No 3 and Vol 59 No 14).

The same names are still *présidentiable* today. Yet the political landscape has been utterly transformed by Bédié's split with Ouattara and the re-establishment of the PDCI as a fully independent force.

The president is still pressing forward with the transformation of the RHDP into a single party, but along the way he has lost many senior PDCI figures to the Bédié camp – Tanoh was the latest to depart – together with most of that party's base, notably in its Baoulé heartland around Yamoussoukro. Most members of the small *Parti Ivoirien des Travailleurs* (PIT) have also abandoned the merger project.

OPPOSITION FRONT

More worrying still for the government are signs of the various opposition groups coalescing together to form an alternative front that could give the new RHDP machine a serious run for its money. A recent PIT meeting was attended by senior figures from the FPI

and PDCI, including former premier **Charles Konan Banny**, while Soro also sent a representative.

In the face of this reinvigorated and increasingly coordinated opposition, the government is looking vulnerable, its reputation for solid economic management also undermined by constant corruption rumours.

Even if the ICC prosecution does appeal, Gbagbo's acquittal has reinvigorated the FPI base and could form a theme around which to heal the rift between doves and the hardliners.

Indeed, sources close to the former president suggest he will want to present himself as a model of wider reconciliation, putting pressure on other big players to also compete to present themselves as unifying and open-minded.

In such a situation, Ouattara does have the advantage of incumbency: as the current head of state, he is the man with the power to grant amnesty – as he did for Gbagbo's wife **Simone** last August – or invite his predecessor to return home. Gbagbo was sentenced in absentia to 20 years in prison for breaking into the Abidjan branch of the regional central bank when his regime ran short of funds. This poses a dilemma for Ouattara: whether to pardon Gbagbo and let him back in, or try to keep him out and risk unrest.

In this newly competitive landscape, Ouattara's hopes of installing a trusted successor may be disappointed: Duncan is staid and uncharismatic, while Gon Coulibaly and Bakayoko may be too closely associated with the partisan RDR brand, and what used to be a partnership with Soro has deteriorated close to breaking point.

'PAYBACK'

Soro has shrewdly cultivated relations with Bédié and many other opponents of the government. And the Speaker's camp feel they are now suffering official 'payback', in the form of a corruption probe targeting key ally **Jacques Ehouo**, the newly elected mayor of Le Plateau, the wealthy downtown business district in Abidjan (AC Vol 59 No 21).

Touring the country and drawing big crowds, Soro is gathering popular support among the young and making an emotional pitch to the wider electorate. He has publicly and repeatedly asked for forgiveness for his role in the violence of the long crisis years, a message that has struck a chord with many Ivoirians, if only because it marks him out from most other members of the political class.

At a time when the Gbagbo case has pumped more hot air into an already volatile political atmosphere, Soro may be best placed to exploit the new possibilities. ●

GHANA

Midterm blues and red lines

President Akufo-Addo is pushing for bold development on industry and education – but few citizens feel any short-term benefit

As he marks the halfway point for his government, President **Nana Addo Akufo-Addo** wants to push ahead with ambitious economic modernisation plans before campaigning for the 2020 elections takes over Ghanaian politics.

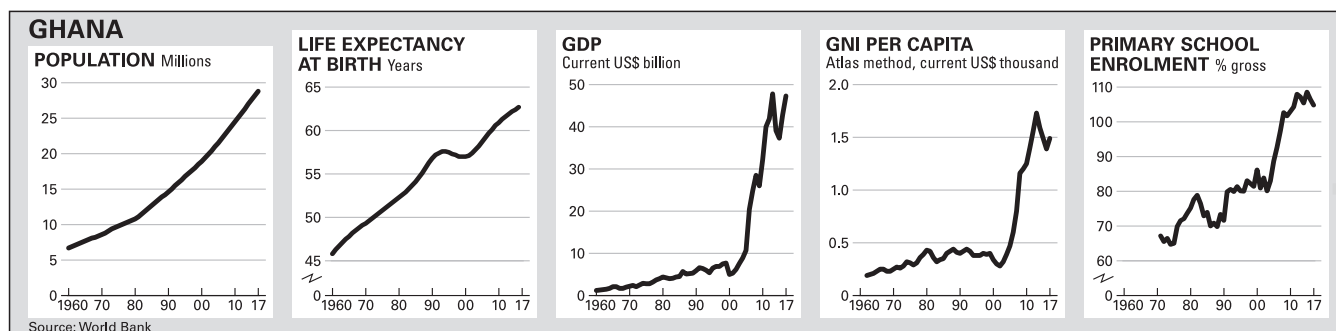
Higher oil and gas production should raise revenue, and the first

phase of a national industrialisation programme should boost growth. The danger for the government is that much of its strategy is medium- to long-term: it risks going into an election with inflation rising and strictures on public spending because of still high debt service levels, amid a sense that living standards have not improved since the

2016 election (AC Vol 59 No 24).

Finance Minister **Ken Ofori-Atta** insists that Ghana should exceed 7% GDP growth comfortably this year. His 2019 budget made demanding infrastructure, industry, agriculture, education and revenue mobilisation commitments on which the government will be judged in election year. Akufo-Addo has drawn red lines around his big spending plans for secondary schools and new factories, to the alarm of some allies.

The government holds up the scheduled end this year of Ghana's Extended Credit Facility with the International Monetary Fund as freeing the country from external fiscal constraints. But it will also eliminate a



source of funding and the IMF has issued further warnings about expenditure restraint. The government responded by passing legislation that caps fiscal deficits at 5% of GDP, discouraging an established pattern of lavish election-year spending.

Ghana's projected 2019 fiscal deficit exceeds 4% and significant concerns remain over debt levels and sustainability, despite government calculations that the debt-to-GDP ratio is on a downward trend. The rebasing of the economy – after which the state announced that the economy was 24.6% bigger – made for an improved debt-to-GDP ratio of 54% at the end of 2018 (down from 73.1% in 2017) but it is still at the higher end of the scale in Africa. And debt service levels remain too high.

REFORM AGENDA

The government also has to push through a raft of constitutional and judicial reforms this year. A start was made in a 27 December referendum which increased the number of regions from 10 to 16. Now it will have to make good on its pledge to spread party-based elections to all tiers of government. In this, it could face deep-seated opposition from partisan rivals and civil society groups.

Akufo-Addo has the benefit of unity in the governing New Patriotic Party (NPP). The threat from the opposition National Democratic Congress (NDC) depends on the outcome of a leadership contest in which former President **John Dramani Mahama** is one of seven contenders.

An injunction put the process on hold for two months; it is now scheduled for 23 February. Other groupings such as the Nkrumahist bloc of small parties offer little challenge to the NPP and NDC, but there are suggestions that the NDC founder and former President **Jerry Rawlings** is about to form a new party with disgruntled colleagues.

There are stirrings of a youth movement which came to the fore in 'Occupy Ghana' protests against the Mahama government. Although its members were co-opted into the NPP,

there are rumblings of discontent with the government from younger activists.

Despite his 2016 election loss, Mahama remains the NDC's favourite (AC Vol 59 No 23). Some of Akufo-Addo's aides say they are unconcerned by Mahama's return as a presidential candidate in 2020. They argue that Akufo-Addo defeated Mahama easily in 2016 without the advantages of incumbency. Others in the NPP see this as dangerously complacent and point to the NDC's record as a ruthlessly successful vote-gathering machine.

Corruption will be a big issue in the elections. The NPP has not dealt transparently with the ruinous and ethically questionable contracts that it inherited from the previous government. A thwarted attempt to renegotiate one of the worst – a gas turbine contract with Dubai-based AMERI – unleashed a new scandal that triggered the sacking of Energy Minister **Boakyie Agyarko** for championing a contract that had been approved by the Presidency (see Vol 59 No 16).

There is also wide concern about the activities of business people close to the government who have undue influence over contracts and procurement. Such claims were meant to come under the scrutiny of the independent special prosecutor **Martin Amidu**, whose new office has been allocated 180 million cedis (\$40 million), Ofori Atta says, with a commitment to more if required.

Yet Amidu's efforts so far suggest he has insufficient firepower to tackle continuing complaints of state malfeasance. His funding is a fraction of the banking bailout costs incurred last year as the Ernest Addison-led Bank of Ghana took action to restructure the sector. Additional costs seem likely in 2019. Many banks struggled to meet a 400 million cedi (\$81m) capitalisation target by end December; six were obliged to merge and licences for two more were revoked amid accusations of political interference.

The government insists that financial support for the banks will not come from public funds. But there is heavy political

pressure to protect the local industry against foreign competitors. Further revelations of dubious governance by the banks are probable and Addison has the Finance Minister's support to encourage another wave of mergers. Savings and loans companies are the next target for reform.

Akufo-Addo's 'One District, One Factory' policy will face a critical test this year. Achieving a modicum of success for this industrialisation strategy across the country's 254 districts will require full support from the embattled banking sector and far stronger policy coordination.

RECORD CHALLENGED

The NDC opposition is already launching critiques of the government's record of broken promises. Much of the political argument in 2019 will centre on policy performance as the spin doctors stake out their positions on social media.

Vice-President **Mahamudu Bawumia's** New Year greetings listed 40 promises fulfilled by the NPP government. These include a universally free senior high school initiative which Akufo-Addo warns will demand additional capacity in Ghana's universities to accommodate thousands more students from next year. It is his flagship policy and he refuses to scale it down. Yet sceptics inside the government and out will raise questions about its sustainability.

The oil and gas sector, like mining and cocoa, is vulnerable to fluctuating prices. With oil production in the region of 200,000bpd, the Ministry of Energy says there is high-level interest by international oil companies in five blocks offered for exploration. Production is due to start by 2021 from an offshore oilfield acquired by Norway's Aker Energy that could double national output.

Finance Minister Ofori-Atta's promise that the government will devise ways for indebted power generator the Volta River Authority to pay the Ghana National Gas Company for supplies to keep the turbines running, and his request that over \$180m in gas

revenues be excluded from official 2019 petroleum revenues, coincides with concerns over possible losses from an Offshore Cape Three Points 'take-or-pay' gas contract with ENI of Italy and Geneva-based Vitol.

The Energy Ministry insists that costs under the ENI contract will be much lower than reported but it is yet to publish details of any renegotiation

of what the NPP's energy experts judged to be ruinous terms for gas from Offshore Cape Three Points secured by the previous government. This is more than an accounting matter. The return of low-level power cuts in 2018 undermined the government's claims that it had fixed Ghana's power sector.

Operations of Electricity Company of Ghana, the chief power distributor, are

due to be taken over by a concessionaire. Critics predict both sharp increases in the cost of electricity – slashed by Ofori-Atta in his 2017 budget – and loss of control over a national security asset.

Some of the biggest problems are financial, not technical. To solve them will involve finding a long-term solution to the energy industry's mountain of debt. That is still a work in progress. ●

MALI

A compromised regime

After the president was re-elected, partly thanks to northern armed groups who brought in the vote, optimism is in short supply

Mali ended 2018 better than many expected. On the national political front, the presidential election went smoothly and President **Ibrahim Boubacar Keïta** was re-elected for a second term. It's a slim guarantee of stability but one of that the international community will cling to (AC Vol 59 No 16). On the security front, the French regional anti-jihadist *Operation Barkhane* achieved several significant successes against the jihadist groups *Jamaat Nusrat ul Islam wal Muslimin* (JNIM) and *l'Etat islamique dans le Grand Sahara* (ISGS – Islamic State in the Greater Sahara), while the Algiers peace agreement, which is hardly implemented, has led to a sustainable ceasefire between the signatory armed groups the *Coordination des Mouvements de l'Azawad* (CMA) and the pro-government *Plateforme*.

The re-election of IBK last August was smoothed by some of his international partners closing their eyes to the poor conduct and circumstances of the poll, even welcoming the re-election before it was confirmed by the Constitutional Court. The vote was tainted by immense fraud, especially in the north, where CMA and *Plateforme* delivered a big vote for the President. France and the EU observation mission, driven by

the imperative of 'the devil you know', chose to close their eyes to the abuses.

The election has solved nothing and does not promise much stability. While Mali has recorded solid GDP growth, with 5% in 2018 and 4.9% projected in 2019, a sign of undeniable economic recovery, the regime is marred by major political and financial scandals and a lack of progress in the main sectors of the Malian economy. Moreover, the Malian state has been slow to restore its sovereignty over its own territory and is struggling to implement the terms of the Algiers peace agreement.

FRAGILE NORTH

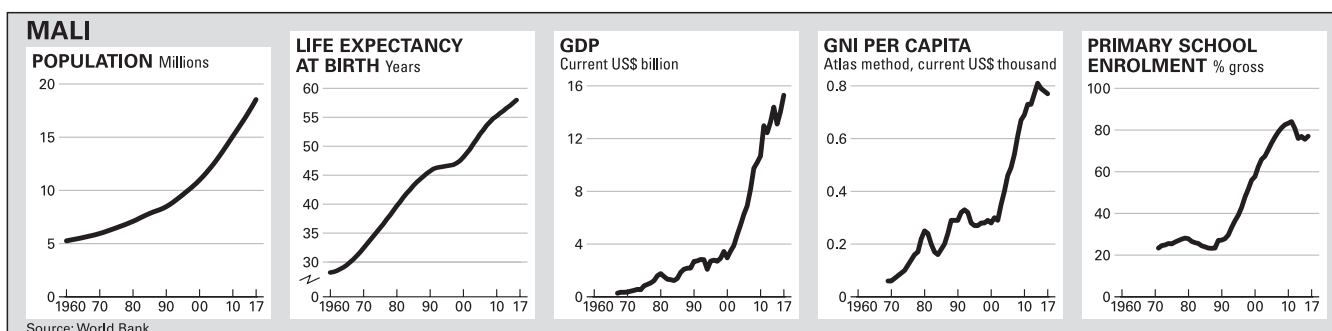
From a security point of view, the situation improved significantly in the north in 2018, but deteriorated in the country's central regions. Little comfort, however, can be drawn from this because all the successes in the fight against jihadism were the responsibility of *Barkhane* and French Special Forces. The presence in the north of the Malian army, the *Forces de défense et de sécurité du Mali* (FAMA), remains purely symbolic (AC Vol 59 No 14). The situation is still too fragile to consider an effective redeployment of the Malian administration to the north in 2019, which is the only way of normalising

the situation.

The deterioration of security in central Mali, meanwhile, is the sole responsibility of the state, which does not stand in the way of the jihadist groups, let alone alleviate seriously deteriorating community relations in the Mopti and Ségou regions. Never in the nation's history have relations between Peulh, Dogon, Bozo and Bambara been so poor. Extremely serious abuses, including murder, by FAMA have strongly contributed to this situation, which has been documented by Human Rights Watch. Some Malian officials also exacerbate the situation by giving strong support to the so-called traditional hunters, the Dozo, as part of a misguided policy of using local militias to oppose the Islamists. The violence, however, always ends up as ethnically based murder rather than counter-insurgency. The government stands by and does not even enforce the few peace agreements concluded by humanitarian organisations in central Mali.

Beyond the current programmes supported by the international community in the centre, such as *Le Programme d'Appui au Renforcement de la Sécurité dans les régions de Mopti et Gao* (PARSEC) and the *Plan de Sécurisation Intégrée des Régions du Centre* (PSIRC) there are no signs of improvement in the coming year. In fact, the situation is edging closer to a civil war.

Slow implementation of the peace agreement marked 2018 and no greater zeal can be expected in 2019. There is little pressure that the Malian state, or the international actors, can put on armed groups, especially as Bamako is



compromised by its links to *Plateforme* and the CMA. While French diplomacy officially supports the implementation of the Algiers peace agreement, including the disarmament, demobilisation and reintegration process, the French army conducts joint operations with the *Groupe autodéfense touareg Imghad et alliés* (GATIA) and the *Mouvement pour le salut de l'Azawad* (MSA) in the Menaka region, contributing to their rearmament rather than their disarmament.

Meanwhile, the trafficking networks for people and drugs depend on business relations between members of

armed groups, especially those related to the *Plateforme*, and notables in or close to the government. The regime also has to deliver on promises to the armed groups in exchange for their help in IBK's re-election. The DDR process in particular is expected to lack credibility as the year progresses.

'TIME BOMB'

As part of the quid pro quo on the electoral help from CMA and *Plateforme*, a new territorial division – to the benefit of some Tuareg and Arab areas key for those groups – is planned. The details were leaked from the Ministry of

Territorial Administration in October 2018 (AC Vol 58 No 7). They caused outrage in regions in the North and South that are under-represented despite their demographic weight, territorial size and economic importance. In Gao, the Songhai community, joined by a few self-defence groups and community associations, is determined to oppose the project, calling it a 'time bomb'. Some Songhai leaders, privately, will not exclude the possibility of taking up arms if the authorities continue to neglect them. With embryonic conflicts promising to join those already in train, it looks like a bumpy year. ●

MOROCCO

Anger and innovation

The king's new development strategy will seek to answer chronic problems that threaten the monarchy's long-term stability

There will be more glitzy openings of high-profile infrastructure like Africa's first high-speed train, coupled with headline-grabbing sackings of officials following '*colères royales*' (royal angers) over lack of delivery, and further intense diplomacy to consolidate Morocco's penetration of African markets and a new round of manoeuvring over the disputed Western Sahara. These trends will continue the pattern established since late 2016, when King Mohammed VI ('M6') returned from a lengthy stay abroad to take firmer control of domestic politics five years after the Arab Spring (AC Vol 58 No 2). That led to the sacking of charismatic *Parti de la Justice et du Développement* (PJD) Prime Minister **Abdelilah Benkirane**, who was replaced with a more pliant leader from the Islamist party, **Saad Eddine el Othmani** (AC Vol 58 No 7).

Ever since, M6 has tried to accelerate policies that stimulate growth, improve services and create jobs in such sectors as automotive and aerospace industries, along with infrastructure like the high-speed train and a new container port near Tangier. But incomes remain persistently low and, combined with regional, and gender and other inequalities, pose a long-term threat to the monarchy.

The king has ordered experts and parties to compile a new development strategy to be unveiled during the course of the year. While el Othmani remains Prime Minister, other members of his coalition government are likely to

take a lead. The senior partner seems increasingly not to be the PJD – which nevertheless retains a strong body of support among the conservative working and lower middle classes – but the rejuvenated 'loyalist' party, the *Rassemblement national des indépendants* (RNI). Its leader, petroleum products billionaire-turned-Agriculture Minister and M6's favourite politician at the moment, **Aziz Akhannouch**, has proposed a wide-ranging policy for overhauling and modernising Moroccan society and politics at glittery rallies (AC Vol 58 Nos 2 & 21).

The energetic Akhannouch's biggest problem will be in persuading voters to buy into the RNI when legislative elections are held in 2020. The PJD vote is likely to hold up in the elections, and that concerns the Palace. Benkirane is still more popular than many more 'modernising' royal favourites.

Also looking to boost its vote is the traditional nationalist *Parti de l'Istiqlal* (PI – Independence Party), headed by another former finance minister, **Nizar Baraka**, who replaced **Hamid Chabat** in 2017 after the pugnacious former trade union boss's populist politics failed to win votes or impress the Palace (AC Vol 58 No 21 & Vol 57 No 21). Baraka has contributed ideas after the king's call for a new development strategy.

The cerebral Baraka knows the kingdom's long-term problems: starting with growth at around only 3% a year since 2011 (compared to 4.7% in 2000-10), which is insufficient to

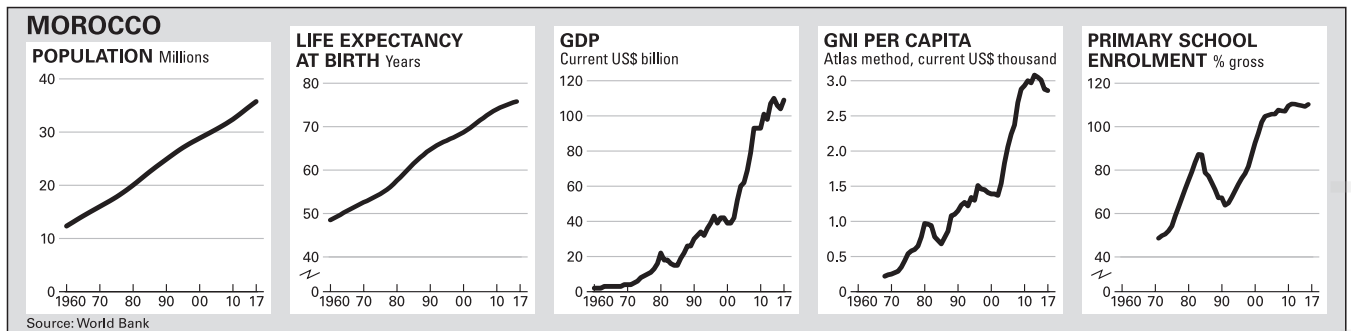
meet demand for jobs and finance social uplift. Morocco is producing only around 15,000 jobs a year, Baraka says, compared to 40,000 when reforms kicked in during the late 1990s. Under-investment in health and education disproportionately hurts the majority of poorer Moroccans, who are suffering what Baraka calls 'poverty and exclusion which is generational and hereditary'. It has also stimulated a boom in private hospitals and schools serving the wealthier middle class.

TROUBLED REGIONS

With wealth creation and consumption focused on the Casablanca-Rabat-Kenitra triangle, many regions remain marginalised. The policy of 'advanced regionalisation', intended to promote administrative and economic decentralisation has yet to deliver results three years after its official launch. El Othmani has resumed his programme of regional visits to help it along, starting in mid-January in the troubled north.

The king will be watching very closely, following the wake-up call of the disturbances in Al Hoceima in 2017 with the emergence of the grassroots *Hirak* movement, which gained resonance across the kingdom (AC Vol 58 No 12). *Hirak* was denounced by some as a regional, 'Berberist' movement, but many Moroccans see it as a wider protest against '*hogra*', the rage or feeling of exclusion people experience when on the receiving end of arrogant officialdom. M6 understands its potential threat to the eventual succession of his son, Crown Prince **Moulay Hassan**, who turns 16 on 8 May.

Concerns over M6's health have receded, after heart problems, chronic asthma and potentially other issues led to the king creating a regency council and, possibly, Palace-watchers suggest, pushing his son into the international



limelight earlier than he would have liked (AC Vol 58 No 25). But Morocco remains very much a 'managed democracy' and the king is at the centre of it. Pending a convulsion of popular discontent an uneasy status quo is likely to prevail.

M6's dominance runs through his Africa policy, which he has strongly promoted in the past three years (AC Vol 59 No 1). To the south of Morocco, banks and other businesses, including the kingdom's biggest revenue generator, the phosphate giant OCP Group, have been building new markets.

The king's hands-on approach to African business will be marked by yet more high-profile visits in 2019. Politics was to the fore during his first trip

abroad this year: M6 was in his residence at Ekwata beach, Libreville during the 7 January failed coup against President **Ali Bongo Ondimba**, while a Moroccan frigate stood offshore. Working closely with key Bongo aides, including Constitutional Court president **Marie-Madeleine Mborantsuo**, M6 will continue to play an important role in keeping his old friend from childhood in power.

While comfortable with old friends in the region such as Bongo and Côte d'Ivoire's President **Alassane Dramane Ouattara**, M6 faces problems getting his way on issues ranging from membership of the Economic Community of West African States to the Western Sahara. Morocco feels it has cards to play but

its revived membership of the African Union and the energetic diplomacy of Foreign Minister **Nasser Bourita** have not succeeded in making Polisario's Sahrawi Arab Democratic Republic (SADR) go away (AC Vol 59 No 11).

Relations with key allies the **United States** and **France** may be less comfortable than M6 might have expected. US National Security Adviser **John Bolton's** statements reiterating his longstanding support for a referendum in the disputed territory – which Morocco most certainly doesn't want – came as a nasty surprise. Like those social indicators that threaten to bring Moroccans onto the streets, a major setback in the Sahara would seriously undermine the king's plans. ●

ALGERIA

A stasis of emergency

Bouteflika looks certain to stand again. Sick, isolated and out of ideas, he is a cipher for a political system that is out of time

President **Abdelaziz Bouteflika's** quiet mid-January visit to his cardiologist in Grenoble reminded Algerians that for all the country's economic and social problems, politics remains dominated by one issue: the health of the 81-year-old *raïs*. If he can make it to the polling booth on 18 April – almost certainly huddled into the wheelchair that shocked so many at his last public appearance on 1 November – he will be re-elected and continue to govern by edict from his coastal residence at Zeralda, much as he has since his stroke in 2013 (AC Vol 59 No 23).

Infirm and prone to rumours of his death that can never be ruled out, Bouteflika, paradoxically, remains a dominant figure (AC Vol 59 No 14). Visiting heads of state have been unable to see the *raïs* even for the briefest of photoshoots. Crown Prince **Mohammed bin Salman bin Abdulaziz**

al Saud felt snubbed when he was barred from seeing Bouteflika – 'even for 30 seconds', as Saudi officials put it – during his December regional tour. His frailty must have been extreme indeed to risk offending so important a visitor.

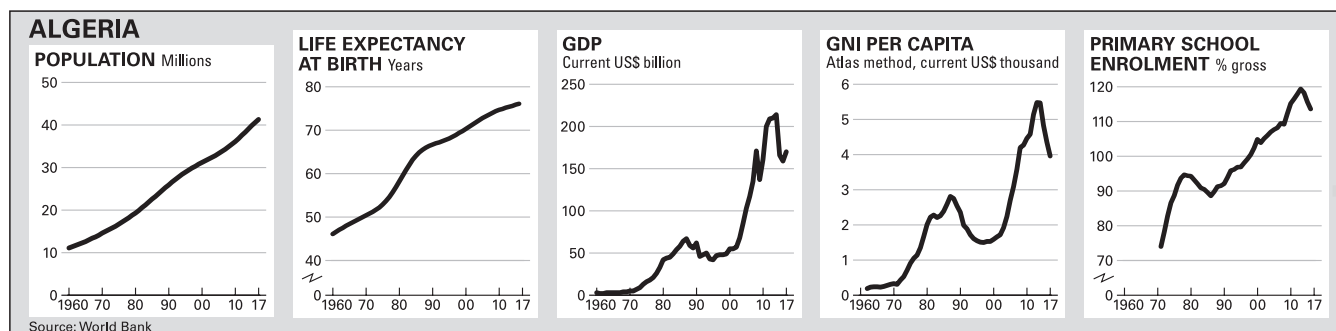
Sources say he still influences policy, supported by younger brother **Saïd Bouteflika**, who has run the presidential office while also protecting the family's business interests – supported by recently re-elected president of the employers' organisation (*Forum des Chefs d'Entreprise*), **Ali Haddad** – and cultivating a network of political and security allies. Allies of Saïd have been promoted in recent reshuffles of a military/security establishment still dominated by veteran Vice Minister of Defence and Army Chief of Staff Lieutenant General **Ahmed Gaïd Salah** and Security Services Coordinator Major General **Athmane 'Bachir' Tartag**.

This group is powerful and feared,

but in Algeria's highly factionalised politics the 'Bouteflika clan' are wary that power can evaporate once the *zaim* (charismatic leader) has departed. Within the wider 'presidential alliance' there is no obvious replacement to maintain the status quo – what pro-Bouteflika politicians call 'stability'. The ruling *Front de libération nationale* has no obvious successor.

Prime Minister and *Rassemblement national démocratique* leader **Ahmed Ouyahia** has advocates in high places, but widespread negative media coverage of his privatisation and other economic reform policies points to rival factions' campaigns against the ambitious four-time premier, as well as his wider unpopularity.

A mid-January appearance of respected early 1990s prime minister **Mouloud Hamrouche** led to the usual speculation that a credible alternative candidate might emerge, but this is unlikely. Even less likely in the near future is the radical change of course in governance and policy demanded by respected voices like former premier and Finance Minister **Ahmed Benbitour**. *Le pouvoir* (the powers that be) show every sign of digging in to make sure the inevitable transition at the top goes smoothly. An emerging opposition movement, *Mouwatana*, has attracted dissident voice like



Benbitour and some keen younger supporters, but a bigger public voice remains elusive.

Ambitious members of the loyal opposition – notably *Mouvement de la Société pour la Paix* (MSP – *Harakat Mujtama As-Ailm*) leader **Abderrazak Makri** – have sought to promote their cause, but are unlikely to surprise the incumbent and the state machine mobilised behind him. The MSP was founded in the early 1990s by the late Sheikh **Mahfoud Nahnah** under the name of Hamas, representing a local Muslim Brotherhood faction; in the Bouteflika years it has been in and out of the presidential alliance, providing a platform for Makri to build support. But neither ‘moderate’ nor radical political Islam is likely to build sufficient momentum to create an upset.

The biggest manifestation of political Islam ahead of the election is likely to be a formal opening for the grandiose Algiers Grand Mosque, one of the president’s long-awaited

‘*grands projets*’ whose completion was accelerated in recent months in another sign Bouteflika would stand again.

SUCCESSION QUESTION

Announcement of the election date rules out a formal prolongation of Bouteflika’s fourth term to allow for a managed transition, as was discussed last year in elite circles. But few believe the president can credibly stay on for much longer, posing the perennial question of who will replace him. The army remains powerful but shows little appetite for a return to frontline politics. Gaïd Salah underlined this point when he told the Chercell military academy last July that ‘the *Armée nationale populaire* is an army which knows the limits to its constitutional missions and it is out of the question that it would become involved in partisan and political issues’.

Also in urgent need of an upgrade is implementation of economic policies that help to raise incomes and create

jobs. The upturn in oil prices to around \$60-70 a barrel is the minimum the government needs to maintain Algeria’s social safety nets, education, health and other services, and the military’s expensive spending habits. Ouyahia claims his version of quantitative easing, printing billions of dinars, has been a success. But economists fear inflation is rising, and there are only limited signs of entrepreneurship and job creation in Algeria’s crony capitalist environment. Even with higher oil prices, foreign reserves that stood at around \$200 billion in 2014 are forecast in budget documents to fall to \$62bn this year and only \$33bn by 2021. Although natural gas sales are looking perkier, the 2019 budget forecasts a \$17.2bn balance of payments deficit.

Some local economists have talked of an eventual ‘Venezuelan’ scenario in the next few years – a strong argument indeed for a rapid transition to more dynamic leadership, if only *le pouvoir* is listening. ●

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BLUE LINES

A year into his presidency and a quarter century after the first free elections in South Africa, President Cyril Ramaphosa has to strike a balance in his State of the Nation address to parliament on 7 February. On the one hand he wants to assure people that the investigative commissions into grand corruption under his predecessor will result in prosecutions of senior officials in the governing African National Congress.

On the other, Ramaphosa has to contend with the supporters of ex-President Jacob Zuma, such as ANC Secretary General Ace Magashule, who have a grip on the party machinery. Not only do Zuma's acolytes issue statements calculated to undermine Ramaphosa, they have worked hard to ensure strong representation on the ANC's parliamentary list. This should guarantee a strong lobby for Zuma in the new parliament after national elections in May. The ANC is forecast to get at least 55% of the vote. Any less would weaken Ramaphosa's authority.

Also, Ramaphosa will tread carefully on his plans to restructure and unbundle Eskom, the power utility, ahead of the elections. His backers in the trade unions have already spelled out their opposition to privatisation. He will have to give assurances on jobs as his government restructures so many state companies. But most of all, people expect a coherent statement on the government's land reform and its provisions for expropriation without compensation.

AFRICAN ECONOMIES

Glitches in the growth

A pan-African market will boost the region but governments are lagging behind on policies to create jobs and diversify the economies

When African Union leaders meet in Addis Ababa to ratify the continent's free trade area on 9-10 February, it will be against a backdrop of gloomy forecasts about global economic trends. In part, that environment has added urgency for the regional economic communities to speed up policy convergence between members states and encourage investors into these expanded markets.

For African policy-makers three international developments stand out this year. First, **United States-China** trade tensions, which could still escalate into longer-term disruption, are slowing down trade and pushing down commodity prices. But some advocates of de-globalisation, with some desperation, argue that it might encourage more Chinese and US investment in other regions including Africa.

Second, **Britain's** planned exit from the European Union was seen by many in Africa as boosting trade opportunities, but the political disarray in London over the negotiations raised new problems in the short term. Whatever the outcome, Africa will remain the EU's third biggest trading partner after the US and China.

The third aspect is Africa's access to trade and investment, which will be constrained in the wake of many financial institutions closing down credit lines in the wake of the tougher Basel banking regulations. This will favour new entrants, the so-called medium powers such as **Turkey, Brazil and India**, seeking to step up trade and investment in Africa as well as the use of more non-orthodox

financing mechanisms such as barter and countertrade.

All the major financial institutions forecast a faster growth tempo across Africa this year but not enough to boost per-capita incomes by more than just over 1% on average, or create enough jobs to cut current unemployment levels, let alone meet demand from school-leavers.

PROJECTIONS DOWN

In January, the International Monetary Fund (IMF) downgraded its 2019 sub-Saharan Africa growth projections from 3.8% to 3.5%. The African Development Bank projects SSA 2019 growth of 3.7%, with 4% for Africa overall including the North African region expanding at 4.4%.

The World Bank now projects that SSA should achieve 3.4% this year, marginally above the Bank's forecasts at the time of October's IMF/World Bank annual meeting in **Indonesia**. These figures remain constrained by slower-than-hoped expansion in the major SSA economies, **Nigeria and South Africa**.

The AfDB says in its latest African Economic Outlook that Africa's investment/GDP ratio remains below two-thirds that of emerging and developing Asia. And it estimates that Africa's infrastructure financing gap might exceed US\$100 billion a year. Growth in unemployment remains a major concern with most economies still dominated by informal employment and trying to adapt to new technology.

The AfDB projects that Africa will, overall, fall substantially short of the

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employment-stabilising growth that it needs to absorb the jobless over the next two years. This chimes with previous IMF warnings that Africa needs to create 20 million jobs a year, double current levels (AC Vol 59 No 21).

Changing those trends will require some new policy thinking as the plethora of planned jobs and education summits suggests. But there are other economic policy questions dominating government agendas in several countries. These include:

- Fast-rising debt service obligations and reductions in debt refinancing ability;
- Falls in commodity prices;
- Worsening illicit capital outflows;
- Slower tempo of economic and fiscal reforms;
- Political and security risks in countries like **Congo-Kinshasa**, **Sudan** and **Zimbabwe**;
- Extreme weather, whether short-term events or longer-term concerns over climate change.

DEBT QUESTION

The IMF warned last year that Africa's debt-refinancing risks could be substantial in 2019-20. The World Bank echoes this, forecasting at least \$5bn in international debt redemptions in SSA economies this year and over \$8bn next year. These figures do not include domestic debt or substantial interest payments on both external and domestic debt.

Although the **Mozambican** and **Zambian** economies, for example, have stalled due to a combination of corruption and misreporting of debt and other financial obligations, these national problems have not morphed into a wider systemic debt crisis across the region such as in the structural adjustment era in the 1990s.

Claims by US officials that debt problems within China's domestic economy and slower growth could encourage China to be more stringent with African borrowers have been downplayed by some economists.

Carlos Lopes, the former Executive Secretary of the UN's Economic Commission for Africa who now leads

the AU policy team negotiating with the EU, argues that as China's investments in Africa barely exceed 5% of its global investment portfolio it has no need or interest in downgrading its Africa operations.

The debt question, says Lopes, should be seen in a context of financial options for Africa as historical sources of trade and investment have dried up or become too restrictive. The expected ratification of the African Continental Free Trade Agreement (ACFTA) should pull in more trade and investment, he predicts, initially at the level of regional groups such as the East African Community and Economic Community of West African States which are due to speed up trade, fiscal and monetary policy convergence.

Standard Chartered's Africa chief economist **Razia Khan** claims China will act like any other commercial creditor if repayment arrears build up on sovereign debt or project lending in Africa. For several reasons, she says, China's major infrastructure projects in Africa have offered terms more favourable than standard commercial ones.

Referring to a precedent when **Sri Lanka** defaulted on the Hambantota port development loan from China and had to transfer ownership of the facility, plus 15,000 acres of land, to China on a 99-year-lease, some bankers suggest that **Kenya** could face similar pressure over the Mombasa port should it default on its substantial loans from China Exim Bank. But Khan says her understanding is that China Exim will be repaid out of port revenues.

Concerns persist over Zambia's worsening debt service crisis and its need to reschedule its commitments to China (AC Vol 60 No 2). Government negotiations are continuing with some suggesting that offers of equity in local resources and enterprises to Chinese companies could be part of a deal this year. Some Chinese enterprises are already contracted to directly receive company revenues should debt repayments stall.

Undaunted by critics who claim that its growth statistics have been manipulated to downplay debt levels, Kenya is set to continue its high borrowing campaign with plans to issue Eurobonds worth over \$2bn this year. Its financial managers say market conditions still favour such a strategy, given current trends in international interest rates. Some bankers cite Nigeria's \$2.8bn Eurobond last November which was heavily oversubscribed, in support of Kenya's plans.

Current AfDB calculations foresee little impact on African growth this year from global trade contraction but

see a heavier impact in the medium and longer term if governments don't respond with effective policies.

Low prices remain a major source of uncertainty for Africa's oil producers, even as the latest OPEC/non-OPEC output arrangement appears to have allowed a partial 2019 oil price recovery even if not to October 2018 levels in the region of \$80 per barrel.

While, for example, a further price downturn would further undermine Nigeria's proposed, pre-elections, 2019 budget, oil importers would, as before, benefit. Standard Chartered forecasts Nigerian 2019 growth approaching 3%, assuming robust oil prices and the absence of a political crisis after national elections this month. The IMF, World Bank and AfDB are less optimistic, forecasting 2%, 2.2% and 2.3% respectively.

PACE OF REFORM

The pace of policy change and restructuring state-owned enterprises in South Africa after national elections in May will be critical for the country's growth and job creation. Citi's chief Africa economist **David Cowan** remains hopeful but uncertain whether the capable economic team of President **Cyril Ramaphosa** will be able to implement key reforms in the second half of the year.

Much attention will focus on the planned partition of Eskom, the debt-ridden state-owned electricity corporation into three entities – generation, distribution and transmission – with an increasing role for commercial companies but stopping short of the sort of radical privatisation tried in Nigeria.

Ramaphosa was expected to refer to the rebuilding of Eskom in his state of the nation address on 7 February in Cape Town but is unlikely to spell out details of any private sector involvement before the elections in May. We hear that the Eskom restructuring will follow the broad outlines of a plan first mooted over a decade ago but will see a much greater role for renewable energy and off-grid power.

Although officials in South Africa forecast growth of around 2%, many institutions, including the IMF and World Bank, think that growth will stay under 1.5% this year. Even with oil-producer **Angola** predicted to recover from a disappointing, negative-growth 2018, during President **João Lourenço's** second full year in power, its projected 2.9% growth (World Bank) is modest in per capita terms.

This means that out of Africa's five biggest economies, only **Egypt** will see growth rates of over 5%, boosted by

mega loans from the IMF, World Bank and the Gulf states.

Citi's Cowan argues that domestic fiscal policy will be more important for the economic prospects of South Africa and other African economies than international events and risks.

The fiscal position of several African economies is set to improve according to the World Bank. It forecasts that, on average (median), SSA oil exporting economies will move into a fiscal surplus this year.

Regional, political and resource differences mean that economic performance across Africa will be highly differentiated this year in terms of growth, fiscal deficit, debt levels and current account balances, as the data indicates (see chart). The fastest growing economies this year, as in 2018, will be in East and West Africa, with the other three regions of the continent lagging in percentage terms.

The big political and economic story this year will be **Ethiopia** and whether its barnstorming Prime Minister **Abiy Ahmed** can maintain the momentum of reform as he devolves power from the highly controlled state system (see Feature). There will be substantial investor interest if he presses ahead with selling equity in the state-owned telecommunications and power companies. There has also been a wave of textile and clothing companies setting up in Ethiopia, producing both for the European and the African markets.

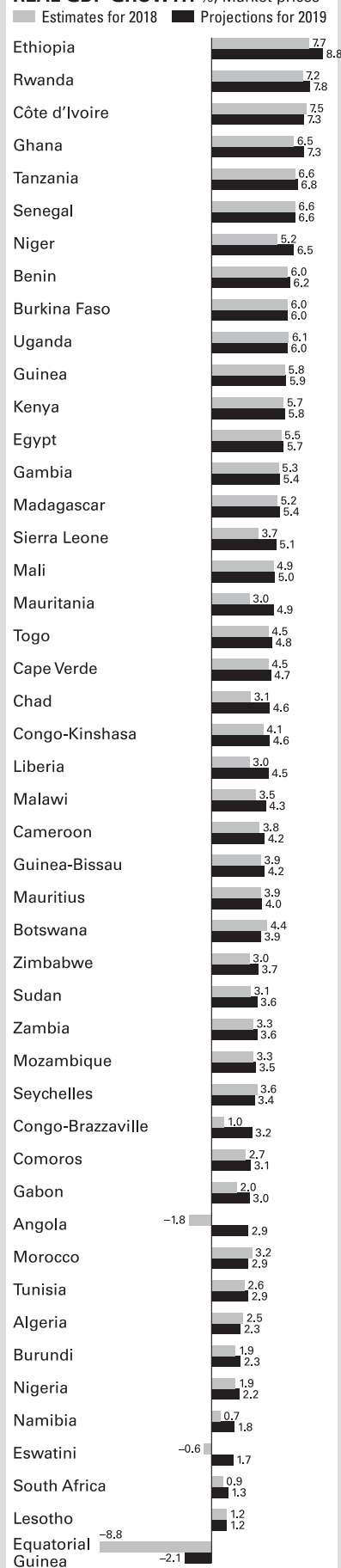
According to **Zemedeneh Negatu**, chairman of the US-based Fairfax Africa Fund, the rapprochement between Ethiopia and **Eritrea** will boost growth and investment in both countries. Textile companies in Ethiopia will send their exports via Massawa port in Eritrea instead of **Djibouti**, which takes another four days in transit. This has already encouraged a couple of **Italian** companies to expand operations in Ethiopia, he adds.

The World Bank predicts that Ethiopia could exceed 8% growth this year, and that three economies should exceed 7% this year: **Rwanda**, **Côte d'Ivoire** and **Ghana**. And it forecasts that **Tanzania**, **Senegal**, **Niger**, **Benin**, **Burkina Faso** and **Uganda** will grow at least at 6% this year.

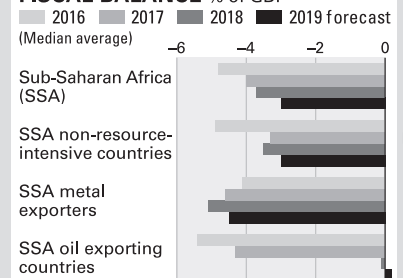
Continuing slow growth in Nigeria will drag down average growth in West Africa just behind that of North Africa, boosted by Egypt's strategic relations with Gulf states, **Algeria's** state-led investment plans and **Morocco's** manufacturing and processing expansion.

This means East Africa, led by Ethiopia and Kenya, is the fastest-growing region on the continent, with

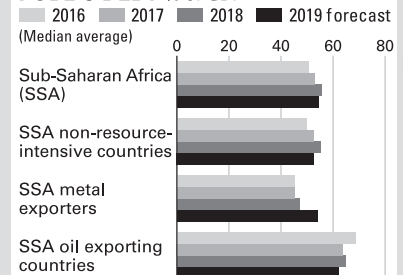
REAL GDP GROWTH % , Market prices



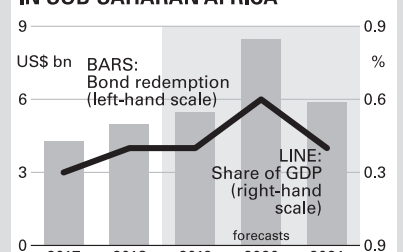
FISCAL BALANCE % of GDP



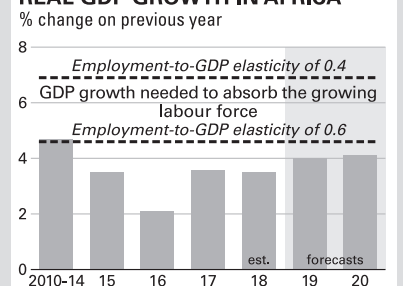
PUBLIC DEBT % of GDP



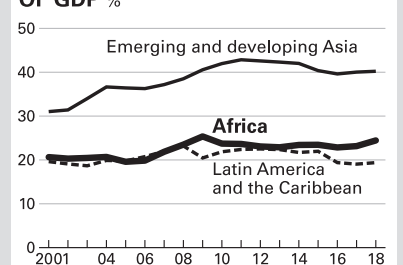
INTERNATIONAL BOND REDEMPTION IN SUB-SAHARAN AFRICA



REAL GDP GROWTH IN AFRICA



INVESTMENT AS A PROPORTION OF GDP %



Sources: Global Economic Prospects January 2019, World Bank; African Economic Outlook 2019, African Development Bank

its strong ties to China, **India** and **Japan**. Political ructions in Congo-Kinshasa in the wake of the disputed election as well as several unresolved questions over mining projects and revenues will hold back Central Africa's growth.

Slow growth in Angola and South Africa as well as the rumbling economic

crises in Zambia and Zimbabwe are holding back the Southern region. A post-election economic revamp could lift South Africa's economy with beneficial effects for neighbouring states.

With Angola and South Africa set on policy reforms, the crisis in Zimbabwe's political economy will be the region's

most pressing issue. Despite South Africa's good offices, it will offer little financial support to Harare, but it will encourage regional institutions such as the AfDB and the Cairo-based Afreximbank to step up backing for President **Emmerson Mnangagwa's** government. ●

KENYA

The President's anger

Kenyatta's frustration with the slowness of change is visible as he looks to his legacy and Ruto ponders the next election

For a leader who has tamed the political ambitions of the main opposition party and brought it to support his government's national unity and development agenda, President **Uhuru Kenyatta** increasingly strikes the pose of an angry, impatient, and intemperate man, in public and in private. With three years of his second and final term left to run he realises with each passing day that his chances of leaving a distinguished legacy to Kenya get slimmer, pundits in Nairobi are saying.

Kenyatta repeatedly claims that he would like to see an end to all competitive politics until election time in 2022 so that leaders can devote themselves to implementing development projects that the ordinary *mwana* (citizen) really needs – his so-called Big Four agenda to radically increase affordable housing and healthcare, food security and manufacturing (AC Vol 59 No 5).

GIVE AND TAKE

The President seems to have forgotten that getting ambitious politicians of the sort Kenya has to move in the same direction, and the allocation of resources even at village level, are political activities that call for bargains, and give and take. There is growing discontent with his rule even in his own Kikuyu and Mount Kenya backyard to an extent not seen before, and the fact that few obey him except by word of mouth frustrates him. Hence the fury.

Even his landmark reconciliation with **Raila Odinga**, the unprecedented open friendship between the long-rival Odinga and Kenyatta families, and the political calm this has brought to the country has brought Uhuru no respite. Some of his core constituents – prominent Kikuyu legislators and those who voted for them, and his deputy **William Samoei Ruto** and the

Kalenjin – think the reconciliation with Odinga and the Luo community and the resources thrown at it has been at their expense. They complain that it was their votes that kept Kenyatta in the presidency at the disputed 2017 elections and they deserve a reward.

When, in despair, Mount Kenya's elected leaders met in Naivasha last October to make a plea for more infrastructure projects in their overwhelmingly pro-Jubilee region, arguing that it contributes more in taxation than other regions, the President took it as a personal slight. In private, we hear, he told off some of the leaders for daring to criticise his record in public and, at the launch of a new farm produce market at Karatina in Nyeri soon after, called them 'clueless', and claimed they would be shocked at who he will support for the presidency in the next general election. (Most of the MPs involved support Ruto.)

Then, on New Year's Eve, a visibly inebriated **Moses Kuria**, the MP for Uhuru's home Gatundu constituency, complained that while Uhuru was busy opening up roads in western Kenya (Odinga's domain) 'all he did in the Kikuyu areas was to award certificates to recovering alcoholics'.

That is hard on Uhuru, who has been trying to reverse the decades of economic neglect that the opposition heartlands in western and coastal Kenya have suffered at the hands of successive governments, and Kuria clearly hit a raw nerve. In response, a week later, Uhuru called his Mount Kenya critics *washenzi* (a colonial-era term meaning 'uncultured primitives'). A Ruto-supporting MP in Nakuru, **Kimani Ngunjiri**, immediately convened a mock rally with T-shirts saying 'Proud Washenzi. I voted for Uhuru in 2017'.

The disappointment of Kikuyus with Uhuru's performance does not extend to 'the handshake' of 30 March,

the reconciliation with Odinga (AC Vol 59 No 14). Even his sternest critics in the Jubilee Party acknowledge that it brought political calm and lowered ethnic hostilities. The problem is the bargain implicit in it: more resources and public appointments for Odinga loyalists. Odinga is now a featured speaker in all major open government meetings, sometimes taking precedence over Ruto in the official protocol, as at the 25 January all-government anti-corruption conference at the Bomas of Kenya.

This has led to a creeping discontent within Ruto's Kalenjin ethnic group, with rumours swirling that Uhuru could betray Ruto, denying him Kikuyu support in the 2022 presidential election in favour of Odinga. This fear has been reinforced by the open repudiation of Ruto by prominent Kikuyu leaders in the Mount Kenya area who were defeated in the last election led by **Martha Karua**, **Peter Kenneth**, **Kembi Gitura** and Uhuru's close friend **David Wakairu Murathe**, who has been forced out of Jubilee Party chairmanship for his pains (AC Vol 59 No 6). This worries Kikuyus in the mainly-Kalenjin Rift valley region, such as **Kimani Ngunjiri** and his followers, who are fearful of a repeat of the Kikuyu/Kalenjin violence of 2008.

Both Kikuyu and Kalenjin in Rift Valley, who voted overwhelmingly for him, now regard him with great suspicion. His response is that no matter the discontent, he will not backtrack on the handshake and his nervous followers must show greater respect for Odinga.

TONGUE-LASHING

Ruto himself, we hear, has received a tongue-lashing from Uhuru for already starting to campaign for the 2022 elections. Speaking to a roadside audience at Kitengela in the Rift Valley on 31 January on his way to the East African Community Summit in Arusha, and in the presence of Ruto, Uhuru said angrily in Kikuyu that 'I do what I think is right, I do not care what other people think or say.'

That will be difficult for him to live up to when it comes to implementing the ambitious Big Four agenda. The president has promised 500,000 'affordable houses' as part of it, but that will be a tall order.

Under the Big Four, Uhuru also plans to leave a legacy of universal health coverage but so far only four of the 47 counties – Kisumu, Nyeri, Isiolo and Machakos – have begun a World Bank-funded pilot scheme. Nor is a target of increasing manufacturing to 15% of GDP going to be reached – the sector is only growing at 2-3% per year and other sectors, notably communications, ICT and financial services are expected to grow at double that. With the maize market now caught

up in corruption and inappropriate subsidies, food security is unlikely to be realised.

In the belief that the situation could be turned around by a new team that excludes Ruto, the President appointed new people to implement his development agenda at the end of January, chaired by his 'fixer', Interior Minister **Fred Matiangi**. Matiangi will chair an inter-ministerial National Implementation and Communications Committee in which all ministries will

be represented. That sounds like the cabinet minus the President and Ruto.

Kenyatta has invited those ministers who are unable to hit their Big Four targets to resign. He also admonished them against indulging in 'politics' rather than the Big Four, publicly telling the noisy **Rashid Echesa** that he was a minister for sports not Luhya politics.

Despite the bluster, Kenyatta is yet to carry out the long-rumoured cabinet reshuffle. Pundits say Matiangi might do that for him. ●

SOUTH AFRICA

Anglo at a turning point

The mining behemoth's fortunes are improving just as Vedanta makes clear its takeover ambitions

As mining investors and managers gathered for the annual Mining Indaba in Cape Town on 4 February the talk was of little else but the rumour that Anglo American might finally depart the land which made it one of the biggest corporations in the world.

The century-old corporation, which flourished under apartheid, is coming under increasing pressure to re-organise its growing international assets and its South African platinum, diamond, iron ore and coal mines.

The largely domestically owned Anglo faces two dilemmas. First, its South African interests are increasingly difficult to keep under one roof because of uncertainty created by regulatory and ownership issues around Black Economic Empowerment, rigid labour laws, an increasingly unstable electricity supply and the possibility of land expropriation. Secondly, it has had to see off several attempts by **Indian** mining billionaire **Anil Agarwal** to take over the company.

Under former President **Jacob Zuma's** Mineral Resources Minister **Mosebenzi Zwane**, measures such as the Mining Charter, the Minerals and Petroleum Resources Development Act, which empowered the energy minister to seize 25% of a mining or oil and gas company, and the requirement that collieries providing thermal coal to the state should be majority black-owned, were the final straw for many mining companies (AC Vol 56 No 6 & 57 No 9). Investment in the sector had all but dried up over the past eight years.

But the mood music has changed in the year since **Cyril Ramaphosa** became President. At an investment conference in Johannesburg in October, Anglo CEO

Mark Cutifani said the group was ready to invest in the country again as he praised Ramaphosa for having gone 'a long way down the track' to rebuilding investor confidence.

Cutifani has turned the company around since its value plunged at the time of the commodity prices slump in 2015/16, when he sold some of Anglo's non-core assets. Cutifani, who has served as CEO for six years, reversed the strategy of selling off assets in 2017 when commodity prices rose again, and his cost-cutting and restructuring efforts bore fruit while it became evident that Zuma was unlikely to last the year. In the past two years the share price has rallied.

The Anglo CEO has also received praise for the company's corporate responsibility strategy, promoting black empowerment, gender equality, and innovative initiatives around community support and development near its mines, focusing in particular on clean water and education.

None of this helps Cutifani ward off a shrewd and determined predator who is bent on taking over his company when the moment is right and the funds become available. Agarwal, the billionaire founder and chairman of Vedanta Resources, has a bad reputation when it comes to environmental issues and human rights, and major questions have arisen about governance issues in his complex corporate structures.

Agarwal is now the single biggest shareholder in Anglo with almost 20%, second only to South Africa's Public Investment Corporation, Africa's largest money manager. Agarwal has made overtures to the Ramaphosa government and the ruling African

National Congress, which has long argued for a state mining company.

Anglo entered a 50/50 partnership with the PIC last year, creating a \$200 million fund to support innovation in the platinum metals group industry. Africa Confidential understands that the PIC is nervous of Agarwal's poor record on regulatory compliance and human rights but it is warming to his supportive language about South Africa and reform in the mining industry.

Agarwal has said that he would not sell Anglo's South African assets if he took over the company but he has not made clear what he would do with Anglo's many assets abroad. 'His strategy remains opaque and something of a mystery,' said an advisor close to the company. 'It would make more sense for him to take over Anglo's international assets.'

There is also a big question around how Agarwal would fund such a costly deal. At its current share price, up 70% in the past two years, Anglo is valued at \$32.9 billion. Some analysts believe that Agarwal wants to float a separate international company with the assistance of PIC and Anglo to house Anglo's South African assets.

Agarwal has been assembling an expert team. He poached **Srinivasan 'Venkat' Venkatakrishnan**, Cutifani's protégé, financial officer and successor at AngloGold Ashanti who had worked for the company for two decades. Vedanta also hired Cutifani's predecessor at Anglo, **Cynthia Carroll**, as an advisor, as well as former Rio Tinto head **Tom Albanese** as its CEO, although their tenures were short-lived.

But Agarwal's corporate culture does not dovetail with Anglo's. 'He is not reputable,' said the advisor, using more polite language than one influential City of London banker. 'I can't see a takeover [of Anglo], but Agarwal is shrewd and he should not be underestimated.' A City banker close to the mining industry said that one could not escape the fact that the Anglo HQ in London's Carlton House Terrace was a far cry from the realities of South Africa. ●

ETHIOPIA

Mountains to climb

The success of the Prime Minister's reforms depends on how he manages intricate regional and ethnic power struggles

Abiy Ahmed was one of the star attractions at the Davos circus. Yet after leaving the World Economic Forum with the applause ringing in his ears, more down-to-earth political machinations still faced him at home. The first item of business on his return from the Alps was a dust-up involving **Mustafa Muhammed Omer**, the progressive new acting president of Somali region, who was threatening to resign after his appointments had been blocked, apparently by Abiy's finance minister, **Ahmed Shide**, who also happens to be the head of Somali region's ruling Somali People's Democratic Party (AC Vol 59 No 21).

Mustafa feels the pressure weakens his new administration, which has only recently taken over – with the help of federal troops – from the tyrannical **Abdi Iley**. He also wants to bolster his position by bringing back into his jurisdiction disputed border towns previously partly conceded to Afar region by Iley. The problem for the federal government is that retrieving the towns could trigger protests from the Afars, who recently blocked the new railway to Djibouti in protest at what they see as neglect. Addis Ababa also fears renewed conflict between Afars and Issa in Somali region. Mustafa needs the support of the Issa, who include his deputy, and he could lose it if he backtracks on the plan.

All this would be headache enough for Abiy, but in mid-December violence

flared in the Ethiopia-Kenya border town of Moyale, which is split between the Oromia and Somali regions on the Ethiopian side, and between Borana people in Oromia and Garre groups in Somali region. A recent mediation meeting hosted by the Ethiopian military degenerated into a shoot-out. The struggle in Moyale pits Abiy's Oromo Democratic Party (ODP), alongside the returned and revived Oromo Liberation Front (OLF), against the SPDP and Mustafa's administration, as well as the revived and returned Ogaden National Liberation Front (ONLF), which supports Mustafa.

Mustafa may be keen to assume the Somali regional party leadership, but Abiy prefers the leaders working under him within the ruling coalition to be in Addis Ababa. That is the case for the four-party ruling Ethiopian Peoples' Revolutionary Democratic Front's (EPRDF) southern and Amhara party bosses, with only **Debretsion Gebremichael**, the chairman of the rebellious Tigrayan People's Liberation Front (TPLF), leading his own region.

As well as blaming Ahmed Shide, Mustafa's allies accused the ODP's **Fekadu Tessema**, who has a senior federal role but is said to be operating as Abiy's political enforcer, of plotting to replace him with **Abdiwasa Bade**, a junior science and higher education minister in the federal government.

There were also allegations that Ahmed Shide was in cahoots with

exiled allies of Abdi Iley. Whatever the truth of that, there are new strains in the conflict. A change of leadership of Somali region was made possible by the Oromo triumph over Tigray within the ruling party, but now Mustafa and his allies are worried by the ODP-dominated federal government linking up with the ODP-run Oromia region to work against them.

Difficulties in Somali region increased in December after the Ethiopian military – with Abiy's OK – acted as an enforcer of the will of the Somali federal government's President **Mohamed Abdullahi Mohamed 'Farmajo'**, arresting and shooting opponents of Farmajo's favoured candidate in the South West State presidential selection process (AC Vol 59 No 24). Ethiopian Somalis are unhappy with their troops' role in South West State.

COMMISSION IMPOSSIBLE

In a bid to solve the myriad boundary disputes, Abiy has set up a national border commission to report to him (AC Vol 60 No 1). Given the ODP's strength at the centre, supporters of Mustafa are suspicious of this process, and despite Abiy and Mustafa smiling broadly at a photo shoot after a post-Davos meeting at the Prime Minister's Office, tension still simmers.

The same can be said for Ethiopia's northerly dispute, which saw Abiy, President **Issayas Afewerki** of Eritrea, Debretsion, and Amhara president **Gedu Andargachew** pose together on 7 January at the opening of an Ethiopia-Eritrea border crossing.

The chummy behaviour also belies the situation on the ground, where tensions continue to grow between Amhara and Tigray as both sides accuse the other of stoking unrest, and Amhara ramps up territorial claims.

An exclusively TPLF regional council rejected Abiy's border commission on 26 January, despite its approval in December by the federal parliament, in the latest manifestation of the rupture between Addis Ababa and Tigray. The ongoing manhunt for former spy chief **Getachew Assefa**, a TPLF politburo member, is another one, although it is not clear that he is lying low in Tigray.

In Amhara, the Qemant minority has become restive, to the west of Gondar. Local ethnic Amhara accuse a TPLF-linked company, Sur Construction, of trafficking arms to the Qemant, who have been campaigning for greater administrative autonomy and are, verbally at least, supported by TPLF activists. Because of the allegations, when Sur's road-building vehicles were leaving the area, they had a military

PAN-AFRICAN AND PAN-GLOBAL

Amid last year's political fireworks, Prime Minister **Abiy Ahmed's** plans for trade liberalisation, which includes accelerating Ethiopia's World Trade Organisation accession and regional economic integration, went under the radar. But at the World Economic Forum at Davos, the young premier's unifying ambitions came out. He suggested that the future of closer ties in the Horn of Africa was not just a free trade agreement, more integrated customs union, or even a single market, but full political union.

'There is no need to have a different army in Ethiopia, in Eritrea, in Djibouti. I don't believe in this. There is no need to have foreign embassies here in Switzerland for each East African country. We can share, because we are poor,' he mused.

Such ambition from Abiy is not new, of course. Shortly after he flew home he certified Ethiopia's membership of the African Continental Free Trade Area.

Critics say that Abiy is trying to forge one nation out of a tapestry of ethnic and national interests, so it suits him to tell his domestic audience that similar grand strategies for uniting nations and peoples are taking place all over the world. Some even call it a form of escapism from the immense challenges he faces at home. ●

escort. This raised the suspicions of some Amhara, who insisted on searching the convoy, and a firefight resulted with soldiers shooting several people dead.

Abiy needs the TPLF for the rapprochement with Eritrea but they are proving difficult. Tigray's cooperation is necessary for new border arrangements, especially as some Ethiopian communities, such as in former flashpoint town Badme and the Irob people, do not want to become part of Eritrea. Suspicion has solidified in Tigray that Abiy's deal with Issayas involves the downfall and humiliation of the TPLF. Unless Abiy somehow manages to renew the TPLF leadership, as he has done in other weaker regions, or there are concessions made to Tigray, which may well mean angering Amhara nationalists, it is not clear how the feud will be resolved.

There was better news for Abiy in his home region, Oromia, after a deal for elders to oversee the integration of the previously exiled and 'terrorist' OLF fighters into the regional security apparatus. But that only became necessary after political warfare between the ODP and OLF degenerated into violence that required military intervention, including strikes by helicopter gunships. Now that the immediate security issue has been



resolved, the parties will be able to focus on the underlying political conundrum of how the ODP can accommodate the OLF as a democratic contestant without losing power.

At Davos, Abiy told the audience that the backing of the Ethiopian people will enable him to overcome any

obstacles to his reform agenda. That may be true, but misses the point. The biggest challenge for Abiy lies not from malcontents from the ancien regime, but in transitioning Ethiopia from its one-party system to democracy, and keeping the unshackled competing forces from causing instability. ●

BOTSWANA

A party at war

A ferocious fight lies ahead for President Masisi as his predecessor mobilises to oust him from the top of the ruling party

Ex-President **Ian Khama's** anger at his successor, President **Mokgweetsi Masisi**, is so strong that he is backing a rival candidate to remove him from the leadership of the ruling Botswana Democratic Party at its elective congress in July. It is the first time since independence in 1966 that a BDP leader has faced a challenge. Long-serving cabinet minister **Pelonomi Venson-Moitoi** declared her intention to take over from Masisi on 19 December. Masisi immediately dropped her from the cabinet.

Khama is using his support within the BDP, his chieftaincy of the majority Bangwato people, and his business connections to try to ensure victory for Venson-Moitoi. Masisi was hand-picked by Khama to succeed him but disappointed his mentor by moving

against his appointees and business network after becoming president (AC Vol 59 No 13). Possibly Masisi's greatest sin against Khama was to dismiss the much-feared intelligence chief, **Isaac Kgosi**, who was widely seen as Khama's right-hand man and immune from prosecution.

Last month, the new head of intelligence, **Peter Magosi**, arrested Kgosi on charges including tax evasion at the airport in Gaborone as he arrived from abroad. Television cameras recorded the arrest, including his protestations of innocence, topped by an ominous promise: 'You guys are now forcing me to do something that I didn't want to do. I am going to topple this government. I am telling you.'

A win for Venson-Moitoi in July would see her replace Masisi as party president.

The party president is always the BDP presidential candidate. The general election is in October. While she insists she is merely exercising her democratic rights in challenging Masisi, nobody doubts that she is a proxy for Khama. A group of defence contractors who profited massively during Khama's rule are reportedly funding her campaign.

Apart from Khama and tribal-aligned supporters from the Central District, Venson-Moitoi is also believed to have a sizable support base in the party, including many who lost in the party's August primary elections and are now taking the BDP to court to challenge Masisi's legitimacy as party president.

According to a report by the news media source Mmegi, a group of former soldiers who are now successful businessmen calling themselves Third Force, mostly from Khama's Central District, are backing Venson-Moitoi's presidential bid. The group of politicians backing her goes by the name New Jerusalem, and it appears to be growing. Prominent businessman and former BDP chairman **Samson Moyo Guma** is among them. He will stand for the position of BDP secretary-general, currently held by **Mpho Balopi**,

who is seen as a Masisi loyalist, at the July congress.

Another party loyalist and long-time political ally of Masisi, **Roseline Panzirah Matshome**, was recently kicked out of the BDP communications subcommittee after revealing that she will stand for the deputy secretary-generalship.

The fight is not one-sided. Masisi's camp secured an important victory last

month when a High Court judge threw out a suit brought by **Kamal Jacobs**, an aspiring member of parliament who lost in the BDP primary elections in August, which challenged the legitimacy of Masisi as party leader. The judge ruled that a sitting president cannot be sued on a civil matter.

The Masisi camp will also be buoyed by recent comments by former President **Festus Mogae**, who blamed Khama

for the standoff and said, 'Yes. Yes I regret bringing him into government. I appointed him to unite the party and the nation. I thought he was like his father [the late Sir **Seretse Khama**]; it turned out he was not.' Masisi also has effective control of the media, which is operating a blackout on news of Khama. He has also improved his chances by decreeing a hefty pay increase for civil servants in the new budget. ●

TUNISIA

Eight years of transition

As established parties gear up for elections later this year, Premier Chahed's new party hopes to offer a credible alternative

Two distinct narratives dominate the political landscape eight years after President **Zine el Abidine Ben Ali** fled to **Saudi Arabia** as the Arab Spring erupted. One relates to the party politicking of the never-ending democratic transition: the competition for power between a neo-liberal establishment led by President **Béji Caïd Essebsi** and his *Nidaa Tounès* (NT) party on the one hand, and on the other, the Islamist *Hizb Ennahda*, led by the wily **Cheikh Rachid Ghannouchi**. A general election is scheduled for October (AC Vol 59 No 2).

The second, very different, narrative speaks of poverty, a lack of opportunities that is driving many young people to take huge risks to attempt escape to Europe, and falling living standards, especially for public sector workers. The people at the margins of society who rose up against Ben Ali in 2010-11 are even poorer now, and they have no faith in Article 12 of the post-revolution constitution, which commits the state to 'achieving social justice, sustainable development and balance between regions based on development indicators and the principle of positive discrimination'.

On the contrary, there has been no correction of regional imbalances to achieve greater fairness. Those areas that feel let down by the promises of poverty reduction and the urban areas that jobless citizens migrate to are filled with resentment and have become breeding grounds for radical Islamism and crime.

The hard-pressed populace blames politicians in faraway Tunis (AC Vol 58 No 1). The politicians speak of economic and social shortfalls, but the identity of the next president and make-

up of the National Assembly are their real preoccupations in this election year. Strikes led by the powerful *Union Générale Tunisienne du Travail* (UGTT), but also by independent local groups, raise issues the political class seems ill-matched to cope with. In a speech marking the eighth anniversary of Ben Ali's flight on 14 January, UGTT secretary-general **Noureddine Taboubi** highlighted the government's failure to meet a commitment to link public sector wages to price rises and the need for 'the preservation of national sovereignty' – shorthand for resistance to policies inspired by International Monetary Fund (IMF) loan conditions, not least privatisations of state assets and cuts in subsidies on electricity, basic foodstuffs and other products.

PROTESTS AND STRIKES

Popular anger was seen in small-scale protests all over the country, such as the one at state-owned *Compagnie des Phosphates de Gafsa* over jobs, and unrest which halted oil and gas production throughout last year. In December, crowds clashed with security forces at Kasserine and then in other towns after a journalist burned himself to death.

The international community has always supported Tunisia's 'democratic transition' out of dictatorship, propping up what one European official calls 'the sole success story to emerge from the 2011 revolutions after the Libyan and Syrian disasters'.

In January the European Union approved a €305 million subvention to the government, which EU Commissioner for European Neighbourhood Policy **Johannes Hahn** said would 'facilitate access to the job market for young Tunisians, boost entrepreneurial

innovation and ensure that local communities are not left behind'.

But levels of financial support to a government with limited absorptive capacity, and which has proved incapable of reforming key areas such as the banking sector, are deemed insufficient. Taboubi notes that inflation stood at 4.6% when the UGTT negotiated its previous social contract with the government and employers, but it now stands at 7.5%. Taboubi has concentrated his fire on the government, acknowledging that the other 'tripartite agreement' partner, the *Union tunisienne de l'industrie, du commerce et de l'artisanat* (UTICA) employers' federation, has kept to its commitment to raise private sector incomes. Following walk-outs in January, another general strike is scheduled for 20-21 February, although Taboubi has left open the door for more discussions.

ESTABLISHMENT PARTIES

Ennahda has emerged from the Ben Ali years as an establishment party, reflected in Ghannouchi's alliance with Essebsi, whose NT party is packed with politicians who supported the mass imprisonment of *Ennahda* militants during the previous regime. *Ennahda*'s vote is not as strong as in 2011; many voters were frightened off first when it tried to introduce Sharia law in 2014 and then, at its 2016 Tenth Congress, it went to the other extreme, by removing religion from its political platform (AC Vol 57 No 11). Rebranded as a socially conservative movement of 'democratic Muslims' that is sufficiently tolerant to support giving women equal property and other rights, *Ennahda*'s base remains rooted in political Islamism, a linkage the state could yet use against it if relations between the Presidency and *Ennahda* deteriorate even further.

With 69 seats in the 217-seat National Assembly – the largest single bloc because NT has haemorrhaged deputies – *Ennahda* no longer sits in government but for five years has enjoyed the *tawafouk* (consensus) alliance with Essebsi, which local analysts said meant the Islamists benefitted from 'power without responsibility'. Essebsi

last September announced that the *tawafouk* was over, as all sides compete for advantage. Municipal elections last May highlighted the extent of Tunisia's divisions – and voter discontent – as NT won only 20.8% of the votes, behind *Ennahda*'s 28.6%. But that was hardly convincing as independents polled 32.2% and smaller parties the rest.

The 77-year-old Ghannouchi at last indicated in January that he would not stand for the presidency in December. Party primaries are expected to be held, which is essential as the *Ennahda* leadership is under pressure from a younger generation of militants who want a more prominent role. Some of them may try for parliamentary seats, but whether the party fields a presidential candidate is in question. *Ennahda* members would like their party to compete strongly in both elections, but Ghannouchi has been cultivating a more unlikely alliance – with NT Prime Minister **Youssef Chahed** – which could be mobilised to embarrass Essebsi. Ghannouchi is keeping his options open

on whether to field an *Ennahda* nominee in the race or back another candidate.

Essebsi's own efforts to promote his son **Hafedh Caïd Essebsi**'s presidential credentials lost momentum when they met strong resistance in the NT.

Key NT allies, including controversial businessman and now NT secretary-general **Slim Riahi**, have come under pressure from Chahed's popular anti-corruption campaign. Riahi avoided prosecution in a case brought by the government in 2017, but is under judicial investigation again for allegedly embezzling funds from a major Tunis football team, *Club Africain*, that he formerly chaired. Among others under persistent judicial pressure has been businessman and ally of Essebsi **Chafik Jarraya**.

With the NT apparently in tatters, Essebsi could well have to stand again in December, although the spry President will have turned 93 come presidential election day. NT has entered a season of regional conferences in a bid to build party unity. Meanwhile,

Qatar, which has enjoyed a long relationship with Ghannouchi, has been working to reconcile Essebsi and the *Ennahda* leader. In January, Emir Sheikh **Tamim bin Hamad al Thani** hosted private talks between the two in Doha, which focused on Ghannouchi's support for Chahed.

The 43-year-old premier has led a government that is widely criticised, but many Tunisians don't necessarily blame Chahed, understanding that he has been handed a difficult situation. Now, after months of speculation, Chahed is leveraging his reputation for probity to create a new party, *Tahya Tounes* ('Long Live Tunisia'), with deputies and other politicians who have quit NT. Pointing to the PM's electoral potential, *Tahya Tounes*' working title was 'the Chahed party'; it will argue in the coming elections that, freed from NT cronyism and other constraints, Chahed really can deliver reform – which is an enduring theme in Tunisian politics that goes back long before the now-withered 'Jasmine Revolution'. ●

MAURITANIA

President says au revoir

Abdel Aziz looks ready to stand down, but he is keeping a tight rein on power and may yet decide to return

The announcement that Defence Minister **Mohamed Ould Cheikh el Ghazouani** is to be the ruling *Union pour la République* (UPR) candidate in this year's presidential elections has ended the lengthy speculation over whether President **Mohamed Ould Abdel Aziz** would stand again. As the electoral set-up is almost certain to return a winner for the UPR, it means Abdel Aziz can expect to be the first Mauritanian leader to leave power peacefully. He took power following a military coup in 2008 (AC Vol 50 No 1).

Abdel Aziz's abolition of the Senate in 2017 led many to believe he was planning to scrap presidential term limits in 2019. An alternative theory was that he might take some formal role in government after leaving the presidency. One option is for the 62-year-old to be appointed Prime Minister under Ghazouani as President, just as **Vladimir Putin** served under President **Dmitry Medvedev** as prime minister before returning as head of state. Abdel Aziz is yet to confirm his intentions.

Ghazouani, who will be the main attraction at the UPR's congress in

March, should win the election, the date of which is not finalised and could take place any time between April and September. Opposition parties are likely to put up candidates, but the voting records indicate how little chance they have of winning. The referendum approving Abdel Aziz's plan to abolish the Senate, and redraw the national flag, passed with 85.6% on a turnout of 54% (AC Vol 58 No 17). The results in last September's legislative, municipal and regional polls, which ended many opposition parties' lengthy boycott of the system, were more diverse (AC Vol 59 No 17).

Prominent anti-slavery campaigner **Biram Ould Dah Abeid** announced on 30 January that he would stand again, as in 2014 (AC Vol 55 No 13). But despite the potential *Harratin* (ex-slaves) vote and disaffection among rural communities in the Senegal Valley, he is unlikely to make a big dent in Ghazouani's expected majority.

Other opposition parties are considering whether to compete. They have noted that, while far from taking power, the Islamist *Tawassoul* party (*Rassemblement national pour la réforme*

et le développement) has 14 MPs and has been making progress in municipal elections. A local Muslim Brotherhood-type party, led by Moroccan-educated former political prisoner **Mohamed Jemil Ould Mansour**, *Tawassoul* takes inspiration from Morocco's *Parti de la Justice et du Développement* (PJD), whose **Saad Eddine el Othmani** is now Prime Minister. There has been speculation that *Tawassoul* might advance its governmental credentials by backing a Ghazouani presidency, but so far Mansour has said it will stick with the opposition *Front National pour la Démocratie et l'Unité* (FNDU) alliance.

SECURITY CREDENTIALS

The ruling party characterises Ghazouani's candidacy as a continuation of Abdel Aziz's 'security, democracy, and development project'. Key allies – including the Western powers who have bought heavily into Abdel Aziz's security agenda, which includes participation in the five-nation G5 Sahel initiative – had been expecting the move. Ghazouani has the security credentials. He was Army Chief of Staff until Abdel Aziz named him Defence Minister last November.

The new candidate is also at the centre of regional politics. His Deputy Chief of Staff General **Hanena Ould Sidi** was last year named commander of the *Force Conjointe du G5 Sahel* (G5 Sahel Joint Force), after Malian General **Didier Dacko** was dismissed following last June's devastating jihadist attack on the G5 headquarters (AC Vol 59 No 25).

Ghazouani is widely thought to be more sympathetic to **France** than many other officers, which will probably reassure key G5 sponsor President **Emmanuel Macron**. The European Union also strongly supports the force.

Some observers attribute the lack of jihadist attacks during Ghazouani's watch as Chief of Staff to an improvement in the Mauritanian military's professionalism. Others say it has more to do with the military leadership's political and business dealings with Mauritanian jihadists, who have formed an important contingent for Islamic State (*Da'ish*) in **Syria** and other conflict zones. The **United States** Navy Seals who killed **Osama Bin Laden** in May 2011 uncovered a document detailing a 'non-aggression pact' between *Al Qaida* in the Islamic Maghreb (AQIM) and Mauritania in the raid. Mauritanian officials have always denied any such deal.

Former colonel and European Union fisheries agreement negotiator **Cheikh Ould Baya**, once identified as a possible successor to Abdel Aziz, easily beat *Tawassoul* challenger **Assouvi Ould Cheibani** to become parliamentary Speaker in October. The Speaker role has traditionally been reserved for a *Harratin* politician, so it is likely that prominent *Beidane* (Arab/Berber) politician Baya got the job as part of a ploy to position key Abdel Aziz allies across the political system ahead of this year's election.

An army general since 2006,

Ghazouani is said to be popular among army officers and ordinary soldiers, and has cultivated support for the regime among tribal leaders. This gives him a support base that could eventually be turned against his mentor. Local analysts say Baya could have been the one to inherit Abdel Aziz's mantle but the President felt Ghazouani was a safer bet. Their sons are said to be in business together.

Key players in the current government, like Economy and Finance Minister **Moctar Ould Diay**, are likely to play a continuing role, while other technocrats, including Prime Minister **Mohamed Salem Ould Bechir**, will be among those included in the ministerial roundabout.

EYES ON THE PRIZE

Their eyes will be fixed on an economy which is expected to grow significantly in coming years. While the G5 Sahel Joint Force slowly becomes operational, funds are being lined up through the Sahel Alliance, created at the International High-Level Conference on the Sahel in February 2018, to economically 'transform' the grouping's member countries – **Burkina Faso, Chad, Mali, Mauritania and Niger** – by implementing over 500 projects by 2022.

Governments that have previously expressed scepticism about the 'Franco-EU' G5 initiative, such as the **United Kingdom**, seem to have bought into the Sahel transformation agenda.

They are also looking closely at the prospects offered by an offshore natural gas development, the Grand Tortue-Ahmeyim field, which straddles the maritime boundary between Mauritania and **Senegal**. A recent International Monetary Fund (IMF) review of its \$160 million three-year Extended Credit Facility noted huge variations in projected earnings from the GTA, but suggested 'net revenues for Mauritania for all three phases [of the project] could reach US\$14 billion during 2022-51 (about 9% of 2018 GDP annually).'

These plans are now becoming reality, with GTA's 2.5 million tonnes per year phase one being developed by floating liquefied natural gas (FLNG) specialist Golar LNG. For the larger phase two, upstream partners UK-based major BP and US partner Kosmos Energy are now assessing pre-front-end engineering and design bids.

TAKING NOTICE

These developments suggest that Western governments are taking a new look at the country. The UK has installed an interim ambassador in Nouakchott and is planning to open a full embassy with a permanent ambassador, **Simon Boyden**, whose CV includes spells in **Iraq and Afghanistan**. BP is a corporate supporter of the Mauritanian British Business Council, created to build links with a country for long all but ignored except for a small group of traditional commercial partners. ●

NIGERIA

Errors of judgement

The row over the President's suspension of the Chief Justice raises doubts over the conduct of this month's elections

Chief Justice **Walter Onnoghen**, suspended by President **Muhammadu Buhari** on 25 January, is fighting for his professional life in a partisan battle that casts a shadow over presidential elections due on 16 February and state elections next month. The Chief Justice, Nigeria's most senior judge, has a lead role in adjudicating on petitions arising from those elections.

The furore comes just as signs are appearing that opposition presidential candidate **Atiku Abubakar** has been gaining ground on Buhari in recent weeks. The suspension of Justice Onnoghen has become part of the election campaign. Buhari has sworn

in Justice **Ibrahim Tanko Mohammed**, Onnoghen's deputy, as acting Chief Justice.

Opposition politicians say that Buhari's actions suggest he wanted to pick his own judge to rule on election petitions with less than a month to go before polling day. Onnoghen was confirmed as Chief Justice two years ago by Vice-President **Yemi Osinbajo** while Buhari was out of the country receiving medical treatment.

Officials say that Onnoghen had been under investigation by security agencies but civic activists and oppositionists question the timing of the suspension. Buhari's decision relied on two petitions filed at the Code of Conduct Bureau

(CCB) questioning Onnoghen's assets declaration and claiming he owned accounts 'run in a manner inconsistent with financial transparency and the code of conduct for public officials'. Onnoghen's explanation that he forgot to declare some of the accounts discovered by the investigators lacks credibility. But there is unlikely to be an early end to the saga with many officials and all the agencies in the matter themselves facing scrutiny.

Questions are being raised about the standing of the CCB's Code of Conduct Tribunal chair, **Danladi Yakubu Umar**, who faced fraud charges from the Economic and Financial Crimes Commission (EFCC) before they were thrown out last year. He has been accused of bias by opposition parties.

The tribunal called Onnoghen to a hearing on 4 February but he didn't attend and insists on his innocence. Onnoghen has filed his own case in the Appeal Courts questioning the tribunal jurisdiction. If the court rules in his favour, he would be reinstated.

The National Judicial Council (NJC), which is responsible for the appointment and nomination of judges, has launched an investigation into the case. It asks why it was not sent the petitions on Onnoghen's asset declarations before President Buhari suspended him.

After meeting on 29 January, the NJC called on Onnoghen and his replacement to respond to petitions. It wants Onnoghen to respond on the asset declaration issue, and for Muhammad to explain why he accepted Buhari's appointment without consulting the NJC. The two judges have been given until 11 February to file their responses.

Legal experts lambasted this use of executive power against the judiciary. 'President Buhari, who has no recent memory of having obeyed any court order, purports to procure the removal of the Chief Justice based on a petition that was not investigated, a charge that was not prosecuted and an ex-parte application that was not moved,' said **Chidi Odinkalu**, Lagos-based lawyer and former chair of the National Human Rights Commission (NHRC).

Only the Senate has the powers to remove the head of the country's judiciary, argues **Olisa Agbakoba**, a former chair of the Nigerian Bar Association (NBA). 'Section 292 of the 1999 Constitution sets out the procedure for removing or suspending the Chief Justice of Nigeria', he stresses. 'The power to suspend or remove the Chief Justice of Nigeria rests in the Senate side of the National Assembly.'

The Senate has asked the Supreme Court to rule whether the President's action is constitutional, which could result in Onnoghen's reinstatement.

All except one of the Supreme Court's judges stayed away from Muhammad's investiture in protest. Lawyers nationwide also boycotted the courts in solidarity with the suspended judge. Vice-President Osinbajo, a professor of law, had to cancel an interview in Lagos after protesters stormed the venue of the television channel ahead of his appearance.

The suspension has drawn widespread condemnation from the opposition, civil society and from foreign governments, notably the **United States and Britain**, both of which expressed concern.

Atiku, presidential candidate for the People's Democratic Party, says Buhari's action 'breaches the Nigerian Constitution but also managed to undermine presidential democracy'.

A joint mission of the US foundations linked to the two main US political parties, the National Democratic Institute and the International Republican Institute, have election observer teams in the country, along with the Commonwealth. NDI President Ambassador **Derek Mitchell** warned: 'The suspension of Nigeria's highest judicial officer so close to the vote could undermine citizens' confidence in the judiciary's independence.'

The foreign ministry in Abuja expressed disappointment with the

foreign criticism, saying its statements had nuisance value and 'portend tolerance for corrupt acts and downplay the anti-corruption crusade of the Buhari administration, knowing fully that the suspended CJN had not denied the charges against him'. A presidential spokesman added that there was a tone of condescension in the remarks of the foreigners.

For now, the most probable outcome is that neither Onnoghen nor his deputy will be Chief Justice when the election tribunals are constituted, given the intensity of the furore.

LEGAL DISPUTES

Some senior officials in the ruling All Progressives' Congress are getting uneasy about the judicial processes around the elections. The APC has lost two rulings – in Zamfara and Rivers States – which bar it from running gubernatorial candidates or candidates for the national assembly due to legal disputes over its primary elections. It could still win on appeal but its time for campaigning would be cut short.

The prospect of protracted legal hearings ahead of the elections is heating up the campaign, with a renewed focus on the fight in the South West, the swing region in the country. So far, the Onnoghen saga, whatever the merits of accusations against the judge, has played badly for the government in that region, particularly the commercial capital Lagos where the bulk of the country's lawyers are based. ●

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POINTERS

African Union

DIPLOMATIC DIFFERENCES

■ After a fallow period for the African Union's regional diplomacy, the Chairperson of the AU Commission, Chad's **Moussa Faki Mahamat**, has been working hard to restore its prestige and lead on African crises. But a burgeoning rivalry with the AU Peace and Security Commission (PSC) boss **Smaïl Chergui** is getting in the way.

Chergui was accustomed to having his own way on security issues under Moussa Faki's predecessor, **Nkosazana Dlamini-Zuma**, who took little interest in them, but now he feels Moussa Faki is treading on his toes, officials in Addis Ababa are saying (AC Vol 58 No 3). His unease is reflected in the poor morale of PSC staff, with section head appointments not being made, while allegations of sexual harassment and gender discrimination abound.

Moussa Faki has recruited heavy-hitters to his side, such as new chief of staff **El Ghassim Wane**, the **Mauritanian** ex-UN senior official who used to head the PSC's permanent staff under Chergui. They did not get on. Chergui will see this new appointment as an infringement of his sphere of influence. He has been on the defensive ever since his fellow **Algerian Ramtane Lamamra**, who was the Peace and Security Commissioner between 2008 and 2013, returned to the AU in October 2017 as High Representative for Silencing the Guns (AC Vol 58 No 11).

Moussa Faki and Chergui seem unable find a *modus vivendi* and communications between their departments are poor, we hear.

Western observers welcome Moussa Faki as a relief from Dlamini-Zuma's hands-off approach to security issues and anti-colonial rhetoric. He respects and values the roles of the UN and the European Union in regional crises, but this has not gone down well in **South Africa**, which is suspicious of **Chad's** closeness to the **French** foreign policy and military establishment. His defenders admit that on the anti-jihadist fight in the Sahel or the conflict in **Central African Republic**, Paris and Moussa Faki are unlikely to differ, but there is plenty of space for the AU to make a difference in places where it has been notably absent, such as **South Sudan** and **Cameroon**.

Chergui's closeness to **Russia**, where he was Algeria's long-serving ambassador, worries many because Russia seeks greater influence in Africa,

particularly in CAR and **Sudan**. Yet, Chergui got talks going between rebels and the Bangui government in Khartoum, and Moscow was unhappy at being excluded. A peace pact was expected to be signed as *Africa Confidential* went to press.

South Africa

MEMO MISFIRE

■ A diplomatic storm blew up just after **Shamila Batohi**, the new national director of public prosecutions, took over from her compromised predecessor, **Shaun Abrahams**, on 1 February. President **Cyril Ramaphosa** expects Batohi to prosecute top officials and former ministers who have been linked to grand corruption and abuse of office in a succession of judicial commissions (AC Vol 60 No 1).

On 3 February, the Johannesburg *Sunday Times* claimed the ambassadors of the **United States**, **Britain**, the **Netherlands**, **Germany** and **Switzerland** – who account for some 60% of foreign investment in South Africa between them – had sent a confidential memo in mid-2018 to Ramaphosa claiming that his US\$100 billion investment drive was bound to fail if corrupt officials from former President **Jacob Zuma's** administration were not prosecuted and jailed.

The emergence of the memo, together with conflicting claims about its contents, points to continuing doubts about the government's determination to hold its former officials and senior members of the governing African National Congress to account. The opposition accuses Ramaphosa of trying to paper over the cracks ahead of national elections in May and of dragging his feet on prosecuting senior ANC figures.

After the *Sunday Times* report, the diplomats involved were hauled in by Foreign Minister **Lindiwe Sisulu** who accused them of breaching protocol by writing directly to the President, rather than going through her ministry. One of them told *Africa Confidential* that the memo was neither prescriptive nor breached protocol but was responding to a request for information from the President's economic advisory group on investor perceptions (AC Vol 59 Nos 6 & 22).

ANC headquarters remain under the control of Secretary General **Ace Magashule**, a close ally of Zuma's. From there, party spokesman **Zizi Kodwa** released a damning statement after the diplomats met Sisulu accusing them of seeking 'regime change'. That set a difficult backdrop for Ramaphosa at the annual Mining Indaba in Cape Town on 5 February. He finished a question-and-answer session at the meeting by

insisting that the prosecutor would hold all accused of malfeasance to account and that her team would not be diverted from their duty as some had been in the past – a pointed reference to political pressure on the prosecution agency during the Zuma presidency.

The timetable for action on the corruption and state capture cases promises to embarrass the ANC. We hear that the judicial commission investigating corruption at the Public Investment Corporation will release an interim report at the end of February and a final one by mid-April, when the election campaign will be in full swing.

Tanzania

FROM BULLET TO BALLOT

■ Nearly 18 months after suspected government gunmen poured 40 bullets into **Tundu Lissu**, MP, outside the National Assembly in Dodoma, the most persistent thorn in the side of President **John Magufuli** plans to return home. Lissu, a leader of the *Chama Cha Demokrasia na Maendeleo* (Chadema) opposition, told *Africa Confidential* he intends to contest the 2020 presidential election as soon as his doctors say he is fit. Lissu has been convalescing in Belgium for the past year and still faces one more surgery.

Lissu expects the Speaker to strip him of his parliamentary seat on grounds of being absent without leave since the assassination attempt, and having failed to notify him that he would be out of the country. 'If they wanted to kill me, stripping me of my parliamentary seat is only a small step for them,' he said.

Lissu is planning a diplomatic offensive in Europe and the **United States** to isolate Magufuli, who has been unashamedly restricting freedom of speech and other civil rights. Donor relations are severely strained and cuts in payments to Tanzania have been accelerating. In November, European Union foreign affairs chief **Federica Mogherini** announced that the EU was reviewing its aid, and shortly afterwards, the EU ambassador, **Roeland van de Geer**, was expelled. The EU's annual US\$100 million to the country is expected to be suspended soon. 'The EU is now finished with him [Magufuli],' Lissu says.

He says **Belgium** has withheld aid, as have **Sweden** and **Denmark**. Neither the **United Kingdom** nor **Germany** have yet acted, however. The World Bank cancelled a \$300m loan for girls' education in response to the government's decision to expel girls who become pregnant and not readmit them after they give birth. US Senate members have also called for US aid to be frozen.

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BLUE LINES

The gargantuan numbers aside – state power company Eskom has unserviceable debts of 420 billion rand (US\$30bn) – the most pressing equation in South Africa's budget is a political one. Ahead of national elections on 8 May, President Cyril Ramaphosa has to balance public demands for better services and more jobs with fixing gaping financial holes in the state sector and taking on enough new loans without overwhelming the economy.

Finance Minister Tito Mboweni, whose enthusiasm for market economics has grown exponentially in the past two decades, used his budget speech in parliament on 20 February to take another swipe at the country's ailing state-owned enterprises, weighed down by mismanagement, corruption and debt. Yet he has promised Eskom a 69bn rand bail-out over the next three years funded by public spending cuts, including job cuts.

Most conventional responses to the crisis that Ramaphosa inherited from Jacob Zuma pointed to a hard-nosed austerity programme and fast-track prosecution of beneficiaries of the many financial scams in government and business. Ramaphosa has done neither, soft-peddalling on austerity to avoid alienating the country's hard-pressed population, and shying away from speedy prosecutions of party functionaries. Ramaphosa is particularly anxious to keep the support of the trade unions, which backed him in the 2017 leadership contest but are set to oppose any public sector job cuts.

NIGERIA

Drama in the delay

Accusations of malfeasance and conspiracy follow the last-minute postponement of the national elections

In an election campaign that has failed to capture the nation's imagination, the announcement that voting would be delayed by a week, less than six hours before it was due to start, marked one of its more exciting points. Even now, there are many election experts, some with the foreign observer missions, who doubt that the Independent National Electoral Commission (INEC) is prepared for the new date of 23 February.

INEC blamed problems with logistics and bad weather for the delay. Dropping biometric card readers and associated electronics and ballot papers for 84 million registered voters in 179,000 polling units is a formidable operation, but it's unclear why INEC waited so long to make its announcement.

Security officials had raised concerns about voter safety in some areas. A suicide bombing killed 11 people in a mosque in the Kshari district of Maiduguri, capital of Borno State on the morning of 16 February. *Boko Haram* and the other main Islamist militia, Islamic State in West Africa Province (ISWAP), stepped up attacks just before the scheduled start of the elections.

Four days earlier, fighters from several armed vehicles attacked the convoy of Borno State Governor **Kashim Shettima**. ISWAP fighters claimed to have killed 42 people although an official statement put the casualties at two.

The attacks in Borno, together with a spate of deadly clashes in Kaduna and Zamfara states, raise the question of where voting might be suspended due to

insecurity. A plan to hold the elections in phases to free up more soldiers and police to boost security was rejected by all sides we hear.

POINTING FINGERS

Both main parties accuse the other of benefiting from the postponement. INEC chairman **Mahmood Yakubu** lacks the public confidence of his predecessor **Attahiru Jega**, although he has made decisions behind the scenes that have annoyed the big parties (AC Vol 59 No 21). His ruling that All Progressive Congress be barred from contesting the governorship and state government election in Rivers and Zamfara state due to disputes in selecting candidates have undermined its campaign there. The APC is appealing to the Supreme Court in both cases but whatever the decision, its presidential campaigning has lost momentum in both Rivers, the home state of its election chief and Transport Minister **Rotimi Amaechi**, and Zamfara, which was a party stronghold.

Whatever other gripes the APC may have with the Yakubu and the commission, the last-minute delay in voting triggered a wave of vitriol against it. APC National Chairman **Adams Oshiomole**, who has been having a bad campaign after being pelted with stones and verbal abuse in Ogun State, called for the management of the electoral commission to be reshuffled (AC Vol 54 No 24).

He also accused the opposition People's Democratic Party of conspiring with the commission to delay the vote to allow

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more time for fraud and rigging. Having said he was deeply disappointed by the postponement, President **Muhammadu Buhari** later let fly threats against would-be vote riggers, saying that he had instructed the security forces to deal harshly with

them, warning it would be their 'last act on earth'.

That earned him a standing ovation from the party faithful but rebukes from the PDP as well as civil society groups who fear that both sides have been ramping up the rhetoric irresponsibly. On paper, the PDP have more to lose from the postponement if it means a lower turnout.

COUNTING THE COST

By the time of the announcement many voters had travelled to their home areas where they are registered, in some cases making journeys hundreds of miles long. In interviews many said they could not afford to take the time off work to travel the following week. In fact, the last two national elections, which had turnouts of under

40%, were also delayed, but not at the last minute.

The biggest casualty may be confidence in the election itself. Following the sudden postponement, allegations have proliferated about plots and malfeasance within the commission. Some of the observer teams have lost staff because of the delay. And local economists estimate the country has lost over US \$1.5 billion in output.

One effect of lasting importance will be that the doubts sowed by the election postponement will encourage the losing party to challenge the announced result in the courts and elsewhere. This will come as the fate of the suspended chief justice, Walter Onnoghen, has become another point of contention (AC Vol 60 No 3). ●

NIGERIA

Governors get set

As the states demand more power from the creaking federal system, the governorship races are getting closer and more important

When the world shifts its attention away from Nigeria's headline-making presidential election, the country's provincial politicians will be shifting into high gear. On 9 March, Nigerians trudge back to the polls to elect state governors. Seven states – Osun, Ondo, Kogi, Ekiti, Edo, Bayelsa and Anambra – won't hold elections then because legal disputes knocked them off the four-year electoral cycle.

Governorship elections are a gritty affair in which a candidate's fortunes hinge not on their policies and personality but on their ability to rally state powerbrokers, religious leaders, traditional leaders and local organisations to their side. Aspiring politicians need to harness the money, muscle and mobilising power these political forces can supply to win.

It helps if geography and ethnicity are on a candidate's side. In many states, informal power-sharing arrangements rotate the governorship among competing senate districts or ethnic blocs. Party leaders and voters tend to punish candidates who try to flout the well-established system.

As Nigeria's sub-national overlords, governors control states whose populations, budgets and territory are on par with many mid-sized countries. They are also on the front lines of day-

to-day governance, responsible for providing basic public services, tackling unemployment, managing communal conflict, and mitigating other pressing challenges like climate change.

Yet few of Nigeria's prospective governors have the skills and policy vision needed to improve governance, rein in wasteful spending and turn their states around. Many will inherit economic basket-cases. Unable to pay civil servant salaries and mired in debt, most states subsist on their monthly share of national oil revenues and borrow to make ends meet.

THE BIG FIVE

Looking ahead to the looming polls, five states – Lagos, Kano, Kaduna, Borno and Rivers – stand out from the rest due to their economic and strategic importance.

Lagos State encompasses one of the world's largest megacities and accounts for roughly 60% of Nigeria's gross domestic product. The bastion of **Bola Tinubu** – the godfather of Nigeria's ruling All Progressives' Congress (APC) – Lagos's political terrain is as unforgiving as its rush-hour traffic and as labyrinthine as its back streets (AC Vol 60 No 1).

First-term incumbent governor **Akinwunmi Ambode** found this out the hard way (AC Vol 59 No 7). When

Tinubu spurned **Ambode** and anointed **Babajide Sanwo-Olu** as governor-in-waiting, he all but guaranteed **Ambode's** humiliating loss in the APC primary. Hoping to beat Tinubu's formidable political machine, the People's Democratic Party (PDP) nominated 2015 candidate **Jimi Agbaje** – brother of banking mogul **Segun Agbaje** – to run again.

In Kano State, unpopular APC governor **Abdullahi Ganduje** faces a divided opposition. His PDP rival **Abba Kabir Yusuf** is the son-in-law of a popular grassroots figure, former governor, now Senator **Rabiu Kwankwaso**. Yusuf's controversial primary victory split the state PDP, alienating many powerbrokers who resented Kwankwaso's efforts to impose his protégé on the party.

In adjacent Kaduna State, APC governor **Nasir El Rufai** faces a tougher-than-expected re-election contest against former federal legislator **Isa Ashiru** of the PDP. El Rufai has portrayed himself as forward-thinking reformer, winning praise and investment from the international community. Yet El Rufai's international credibility evaporated earlier this month when he declared that foreigners who interfered in Nigeria's elections would be 'sent home in body bags' – remarks widely seen as aimed at foreign election observers.

El Rufai's divisive rhetoric and perceived religious bias has disturbed the multi-ethnic Kaduna state. By replacing his Christian deputy with a Muslim running mate, he alienated the state's significant Christian minority. Ashiru, in contrast, is seeking to forge a broader electoral coalition. Supported politically and financially by former governor **Ahmed Makarfi** and former

national Vice-President **Namadi Sambo**, Ashiru has a good chance of unseating El Rufai.

Borno State, in contrast, is shaping up to be a rout for the APC. Outgoing governor **Kashim Shettima** has anointed state commissioner for reconstruction, rehabilitation and resettlement **Babagana Umara Zulum** as his successor (AC Vol 58 No 16). The long-running *Boko Haram* insurgency and humanitarian crisis has benefited the state's ruling elites, allowing them to siphon off reconstruction and security funds. This has helped them deepen their political hold over the state's vulnerable residents. Zulum's PDP opponent is **Mohammed Alkali Imam**, whose godfather, former governor **Ali Modu Sheriff**, is a political malefactor seen as partly responsible for the emergence of *Boko Haram*. Imam won a divisive primary that has since split the already-weak opposition, leaving it in no shape to take on Shettima and Zulum's electoral juggernaut.

In Rivers State, PDP governor **Nyesom Wike** has a clear path to a second term after the Independent National Electoral Commission (INEC) declared that the APC's nomination of candidate **Tonye Cole** was against election rules (AC Vol 59 No 15). Though controversial, this decision may have forestalled the political violence and communal conflict that often occurs in the run-up to elections in Rivers. Yet Wike's re-election might not be a *fait accompli*. The national and state APC may try to use scorched-earth tactics to derail the election. This would give them a second chance to oust Wike and install Cole – the former CEO of Sahara Energy Group and ally of transport minister and former governor **Rotimi Amaechi** – through the courts.

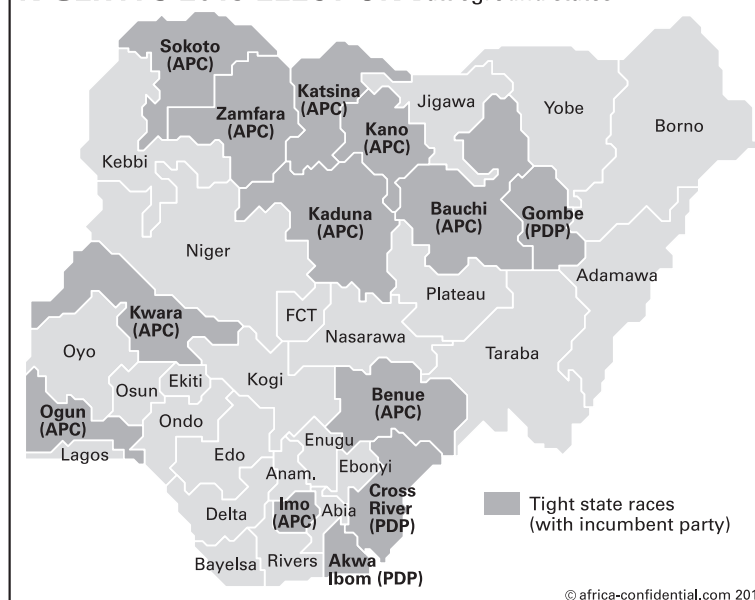
In Benue State, PDP governor **Samuel Ortom** is seeking a second term

TOSS-UPS

Following tectonic shifts in Nigeria's political party landscape last year, four states – Benue, Gombe, Kwara and Sokoto – are genuine toss-ups. In each case, whichever party stays most unified and whose candidate enjoys the most support from national-level powerbrokers could win.

In Benue State, PDP governor **Samuel Ortom** is seeking a second term

NIGERIA'S 2019 ELECTION Battleground states



after defecting from the APC last year. His main opponent is APC candidate **Emmanuel Jime**. Both Jime and Ortom were protégés of former governor **George Akume**, now a senator. The collapse of his relationship with Akume prompted Ortom's defection to the PDP. Keen to embarrass his estranged godson, Akume's backing could help Jime win in Nigeria's swingiest of swing states.

Gombe State, meanwhile, is an outlier: a PDP-led state nestled in the APC's northern heartland. Ethnically diverse with a sizeable Christian minority, power-sharing dynamics between different parts of the state heavily shape its electoral contests. The evenly-matched 2019 race pits old adversaries and rival kingmakers against one another. APC candidate **Inuwa Yahaya** enjoys the support of former governor and senator **Danjuma Goje**, while outgoing governor **Ibrahim Dankwambo** is backing former Deputy House of Representatives Speaker **Usman Nafada** of the PDP. Money will be no object for either party: Dankwambo is a wealthy two-term governor and former accountant-general who self-financed an abortive presidential bid (AC Vol 59 No 21). Goje, meanwhile, is currently being prosecuted by the Economic and Financial Crimes Commission (EFCC) for alleged embezzlement while in office.

The governorship election in Kwara State is shaping up to be a test of strength for the state's best-known political gladiator, Senate President **Bukola Saraki** (AC Vol 50 No 25). His defection from the APC to the PDP last year scrambled the state's political DNA, effectively inverting

state party loyalties. Saraki is backing **Razak Atunwa**, a federal legislator and former state house speaker. APC candidate **Abdulrahman Abdulrazaq** will try to exploit popular discontent with Saraki, whose family has dominated Kwara politics since the 1970s, around the campaign slogan of 'Enough is Enough'.

In Sokoto, incumbent governor **Aminu Tambuwal** is seeking a second term after failing to win nomination as a presidential candidate (AC Vol 59 No 25). Though not on the ballot, his predecessor and estranged political

godfather Senator **Aliyu Wamakko** is Tambuwal's main obstacle to re-election. Wamakko has thrown his support behind APC candidate **Aliyu Ahmed** in a race that will pit the formidable political machines of two former allies against each other. Although Tambuwal performed relatively poorly in his first term, the race could go either way.

MESSY MATCHUPS

In three states, 2019 is a year of uncertainty, political disruption and potential upsets. In Ogun State – increasingly an economic satellite of Lagos – a three-way battle is unfolding. A contentious APC primary yielded two candidates. Official APC candidate **Dapo Abiodun** enjoys national party support, whereas **Adekunle Akinlade** – now a third-party candidate – is the handpicked successor of outgoing APC governor **Ibikunle Amosun**. Feeling jilted by party bigwigs, Amosun complicated the state's election calculus by promising to campaign for Akinlade and against the candidate of his own party.

PDP candidate Senator **Buruji Kashamu** should benefit from this internecine warfare. However, voters may be put off by the fact that Kashamu remains a fugitive from US law enforcement, having successfully evaded extradition on federal narcotics charges to date. A larger-than-life character with the look of a television villain, Kashamu allegedly operated the 1990s Chicago heroin ring that was the inspiration for the hit Netflix series 'Orange is the New Black'.

In violence-scarred Zamfara State, party infighting derailed the APC's electoral chances in one of its

strongholds after it failed to agree on a governorship candidate before INEC's deadline. While the PDP candidate **Bello Mohammed 'Matawalle'** might be expected to romp to victory unopposed, his party does not enjoy deep state-wide support. Zamfara watchers expect that rather than backing a third-party candidate against Matawalle, outgoing APC governor **Abdulaziz Yari** will seek to disrupt the election, render it inconclusive and leave it to Nigeria's corruptible judiciary to resolve. In doing so, Yari may use his close ties to First Lady **Aisha Buhari**.

Another three-way race has emerged in Imo State where flamboyant APC governor **Rochas Okorocha** is stepping down after two terms. Like his Ogun State counterpart, Okorocha was blocked from naming his son-in-law as his successor and has since repudiated his party's candidate, Senator **Hope Uzodinma**. Despite being the flagbearer of the President's party, Uzodinma has been charged by the Buhari government with failing to declare his assets and is being investigated for corruption involving a US\$12 million federal dredging contract awarded to a company he controls. His two main opponents – former deputy speaker of the House of Representatives **Emeka Ihedioha** of the PDP, and Senator **Ifeanyi Araraume** of the All Progressives Grand Alliance – are seasoned politicians with deep pockets and solid political networks.

WEAK INCUMBENTS

In four states, weak incumbents may struggle to win re-election. In President Buhari's home state of Katsina, APC governor **Aminu Bello Masari** has sleepwalked through his first term as security and economic conditions in the state have deteriorated. Masari's missteps have created an opening for the PDP candidate, former senator **Garba Yakubu Lado**, to unseat him despite the

APC's tight hold over the state.

In Bauchi State, APC governor **Mohammed Abubakar** is vulnerable to a challenge from PDP candidate and former senator **Bala Mohammed** and respected former Health Minister **Muhammed Pate** of the People's Redemption Party. Bala Mohammed is widely seen as having been one of the most corrupt ministers in President **Goodluck Jonathan** government and is currently facing corruption charges stemming from his time as Minister for the Federal Capital Territory.

Looking south, Akwa Ibom governor **Udom Emmanuel** of the PDP has had a rough first term, falling out in spectacular fashion with his political godfather, former governor **Godswill Akpabio**. Amaechi and Akpabio are backing APC candidate **Nsima Ekere**, who has attracted criticism for clinging on to his lucrative position atop the corruption-ravaged Niger Delta Development Commission until six weeks before the election.

In neighbouring Cross River State, spendthrift governor **Ben Ayade** has governed irresponsibly – even compared to his most profligate peers, and so has given the APC a chance in what should be a PDP stronghold. However, an eleventh-hour court ruling may have upended the race by substituting Niger Delta minister and Amaechi ally **Usani Usani** as the APC candidate in place of Senator **John Owan-Enoh**.

ODDS-ON FAVOURITES

In three APC-run states where two-term incumbents are retiring, the upcoming elections hold few surprises. In conflict-affected Yobe State, former APC national secretary **Mai Mala Buni** will win easily. In Nasarawa State, the APC candidate and former Dangote Sugar executive **Abdullahi Sule** faces a divided opposition, all but guaranteeing his victory. In Oyo State, former deputy

central bank governor **Bayo Adelabu** of the APC enjoys the support of outgoing state governor **Abiola Ajimobi** against PDP candidate **Seyi Makinde**, a businessman who came fifth when he ran in 2015.

Five sitting APC governors **Jibrilla Bindow** (Adamawa), **Badaru Abubakar** (Jigawa), **Atiku Bagudu** (Kebbi), **Abubakar Sani Bello** (Niger) and **Simon Lalong** (Plateau) appear on track to win re-election. In Adamawa, Niger and Plateau states, the incumbents face flawed challengers that are each being prosecuted for corruption by the EFCC.

Conversely, corruption allegations have not hurt Kebbi governor Bagudu's political fortunes. US asset forfeiture filings detail how he helped dictator **Sani Abacha** embezzle billions of dollars in the mid-to-late 1990s, yet Bagudu remains close to both President Buhari and the First Lady.

Likewise, five incumbent PDP governors **Okezie Ikpeazu** (Abia), **Ifeanyi Okowa** (Delta), **Dave Umahi** (Ebonyi), **Ifeanyi Ugwuanyi** (Enugu) and **Darius Ishaku** (Taraba) all seem poised to win.

NEW DOGS, OLD TRICKS

In all of the states holding governorship elections, the candidates share a few things in common. They may be unfamiliar faces, but almost all are middle-aged or older men who have spent their whole careers climbing the greasy pole of Nigeria's money politics. Few have spelled out a meaningful policy vision, while many face corruption charges or have been implicated in past scandals. All will ignore the legal N200 million (\$560,000) limit on campaign expenses, spending liberally on voter mobilisation, vote-buying and the mobilisation of political thugs. That suggests that the only guaranteed outcome of the 9 March polls is that little will change in Nigeria's states. ●

SENEGAL

Macky wants first round KO

Having virtually obliterated the opposition, the President is banking on winning the poll in the first round

President **Macky Sall** may be about to pick up an unlikely gift from an old foe. In protest at the exclusion of his son **Karim** as a presidential candidate – because of an unpaid fine and non-residence in Senegal – ex-President **Abdoulaye Wade** has called on supporters of his

Parti démocratique sénégalais (PDS) to set fire to ballot boxes to prevent this weekend's vote taking place (AC Vol 60 No 1). Oppositionists fear that the reaction against Wade *père's* incendiary protest could help the President clinch outright victory in the first round of voting on 24 February.

In a country which prides itself on a history of constitutional electoral politics stretching back to before the First World War, such rhetoric has been widely condemned as unworthy of a former head of state. It appeared all the more irresponsible after three people died in Tambacounda, in the east, after an activist putting up Macky Sall posters was stabbed.

Fadel Barro, of the *Y'en a marre* civil society movement, says a boycott by Wade's supporters would depress the overall opposition turnout and make it easier for Macky to surpass the 50% of the vote required to win in the first round.

Should the President fall short of

SALL CAMPAIGN 'FAKES NEWS'

The run-up to the 2019 presidential elections has seen unprecedented amounts of fake news and smear campaigns against all the candidates, but none have been quite as bizarre as the campaign involving a **Belgian** singer, an English journalist and a cache of poorly faked documents which rocked Dakar.

On 10 January an article appeared on news website Modern Ghana headlined 'The challenges of exploiting natural resources in Africa', apparently authored by 'Michelle Damsen'. The article accused **Ousmane Sonko**, a presidential candidate and anti-resource corruption campaigner who is a favourite among Senegal's youth, of receiving money from Tullow Oil in return for oil contracts should he be elected.

As soon as the article was on the Modern Ghana website it was 'picked up' and elaborated on in Senegalese news outlets including DakarActu, Seneweb, L'Observateur and Les Echos (the last two have the same name but no connection to two famous and respectable French news media houses). The Senegalese press follow-ups produced crudely forged documents purportedly signed by Tullow's chief financial officer **Les Wood** and supposedly proving Tullow had paid \$195,000 to Sonko.

Senegalese journalists told *Africa Confidential* that the documents were sent via an anonymous email to most Senegalese newsrooms, including a photo of 'Michelle Damsen', but which was later identified as Belgian singer **Lara Fabian**.

When no evidence of a Damsen could be found online, Senegalese journalists made a connection to **United Kingdom**-based investigative journalist **Michelle Madsen**, and started calling her up to quiz her about Sonko. Madsen issued a statement denying any connection to the article.

Sonko and Tullow both called the story 'fake news'. Tullow Oil tweeted: 'The documents are obviously fake. They have not been signed, do not have Tullow's letterhead and are written in poor English. Tullow does not have any office, person or license in Senegal and never makes political donations.'

When Madsen enquired with Modern Ghana about the how the article came to its website, it contacted 'Damsen'. 'Damsen', who turned out, from phone conversations, to be male, replied saying that he would provide documents proving the allegations against Sonko. That was the last they heard from him. Modern Ghana, however, has chosen to protect the real identity of 'Damsen' by concealing his or her email address and phone number. A partial image of the phone number shows it has a Washington DC area code.

Modern Ghana removed the story from its website. By this time, however, the story had already spread far and wide. Analysts said the methods are typical of sophisticated disinformation specialists such as certain **Russian** and **Israeli** political consultancies and also bear the hallmarks of Russian anti-European Union or anti-**Ukrainian** 'fake news'.

The editor of the French language section of the respected Africa Check, **Samba Dialimpa Badji**, which researches 'fake news' and investigates the veracity of claims made in African media, looked into the affair. He said that it was clear Senegal was being subjected to disinformation and fake news, which were going to play a role in the presidential election, and the 'Damsen' story was a prime example. ●

that on the first ballot, he could face a much tougher contest in a final run-off, so long as the opposition electorate coalesces around a single standard-bearer.

Almost no one imagines that Macky will fail to top the first-round poll. But it is hard to work out which of the four other official contenders is likely to run him closest.

Under new rules introduced for this poll, each of the five qualified candidates had to collect 53,000 signatures from around the country, whose validity was checked by officials, to qualify for nomination.

International attention and momentum lies with **Ousmane Sonko**, the former tax inspector and parliamentarian who launched a political party, *Les patriotes du Sénégal pour le travail, l'éthique et la fraternité* (Pastef), after being sacked from the civil service for making public allegations of corruption (AC Vol 59 No 23).

Aged 44, adept in the use of social media and calling for an end to the euro-pegged CFA franc currency, he has made a strong impression among young voters in Dakar. Born in Thiès, Senegal's third city, and raised in Casamance, in the south, he may have the capacity

to mobilise support well beyond the capital too. He must be a threat because a sophisticated smear claiming he had taken money from an oil company was circulated last month (see Box).

SECK CHANCE

Idrissa Seck, former prime minister and mayor of Thiès, is a long-time national political figure who has relied on a more traditional campaigning strategy of high-profile endorsements and alliances.

After visiting **Khalifa Sall**, Dakar's popular former mayor, who is serving a sentence for misuse of municipal funds in Rebeuss jail, and promising that as president he would order his immediate release, Seck secured Khalifa's support (AC Vol 59 No 18). He has also reached out to Karim Wade.

But it remains to be seen whether such a conventional approach still works in the Senegalese politics of 2019. Despite his impressive CV, Seck has performed poorly in recent elections, and was comfortably beaten by Macky in the 2012 presidential race. His Rewmi party held Thiès in the 2017 parliamentary polls but was defeated by government candidates in the surrounding area (AC Vol 57 No 14).

After insisting that only Karim could

be the PDS contender, Wade now finds his party completely unrepresented in the race. **Madické Niang**, Wade's former foreign minister, had hoped to obtain the party's nomination, but was brushed aside to keep Karim in place. Undeterred, Niang went ahead with an independent bid and managed to secure sufficient nominations to qualify – which suggests he has the support of many traditional PDS voters. He has campaigned heavily in the party's stronghold, Touba, where the influential Mouride religious brotherhood is headquartered, and could well get the backing of many one-time Wade supporters who are uncomfortable with the former president's boycott plan.

Not to be forgotten is **Issa Sall**, the founder of the private Sahel University in Dakar, who is relying heavily on his image as a member of the *Moustarchidine*, a highly conservative strand of the Tidiane religious brotherhood (AC Vol 58 No 16). This has given him a nationwide reach, as seen in his supporters' highly efficient campaign to collect the required nomination signatures from across all the country's 14 regions.

All four face a tough task in matching the President's appeal to Senegal's rural electorate, which has

benefitted from his widely admired grassroots development programme in infrastructure, support for farming and public services.

Should Macky succeed in notching up an outright victory in the first round, the election could still be significant in shaping the future geography of Senegalese politics.

If Sonko manages to surge ahead of Seck, particularly in Dakar, he might begin to position himself as the main reform or modernisation contender for the race to succeed to Macky in 2024 (presidential terms are being trimmed from seven years to five).

Meanwhile, even moderate success by Niang could begin to shift the ground

within the PDS vote, even while Wade still maintains tight control of the party machine.

One big unknown is whether supporters of the once mighty *Parti socialiste*, whose leader **Ousmane Tanor Dieng** has stayed loyal to Macky for this election, will follow Dieng in backing the president or look for a new home. ●

SUDAN

Pushing Beshir towards the exit

As protesters keep up the pressure, diplomats are mulling an immunity deal for Omer el Beshir to persuade him to quit

After over two months of demonstrations across the country and over 50 civilians killed by security forces, the resilience of the opposition is persuading some foreign governments to reassess their policy towards embattled President **Omer Hassan el Beshir**. These ideas include an offer to suspend the charges of genocide and war crimes against Beshir at the International Criminal Court (ICC) if he agrees to quit.

This would, however, fall far short of the democratic transition for which the oppositionists have been calling. Despite urging by opposition politicians and activist groups, senior officials in the **United States** administration have barely commented on the deepening crisis in Khartoum.

Then, US Secretary of State **Mike Pompeo** told **Michel Ghandour** of *Al Hurra*, the US-based Arabic satellite channel on 14 February, 'it's very difficult for the Sudanese people today. We're hopeful that their voices will be heard and that the transition, if there is one, will be led by them and not by outside influences.' The fact that Pompeo spoke about a 'possible transition' has concentrated minds.

That was followed by a trip to Khartoum on 18 February by **Cyril Sartor**, Special Assistant to US President **Donald Trump** and Africa Director at the National Security Council, and meetings with Foreign Minister **El Dirdeiry Mohamed Ahmed** and Beshir's Special Assistant, **Faisal Hassan**. Keeping up the diplo-speak, Sartor told journalists after the meeting that 'we have heard the voices of the opposition' and 'we understand that Sudan is going through a complex transition'.

Sartor said he was in Khartoum to 'ask that the government respects the right of people to express themselves peacefully' but added that he wanted to

keep the dialogue with the government on track. Although Sartor did not elaborate on any quid pro quo, we hear that some European diplomats are exploring a deal with Beshir under which he agrees not to run for another presidential term next year.

UN DISCRETION

A week earlier, on the sidelines of the African Union summit in Addis Ababa on 9-10 February, we hear, Beshir held discreet talks with United Nations Secretary-General **António Guterres** on a deal. Although the meeting was supposed to be secret, Foreign Minister Ahmed put out a statement on it on the following day.

Khartoum said that Guterres praised Beshir's role in helping broker peace agreements between the warring factions in **Central African Republic** and in **South Sudan**. But the meeting also discussed whether Beshir might leave office if the ICC suspended its charges against him for genocide and crimes against humanity that were issued a decade ago.

At whose initiative the topic was brought up is not clear, our sources say. However, political insiders in Khartoum say that such a deal would have little attraction for Beshir. The UN Security Council has the power to suspend charges against any person accused by the ICC for one year, renewable indefinitely. But even if Guterres offered Beshir such an option, it would not be in his power to promise an indefinite suspension.

Others, such as **Mo Ibrahim**, the Sudanese telecoms pioneer who runs a good governance foundation, and the International Crisis Group, have been promoting the idea of an offer of immunity to Beshir as a possible solution to the turmoil.

In a mid-January report the ICG

said the best option might be 'for Bashir to negotiate his exit, perhaps induced by some form of conditional immunity [from the ICC charges].' Critics of the ICC have long argued that the seriousness of such charges discourages unpopular leaders from standing down.

Veteran diplomat **Nicholas Haysom**, the former Special Representative of the Secretary-General to **Somalia**, who was summarily expelled by the Mogadishu government last month, is leading the exploration of the initiative, we hear (AC Vol 60 No 2). The proposal is receiving more serious attention and gaining some support.

Haysom will be canvassing far and wide. Assuming the US, the **United Kingdom**, which has been near silent about the repression of the opposition this year, and **France** would support it in the Security Council, a consensus could easily be reached because **Russia** and **China** have protected Beshir against arrest in the past. Moscow and Beijing might also see the loss of credibility that the ICC would suffer as another positive.

GULF PLEAS

Beshir's meeting with Guterres followed his unsuccessful pleas for funds from **Saudi Arabia** and other Gulf states. The wave of revolt against his rule, which began in mid-December, has weathered severe repression. It was triggered by the removal of subsidies on basic foodstuffs and fuel (AC Vol 60 No 1). Without foreign assistance the regime cannot try to buy off the insurgent people by reversing the austerity measures.

'Riyadh and Abu Dhabi, as well as Doha, have regarded Beshir as a fickle friend because of his tendency to play both ends against the middle,' said one regional analyst. 'He has pledged allegiance in the past in return for subsidies and then gone his own way.'

Analysts in Sudan say that Beshir's repression of the protests in Sudan, while brutal, has not been on the same scale as his actions in 2013, when hundreds were killed (AC Vol 54 No 20). The violence then caused ructions in Beshir's ruling National Congress Party and the departure of some of its leading

members, such as **Ghazi Salah al Din al Atabani** (AC Vol 54 No 9).

The protests have greater resilience and staying power than any other since Beshir took power in 1989, according to oppositionists. They also show a higher

proportion of female participation, especially women in their 20s. The regime appeared puzzled by the activism of Sudanese women, who have made up over 65% of some demonstrations, according to a source in the intelligence

services. In an early February speech, Beshir blamed excessive zeal by the Public Order Police for this. This force may arrest women on the street and summarily give them up to four lashes for 'immoral' behaviour or dress. ●

SOMALIA

Shabaab fight in high gear

The Nairobi attack has sparked an intense new round of action by all the combatants in Somalia

The *Al Shabaab* conflict has reached a new level of intensity and bloodshed following the attack in Nairobi on 15 January in which 25 people, including four attackers, were killed. One assailant was reportedly captured and another is believed to have escaped while the security forces carried out waves of arrests.

Ever since, *Al Shabaab* has claimed multiple ambushes of regular forces of African Mission in Somalia troops (Aisom) and the **Ethiopian** and **Kenyan** armies, while counter-claims follow of massive *Al Shabaab* casualties. All the death tolls need to be taken with a pinch of salt – especially as they may be counting civilians – but there has been a big increase in combat operations, say military intelligence sources. Despite the intensity, *Al Shabaab* continues to hold its own, they add. The general

commanding the **United States** Africa Command, **Thomas Waldhauser**, told the US Senate Armed Services Committee on 7 February that US air strikes 'are not going to defeat *Al Shabaab*'.

The Islamist militia is most concerned currently to hold off an anticipated offensive in one of its heartlands, Bu'ale, in Middle Juba, which may have formed part of the reasoning behind its operation in Nairobi, *Africa Confidential* understands.

PROPAGANDA WAR

A snapshot of action reports in the last two months illustrates the intensity of the propaganda war, as much as the bloodshed. Three days after the Nairobi assault, an Ethiopian military convoy came under attack near Bur Hakaba on its way to Baidoa, where President **Mohammed Abdullah Mohammed**

'**Farmajo**' was staying to attend the inauguration of the new South West State President **Lafta Gareen** (AC Vol 59 No 24). *Al Shabaab* media claimed it killed 38 Ethiopian soldiers (a few days later it went up to 57). The day after, on 19 January, *Al Shabaab* launched a massive attack against a camp of the Somali National Army (SNA), who were in reality Ras Kamboni men, at Bar Sanguni. It claimed 41 dead. On 20 January Ethiopia duly said it had killed 66 *Shabaab* fighters and destroyed several vehicles. A few days later the US claimed the deaths of 24 *Shabaab* fighters in an air strike. Later still, *Al Shabaab* claimed to have killed three US soldiers in a mortar attack on the US air base at Balidogle. None of this demonstrates any change in the overall strategic position.

Ahmed Madobe, the President of Jubaland and leader of the Ras Kamboni militia, has been travelling all over his region, which adjoins Kenya, to recruit fighters for an attack on Bu'ale, which *Al Shabaab* has controlled for more than a decade. His aim is not merely to deal a blow to the jihadist group but to preempt an attempt by the government in Mogadishu to launch its own offensive there. The federal government wants

THE AIMS OF THE DUSITD2 OPERATION

Al Shabaab launched the attack on the DusitD2 hotel complex on the third anniversary of its devastating attack on a **Kenya** Defence Force base at El Adde, Somalia, in which up to 250 Kenyan soldiers were killed, but the timing was probably coincidence (AC Vol 57 No 5). After its slaughter of 148 students at Garissa University in April 2015, the militia has tended to focus its Kenyan operations on the border with Somalia. So, the Nairobi attack was not part of that pattern but was intended to signal the organisation's continuing ability to mount large-scale terror attacks at the same time as conducting its ground war in Somalia.

At first, the *Shabaab*-sympathising Radio Andalus explained the Nairobi operation as a reaction to the **United States** air strikes that had killed over 100 militants or the anniversary of the El Adde attack. However, when the propaganda machine swung into action the attack was claimed as a response to the decision by the US administration to recognise Jerusalem as the capital of **Israel** and a response to a call from the current leader of *Al Qaida*, to which *Al Shabaab* is affiliated, **Ayman al Zawahiri**. A simultaneous jihadist attack in **Mali** was billed as part of the retaliation to the US move.

The claim of solidarity with the Palestinian struggle against Israel is unusual for *Al Qaida* groups, which have shown little empathy with the Palestinian cause, and sits oddly with the fact that US President **Donald Trump's** decision dated back to December 2017. The US Embassy in Jerusalem was opened in May 2018.

Most analysts believe that the reason the link to the Palestinian struggle was identified is because the propaganda operations of *Al Shabaab* are closer to the 'global' *Al Qaida* brand than to its own commanders on the ground in Somalia. Indeed, *Al Shabaab* has far stronger links to *Al Qaida* in the Arabian Peninsula, which was obliged to retreat from the **Yemen** coast in recent months, and to its counterpart in **Syria**. Those two *Al Qaida* affiliates played a major role in helping consolidate the power of **Ahmed Godane**, the previous *Shabaab* leader – killed by the US in 2014 – and current leader **Ahmed Omar Diriye 'Abu Obeida'** (AC Vol 58 No 18).

Al Qaida central is also linking the attack by its affiliate in Mali, *Jamaat Nusrat ul Islam wal Muslimin* (JNIM), on 20 January to Palestine under the slogan 'Jerusalem will not be judaised'. By linking its attack to Palestine, *Al Shabaab* is trying to answer its Islamist critics, including Islamic State, while also trying to force the Kenyan public to question its armed forces' role in Somalia. At least four of the attackers were Kenyan citizens of Kikuyu ethnicity, which was another point *Al Shabaab* was happy to score to show that it can recruit in Kenya proper. ●

the SNA to take the town, and enable elections there eventually, but under its own influence. If Madobe gets there first, elections may also take place, but they would be under his heavy hand, something Farmajo wants to avoid. Madobe's control of the southern port of Kismayo is already too strong, in Farmajo's eyes.

BU'ALE PRIZE

If either party succeeds in Bu'ale, it would mark a significant setback for *Al Shabaab*. It is here, sources say, that it is hoping for tactical profit from the Nairobi attack. Kenya's armed forces

are supposed to be providing back-up for Madobe's troops, but in the wake of the Nairobi attack, they may well prefer to expend more of their resources on patrolling the border.

The US hand is visible mainly by its actions rather than statements. It has struck hard from the air but the response of the jihadists has always come in the form of suicide bomb attacks in populated areas. In this way they see themselves compensating for any planned territorial offensives that may have been prevented by US strikes depleting their ranks. Nearly all US strikes, however, take

place in Lower Shabelle and Jubaland, while *Al Shabaab* is present in many other regions and has spread its facilities, including training camps, widely.

Madobe appears to present the greater threat to *Al Shabaab*, but Marehan militias in Bardhere, trained by Ethiopia, and 'hatted' as SNA may also converge on Bu'ale with the support of the Ethiopian army. There may well be hesitation on the part of both the SNA and Madobe to take the initiative, because a hard fight is likely, and neither of them can afford many casualties. ●

CÔTE D'IVOIRE

All bets are off

Gbagbo's probable reappearance on the political scene is not the only bombshell as the road opens to the 2020 elections

A fortnight of political drama in Côte d'Ivoire began on 26 January when President **Alassane Dramane Ouattara** and family appeared before a capacity crowd at the main stadium in Abidjan to launch the first congress of the *Rassemblement des Houphouëtistes pour la démocratie et la paix* (RHDP), organised by businessman and political heavyweight **Adama Bictogo**.

On the same day, Ouattara's former partner in government and leader of the *Parti démocratique de Côte d'Ivoire* (PDCI), **Henri Konan Bédié**, lobbed a few choice insults at the new party from his home in Daoukro, saying it consisted of fraudsters and falsely claimed the heritage of the country's founding father, **Félix Houphouët-Boigny**, which, he said, belongs by rights to the PDCI. Two days later he launched a new political platform.

Less than a week later, the International Criminal Court confirmed the acquittal of former President **Laurent Gbagbo** and his Youth Minister **Charles Blé Goudé** on charges of crimes against humanity, prompting simultaneous scenes in Abidjan of jubilation and dismay. The judges found that the prosecution had not produced enough evidence of intentional planning in four bloody incidents in Abidjan during the 2010-2011 post-electoral crisis that claimed 3,000 lives, ruling the defendants had no case to answer (AC Vols 60 No 1 & 52 No 8). ICC Chief Prosecutor **Fatou Bensouda** appealed the verdict and promised to continue investigating all human rights

abuses committed in Côte d'Ivoire. These include the worst atrocity, when 800 were killed at Duékoué in March 2011 (AC Vol 54 No 12).

Gbagbo left his cell at Scheveningen prison on 5 February and is living with his second wife **Nady Bamba** in Brussels. Blé Goudé is in a hotel in the Hague while the ICC, which has made their release conditional on them staying out of public activity, looks for a country that will have him. **Sweden**, where he has a sister, is a good bet.

THE FRONT IS BACK

The acquittal reinvigorates Gbagbo's side of the weakened and divided *Front populaire ivoirien* (FPI). More than 50 party faithful have gone home from self-imposed exile in **Ghana**; others are returning from **Liberia**. Bigwigs like **Justin Katinan Koné** remain cautious; it would not be the first time an FPI leader found himself arrested on arrival. There is also the thorny matter of **Pascal Affi N'Guessan**, who led his FPI faction into a series of electoral disasters but remains the officially recognised party president. The knives are out on both sides. FPI-N'Guessan Secretary-General **Agnès Monnet** has called FPI-Gbagbo Secretary General **Assoa Adou** (and by extension Gbagbo himself) 'a dissident'. This fight will be bloody but Gbagbo's side is feeling the wind in its sails and will be looking for opportunities to purge the party of the N'Guessan faction.

On 8 February, **Guillaume Soro** finally left his post as Speaker of parliament after he failed to show up

for the RHDP founding rally. Ouattara furiously phoned Soro to demand he leave parliament. Instead, Soro took nearly two weeks to organise a high-profile goodbye event on 8 February. He made his farewells to the deputies and ostentatiously drove off, not in a government limousine but a small saloon car while asking for food donations, to be distributed to the hungry. He has since brought a small group of loyal MPs into a new formation called *Rassemblement pour la Côte d'Ivoire* (RACI). His best catch was **Célestine Trazéré**, a *Rassemblement des républicains* (RDR) member since 1994 and a skilled organiser of the women's vote. She turned away from the RHDP project just three days before the Abidjan rally, and joins forces with another northern MP and former rebel, **Kanining Soro**.

Soro's new faction confirms the fragmentation of the Ivorian political landscape. Bar industrial-scale rigging, no single party commands a sufficiently large majority to rule on its own. Only the RHDP seems to think it can ride out the electoral wave on its own and come out victorious. This is a risky strategy, on a par with Ouattara's obstinate refusal to say whether he will stand in 2020. When pressed, he insists that the November 2016 constitution allows him a third term, but he is in a minority here. Those who disagree include Professor **Ouraga Obou**, who chaired the commission that wrote Côte d'Ivoire's new basic law.

Ouattara's behaviour keeps the succession issue in the RHDP on ice. Prime Minister **Amadou Gon Coulibaly** remains the favourite but Defence Minister **Hamed Bakayoko** has never taken his eye off the ball. Ouattara himself has made passing reference to 'three or four names' who could run the party after him. These could include Bictogo, who keeps saying he is not interested, the veteran **Ibrahim Cissé Bacongo** or Education Minister

Kandia Camara, who is facing down a near month-long strike by her former comrades at the teachers' union. Finally, **Abdallah Albert Toikeusse Mabri**, who folded his *Union pour la démocratie et la paix* into the RHDP and is now the party's second Vice-President, has never made a secret of his ambitions.

A new FPI-PDCI alliance was thought unlikely even a year ago (after all, relations between Gbagbo and Bédié have never been cordial) but this duo has a chance of unseating the RHDP. Bédié has already sent the PDCI Executive Secretary, former commerce minister and businessman **Jean-Louis Billon**, to see Gbagbo in his Brussels home, to prepare the ground for a direct meeting between the two. Billon is also on speaking terms with Blé Goudé and Bédié has also been happily receiving former FPI hardliners like **Geneviève Bro Grebé** in his home at Daoukro.

Again, the question is who will top the party bill. Will the likes of **Thierry Tanoh** and Billon wait until Bédié finally gives up the political game? Former Oil and Energy Minister Tanoh lost his job in December, thanks to his lack of enthusiasm for the RHDP project. One of the PDCI's young Turks, he is frequently tipped as a possible presidential candidate but as long as Bédié does not rule out a run in 2020, he will have to wait like everyone else or stage a palace coup. The PDCI is expected to nominate a candidate this year.

OUATTARA RATTLED

The idea of Soro becoming part of Bédié's fledgling 'Plateforme' is clearly rattling Ouattara. The President used a *Radio France Internationale* interview on 11 February to qualify Bédié's budding coalition as 'incoherent' and that it would not be in Soro's interest to join. There is reportedly a deal between Soro and Ouattara to the effect that the former would not enter into any new political alliance – but this is impossible

to verify. In numerical terms, a PDCI-FPI-Soro alliance poses a formidable challenge to the RHDP, and that is before considering the other asset Soro brings in: his support among many officers of the still unreformed and riot-prone army, many of them former rebels like himself.

The government fightback has consisted of increased surveillance of those considered part of the opposition, frequent visits by tax inspectors to businesses owned by former allies (this has happened to Billon, among others) and legal cases against politicians close to former allies. Such is the case of **Alain-Michel Lobognon**, arrested, briefly jailed and then released on 13 February after receiving a suspended sentence for spreading 'fake news'. His real crime, according to **Affoussiata Bamba-Lamine**, one of his lawyers and a Soro confidante, was to publicly oppose a third term for Ouattara. Another case concerns the elected mayor of Abidjan-Plateau, the PDCI's **Jacques Ehouo**, who defeated the communications tycoon and Ouattara protégé **Fabrice Sawegnon** in a close contest but is yet to take his chair in Plateau's City Hall pending an investigation for fraud (AC Vol 59 No 21).

Ehouo's status is a valuable asset for the PDCI: it exposes Ouattara's vindictiveness and is an example of how to win without playing dirty.

Nobody understands the rallying power of carefully stage-managed victimhood better than Blé Goudé. The youths he used to bring out on to the streets to stage demonstrations, and attack West African 'foreigners' or **French** businesses are older now, but parts of this network are still intact. The big question is whether his party, the *Congrès panafricain des jeunes et des patriotes* (COJEP), can muster enough support to be taken seriously. The day after his release, Blé Goudé's spokesman **Diaby Youssouf** stated that 'the politician' will address national

and international opinion, the clearest indication yet that Blé Goudé considers himself part of the Ivorian political landscape. COJEP may want to throw in its lot with the FPI but Blé Goudé faces the same problem Soro had with the RDR cadres of old: suspicion if not outright disdain from the party's great and good (AC Vols 56 No 12 & 58 No 20). Blé Goudé is also unpalatable to the PDCI, which rules out any form of cooperation.

LIABILITIES

This leaves an alliance with former First Lady **Simone Gbagbo**, who broadcasts her loyalty to the FPI but occupies no formal position in her husband's party. Strategically and ideologically, Blé Goudé is a natural ally in terms of their shared radicalism and ability to organise violence. If the FPI finds itself in a coalition with Bédié (and possibly Soro) it is likely to conclude that this troublesome tandem represents an electoral liability.

Fresh from the African Union Summit in Addis Ababa, Ouattara flew to Paris on 11 February in the company of Prime Minister Gon Coulibaly and Secretary-General to the presidency **Patrick Achi**. In the early evening of 15 February he held talks with his French counterpart **Emmanuel Macron**. Cooperation with France was on the menu, as was terrorism, which has now appeared on the northern border with **Burkina Faso**. It is not known whether Macron has said anything regarding Ouattara's third term bid. This stands in marked contrast to **United States** President **Donald Trump's** administration. On 11 February, **David Hale**, the Assistant Secretary for Political Affairs – Trump has yet to find someone to fill the post for African Affairs (AC Vol 59 No 25) – described Ouattara's possible third term bid as 'not a good decision', a remark that must have stung the most America-minded leader Côte d'Ivoire has ever had. ●

ZAMBIA

Cash in the cabinet

President Lungu has chosen not to dismiss a minister after police found millions of dollars' worth of cash in his home

Two weeks after his arrest on corruption charges, Zambia's Infrastructure Minister **Ronald Chitotela** remains in President **Edgar Lungu's** cabinet. Police arrested Chitotela on 5 February on counts of

concealing property suspected of being the proceeds of crime. After a tip-off from the Anti-Corruption Commission (ACC), local media reported, police found bags of cash in US dollars, Sterling, Chinese yuan as well as

5 million kwacha (about US\$420,000) at Chitotela's home. He has been charged with concealing property believed to be the proceeds of crime. He denies the charges '100%'.

The raid also reportedly uncovered documentation on government tenders and evidence of multiple properties owned by the minister's relatives. A police source told *Africa Confidential* that they found a list of government and Patriotic Front (PF) officials who allegedly benefit from infrastructure bids. Many Zambian infrastructure projects are believed to be grossly overpriced in order to cover kickbacks

and bribes (AC Vol 59 No 13).

ACC investigators say Chitotela used a series of shell companies to receive kickbacks from **Chinese** contractors in the form of contracts for services to the projects. The local newspaper *News Diggers* reports that one shell company, Veil Construction, paid out to other companies owned by Chitotela after receiving in 2017 large sums from China's AVIC international, which is building roads and airports. AVIC contracts in our possession give the cost per kilometre as close to \$1m, which has been criticised as very high for the type of road being laid.

POORLY CONCEALED

Sources close to the investigation say that Chitotela's payments were poorly concealed and some went directly from the shell companies to his personal bank account. Chitotela was sacked by the late President **Michael Sata** for corruption. Lungu brought him back into the cabinet in 2015.

Lungu has ignored calls for Chitotela's head from leading members of the PF, the opposition United Party for National Development and civil society leaders. Lungu says he cannot sack him because it would prejudice any possible prosecution. Yet the act

of parliament that governs the ACC says that a public official charged with corruption should be suspended and then tried. Also, there is no precedent for a minister in a criminal trial continuing in office. Despite not facing any criminal charges, Minister for Local Communities **Emerine Kabanshi** was swiftly dismissed after evidence of corruption in her department came to light following an *Africa Confidential* exposé (AC Vol 59 No 19). Last week Chitotela attended Parliament after appearing in court in the morning. UPND MPs staged walk-outs every time Chitotela was due to speak.

The ACC has been presented with huge amounts of evidence of corruption among serving public officials, according to a judicial source, but it can only act when authorised to do so by the government. Some opposition sources believe that Chitotela's arrest, which must have been approved at the highest level, was window-dressing designed to convince the public that the government is serious about corruption.

Chitotela is not the only senior official to be arrested this month. On 13 February the Drug Enforcement Commission arrested former Zambia

Air Force Commander Lieutenant General **Eric Chimese**, who was sacked by Lungu last August. He is charged with 'concealing proceeds of crime' and related charges after the ACC and DEC raided his home while investigating inflated contract prices and commissions. One \$3.5m contract for military uniforms was inflated to \$62m, according to local media, which also said Chimese was under investigation over kickbacks from aircraft procurement, including presidential aircraft (AC Vol 59 No 20).

The general view of the PF is that corruption is unofficially sanctioned as long as it is benefitting the party, although excessive personal gain is not tolerated, we understand.

POLICE SACKED

Last week Lungu ordered six senior police officers to be sacked after violence in Sesheke leading up to the by-election on 12 February, in which UPND took a sweeping victory. The police officers were fired for allegedly allowing violence against PF supporters. However, the initial violence was by police loyal to the PF against UPND supporters, witnesses said. Police fired live ammunition at civilians but nobody was believed killed. ●

ZIMBABWE

Back to the future dollar

The Reserve Bank's devaluation of its bond notes and surrogate currencies lays the ground for a new national currency

As food imports dwindle and oppositionists gear up for a fresh round of protests, the government has announced a radical shake-up to its currency regime to boost foreign reserves. The latest move – an effective devaluation of the government's bond notes which trade as a surrogate currency alongside the US dollar – would be the first step to re-establishing a national currency.

The Zimbabwe dollar, which lost its value through hyper-inflation, was suspended in 2009 and the country has since used a basket of currencies, dominated by the US dollar and the South African rand. Over the past three years, the government has generated two surrogate currencies, known as bond notes, paper notes issued by the government when it ran out of US dollars and electronic money known as RTGS dollars, used in bank to bank transfers and for card payments (AC Vol

57 No 15).

Until now the government has insisted that both bond notes and RTGS dollars were worth the same as US dollars. In fact, they traded at between a third and quarter of the value of a US dollar on the parallel market.

In his monetary policy statement on 20 February, Reserve Bank Governor **John Mangudya** announced there would be an interbank foreign exchange market set up to determine the value of the bond notes. He said it would establish an exchange rate between 'the current monetary balances and foreign currency' and would bring predictability to the country's foreign exchange market.

Although it is a rationalisation of the currency systems, initial market reaction was sceptical, especially to Mangudya's claims to have arranged 'sufficient credit lines.'

Delays in payments to key suppliers

have been worsening despite a massive boost to revenues after the government tripled the price of fuel last month. Grain millers have warned bakers that current supplies of wheat could be exhausted before the end of the month, triggering widespread shortages of bread. This follows the refusal of some importers to release cargo from bonded warehouses until they are paid.

Africa Confidential has seen a letter, dated 8 January, from Mediterranean Shipping Company, one of the biggest shippers in the country, to the Confederation of Zimbabwe Industries which complains about mounting arrears and threatens to halt the release of containers to Zimbabwean importers who have not paid for the goods or services at the point of origin. It adds that it will 'discourage the acceptance of cargo destined for Zimbabwe aboard our ships world-wide'.

DEMONSTRATIONS

At least 17 people were killed in clashes between demonstrators and security forces last month in the wake of the fuel price hike (AC Vol 60 No 2). Inflation was running at 56.9% in January according to the national statistics agency.

Weeks of demonstrations last month and the prospect of more coming up have exposed rifts in the government

over who is in charge of security and the lack of support for economic reform. President **Emmerson Mnangagwa's** pronouncements of a new era of democracy have been shattered after the shooting of demonstrators in Harare in August as well as the violence to meted out to oppositionists last month.

Some in Mnangagwa's camp talk about a military cabal trying to undermine him but don't name names. Others say the regime's fissures over the crackdown are being presented – falsely – as a confrontation between Mnangagwa's reform plans and the hard-line military stance of Vice-President **Constantino Chiwenga**, who led the coup against President **Robert Mugabe** in November 2017 (AC Vol 58 no 23).

ZANU-PF DIVISIONS

Certainly, there are more than two factions in the ruling Zimbabwe African National Union-Patriotic Front (ZANU-PF). Indeed, the military and security forces are themselves divided over policy and economic interests. One ally of Chiwenga told us that he would have little to gain from mounting another coup – this time against 76-year-old Mnangagwa – as he is already in pole position to succeed him and would face more international hostility.

Others in and around the ruling party, we hear, are still pushing the interests of former First Lady **Grace Mugabe** and former Information

Minister **Jonathan Moyo** (AC Vol 59 No 15). Some young ZANU-PF militants are claiming they have been given military and police uniforms at party offices, and ordered to attack protesters and oppositionists.

While Chiwenga was in **India** for medical treatment, Mnangagwa announced his first reshuffle of the top military posts on 18 February. Of the four senior officers retired by Mnangagwa, the highest profile was Gen **Anselem Sanyatwe**, former head of the Presidential Guard, who gave misleading evidence to the public inquiry to last year's post-election violence (AC Vol 59 No 23).

The other three were: Maj Gen **Douglas Nyikayaramba**, Inspector General of the Defence Force; Maj Gen **Martin Chedondo**, Chief of Army Staff; and Air Vice Marshal **Shebba Shumbayawonda**. All four are to be sent overseas on unspecified diplomatic missions.

Another round of protests this month will add to pressures on Mnangagwa, who is using the reshuffle and further reorganisation to shore up his position in the security structures. Yet the most potent threat to national security at the moment is the fast deteriorating economy.

MDC WARY

Protests against harsh economic conditions last month, dominated by young dissidents, were a response

to mounting frustration with the government but were not, initially, led by the main opposition Movement for Democratic Change. We hear that MDC leader **Nelson Chamisa** is mulling a more strategic way to pressure the government into concessions.

He has rejected any dialogue with the government unless an independent mediator presides over it. Chamisa and his colleague, the former Finance Minister **Tendai Biti**, are well aware of the damage done to the MDC by its joining a power-sharing government with ZANU-PF in 2009.

POLICY WAVERING

Although Mnangagwa's biggest problem is the economy, he is wavering over the policy prescriptions being pushed. Initially, he sided with Mangudya, who was behind the issuance of bond notes.

Finance Minister **Mthuli Ncube**, appointed to organise Zimbabwe's re-entry into the international financial system after last year's elections, wants to rationalise the array of currency systems. At first, Ncube had hoped to reinstate the national currency within a year.

Given the low levels of foreign reserves, an early revival of the Zimbabwe dollar looks remote, but the formal devaluation of the bond notes is a step towards accepting the market reality that they don't have parity with the US dollar. ●

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POINTERS

Burkina Faso

ATTACKS SPUR ETHNIC VIOLENCE

■ A wave of jihadist attacks and retaliatory measures by the army is shaking up politics and endangering social stability. Prime Minister **Paul Kaba Tieba** and his government resigned *en masse* last month after President **Roch Marc Christian Kaboré** demanded a government shake-up in the wake of the violence. Two days later he appointed 71-year-old **Christophe Joseph Marie Dabiré**, an old hand under former president **Blaise Compaoré**, as Prime Minister. **Cherif Sy**, a former journalist, became Defence Minister, which surprised many as he does not appear to have any relevant experience.

Since the start of this year, jihadists have killed more and more travellers and security personnel on all Burkina Faso's borders. Most of the attacks are thought to be the work of Islamic State in the Greater Sahara, which has battled **French** and **Malian** troops in the Menaka region of northern Mali (AC Vol 59 No 5). ISGS also stages attacks from Niger into Burkina Faso's Eastern region. Meanwhile, the Tuareg **Iyad ag Ghali's Jamaat Nusrat ul Islam wal Muslimin** (JNIM) and the home-grown **Ansarul Islam** outfit have also been staging fresh attacks. At least 200 have been killed and 54,000 people displaced.

Concern is growing about the state's reaction. In early February, the army claimed that it had killed 146 'terrorists' in the country's north, although the NGO Human Rights Watch believes that many of these were ordinary villagers who were pulled from their homes and summarily executed. Already, several mass killings of Fulani – committed by *koglweogo* 'self-defence' militias – have been claimed as counter-terror operations and there is concern that open ethnic warfare could result.

EU-Morocco-Western Sahara

FISHING FOR FAVOURS

■ Encouraged by a powerful Moroccan lobbying effort, the European Parliament decided on 12 February to endorse the new EU-Morocco Sustainable Fisheries Partnership Agreement in apparent defiance of the European Court of Justice. The ECJ earlier ruled that the fisheries agreement would not be valid if it included Western Sahara, because its status is disputed. The fishing grounds offshore the controversial territory are vast (AC Vol 59 No 6).

The ECJ ruling said that any future agreement between the EU and Morocco

involving Western Sahara would require the consent of the Sahrawi people, and directly benefit them. Moroccan lobbying then concentrated on persuading European parliamentarians that this had been obtained. Pro-Rabat politicians and business leaders from the Dakhla and Laayoune regions of the territory were put before the Brussels press corps to relate how the fisheries pact would bring jobs and investment.

Patricia Lalonde, a centre-right **French** MEP, was the Parliament's rapporteur on the fisheries deal but in December, just hours before deputies voted on her report, she resigned as rapporteur. She had been accused of having a conflict of interest by serving on the board of directors of the international *Fondation EuroMedA* alongside a number of top Moroccan officials. Lalonde and several other MEPs had conducted what some critics called a 'whitewash' fact-finding mission in two cities in Western Sahara run by Morocco in September 2018.

French and **Spanish** MEPs with constituencies dependent on fishing were the most interested in the vote, which sailed through with a majority of 200. However, **Antonio Tajani**, the Parliament's president, is now under pressure to formally investigate Morocco's lobbying. The Polisario Front, which claims to represent the people of Western Sahara, says it will take the fisheries agreement back to court (AC Vol 59 No 3).

Mozambique

PANIC IN THE POLITBURO

■ The arrest last weekend of **Ndambi Guebuza**, eldest son of ex-President **Armando Guebuza**, in connection with the US\$2 billion hidden loans scandal has sent shock waves through the ruling *Frente de Libertação de Moçambique* (Frelimo) elite, and the intelligence service, the *Serviço de Informação e Segurança do Estado* (SISE).

It followed the arrest on 14 February of Ndambi's friend and business partner, SISE official **Bruno Tandane**, who is believed to have received millions of dollars in commissions on the strength of being Ndambi's friend. Also arrested that day were former SISE official **António Carlos do Rosário**, CEO of the three companies that received the loans, and former SISE chief **Gregório Leão**.

Teófilo Nhangumele, thought to be one of the Mozambican defendants whose name is redacted in the US indictment, was also arrested (AC Vol 60 No 2). Nhangumele acted as a broker in the loans deal and made initial introductions between Privinvest and high-level Mozambican officials, our sources say.

The fifth detainee was ex-President Guebuza's highly influential private secretary and 'gatekeeper', **Ines Moiane**. She and her nephew **Elias** are accused of handling proceeds from the hidden loans. Frelimo men **Sergio Namburete** and **Sidonio Sitoe** were also arrested and more arrests are expected to follow.

Mozambique's former finance minister **Manuel Chang** remains in jail in **South Africa** awaiting a decision on a US extradition request. Mozambique has also requested his extradition but South African magistrate **Sagra Subroyen** noted that if Mozambique got him, he might not then 'be extradited to the US to face his charges'. From this many conclude that South Africa is preparing to grant the US request.

Despite the arrest of prominent Frelimo members, knowledgeable party sources in Maputo doubt that any will face justice in their country. Guebuza knew of his son's impending arrest, we hear, and may have struck a deal with government law officers.

South Sudan

BUMPS ON THE ROAD TO PEACE

■ The government army loyal to President **Salva Kiir Mayardit** (now known as the South Sudan People's Defence Force – SSPDF) has made common cause with **Riek Machar's** SPLA-In Opposition (SPLA-IO) in a joint offensive against members of the National Salvation Front, which backs the Equatorian strongman Lieutenant General **Thomas Cirillo Swaka** in his refusal to sign last year's Khartoum Peace Agreement (AC Vol 59 No 19). The fighting has claimed an unknown number of lives and caused thousands to flee into northern Uganda, left many more cut off from relief supplies, and endangered the peace agreement.

Uganda is backing the SSPDF offensive in apparent contravention of the UN arms embargo which has been in place since July, and concern is growing because Kampala is supposed to be one of the key regional guarantors of the peace deal.

Some observers have been writing off the unrest as a sideshow, the product of historic complaints by Equatorians unhappy that they are ignored while reconciliation efforts aimed at the two biggest tribes, the Dinka and Nuer, hog the limelight. This ignores the potential for further trouble that former Juba Chief of Staff Gen **Paul Malong Awan** could unleash with his South Sudan United Front, another group unhappy with the peace deal, which he has established in Salva's Dinka heartland in the north of the country (AC Vol 59 No 10).

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BLUE LINES

The campaign to stop President Abdelaziz Bouteflika from running for a fifth term in Algeria's elections has provoked both shock and surrealism. Shock because the millions of young Algerians marching in Constantine, Oran as well as the capital Algiers is the biggest show of popular protest since 1988 when demonstrators demanded and secured free elections. Surreal because the response of *le pouvoir*, the secretive cabal around the ailing President, was to send campaign manager Abdelghani Zalene to the Constitutional council to register Bouteflika's candidacy. At the time, the President was in Geneva undergoing more medical treatment. Bouteflika has not spoken in public since his stroke in 2013.

In one of his last speeches before that, he said he wanted to hand the baton to a new generation. But the clique around Bouteflika, led by his younger brother Said, doesn't share that view of the succession. The swelling opposition movement has forced the regime to make concessions. The first, on 4 March, was that Bouteflika would run in next month's election but step down after a year.

At most it will buy *le pouvoir* some time while it considers its next move, perhaps an offer of a transitional regime before fresh elections. For now, many are watching Army chief of staff Ahmed Gaid Salah, one of Bouteflika's strongest supporters, whose declared abhorrence of military interventions in politics has lessened markedly in recent weeks.

SUDAN

El Beshir mulls the endgame

A state of emergency, appointing military governors and disowning his political allies has done nothing to halt demands for the President's exit

As demonstrators across the country win growing support in their call for his exit, President Omer el Beshir's choices are diminishing quickly and regional developments are moving against him (AC Vol 60 No 4). Most of the negotiations behind closed doors include the idea of a political transition from the current regime to one that could hold credible elections.

How and when el Beshir leaves power in that process is far from settled. The two critical factors are the strength of the opposition movements which have united around calls for his departure and el Beshir's vulnerability to an internal putsch by senior officers in the armed forces. The determination of the opposition is not in doubt but there are few signs yet of chinks in the high command's public support for el Beshir, despite reports of splits and conspiracies against him (AC Vol 60 No 1).

Many senior officers, complicit in decades of atrocities in Darfur, the Nuba mountains and elsewhere, worry about retribution should the regime come tumbling down. At best, we hear, that many want to see a managed transition in which el Beshir maintains a role, akin to that of F.W. de Klerk's position in the dying days of apartheid South Africa. For Sudanese activists such a parallel, suggested quietly at the African Union meeting in Addis last month, is simply surrealistic.

El Beshir's announcement of a state of emergency on 22 February, which was met with an uptick in protests, appears to be a bid to ensure the military's loyalty

by appointing senior officers to all 18 provincial states. A Khartoum source described the move as a coup against the ruling National Congress Party which stripped the civilian Islamists of political power.

CLIQUE MANOEUVRES

Although the opposition and some regional governments insist that el Beshir's exit is an essential first step to organising a transition, the ruling clique has been trying to obfuscate the issues.

At the Munich security summit on 15-17 February, security chief Salah Mohamed Abdullah 'Gosh' was reported to have lobbied his counterparts from Egypt, Saudi Arabia, and United Arab Emirates to find ways to back an exit strategy or soft-landing for el Beshir. That leaked out when the Qatar-based *Al Jazeera* satellite channel reported that Gosh had met with Israeli security officials in Munich.

Not only has that complicated the relationship of Gosh (until then regarded by some as the second most powerful man in the country) with el Beshir, but it has reinforced the rift between Khartoum and Qatar. Earlier in the year, el Beshir had flown to Qatar in pursuit of a financial bail-out. Not only was he turned down and refused meetings with senior officials but the Doha regime humiliated him by not inviting him to a military passing out parade at which most of the students were Sudanese.

Qatar's problem with el Beshir is his siding with Saudi Arabia and UAE in the Yemen war, in which the money paid for

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Sudanese troops has become a vital prop for Khartoum's treasury. It also takes issue with the way that el Beshir – again at the behest of Saudi Arabia and Egypt – has ostensibly distanced himself from supporters of the Muslim Brothers as the price for their continued support.

Other interlocutors with el Beshir and his ruling clique – including the African Union, the United Nations, the **United States** State Department, and internal political groups – have come away with different interpretations of what any transition will involve. UN, US and European Union representatives consider that the transition is likely to involve the President stepping down in the near future, with or without the carrot of the suspension of the International Criminal Court charges against him (AC Vol 60 No 4). The weakest version of this formula is that el Beshir simply pledges not to run in the 2020 elections.

We hear that the EU representatives

(most of whom are members of the ICC) are less willing than the US to contemplate any suspension of the genocide charges against el Beshir as it would set a precedent, and could ring the death knell of the court. The US government, notably National Security Advisor **John Bolton** and Secretary of State **Mike Pompeo**, oppose the Court and abjure any US cooperation with it.

Thabo Mbeki's team from the AU appear to envisage a role for el Beshir in managing the transition and are keen to keep any involvement of the UN to a minimum. Following discussions between UN Secretary General **António Guterres** and el Beshir in Addis Ababa last month, Khartoum sources have told us the President's office firmly quashed any idea of another UN special rapporteur on Sudan. Guterres's idea of appointing **Nicholas Haysom** as his special envoy was opposed by both el Beshir and Mbeki's group at the AU.

The central contest remains between the opposition formations and the state's security apparatus. What has changed the situation is the determination and resilience of the demonstrators in 15 states in the country, and then the organisation by the professional groups of doctors, lawyers, teachers and journalists who organised strikes in Khartoum, El Obeid, Medani and several other cities. They started on 19 December and are still building support.

Using different means of organisation – mass protests, small

assemblies, sit-ins, strikes, speeches in markets, and quick ad-hoc protests – this new opposition movement has quickly gathered mass support and wrong-footed el Beshir and the security agencies. This flexibility and agility of the protestors has inspired the fast-growing movement in **Algeria** which demands the departure of four-term President **Abdelaziz Bouteflika**.

US officials argue their continuing dialogue with el Beshir, which envisages an unspecified transition process, has been a restraining influence on the regime (AC Vol 58 No 15). For their part, the regime's security forces started with generalised arrests during the protests, beating, interrogating and torturing demonstrators, then compelling them to sign undertakings not to participate in future protests. Some were released within a day but known activists were held for much longer periods.

As the protests gathered momentum, security agents made many more targeted arrests of known activists, members of such groups as the Communist Party, Sudan Call or the Sudan Liberation Movement. None of these groups have any interest in joining the National Dialogue currently being promoted by Gosh. In the absence of a widely agreed strategy for a transition, that suggests el Beshir and the military will ratchet up the repression, hoping to break the will of the growing opposition. Judging by the last three months, that will no longer work. ●

NIGERIA**The stayaway election**

A dull campaign then a delayed vote resulted in the lowest turnout in two decades

Although **Muhammadu Buhari** comfortably defeated his main challenger **Atiku Abubakar** in presidential elections on 23 February, voter turnout was just 35.6%, the lowest since the return to civil rule in 1999. The Independent National Electoral Commission (INEC) announced that Buhari had won 15.1 million against Atiku's 11.2 million votes. Atiku, who immediately rejected the results as fraudulent, is to contest them at the election tribunal.

The fact that almost twice as many Nigerians chose to stay away from the polls as to vote for one of the 70 presidential candidates on offer is a powerful indictment of the country's political system. With over 60% of

Nigerians under 30, an electoral duel between two septuagenarians had limited appeal.

Politics remains dominated by men; Nigeria's national assembly has one of the lowest percentages of women representatives in Africa.

The presidential elections were meant to have been close run against the backdrop of a faltering economy and mounting security crises in the north-east and the middle belt. Buhari, incumbent and All Progressives Congress (APC) candidate, should have faced a powerful challenge from Atiku, a permanent fixture in presidential elections since 1999, a former Vice-President and candidate of the opposition People's Democratic Party

(PDP). As a billionaire businessman, main shareholder of the Intel oil services and logistics company, and former director of customs, Atiku is an insider and had the resources and the network to take on the incumbent party.

The two big parties ran lacklustre campaigns, and had their own internal rows over funding. Elections were delayed a week. Both parties accused each other of manipulating the INEC, which for the third election in a row struggled to have all the logistics in place for the more than 170,000 polling units.

The PDP disputed the results, Atiku describing the elections as the worst he had ever seen although diplomats were quick to congratulate Buhari, with observers focusing on procedural issues. Local monitoring groups which carried out a parallel voter tabulation reckoned the INEC results were credible within a margin of 2%.

Buhari supporters attribute their victory to the resilience of his core base in the north, stiffened by policies that have benefited millions of rural farmers largely ignored by the urban political elite. There were also last-minute deals

and defections from the PDP to the APC in Kano, the state with the biggest number of registered voters, Yobe state and elsewhere.

More generally, Buhari's campaign got his vote out, especially in the populous north-west heartland of his supporters. His 15 million votes, roughly the same as in 2015, looks like peak Buhari.

But the opposition failed to mobilise the anti-Buhari vote – even where it was strongest, in the southern states. People from the south are more mobile than their northern counterparts, working outside their home areas where they registered to vote, which means they were probably disproportionately penalised by the last-minute announcement of the election delay (AC Vol 60 No 4).

According to a PDP source: 'our vote was suppressed in the south where we were strongest but we lost after a good campaign because our ground operation in the north disintegrated.'

The party's problems go back further. The PDP was shattered after its defeat four years ago ended the political dominance the party it had enjoyed since 1999. A period of internecine warfare between the party's factions after its national defeat followed, with the core issues settled as late 2017, leaving it about six months to choose a candidate.

Despite his national profile, Atiku was not a great fit with the party organisation, having left it and rejoined it along several other fellow-travellers. There was clear distinction – in terms of financing as well as organisation – between his presidential campaign and the party's bid to retake control of the national assembly. Neither worked in the end.

On top of this, the APC government

used every ounce of incumbent's advantage, and some more besides. Tax agencies and anti-corruption investigators targeted Atiku's business empire, particularly Intels. Atiku's son-in-law **Babalele Abdullahi**, a finance director of one of his companies has been arrested.

A due-diligence study circulating in Abuja, some of which appears to be drawn from interviews with Atiku's Italian-Nigerian business partner **Gabriele Volpi**, raises the possibility of further state investigations in the post-election period. Doubtless, Atiku's business empire is much diminished.

Both sides' use of lobbyists and advisers will come under the spotlight. For example, the effort and resources spent in getting Atiku a visa waiver to visit Washington DC, stay in **Donald Trump's** hotel and meet a few low-level **United States** officials looks to have been misplaced. Its purpose, ostensibly to convince Nigerians that Atiku had not been barred from the US because of his links to deals with local politicians there, didn't change many minds in Nigeria.

LEGAL CHALLENGE

However, Atiku's legal team, headed by **Livy Uzoukwu**, is set to challenge the vote count and the management of the presidential elections, citing serial abuses and state violence against opposition supporters. The party claims its own tally of presidential results gives Atiku a 2-million-vote victory over Buhari.

A PDP loyalist, **Femi Fani-Kayode**, is calling for a civil disobedience campaign after the result but there seems little appetite for that. The party is gearing up for gubernatorial elections on 9 March (AC Vol 60 No 4).

The party, always an awkward coalition, struggled to accommodate the

return of some high-profile defectors last year. Two of them, **Bukola Saraki** of Kwara and **Rabiu Kwankwaso** of Kano, lost their Senate races. Buhari tweeted after the results that 'the new administration will intensify its efforts in security, restructuring the economy and fighting corruption', then called in a calculated affront for his supporters not to 'gloat or humiliate the opposition'.

The real humiliation for the opposition has come in the National Assembly. Now that the APC has a clear majority in both chambers – over 60 of the incoming senators belong to the ruling party – its loyalists will have re-established a clear majority.

Despite being re-elected for his fourth term, the dethronement of soft-spoken **Yakubu Dogara**, current speaker of the house of representatives, also seems certain (AC Vol 59 No 14).

Speculation has already started about a reshuffle. **Adamu Adamu** has his supporters for a top job in the Presidency, as does **Nasir el-Rufai**, but he is tied up in running for a second term as governor of Kaduna state. There may be no vacancies, given Buhari's penchant for working with long-term associates.

The future of **Emmanuel Ibe Kachikwu** as Deputy Oil Minister is more problematic, as is that of **Abubakar Malami** as Attorney General. They have both been on the wrong side of the argument over the handling of the fight to control the OPL245 oil block which has now moved to the **Italian** Courts, where Shell and ENI are defending themselves against charges of grand corruption (AC Vol 59 No 25). It is now certain that **Godwin Emefiele** will retire as central bank governor in June, perhaps making way for a candidate with a more pragmatic line on exchange rate policy. ●

MALAWI

War of the running mates

Politicians and parties are in a frenzy of alliance-hunting and opportunity-seeking as the general election looms

President **Peter Mutharika** has snubbed his Democratic Progressive Party (DPP) political gurus and picked a political novice, **Everton Chimulirenji**, as his running mate for the vice-presidency. The decision has thrown the race wide open and, most pundits believe, made the Malawi Congress Party's (MCP) **Lazarus Chakwera** favourite to win the localism and tribalism-infested race.

Party insiders see the hand of the First Lady, **Gertrude Mutharika**, in the controversial choice for the deputy position on the ticket, saying it helps reduce the potential competition for her own ambition to run for the presidency in 2024. Chimulirenji, twice elected to serve as MP for Ntcheu North East, has been Minister for Community Services and Civic Education since last year. Others claim Mrs Mutharika lobbied

for Chimulirenji with the support of the President's Director of Security, **Norman Chisale**, who has often been accused of peddling influence. Chisale also hails from Ntcheu district, which is dominated by the Ngoni people.

Ethnicity and region of origin have been key factors in Malawi's elections ever since multi-party democracy returned in 1994 (AC Vol 50 No 23). That is why Mutharika was widely expected to pick a fellow Lhomwe as running mate, with Local Government Minister **Kondwani Nakhumwa** much fancied since he became Vice-President for the DPP's Southern Region stronghold. Nakhumwa saw off other heavyweights at the party convention, including **George Chaponda**, who was sacked from the cabinet after the infamous 'maizegate' scandal, Minister

of Agriculture **Joseph Mwanamvekha** and Minister of Information **Henry Mussa** (AC Vol 58 No 20).

'The President wanted to neutralise the succession battle within the DPP. People have been fighting and leaking against each other. If the President picked any of them, they would have been fighting the next five years,' says one of the President's confidants.

INFLUENCE

However, the influence of Mrs Mutharika and Chisale is believed crucial. As Gertrude Maseko, she was a DPP MP from 2009 until the 2014 election, in which Peter Mutharika won the presidency, when she lost her seat. One month later they were married. She is believed to have been behind the replacement of party officials at State House, including the President's one-time right-hand man **Ben Phiri**.

Yet another reason for Mutharika's choice of an unknown to run with him has been put forward: that he is clean. Many DPP senior officials and cabinet ministers became wealthy overnight after attaining high office, and this has made them unpopular with voters.

The party officials who have been replaced were shown with grim faces on television as they lined up to receive papers confirming their nominations as candidates. The next day they had to go to Sanjika Palace, the presidential palace, to pledge loyalty to Mutharika on bended knee as they received candidature certificates.

Mutharika, one minister told *Africa Confidential*, could suffer the fate of **Joyce Banda**, who failed to retain office in the 2014 presidential election at least in part because she picked an unknown as running mate. Before Chimulirenji, the United Democratic Front leader, **Atupele Muluzi**, who is the current

Health Minister and is in alliance with the DPP, was also widely tipped to be Mutharika's running mate. Now, he has filed papers to stand for the presidency.

Current Vice-President **Saulos Chilima**, who dramatically accused his boss of corruption, has filed papers to stand as presidential candidate for the United Transformation Movement (UTM), which he founded after leaving Mutharika's DPP in June last year. The constitution does not permit the president to sack the vice-president, so Chilima remains in office.

Yet much speculation surrounds why the President does not sack Muluzi as health minister. Perhaps, pundits say, Mutharika wants him in the presidential race so as to draw voters from Chilima. Both men have appeal to young voters.

But Chilima, a former Airtel executive, suffers politically from association with President **Bingu wa Mutharika's** widow **Callista**, who came into the UTM along with other DPP defectors, and is still unpopular because of the bloody demonstrations during Bingu's second term in which 21 people were shot dead.

Chilima's own party members are also accusing him of arrogance and nepotism, and of surrounding himself with a clique and not listening to party members. The former Nigerian President **Olusegun Obasanjo** has been sponsoring him on trips to **Nigeria** and Dubai, party dissidents claim, and they want the relationship explained.

FADING STAR

After a brilliant start, Chilima's star is said to be fading. Ex-President Banda spent a long time courting him but has broken with him now in a spectacular row. Only 48 hours after endorsing him she accused him of playing 'hide and seek' after five months of talks that

were supposed to result in a candidate from her People's Party taking the number two position on Chilima's ticket. Chilima's allies fired back that Banda insisted on putting her son **Roy Kachale** in as the running mate in spite of his lack of political experience.

Banda is now standing for the presidency herself, with former diplomat and businessman **Jerry Jana** on her ticket. Chilima went for the comedian **Michael Usi** as his running mate, which was a slap in the face for key UTM founding members Speaker of Parliament **Richard Msowoya** and the party Secretary General **Patricia Kaliati**. For his number two, Chakwera has selected the meat-processing magnate and political chameleon **Sidik Mia**, who over the years has sought office with every major political party. He might strike gold this time, as Chakwera's fortunes could well be favoured by the divided political landscape in the Eastern and Southern Regions where Mutharika, Muluzi and Banda are all contesting.

POLL ARITHMETIC

Chakwera polled 1.45 million votes against Mutharika's 1.8 million five years ago, with Chilima's home region giving the President 123,000 votes. If Chilima pulls Ntcheu and Mia manages to woo voters in his own Lower Shire region, Mutharika could well be at the mercy of Banda's vote. After taking 1 million votes in 2014, many feel she has squandered her political legacy by spending four years in exile. Where that vote goes in May is anybody's guess.

The arithmetic could well benefit Mutharika in the final result, but there is a strong feeling that voters are weary of him and the corruption scandals around him, and that his choice of running mate will not improve his odds. ●

SOUTH AFRICA

Ramaphosa's high-wire act

The President has assembled an impressive trio to drive his economic reform plans, while he seeks to handle the politics

A year after becoming President of South Africa, **Cyril Ramaphosa** has gone a long way to transforming the political landscape and curbing corruption, but his toughest task lies ahead: persuading his trade union and communist allies to back investor-friendly economic reforms to turn around an ailing economy.

Although now merely the largest grouping in a fragmented labour landscape, the Congress of South African Trade Unions (Cosatu), along with the tiny but influential South African Communist Party, still wields considerable power and was instrumental in clinching Ramaphosa's narrow victory in the election for

President of the ruling African National Congress in December 2017.

In his gargantuan task to recover the state after a decade of corruption, reforge the economy and restructure the ANC, Ramaphosa has assembled a team of experienced politicians and fiscal experts to implement his reformation plan headed by former Finance Minister and now Minister of Public Enterprises **Pravin Gordhan**, and former Reserve Bank Governor **Tito Mboweni**, now Finance Minister.

Mboweni, who served two terms as Governor of the Reserve Bank, is now the engine-driver, with the highly rated **Lesetja Kganyago** at the Reserve Bank and **Dondo Mogajane**, formerly Gordhan's director-general at the

Finance Ministry, now ensconced at Mboweni's side (AC Vol 58 No 21).

The plan is to reverse a widening budget deficit, accelerate snail-pace growth and drastically reduce a bloated public service wage bill.

'It is time for us to sow a seed of renewal and growth... We must prune and pluck away at the rot, until there is growth,' Mboweni said in his budget speech last month.

ESKOM CHALLENGE

The first test will be the extent and timeframe of privatising part of the crisis-plagued state-owned electricity supply company, Eskom, which the government has had to bail out to the tune of ZAR 484 billion (US\$32bn), and reducing its workforce through attrition (AC Vol 60 No 3). It is a five- to ten-year plan but if it succeeds it will transform the country into a strong and stable democracy with a robust and growing economy, analysts say.

The challenge will be to maintain the support and involvement of both investors as well as the labour unions and the Communist Party, and the early indications are that the latter will endorse an incremental reform plan.

The Treasury, which was under siege during the nine-year rule of former President **Jacob Zuma**, is now set to become the engine-room of the reform plan outlined in Mboweni's budget, analysts say.

The three principals – Ramaphosa, Mboweni and Gordhan – are strongly supported by Reserve Bank Governor Kganyago, now serving his own second

five-year term, and Mogajane.

'This is a formidable team of highly experienced and fiscally astute politicians who will drive the transformation process,' said a captain of industry close to the process.

The plan enjoys the support and active involvement of the business community which has committed resources to ensure that it prevails and will submit annual sectoral reports to the government.

Mboweni's tone and style broke with that of his two predecessors in that he pulled no punches in outlining the dire state of the economy, the threat faced by loss-making state-owned enterprises, dismally low growth and high unemployment (AC Vol 59 No 20). Although his message was dire, his confident demeanour and candour have been welcomed by analysts.

Following national elections on 8 May, he and Public Enterprise minister Gordhan will need to start delivering on economic steps which will see independent power producers enter into public-private partnerships and incremental, but ultimately substantial, cuts to a bloated and inefficient civil service (AC Vol 60 No 1).

NO SACRED COWS

Mboweni made clear that there are no sacred cows when it comes to curbing wasteful government expenditure. 'Our determination to regain our fiscal prudence will form the basis of our economic recovery... Restoring our finances and fixing our state-owned enterprises will take great courage,'

Mboweni said, clearly preparing the ground for him and Gordhan to do the heavy lifting while Ramaphosa absorbs the political fallout.

While he did not mention the politically charged 'privatisation' word or talk of mass retrenchment of public servants, the direction of travel is obvious to all.

'Ramaphosa now has to convince the left that his programme for the reformation of South Africa will be a win for all,' said an analyst close to government and business. 'He is moving slowly but inexorably and he is doing the right thing.'

REFORM PLANS

After the May elections, Ramaphosa is expected to announce some structural changes to government to facilitate the reforms, insiders say. In the longer term, that plan could include a reduction in the number of provinces from nine to six which would have huge cost-savings and have the added advantage of eliminating some of the more recalcitrant pro-Zuma elements who are resisting reforms.

Ramaphosa could also bypass the current route to power in government via party leadership in the regions by promoting new and younger blood in Cabinet via the party list system.

Interestingly, Mboweni's budget did not indicate any major increases in expenditure on land reform, suggesting that despite the political noise, land reform is likely to be driven primarily by expropriation of state-controlled land. ●

LIBYA

Haftar puts south in the game

The Serraj camp claims all the legitimacy but General Haftar's forces now control the south – and have all the clout

The Sharara oilfield is appropriately named: the Arabic word means 'spark'. It was the catalyst for a dramatic change in the strategic balance between General **Khalifa Haftar's** Libyan National Army (LNA) and the UN-backed Presidency Council (PC), led by **Faiez el Serraj** and based in Tripoli (AC Vol 59 No 23). Haftar's forces have taken southern Libya while talks have again taken place – the latest round was in Abu Dhabi – aimed at preventing a spiral into total war.

In early December, members of the 'Fezzan Rage' movement, angered by the PC's inertia, decided to launch

direct action. In the southern Fezzan region, kidnappings, no cash at the bank, extortionate fuel prices and safe havens for opposition fighters from Chad were all routine. Convinced that officials would be forced to respond if Libya's biggest oilfield was forced to close, the Fezzan Rage fighters moved into Sharara, making common cause with its Petroleum Facilities Guards, some of whom had not been paid for months. Serraj did respond: he flew down and negotiated a deal with the protesters, in effect giving them what they wanted in return for handing back control of the field to the National Oil

Corporation (NOC).

Then on 10 December, two days after the protesters had moved on, the NOC declared *force majeure* over the field. Despite Serraj's attempts to negotiate, NOC chairman **Mustafa Sanalla** refused to turn the pumps on again, insisting there had to be a new protection force at Sharara and that those involved in the takeover be disciplined.

Enabling the oilfield to start production again provided Haftar with a timely justification for moving on the south. He was going to secure Sharara, get rid of terrorists and give the south security.

In fact, he had been promising that his forces would do just that for well over a year. But with limited resources, he was not prepared to fight on two fronts at once. The battle for Derna, the last militant-held stronghold in the east, was his priority (AC Vol 59 No 7). Much of the city was in fact captured in June 2018 from the *Al Qaida*-sympathising

mujahideen, who had run it as a mini Islamist state for three years, but a few diehards had managed to hang on in the centre of town. Though they were not crushed until February, by the beginning of this year it was clear that Derna would be over very soon. So, in mid-January, the LNA was ready to embark on its southern offensive.

It was largely an open door. Sebha, Fezzan's main city, was already partly controlled by LNA-allied forces, but units manned by ethnic Tebus who nominally support the Tripoli-based PC pulled out after LNA reinforcements arrived and headed further south, sensing which way the wind was blowing. For the first time in over four years, Sebha was firmly under one authority: the LNA and its affiliated government, led by **Abdullah Al Thani**.

From there the LNA was able to move west to Sharara, taking it on 11 February. As with the Tebu pull-out from Sebha, the oilfield handover was achieved by negotiation rather than force. Meanwhile, the LNA moved into Tebu territory south of Sebha. This was not as straightforward as the move west into Tuareg land. There were clashes with some Tebu forces opposed to the LNA, notably in the main Tebu town of Murzuk, but by the end of February virtually the whole of the south was under Haftar's control. This has had enormous consequences in Tripoli, where the sands were already shifting because of political divisions.

CRUMBLING SET-UP

Created by the Libyan Political Agreement of December 2015, the nine-person PC, now down to five members, remains nominally in charge. But since March 2016, when it arrived in the capital, it has been wholly dependent on local militias to impose its will. It particularly relied on the Tripoli Revolutionaries Brigade and the Central Security Force, the latter based in the Abu Sleem area. These and other groups now operate under the umbrella of the Tripoli Protection Force (TPF). But the entire set-up is crumbling despite the outward show of an administration getting on with the job of governing. Twice in January, three members of the PC publicly accused Serraj of taking all decisions on his own, contrary to the Libyan Political Agreement. Any decisions not approved by other PC members were illegal, they declared, warning that officials who implemented them would be prosecuted.

Ten days after their second warning, Serraj held the first meeting in six months of all five remaining PC members. However, it was less a response to their demands than to

those from another quarter. Five days earlier, following a fresh outbreak of clashes in southern Tripoli between the TPF and military units from the town of Tarhouna, the TPF announced that it would no longer obey orders from Serraj unless countersigned by all PC members, in line with the Libyan Political Agreement. They were convinced that the clashes had been engineered by the Serraj-appointed Interior Minister **Fathi Bashagha**, possibly with Serraj's complicity, in an attempt to destroy them.

The threat has not gone away. A ceasefire ending the clashes was quickly mediated by the Warfalla tribe, Libya's largest. But a few days later a container load of military equipment was discovered, allegedly smuggled in from **Turkey**; there were suggestions it may have been destined for a unit linked to Bashagha. The TPF demanded an investigation and repeated its warning that it would ignore unilateral orders from Serraj.

Then on 23 February, in its sharpest attack yet, the TPF accused Serraj of allowing hangers-on to engage in 'systematic tampering with funds' belonging to the Libyan Investment Authority (AC Vol 59 No 6). Alleging 'looting and financial and administrative corruption', the TPF threatened for a third time not to obey his orders.

Meanwhile, the fear that Haftar could move towards Tripoli was already making allies out of former foes in the city. The previous week, just a day before the eighth anniversary of the 17 February revolution, the TPF joined Islamists, former revolutionaries and militia commanders from the west of the country at the launch of a new political party, the Libyan National Assembly. One of its stated aims is to resist Haftar and military rule. It gave a hint that it may not rely purely on political persuasion to achieve this, setting up a military wing.

It is unclear how serious the TPF is about the new party. It has accused Haftar of wanting to impose 'military dictatorship' but neither the Tripoli Revolutionaries Brigade nor the Abu Sleem Central Security Force has so far shown the remotest interest in the revolutionaries' quasi-Islamist ideology. Indeed, they fought each other in 2016 and again in 2017 when the revolutionaries and radicals tried to oust Serraj and the PC and reinstall Libya Dawn, the Islamist coalition that controlled Tripoli from mid-2014 to March 2016.

The sliding support in the capital for Serraj and the PC has come at the very moment Haftar's forces are in the ascendant. It has also shone a spotlight

on contradictions in the world's approach to Libya. The UN, European Union, African Union and countries such as the **United States, United Kingdom, France, Germany and Italy** insist that the PC and its Government of National Accord are the legitimate executive authority in Libya. The high court in London even issued a ruling to that effect in February. They also recognise the House of Representatives, based in Tobruk, as the legitimate parliament. But the HoR does not recognise the PC. As far as it is concerned, the legitimate Libyan government is the one it appointed, led by Al Thani, based in the eastern city of Beida.

THANI REVIVAL

For the past three years, since the PC's arrival in Tripoli, the Thani government has been ignored internationally. Even in the east, where its authority was recognised, it has been handicapped financially. The LNA's advance in the south changed that. The Thani government is still strapped for cash but has come to life again politically and is making the best of it, issuing orders for the southern region. This has happened just when, in Tripoli, the ground under Serraj appears to be slipping fast.

Yet the changes do not signal that Haftar is set to win and Serraj lose, at least not in the immediate future. The prospect of the LNA moving towards Tripoli appears unlikely. The forces against it, notably those from Misurata, are strong, and despite their mutual rivalries will rally to fight any such move. For his part, Haftar has long said that he will not fight his way into the capital. He may control over 90% of Libya's petroleum production, but neither the LNA nor the Thani administration can export the oil or gain control of the money earned. It is still the PC's Tripoli-based NOC which sells it and its Central Bank that gets paid for it. The UN and, notably, the US will continue to make sure of this.

LONG WAY

But the changes on the ground have increased divisions between the two sides while pointing up the failings of the Libyan Political Agreement and Serraj's weakness. Libya is 'very fragile', as **Angela Merkel** noted at the EU-Arab League summit in Sharm el-Sheikh on 25 February. 'We are still a very long way from the possibility of the Libyan Government of National Accord taking over the leadership of the country,' the German Chancellor said. Many Libyans believe it is highly unlikely this can ever be achieved.

As it is, the Thani government has been moving to consolidate its

new position in the south, organising deliveries of fuel and food. It has been effective. The price of petrol in Sebha is now back to 0.15 dinars per litre, local crime has fallen and civil flights to the south have begun again. Many of the **Chadian** opposition have fled back across the southern border. There is stability and, with it, widespread support for the LNA. 'Everyone in the

south is now supporting Haftar,' said a Tuareg activist from Obari last week.

In this changed atmosphere, Libya's foreign friends tried again to bring the two sides together. The **United Arab Emirates** organised a meeting between Haftar and Serraj in Abu Dhabi last week. Haftar had insisted that he would not meet again with the head of the PC, arguing that Serraj was

not the real master of Tripoli and had nothing to offer. However, the UAE, as one of his leading backers, managed to persuade him to attend the talks. In the event, both men agreed on a need to end the crisis through elections and on reuniting Libya's institutions.

But they had already agreed that in Paris last May and Palermo in November. The stalemate continues. ●

ETHIOPIA

Abiy dining dangerously

Personal prestige projects threaten to divert the Prime Minister's attentions from his reform agenda

As the latest controversy over Ethiopia's capital, Addis Ababa, crackled and sizzled, Prime Minister **Abiy Ahmed's** thoughts turned to dinner. A fundraising banquet to be more precise, with dignitaries asked for contributions of five million birr (US\$175,000) towards the leader's pet project – a planned 29 billion birr (\$1bn) beautification of the city's putrid waterways – for the honour of dining with the great man.

Meanwhile in Oromia, on the capital's haphazard fringes, local authorities tore down around 3,000 'illegal' houses in Legetafo town, leaving many families homeless, while a mob battered two journalists who had been covering the demolitions outside a police station in the town after they had been released from a brief detention.

From those wary of Oromo designs on Addis Ababa, which is the capital of both Oromia and the federation, there were howls of outrage and claims of unfair evictions of non-Oromo residents by Legetafo officials. But even without that kerfuffle, Abiy's prioritisation of the river rehabilitations would be hard to justify, given, for example, the more than two million Ethiopians displaced by conflict and in need of government help. 'New levels of poor judgment,' harrumphed a Western diplomat.

Adding insult to injury, the premier's sidekick in Oromia's ruling party, regional president **Lemma Megersa**, then chipped in. At an opening session of the state's parliament, he explained his government's policy towards the resettlement of Oromo refugees who fled a brutal inter-state conflict with Somali region that flared in late 2016. It had placed about 500,000 of them in areas surrounding Addis Ababa and 6,000 in the city, he said. Oromia's administration was trying to convert

problems into opportunities 'since urban politics and demography are very important,' Lemma explained. The howls got louder.

'Any attempt by the government to change the demography of Addis Ababa and its surrounding areas is social engineering... Sir, all social engineerings to date have failed throughout the world... and it shall fail this time, too', thundered **Eskinder Nega**, an activist-journalist released from prison last year but now making new enemies among the ascendant Oromo nationalists (AC Vol 54 No 8).

The backdrop to this drama is the chaotic political situation after Abiy decimated the government's authoritarian control last year, partly through an all-encompassing amnesty. While the Prime Minister is integral to the transition and a unifying figure, with parliamentary elections now less than 15 months away, there are growing concerns that he is dangerously oblivious to the country's vertiginous challenges and worryingly focused on his own position.

Addis Ababa promises to be the major electoral battleground because of Oromia's claims on it and the resistance to that from its diverse residents, but also because opposition to the city's expansion was the focus of the Oromo protests that paved the way for Abiy's rise to the premiership. Now that a remodelled Oromo Democratic Party (ODP) holds federal power, activists want an end to the evictions of Oromo farmers on the city's outskirts, and for their region's constitutionally designated 'special interest' in Addis Ababa to be defined in law.

That could mean compensating Oromia, which encircles the capital, for having to deal with Addis Ababa's waste, or use of the region's water, and

promoting the Oromo language and culture in the city. Or it could entail joint administration of the capital and revenue sharing for Ethiopia's most populous ethnic group.

ODP control of city hall will be critical to Oromia's ambitions – and thousands more voters certainly helps that cause – although the electoral commission has had to again postpone municipal polls that were scheduled for May.

The actions of de facto mayor **Takele Uma Benti**, who is from Oromia's ruling party and was appointed by Abiy in June, are already closely scrutinised, and there was violence last year when Oromo nationalists and opponents faced off.

The problem for Abiy is not just that he is distracted but that he is a national leader currently trying to keep all constituencies happy. While he has done an astonishing job so far, at least in terms of commanding and maintaining public support, it is doubtful that he can keep all the balls in the air for much longer.

POWER STRUGGLE

The emerging power struggle in Ethiopia is between his ODP and the Amhara wing of the four-party ruling coalition, after the formerly dominant Tigray People's Liberation Front (TPLF) was shoved off its perch last year. Both the pretenders are being pushed in the direction of strident ethno-nationalism, which means the ruling Amhara Democratic Party (ADP) needs to resist the alleged 'Oromisation' of Addis Ababa to boost its support against a regional challenge from upstarts, the National Movement of Amhara.

The situation facing Abiy and Lemma's ODP is not dissimilar. Their support was already predicated on delivering on the demands of the Oromo protests, and there is now extra pressure to achieve that because of the resurgence of the Oromo Liberation Front (AC Vol 59 No 15). While that decades-old movement is splintered and organisationally in chaos, as are most of Ethiopia's opposition parties, millions of Oromo still consider the OLF emblematic of their independence

struggle (AC Vol 60 No 1). The ODP has already co-opted some key ex-OLF leaders, and it would be no surprise if there were further such alliances.

Yet the ODP will still face a tricky balancing act to hold fair elections and fend off the OLF, although it should benefit from the liberation front's frail leadership and a sizeable incumbency advantage. That is particularly the case as district and village elections will also be postponed to 2020 because of political instability. This means the ODP, ADP, TPLF and the ruling party in a tumultuous Southern Nations region will all maintain a total stranglehold on local administrations through the campaign. That bureaucratic hegemony helped the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) churn out huge electoral victories in the past.

Lemma's talk of demographic strategy prefaces Abiy's most immediate challenge: a 10-year census set for next month that has been delayed since 2017. This cannot avoid stoking tensions due to the vast estimated difference in regional populations and the census's importance to allocating parliamentary seats and federal subsidies to the states.

Some Amhara activists make wild claims that its population was deliberately suppressed in the past by

the TPLF and is larger than Oromia's 35-40 million people. Amid increasingly fraught communal politics, there is a rare ray of light for those who believe a system of ethno-linguistic federalism hardens tribal identities: for the first time, Ethiopians will be able to select 'mixed background' on the census forms.

'BIG POLITICS'

Demography is also at play in the flashpoint cities of Dire Dawa, Harar and Moyale, which is on the **Kenyan** border, and contested between Oromo and Somali groups (AC Vol 60 No 3). Lemma made his intentions clear at the regional parliament: 'There is a big politics going on in Moyale. Oromia needs an international gateway. Not for other purposes, but for trade.'

Such assertive positioning puts Somali region's new president **Mustafa Omer** under more pressure, as he seeks to please both his boss, Abiy, and his base. A close observer expects him gone soon due to his resistance to the ODP's strategic demands.

If the EPRDF parties are going to see off all challengers, they must stick together, which is no easy task given the hostilities between the TPLF and ADP, and the loss of authority of the Southern Ethiopian Peoples' Democratic

Movement, which is faced with the likely fragmentation of the multi-ethnic Southern Nations.

If the EPRDF splits, it could leave Abiy and the ODP scrabbling to form a new coalition next year as Ethiopia's political landscape is remade. Some still talk of implementing the proposed partial introduction of proportional representation, which would ensure some opposition parliamentarians, whether for pan-Ethiopian or regional parties. But time is running out for such moves, and they risk further complicating a hectic schedule.

With the EPRDF's fragility in mind, Abiy seems to be mulling over the possible solution of trying to use his power and momentum to convert it into a unified national organisation, which would also incorporate the currently affiliated ruling parties in Somali and four other regions. Given his ambition and the unsteady transitional moment, this cannot be ruled out, but it seems likely to leave behind the TPLF. And its centralising message may well also incense Oromo nationalists, who are already wary of Abiy's ultimate intentions – suspicions that will only increase if he focuses on vanity schemes with the great and the good rather than tackle Ethiopia's steadily growing thicket of difficulties. ●

GUINEA

A surprise reunion

A unexpected deal ends a long-running dispute, allowing everyone to get back to the business of extracting iron ore

Israeli mining magnate **Beny Steinmetz** has made a surprise re-entry into Guinea, after reaching an apparently amicable settlement in his lengthy dispute with the Guinean government over allegations of graft relating to the world's largest untapped iron ore resource, Simandou.

At the end of February, Steinmetz's mining arm Beny Steinmetz Group Resources-Guinea (BSGR) and the government jointly announced that Guinea would drop an international arbitration case against the company.

Sources close to the matter told *Africa Confidential* that Guinea could have secured as much as US\$1 billion had it won the arbitration. Yet this settlement, which was brokered by former **French** President **Nicolas Sarkozy**, may have been worth as little as \$50 million, AC understands.

Sources said that the move to

settle with BSGR was surprising given Guinea's expression of confidence in its position in the arbitration, which was being heard in London and Paris. Three experts examining the contested contracts were said to have concluded that Steinmetz's companies made payments to Guinean officials and the relatives of Guinean officials to secure access to Simandou (AC Vol 56 No 5).

BSGR executives were accused of having bribed **Mamadie Touré Conté**, the fourth wife of the late dictator **Lansana Conté**, to gain mining rights to the northern half of Simandou. The rights for the whole deposit were previously held by **British** mining company Rio Tinto. Rio Tinto which waived its rights to half of the Simandou deposit, is now subject to investigations in the UK and **Australia** around alleged payments made by consultant **François Polge de Combret** to secure Simandou

for the British mining giant.

The allegations of graft and contracts discovered by a committee set up in 2010 to investigate the situation saw Guinean President **Alpha Condé** strip the rights to mine the Zogota iron ore project, as well as the other half of the Simandou deposit from BSGR and its joint venture partner, **Brazilian** mining firm Vale in 2014. Their joint venture company VBG was formed in 2010 after BSGR sold on half its mining rights in Guinea to Vale for \$2.5bn. Vale was cleared of breaking any laws in relation to the deal and transferred its interest in VBG back to BSGR in March 2015. BSGR denied any wrongdoing.

MICK THE MINER

As part of the settlement, BSGR has relinquished any claims it had on Simandou blocks 1 and 2 and both parties have waived all outstanding procedures. Instead, a new UK-based mining company, Niron Metal, headed by former Xstrata boss and CEO and treasurer of the UK Conservative party, Sir **Mick 'The Miner' Davis**, will develop Zogota, a project which BSGR and Vale started earlier this decade.

The move is a return not only to the mining scene but to Africa for Davis. The South African was previously

RED EARTH TO THE RESCUE

The government's bauxite strategy is to dig up and ship out as much as possible and use the proceeds to finance the development of agriculture as well as the service sector in the cities.

The results have been dramatic. With President **Alpha Condé** closely involved, a consortium called *Société Minière de Boké* (SMD) – including partners from **China, Singapore, Guinea and France** – is on course to double Guinea's bauxite output only five years after its arrival.

Guinea is also Africa's eighth largest gold producer and tenth largest diamond producer, but exploitation of these minerals has produced underwhelming results. So, too, has more than two decades of oil exploration. Hopes of developing some of the world's largest untapped iron ore reserves at Simandou have also run aground.

That leaves bauxite. The expected extra revenue should primarily be invested in the country's long-suffering agriculture sector. From rice farmers to coffee growers, Guinea's rural communities have suffered from half a century of neglect and the result has been an army of demoralised farmers moving to the urban centres, especially the capital Conakry. Reversing this trend is impossible but the government hopes to slow it down – and improve Guinea's food security in the process. What the government also wants is local content – mining houses giving preference to Guinean sub-contractors over foreign ones. It wants new infrastructure that can be used by companies and Guineans alike and has created the *Fonds nationale du développement local*, intended to receive and distribute up to 15% of mining revenues to projects in local communities.

Critics point out that the SMD model causes serious collateral damage. An October 2018 report by Human Rights Watch notes that large tracts of land are now useless because of the rapid expansion of bauxite mining. Companies and government have promised improvements but Guinea's bauxite sector has traditionally thrived on a combination of opaque deals at the highest levels and repression on the ground. Boké, Guinea's bauxite town, has frequently seen riots over the absence of simple basic services, while long trains filled with red earth roll to the coast.

The Condé government is in an almighty hurry to raise its revenue by becoming the world's second-largest bauxite producer (after **Australia**) with an output of 60 million tonnes by early 2020 and appears to have decided that one-on-one deals with little oversight are the quickest way to get there. Old habits die hard (AC Vol 53 No 13 and Vol 57 No 10). ●

CEO at X2 Resources, a private mining venture set up in September 2013 after Xstrata merged with Glencore.

Davis's new venture Niron Metals was incorporated in the UK in June 2018 and Zogota is its sole project. Former De Beers diamond powerbroker **Varda Shine** is a non-executive director of the company (AC Vol 53 No 18).

Zogota is in Nzérékoré province, which borders **Liberia**. In an effort to show the Guinean government that it was serious about exporting ore from the mine, BSGR pushed ahead with development despite not having the infrastructure in place to ship out large volumes of ore. The project ground to a halt in 2012, when six villagers protesting against the way that VBG was recruiting employees for the Zogota

mine were killed after Guinean police opened fire.

While Guinea says ore mined from Simandou must be shipped via the country's own ports, Guinean mines minister **Abdoulaye Magassouba** said Zogota, which is located further south, would be permitted to send its ore through Liberia.

No confirmation has been given as to whether a deal has been struck by the BSGR/Niron group and the Liberian government – which will have the final say on how access to Liberian infrastructure will work. ArcelorMittal operates the rail line and uses it to transport its iron ore from the Tokadeh mine close to the Guinean border to the port of Buchanan which it also operates. ArcelorMittal has an obligation to share

capacity on the line which it does not use as per its agreement with the Liberian government, but during negotiations with Sable Mining it insisted that it needed access to all of the line's capacity. Failure to secure access to the rail line was one of the factors behind the collapse of plans by **Andrew Groves** and **Phil Edmonds'** Sable Mining venture to develop its Nimba iron ore project (AC Vol 57 No 10).

The BSGR settlement comes amid a fresh burst of interest in iron ore projects in Africa, following an uptick in iron ore prices after a lengthy slump. Prices surged after the collapse of Vale's Feijao dam in Brazil, and the company's announcement that it planned to cut production, taking millions of tonnes out of the market. ●

MINING/CONGO-K/SOUTH AFRICA

Contradictions in the contracts

Companies are adjusting their strategies in an era of resource nationalism

It seemed like a defining moment when **Mark Bristow**, the new chief executive officer of Barrick Gold, was asked at the African Mining Indaba in Cape Town last month how much of the controversial Acacia Mining gold project he would be prepared to cede to the **Tanzanian** government. Bristow, once seen as one of the hard men of

South African mining, said it would be 'around 50%' but that Barrick could end up with the minority stake. To many that looked like a serious concession to Tanzania's President **John Magufuli**, who has been pushing a resource-nationalist policy.

Bristow's concession would have been heresy in the industrial mining

sector a few years ago, when miners were adamant that if their share dropped below half, the mines would have been nationalised and would become unattractive to investors. Yet the oil industry conceded the 50-50 principle back in March 1957, when **Enrico Mattei** of Italy's *Ente Nazionale Idrocarburi* (ENI) stole a march on **United States** and **United Kingdom** oil majors by securing a profit-sharing agreement with the National Iranian Oil Company that was skewed 75%-25% in the latter's favour. The majors were horrified at the time but have since discovered that they can live with this kind of percentage split.

Martin Kabwelulu Labilo, Congo-Kinshasa's long-serving Minister

KING COAL ON THE DOLE

Among the gloomiest mining executives these days in Africa are those in coal. A growing list of financial institutions are refusing to lend to coal companies. Instead they are taking hesitant steps towards combating climate change, preferring to redirect their money towards renewable energy. In South Africa, the continent's leading coal producer, the issue has become intensely politicised.

Much of the black empowerment in the country's mining sector to date has been in coal. The banks' – and indeed the government's – recent souring towards coal is seen by both mine owners and trades unions as an attempt to undermine empowerment.

The matter is complicated by the strong involvement in the South African renewables sector of **Bridgette Radebe**, wife of Energy Minister **Jeff Radebe**, and the billionaire **Patrice Motsepe**, who is a brother-in-law both to Radebe and to President **Cyril Ramaphosa**. This has prompted some coal industry supporters to accuse the network of 'State Capture II' through renewable energy – an accusation they strongly deny.

A more hostile global investor stance towards coal is bad news for Glencore, too. It is the world's largest producer of thermal coal and supplies new plants in Asia, which the International Energy Agency says risk stopping everyone from meeting global greenhouse-gas emissions targets. Environmental campaigners have drawn up a hit list of the 3,000 biggest coal-fired power stations in the world which they argue could contribute to as much as 50% of global warming.

Under **Mosebenzi Zwane**, South Africa's former Mineral Resources Minister, vested interests loomed large, especially in the case of the Gupta family's takeover of the Optimum Coal mine. Zwane, who had little knowledge of mining, was given the portfolio by President **Jacob Zuma** for having helped direct state funds to a dairy project in Estina, Free State Province, which was of great benefit to the Gupta family (AC Vol 59 No 12).

The Guptas' allies in the Eskom state power utility worked with Zwane to ensure that Glencore was pushed out of the Optimum coal mine. A Gupta company snapped up the assets and a beneficial long-term supply contract to Eskom. That was Eskom's worst coal deal in the Zuma era.

But financial analysts say that most of Eskom's financial woes can be attributed to the succession of uncommercial coal supply contracts foisted on the corporation, mainly benefiting business cronies under Zuma's presidency. Zwane was nicknamed 'the Minister for Gupta Affairs' by the South African press.

The Chamber of Mines eventually gave up trying to work with Zwane, who was also pushing for a new Mining Charter requiring companies constantly to top up their prescribed empowerment quota by selling more shares to black investors whenever investors who had previously acquired shares sold these to white people. That project was abandoned by Ramaphosa's government. ●

of Mines, declined to attend this year's Indaba, preferring to remain in Kinshasa, where there is much political manoeuvring for positions in the government of new President **Félix Tshisekedi**. However, Kabwelulu did send a message to the event through senior ministry officials, who insisted that a mining code passed into law by the National Assembly last year will remain unaltered despite heavy lobbying from companies that want key clauses that weaken their position rescinded.

One senior ministry official told guests that more resource nationalism was on its way in Congo-Kinshasa and that they need to prepare. In his inaugural address in late January, Tshisekedi said national tax revenues from mining need to increase (AC Vol 60 No 3).

Barrick Gold is heavily invested in Congo-Kinshasa through Randgold,

which operates the Kibali gold mine in the north-east. Recently acquired by the Toronto-based Barrick, Randgold was founded by Bristow. He is leading the charge against Congo-Kinshasa's revised mining code, arguing that although it might succeed in squeezing more money out of existing investors, it is deterring new entrants (AC Vol 59 No 12).

COBALT DEPENDENCY

The code is hardly welcoming, yet investors remain irresistibly drawn to Congo-Kinshasa because of its incomparable mineral endowment. For the second year running, much time at the Indaba was given over to cobalt, an important component of the lithium batteries that power most laptops, mobile phones and – crucially – electric vehicles.

Congo-Kinshasa produces more than 60% of the world's cobalt. This will rise to nearly 80% over the next few years,

analysts say. More than two-thirds of cobalt production in Congo-Kinshasa comes from **Chinese**-owned companies, and China's dominance of the rest of the battery supply chain is even more pronounced. Most of the balance of cobalt output from Congo-Kinshasa is produced by the **Swiss**-based Glencore.

The motor industry, which is investing heavily in electric vehicles, is uneasy about being so dependent on one country for cobalt. Ted Miller, senior manager for Energy Storage Strategy and Research at the Ford Motor Company, told the Indaba that the company is working to develop batteries that need less cobalt, but that the situation may be 'tricky' for at least the next three years.

Since Amnesty International published a report in 2016 outlining the prevailing conditions at many artisanal cobalt diggings in Congo-Kinshasa, particularly in relation to child labour, there has been rising international interest in the matter, and pressure on cobalt end-users such as Ford, Apple and Samsung to ensure that the cobalt in their products has not been mined or processed by children.

This is challenging, because an estimated 20% of cobalt production in Congo-Kinshasa is artisanal, much of it semi-processed in-country, typically by Chinese-operated refiners, before being shipped to China via Durban. The mining companies are increasingly keen to show that their output is child-labour-free, and a range of tools for this are being touted and piloted.

In 2008, the Organisation for Economic Cooperation and Development and the UN Group of Experts on Congo-Kinshasa developed due diligence guidelines for responsible sourcing of minerals from conflict areas. There appears a steady shift now to apply these guidelines more widely across the extractives sector. One of the so-called Annex II risks cited in the OECD due diligence guidelines is corruption.

Years of reporting by United Nations Expert Panels and journalists in Kinshasa have uncovered the clandestine networks in the country's industrial copper and cobalt mining sector, with companies including Glencore and Eurasian Natural Resources Corporation (ENRC) – now Eurasian Resources Group (ERG) – shown to have secured their local assets through business relationships with the **Israeli** billionaire businessman **Dan Gertler** (AC Vol 59 Nos 5 & 17). Gertler, now under US sanctions, is the closest business ally of former President **Joseph Kabila** and his family.

In Glencore's case, the US

Department of Justice is investigating several of its operations and in October 2018 requested documents from the company about the intermediary companies with which it has worked in Congo-Kinshasa. Now lobbies such as the London-based Global Witness and Brussels-based Resource Matters are calling for cobalt end-users to focus less on artisanal mining and to do more due diligence on the large-scale miners that provide the bulk of supplies.

If mineral end-users are slow to respond to the challenge of enhanced due diligence, many investors are not. Environmental, social and governance metrics are being incorporated into the investment decisions of some of the major funds, and this is already beginning to starve some mining industries of capital. After the collapse of its **Brazilian** tailings dam in January, which killed at least 165 people, the Brazil-based mining giant Vale was downgraded by at least one ratings agency. Its market valuation has declined by US\$13 billion.

MANTASHE'S MESSAGE

In South Africa, the mining industry has been given a filip with the arrival of President **Cyril Ramaphosa**, who had extensive interests in the sector through his former holding in the Shanduka company. Ramaphosa also appointed former ANC Secretary General **Gwede Mantashe**, once president of the National Union of Mineworkers, as the Mineral Resources Minister.

He knows the industry inside and out. The Mining Charter proposed by his predecessor, **Mosebenzi Zwane**, which caused a rift between the industry and government, has been amended to ease the controversial empowerment quota and the Chamber of Mines is no longer pursuing legal action against it. Mantashe was everywhere at the Indaba this year, addressing sessions, walking the floor at the conference and stopping to talk.

Reinforcing the South African government's message that the country is back in business as a mining investment destination, Ramaphosa also spoke to a packed auditorium at the Indaba, the first South African President to do so.

He delivered a soothing message, describing South Africa's industrial-scale mining sector, the oldest in Africa, as a 'sunrise industry'. Ramaphosa said he wanted to end the 'strained relations' between the state and mining and claimed that his government is listening to the industry 'with undivided attention'.

Ramaphosa pledged that despite a mooted change to South Africa's constitution to permit the state to expropriate privately owned land without compensation, the rule of law will not be undermined and 'we won't take investments and assets'. He also promised that those guilty of 'state capture' and systemic theft of public money will be prosecuted and will end up 'in orange overalls', prompting a cheer.

There was no mention of Xolobeni in the President's speech. Xolobeni is a village in the Transkei region where Australia's Transworld Energy and Mineral Resources (TEM) has for years been seeking a licence to carry out strip mining for titanium. Mantashe supports the project but local people, under the auspices of the Amadiba Crisis Committee, are fervently opposed.

In November 2018, the Pretoria High Court ruled that Mantashe could not award mining rights to TEM without the 'full and informed consent' of the community. In mid-December, Mantashe confirmed that he will appeal the judgment, arguing that it takes the power to award mining licences away from the government and puts it in the hands of communities. He says the judgment will cause 'chaos' if allowed to stand.

Mining industry lawyers support this view, with several warning it would damage investor sentiment. The Amadiba Crisis Committee says that Mantashe is no longer welcome in Xolobeni and that it will fight him 'all the way to the Constitutional Court'.

South Africa is probably the only country in Africa where a community could use the courts to block a proposed international mining investment that has government support, rather than register protest by taking matters into its own hands. This may well discourage some investors but others may argue that the Xolobeni case demonstrates the rule of law and the independence of South Africa's judiciary. ●

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POINTERS

Senegal

SALL ROMPS HOME

■ President **Macky Sall** took 59% of the vote in the presidential election, making a second round unnecessary. Veteran politician **Idrissa Seck** came a poor second with 21% and radical challenger **Ousmane Sonko** came third with 16%. Turnout was 68%.

Sonko quickly denounced a bag of electoral tricks, including the illegal creation of polling stations. Others accused the Sall camp of gerrymandering. Sall increased his vote in Dakar, from just over one third in 2012 to just under half this year, and scored well in the north, where he has been promoting rice cultivation. With his home region of Fatick in the bag and with a good showing in the chronically neglected Kolda region, it was a commanding win.

Oddly, perhaps, in view of his efforts to promote peace there, Sall did poorly in Casamance province, where the vote went overwhelmingly to home candidate Sonko. Sall also did poorly in the centre, home of the Mouride Brotherhood, but he could not overcome their memory of him as the man who deposed their great patron and friend, former President **Abdoulaye Wade**.

Sonko's rise is the big story. Casamance is his fief but he polled 20% in Dakar. The smears, one alleging an oil company bribe and another that he was in debt, were evidence of the fear with which the Sall campaign regarded him.

President Sall has five more years to continue his mega-projects, cement his reputation as the Builder of Senegal and most of all consolidate friends' and family interests in Senegal's nascent oil and gas business (AC Vol 59 No 23).

Somalia/Burundi

THE COST OF WAR

■ After a furious but well-hidden row, Burundi is set to withdraw 1,000 soldiers from the African Union Mission in Somalia (Amisom) force immediately; 4,532 Burundian troops will remain. The drawdown was agreed by Amisom leaders last November but Burundi's President **Pierre Nkurunziza** and Somalia's President **Mohammed Abdullah Mohammed 'Farmajo'** have been trying to stop it ever since. They released a joint statement on their disquiet on 17 February after Farmajo visited Bujumbura.

Burundi supplies more troops to Amisom than any other country except **Uganda**, earning it US\$72 million a

year. The income is vital to the regime because most aid has been suspended over Nkurunziza's decision to stand for a third term and the regime's human rights violations (AC Vol 56 No 10). The government is paid \$200 per month per soldier, and converts most of his salary into Burundian francs before handing it over. The European Union funds 80% of Amisom's salary bill.

Under UN Security Council resolution 2431, Amisom troop numbers are supposed to reduce, with the Somali National Army (SNA) filling the gap. The AU supports the EU's sanctions on Nkurunziza's regime, in place for three years now. Anti-AU demonstrations in the Burundian capital accuse AU Chair **Moussa Faki Mahamat** of supporting the domestic opposition and obeying his 'colonial masters'.

An Amisom troop reduction would normally be spread across all the national contingents. Only Burundians are being sent home on this occasion because the EU wishes to increase pressure on Nkurunziza, but also because the poorly equipped Burundian troops are not very active against *Al Shabaab*. Amisom is reorganising ahead of a final handover to the SNA in 2021, which now looks improbably early.

Burundi sent Foreign Minister **Ezechiel Nibigira** to try to dissuade the new AU President, **Egyptian President Abdel Fattah al Sisi**, from going ahead with the withdrawal. Now, Bujumbura is threatening to pull out all its soldiers, arguing that the withdrawal of 1,000 endangers the security of those who are left, but it is unlikely to follow through, Amisom experts say.

Zambia

FLIGHT OF FANCY

■ President **Edgar Lungu's** brand new Gulfstream G650 business jet arrived on 28 February and is parked in a purpose-built hangar at Lusaka international airport, which now boasts a new VIP lounge. Although the ticket price is US\$65 million, insiders say the enhancements, which include sophisticated radar systems and a maintenance package, bring the total up to \$400m. Sources involved in the procurement now confirm that the government paid \$130m for the Gulfstream alone. There was no fanfare and scant publicity to greet the plane, whose financing package, which was under negotiation with **Israel's** Hapaolim Bank, now appears to have been re-assigned to government lawyers.

The G650's arrival coincides with yet more late public sector salaries, as each month government salaries become more and more of a scramble, according to civil service sources. Zambia's Nurses' Union in a statement

on 5 March expressed 'huge concerns' over the 'anxiety and panic' the delays have caused, demanding an official explanation from the government. While nurses are still unpaid for February, senior civil servants will enjoy yet more perks after the government doubled their allowances. There is concern about a crackdown on dissent as well following the suspension of the licence of broadcaster Prime TV for 'opinionated' news coverage.

Financial problems persist. The last Treasury Bond auction was poorly subscribed, and Zambia had to find around \$200m to pay domestic creditors this week.

Rwanda/Uganda

BORDER TENSION GROWS

■ Relations between Rwanda and Uganda have been steadily declining and reached a new low after Kigali briefly closed the busiest border crossing at Gatuna and reportedly deployed defensively along the border. Foreign ministers of both countries traded accusations with Kigali claiming that the crisis had been brought on by Uganda's treatment of Rwandan nationals and unfair trade practices.

The situation is far worse than the public statements. The intelligence and military arms of the two countries are in a fully fledged covert cold war linked to Uganda's 'neutral' position on Rwandan dissidents who were once high-ranking officials in Kigali but broke ranks with President **Paul Kagame**.

Informed sources say that Kigali was upset when Uganda fired General **Kale Kayihura** in March 2018 and disabled a network of Rwandan operatives that were set up to contain the Rwanda National Congress and its allies using the Ugandan police and security apparatus (AC Vol 59 No 4). In particular, sources say Rwanda protested the appointment of Brigadier **Abel Kandiho** as head of Military Intelligence, accusing him of anti-Rwanda bias, and the hiring of former head of the presidential protection force, **Steven Muzeyi Sabiti**, as Deputy Inspector General of Police (AC Vol 59 No 18). These appointments were treated, sources say, as a sign that an unwritten pact between Uganda and Rwanda to protect each other's interests had broken down.

Some diplomats say Rwanda is now moving to reduce any dependency on Uganda, beginning with its trade and investment portfolio, the movement of citizens and an import substitution plan to make its economy self-sufficient. Ugandan military and intelligence officials told *Africa Confidential* the dispute with Kigali could escalate and that they are taking precautions.

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BLUE LINES

In Mozambique, Cyclone Idai has torn through the homes of over 1.7 million people in what is turning into a regional catastrophe. Eye-witnesses speak of an 'inland ocean' forming west of Beira, which has been almost completely cut off from the rest of the country. Within hours, the chaos spread to neighbouring Malawi and Zimbabwe, which appear to have been even less well prepared for the disaster.

Although early reports said around 100 people had been killed in Mozambique, President Filipe Nyusi reckons that as many as a thousand have lost their lives in the ensuing devastation. The United Nations, which has flown in an assessment team, says that its meteorological experts warn that it could become the worst humanitarian disaster ever seen in the Southern Hemisphere.

This cyclone looks likely to be more devastating than the floods of 2000, when it rained for five weeks with over 700 fatalities. Then, Mozambique won plaudits for its emergency response and the resilience and generosity of its people. Since then, the ruling clique, including both the past and current presidents, Armando Guebuza and Nyusi, have been held responsible for presiding over a US\$2 billion secret loans scandal which has deprived citizens of vital public services. Now, the priority is to rescue the thousands of people trapped by the disaster, but this tragedy should also shine a light on the systemic corruption in the country and the elite's effort to conceal it.

RWANDA/UGANDA

Sibling rivalry turns ugly

A mixture of real fears and deep paranoia on both sides lies behind the current crisis, stirring memories of a vicious clash nearly 20 years ago

Ten days after Rwanda closed its main border post with Uganda on 28 February, forcing trucks and buses from Uganda into days-long delays at the customs post of the quieter Mirama Hills crossing, and while their intelligence services' propaganda machinery waged war on social media, Presidents **Paul Kagame** and **Yoweri Museveni** addressed themselves to the crisis.

In Gabiro, eastern Rwanda, at the National Leadership Retreat, an uncharacteristically emotional Kagame told his audience, 'You can attempt to destabilise our country, you can do us harm, you can shoot me with a gun and kill me. But there is one thing that is impossible: no one can bring me to my knees. Men and women of my country, you should never accept to be brought to your knees. You are much better than that.'

In Mukono, central Uganda, where he was opening a number of manufacturing plants, Museveni, seeking to assure his foreign investor audience of the country's long-term stability, sent a threat abroad, 'Those who want to destabilise our country do not know our capacity. It is very big. Once we mobilise, you can't survive.'

Kagame accuses Kampala of harbouring rebels intent on deposing him, of detaining hundreds of his citizens, mostly in refugee camps in Uganda, and of deporting others without cause. None of this is new. For two years now, Kagame said in an interview with the regional weekly, *The EastAfrican*, he has urged Kampala to end support for a group of dissidents linked to South Africa. He did

not name them, but he was referring to the Rwanda National Congress (RNC), an opposition party created in 2010 by exiled key regime insiders he had fallen out with: the former military chief, **Kayumba Nyamwasa**, and the ex-intelligence boss, **Patrick Karegeya**, whose murder in a Johannesburg hotel on New Year's Eve 2014 few doubt Kigali is responsible for (AC Vol 52 No 3 & Vol 55 No 2).

'NYAMWASA'S ARMY'

Of particular concern to Kigali is the militarisation of the RNC and its combination with other opposition forces. On New Year's Eve 2018, a report by the UN Group of Experts on the Democratic Republic of Congo confirmed much of what Kigali had been claiming: that Nyamwasa has been recruiting and training an armed force, known as P5, in the Uvira district of South Kivu province. The UN experts, who interviewed dozens of ex-recruits, say their investigations uncovered a base in the town of Bijabo in the Hauts Plateaux of Fizi, where recruits from Rwanda, **Burundi**, Uganda, **Tanzania**, **Kenya**, **Malawi** and **Mozambique** had been brought in since early 2018.

Their intent, say the ex-combatants, was to invade Rwanda. Arms, ammunition, uniforms and medicine were being transported from a base in Bujumbura, Burundi, across Lake Tanganyika in dug-out canoes. The group's commander was a certain **Shaka Nyamusharaba**, a Tutsi previously associated with a local militia known as *Ngomino*. The main recruiting agent, says the report, is known as 'Rashid'

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(aka **Sunday Charles**), who has a base in Bujumbura and was the main person responsible for getting them to join up, whether by phone or in person.

While all the combatants described the P5 as 'Kayumba Nyamwasa's army', the report says the group is 'a coalition of Rwandan opposition political organisations including the Amahoro People's Congress (AMAHORO-PC), the *Forces démocratiques unifiées-Inkingi* (FDU-INKINGI), the People's Defence Pact-Imzani (PDP-IMANZI), the *Parti social-Imberakuri* (PS-IMBERAKURI) and the RNC.' It further says that local *Banyamulenge*, the Congolese Tutsi once allied to Kigali, and elements of the mainly Hutu *Forces Démocratiques de Libération du Rwanda* (FDLR) and a splinter from it, the *Congrès National de la Résistance pour la Démocratie* (CNRD), are also allied to P5.

The RNC's Secretary General, **Gervais Condo**, scoffed at the report. 'It's not RNC that has caused wrangles between Rwanda and its neighbours. Rwanda has problems with Burundi, Tanzania, DR Congo and now Uganda,' he told a Ugandan newspaper from his base in the **United States**.

MONEY MAN

Kigali's anxiety has increased in the wake of allegations that businessman **Tribert Rujugiro** was financing the RNC. Rujugiro, who is arguably Africa's biggest tobacco industry magnate and the founder of the Pan-African Tobacco Group, operational in nine African countries and boasting annual revenues of \$200 million, was once one of Kagame's closest allies and among the Rwanda Patriotic Front's biggest financiers. In 2009, he fell out with Kagame, was later stripped of his citizenship and had his businesses confiscated, including his \$20m Union Trade Centre mall and his villa, both in Kigali (AC Vol 52 No 13).

Rujugiro's alliance with Nyamwasa, the most formidable of Kagame's opponents in exile, has given Kigali something of a headache. Two years ago, rumours began to circulate that Rujugiro was in business with General **Caleb Akandwanaho** (aka **Salim**

Saleh), President Museveni's younger brother and close confidant. While Kampala has sought to downplay this relationship, Kigali regards this as proof of Kampala's nefarious intentions. Kampala, for its part, simply says that Kagame, having fallen out with many of his closest allies, has become increasingly isolated.

COALITION FEAR

What worries Kigali most is the prospect of a grand coalition between the mainly Hutu FDLR elements, which it holds to be the remnants of the *génocidaire* forces they defeated in 1994, together with the Tutsi Congolese *Banyamulenge*, and RPF dissidents.

That such a coalition may be forming may not be paranoia, but the purges within the RPF's high command in the ten years since Nyamwasa and Karegeya left have reached such a level of arbitrariness that no one is safe. Recent reports of the arrest of three generals proved unreliable, but two recently promoted Rwanda Defence Force (RDF) generals – Maj Gen **Emmy Ruvusha** and Gen **Fred Ibingira** – were relieved of their positions last November, and are said to have been placed under house arrest. Ibingira may have been implicated in a corruption investigation but his historic loyalty to the RPF is suggested by his name being linked to the April 1995 alleged massacres of Hutu in the Kibeho camp for internally displaced people.

Intelligence sources in Kampala, however, repeatedly denied that there is any intention on their part for regime change in Rwanda.

It may well be that it was Rujugiro's alleged links with Museveni's inner circle that brought matters to boiling point in Kigali. It cannot have escaped Kigali's attention that the creation of an organised force intent on regime change in Rwanda and with supposed links to Kampala, would be an uncomfortable, if familiar, prospect, given that this is how the RPF began its own invasion 30 years ago.

On the subject of financiers, Kigali's social media propagandists – tellingly, both sides have deployed an army of online bloggers and news-sheets dedicated to besmirching the other – have also claimed that Uganda is protecting a major *génocidaire* financier against whom an international arrest warrant is outstanding, and who they say has links to P5. Kigali's mouthpieces invoked such links to smear the Karegeya, alleging that he was the one who facilitated the *génocidaire* financier's business affairs in Rwanda.

Our Kampala sources demur: 'If this is true, why hasn't [President Kagame]

brought it up with YKM [President Museveni]? He [Kagame] never fears to discuss. The truth is that we have no interest in overthrowing any neighbouring regime. Our neighbour seems to be paranoid!'

Kampala itself has not commented on the UN report, and did not have to as it was not directly implicated. Considerably more muted about the row than Kigali, Kampala has its own grievances against Kigali, claiming that the Kagame regime is the source of a security crisis that has existed for at least the past two years whose objective, it believes, is to overturn the Museveni government.

Intelligence sources in Kampala claim Kigali controls a network of petty traders, sex-workers, evangelists, journalists and security officials who have infiltrated Uganda's security apparatus at the highest level. This network, they say, was behind the March 2017 assassination of Assistant Inspector General of Police, **Felix Kaweesi**, who was shot in broad daylight within 100 metres of his Kampala home (AC Vol 59 No 5).

At the apex of this pro-Kigali network, this narrative goes, was top police commander **Kale Kayihura**. Kayihura, an ethnic Mufumbira from the Rwanda-Uganda border who was an ardent Museveni loyalist, was dramatically dismissed last year over allegations of espionage. He has since been arrested and held in custody (AC Vol 59 No 4).

KAMPALA PURGE

To destroy this network, the Ugandan security services have embarked on a systematic purge of Rwandan nationals, mostly in the refugee camps, as well as suspects in their own ranks. In January, several senior expatriates at MTN, the **South African** mobile phone conglomerate, were arrested and deported on suspicion of espionage.

Investigators claim that one of the executives financed Kigali's agents' espionage and the assassinations of senior regime figures via MTN's mobile money platform. They also say the executive and others within MTN may be carrying out surveillance of senior National Resistance Movement figures on Rwanda's behalf.

Kampala's suspicion of MTN activities may have something to do with its history in the region. Kagame approached MTN after the 1994 genocide to set up a mobile phone platform in Rwanda, but it established itself instead in Uganda first, before later setting up shop in Rwanda. It may be that MTN's original link to the RPF government caused Kampala to be suspicious.

The social media partners of Kampala's intelligence services have suggested that Kayihura has been spying for Rwanda, which if true would leave egg on Museveni's face, considering his years of dedicated and often brutal service against the opposition on Museveni's behalf. More plausibly, perhaps, the ex-Inspector General of Police fell victim to the machinations of ethnic Bahima insiders, who outmanoeuvred him in the battle for the 'Old Man's' ear, and wrested control of lucrative security sector procurement contracts from him.

Given the possibility that a witch-hunt within Museveni's inner circle has been instigated to secure court privileges, Kampala's motivations become questionable. Talk of an ethnic Hima mafia within the securocracy has been the source of much media speculation, some of it supplied or at least actively peddled by paid-up Kigali operatives.

Nevertheless, there is little doubt that President Museveni has surrounded himself with ethnic insiders whose dominance, especially in the military, simply means that he is hostage to groups and cabals whose motives are not entirely pure. In addition, Museveni is strongly suspected of devious politicking in Congo-Kinshasa, including with elements that Kigali fears.

UHURU VISITS

There are few indications that the impasse will be broken any time soon. On 11 March, Kenya's President **Uhuru Kenyatta** made a quick visit to Rwanda

where he attended the leadership indaba before briefly visiting President Museveni at State House Entebbe. Little has been revealed about this intervention, indicating that it did not yield much.

In the first days of the border crisis, President Kagame headed to Dar es Salaam at the invitation of President **John Magufuli** at the head of a high-powered Rwandan delegation that included Foreign Affairs Minister **Richard Sezibera**, Infrastructure minister **Claver Gatete**, State Minister for East African Community Affairs **Olivier Nduhungirehe**, and Intelligence Chief Gen **Joseph Nzabamwita**.

The intention behind the visit appeared to be to secure a long-term alternative to the Uganda-Kenya sea-route. While Kigali relies on Dar es Salaam for its oil and other capital goods imports, the shorter, Uganda-Kenya route is used for its exports and Kagame may want to seek alternatives. Magufuli, himself at odds with Nairobi over a long-running trade dispute, and often regarded as a fractious member of the East African Community, however, would be an unlikely power-broker.

Both Kagame and Museveni have been key allies of the US in the Great Lakes region for 25 years. Yet **Tibor Nagy**, the State Department's Africa man, when asked to comment on the Rwanda-Uganda row, was offhand about it, saying that it was a matter for the two states to sort out for themselves, an indication perhaps that Washington sees no real danger in the dispute.

Kagame and Museveni's personal histories are deeply linked. They were comrades-in-arms during the NRM's Bush War in the 1980s, and Museveni's backing of Kagame and the RPF's 1990 invasion of Rwanda must have fostered a deep sense of political kinship. But the Kisangani War, in June 2000, when Rwandan forces met their Uganda counterparts in bloody battle inside Congo-K over the spoils of war, showed that friends can fall out easily (AC Vol 41 No 17).

The damage of that brief war has never really been repaired. A commercial and trading relationship has evolved instead, worth an estimated \$200m annually, which makes Uganda Kigali's biggest trading partner.

OPEN LETTER

In early January, Ugandan businessman **Barnabas Taremwa** wrote an open letter to both Museveni and Kagame. The letter neatly summed up the dilemma: 'Should perceived bad blood between two Presidents determine how citizens of the two countries should relate especially considering the fact that the people of Uganda and Rwanda share a long history of close ties spanning over 50 years?'

It was instructive that Taremwa, who is a regime insider and related by marriage to Saleh, was the one expressing a collective anxiety, and perhaps an indication of how personal the dispute between Kagame and Museveni is.

Tellingly, he was unable to answer his own question. ●

NIGERIA

Election credibility on trial

With his party winning new ground in state elections, the opposition presidential candidate alleges systematic voter fraud

Promising to call evidence from forensic scientists, statisticians and psephologists, the People's Democratic Party presidential candidate **Atiku Abubakar** filed his petition challenging the official results of the 23 February election that gave **Muhammadu Buhari** another term in the presidency (AC Vol 60 No 5). Atiku's strategy is to sow as much doubt as possible about the legitimacy and credibility of the 2019 elections at national, state and local government level.

His task has been helped by a succession of reports from international

monitoring teams criticising the management, accountability and the arithmetic of the Independent National Electoral Commission (INEC). However, most of the complaints of the observers, local and foreign, are about the quality of the elections rather than alleging that Buhari achieved his victory through fraud.

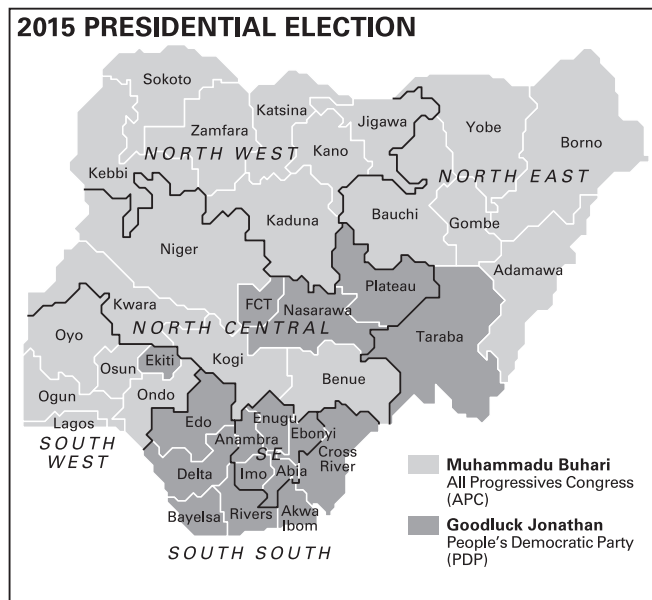
Indeed, a couple of local observer groups that run parallel vote tabulations reported that their own statistical checks found the official vote count giving Buhari a four million vote victory over Atiku was within a 2% margin of error. Yet Atiku's petition

seeks to prove there was a conspiracy against him by some INEC officials and deluge the judges with examples of mismanagement, showing a systemic failure of election management. If his case is successful, Atiku could force a rerun of the vote.

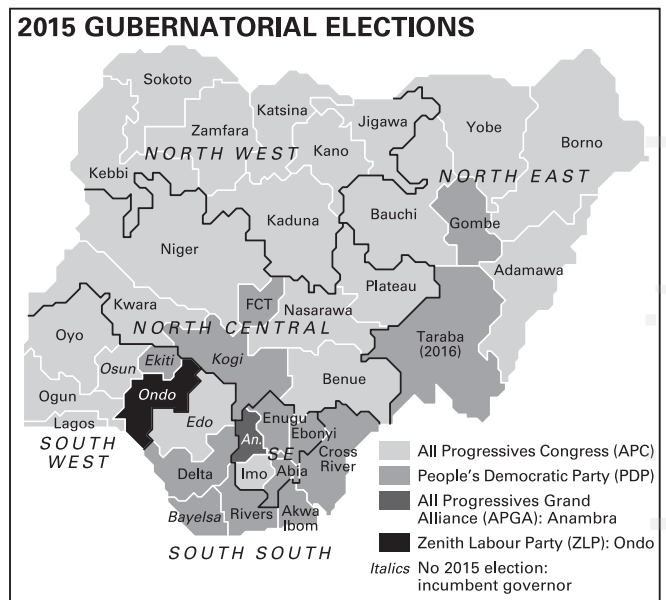
Emmanuel Enoidem, legal advisor to the PDP, said that his team had gathered 400 witnesses to testify how widespread malpractice tilted the elections against the opposition party. The party equipped many of its election agents with body cameras on voting day, we hear. It claims to have deployed two agents to each of the country's 179,000 polling units.

Atiku and the PDP are going into this court battle without the services of **Gbenga Daniel**, their campaign chief who resigned from the party, saying he was quitting politics. But just three days later, he switched stories, announcing that he was going to join Buhari and the governing All Progressives' Congress. This looks like the first in what is likely

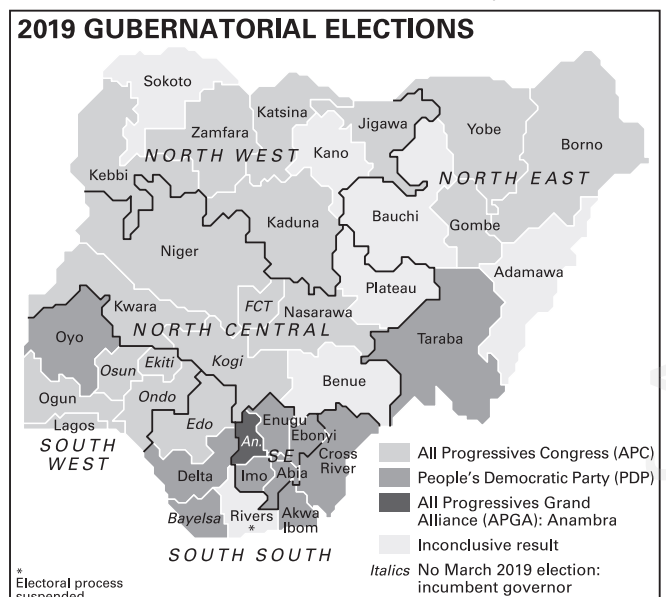
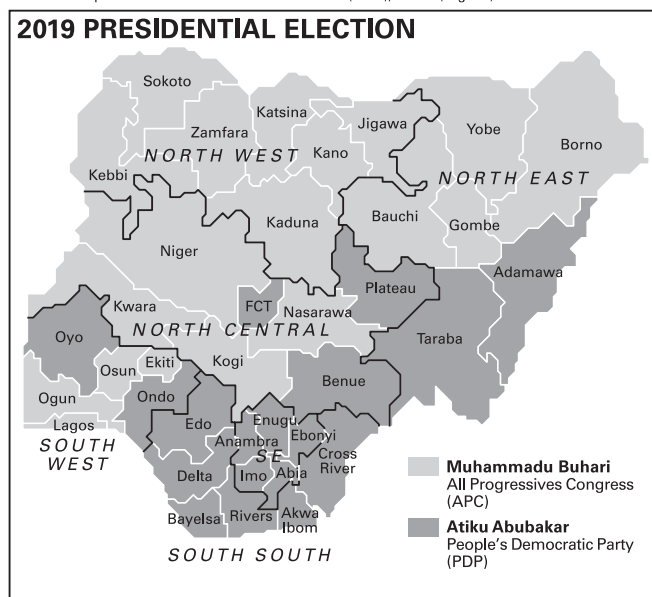
HOW NIGERIA'S REGIONS VOTED IN 2019 AND 2015



Sources: Independent National Electoral Commission (INEC); Stears (Nigeria)



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to be an exodus of politicians from the PDP.

Whatever the power of the opening arguments, Atiku's petition is almost certain to move up to the Supreme Court. There, Nigeria's judicial system will face the most serious test of its independence since the suspension of Chief Justice **Walter Onnoghen** in January (AC Vol 60 No 3).

RIVERS FIGHT

The PDP's fight against the election results extends across all tiers of voting, partly because it seems to have done much better in the governorship elections on 9 March than it did in the presidential two weeks earlier. Its most important fight will be in Rivers State, which presides over the biggest annual budget in oil-producing Niger Delta,

and the second biggest in the country.

Because of the leverage that the PDP gets from political control of the Niger Delta, it wants to make a clean sweep of the region. That would also help set it up for a national electoral resurgence in time for the 2023 elections.

Key to that strategy is Rivers State governor **Nyesom Wike**, who single-handedly financed the party in 2017 and 2018 (AC Vol 60 No 4). Wike also pushed for his ally **Uche Secondus** to be national chairman. A month before the elections, Wike was believed to be coasting to victory with his two main opponents facing legal troubles in their parties. However, his arch-rival **Rotimi Amaechi**, Buhari's Minister of Transport, threw his weight behind the Action Alliance Congress (AAC). This hitherto unknown party, mysteriously

with substantial support in the security forces, is trying to block Wike's re-election. The Rivers election has been suspended while INEC organises fresh votes in the disputed wards.

This cycle of national and state elections, one of the most extended in Nigeria, has seen voter turnouts average less than 36%. In Lagos, the country's most populous state, less than a fifth of the registered voters bothered to go to the polls. In the forthcoming supplementary elections, the heavy military presence especially in Rivers, could lead to more violence, still lower turnouts, more cancelled votes and inconclusive elections.

The PDP goes into supplementary elections for the governorships of five states in search of much needed wins. INEC had declared the margin of victory

in those five states less than the number of cancelled votes which under its rules rendered the results 'inconclusive'. In four out of the five, the PDP was ahead.

At state governor level, the PDP is holding the north-central region and consolidating on its inroads into the north-west Nigeria, which has had the highest number of registered voters in the last three presidential elections.

INEC had previously announced results in six states to be inconclusive but in a statement admitting a computational error, allowed collation to continue in Bauchi, which had been earlier deemed 'inconclusive'. In Adamawa, the PDP leads by a margin that can only be overturned if turnout is at least 70%, according to the digital site *Premium Times*.

In Benue and Sokoto, the PDP also seems to have an edge in the

supplementary polls due this month. In Plateau, where the incumbent APC is in the lead with a slight margin, the PDP is relying on General **Jeremiah Useni**, a close ally of the late military leader General **Sani Abacha** (AC Vol 39 No 15). That Useni has even a chance is testament to the waning popularity of the current Plateau governor. If he wins, it will be symbolic of the people's view of government's response to the herder-farmer clashes.

In Kano, a grand upset is in the offing as the PDP, backed by the the Kwankwasiyya movement, seems almost certain to dispatch current governor **Umar Ganduje** into retirement (AC Vol 59 No 25). Ganduje has swung into action tarring roads and inducing PDP voters to switch to the APC.

Ganduje, who was shown in a series of videotapes receiving what are

claimed to be kickbacks, also knows the *Kwankwasiyya* movement well, having been its candidate in 2014. Although he scored 2.7 million votes in the APC primaries, Ganduje failed to garner up to a million of them in the main elections before INEC declared it 'inconclusive'. His position now looks desperate.

APC WARNING

Despite supporting the embattled Ganduje during his earlier travails, Buhari's office has sounded a note of warning to him and other politicians in the APC. They would be mistaken if they think that they can rely on the President to abuse power by changing results to favour them. The message is that Ganduje and other beleaguered APC governors are to be left to their own devices. ●

ALGERIA A spring in the step

The president may be on his way out, but who will replace him is far from clear as the protest movement ploughs on

The Arab Spring has finally reached Algeria. People power on a scale not seen in 30 years forced elderly and infirm President **Abdelaziz Bouteflika** to agree not to stand for a fifth term of office. The waves of protest across the country were too strong for him, and those around him, to withstand, despite desperate attempts to cling on. These included warnings that the crisis could spark a return to terrorism and the carnage of the 1990s civil war, plus a promise that he would not stay for the full term, and that he would change the system. Scenting victory, the protesters refused to give up. In the end, Bouteflika and his inner circle around him faced a simple choice: crush the protests or give in to them. Too many officials had already started siding with the opposition and the loyalty of the army could not be guaranteed, so they opted for the latter.

But still the inner circle tried to cling on. On 11 March, a statement in Bouteflika's name said he would not seek re-election but that the presidential elections due on 18 April would be postponed. Since no date was given, that meant he would stay in power in the interim. He also appointed Interior Minister **Noureddine Bedoui** as the new prime minister and announced a national conference on political and economic reform leading

to a referendum on a new constitution followed by presidential elections (AC Vol 58 No 17). There would be 'deep reforms' and a transformation of the Algerian state, the statement promised.

The proposals are believed to be the work of two members of the inner circle, both former foreign ministers: 85-year-old **Lakhdar Brahimi**, who served as the UN's mediator in **Syria** between 2012 and 2014, and **Ramtane Lamamra**, 66, who has now returned as foreign minister as well as taking on the newly created post of deputy premier (AC Vol 57 No 22 and Vol 60 No 3). They reportedly got the go-ahead for the plan after contacting **Said** and **Nacer Bouteflika**, the gatekeepers to their sick brother, who hasn't spoken in public for six years.

PROTESTER RAGE

If Bouteflika and co imagined that the plan would end the stand-off, they were sorely mistaken. The group – which also includes former prime ministers **Abdelmalek Sellal** and **Ahmed Ouhiaia**, employers' federation boss **Ali Haddad** and chief of staff General **Ahmed Gaïd Salah** – seriously underestimated the extent to which they have lost credibility, particularly among young Algerians, or the strength of the winds of change blowing through Algeria. The manoeuvre served only to

enrage the protesters, convinced that the clique was stalling for time in order to find a replacement candidate for the presidency around whom they could all unite – and then carry on as if nothing had changed.

The protests on 15 March, the fourth Friday of demonstrations, were the biggest yet and they demanded that both Bouteflika and the regime go immediately.

As with the revolutions of **Tunisia**, **Libya** and **Egypt** in 2011, this has largely been a generational struggle. Bouteflika is an octogenarian in a country where 45% of the population of 42 million is under 24, which is why so many of the protesters are students. The age gap and the belief that the invalid president is a pawn in the hands of a clique determined to hold on to power has driven what looks like a revolution in the making. Bouteflika has come to symbolise a political elite that is out of touch with most Algerians and that presides over a moribund economy riddled with corruption, as unemployment rises year on year and there is a chronic housing shortage. The current unemployment rate is 11.7% but the youth unemployment runs at 29.1%. For many young Algerians, the only serious option for a better future is emigration.

The revolt was gaining momentum as *Africa Confidential* went to press as all ages turned out to join the students and young people on the streets of Algiers and other cities, a significant development. Meanwhile, politicians, both opposition and pro-establishment, are running to keep up.

The Islamists, along with the left, notably the *Front des Forces Socialistes* (FFS), one of the main left-wing

opposition parties in the country, have been scrambling to reposition themselves and gain advantage. The *Mouvement de la Société pour la Paix* (MSP) is the main Islamist party and the face of the Muslim Brotherhood. Led by **Abderrazak Makri**, who was to be its candidate in the 18 April elections, it has been part of the presidential alliance along with the *Rassemblement National Democratique* (RND) led by sacked Prime Minister Ouyahia (AC Vol 60 No 2 and AC Vol 54 No 15). It first put out a statement welcoming Bouteflika's decision not to stand again, but when it saw the level of public anger at the move, then denounced it as 'circumventing the public will'. But the chance to adapt to the new circumstances has passed. MPs are deserting the party and there are rumours Ouyahia may retire from politics altogether.

For its part, the FFS first announced that it had nominated **Hakim Belahcel** as head of the party and that there would be an emergency meeting of its national council on 13 April. It then decided to pull out of both chambers of parliament.

Meanwhile, former Prime Minister **Ali Benflis**, who now leads the *Talaie Al Houriyet* party and who was the main adversary of Bouteflika in the 2004 and 2014 presidential elections, is trying to present himself as a leader of the protest movement, issuing demands as to what

happens next and telling the army that it must support the people, not the Bouteflika group (AC Vol 59 No 23).

The political establishment has a further problem; extending the presidential mandate is unconstitutional and Bouteflika's term expires on 28 April. It may, therefore, try to hold the national conference before then. It is already being suggested that it intends to use the event to broker deals with the MSP and other 'moderate' parties to remain in power. But the conference is to be organised by Brahimi, and the protesters see him part of the presidential clique.

CRACKDOWN RISK

If the protests continue and grow, it is not impossible that *le pouvoir* will try to smash them. So far, they have been largely peaceful and calm, although on 15 March police used tear gas near the presidency headquarters in Algiers. But if the military decided it had had enough, it could provoke violence and then suppress the demonstrations.

The last time there were demonstrations on this scale, in October 1988 when thousands of young people took to the streets to protest against rising prices, unemployment and austerity, some 500 died in the crackdown.

Unsurprisingly, there is major uncertainty about where the protests

will take the country. The rest of the world, particularly neighbouring **Morocco** and Tunisia, look on with concern but say nothing, not wanting to be seen as interfering. The only exceptions have been Egyptian President **Abdel Fattah el Sisi**, who warned that the demonstrations posed risks, and **French President Emmanuel Macron**, who hailed Bouteflika's decision not to run again as 'a new page in the development of Algerian democracy'. His words seemed innocent enough, but any statement on Algeria by the former colonial power is likely to cause controversy, and it fuelled suspicions that France was already party to the Algerian establishment's plans. The impression was made worse by a report in *Le Figaro* that Lamamra flew to Paris on 10 March to inform Macron of the plan to withdraw Bouteflika's candidacy.

The **United States** is also concerned, having built up a close relationship with Algeria. 'Algeria is an important North African partner; strategically located and highly capable,' said the commander of US Naval Forces Europe-Africa, Adm. **James G. Foggo III**, on 13 March. He had been in Algiers the previous week to oversee US-Algerian naval exercises. For the moment, though, like the Moroccans and Tunisians, Washington is also keeping tight-lipped about the political drama in the country. ●

SOUTH AFRICA

ANC's not-so-clean slates

The ruling party's candidate list for May's elections is full of Zuma loyalists, which could damage the President's image and cost votes

President **Cyril Ramaphosa's** anti-corruption campaign is being undermined by key leaders of the ruling African National Congress loyal to former President **Jacob Zuma**. They have enabled allies of the discredited former President who have been accused of corruption to be selected as candidates to stand for Parliament in the national elections on 8 May.

While the ANC is assured of victory in the poll, the long-awaited list of 200 candidates, who will be selected under the proportional representation system, is riddled with individuals named as corrupt at the judicial commission probing 'state capture' and in several other investigations.

The ANC leader, clearly smarting at public criticism of the party list released last week, took the unusual

step of taking a full-page advertisement in the high circulation *Sunday Times* apologising to its readers for the corruption of the state-capture era and seeking a mandate to proceed with his anti-corruption clean-up after the election.

Although the president appointed **Shamila Batohi**, an experienced prosecutor with international experience, as the new Director of Public Prosecutions late last year, she inherited an ailing institution and has yet to prosecute any major corruption trials (AC Vol 60 No 3).

Ace Magashule, the ANC Secretary-General who is regarded as a Zuma ally while paying lip-service to Ramaphosa, said that anyone who had not been found guilty by a court of law was eligible to be on the ANC list. 'The mere

public mention of wrongdoing and corruption by an individual does not make the person guilty,' the ANC said in a statement approved by Magashule.

In second place after Ramaphosa on the list is Deputy President **David Mabuza**, who facilitated Ramaphosa's victory in 2017 by switching allegiance just before the vote. But he had earlier faced allegations of corruption and running hit squads in Mpumalanga province where he was Premier there.

ANC chairman and Mineral Resources Minister **Gwede Mantashe**, seen as a Ramaphosa supporter, is third on the list and Zuma's ex-wife **Nkosazana Dlamini-Zuma**, is in fourth place. Despite being his rival for the party leadership, she is now seen as a Ramaphosa ally.

Several prominent ANC former ministers, dropped by Ramaphosa shortly after he became President because of corruption allegations or other misdeeds, are on the list.

They include former Finance Minister **Malusi Gigaba**, who was dropped for lying to Parliament and aiding the Gupta brothers with their immigration status, and former Mining Minister **Mosebenzi Zwane**, who was

tainted by his close association with the Gupta (AC Vol 60 No 5).

Environment Minister **Nomvula Mokonyane**, who is alleged to have received bribes for facilitating access to state contracts, and Minister in the Presidency for Women **Bathabile Dlamini**, who is at the centre of a social welfare payments fiasco under Zuma, are both included.

Supra Mahumapelo, tainted former Premier of North West Province who was removed from office after a popular uprising, subsequently won a court case after his dismissal and appears on the list.

Several other discredited allies of Zuma, including **Faith Muthambi**, **David Mahlobo**, **Bongani Bongo**, **Siyabonga Cwele** and outgoing ANC Youth League leader **Collen Maine**, were also included.

In contrast, Ramaphosa ally and former President **Kgalema Motlanthe** was not nominated at all, while other key ANC members such as former Finance Minister **Trevor Manuel**, now a leading business executive, declined nomination.

Maverick Finance Minister **Tito Mboweni** found himself relegated to 22nd place on the list while former finance minister **Pravin Gordhan**, who led the Ramaphosa leadership campaign after being demoted and then fired by Zuma, was way down the list at number 73 (AC Vol 60 No 5).

In the 2014 national election the ANC polled 62% of the vote giving it 249 seats in the 400-seat national parliament. Its share of the vote dropped to 54% in local government elections in 2016 and the party lost three of the country's major cities – Johannesburg, Tshwane (Pretoria) and Nelson Mandela Bay (Port Elizabeth) – to opposition coalitions. The Democratic Alliance

retained control of Cape Town (AC Vol 57 No 17).

The ANC faction loyal to Zuma is expected to attempt to oust Ramaphosa if the party fails to get 60% of the vote in May, *Africa Confidential* understands.

Pollsters are divided about the outcome of the general elections. Estimates of the ANC vote range from 48% to more than 60%, while there is a general consensus that the right-of-centre Democratic Alliance of **Mmusi Maimane** is likely to drop below 20%, down from 22% in 2014, and the radical Economic Freedom Fighters of **Julius Malema** are likely to break through the 10% threshold, up from 6% (AC Vol 60 No 1).

HOLDING NOSES

Despite the divisions in the ANC, the party is expected to improve in the national elections on the percentage it won in the municipal polls. It is banking on support for Ramaphosa personally as much as, if not more than, loyalty to the ANC. 'I think a lot of people will vote ANC because of Ramaphosa and just hold their noses with regard to the ANC,' said a pollster close to the action who is predicting a significant gain for the ANC.

Analysts say that the inclusion of so many corrupt former Zuma allies in the legislature will constrain Ramaphosa in the appointment of a new cabinet, which must be drawn in the main from parliament, and in consolidating ministries in a bloated government that mushroomed under Zuma.

'The ANC list tells us that despite what went on under Zuma, ANC branch members do not see any crisis,' said political analyst **Ralph Mathekg**.

The DA's **Solly Malatsi** said the list included 'people who belong in prison rather than in Parliament'.

Zuma, who declined nomination to Parliament, is facing corruption charges arising from a 25-year-old arms deal as well as likely charges arising from the state capture commission and a more recent report which found that billions of rands in taxpayers' money had been spent on the illegal use of the intelligence services for the surveillance and countering Ramaphosa and his supporters.

Zuma is campaigning for an ANC victory in his KwaZulu-Natal homeland, which is also the ANC's main provincial stronghold. He hit back at the report that found he had illegally used state funds to thwart the Ramaphosa leadership election campaign in 2017 and accused the committee reviewing the intelligence services, headed by former ANC Police Minister **Sydney Mufamadi**, of harbouring two apartheid spies. He is unrepentant about corruption allegations. 'I hope people are not opening a can of worms which they may regret,' Zuma said.

PRECARIOUS

Ramaphosa, mindful of the support that Zuma still commands in the ruling party, has stopped short of criticising Zuma by name but he has repeatedly bemoaned the damage done to the state during his nine years in office.

But some analysts believe that the rot in the ANC has gone too deep for Ramaphosa to rescue it. **Karl von Holdt**, a labour expert on the left, said that Ramaphosa needed to build a stable coalition to attract investment but warned that the odds were stacked against him and that his position was precarious (AC Vol 60 No 1). 'One thing is sure: the coalition will include corrupt figures,' he said. 'It already does. The informal system of patronage politics will remain pervasive,' he said. ●

CONGO-KINSHASA

Kabila corners Tshisekedi

The ex-president may have left the official residence but he now has the power to remove his successor at will

Elections to fill the 108 seats of Congo-Kinshasa's senate have delivered **Joseph Kabila's** political coalition a decisive majority in the upper house and handed him the power to impeach his newly installed successor, **Félix Tshisekedi**, if he chooses. The result of the senate vote on 15 March is the latest political manoeuvre designed to bind the new president to Kabila,

himself now an honorary senator for life.

Tshisekedi's surprise victory in December's presidential polls was widely condemned as fraudulent after a data leak from the *Commission électorale nationale indépendante* (CENI) showed rival opposition politician **Martin Fayulu** winning by a landslide (AC Vol 60 No 2). Kabila cut a deal with Tshisekedi after the candidate for

his own coalition, *Front Commun pour le Congo* (FCC) candidate, **Emmanuel Shadary**, polled so poorly the country could have risen in revolt if he had been announced the winner. The deal with Tshisekedi outflanked Fayulu and his backers whom Kabila greatly feared, **Moïse Katumbi**, **Jean-Pierre Bemba** and **Mbusa Nyamwisi**.

Most Western countries – along with **Leila Zerrougui**, the UN's top representative in the country – hailed the symbolically important peaceful transfer of power and downplayed the electoral fraud. Even further out of the public eye were the results of the national and provincial assembly votes, which handed Kabila's the FCC more than two-thirds of the 485 national assembly seats and control of most provincial

assemblies in what is commonly held to be an equally fraudulent count. The provincial assemblies select national senators and provincial governors.

SENATE RIFT

In response to the blatant fraud, the **United States** State Department slapped a US visa ban on CENI head **Corneille Nangaa** in February. Kabila's party has well over two-thirds of the senate seats, meaning it can impeach the President should it feel the need. Tshisekedi's *Cap pour le Changement* coalition (CACH), which holds roughly 10% of national assembly seats, failed to win a single senate seat. On 19 March, Tshisekedi, ministers and CENI blocked the new senators from taking their seats as controversy grew about corruption in senator selection, Reuters reported. It was the first sign of a rift between the old and new presidents.

The FCC is therefore likely to win most of the provincial governorships in votes expected at the end of March, with the electoral commission further stacking the odds in its favour by selectively imposing eligibility criteria to disqualify dozens of candidates. Some current governors will seek a second term, including the Kabilist governor of the leading copper-producing state of **Lualaba**, **Richard Mueje**. In other cases, Kabilist ministers and ultra-loyalists such as former information minister **Lambert Mende** and Kabila's younger brother **Zoe Kabila** will probably ease into governorships in their respective strongholds of **Sankuru** and **Tanganyika**.

Put together with the FCC dominance of the national assembly and senate, the governorship elections will probably hand Kabila an outright monopoly over all political institutions. His back-up will be a hard-line military establishment that he reshuffled and polished just before finally agreeing to step down.

On 6 March, Kabila and Tshisekedi issued a joint communiqué saying that it was their 'will to govern together as part of a coalition government'. The statement followed outbursts by the new President during a trip to **Namibia** just days beforehand where he stated, 'I will not accept being a president who reigns but doesn't govern.' But Tshisekedi knows that he now has virtually no say in the nomination of his prime minister and ministers. The prime minister is required by the constitution to be drawn from the ranks of the parliamentary majority, which is the FCC.

Names circulating as possible prime ministers include Kabila's former security advisor **Jean Mbuyu**, the current Interior Minister **Henri Mova Sakanyi**, or the influential former head

of state copper miner **Gécamines**, **Albert Yuma** (AC Vol 59 No 25). All three are from **Katanga**, Kabila's home region, which is also heavily represented in the security services.

If he has lost the battle for control of political institutions, Tshisekedi still has the means to tilt the political environment to his advantage. Using his executive powers, he has already announced that he will release more than 700 political prisoners, and is encouraging exiled 'compatriots living abroad', such as **Nyamwisi** and **Katumbi**, to return to the country and participate again in political life.

The first wave of presidential prisoner pardons began on 15 March, when the president of the NGO *Paix sur Terre* ('Peace on Earth') and lawyer at the International Criminal Court (ICC) **Firmin Yangambi**, considered as an emblematic case by the opposition and civil society organisations, was freed. Yangambi had been sentenced to death in 2010 on weapons charges and plans to create a rebel group in **Kisangani**, although an appeal court later reduced this to 20 years' imprisonment.

Fiery opposition politician **Franck Diongo**, who was arrested in December 2016 after he detained three soldiers during violent protests, was released the following day. On 11 March, Tshisekedi also met **Joseph Olenghankoy**, the head of the *Conseil National de Suivi de l'Accord* (the official secretariat for the December 2016 agreement), to discuss the political normalisation of **Katumbi** and **Nyamwisi** (AC Vol 58 No 3). However, it is unlikely that either feels confident enough of not being prosecuted to return any time soon.

With **Fayulu** still claiming he is the rightful president the potential for serious political unrest remains. Much depends on whether the Kabilist deep state can depend on the flow of mining revenues, hit since the middle of last year by a dip in copper and cobalt prices, to fund the patronage needed to keep the ex-President's coalition together.

EASTERN EMBROILMENT

The situation in the east is causing serious concern. Tshisekedi's victory may have persuaded hundreds of anti-government *Kamuina Nsapu* militia in the new president's stronghold of **Kasai** to lay down their arms, but abuses by the *Forces Armées de la République Démocratique du Congo* (FARDC) and the plethora of local militias continue unabated in the east. Violence is still particularly bad in **Ituri** and the Ebola-affected areas of **North Kivu** loyal to **Nyamwisi**, where **Nangaa** cancelled elections – now due to take place in late March (although they will no longer

affect the presidential result).

Adding a further dimension to armed group activism is a spate of recent cross-border attacks into **Ituri** by the **Sudan People's Liberation Army** (SPLA) who are hunting down **South Sudanese** ethnic **Kakwa** rebels affiliated to **Thomas Cirillo** and his **National Salvation Front** rebel group (AC Vol 58 No 22). Cirillo and his allies have also reportedly clashed with the **Ugandan** army where **Ituri** borders both **South Sudan** and **Uganda**. The UN peacekeeping operation in **Congo-K** is studying reports that Cirillo's men killed 20 **Ugandan People's Defence Force** (UPDF) soldiers in ferocious exchanges in late February. This is the area where former FARDC officer and defector **John Tshibangu**, a **Nyamwisi** loyalist and a friend of the SPLA, staged the opening gambit of his short-lived rebellion in January 2018, before his arrest in **Tanzania** (AC Vol 59 No 5).

UPDF and SPLA commanders have long suspected that **Kakwa** rebels are present in the tri-border area with the blessing of FARDC commanders. The outbreak of fighting adds to **Kampala's** frustration with the security establishment in **Congo-K**, and its inability to stamp out **Ugandan Allied Democratic Forces** (ADF) rebels in **North Kivu**.

KIGALI CLOUT

It also raises tensions between **Uganda** and **Rwanda** (see feature), which **Kampala** views as having too much influence on **Congo-K** security forces, given the preponderance of elite **Rwandophone** units and commanders in the FARDC. **Kigali**, meanwhile, has been briefing diplomats extensively on the January arrest by the FARDC of *La Forge Fils Bayeze*, the spokesman of the **North Kivu**-based mainly **Hutu** militia *Forces Démocratiques de Liberation du Rwanda* (FDLR) after he returned to **Congo-K** from **Kampala**, where he had met **Ugandan** minister **Philemon Mateke** and representatives of the **Rwandan National Congress of General Kayumba Nyamwasa**, the arch-enemy of President **Paul Kagame** currently in exile in **South Africa** (AC Vol 58 No 16).

Prompted by **Kigali**, FARDC has been pushing the ethnic militias it is allied to to attack the **Hutu** militia, the *Conseil National pour le Renouveau et la Démocratie* (CNRD) in southern **North Kivu**, a splinter group from the FDLR but still hostile to **Kigali**. The fighting has caused thousands of civilians and fighters to flee into **South Kivu**. **Kagame** is anxious to see **Kinshasa** move against both the FDLR and **RNC**, in return for which **Kabila** will continue to have his political support. ●

TANZANIA

Farming gamble fails

Ambitions for venture capital in agriculture – once the Next Big Thing – are foundering

The Southern Agricultural Growth Corridor of Tanzania (SAGCOT), one of ex-President **Jakaya Kikwete's** favourite projects, touted globally as a radical policy to support smallholders while promoting foreign venture capital investment in the sector, is in deep trouble after the government cancelled the US\$47 million Matching Grant Fund (MGF). The facility aimed to match private investment with public funds and was backed by a World Bank loan worth \$70m, which the Bank is now withdrawing on the government's request.

Officially, the government has stressed the primacy of the private sector as the driver of economic growth, agriculture included, for many years. SAGCOT seemed to dovetail nicely with *Kilimo Kwanza* ('Agriculture First'), Kikwete's pro-private sector agriculture policy launched in 2009. But President **John Magufuli's** agricultural policy has turned towards a continued heavy state presence and although the government signed up to SAGCOT willingly, the programme has suffered from institutional reluctance to embrace free market ideas as well as the influence of special interests. The government's decision to ask the World Bank to discontinue the MGF came after protracted wrangling over how the fund was supposed to function, with the result that no grants were ever made.

Last year it became clear, according to **Thomas Herlehy**, team leader of the MGF, who resigned in January, that 'The government does not want to make matching grants to private sector agribusinesses.'

IMPOSSIBLE REQUEST

The government wanted to change the MGF from a grant scheme to a loan-based scheme. According to Herlehy, it also insisted that any fixed assets which investors would purchase would, at some future date, be transferred to local rural district councils, which would somehow hold the property on behalf of smallholders. This was never possible because the proposed changes fell outside the terms of the financing agreement the government signed with the Bank in June 2016. When the Bank pointed this out, the government requested the project's cancellation,

which is unprecedented in this field.

Launched to much fanfare at the World Economic Forum in Davos in 2010, SAGCOT was an ambitious public-private partnership designed to attract global agribusiness investors to a huge swathe of Tanzania's most fertile land. SAGCOT's investment blueprint envisioned putting 350,000 hectares under production, creating 420,000 jobs and potential farming revenues of \$1.2 billion by 2030. The project was close to the heart of former President Kikwete, who dubbed SAGCOT '*Kilimo Kwanza in action*' (AC Vol 54 No 24).

SAGCOT was initially conceived as a venture capital fund designed to finance early growth and expansion stages of high-risk small and medium enterprises with outgrower or contract farming arrangements. World Bank involvement turned the investment component into a 'matching grant' scheme in which investors would be reimbursed for their capital outlays.

The endorsement of agribusinesses such as the **United States** multinational Monsanto (since bought by **Germany's** Bayer), **Norway's** agrochemical giant Yara International, and the Gates Foundation together with the Alliance for a Green Revolution in Africa (AGRA), aroused opposition from international and local NGOs. They were against genetically modified organisms and accused foreign investors of 'land grabbing' and displacing smallholders. The **United Kingdom**, Norway, the UN Development Programme, the US Agency for International Development, and others bought into the project, but with their involvement came greater complexity and institutional problems, sources close to the project told *Africa Confidential*. The original venture capital fund model had turned into a multi-donor programme, which massively increased the bureaucracy and made 'ownership' of the programme by Tanzanian public institutions difficult.

Although President Magufuli has scrapped a number of President Kikwete's pet projects, including Big Results Now! (BRN), he appeared to endorse SAGCOT, visiting last year the Ihemi Cluster, one of several zones within the SAGCOT area treated as units for inward investment. He was

accompanied by SAGCOT Centre boss **Geoffrey Kirenga**. Enthusiastic MPs called on SAGCOT to come to their constituencies.

Some experts familiar with the agricultural scene and government policy detect the hand of die-hard 'socialist' members of the **Julius Nyerere**-influenced old guard who remain influential in the ruling *Chama Cha Mapinduzi* (CCM) party and the government bureaucracy. This is the natural constituency for Magufuli's populist-nationalist rhetoric. Since coming to power in 2015, the Magufuli government has taken control of fertiliser and seed importation through bulk procurement, and re-empowered cooperative unions in crop purchasing, undermining private exporters and contract-farming arrangements. These and numerous other interventions, such as the dramatic takeover of the cashew market by the army on Magufuli's orders, demonstrate the deep commitment of the party and state apparatus to maintaining public control of areas that many, such as the large donors and international financial institutions, believe should be market-driven.

Cancelling the investment programme does not mean the end of SAGCOT, but Kirenga will be hard put to find additional sponsors in present circumstances. One possible solution is the incorporation of SAGCOT into the on-going Agriculture Sector Development Programme (II), which is an old-style, smallholder-oriented, programme with only a marginal role for the 'private sector'.

SUGAR LOW

The difficulties experienced by agribusiness investors in Tanzania were highlighted when a huge **Swedish** investment in an integrated sugar project with an outgrower component failed to take off after years of negotiating with the government over land and water rights. Bagamoyo EcoEnergy (BEE) is currently seeking compensation for its claimed \$50m investment (AC Vol 58 No 5). Sugar traders opposed to import substitution mobilised heavily to scotch the plan.

A more recent example is Kilombero Plantation Ltd (KPL), a 5800-hectare rice and maize-growing venture and a showcase example within the SAGCOT area of an effective outgrower project. KPL is now up for sale after defaulting on a \$20m loan from the US Overseas Private Investment Corporation (OPIC), the US government bank which also insures US overseas investments, and a 13 billion shilling (\$5.6m) loan from

the National Microfinance Bank. KPL's business model was dependent on Tanzania respecting and implementing the 25% Common External Tariff on rice imports in the East African Community. In 2013, however, all local rice producers were hit by an agreement to import 80,000 tonnes of rice from **Pakistan** at zero tariff. The price KPL paid to its outgrowers was above the price of the imported rice, punching a hole in its finances.

KPL CEO **Carter Coleman** praised President Magufuli for putting an end to duty-free rice imports, but explained that the need to sell the business came out of the 2018 collapse in the maize price, which KPL also grows on its plantations, following rainy season floods in 2016 and 2017 and the arrival of the army worm from South America in 2017. 'The 2018 ban on maize exports,' Coleman told AC, 'at a time when a record 2017 southern African maize

crop led to much importation of cheap maize into Tanzania, contributed to the 11-year-low of maize prices in 2018 that has been painful to smallholder and commercial maize-growers.'

As well as the hostility to the private sector which is prevalent in the Tanzanian state, lack of capacity among officials, bureaucracy, rent-seeking and the lobbying of influential importers of agricultural produce opposed to import substitution also take their toll. ●

ZIMBABWE

Ncube wins foreign fans

The economy is crashing at home, with worse in the pipeline, but the Finance Minister's plans are winning support overseas

Backed by **France**, **Japan** and **South Africa**, Finance Minister **Mthuli Ncube** is pushing a tough economic reform plan to pay off Zimbabwe's international arrears by the end of the year and bring in at least US\$2 billion in new finance. Given the severity of the country's crisis, the plan would be a high-stakes gamble for President **Emmerson Mnangagwa** but no one else in his government is offering an alternative strategy. Mnangagwa's opponents in the military have refrained from public comment so far (AC Vol 60 No 2).

The next step is a meeting in early April in Washington DC where Ncube is hoping to finalise international commitments for the plan, involving a \$2.3bn bridging loan. At the same time, Ncube is trying to raise finance for emergency imports of drugs and medical equipment. The devastation wrought by Cyclone Idai in Zimbabwe, **Mozambique** and **Malawi**, which may have killed over 1,000 people, has added to the pressures on public services in Harare.

In meetings with French treasury officials in Paris on 8 March and **Christine Lagarde**, Managing Director of the International Monetary Fund, in Washington DC earlier that week, Ncube set out the broad outline of his plan (AC Vol 59 No 18). It will involve more cuts in state spending and job cuts in the public sector, the sale of equity stakes in local telecoms companies and higher indirect taxes.

But bankers who attended some of the meetings in Paris told *Africa Confidential* that much more work will have to be done on the figures to raise the short-term finance. The other big problem is the hostility of the **United**

States towards President Mnangagwa's government, and a lack of interest from **Britain**, which had been a strong supporter until last year's elections (AC Vol 59 No 7).

France, which chairs the Group of Seven (G-7) this year, has assembled a 'coalition of the willing' to put together the \$2.3bn bridging finance required to clear Zimbabwe's arrears to the international financial institutions (IFIs). The Paris coalition includes Japan, which chairs the G-20, and South Africa.

This initiative appeals to both France and Japan, which are trying to counter the influence of **China**, the strongest foreign backer of the ruling Zimbabwe African National Congress-Patriotic Front (ZANU-PF). South Africa, the only African state in the G-20, will play a key regional role and is sending policy advisors to Harare to work with Ncube's team.

IMF rules require Zimbabwe to settle its arrears to the IFIs and reach agreement with foreign state creditors in the Paris Club before the Fund can make any new loans.

The main barriers to the deal are political, at home and abroad. Anger is growing at worsening economic conditions after a threefold increase in fuel prices in January led to clashes between protesters and the security forces in which at least 17 people were killed (AC Vol 59 No 25).

Security officials have stepped up the surveillance and arrest of opposition members, prompting a fresh round of condemnation from rights groups. The mounting economic and political crisis has undermined Mnangagwa's standing across society.

A particularly harrowing video

circulating on social media showed a doctor at the Parirenyatwa teaching hospital in Harare explaining how the lack of reliable electricity, drugs and equipment had led directly to the deaths of several babies and birth of countless others with mental and physical disabilities.

The burns unit there ran out of clean bandages, leading to a spate of cross-infections. Doctors were protesting at the neglect of public services and lack of progress despite a meeting with Health Minister **Obadiah Moyo**.

Foreign exchange shortages have cut the supply of wheat; bread has become scarce and expensive. Reserve Bank of Zimbabwe governor **John Mangudya's** announcement that the bond notes, the surrogate currency that he introduced over two years ago, would be trading at free-market rates has not helped confidence, given critically low levels of foreign reserves (AC Vol 60 No 4).

After some contradictory responses, Mnangagwa has called for a national dialogue on the deepening crisis but cannot agree the conditions for this with the Movement for Democratic Change, the biggest opposition party. **Nelson Chamisa**, who faces a challenge to his leadership of the MDC, is calling for an independent arbiter for any cross-party talks.

The biggest international barrier to Ncube's plan is US opposition: last month it renewed sanctions against the Mnangagwa government and ruling party, accusing it of continued political repression and failing to tackle grand corruption. There are fierce critics of Mnangagwa in the US Congress, whose Zimbabwe Democracy and Economic Recovery Act (Ziderra) sets tough criteria for new financial aid.

Washington has a veto on any Paris Club agreement with Zimbabwe and has the biggest single vote on the boards of the IMF and the World Bank. In response, Mnangagwa's government is implementing some long-promised political reforms to persuade the US to change position.

Last month ministers approved draft reforms of the Public Order and

Security Act and Access to Information and Protection of Privacy Act. The Mnangagwa government has also hired Ballard Partners, a Washington-based lobbying company with links to President **Donald Trump**, on a \$500,000 contract. We hear that former State Department official **Jamie Rubin** will be the main liaison with Harare on the contract (AC Vol 58 No 9).

Ncube's economic reforms, which will undercut some of the vested interests of ZANU-PF's nomenklatura and their erstwhile allies in the military, could trigger heavy opposition to him, and to Mnangagwa.

Inflation hit 56% in January. Rising fuel prices and exchange rate pressures could push it above 100% by May. Promises of new money by the end of the year mean little to many struggling Zimbabweans. The average civil service salary of 500 RTGs (bond notes in electronic form) a month is now worth just \$125.

Ncube needs both emergency credits from commercial institutions, to deal with pressures on balance of payments, and stronger international endorsement. Lagarde has told Ncube that the IMF will provide policy and institutional support for his plan.

In practice, the IMF would endorse a Staff Monitored Programme with Zimbabwe meaning a 'coherent set of economic policies capable of restoring macroeconomic stability and laying the foundations for durable growth', said **Patrick Imam**, the Fund's resident

representative in Harare.

'The economic policies currently being discussed between IMF staff and the [Harare] authorities are anchored in [Ncube's] Transitional Stabilisation Programme,' added Imam. He described this as a 'wide-ranging stabilisation and structural reform programme, aimed at addressing deep macro-economic imbalances and fostering private-sector growth.'

DEBTS TO PAY

Zimbabwe has no direct debt to the Fund but it has arrears to the other IFIs: \$1.3bn owed to the World Bank, \$700 million to the African Development Bank and €380m to the European Investment Bank. While these debts remain outstanding Harare is denied help from the IMF and from most other sources.

In the next few weeks, there will be more details of the IMF's Staff Monitored Programme, the economic and financial benchmarks to be met in stages over the next six to nine months.

Foreign governments led by France, Japan and South Africa are to organise a bridging loan to clear the arrears and confirm that, as Paris Club members, they will agree to reschedule Zimbabwe's debts to other governments. **Germany** and **Italy**, at least, are expected to join in.

But Britain has indicated that it does not want to take part. Antipathy towards Mnangagwa is intense in the ruling Conservative party. That is made

worse by Prime Minister **Theresa May's** immersion in her troubled attempts to pull Britain out of the European Union (AC Vol 58 No 13).

The French treasury also hosts the secretariat of the Paris Club to whom, with China, Zimbabwe owes more than \$3bn. All Club members will have to agree to the promise of future debt restructuring and relief that the IMF requires.

France is stepping up relations with Anglophone Africa; President **Emmanuel Macron's** trips to **Ethiopia**, **Djibouti** and **Kenya** in early March were the latest example. France, after China and South Africa, is now the biggest foreign investor in Zimbabwe, including such companies as cement producer Lafarge and oil major Total.

In Paris, we hear that Ncube also met **Rémy Rioux**, Director of the *Agence Française de Développement* aid agency, which could boost its finance of basic development and bigger projects in Zimbabwe.

The biggest question now is whether the Mnangagwa government can do enough at home to win support for this reform strategy, as well as convince its opponents in the US and Britain. If Ncube holds the line this year, it could mean the Fund would approve an Extended Credit Facility that would be worth \$1.5bn-\$3bn over three years. The prospect of up to \$500m in new World Bank and African Development Bank credit would be a further incentive. ●

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POINTERS

Malawi

FIGHTING WITHDRAWAL

■ Former President **Joyce Banda** has withdrawn from the presidential race, and she may have effectively taken President **Peter Mutharika** out of the contest too. Mutharika's nemesis, Vice-President **Saulos Chilima**, may also turn out to be a casualty of Banda's move, which followed intensive talks with Malawi Congress Party (MCP) leader **Lazarus Chakwera** (AC Vol 59 No 24).

At a press conference in Lilongwe on 18 March announcing her retirement after a colourful 32-year political career characterised by U-turns and allegations of corruption, which she took the opportunity to strongly deny again, Banda endorsed Chakwera. The move concluded a chaotic month for the ex-President in which she first endorsed Chilima, then dropped him, and then decided to stand on her own, before finally backing Chakwera.

An insider told *Africa Confidential* that Banda's running mate, **Jerry Jana**, and later, People's Party (PP) Secretary General **Ibrahim Matola**, led talks with the MCP. 'Should MCP win, PP will get three ministries, two deputy ministers, deputy Speaker of Parliament and a share of diplomatic and statutory corporation posts,' said one of the negotiators. The post of Speaker has been promised, according to the source, to **Khumbo Khachali**, Banda's running mate in 2014 but now an arch-enemy.

According to the electoral arithmetic, if Banda can persuade one-third of the 1 million who voted for her in 2014 to switch to the MCP, Chakwera will prevail against Mutharika, who won with 36% of the vote in 2014.

Chilima has enjoyed huge audiences at his mass rallies, but this is not enough to threaten the voter base of either the MCP or the ruling Democratic Progressive Party (DPP), let alone the United Democratic Front of fellow Cabinet Minister **Atupele Muluzi** (AC Vol 60 No 5). Chilima's main electoral effect, they warn, will be to take votes from Mutharika on 21 May.

Guinea Bissau

REFORMERS TAKE POWER

■ The *Partido Africano para a Independência da Guiné e Cabo Verde* (PAIGC) of **Domingo Simões Perreira** won the 10 March parliamentary elections but fell short of the absolute majority that would have allowed it to rule alone. Yet with the support of minority parties, Perreira will form a

government and become prime minister.

Barely five months old, the *Movimento para a Alternância Democrática – Grupo 15* (MADEM-G15) of businessman **Braima Camara** gained 27 seats. Camara is a key ally of President **José Mario Vaz**, who has been fighting Perreira for years (AC Vol 57 No 12). Vaz and Camara are typical of anti-reform figures linked to the old military regime which ran what critics called a narco-state (AC Vol 55 No 19).

The *Assembleia do Povo Unido – Partido Democrático da Guiné-Bissau* (APU-PDGB), did well. Led by **Nuno Gomes Nabiam**, a disciple of the charismatic but disruptive politician and former president, the late **Kuma Yalá**, it gained five seats, making Nabiam an unexpected kingmaker (AC Vol 57 No 12). In return for ministerial posts, we hear, Nabiam joined two smaller parties in signing a pact with Perreira, giving him a working majority of 54 seats.

Regionally, **Angola** sees Perreira's premiership as a means to regain lost influence, which is a worry for **Nigeria**, **Senegal** and **Guinea**, who are otherwise delighted with the new government (AC Vol 59 No 7).

The election campaign was awash with dubious funds. Illegal logging is widespread and likely to have financed certain parties. The seizure of nearly 800 kilograms of cocaine from a Senegal-registered lorry on the eve of polling day points to another source of subsidy. Perreira intends to stand in the presidential elections due in June. If Vaz loses the presidency the army may not remain as quiet as it did during the parliamentary polls.

Horn of Africa

NEW MAN FOR THE HORN

■ UN Secretary General **António Guterres** appointed **Parfait Onanga-Anyanga** as his Special Envoy for the Horn of Africa on 13 March, illustrating what the UN leader's critics are now calling a penchant for appointing to high diplomatic positions people who won't make waves. While UN Special Representative of the Secretary General (SRSG) in **Central African Republic**, his previous job, Onanga-Anyanga was widely seen as too close to President **Faustin-Archange Touadéra**, whom he protected from criticism when government actions resulted in a new outbreak of intercommunal violence early last year (AC Vol 59 No 11).

Guterres came under fire when he failed to react strongly to the expulsion of his SRSG in Somalia, **Nicholas Haysom**, by the government in Mogadishu after Haysom took issue with the arrest of one of the candidates in the South West

State election (AC Vol 60 No 2).

Diplomats say Haysom was speaking for many of them when he made the démarche over the Mogadishu government's decision to send in troops – whose wages the UN and others were paying – to shoot and detain protesters and interfere with the electoral process in Baidoa. They are dismayed at the prospect of replacing the Haysom with someone who they cannot count on to say boo to the government of **Mohammed Abdullah Mohammed 'Farmajo'**, who is deviating increasingly from agreements he made with the donors.

Tanzania

IS IT AN OLIVE BRANCH?

■ President **John Magufuli's** Foreign Minister, **Augustine Mahiga**, took Brussels aback last month when he announced that talks would re-open on the stalled Economic Partnership Agreement (EPA) between the European Union and the six-nation East African Community (EAC). Some have put this together with other, often faint, signals to believe that Magufuli may be seeking to improve relations with Europe.

Negotiations on the EPA were concluded in 2014; **Kenya** and **Rwanda** signed and Kenya ratified it in September 2016. But because Tanzania, **Burundi** and **Uganda** refused to sign it into law it could not come into force (AC Vol 58 No 21). Magufuli's U-turn on the EPA comes in spite of the East African Community summit in Arusha last month appearing to sound the agreement's death knell. Each country agreed to go its own way with the EU.

What also makes Dodoma's change of stance odd is that the EPA would make little economic difference to Tanzania, which qualifies to export its goods to Europe duty-free under the existing Everything But Arms scheme. Magufuli in the past called the EPA 'skewed and exploitative'. This is why the move seems symbolic.

Brussels was in no mood for compromise after EU ambassador **Roeland Van de Geer** was expelled from Tanzania in November after raising concerns about its dwindling democratic freedoms and human rights (AC Vol 60 No 2). The European Commission was close to deploying the rarely used Article 96 of the Cotonou Agreement, last used three years ago against Burundi, which would cut off all relations with the government, *Africa Confidential* understands. Tanzania currently receives US\$100 million a year from the EU in budget support.

Reconciliation was apparently in the air when Magufuli met Van de Geer's successor in February, but there was no statement from the Tanzanian side.

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BLUE LINES

A wise head in Algiers advised a young activist to curb his enthusiasm for the forced resignation of President Abdelaziz Bouteflika: 'Don't call this a revolution. At best it's a revolt... we don't even know if the flight of Ben Ali from Tunisia was a revolution yet.' Indeed, many think that the ruling *Front de Liberation Nationale* will find ways to turn the seven weeks of street protests and Bouteflika's ousting to their advantage. Standing against them is an ineffectual opposition and a broader but more youthful coalition of activists. The protest season shows no sign of ending. Liberation parties that took power a generation or more ago have struggled to renew themselves. The revolutionaries-turned-elite members in Zimbabwe, Angola or Mozambique, have lost support. Cyril Ramaphosa is working hard to hold onto the African National Congress's support base while reforming it at the same time. None of those political systems are as opaque as Algeria's.

Yet Algeria has one of the liveliest and most independent-minded presses in Africa. The protest movement against Bouteflika and for free elections mobilised over 10 million people in a matter of weeks. It does not agree on its aims – although many speak of a national conference to redraw the constitution and its political system – but it is clear what it rejects. There is absolute opposition to Algeria following Egypt's trajectory: the army removing one autocrat only to replace him with a still more repressive military man.

ALGERIA

Protests flush out the old guard

Popular anger has finally unravelled the Bouteflika power network. Cronies are under arrest and there are doubts the deep state can survive

Over the 20 years before President Abdelaziz Bouteflika resigned on 2 April, Algeria-watchers took to comparing the political outlook to making mayonnaise. Resistance to poor services, graft, maladministration and crony capitalism drove thousands of demonstrations every year, but a mass movement that could sweep away *le pouvoir* ('the powers that be') had never gelled since the civil war with radical Islamists ended. The ossified political system dominated by the military and security establishment and their associates in *le pouvoir*'s 'deep state' hung on. Algeria was compared to a bowl of eggs, but as in making mayonnaise, pouring oil into the mix does not mean the sauce is going to set. '*La mayonnaise ne prend pas*', it was widely observed. But the mayonnaise finally 'took' in the shape of an apparently spontaneous movement which took to the streets in February to protest Bouteflika's attempt to stand for a fifth term (AC Vol 60 No 6). A situation *le pouvoir* appeared to have under control has now reversed, possibly irrevocably, despite the manoeuvres of key power-brokers led by Vice Minister of Defence and Army Chief of Staff Lieutenant General Ahmed Gaïd Salah (AC Vol 60 No 2).

The 31 March announcement that Bouteflika would stand down before his term expires on 28 April showed the protest wave was strong enough to outflank the dominant Algerian political clan of recent years. That Bouteflika formally resigned only two days later pointed to a regime in meltdown.

Previously untouchable elements of the regime are panicking as political and business networks constructed by presidential brother Saïd Bouteflika unravel. Security Services Coordinator Major General Athmane 'Bachir' Tartag and the Bouteflika clan's most prominent business ally, Ali Haddad, have already departed the scene – literally, in Haddad's case, as he was arrested trying to cross the Tunisian border by car early on 31 March carrying a British passport and large sums of money, local media reported. Former *Forum des Chefs d'Entreprise* (FCE) head Haddad and Saïd share business interests and rents through middlemen based in France and Dubai, business sources say. Activist groups are now seeking to have Saïd and other 'oligarchs' charged with corruption and abuses of power. Reports that private planes have been grounded and borders closely watched suggest more heads will roll.

'SECOND REPUBLIC'

Algerians are looking for a 'Second Republic' which enshrines a genuine break with the past. A majority want full regime change, which means sweeping away *le pouvoir* and its cronies. Gaïd Salah's efforts to assert control point to business as usual after Bouteflika, but it is not clear if even he is really in charge. Many fear a deep-state backlash. Long-time security chief retired Maj Gen Mohammed 'Tewfik' Mediène is said to be among those active behind the scenes.

Another announcement on 31 March, that the caretaker Prime Minister,

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Bouteflika loyalist **Noureddine Bedoui**, had undertaken a 'sweeping' reshuffle, was intended to build confidence by naming competent officials like *Banque d'Algérie* (BdA) governor **Mohammed Loukal** as interim Finance Minister and power specialist **Mohammed Arkab** at energy. But although several unpopular Bouteflika cronies departed, the change fell well short of public demands. Feeling free now to speak up, local economists pointed out that Loukal had permitted ex-Premier **Ahmed Ouyahia's** version of quantitative easing.

ELECTIONS AHEAD

Former Interior Minister Bedoui's government will be charged with organising elections and can expect to be held to high standards. Yet, Bouteflika's departure will do little to calm either protesters or investors. By announcing his exit, the Constitutional Council, headed by another Bouteflika loyalist, **Tayeb Belaïz**, will be called on to launch a transition towards new elections, in which Council of the Nation (upper house) Speaker **Abdelkader Bensalah** should step up as acting president until elections are held within three months (AC Vol 59 No 14). In a typically Algerian spat, local media have been questioning whether Bensalah is qualified to take office, since he may have been born in **Morocco** rather than Algeria.

The weekly demonstrations that have seen off the Bouteflikas remain largely good-humoured and well-attended – aided by the large female turnout. However, dark conspiratorial mutterings about foreign attempts at subversion by bogeymen like French President **Emmanuel Macron** or Qatari Emir **Sheikh Tamim bin Hamad al Thani** could inflame feelings. There are fears that deep-state power-plays could sour a peaceful movement.

The reshuffle on 31 March is widely believed to have been the result of a compromise between the 'Bouteflika clan' and its once most devoted member Gaïd Salah. But it may fail just as an early effort to broker a national unity agreement involving the Deputy Prime Minister **Ramtane Lamamra** and

veteran UN envoy **Lakhdar Brahimi** – who few would deny are two of Algeria's most respected diplomats – quickly came to nothing. Their starting premise, that Bouteflika might stay on for a year, helped keep crowds on the streets and the two lacked any domestic following. As the regime's Plan A (Bedoui's first interim government) was replaced by Plan B (a new interim government) on 31 March, Lamamra was booted out and, with no new deputy PM, Gaïd Salah is formally number two in the administration, and probably now first among Algeria's informal but more powerful *décideurs*.

Plan C involves a counter proposal for an interim 'national unity' government under a stand-in head of state – ex-President **Liamine Zéroual** is the name most often mentioned, although the widely respected general is keeping his counsel. This government might include other figures who have retained some integrity such as former Prime Ministers **Mouloud Hamrouche** (though he has said he's not interested), **Ali Benflis** (a distinguished human rights lawyer and former FLN head who fell out with Bouteflika) and **Ahmed Benbitour**, who has aligned with the *Mouwatana* opposition movement (AC Vol 55 No 12). Other *Mouwatana* figures – notably *Jil Jadid* (New Generation) leader **Soufiane Djilali** – could have a role, but such solutions, imposed from above, may not take.

Other establishment politicians have sought to take the initiative, including the *Islamist Mouvement de la Société pour la Paix* (MSP) leader **Abderrazak Makri**, who on 25 March proposed a six-month transition process led by an interim leader acceptable to the protesters. Gaïd Salah's eye-catching demand on 26 March that Article 102 be invoked to remove Bouteflika followed.

For now, a majority of even the ruling *Front de libération nationale* (FLN) is siding with the demonstrators. The last FLN secretary-general of the Bouteflika years, **Mouad Bouchareb**, was mired in controversy even while the fifth-term plan was on. But the old party has a powerful machine, where traditionally critical members like veteran militant **Abdelkrim Abada** and anti-Bouchareb faction leader **Ahmed Boumechdi** are re-emerging to take control of local *mouhafadhates* (regional party cells) and align themselves with the demonstrators. As of mid-March, some 72 *mouhafadhates* of the FLN's total of 120 had joined the protest movement, criticising the party's 'illegitimate' leadership.

The wily Ouyahia has returned to his alternative political fief as head of the *Rassemblement national*

démocratique (RND), stretching credulity by sympathising with protesters' demands (AC Vol 59 No 23). His RND spokesman **Seddik Chihab** even attacked the 'presidential clan' as being an 'unconstitutional force' that had run the country 'for at least the five, six or seven last years'; ironic, since his boss ran the president's office and then the government. The RND is also now split between hardliners, some of whom hark back to the party's links to military 'eradicationists' in the 1990s and a reformist, anti-Ouyahia group.

LEADERLESS MOVEMENT

Establishment politicians' stock may be low, but the protest movement has yet to throw up a leader – potentially a major challenge as new elections will probably be held this summer. Like France's *gilets jaunes* (yellow vests) protests, the apparently leaderless movement mobilises and networks online. Prominent activists include the publicity-hungry, French-born **Rachid Nekkaz**, who tried to stand against Macron as well as Bouteflika. Lawyer **Moustafa Bouchachi** has emerged as a more authoritative figure, but much will depend on whether protesters can organise. There is no sign of the movement waning, with popular figures including Manchester City footballer **Riyad Mahrez** and Algerian national football team manager **Djamel Belmadi** lining up to offer their support. While 'oligarchs' within Saïd's orbit are afraid of the lawyers' groups calling for a crackdown on graft, others may benefit from having fallen out with the Bouteflikas. In recent weeks protesters were joined by Kabyle billionaire **Issad Rebrab** and FCE members who were disaffected with Haddad.

The army remains a key player that may seek to shape events. Having dropped his much-vaunted 'blind loyalty' to Bouteflika, Gaïd Salah retains the defence portfolio in Bedoui's sticking-plaster administration. The avuncular 79-year-old has consistently surprised observers with his powers of survival and quiet ability to concentrate power in his own hands; he is not widely trusted.

While some still chant '*El Jeich echaab khawa, khawa*' ('The people and the army are brothers'), and Bouchachi is among those to praise the behaviour of troops, the movement is rightly wary of senior officers' intentions. Gaïd Salah's attempt to seize the initiative was accompanied by **Bachir Tartag** handing in his resignation from the *Direction des Services de Sécurité* (DSS), pointing to traditional faction fights within *le pouvoir*. His replacement, Maj Gen **Mohammed 'Youssef' Bouzit**, was

previously head of foreign intelligence and is said to be close to Gaïd Salah.

The move may have been weeks in the making as Bouzit was replaced as head of the *Direction générale de la sécurité extérieure* (DGSE) in mid-March by Maj Gen **Ali Bendaoud**, a former military attaché in Paris.

Others under pressure include Sonatrach's CEO **Abdelmoumen**

Ould Kaddour, whose competence is appreciated by international oil companies, and has undoubtedly helped the state energy giant grapple with declining oil and gas production and sales. But Ould Kaddour's links to the Bouteflika clan came into the open when ExxonMobil went public on a decision to halt talks on a shale gas project. Oil companies with more to lose are staying

quiet but are nervous about what comes next. Sonatrach unions are calling for Ould Kaddour to go and many in the *Union générale des travailleurs algériens* (UGTA) labour federation are calling for its veteran leader **Abdelmadjid Sidi Saïd** – one of the regime's ultimate wheeler-dealers – to depart. For the crowds who will continue to protest each Friday, reshuffles alone are not enough. ●

TANZANIA

Nuts to the market

President Magufuli's bold move to bypass the cashew middleman by bringing in the army is likely to have disastrous results

Last November, President **John Pombe Magufuli** ordered the army to take over the transport and processing of Tanzania's entire cashew harvest of more than 200,000 tonnes. Now, with the crop not getting any fresher and buyers in short supply, the government could be heading for another agricultural fiasco (AC Vol 60 No 6).

Trouble had been brewing for some time between Magufuli and the Cashewnut Board of Tanzania (CBT), the industry's regulator and main supplier of inputs. Politicians of all parties from cashew-growing areas were incensed when last year the government proposed to remove CBT's main source of income – a levy on raw cashew exports – and place it with the exchequer. The treasury already owed CBT over 200 billion shillings (US\$86 million), earned from the levy in previous years which it has not transferred. Although opponents of the policy framed the move in terms of the losses to farmers, the main loser was CBT. The CBT has been a source of patronage and rent-seeking in the past and, crucially, an obstacle to Tanzania's flagship policy of processing cashews locally rather than exporting them raw. However, Magufuli's policy has impoverished the CBT, disrupted the purchase and export system, and not reformed it.

The critical issue from late last year onwards was the low price international buyers were offering for raw nuts, compared with the exceptionally high prices of the previous year, when farmers were paid up to Sh4,500 (\$1.94) per kilo. Bumper harvests in West Africa were said to have caused the slump in price. CBT had proposed a floor price for the 2018 season of Sh1,550 (\$0.67) a kilo to farmers,

which they rejected as too low, lower than the cost of production. Taking the side of the farmers, Magufuli urged buyers – mostly agents for Indian and Vietnamese processors – to pay at least Sh3,000 (\$1.30) a kilo, failing which they would be barred from the market.

After extensive discussions with buyers and attempts to address some of their complaints against CBT and local councils, Magufuli threatened to bring in the army to take over the market if traders refused to cooperate. After further disputes, Magufuli made good on his threat and last November the Tanzania People's Defence Force (TPDF) mobilised a fleet of 75 trucks to transport cashews to processing plants. Operation Korosho was under way.

To prove that he meant business, Magufuli sacked the chairperson of CBT and former minister **Anna Abdallah**, her entire board, and the Ministers of Agriculture and Trade. No reasons were given. Responsibility for the cashew crop was transferred from CBT to the little-known Cereals and Other Produce Board (CPB). Credit to refinance cashew-buying was provided by the Tanzania Agricultural Development Bank, the National Microfinance Bank and CRDB (previously known as the Co-operative and Rural Development Bank). By the end of January, according to the government-owned *Daily News*, CPB had purchased nearly 135,000 tonnes of cashew nuts valued at Sh425bn (\$184m), out of a total crop of over 200,000 tonnes. But Magufuli's plan to process and export the crop backfired.

Adding value through local processing has been official policy throughout Tanzania's post-colonial history; even so, 85-90% of nuts are still exported in raw form, mostly to India and Vietnam. CBT has been motivated to export rather than sell locally

because exports earn a levy that sales to local processors do not.

Despite the official policy promoting pre-export processing, there is little in the way of incentives for new investors (AC Vol 56 No 24). The introduction of the Warehouse Receipts System (WRS) for cashew marketing in 2008, which gave cooperative unions a legal monopoly on buying the harvest, undermined contract farming arrangements that some processors had put in place to assure a guaranteed supply of quality nuts.

Most privatised cashew factories, including a dozen built under an ill-fated World Bank project in the 1970s, are dormant. One such factory, the Buko plant in Lindi, was renationalised by presidential edict and handed to the military to begin processing after the seizure in November, but it was found to need extensive rehabilitation. The lack of spare processing capacity forced a change in Operation Korosho: instead of looking for markets for processed cashews, the government began to look for markets for raw nuts.

CAPS ON NUTS

While processing proved problematic, so did identifying which farmers to pay for their produce. It soon became apparent that many small farmers had already sold their cashews to local unlicensed traders, known as *kangomba*, who brought larger volumes to warehouses than could have been produced on individual small farms.

To weed out this group, a cut-off point of 1,500 kilos was established and anyone claiming payment for more than this amount had to show where the nuts had been harvested. Numerous bank accounts were frozen when the owners could not prove that they were bona fide farmers. Not surprisingly, this elaborate procedure prolonged the payment process and various deadlines for completing the verification and payment exercise have come and gone. Cashews keep for about six months at 20°C and twice that long if refrigerated.

The *kangomba* system has coexisted peacefully with the WRS for years, though strictly it is illegal. This suggests that CBT has been complicit

in its functioning. Still, at the end of March the minister of agriculture Japhat Hasunga announced that the government intended to prosecute 'at least' 780 people for trading in cashewnuts without business licences.

The most bizarre twist to the saga is the sudden emergence of a **Kenyan**-based buyer for 100,000 tonnes of raw cashews.

Desperate to find foreign buyers before the nuts start to rot, the government hurriedly signed a memorandum of understanding in early February with Indopower Solutions, a Kenyan-registered company owned by well-known political fixer **Brian Mutembei**.

With no experience in cashew trading, Indopower appears to be a shell company fronting for a buyer, but Mutembei would not reveal the purchaser or the origin of the \$180m that

will finance the deal, though he admitted the money was not Kenyan, according to Kenya's *Daily Nation* newspaper.

Africa Confidential could not establish whether the treasury's Financial Intelligence Unit has examined the proposed deal to establish the origin and legality of the funds.

EXPORT EARNINGS

According to the Bank of Tanzania, earnings from cashew exports fell from \$530m in 2017 to \$197m in December 2018. With or without Indopower Solutions, hundreds of millions of dollars' worth of cashews remain unsold months after the end of the season, and there are reports that numerous medium and large farmers remain unpaid. With public finances already grievously stretched to finance President Magufuli's multibillion-dollar infrastructural investment programme,

the last thing Tanzania needs is a costly stand-off that risks undermining its premier agricultural export.

Although the armed forces have a growing commercial wing, known as Suma JKT, it could hardly be expected to take over the management of an entire marketing chain in which it had no experience or comparative advantage.

There is every reason from a policy perspective to shake up CBT, which makes President Magufuli's intervention timely (AC Vol 59 No 9). A 2014 report by the farmers' lobby group Agricultural Non-State Actors Forum claimed that the Tanzanian cashew industry is the most highly regulated in the world and argued that local political interests made it difficult for CBT to 'listen to the market'.

But Magufuli has shown just as little interest in listening to the market, as his policies continue to show. ●

SOUTH AFRICA

The real post-election fight

Although the ANC is set to win over 50% in the election, that won't settle the factional rivalries over economic interests and policies

The African National Congress is in far worse shape than it should be as it heads for victory in the 8 May elections. President **Cyril Ramaphosa** is still struggling to overcome the corrupt networks inherited from his predecessor **Jacob Zuma**. It is the weakness of the opposition parties and the governing party's patronage power – not widespread voter enthusiasm – that will deliver victory for the ANC.

The sense that the ANC is riddled with corruption and undermined by vested interests has changed little over the past year. Part of this is due to the extent of the damage wrought on government and the party by Zuma and his allies and part because Ramaphosa lacks the authority to purge the most corrupt elements. His supporters insist that will happen after the elections.

'Ramaphosa is holding back for the real showdown when prosecutions and show trials will get under way from mid-May,' said an insider in the President's camp. But not everything is going Ramaphosa's way in an election campaign which insiders say is chaotic and under-resourced. Confidence in campaign manager **Fikile Mbalula**, a former sports minister and former ANC Youth League leader, is low in important sections of the party.

Ramaphosa's schedule and speeches are being run separately from the main ANC campaign, which is focused on grassroots outreach and door-to-door canvassing, *Africa Confidential* understands. The ANC is doing minimal polling compared to **Mmusi Maimane's** Democratic Alliance, which has ample funds but also suffers from personality and policy divisions.

The Economic Freedom Fighters of **Julius Malema** has a detailed manifesto but has not achieved national coverage and is grappling to find a credible election strategy now that Zuma has gone. It has returned to the theme of ousting corrupt ANC leaders but its own leadership has been accused of benefitting from the looting of the VBS Bank and tax evasion.

CASE AGAINST ACE

Exacerbating the ANC's problems is the publication of an explosive book last week detailing a catalogue of fraud and corruption allegations against **Ace Magashule**, the ANC's Secretary-General, who is the second-most powerful official in the organisation and should be the President's right-hand man.

In *The Gangster State: Unravelling Ace Magashule's Web of Capture*, journalist **Pieter-Louis Myburgh** depicts a 'a

well-organised state capture network' which operated with impunity under President Jacob Zuma and from which Zuma is said to have benefitted both politically and financially. Most of the allegations have been aired before, but the consolidation of the case against Magashule makes devastating reading. The book received splash coverage in most of the national media including the mass-circulation *Sunday Times* and flagship of the Tiso Blackstar group, of which Ramaphosa was the chair before he became President. Some see the timing of the publication as helpful to Ramaphosa.

Magashule, who has been embroiled in a public row with the Minister of Intelligence, **Dipuo Letsatsi-Duba**, over the tampering of election lists to favour Magashule's faction, called the allegations 'fake news'. As the official in charge of ANC headquarters, Magashule has oversight of key decision-making, statements and matters emanating from and affecting the party's branches, regions and provincial structures.

By claiming the book is part of an orchestrated attack to weaken the ANC electorally, he has, as often before, made it difficult for Ramaphosa to openly contradict him. And Magashule retains considerable support in the ANC's still powerful Zuma faction.

According to public polls, the ANC is expected to win between 56% and 60% of the vote, with the centre-right Democratic Alliance projected to get 19%-22% and the EFF 9%-12%.

The main issue which could cost the ANC votes between now and election day is the periodic power cuts that are designed to take the pressure off an ailing national electricity grid,

and the worsening plight of the debt-ridden power utility Eskom, which the government is having increasing difficulty bailing out (AC Vol 60 No 5).

The government last week cancelled the 11 billion rand (US\$776 million) it is owed by users of the highly controversial toll road system.

Other contentious and potentially vote-losing issues include the government's commitment to a policy of expropriation without compensation to accelerate land reform, and the row over the inclusion of corrupt officials in the ANC's list of its top 200 candidates (AC Vol 60 No 6). The candidates' list has prompted several court challenges due to be heard before the election.

A total of 48 parties will contest the election out of the 285 which applied to register. There are 27m registered voters in the country and a further 9.2m eligible but not registered. Since the 2014 election 703,794 new voters have been added to the roll of whom 80% are under 30; 55% of all voters are women.

Ruling party stalwarts who served under former Presidents **Nelson Mandela** and **Thabo Mbeki** have spoken up against the inclusion of candidates facing fraud allegations and said that they will challenge any of those selected to prevent them sitting in parliament.

Leading the charge were former

Cabinet Ministers **Cheryl Carolus** and **Barbara Hogan** who both sit on the Board of the Ahmed Kathrada Foundation. Kathrada was a revered citizen and close colleague of Mandela.

While government officials suspected of corruption can be charged, suspended and tried, Ramaphosa has fewer means to deal with elected party officials such as Magashule and the Deputy President of the ANC and the country, **David Mabuza**, who has previously been accused of fraud, corruption and running hit squads to deal with his political opponents (AC Vol 60 No 1).

It is expected that **Shamila Batohi**, the newly appointed National Director of Public Prosecutions, will begin a series of corruption trials after the election (AC Vol 60 No 3). The trial of Zuma on fraud charges is also due to begin immediately after the poll. She has been criticised for allegedly postponing prosecutions until after the election.

The second round of evidence to the Judicial Commission of Inquiry headed by Deputy Chief Justice **Raymond Zondo** from whistle-blower **Angelo Agrizzi**, chief operating officer of the Bosasa company headed by **Gavin Watson**, has indicated that bribes and kick-backs continued after Ramaphosa became President and that some payments were only terminated as late

as December 2018.

Agrizzi said that Watson, one of four brothers who established close relations with and supported the ANC from the mid-1980s on, was personally directing the payments and relationships with senior ANC members. Watson has not yet been called by the commission to give evidence, which has surprised many.

According to Agrizzi, the company won an average of R2.5bn annually in government contracts between 2004 and 2016 and paid millions in bribes to government officials.

Ramaphosa and his family have also been drawn into the controversy over payments from Bosasa, with the President denying knowledge of R500,000 that had been paid into his Presidential campaign fund by the company in October 2017 (AC Vol 59 No 23). His son, **Andile Ramaphosa**, has admitted that his company has received R2m in 'advisory' payments from Bosasa for work done over a 12-month period.

A statement by President Ramaphosa's office said that there was no connection between the money paid to his son and the R500,000 (\$35,000) paid into his campaign fund. He said that lawyers had been instructed to put the campaign money into a trust pending the outcome of the investigation into Bosasa. ●

SIERRA LEONE

A storm in a port

Yet another Chinese loan-backed infrastructure project may be heading for cancellation as warnings of unsustainable debt grow

Although President **Julius Maada Bio** was an enthusiast for Chinese investment in infrastructure at the Forum on China-Africa Cooperation last September, the government has cooled on some major projects, the latest of which is a plan to expand Freetown port.

The scheme, agreed by ex-President **Ernest Bai Koroma** in November 2017, aims to expand Freetown's Queen Elizabeth II Quay with construction and finance from China under the Belt and Road Initiative (BRI). China's Tidfore Group is slated to spend US\$708 million on the design and construction of four new terminals and yards. Finance would come from the Industrial and Commercial Bank of China and its Exim Bank on a sovereign guarantee by the Sierra Leone government.

China has told the government that

there is no risk to government finances because the project is fully insured, and 'off balance sheet', official Freetown sources said. Sierra Leone finance ministry officials, however, point out that if that is the case, why would the government need to guarantee the loan? The government consulted the International Monetary Fund about the project. The Fund warned that such a loan could plunge the country into severe 'debt distress', *Africa Confidential* has learned.

The financial set-up is typical of BRI projects. But under a concession agreement signed in September 2017, the government in Freetown allowed a joint venture of Sky Rock Management Ltd, said to be based in Singapore and the British Virgin Islands, and National Port Development Sierra Leone Ltd, of Freetown, to manage the project as

'developers' and act as an intermediary between the Sierra Leone government and the Chinese contractors.

The agreement committed the 'developers' to start the project with \$8.5m in cash, but government accountants cannot find any trace of the money, we hear. The agreement commits the government to a Development Levy Fee to be collected by Tidfore for 16 years, generating some \$950m, a profit of 25% on the project cost, according to calculations by the Ministry of Finance seen by AC. Tax officials in Freetown, who did not wish to be named, complained that the levy, which would be charged over and above all usual port handling charges, would raise the cost of freight using the port so high that shippers would avoid using it, leading to an overall loss of revenue and threatening repayments of the loan.

AC could find no trace on the internet of Sky Rock Management Ltd. The only references to the National Ports Development Company, and its chairman **David Ben Lulu**, are in press releases from Koroma's State House and the ground-breaking ceremony on 25 January, 2018, at which Tidfore CEO **Tan Lang** was present alongside Koroma and Ben Lulu. Ben Lulu is said to

be an **Israeli** businessman. He has told Freetown officials he was a generous contributor to Koroma's All People's Congress election campaign last year.

One of Ben Lulu's partners is **Sahr Ngegba**, who failed to remit to the government port revenues he had collected on its behalf. The Bio transition team report last year recommended he should 'be investigated and made to account for the US\$10 million' his company, Transport and Ports Management Systems (TPMS) collected at the port (AC Vol 59 No 13). Ngegba has been named in the Liberian press as having questions to answer over a similar levy he collected on incoming containers at the port of Monrovia.

SETTLEMENT

On 18 March Sierra Leone's Anti-Corruption Commission announced it had made a settlement with Ngegba over the non-payment of sums to the government. It said he had paid the equivalent of \$300,000, representing a backlog of three months, and that a further \$365,000 should be paid to the ACC no later than 30 April. The statement added that the government had terminated TPMS's contract and that it was still investigating the way in which the original contract was altered by parliament.

The IMF's review of the contract last October noted that Sierra Leone is already at 'high risk of debt distress' and that agreeing to the loan 'would contribute to further deterioration of [its] debt dynamics'. The annual repayment on the Chinese loan, according to Tidfore, is to begin in 2019 at \$3.8m, rising to \$91.7m in 2023, which finance officials fear is unsustainable, and could lead to default, resulting in China taking possession of the port under a long lease, as it did with the port of Hambantota in **Sri Lanka** when that government could not find the money to repay loans for the port's construction.

Further complicating the matter, the **French** logistics company Bolloré already enjoys exclusive rights to manage the Queen Elizabeth II Quay, including 'performing operations... for any vessels carrying more than five containers and roll out-on roll-off vessels entering or leaving the port,' according to a concession agreement it has with the government. The Tidfore deal appears to cut across this commitment.

Ben Lulu has told the government, we hear, that if it does not issue a sovereign guarantee of the project finance, it cannot go ahead.

President Bio is anxious not to antagonise China further, having

annoyed Beijing by cancelling the proposal to build a \$300m Chinese-built and financed airport at Mamamah, a pet project of ex-President Koroma's (AC Vol 59 No 5). He is also cautious about the suggestion by China that it build and finance a \$1.2 billion bridge across the Freetown estuary to Lungi International Airport as an alternative to the Mamamah airport idea.

All agree Freetown port needs expanding. At 1,067 metres (3,501 ft) end-to-end with a draft of just 9.1 metres, the quay, constructed by the **British** just before the end of colonial rule, is small and out of date compared to many others in the region.

So far, Bio's government has saved vast sums of public money while fiscal reforms have restored its relations with the IMF, which frequently felt it was being given the run-around by his predecessor, especially on Mamamah, which it believed was a waste of money. Koroma promised Fund officials in Freetown not to proceed with the airport, but when in China, pledged to complete it. On 12 March the World Bank Group committed \$325m in increased financial support to Sierra Leone after Bio's visit there the previous day. This could be at risk if Freetown agrees to Beijing's ambitious designs on its infrastructure and finances. ●

SIERRA LEONE

Koroma's record on trial

Live broadcasts of inquiries into corruption under the last president have the people gripped. But can any crimes be prosecuted?

The revelations pouring out of three judicial commissions of inquiry into public corruption under former President **Ernest Bai Koroma** have the country agog (AC Vol 59 Nos 13 & 14). Live on national radio and television, judges question witnesses, some cross-examined by counsel for the former ruling party, the All People's Congress (APC), in the prefabricated courtrooms last used by the Special War Crimes Court for Sierra Leone.

Freetown residents, sensing that at last corrupt politicians are getting their comeuppance, call them the 'People's Commissions'. Since their launch on 29 January, the Commissions have been attracting larger broadcast audiences than the war crimes trials.

They may be entertaining but there are fears that the generous leeway judges are permitting lawyers for Koroma's former ministers will sap the

public's will and discredit the inquiry. Already, the judges – **William Atuguba** from **Ghana**, **Biobele Georgewill** from **Nigeria** and local man **Bankole Thompson** – have hinted that their six-month mandate will not be enough to complete the work and submit reports to President **Julius Maada Bio**.

Many, if not most, of the cases, concern alleged procurement fraud and embezzlement of public funds. Typical are two cases involving the state-owned National Telecommunications Commission (Natcom) under its chair **Momoh Konteh**, who was also a key activist for the APC in Koinadugu District. By law, however, public officials are not allowed to engage in partisan politics.

Foreigners got to know his name in November 2011 when *Al Jazeera* television filmed Konteh taking \$2,000 in cash from an undercover reporter

in Freetown and demanding another \$50,000 for access to then Vice-President **Samuel Sam-Sumana** (AC Vol 53 Nos 16 & 17). Nevertheless, to much local astonishment, he was acquitted at trial two years ago.

In January 2015, the month that he was appointed chair, Natcom abruptly cancelled a contract with Slone Telecom agreed a few months earlier, in August 2014. Slone had won a 15-year contract by competitive tender to design, build and operate international gateway monitoring services for Natcom, i.e. internet services. According to documents submitted at the tribunal, Slone had paid annual licence fees of \$100,000 to Natcom in 2014 and 2015, in addition to other investments worth millions of dollars. Under the contract, Slone was to pay \$13.2 million to Natcom every year out of the revenue it collected from the gateway service. In cancelling the contract, Natcom only cited 'unforeseen circumstances'.

Many viewers of the inquiry evidence suspected that the real 'circumstances' were simply that President Koroma had appointed one of his most loyal party servants to milk Natcom for profit for the ruling party, and Slone's contract stood in the way.

After the cancellation, Slone went

to the International Commercial Court of Arbitration in London, demanding \$150m in compensation. Upon receiving notification of the suit, Konteh told Natcom's board he had hired the London firms Cooley plc, at £575 an hour, and Wilberforce Chambers, to 'assist' Cooley, at £450 an hour. To impress his legal adversaries further, Konteh announced that he had retained **Pa Momoh Fofana**, a Freetown-based lawyer and his personal friend, as a 'local expert' to assist the UK team. He also sought a legal opinion from another Freetown-based lawyer, **Ajibola Manly-Spaine**, who had defended him in the criminal case, for \$32,000. In a few months, Natcom paid Cooley \$1.3m, Wilberforce Chambers \$283,000 and Fofana \$290,000.

Konteh had already been told by the Attorney-General's office a couple of months after he had cancelled the contract that it was valid and would be upheld if challenged in court. Natcom's legal bill for fighting in vain to justify the contract cancellation came to nearly \$3m. Natcom, as the Attorney General had already warned, had no case, and so settled with Slone out of court in March last year, paying Slone's legal fees and substantial compensation.

Critics said this was as predictable as it was unnecessary and wasteful. Konteh had cancelled the contract and only sought the advice of the Attorney-General in an effort to find a post-facto legal justification for the action he had already taken.

ANOTHER BAD DEAL

In November 2016, Natcom then contracted Subah Infosolutions of Ghana to take over from Slone. Indeed, insiders say that it was in order to make Subah the main contractor that Slone's contract was cancelled. As with Slone, the new contract committed Subah to share revenue with Natcom, but the Ghanaian company's payments have averaged roughly \$6m annually, less than half of what Slone committed to pay, and there have been frequent complaints in the local media about the quality of the service. By switching its contractor, Natcom may have cost the exchequer as much as \$21m. In Freetown, it is common knowledge that one of Koroma's mistresses, who has borne him two children, helped broker the contract.

Telecoms were a major milch cow for the government before Konteh became the chair of Natcom. Teltac Africa, owned by **Hisham Mackie**, a prominent Sierra Leonean-Lebanese businessman and squash partner of Koroma, provided the international gateway monitoring from 2006. Teltac's initial

contract, secured in 2006, shortly after Natcom was set up, expired in 2008. Thereafter, Koroma issued 'executive clearance' for it to continue without competitive bidding. Under the contract Teltac signed in August 2008, it had to make monthly payments of \$100,000 to the government, \$25,000 to Natcom, and \$50,000 to a 'poverty alleviation account'. Whether any genuine poverty was actually alleviated will be the subject of later hearings of the inquiry.

However, Sierra Leone was obliged to open the service to competitive tendering after the World Bank opened a facility designed to provide internet services more widely in Africa. It was then that Slone won its contract.

BUILDING THE FUTURE

Konteh's other big project at Natcom has also attracted scrutiny. Shortly after taking office in December 2015 he signed a \$7m contract with ICC, a construction firm, to build a new headquarters for Natcom. The \$7m thereafter ballooned to \$17m. Konteh hired **Thomas Koroma**, a younger brother of the former President, as 'consultant' on the project, to be paid 10% of the entire contract cost. The inquiry is seeking to understand the jump in figures, and why Thomas Koroma was preferred over a far better-qualified contractor who had quoted only \$254,000 for the entire project. In the event, Thomas Koroma has been paid \$1.3m.

The Anti-Corruption Commission recently forced him to pay back \$125,000 by way of withholding tax. The commission is inquiring, we hear, into what Thomas Koroma, who was once convicted of stealing electrical cables in Freetown before his brother was elevated to the presidency, could have been doing to earn such a large salary.

An important complication for the commissions is what to make of numerous 'executive clearances' that ex-President Koroma issued to exempt contracts from procurement rules such as due diligence, employment protocols and competitive tendering. Koroma claimed to possess 'supreme executive powers', arguing that his actions as President were law in their own right, and could not be wrong or illegal.

An example came when he sacked his Vice-President, **Samuel Sam-Sumana**, in 2015 and appointed **Victor Bockarie Foh** in his place, although the constitution does not permit, on the principle of the separation of powers, a president to sack a vice-president, allowing only parliament that power (AC Vol 56 No 6). Only a surprising and controversial Supreme Court decision

allowed Koroma to get away with it.

A number of procurements were directly sanctioned by the former President's diplomatic missions abroad and other state institutions. Inflated by as much as 300%, they cost the state millions of dollars in revenue. Investigating one such order – to buy vehicles for embassies – the dynamic Anti-Corruption Commissioner **Francis Ben Kaifala** summoned **Emmanuel Osho-Coker**, a former secretary to Koroma, for questioning late last year. Coker simply directed Kaifala to a stack of documentation at State House bearing Koroma's signature directly authorising the transactions, and was let go. Kaifala has tactfully passed the file on to the commissions to continue the investigation.

It is standard practice for competitive tendering processes to be waived in case an emergency, for example, does not allow time for prequalification and tendering. Although ex-President Koroma cited no such reasons in providing executive clearances for contracts, doubt remains on whether redress can be sought retrospectively.

Another case before the tribunal concerns **Osman Foday Yansaneh**, the secretary general of the APC, who abandoned his post as High Commissioner to Ghana to run the APC in Freetown for over two years while still receiving his ambassador's salary and allowances. He even received tens of thousands of dollars in daily subsistence allowances, as if he had been abroad on government business. This arrangement continued until the APC lost the presidential election in March 2018. Yansaneh's younger brother, whom he had hired as his driver, in effect ran the Ghana High Commission – one of Sierra Leone's most important – while he conducted party business back home. It is unclear whether Yansaneh got written 'executive clearance' for this.

CHASING AMBULANCES

The commissioners began their inquiry to much public acclaim with an examination of the plunder of the funds that poured in from abroad to help with the Ebola crisis of 2014-16. They used as a starting point the reports of the Office of the Auditor General, **Lara Taylor-Pearce**, which in January 2015 documented that 30% of 84 billion leones (\$9.5m) mobilised locally by Koroma's government could not be accounted for (AC Vol 57 No 4). The then President had awarded contracts to a small network of businessmen, each owning several companies. Notable were two agreements, with D&S and Najet Company Ltd. of Freetown, for

the procurement of 61 and 62 hardtop ambulances at a total cost of \$4.57m and \$4.62m respectively. The 123 ambulances were not available for a whole year as Ebola raged across Sierra Leone, and only 90 were finally delivered.

Set against this outrage, the commissioners' discovery that **Miatta Kargbo**, the inept Minister of Health at the time of the outbreak, continued to collect her ministerial salary for six months after she was sacked was little noticed. Kargbo had shocked parliament by claiming that some of the initial Ebola cases were the result of sexual promiscuity (AC Vol 55 No 22).

REARGUARD ACTION

Shortly after President Bio issued the constitutional instruments creating the three commissions, the opposition APC challenged their legality, arguing that they lacked jurisdictional and functional competence. At their first sittings, the commissions had to deal with this challenge, spearheaded by **Ady Macauley**, who was sacked as Anti-Corruption Commissioner by President Bio last year for incompetence and is now representing former Defence Minister **Alfred Paolo Conteh** at the commissions (AC Vol 57 No 4). Conteh stands accused of embezzling millions of dollars of defence procurement and Ebola response funds. In February, Justice Georgewill dismissed Macauley's objections and the commissions have proceeded with examination of witnesses.

Significantly, the APC has not questioned the impartiality or independence of the commissioners. The sole Sierra Leonean commissioner, Thompson, is not known for any political affiliation and is respected locally for his impartiality. The credibility of the commissions is supported by the fact that the other two commissioners are Ghanaian and Nigerian.

DELAYING TACTICS

The APC strategy now seems to consist of endless grilling of government witnesses to delay proceedings and undermine public interest and confidence. The constitutional instrument setting up the commissions makes this possible, depending on the commissioners' disposition.

The commissions have to determine whether officials of the previous government acquired their assets lawfully or through graft, or 'maintained a standard of life above that which was commensurate to their official emoluments'. This gives commissioners broad scope, but also gives the APC reason to fight with all it can muster.

In one sitting commentators have described as typical, evidence was heard that fertilisers were overpriced by \$7.2m in 2014, at the height of the Ebola outbreak, by a former Minister of Agriculture, **Joseph Sam Sesay**; \$3m of which was frittered away on a rice mill that never worked. The APC defence counsel, **Lansana Dumbuya**, spent hours questioning a technocrat about

how personnel are assigned for audit tasks.

In other questioning the chief of Songo, a village not far from Freetown and a strong support base of the APC, testified that he was unaware of having sold his land to the government for a project involving the National Social Security and Insurance Trust fund for 6.8 billion leones (US\$772,000). He and his colleagues got only Le790m (\$89,000), he said. The rest, it the tribunal heard, was distributed to various ranking APC leaders, including **Kemoh Sesay**, a former Minister of Works, Housing and Infrastructure, who received Le200m; **Ahmed Kanu**, a Deputy Minister of Lands, received Le570m; and several billions were shared among a group of 'conveyance lawyers' and local politicians cobbled together by a civil servant, **Asmia Fofana**, who collected a mere Le100m (\$11,000) for her pains.

Such details have both fuelled interest in the commissions and depressed onlookers. The commissions are still, in the grand scheme of things, focused on the margins; they have not yet drawn close enough to the more notorious scandals, including the sale of Sierra Rutile and dozens of other valuable state assets, the fortune allegedly accumulated by President Koroma, and **Vasile Frank Timis's** dealings with the APC government, some of which were detailed in President Bio's Transition Report of last year (AC Vol 57 No 24 and Vol 59 No 13). ●

NIGERIA

Clean-up or cover-up?

Links between Big Oil and politicians are blocking a multimillion-dollar environmental rescue plan for the Delta

The UN-mandated clean-up of oil-polluted Ogoniland is becoming mired in allegations of pay-outs to politicians to rig elections in Rivers State. Violence and vote-rigging over two successive weekends in Rivers has led election officials to suspend counting of ballots. The final result was expected as *Africa Confidential* went to press.

Re-elected as President last month, **Muhammadu Buhari** of the All Progressives Congress has now ordered the state-owned Nigerian National Petroleum Corporation (NNPC) to take over Oil Mining Lease (OML) 11 in Ogoni from Shell Petroleum Development Company no later than

30 April. This ends a stand-off over the extractive business of Royal Dutch Shell's Nigerian affiliate.

The impasse has lasted since 1993, when Shell left Ogoni following largely peaceful protests against pollution. The Nigerian military had begun a four-year occupation of the territory, which in turn led to Nigeria's suspension from the Commonwealth and the notorious execution of **Ken Saro-Wiwa** and other activists (AC Vol 46 No 23). The crisis reverberates to this day. Current talk from the President's office of 'smooth re-entry, given the delicate situation in Ogoniland' will cause alarm among local people who fear resumption of a

military presence to secure pipelines and consequent violence.

The clean-up scandal involving Shell and NNPC's legacy in Ogoni risks exacerbating unrest during the twice-rescheduled declaration of results from the 9 March gubernatorial and assembly elections in Rivers. It could even provoke a revival of violence in the oil-producing Niger Delta.

The Delta war has been on hold since 2009's official amnesty with militant gangs and no one wants it back. Yet the absence of transparency about the clean-up in Nigeria and in London – where Shell, one of clean-up's funders, has its headquarters – should raise anxiety about Nigeria sleepwalking into another crisis.

Before last month's election, the Governor of Rivers State, **Nyesom Wike**, declared what has long been insinuated. More than \$177 million, money from the two former oil operators in the region – Shell and NNPC – was, [Shell has confirmed], sitting in a Standard Chartered escrow account in London

until December. The suggestion now is that Buhari diverted the cash to rig elections in Ogoni (AC Vol 59 No 12). 'Each time there is an election, Ogoni kingdom will come up, and when the election is over, the issue is over,' Wike told reporters recently. The opposition People's Democratic Party candidate also called for international intervention in Rivers and warned that the federal government was planning to hide 800 guns that it intended to use to rig the election.

Ledum Mitee, the former leader of the NGO Movement for the Survival of the Ogoni People (MOSOP), has warned that further hold-ups and cover-ups could spark unrest. If armed conflict resumed near Bonny Island, Shell's main oil terminal in the south-east, the army could well return to Ogoni. There have been suggestions that 'retired' militants such as **Ateke Tom**, gang boss of the neighbouring Okrika waterfront, could try to take advantage of the clean-up.

The circumstances are eerily similar to those that triggered the 1993-98 crisis, in which violent vying for oil interests focused on the dormant oilfields claimed thousands of lives. As torture and arbitrary detention became routine, 30,000 Ogonis went into exile.

Twenty-five years later, the new factor is organised crime, especially 'bunkering' – illegal theft of crude oil – which is believed to be worth billions of dollars globally. Ogoni is a popular spot for bunkering because, when it left the area in 1993, Shell did not cap its 56 wellheads with concrete.

Buhari's Vice-President, **Yemi Osinbajo**, has attempted to contain the problem by promoting 'artisanal refining', effectively legitimising bunkering gangs by giving them equipment to make their refining operations safer and less polluting. The policy is a de facto extension of the 2009 amnesty programme, under which Delta militants were paid not to mount armed attacks.

There have been persistent delays since 2011 in moving ahead with clean-up recommendations from the United Nations Environment Programme (UNEP) and, more recently, in awarding contracts for the remediation project,

which was 'definitely' scheduled to start in December 2018 (AC Vol 59 No 24). The 21 winners of bids for the work still have not been announced by the Abuja-backed Hydrocarbon Pollution Remediation Project (HYPREP), which will not answer questions about the clean-up contractors from journalists.

Nobody wants a return of the oil war of 2003-09. Despite signals to the

uncertainty and nervousness about the future.

In this context, mismanagement of the Ogoni clean-up and the failure to get it moving could significantly escalate tensions. However, interest in it is small, both in Nigeria and without.

In September 2018, HYPREP announced a list of 183 'pre-qualified' companies, a shortlist from 400 companies that applied and met a technical threshold to do the clean-up work. Many cannot be found on the Nigerian government website of registered firms. At the time this list was being trailed, the then Minister of Environment, **Ibrahim Jibril** (now the Emir of Nasarawa) said the clean-up work would start in October. Jibril then told journalists at the State House Correspondents' meeting on 15 November that the list of 21 contractors in line to take a share of the \$177m operation 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 told reporters. That deadline, too, has passed.

Since then, the new Environment Minister, **Suleiman Hassan Zarma**, has announced that 16 contractors have been allocated land for the clean-up work, but only one name has been made public – Professor **Babatunde Bolaji Benneth** of Earthpro Unique Integrated Ltd. The Vice-President has said the work will take up to 30 years and implied that the initial \$1 billion would only be the initial finance. UNEP's Nigeria country representative, **Michael Cowing**, stands by HYPREP

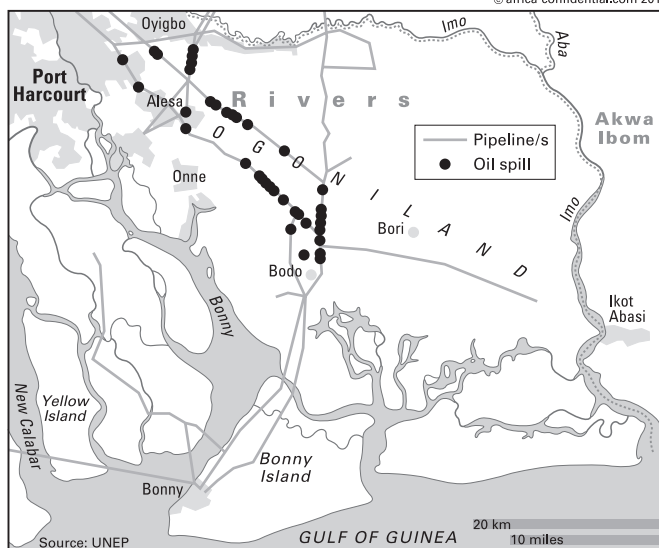
but with a carefully articulated precondition: 'For a project of this magnitude, resources are needed and I think government will meet the need.'

The **Netherlands'** ambassador to Nigeria, **Robert Petri**, visited Port Harcourt at the end of last year and spoke of the Ogoni clean-up. Yet no one in the Buhari administration, Shell, NNPC or other interested companies will comment on the fact that only one contractor has been named. Neither will representatives of other countries and international agencies that have engaged with the process, including UNEP and the Dutch government. It may

OIL SPILLS IN Ogoniland



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contrary at the start of Buhari's first term, when the ex-dictator planned to 'get tough', the federal government seems uninterested in removing militants who do not pose an obvious threat to the oil industry at present. The Economic and Financial Crimes Commission seems to have forgotten all about its demands for the presumed boss of militant bosses, **Government Ekpemupolo** (aka **Tompolo**), to appear in court in Lagos.

The chances of a resumption of all-out war in the Delta are small, but the rhetoric around secession by 'Biafra' and the conflict in **Cameroon** cause

OGONI'S TRIBUNES AT ODDS

The Movement for the Survival of the Ogoni People (MOSOP), the party, or NGO, of the executed Ogoni activist, the writer **Ken Saro-Wiwa**, is divided and there is no single voice to 'speak for' the Ogoni community. MOSOP has three claimants to its presidency, five factions, and accusations and death threats in abundance.

The main faction of MOSOP, which split last month, had previously spoken up for the Ogoni-based militant **Solomon Ndigbara**, aka 'Osama bin Laden'. Ndigbara was linked to the bombing of the Bonny-Okrika pipeline three years ago which coincided with other blasts in the Delta while the army was hunting for militant boss **Government Ekpemupolo** (aka **Tompolo**) (AC Vol 57 No 5).

The army cited this as a reason for re-entering Ogoni in 2016, reviving memories of the military's presence there in the early 1990s (AC Vol 57 No 5).

Despite MOSOP's many splits, the organisation still manages to influence international NGOs and is the most vocal critic of the clean-up process. MOSOP is thought to be close to the PDP; MOSOP's ex-president **Ledum Mitee** accepted an appointment from **Goodluck Jonathan** when he was president.

Once Ogoni has been 'cleaned up', the state-owned Nigerian National Petroleum Company (NNPC) may consider new Nigerians to partner with. One that has been discussed in connection with Shell's long-standing bid to return to Ogoni is Transcorp, linked to ex-President **Olusegun Obasanjo**, and Heirs Holdings. Both companies are run by the billionaire **Tony Elumelu**. ●

be, as claimed, a bigger clean-up than was required after BP's 2010 Deepwater Horizon spill, but no data about clean-up sites is in the public domain.

Shell, one of the two oil companies involved in the clean-up along with NNPC, is believed to have paid roughly \$81m into the fund in the most recent

tranche of payments. In response to questions from *Africa Confidential*, Shell issued a statement confirming that it had 'provided \$10m in 2017 to help set up the HYPREP office' and deposited \$170m in an escrow account to finance HYPREP's work between now and 2022.

Shell referred questions about

who the 21 contractors were and the 16 firms assigned to clean-up sites to HYPREP. Shell also declined to respond to claims in the Nigerian press from a former Shell manager, **Eddie Wikina**, that 'just a little less than 1% of the contracts belong to Ogoni people', and directed all our inquiries to HYPREP. ●

CÔTE D'IVOIRE

Electoral arithmetic

Players jostle for position after Soro's resignation as Speaker and Gbagbo's ICC acquittal throw presidential race wide open

Members of Côte d'Ivoire's National Assembly have been in session this week for the first time under the new Parliamentary Speaker, **Amadou Soumahoro**, installed by the ruling *Rassemblement des houphouëtistes pour la démocratie et la paix* (RHDP) to replace **Guillaume Soro**, who quit the chair in February to launch his opposition career (AC Vol 60 No 4).

Soro's base is now the *Rassemblement pour la Côte d'Ivoire* (RACI), founded by **Kanigui Soro** – no relation – as an association back in 2013 but in the process of registering as a political party. With 16 deputies, it will qualify as an official parliamentary group, and get seats on committees.

By comparison, former President **Henri Konan Bédié's** *Parti démocratique de la Côte d'Ivoire* (PDCI) has only four MPs, while the arm of the *Front Populaire Ivoirien* (FPI) led by **Pascal Affi N'Guessan** has an even weaker presence in the chamber. But over the 18 months before the next presidential election, such formal political considerations are likely to count for much less than personality, mood and

on-the-ground organisational clout.

Late last year, Soro looked like the man with momentum, fuelled by his readiness to publicly apologise for his share of responsibility in the years of crisis and bloodshed – in marked contrast to the rest of the political class. But the surprise acquittal of former president **Laurent Gbagbo** at the International Criminal Court (ICC) in January changed the mood and injected a new factor of uncertainty into the electoral outlook (AC Vol 60 No 2).

PERMUTATIONS

The variety of tactical and electoral permutations that now confront analysts of the Abidjan political scene are almost infinite as they try to work out who might ally with whom in an effort to launch viable presidential bids, in varying circumstances and amid a host of uncertainties.

The three ageing leaders who have dominated Ivorian politics since the early 1990s all face awkward problems.

President **Alassane Dramane Ouattara** had signalled his readiness to retire, but has now postponed a final decision until mid-next year, as

he faces up to the reality that none of his most trusted political heirs – Prime Minister **Amadou Gon Coulibaly**, Vice-President **Daniel Kablan Duncan** and Defence Minister **Hamed Bakayoko** – is an obvious potential election favourite. The first two lack popular charisma, while Bakayoko may be viewed as too partisan.

Meanwhile, still sore that his first presidency was ended by the 1999 military putsch, **Bédié**, 84, appears increasingly determined to seek the personal vindication of a new election victory. But will this play well in a country where half the electorate is under 35?

Some speculate that he might copy **Malaysia's** nonagenarian **Mahathir Mohamad** and promise to stand aside after a year or two in favour of a vice-presidential running mate from the younger generation – such as **Thierry Tanoh** or **Jean-Louis Billon**.

Gbagbo is still confined to Brussels, living on conditional release from the ICC until he learns whether chief prosecutor **Fatou Bensouda** will appeal against his acquittal. But, if finally free to return home, he will enjoy an ecstatic welcome in parts of Abidjan from die-hard supporters in the *Ensemble pour la démocratie et la souveraineté* (EDS). They claim that a recent youth rally in the city's Anono district attracted 30,000 supporters.

Despite talking of reconciliation, Gbagbo appears to see his 'martyr' status as the basis for a potential presidential bid – and he is already playing hardball.

Last week he refused to accord an audience to N'Guessan unless the latter denied his own legitimacy as FPI leader and acknowledged Gbagbo as boss.

N'Guessan's claim to the FPI franchise is disintegrating, with party general secretary **Agnès Monnet** slipping into **Ghana** to fly to Brussels to meet Gbagbo, who has charged her with reunifying the party.

ALLIANCES KEY

In seeking to merge the PDCI with his own *Rassemblement des Républicains* (RDR) in a single RHDP in 2005, Ouattara had hoped to create a dominant force that could deliver a safe victory for whomever he might choose as a presidential successor.

But Bédié's decision to pull out the PDCI in July sabotaged that strategy – despite **Kablan Duncan's** creation of a PDCI Renaissance movement that hopes to keep some members of the party in the RHDP government camp (AC Vol 59 No 14 & 15).

We are now back in a political environment where no one party dominates and alliances will be the key to victory.

The conservative PDCI and the nominally socialist FPI may well forge an electoral partnership, despite the scars left by Bédié's decision to back Ouattara in the 2010 election and send his party into a governing coalition, while Gbagbo was despatched to The Hague (AC Vol 59 No 17).

A key player in forging any alliance

between Gbagboistes and the Bédié camp will be the President of the EDS, **Georges Armand Ouénin**, who is from a longstanding PDCI family. One of his brothers was head of protocol for former President **Félix Houphouët-Boigny**, while his niece **Yasmina Ouénin** was elected the PDCI member of parliament for the upmarket Cocody district of Abidjan (defeating the government candidate **Affoussiata Bamba-Lamine**).

Ouattara has lost his most charismatic if controversial potential heir – Guillaume Soro. The latter was originally sceptical when Kanigui Soro created RACI. But now he finds himself with a ready-made political vehicle for his presidential bid, with a network of local activist groups and a distinctive political pitch, presenting itself as the voice of young people's concerns about basic economic and public service issues and refutation of traditional identity and regional politics.

And they are working hard to escape being labelled as a northern movement. While Guillaume and Kanigui represent northern constituencies (Ferkessédougou and Sirasso, respectively) the new parliamentary leader of RACI is **Célestine Trazéré-Olibé**, from the south-west.

SORO THREAT

Opinions are divided over whether Guillaume Soro has a real chance of victory next year. But the government is certainly worried and some Abidjan

insiders say the RHDP is a giant with feet of clay, undermined by disillusion among voters and activists who were much more loyal to the historic parties that went before.

Even before it developed into a formal party, RACI was emerging as a particular threat to the RHDP because of its appeal to voters who would hitherto have been core Ouattara supporters.

So, facing a challenge from the well-entrenched local RACI activist and former RDR parliamentarian **Tehfour Koné**, Interior Minister Bakayoko last year poured resources into his municipal election race in Abidjan's Abobo district. There were claims of rigging after Bakayoko's win. (AC Vol 59 No 21).

And back in July 2018 the rivalry had even spilled into violence in the northern town of Korhogo, where a local RACI youth activist, **Kognon Soro**, was stabbed, allegedly by RDR supporters. Suspects were arrested and transferred to Abidjan but there have been claims they have been released secretly.

In this increasingly tense political environment the government has held talks with opposition parties and civil society groups over potential reforms of the Ivorian Electoral Commission, which has been severely criticised by the African Court on Human and Peoples' Rights. But many doubt the government's readiness to implement reforms on a scale that would ensure that elections are conducted on a clearly fair and transparent basis. ●

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POINTERS

Aid DONORS' AID PARADE

Official Development Assistance, the UN says, should be around 0.7% of gross national income, but many nations want to include within it items not normally considered 'aid' at all, such as policing their own borders. How meaningful is ODA spending, some are asking, if it includes types of private investment, security costs and the costs of housing refugees, especially if it means the money is not spent outside the country?

The UK's Overseas Development Institute has introduced a 'Principled Aid Index', devised to try and cut through the fog, ranking 29 countries in the Organisation for Economic Co-operation and Development according to three benchmarks: 'needs', 'global cooperation' and 'public spiritedness'. **Luxembourg** claims the top spot, followed by the **United Kingdom**, **Sweden**, **Ireland** and **Norway**. With the exception of Ireland, these countries are among the few who already meet the 0.7% target.

Those at the bottom of the index are deemed to focus their development budgets on either commercial or geopolitical interests while ignoring real development needs or undervaluing global cooperation. **Slovakia**, **Greece** and **Austria** are at the bottom of the table.

European countries that have sought to redefine ODA to include the costs of limiting migration flows from Africa, such as **Spain**, **Italy** and members of the Visegrad Four – **Poland**, **Hungary** and the **Czech Republic** – also score poorly.

While the ODI named and shamed, on 3 April the OECD's Paris secretariat published revised ODA statistics which taking a tougher stance on how loans can be included.

Loans currently make up around 16% of total bilateral ODA, and were previously on a 'cash basis', meaning that the full face value of a loan was included. Under the new methodology, only the 'grant portion' – the amount the loan provider gives away by lending below market rates – counts as ODA.

Comoros ASSOUMANI'S WAY

Comoros's tenuous democracy appears under continuing threat as the confrontation between opposition and government after the contentious 24 March re-election victory of President **Assoumani Azaly** accelerates (AC Vol 57 No 6). The authorities have already arrested **Mohamed Soilihi**,

leader of a self-proclaimed National Transition Council (CNT) of disappointed opposition candidates and accused it of fomenting insurrection.

The electoral commission awarded Assoumani an outright first round victory with 59% of the votes. But there were no opposition assessors in polling stations and critics have accused the government of stuffing ballot boxes. African Union and other observers refused to endorse the results. The **South Korean** consul publicly advised fellow diplomats to disbelieve government claims the election had been conducted fairly.

The president's track record over the past two years and his previous stints in government give no hint of a readiness to compromise. He has railroaded through major constitutional changes, including scrapping the vice-presidencies representing the archipelago's three constituent islands and replaced the single five-year presidential term with a seven-year mandate and the right to seek more.

In brushing off African and Western objections to his high-handed behaviour, Assoumani appears to be relying on new friends in the Gulf, including **Saudi Arabia**, which he obsequiously courted with fulsome support over the **Jamal Khashoggi** murder, and a crackdown on Comoros's small Shiite minority.

The opposition has concentrated on peaceful protest and traditional prayer assemblies in challenging Assoumani. Three people died in a bizarre 28 March attack on the armed forces headquarters which oppositionists fear the government will blame them for. That stirs bad memories of the era of the apartheid regime-sponsored mercenary **Bob Denard**, who was involved in four coups between 1975 and 1995 (AC Vol 38 No 17).

East African Community BIRTHDAY BLUES

This year the East African Community marks its 20th birthday and tries to defend its reputation as the continent's most effective regional economic grouping. This role is all the more critical as the African Continental Free Trade Area has been ratified amid concerns about the amount of political will behind it.

Much will depend on the ability of EAC Chairman **Rwanda's** President **Paul Kagame's** ability to moderate multiple regional rivalries, in several of which his own country plays a critical role. Kagame voiced some of the discontent at a retreat in Kigali for regional ministers responsible for the EAC on 29 March. 'We urgently need to get our house in order,' he said. Yet this sat oddly with Rwanda's own dispute with **Uganda**,

which has led to closed borders and aggressive words and actions (AC Vol 60 No 6). **Burundi** is at daggers drawn with Rwanda and isolated from all its neighbours as sanctions and political isolation bite. **Tanzanian** President **John Magufuli** has adopted a course of economic nationalism which clashes with the EAC's zonal approach to tariffs, and he seldom attends EAC summits.

Plans for a regional customs union are full of holes, and ten years of negotiations with the EU on a regional trade deal have come to a standstill because only **Kenya** and Rwanda have ratified the pact – prompting much angst from Kenya, which stands to take a hefty economic hit without it (AC Vol 60 No 6).

More fundamentally, member states are reluctant to pay their \$8.3 million per financial year to pay for the organisation (AC Vol 59 No 24).

Botswana/Zimbabwe STUMBLES AT THE FALLS

The power struggle between President **Mokgweetsi Masisi** and his predecessor **Ian Khama** has taken an extra-territorial twist with the involvement of Zimbabwe's Central Intelligence Organisation. Khama, who is backing **Pelononi Venson Moitsoi** for the leadership of the ruling Botswana Democratic Party at its coming congress, has been a trenchant critic of governments in Zimbabwe, both under **Robert Mugabe** and **Emmerson Mnangagwa** (AC Vol 60 No 3). Last year Masisi summarily sacked Venson Moitsoi from his cabinet when she announced her intention to challenge him for the party leadership.

Among Khama's close friends are **South African** businesswoman **Bridget Motsepe**, sister-in-law to President **Cyril Ramaphosa**, and **Andrew Young**, a former **United States** ambassador to the UN. So far, so unexceptional. But on 31 March, the *Sunday Standard*, seen as close to the Masisi government, published a spy-thriller of a news story claiming Khama had brought in Motsepe and Young to help Venson Moitsoi win the BDP leadership contest.

The Venson Moitsoi support group chose to meet in the splendour of one of the grand hotels overlooking Victoria Falls. What they didn't know was that Zimbabwe's spy service was monitoring the proceedings, according to the *Standard*. There accounts diverge. The *Standard* insists that the CIO broke up the meeting, after which Motsepe and Young flew back to South Africa. Other sources say the meeting ended amicably and according to plan. Whatever the case, the BDP's leadership contest is set to be its toughest ever, for both Botswana and some of its regional allies.

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BLUE LINES

It was the final act in the tortuous decline of Omer Hassan Ahmed el Beshir's regime: his transfer from a secure suite in the presidential palace to solitary confinement in Kobar prison. The message from his military successors is clear. They cannot hold back the pressure for sweeping political change, and that will include reform of the judicial system.

Tens of thousands of activists were detained, beaten, tortured and killed in Kobar by apparatchiks of the National Congress Party and its security system under Beshir over 30 years. Many activists across Sudan, demanding the Transitional Military Council hand power to a transitional authority run by civilians, see the detention of Beshir as a necessary but not sufficient condition to consolidate the revolution.

They welcome the sacking of the director of national prosecutions and his deputy just before Beshir was moved to Kobar.

Brokering rivalries between commanders and competing security factions, the new junta is a long way from setting out any political or economic programme, let alone a plan for transitional justice. Yet convincing people that the *ancien regime* will be held to account for past crimes is key if Lieutenant General Abdel Fattah Abdelrahman Burhan's council is going to negotiate effectively with the activists. Time is running quickly now. In the next round of sackings and detentions, the civilians want the decisions to be taken by their professional appointees, not the generals.

SUDAN

The revolution rumbles on

Oppositionists keep up the pressure, pushing Omer el Beshir's quarrelling successors into concessions

The millions of Sudanese activists taking on one of the world's most ruthless regimes, forcing two of its leaders from power in a couple of days, say they have started a revolution. Without doubt, the broad social movement which started its campaigning in the hinterland just four months ago has made a series of palpable hits, breaking the mould of opposition politics in the region and beyond. So far, its diverse leadership, including many women and activists from marginalised regions such as Darfur and the Nuba Mountains, has held together.

In the weeks ahead, the opposition front will face pressures from residual elements of the old regime determined to weaken it, and from the challenge of maintaining broad consensus about who should run the political transition and what it should do. As many political and security decisions are being taken at the same time, there were reports in the early hours of 15 April of military units trying to disperse protesters in central Khartoum.

As mass protests continued across the country, representatives of the forces of the Declaration for Freedom and Change, the broad coalition steering the protests, held substantive meetings with the new junta on 13 and 14 April about the shape of the transition. They set out their demands for civilian technocrats to run the transition, draw up a new constitution and hold elections but with the military and police restricted to maintaining public order and national defence.

The determination by the ruling junta to be the sovereign power during the

transition is a main sticking point. Some officers are arguing that the military should stay in charge for six months while it pushes through reforms and resolves the factional disputes within the security system. Trust between the broad opposition and military interlocutors is low. Veteran apparatchiks from the regime are likely to try to exploit differences within the opposition between the civic activists and veteran politicians.

REVERSAL

Before the first round of talks, the new President of the transitional military council, Lieutenant-General **Abdel Fattah Abdelrahman Burhan** spoke on national TV, announcing the release of all political prisoners and the abandonment of the generally ignored curfew imposed by his predecessor. Both the rapid shuffling of leadership posts in the junta, as some of the most heinous rights abusers are weeded out, and reversal of its policies point to disarray in the security system.

For now, much of the credit for the dizzying pace of change in Sudan must go to the opposition's determination and courage in the face of a regime willing to kill unarmed civilians en masse. Along with the opposition, it was the pressure of the economic crisis on the Sudan Armed Forces and its commanders' fears that the factionalised security system was splitting at the seams.

The demonstrators, numbering one million at times, camped outside *Alqiyada al Amaah*, the military headquarters complex on the northern edge of the

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airport, have become a symbol of the power of disciplined and peaceful mass protest. They are an autocrat's nightmare.

Espousing a cultural as well a political revolution, activists organised food, water and sanitation for the hundreds of thousands lining the streets outside *Alqiyada al Amaah*. Bands of poets, violinists and drummers wound their way through the crowd keeping up morale. On a grimmer note, the activists ran security checkpoints to stop undercover security agents bringing in weapons.

NETWORK POWER

Opposition movements have been bludgeoned or co-opted by the security state over three decades. So, the forces of the Declaration of Freedom and Change tried a new organisational and ideological tack. They used the power of community, cultural and trading networks to build a powerful resistance movement, hugely boosted by the commitment of young Sudanese, most of whose lives had been dominated by the absolute rule of President **Omer Hassan Ahmed el Beshir** and the National Congress Party.

Farmers, workers, and traders joined forces with doctors, lawyers and engineers from the Sudan Professionals' Association to push Beshir from power as the economy crashed. It shrank by over 2% last year and inflation was running at 80% at the beginning of the year. Economic mismanagement, grand corruption and the strictures of Islamist rule had stripped the regime of legitimacy in the eyes of Sudanese many years ago. Over the last week, it's become clear that many in the army shared that view.

That switch in army sympathies as the opposition massed in Khartoum triggered President Beshir's exit in a palace coup on the night of 10 April. Then it took just another 30 hours for the first leader of the junta, Lieutenant General **Awad Mohamed Ahmed Ibn Auf**, to stand down after his first faltering press conference in the morning of 11 April.

Lt Gen Burhan, the new leader of

the transitional military council and a former Chief of the General Staff, is more acceptable to the opposition. Burhan had met some of the activists before the ousting of Beshir and did not crack down on the officers seen as sympathetic to the opposition in recent weeks.

He was one of the few senior officers who had kept his distance from the Islamist ruling party, initially known as the National Islamic Front, then renamed the National Congress Party. Beshir, a paratrooper, had seized power in June 1989, backed by **Hassan el Turabi**, a leading Islamist ideologue, and a local affiliate of the Muslim Brotherhood (AC Vol 57 No 6). Initially, El Turabi and his top supporters were detained so as to disguise the putschists' project. Since then, Beshir and his acolytes have purged most of the secularist senior officers in the military.

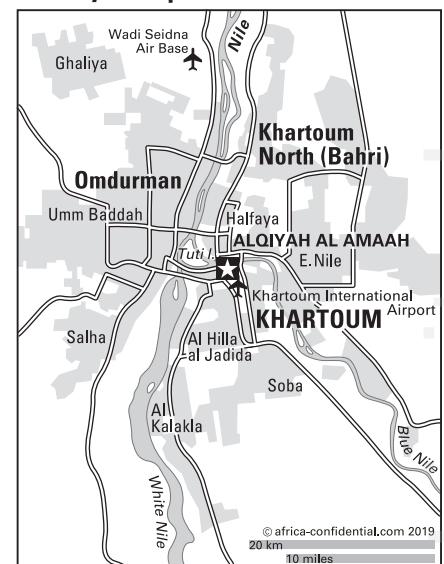
That could be reversed now that Beshir is gone. Since 11 April, the military council has closed down NCP offices and carted away documents. Some of the top Islamist ideologues, such as former deputy to Beshir, **Ali Osman Mohammed Taha** and the mercurial **Nafi'e Ali Nafi'e**, have been detained. Oppositionists are divided over whether such arrests are just diversions or whether a serious purge of the Islamist structures is in train. Burhan's pledge to 'uproot the Beshir regime' won him new friends in the opposition.

Outside Khartoum, activists have been attacking offices housing state security cadres and Islamist parties, which have often been interchangeable. Whatever the political direction agreed at the centre, there is likely to be a lot of score-settling across the country after 30 years of militarised Islamist rule.

Here, the question is whether Lt Gen Burhan will be a credible mediator between the security and political factions whose rivalry Beshir encouraged as part of his strategy to dominate the regime and marginalise threats. The fight for control covers three main entities: the Sudan Armed Forces, the National Intelligence and Security Service (NISS – see box), and the Rapid Support Forces, a pro-regime militia drawn from the *Janjaweed* units used for the mass killings of civilians in Darfur (AC Vol 57 No 20).

If those fights spin out of control, the opposition's agenda for political reform would be the first casualty. Much of the disarray in the military council derives from deep disagreements over the political roadmap. Within hours of seizing power, the junta's plan to hold power for two years, enforce a state of emergency, then hold elections and

Military headquarters in Khartoum



draw up a new constitution started falling apart. Head of its 'political committee' Lt Gen **Omar Zain Al Abidin** was rewriting the plan as he addressed journalists in Khartoum on 12 April.

Open press conferences are still a novelty. Journalists were surprised to hear Al Abidin say that civil society would sit together to 'come up with the formation of the government' with a mixture of liberalism and stick-waving. 'We will support and protect all the people's demands. But we will respond firmly to any chaos,' he said.

Burhan also served as a commander of the 14,000 Sudanese troops fighting for the Saudi-led coalition in **Yemen**, alongside **Saudi** and **Emirati** forces, giving him a direct link with the authorities in Riyadh and Abu Dhabi. Persuading the Gulf monarchies to bail out Sudan's ailing economy again could be key to the regime's survival.

LETHAL CAPACITY

However poisonous the rivalries in the security system, it retains a lethal capacity and is a powerful threat to the opposition. The Sudan Physicians' Alliance says 26 people have been killed and 150 wounded in the past week since the demonstrations outside the military HQ in Khartoum started. Police say that another 16 people have been killed in the country's western and eastern provinces, showing the extent of opposition mobilisation.

Responsibility for atrocities went right to the top of Beshir's regime and the first incarnation of the military council. Resigning alongside Auf was his deputy, the Military's Joint Chief of Staff, Gen **Kamal Abdul Marouf**. Early on 13 April, the Director of NISS, Gen **Salah Mohamed Abdallah 'Gosh'**, also resigned. All three men had called for the security services to shoot at

the demonstrators outside the military headquarters.

However, **Mohamed 'Hemeti' Hamdan Daglo**, commander of the Rapid Support Forces, was named as Deputy head of the junta under Burhan. A seasoned operator in Sudan's shifting political sands, Hemeti is said to have told his officers 'to stay neutral' once the opposition started its sit-in at the military HQ. He may also be an important ally for Burhan as he tries to face down rivals in the security system. The two men are said to have worked closely on the deployment on Sudanese troops in Yemen.

SMART TACTICS

It will take smart tactics and mass mobilisation for the opposition movement to keep a leading role in shaping the political transition. But it is not impossible. That was the track followed in 1985 when mass action had forced **Ja'afar Nimeiri's** regime from power. After pushing out Nimeiri and his acolytes, the military high command handed day-to-day control to Sudan's civil society and political class (AC Vol 26 No 8).

For more professional military officers – the minority who are unconnected to Islamist formations or harbour personal political ambitions – this offers an opportunity for change. But the path is strewn with political landmines.

On the positive side of the ledger is the courage and intelligence of the mass opposition movement which can claim the lion's share of the glory for deposing Beshir.

It is also a powerful riposte to sceptics who doubt the capacity of civilians in Sudan to run a state after half a century of military rule. Marginalised and distanced from any national power for the past three decades, Sudan's civil society has kept up an impressive vibrancy and ingenuity in circumventing the strictures of one of the world's most repressive regimes.

A photograph of **Alaa Salah**, a 22-year-old engineering student, dressed in a traditional long white taub, standing on a car leading the crowd in a revolutionary chant, flashed around the world on social media, catching the spirit of the movement.

DEFIANCE AND HUMOUR

After Ibn Auf surfaced as the junta's leader, people chanted 'We don't want to replace one *Kooz* [a derogatory term for an Islamist] with another *Kooz*' on the streets of Khartoum. Ibn Auf is known to have been a strong supporter of the Muslim Brotherhood and the Islamist project in Sudan.

IN THE BELLY OF THE SECURITY BEAST

Intrinsic to the Islamist regime of President **Omer el Beshir**, the security structures were the best-resourced arm of the state, having the deepest roots as well as an extensive surveillance network throughout the country and the region. It also spread to countries with substantial Sudanese populations such as **Britain, France, Canada** and the **United States**. It will take more than the secularist ambitions of opposition politicians to dislodge it.

A determined restructuring and re-professionalisation of the armed forces and security services will be key to any sustainable political change. Gauging the commitment of the military leadership towards such reforms will be a key indicator of the transition's viability.

Opposition activists celebrated the exit of General **Salah Mohamed Abdallah 'Gosh'** as Director of the National Intelligence and Security Service after he seemed to have lost a power struggle with Lieutenant General **Abdel Fattah Abdelrahman Burhan** and **Mohamed 'Hemeti' Hamdan Daglo**, commander of the Rapid Support Forces. But it won't be the first time that Gosh has fallen from grace in the past 30 years and he could still retain influence as an outsider. There are no reports of his being questioned or detained, far less being held to account for security service abuses.

Gosh has been replaced as NISS Director by Gen **Abubakar Mustafa**, who will also sit on the 10-member Transitional Military Council alongside Burhan and Hemeti.

When Gosh's NISS units fired live ammunition into a crowd numbering over half a million on 7 and 8 April, several junior army officers fired back to protect the demonstrators, and opened the main gates to the compound, allowing tens of thousands to shelter inside. Such clashes between the Sudan Armed Forces and armed intelligence units under Gosh had become more common over the last four months of opposition mobilisation.

Gosh, who has ingratiated himself with Western intelligence agencies by giving them surveillance reports on sundry armed Islamist groups working with Khartoum, had been trying to edge out Beshir this year, according to a well-informed regional analyst (AC Vol 60 No 4).

At the Munich security summit on 15-17 February, Gosh urged his counterparts from **Egypt, Saudi Arabia** and **United Arab Emirates** to support a deal to ease Beshir out of office (AC Vol 60 No 5). Gosh was there with **Mohamed Ata**, another former Director of NISS, subsequently appointed Sudan's ambassador to Washington, charged with negotiating the lifting of all US sanctions against Khartoum. Ata has now been sacked from his Washington job, and we hear that several more ambassadors, most of them security appointees, are to be retired now.

In February, Gosh was reported by **Qatar-based Al Jazeera** to have met **Israeli** intelligence officials. Qatar strongly opposes Khartoum's tilt to the conservative Gulf monarchies.

The bones of a deal under which Beshir would step down or broker a transition, sideline the Islamist ruling National Congress Party (NCP), then hand power to a military junta, won conditional support from Egypt and the Gulf States. But politics in Sudan has moved on rapidly since then. Cairo and Abu Dhabi have found new interlocutors in Khartoum but few insiders would write Gosh's political obituary just yet. ●

In power since June 1989, the NIF-NCP regime is the longest surviving Sunni Islamist regime in the world. It has also notched up the highest body count by any regime in this period, presiding over between 1.3 million and 2.5m deaths in the war with South Sudan, according to experts such as **Alex de Waal** and **Millard Burr**. Its military campaigns to Islamicise communities in the Nuba Mountains and repress the rebellion in Darfur took at least a further 500,000 lives.

Adding to the pressure for a strong civilian role in the transition, the African Union Commission under Chairman **Moussa Faki Mahamat** announced late on 11 April that: 'The military takeover

is not the appropriate response to the challenges and aspiration of the Sudanese people.'

Faki Mahamat made the statement despite direct pressure from Egypt's President **Abdel Fattah el Sisi** to back off. Hours earlier, Egypt had become the first government to recognise Ibn Auf's junta. In contrast, **Nigeria**, which sits on the AU's Peace and Security Commission, called on Ibn Auf to organise a speedy return to civilian and constitutional rule.

Due to meet over the weekend of 13-14 April, the Peace and Security Commission was set to consider whether Sudan's membership of the AU should be suspended and its military

rulers face sanctions under the terms of the organisation's rules against coups d'état.

Sisi, who was a classmate of Ibn Auf's at the military academy in Cairo,

has taken a close interest in Sudan's crisis. As much as it is unpalatable to Beshir's fellow ideologues and security accomplices, the prospects of a mass democratic movement playing a lead

role in Sudan's political transition would be anathema to El Sisi. Those realities underscore the scale of the task confronting the opposition after a week of vertiginous success. ●

LIBYA

Haftar stakes it all

LNA forces have attacked Tripoli, sounding the death knell to planned peace talks and opening what could be a bitter and bloody battle

Four years of efforts by the UN to end the crisis in Libya have been rendered almost futile by eastern-based strongman, General **Khalifa Haftar**. On 4 April, two months after his forces swept through the south of Libya, he dispatched his Libyan National Army (LNA) to seize control of the rest of the country, ordering it to take the capital, Tripoli, the powerbase of the rival Government of National Accord (GNA) and UN-created Presidency Council (PC), headed by **Faiez el Serraj**.

The move came just 10 days before a national conference to try and solve the crisis was due to take place in Ghadames, near the border with **Algeria** and **Tunisia**, and which Haftar had reportedly agreed to support. Organised by the UN's special envoy **Ghassan Salamé** as the UN's final attempt to fix Libya, the invitations had been sent out and some 150 politicians, community leaders and activists were set to attend (AC Vol 59 No 7). With the arrival on 5 April in Tripoli's southern districts of the LNA's 9th Brigade and clashes there with forces backing the PC, however, the conference was axed by Salamé. Officially it is delayed, but the delay is indefinite.

Another consequence of the LNA move and the fighting near the already destroyed and disused international airport south of the city has been the departure of thousands of Tripoli residents. Foreigners, including the diplomatic community, have also been leaving. The **South Korean** embassy is the only one to officially say it is relocating to Tunisia, but others have gone as well, including a **United States** military unit which, largely unknown, had been providing security in Tripoli for a variety of foreign diplomats and other figures. **Italy's** energy giant, **Eni**, has also pulled out its non-Libyan staff.

The scale of the defeat for UN diplomacy was summed up by Secretary-General **António Guterres**, who had been in Tripoli to back the now-aborted

Ghadames conference the very day the LNA advance was ordered and then flew to Benghazi to plead, unsuccessfully, with Haftar to halt it. He left Benghazi with 'a heavy heart'.

CAUGHT OFF GUARD

The timing of the offensive took most by surprise. The forces supporting the PC were totally unprepared, and LNA units from the south initially met minimal opposition as they moved up and took Gharyan, south of Tripoli, while the 9th Brigade, from Tarhouna (south-east of the capital), was able to establish bridgehead positions in the capital's southern districts. The Tripoli militias rallied, however, and supported by the Misratans they stemmed the LNA advance.

At the PC headquarters, a stunned Serraj accused Haftar of 'back stabbing' while the UN and Western governments, along with the G7 foreign ministers meeting in **France** on 5 and 6 April, rushed to condemn the offensive and demand its halt. Like Guterres, they were ignored.

Five countries have, to various degrees, been backing Haftar: **France**, **Russia**, the **United Arab Emirates**, **Egypt** and, now top of the list, **Saudi Arabia**. Just after the LNA's capture of Gharyan, the PC's powerful interior minister **Fathi Bashagha** declared that an Arab state – thought to be Saudi Arabia – had given the green light to Haftar's offensive (AC Vol 60 No 5).

Saudi Arabia is well-known, along with the UAE, as a supporter of Haftar. He opposes the kingdom's enemies, such as the Muslim Brotherhood, **Qatar** and **Turkey**, but less well-known is the fact that many of his fighters follow the Salafist teachings of Saudi theologian **Rabee al Madkhali**, a radical who nonetheless preaches the need to remain loyal to whoever is in power, a philosophy much appreciated by the House of Saud.

On 27 March, the day after a delegation of European ambassadors

in Libya flew to Benghazi to petition Haftar to give the Ghadames conference a chance, he flew to Riyadh for talks with King **Salman** and his son, Crown Prince **Mohammed bin Salman**. There have also been reports that **Jared Kushner**, senior adviser to his father-in-law, US President **Donald Trump**, did a deal whereby the US would back Saudi diplomacy and strategy in the Middle East and North Africa. Meanwhile, other reports abound of the LNA receiving ample military supplies from Egypt.

There have also been persistent but unconfirmed rumours that Egyptian soldiers from the Awlad Ali tribe, which straddles the Libyan-Egyptian border and whose members can pass for Libyan, have been dressed in Libyan uniforms and 'loaned' to the far less skilled LNA to beef up its west Libyan operations. Haftar met President **Abdel Fattah el Sisi** on 14 April.

As for the other supporters of Haftar, it is not clear how much they were aware in advance of his plans. Significantly, the UAE signed up to the US-led demand to halt the LNA offensive, while a phone call by Haftar the day after the start of the Tripoli offensive to Russian deputy foreign minister **Mikhail Bogdanov** suggests that Moscow was not in the loop either. Western diplomats suggest that the Russia's foreign ministry has not been as involved in events in Libya as 'some others' – a reference to the Wagner Group, the shadowy 'private' military contractor that has been involved on Moscow's behalf in **Syria** and is said to have started operations in Libya (AC Vol 59 No 23).

France, whose ambassador **Béatrice le Fraper du Hellen** was summoned by Serraj to explain her country's position, has insisted it was unaware in advance of the offensive. Accused by Italy's Interior Minister **Matteo Salvini** of having then tried to block an EU statement against the offensive and by the European Parliament's Italian president **Antonio Tajani** of having special interests in Libya, the French authorities have been trying to distance themselves from allegations of having a foot in both Libyan camps. President **Emmanuel Macron** even felt obliged to phone Serraj to assure him of France's support for him and the PC as Libya's legitimate authority and that it totally rejected 'the attack on Tripoli and threats to the lives of civilians'. French officials also told

the PC that Paris had nothing to do with the LNA move and had warned Haftar against attacking Tripoli.

'Why now?' is the question many diplomats and Libya analysts, activists and observers are asking about Haftar's offensive. The Ghadames conference was expected to result not only in elections and the reunification of the country's divided institutions, including the military, but also in him being recognised as the dominant figure in the political landscape, potentially opening a clear run for the presidency.

One suggestion is that Haftar and the eastern-based and internationally unrecognised administration of **Abdullah Al Thani** under which he theoretically serves has been running short of money and needs to gain control of the Tripoli-based Central Bank of Libya, through which all the country's oil revenue flows.

Another is that Haftar decided that the militias and militants controlling Tripoli were never going to surrender power or agree to his forces entering the city whatever the conference decided. It is reported that, in addition to accepting elections and an interim administration headed by Serraj as president, he and Serraj agreed at their meeting in Abu Dhabi on 27 February that the LNA

would enter Tripoli peacefully and secure it and western Libya so that polls could take place. However, on returning to Tripoli, Serraj then broke his promise under pressure from the hardliners and pro-Islamists in his administration.

BENGHAZI SCENARIO

There is widespread acceptance the LNA may be able to take parts of Tripoli, although despite their initial sluggish response, the forces backing the PC are putting up a fight. The fear is of a repeat of the Benghazi scenario where it took the LNA three years to finally crush the militants who held out in pockets of the city. Many of those militants, as well as others from Derna who held up Haftar's victory there, are now in Tripoli. They have their backs against the wall and have nowhere else to go. The local Tripoli militias currently allied with them in fighting against the LNA may well do a deal for money, but the ideologically driven militants from Tripoli, Misrata and elsewhere in western Libya will fight to the bitter end. That could take many months.

Observers also fear that, given the LNA's lack of urban warfare skills, it will resort to the tactic used in Benghazi of bombarding and destroying whole areas held by the opposition. Artillery barrages

of civilian areas were reported on 16 April and have been blamed on the LNA.

LNA sources insist Haftar has no intention of repeating the Benghazi blitz. Their new tactic, they say, has been to draw the opposition out of built-up areas into the open ground in the south of the city and wipe them out there. They claim they used this tactic at the Yarmouk military compound, near the disused international airport.

Haftar cannot afford to lose the battle for Tripoli. Were he to be forced to retreat, or even accept a ceasefire, his standing would start to crumble, starting in the south. For him this is now an existential struggle.

As for the PC, gloomy foreign diplomats who have supported it for the past three years insist that they will not accept its overthrow but accept that it may not survive and that the chapter in Libya's history that started with the UN-brokered Skhirat agreement at the end of 2015 may well be over.

All will depend on what happens next in the fight for Tripoli. Many, civilians included, have already died, with the tens of thousands of migrants, 3,000 of them being held in detention centres near the fighting, among the most vulnerable. They appear to be way beyond either side's consideration. ●

KENYA

Big data state

A new compulsory identity card raises questions about privacy, the succession and the President's business friends

Although overshadowed by President **Uhuru Kenyatta's** annual State of the Nation address on 4 April, the political establishment came together in a rare episode of bipartisanship to launch the government's new biometric identity card, *Huduma Namba* (literally, 'Service Number'). Former leaders of the opposition National Super Alliance (Nasa) **Raila Odinga**, **Kalonzo Musyoka**, **Musalia Mudavadi** and **Moses Wetang'ula** led government teams around the country to promote the card. This cross-party operation contrasted sharply with the ructions in the ruling Jubilee Party. Deputy President **William Ruto** absented himself from the events (AC Vol 60 No 2).

A year after the handshake between Kenyatta and Odinga resolved Kenya's longest post-election crisis, the President appears to have achieved the unthinkable: erecting a tent big enough for himself and his most determined

political opponents (AC Vol 59 No 6).

When the opposition leaders explained their involvement as a patriotic act, this heightened speculation that they could line up behind Kenyatta in his efforts to thwart Ruto's presidential candidacy in the 2022 elections.

If what brought together these erstwhile rivals was the symbolism of a national identity card, the spectacle of opposition leaders championing a government project recalled for some memories of the one-party era.

Officially known as the National Integrated Identity Management System (NIIMS), its government supporters are describing *Huduma Namba* as 'the single source of truth'. It is a 'smart' document with a biometrics-backed digital identifier and a microchip that supports electronic government applications and replaces all other domestic government-issued identity documents, from

national health insurance cards and driving licences to birth certificates, voting cards and personal tax numbers.

As the most ambitious project in Africa collecting data about citizens, it has huge political and commercial value to the government and its allies. Decried by the President last October, the government pushed an amendment bill through parliament in January to hasten the launch of the NIIMS. In the Registration of Persons Amendment Bill 2019, the government made it mandatory 'to collect [individuals'] DNA data including fingerprints, hand geometry, ear-lobe geometry, retina and iris patterns, voice waves in digital form and GPS coordinates to facilitate their tracking through satellite'.

Declaring that *wananchi* (working people) would not be able to obtain government services without the card, the Kenyatta administration again appeared willing to risk failure by trampling over civil rights in the name of state security.

In February, the Kenya Human Rights Commission went to court challenging the NIIMS launch. On 1 April, a day before the *Huduma Namba* launch, a five-judge bench ruled that the government was entitled to collect data to update the national registry. But the government could

neither make the NIIMS mandatory nor offend constitutional privacy and data protection provisions. The judges also banned government agencies from collecting DNA samples of any kind.

Undeterred, the government wants to ensure the NIIMS becomes mandatory for every citizen as well as long-stay foreign nationals such as refugees. It is hard to see how they could be included in NIIMS as they lack the required documents.

Immigration Principal Secretary, retired Major General **Gordon Kihlangwa**, no stranger to disobeying court orders as seen in his refusal to allow the return of pro-Odinga dissident **Miguna Miguna**, issued a directive that no passports would be issued or renewed without the NIIMS card (AC Vol 59 No 3). Similarly, the Kenya Revenue Authority is likely to make the card essential for new Personal Identification Numbers. Other state agencies are likely to favour presidential directives over court orders.

CONTRADICTIONS

It is in North Eastern Province that the contradictions of the NIIMS are most apparent. Last week, leaders from the region asked: if, in 50 years, the government had failed to register the population, which is predominantly Somali, how would it be possible now to register them in the 45-day period allowed for NIIMS registration?

Instead, the NIIMS looks to be linked to the census due this year. The last census, showed the population of Kenyan Somalis had risen 300% to 2,385,572 in 2009 from 800,000 people in 1999. The government immediately cancelled the census results in the then North-Eastern Province; a subsequent court order prevented a recount. Since then the influence of the Somali political and business elite in Nairobi has grown substantially. Rolling out the NIIMS maybe an attempt to protect the coming census against manipulation by government officials.

Big money is at stake. Under the 2010 devolution settlement, the Commission for Revenue Allocation determines allocations by weighing population density against geographical size. These allocations trigger bitter contestations between parliament and the CRA. Now it seems with the NIIMS registration, those battles will extend to which data sets, those accessible to the CRA and those produced by the 'President's Men', determine the outcome of the census.

Questions are being asked about the government's single-sourcing of the supply of the biometric kits to **French** biometrics company IDEMIA for 6 billion shillings (\$60 million) (AC Vol

58 No 21). IDEMIA, formerly known as OT-Morpho, is currently under investigation by parliament's Public Accounts Committee

NIIMS deepens existing surveillance infrastructure after a decade of initiatives driven by counter-terrorism. A raft of security measures, notably the Prevention of Terrorism Act, the Security Laws (Amendment) Act of 2014 and the earlier 2009 Kenya Information and Communications Act, have undermined constitutional privacy guarantees and expanded the state's ability to spy on its citizens.

The National Intelligence Service has direct access to telecoms networks to obtain personal data. In 2012, the Communications Authority set up a Network Early Warning System that allowed the monitoring of digital communications with the compliance of service providers. Privacy International discovered that the government had equipment which could monitor Facebook, Google, Skype and Twitter traffic.

In 2017, the government hired an Israeli firm, WebintPro, to boost surveillance of social media at a cost of Ksh2 billion (\$20m). In the run-up to the 2017 elections, Strathmore University's Centre for Intellectual Property and Information Technology revealed the presence of a 'middle box' in mobile operator Safaricom's network, which could be used for traffic manipulation, surveillance and censorship.

Safaricom's partnership with the state has been central to government security. Under counter-terrorism laws, intelligence operatives as well as the police and the Directorate of Criminal Investigations can, without a warrant, monitor voice and data traffic in their investigations. The NIS, the Directorate of Military Intelligence and the DCI have devices to track targets, collect communications data and listen to live communications.

After a decade of *Al Shabaab* attacks and increasing security measures, the state took it for granted that the public would accept a new 'security' instrument, this time the NIIMS card.

INFORMATION ADVANTAGE

The *Huduma Namba* roll-out would give State House an information advantage over the bureaucracy and, by extension, its political competitors.

Odinga may rethink his support. In the week that *Huduma Namba* was launched, his Orange Democratic Party lost by-elections in his strongholds of Nyanza and the Coast, a rejection perhaps of his rapprochement with Kenyatta.

It is the commercial interests

behind *Huduma Namba* that have raised the most awkward questions for the government. In the *E Review*, a digital publication, economist and Odinga strategist **David Ndii** wrote that lenders led by the Commercial Bank of Africa, in which the Kenyatta family has a large stake, had developed a product for small businesses whose success is predicated on *Huduma Namba* (AC Vol 59 No 5).

Called *Wezesha* ('enable'), the credit scheme will offer loans of between \$500 and \$2,000. Ndii, citing documents leaked to him, says the scheme's architects have persuaded the government to set up a credit guarantee fund which would make the CBA the gatekeeper for all financial services to small companies.

'Collateralising' personal identities and financialising the national identity registry was first mooted in 2014. The project, then called the Kenya National Data Registry Service, was meant to upgrade the National Registry of Persons by collating data from national agencies, creating, as its designers saw it, 'the single source of truth'.

The NDRS was one of Kenyatta's signature projects. To set it up, he recruited **Mwende Gatabaki**, a Kenyan ICT expert seconded from the African Development Bank. Gatabaki's plan was to digitise and upgrade the population register, creating a single 'born-digital' authenticated identity. The new register would both serve government purposes and provide an accurate credit-sharing database for the banks. It would also produce a collateralised register in which moveable assets such as livestock, companies, vehicles and other non-land assets were included.

Gatabaki costed the NDRS at \$250m, financing which was predicated on selling personal data to banks and credit reference bureaux. However, as the banks' nascent credit sharing system suffered from technology failures and other teething problems, Safaricom, in partnership with the CBA, was able to use its own subscription base to establish M-Shwari, a digital lending platform that has since reached 16 million subscribers and lent \$1.4bn. In the process, M-Shwari has made the CBA the country's biggest bank by customer size.

The model of *Huduma Namba* is **India's Aadhaar**, a similar scheme that has also drawn allegations of crony links to the tech sector and financial services. While *Aadhaar* was able to enlist 1.2 billion people, NIIMS's uptake may be far more modest.

In a country where 80% of the population profess to be Christian, *Huduma Namba*, with its microchips and mysterious digits is being held up

by some as the fulfilment of apocalyptic prophecy, The Mark of the Beast. So far

it isn't clear whether the beast referred to is a Biblical incarnation or a more

materialistic one, a product of the Leviathan state. ●

SAHEL/MALI/BURKINA FASO

Jihad's shifting fronts

Increasing the resources available to anti-jihad forces is having little effect on the growth in attacks and militant cells

Jihadism was concentrated in northern Mali at the time of the launch of *Opération Serval*, France's emergency military campaign to stop jihadist columns pushing south in 2013 (AC Vol 54 No 2). Since then, Islamist insurgents have been spreading across the whole of the Sahel sub-region and are reaching the northern borders of many West African countries.

International – mainly French – military forces, starting with those deployed under *Opération Sabre* (launched 2012) and *Barkhane* (2014), have been no better able to contain them than the weak local armies.

From the birth of *Al Qaida* in the Islamic Maghreb in 2007, after *Al Qaida*'s recognition of the Algerian *Groupe Salafiste pour la Prédication et le Combat*, to *Jamaat Nusrat ul Islam wal Muslimin* (JNIM), little seems to have changed despite a huge injection of resources to fight them. The main strongholds of JNIM's leadership are still the northern Kidal region of Mali, especially along the border with Algeria, and the strip running from Timbuktu to Taoudéni.

These two regions are no longer the focal point for most of the attacks. JNIM has decided to wage jihad in the centre of Mali since 2015 and in Burkina Faso in 2016, at least partly to maintain the element of surprise and wrongfoot governments (AC Vol 59 No 5). The *Macina katibat* (literally 'liberation movement') within JNIM has been concentrating on central Mali, in both the areas prone to seasonal flooding, such as Youwarou, Ténenkou, and Macina, and those that are not, such as Koro and Bankass. **Amadou Koufa**, the leader of this *katibat*, recently escaped an anti-terrorist operation launched by the Malian army with French operational support (AC Vol 59 Nos 4 & 24). Central Mali is particularly important to jihadist groups because its southern reaches open up the prospect of reaching far into Burkina Faso.

While working on the centre of Mali, JNIM (formerly *Ansar Dine*) also created a southern *katibat* named *Khalid bin Walid*, which launched two attacks in 2015 in the Sikasso region

of Mali and another in the Cascades of Burkina Faso. This *katibat*'s leadership was removed when its Malian leader, **Souleymane Keïta**, was arrested in April 2016, but it is still operational. In December 2018, a cell that was planning attacks in West African capital cities was dismantled in Sikasso. This *katibat* is suspected of being responsible for several attacks in Burkina Faso's western region. The leadership of this cell has been taken over by men from Burkina, mainly Mossi, and shows the shift of the main operating theatre for jihadist organisations from Mali to Burkina, according to military intelligence sources.

Between 2016 and 2018, Soum Province (in Burkina's Sahel region) was the target for most jihadist attacks launched by *Ansar ul Islam*, a group linked first to *Ansar Dine* and now JNIM, but which has been divided since one wing became close to the Islamic State in the Greater Sahara (ISGS). The influence of JNIM-affiliated jihadist groups in Burkina Faso has extended to other regions, especially Nord and Boucle du Mouhoun, where attacks have increased over the past six months. The most recent of these occurred on

31 March when the *gendarmerie* in the western town of Barani was attacked.

JNIM's presence can also be seen in Est, where the group has claimed several attacks since December 2018. Est was the area of Burkina Faso most quickly disrupted. Spared the jihadist threat until early 2018, the region fell suddenly into a cycle of violence, with frequent attacks against the *Burkinabé Forces de Défense et Sécurité* (FDS).

ISGS has never claimed any attacks in the east, but the group, whose origin derives from a split within *Al Mourabitoun* (formerly *Mouvement pour l'unicité et le jihad en Afrique de l'Ouest* – MUJAO), is reputedly the most influential in this area. Two dynamics brought this about. The group has partly fled the Ménaka and Gourma Regions of Mali because of pressure from *Barkhane* and its allies, the *Mouvement pour le Salut de l'Azawad* (MSA) and the *Groupe autodéfense touareg Imghad et alliés* (GATIA). ISGS has extended its influence from the neighbouring Oudalan Province, where it has been present since 2016.

It would be misleading to say that ISGS has been ousted definitively from its former strongholds in Mali. Several attacks against the MSA have occurred in the past few months, such as the one in Taranguit on 14 February, and against *Barkhane* (a complex attack on 10 March). This shows the resilience of ISGS, especially in the Ménaka Region, along the border with Niger. According to reliable sources, *Barkhane* has decided to end its collaboration with both armed MSA and GATIA.

Flashpoints in the Sahel



Last but not least, ISGS fighters in this area, many of whom belong to the Tolebe Fulani ethnic group, also extended their influence to the department of Torodi in Niger's Tillabéri Region and to the Birnin Kebbi and Dogondoutchi areas, close to the **Nigerian** border. The latest significant attack occurred in February, killing two Nigérien gendarmes. These Tolebe Fulani fighters based in northern Tillabéri are originally from this area, which extends right up to Sokoto State in Nigeria, centre of **Usman dan Fodio's** caliphate in the 19th century.

SOCIAL INJUSTICE

The speed with which jihadism is expanding far from its original stronghold raises questions. Most analysts see rising frustration with poor living standards and lack of social justice as feeding jihadist recruitment, more so than ideological conviction or purely religious radicalisation.

Competition between different ethnicities for scarce economic resources also plays a role. In central Mali, the Tillabéri/Ménaka cross-border area, or eastern Burkina Faso, local grievances and often primarily concern Fulani nomads. Because they lie outside settled Sahelian society, they are prone to extortion by the Burkinabè armed forces

and cannot access social services.

Jihadists claim to stand for social justice and rely on that as a recruiting principle, more than preaching. Yet, as more Fulanis rally to the black flag, their stigmatisation by other communities increases, and inter-communal tensions flare up, resulting in localised genocidal massacres. This in turn fuels Fulani radicalisation.

The growing intercommunal rivalries are especially worrying. In Burkina Faso, tension has been mounting since the beginning of 2019 between Mossi and Fulani after the massacre of almost 200 Fulanis on 1 January. The tension is at its peak in the north in Arbinda, close to Yirgou, where more than 60 Fulanis were killed – again by Mossi agitators, including Koglweogo self-defence militiamen – between 21 March and 2 April. In the Nord Region, another massacre of at least 146 Fulani civilians took place near the border with Mali.

Burkina Faso faces a scenario similar to what has been unfolding in central Mali since 2015 between Bambaras and Fulanis in the flood-prone areas, and since 2016 between Dogons and Fulanis in areas not prone to flooding. As in Burkina Faso, the tensions are fed by the militarisation of settled groups,

sometimes with the support of local or national officials pursuing an anti-terrorist agenda. Similar sensitivities in Ogossagou, a village in the Bankass District of Mopti Region, led on 23 March to the deaths of more than 200 Fulani civilians, killed by groups of Dogon *Donzo*, 'traditional hunters'.

The deterioration in social and ethnic relations and the ability of the jihadists to exploit it is a key reason for the failure of purely military anti-jihadist efforts. Also, security chiefs react hastily to international pressure. After the Ogossagou massacre, the government dissolved *Dana Ambassagou*, the Dogon militia allegedly behind the killings, though it had been an ally to the Malian defence forces in its ground war against terrorists. *Dana Ambassagou* has refused to be disarmed and is now threatening to fight its former allies.

Beyond the humanitarian dimension, the tension legitimises jihadist propaganda urging communities to rise up against the state and rival groups, especially by joining the jihad. Since late 2018, the defence of Fulani communities has been at the very heart of propaganda by Amadou Koufa, who has called on Fulanis everywhere from **Benin** to **Cameroon** to join the fray. ●

SOMALIA

Out for the count

It was hardly surprising that government soldiers should abandon their posts after not being paid

A rmy day in Somalia is 12 April. But March was mutiny month. The country is still counting the cost after the Somali National Army abandoned three major bases in Gedo, Lower and Middle Shabelle in the middle of the month and went on strike or mounted other protests over not being paid or supplied with food for the three previous months. *Al Shabaab* did not wait to be asked to take advantage, and it occupied the town of Balad, 20 kilometres north of Mogadishu, for several hours and orchestrated a series of bombings and assassinations around the country, including an assault on Mogadishu City Council which claimed the life of the Deputy Minister for Labour and Social Affairs, **Saqar Ibrahim Abdallah**. Western donors to the SNA have long tussled with the problem of getting their funds to soldiers on the ground without it being filched on the way, or financing fictional

'ghost' units whose pay is embezzled. Food and materiel are another source of illicit profit. The solution has long been to hand: biometric registration of the rank and file.

Last September, the **United States** tried to break the logjam by offering to use its influence at the IMF/World Bank spring meetings in April to cancel Somalia's foreign debt in return for implementing a corruption-proof biometric registration system for the SNA. Sahan, a thinktank, was contracted to register a new payroll but had to stop work in December after being expelled by the Federal Government. Officially, this was because Sahan had recruited a deputy of **Mukhtar Robow Ali 'Abu Mansur'**, a *bête noire* to President **Mohammed Abdullah Mohammed 'Farmajo'** (AC Vol 60 No 2).

A far more probable reason was that Sahan had happened to raise concerns that the SNA contingent in Gedo was

over 90% Marehan, Farmajo's clan. The SNA is supposed to exemplify national unity by being composed of any and all clans in all its units.

A new company replaced Sahan in January but its staff, mostly diaspora Somalis, soon declared they would not go into the field to gather data because it was too dangerous: towns like Jowhar and Baydhabo were fine, but not out to the garrisons in the front line against *Al Shabaab*.

The government, Prime Minister **Hassan Ali Khaire** especially, did nothing to force the new contractor's census-takers out of their bunkers or grasp the nettle. He also caused further defections from the SNA by labelling the Middle Shabelle mutineers as Abgal clan militias.

COOL MONEY

Having done this, Khaire tried to repair the damage, but only in the way a clan leader would. Money was given to the Abgal Imam to cool down the situation and two key Abgal members of the government were sent to SNA barracks to appease the soldiers. While cursing the oppressive issue of clan politics in front of international actors, Khaire was exploiting it in his own political moves.

Rather than tackle the problem head on, Farmajo's government has

mounted a propaganda offensive at home to convince the public all is well and to stifle debate of the problem and criminalise dissenters.

This was clearest in parliament, which the government attempted to prevent from convening. When it finally sat, early this month, the Farmajo-supporting Speaker disallowed a motion summoning **Fahad Yasin Dahir**, the deputy head of the National Intelligence and Security Agency (NISA). When MPs erupted in protest the education minister accused them of working for *Al Shabaab*. Last December, members of the parliament's Budget Committee were sacked because they were concerned about the possible embezzlement of \$42 million.

'Captured' *Al Shabaab* bomb-makers were produced and bomb plots 'foiled' to prove the continued effectiveness of the SNA. And it reshuffled some of the top brass of the Army. However, nepotism still rules. Farmajo appointed General

Abdi Hasan Mahamed as deputy force commander of the SNA almost certainly because he is Dulbahante, the same clan as his mother's family.

The international community also bears strong responsibility for the current situation. It pushed for a National Security Architecture under which the SNA would take over from the African Union-sponsored African Mission in Somalia (Amisom) force, but no deadlines can be met if the number of troops cannot even be accurately counted. Some 18,000 troops are needed for the five Federal Member States and plans are still in their infancy, with only four months to go under the timetable agreed in May 2017.

Yet in Middle Shabelle alone, there are at least 16,000 SNA. Rationalising the numbers, rooting out ghost soldiers, creating police forces from veterans – none of these have yet been done.

The government, most observers agree, spends too much time trying to

appear good in the eyes of the West, while preventing democratic debate in parliament and mismanaging the army, and other public services. *Al Shabaab* is the only beneficiary.

BASIC FLAWS

While much faith is placed in biometric technology, simple flaws are already clear. Many officials have registered their personal bodyguards or relatives as SNA soldiers so as to make the donors pay for their security. The guards and the relations remain outside SNA command. The President and his Prime Minister are well aware of this but have not done anything to prevent their political allies cashing in.

Whatever the outcome of the IMF/World Bank deliberations on Somalia's debt in Washington, *Al Shabaab* is confident that it can destabilise Mogadishu and eventually appear as a more efficient, though less likable, guarantor of security to the public. ●

SOUTH SUDAN

'Not even the Pope'

An extraordinary display of humility by Pope Francis shocked the rival leaders but has not make the tenuous peace less fragile

On 10 and 11 April, South Sudan's rival warring leaders, President **Salva Kiir Mayardit** and former Vice-President **Riek Machar Teny Dhorgon**, met at the Vatican face to face for perhaps the last time before the two sides are due to form a unity government in May. The meeting was capped by the stunning spectacle of Pope **Francis** lowering himself to kiss each of their feet and plead with them to deliver peace. Despite the papal intervention, the May deadline looks increasingly in doubt.

The 'spiritual retreat', as the Holy See described the two-day gathering, was in fact the product of years of coordination, an extreme rarity, between the Vatican and Lambeth Palace, the seat of the Pope's Anglican counterpart, the Archbishop of Canterbury, **Justin Welby**, to push for peace in South Sudan. The Church of Scotland, which is Presbyterian, also participated, thus including South Sudan's three largest denominations.

The Church is, arguably, South Sudan's only truly national institution, yet has been unable to fully transcend the nation's deep political fissures. The church has struggled to step up into a bigger role as the five-year civil

war raged on and discontent with the regional peace process grew, contending with its own political, denominational, and ethnic divisions. In 2017, Pope Francis and Archbishop Welby made plans to visit Juba together to appeal for peace, but they quietly cancelled them. Efforts by South Sudanese church leaders in 2018 to insert themselves into the peace talks in Addis Ababa failed to achieve any breakthroughs and ended in bitter disappointment. The peace deal was only signed after the talks moved to Khartoum, where Sudan's then President **Omer el Beshir** and the then intelligence and security chief **Salah Mohamed Abdallah 'Gosh'** took personal charge.

'SPIRITUAL RETREAT'

This time, the Church tried to steer clear of politics, making clear to the parties and diplomats that they would not conduct political mediation. The 'spiritual retreat' consisted predominantly of time designated for prayers, reflections, meditations and spiritual exhortations interspersed with communal meals. The Church event was intended to reconcile the president and future five vice-presidents of the new government. In addition to Salva and Riek, current

Vice-Presidents **Taban Deng Gai** and **James Wani Igga** received invitations, as did **Rebecca Nyandeng**, **John Garang's** widow, who is expected to fill the vice presidential slot allowed to the 'Former Detainees' Group (AC Vol 59 No 6 and 19).

The South Sudan Opposition Alliance, which is in disarray amid a leadership battle between factions led by **Gabriel Changson Chang** and **Lam Akol**, does not yet have a clear vice-president designate and did not receive an invitation as a result (AC Vol 59 No 15). In the end, Salva, Riek, Taban Deng, and Nyandeng participated; Wani Igga stayed behind in Juba.

The extraordinary event was almost derailed at the last minute. Until the day before, 9 April, it was still unclear if Riek would travel from Khartoum amid rumours that the Inter-Governmental Authority on Development (IGAD) had not authorised his travel. Others suspected Riek of leveraging his invitation to secure formal notification of his freedom from IGAD. Riek has not been granted freedom of movement since being put under house arrest in **South Africa** in 2016 (AC Vol 58 No 1). Even in Khartoum, Riek's communications and movements are limited.

What came of it all? The Pope's dramatic gesture to kiss their feet left the four politicians visibly shocked. The pontiff, breathing heavily, had to be assisted as he lowered himself down, first to Salva, then Riek, then Taban Deng. By the time he got to Nyandeng, Garang's widow, she clasped her hands together in front of her nose, as if verging on physical collapse. They

weren't the only ones left speechless: the Pope's act of humility towards men responsible for the deaths of hundreds of thousands of their own countrymen left many queasy. Some of the spiritual significance also got lost in translation: some South Sudanese viewed the Pope's actions as sanctifying and blessing their power-hungry leaders. 'Does the Pope know he kissed the feet of the devil?' one opposition politician lamented.

Hopes that the retreat would spur renewed urgency towards peace were

swiftly dashed. Salva invited Riek to return back to Juba to form a national unity government early. The long-time rebel leader had other things on his mind. By his own account, Riek told Salva that he wanted a six-month delay to the formation of the unity government. Riek still demands Salva unify a new national army, as agreed in the peace deal, before he returns; the two have also not agreed on how they will share security in Juba.

Riek is content to sit tight for better terms for his return – but events in

Sudan left him unsure from where to wait. The day after the Khartoum coup, when Ibn Auf was still in charge, Riek still planned on returning to Khartoum. Then Ibn Auf stepped down, and the following day Salah Gosh, who was critical to putting together the accord, also resigned (AC Vol 60 No 8). Up until his fall, Beshir looked like the only head of state in the region who would and could intervene to try and keep the peace deal on track. With Beshir and Gosh out of power, the peace deal may indeed require divine intervention. ●

GUINEA

Condé bids for third term

The President's bid for a third term has hit top gear. Can a fractured opposition unite to deny him the constitutional changes he needs?

President **Alpha Condé's** campaign to change the constitution to get himself a third term has now reached full steam, as he exhorts his party's rank-and-file to 'prepare for battle' although he repeats that his decision to run or not would depend on 'the will of the people'. Following that none-too-subtle hint, huge banners bearing the presidential portrait suddenly appeared on the façade of the **Chinese-built Palais du Peuple**, which is home to Guinea's Parliament.

Condé, 81, is busy aligning himself with leaders who may have been democratically elected but have developed autocratic tendencies. He has described **Rwanda's Paul Kagame** as an example to emulate, and sidled up to **Turkey's Recep Tayyip Erdogan**, which landed a Turkish company the right to manage the *Port autonome de Conakry*, amid much controversy (AC Vol 59 No 20).

The latest additions to Condé's collection are **Russia**, whose ambassador, **Alexandre Bregadze**, stated that Guinea could change its constitution if the people so desired. **Egypt's Abdel Fattah el Sisi**, who is also seeking to change the limits to his own term, was hailed as 'a brother and a friend' during a state visit to Guinea in early April.

Condé has also taken to copying their methods, shutting down critical media, arresting protesters against a third term and opposition politicians like **Faya Millimouno**, the leader of the *Bloc Liberal*. Millimouno was picked up on 5 April, along with a dozen party activists, for demanding a date for the legislative elections, an event the government is

deliberately delaying, he claims. One plausible theory doing the rounds is that should Condé lose the slim majority he holds in Parliament, it would close one avenue to constitutional change.

Millimouno was charged on 8 April with holding an illegal meeting and causing a public disturbance, provoking a series of angry tweets from opposition leader **Cellou Dalein Diallo**, who heads the *Union des forces démocratiques de Guinée* (UFDG). Diallo called the arrests 'a serious attack against freedom of expression' and, unsuccessfully, demanded Millimouno's immediate release.

Conakry also played host to a series of more democratically inclined old friends, including **Tony Blair** and two former **French** presidents: **François Hollande** and **Nicolas Sarkozy**, who had reportedly brokered the truce between Condé's government and the **Israel-based** minerals magnate **Beny Steinmetz**, after a protracted battle over the unexplored iron ore reserves in Guinea's remote southeast (AC Vol 60 No 5). These reconciliatory moves provoked speculation that there may also have been a similarly internationally mediated deal between Condé and opposition leader Diallo, which the latter immediately dismissed.

At home, Condé is busy re-assembling and expanding the coalition that won him the presidency in 2010. Key to this attempt is shoring up the vote in **Guinée Forestière**, one of his two traditional strongholds – the other being **Haute Guinée** – where he has been losing ground. (AC Vol 57 No 13)

He has roped in, once again, the famously incompetent but popular

Papa Koly Kourouma, who lost his job as energy minister during Condé's first term (AC Vol 55 No 3).

Kourouma has a solid following in the city of **N'zérékoré** and is a friend of former junta leader **Moussa Dadis Camara**, who continues to command significant support in the same region. Kourouma told Guinean media that he had been given Dadis's blessing for his return.

BIGWIGS

Condé is becoming increasingly reliant on former bigwigs from the *Parti de l'unité et de progrès* (PUP), the election winning machine of the late strongman **Lansana Conté**, a master manipulator of the constitution and the high-ranking judges supposed to uphold it. It led to UFDG Vice-President **Fodé Oussou Fofana** quipping that the incumbent was now surrounded '80%' by former PUP cadres, including Prime Minister **Kassory Fofana** (one of Conté's former finance ministers), the omnipotent Secretary-General to the Presidency, **Kiridi Bangoura** (formerly Conté's hardline minister for Territorial Administration and Decentralisation), and special adviser **Tibou Camara**, who served as a finance minister under Conté (AC Vol 59 No 11).

Opposition parties and civil society groups have started to form a counter movement, the *Front national pour la défense de la Constitution* (FNDC), including both Diallo and Millimouno, along with the UFR's **Touré**. The FNDC officially launched on 3 April, two days before Millimouno's arrest. Momentum appears to be on the side of those who want to see Condé go but the movement is divided: the FNDC is only one of many groups who want to maintain the Constitution; others have adopted red armbands and red vests – echoing recent protests in **Senegal** and **France**. There is also a *Balay citoyen* in Guinea, named after the group that chased out **Burkina Faso's Blaise Compaoré** in October 2014.

'No to a third term' is the slogan

around which Guinea's major opposition parties hope to rebuild their once united front against Condé, fractured when the *Union des Forces Républicaines* (UFR) leader Sidya Touré accepted a government post as the president's 'high representative' after the 2015 election (AC Vol 57 No 4). Dismayed by his lack of real influence in government and by the political price paid by the UFR, Touré quit in December and went back into opposition. Whether these political rivals can translate a single-issue campaign into a broader, shared political pitch and challenge for the presidency remains an open question.

Senior figures in both the UFDG and the UFR make positive noises and recognise the potential benefits of combining their forces to confront Condé or a chosen successor such as **Kassory Fofana**, one of the wildest operators in Guinean politics.

Certainly, there is a natural complement between UFDG backing from the Peul (Fulani), the country's largest ethnic group, particularly in the Fouta Djallon highlands, and support for the UFR among Soussou coastal voters and smaller ethnic groups such as Touré's Diakhanké. There is also a precedent for cooperation; the two parties worked well together in the first democratic election in 2010.

Collaboration over the intervening years has been less consistent and fruitful. In 2015, Diallo's unifying appeal to the wider opposition was undermined by a bizarre decision to

ally himself with Dadis – whose troops had carried out the 28 September 2009 stadium massacre of opposition supporters (AC Vol 51 No 2).

Meanwhile, UFDG faith in the UFR was badly damaged by Touré's decision to change course after the 2015 election and join the government. Although there is talk of a formal opposition alliance, the UFDG is wary and will need reassurance that the smaller party is committed to the strategy this time.

CALCULATION

Widely respected for economic stabilisation and restoring water and power in Conakry during his 1996-99 stint as prime minister, the UFR leader defended this about-turn by arguing that he had the development policy skills to help Condé fulfil campaign promises for sectors such as power and agriculture. However, senior UFR sources admit that the switch was also driven by political calculation.

The party feared that it was increasingly viewed by the public as an adjunct to the perennial campaign of Diallo – often typecast as 'the Peul presidential candidate'. It was losing activists who had joined because of the UFR's cross-communal appeal and were dismayed by ethnicised politics. Touré hoped his U-turn would refresh and broaden the party's appeal, and the strategy did pay dividends in the 2018 local elections: the UFR rebuilt in its coastal strongholds and made a big breakthrough into Haute Guinée,

where it won scores of councillor seats. An overhaul of the party machine saw **Saikou Yaya** – who had made his name building up the youth base – appointed executive secretary.

But Touré made little impact in government, where Condé – wary of his influence – remained cool about his ideas to reform the agriculture sector, and blocked a deal that he had negotiated for a \$30 million interconnector to bring power from **Côte d'Ivoire** to Guinea's border communities.

The campaign against a Condé third term could be useful in helping to rebuild cooperation, because this is an issue on which both parties, and many civil society groups, are united.

Buoyed by the recovery of its base and its inroads in Haute Guinée, the UFR may well seek to test its own strength with a Sidya Touré candidacy in the first round. The smaller party's message is that it can mobilise support beyond the core Peul electorate that the UFDG alone could never reach.

Whether these combined forces will be enough to block Condé's third term ambitions or defeat him in the 2020 presidential race is another matter. The incumbent seems determined but his victory is no gimme, not just because of the resistance that is building up but also because Guinea's notoriously polarised political landscape could turn violent. There is little evidence that either side is prepared to hold back. The result is that Guinea's stability is looking increasingly fragile. ●

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POINTERS

Botswana

KEY ROUND TO MASISI

■ President **Mokgweetsi Masisi** has fended off a dangerous challenge for the leadership of the Botswana Democratic Party (BDP) from former senior cabinet minister **Pelonomi Venson-Moitoi**, widely seen as a stalking horse for former President **Ian Khama**. She withdrew her bid at the eleventh hour, leaving Masisi unopposed at the BDP congress on 5 April. Both Khama and Venson-Moitoi complained bitterly of irregularities, intimidation and bias in Masisi's favour during the contest.

This is a major victory for Masisi in his feud with Khama (AC Vol 59 No 17). Before the congress, Masisi's supporters feared Khama's potential to mobilise his immense standing, national prestige and status as a traditional leader to ensure Venson-Moitoi's victory. The leader of the largest party in parliament automatically becomes state president. The election is scheduled for October. The BDP has experienced no leadership contests since its rule began in 1966 with independence under Khama's father, Sir **Seretse Khama**.

Khama's anger at his successor centres on the reduction to his privileges as a past president and the removal from office of his intelligence chief **Isaac Kgosi**, who faces prosecution for major offences but has only appeared in court on accusations of obstructing justice and exposing the identities of intelligence officers (AC Vol 60 No 3). He is on bail, and due back in court on 23 May.

The prominent businessman, MP, Venson-Moitoi supporter and former BDP chairman **Samson Moyo Guma** was rumoured to be forming the nucleus of a new party, but he left the country before the BDP congress. He says he was escaping an assassination plot but the government claims he was fleeing possible tax evasion charges.

Nigeria

ATIKU TAKES HIS BEEF TO DC

■ **Atiku Abubakar** is sticking by his claims of fraud in the Nigerian presidential election. He is spending \$30,000 on Washington DC lobbyists Fein and DelValle to try to persuade **United States President Donald Trump's** administration and the US Congress not to recognise President **Muhammadu Buhari's** re-election victory.

According to documents filed under the US Foreign Agents Registration Act (FARA), Fein and DelValle's three-month contract with the People's Democratic

Party candidate will see them try to persuade both Houses of Congress to 'forebear from final declaration and recognition of a winner' until Atiku's appeal is 'impartially and independently resolved' by the Supreme Court of Nigeria. Atiku cried foul after Buhari was announced the winner of the 23 February poll, which gave the incumbent a 3.9 million vote margin of victory (AC Vol 60 No 5).

Veteran Republican operative **Bruce Fein** served as Associate Deputy Attorney-General under President **Ronald Reagan**, but he is not the one running the show for Atiku. The firm will run a 'Situation Room' headed up by **Lloyd Ukwu**, a well-connected DC lawyer and Atiku supporter who set up the 'We The People of Nigeria' campaign group to demand free and fair polls, and who has been lobbying for Atiku in the US and the European Union since last autumn. The contract states that 'fees for consultancy and legal services shall be without charge/pro bono', with the \$30,000 covering 'costs and expenses'.

In their engagement to Atiku, Fein and DelValle promise to 'obtain official recognition that you are the authentic President of Nigeria based on an accurate counting of legal ballots', adding that overturning Buhari's victory is needed to avoid 'genocide, violence, strife, poverty and corruption that will undoubtedly continue if Your Excellency is denied his rightful electoral victory.'

Niger/Nigeria

COUNTER-TERROR ERROR

■ Four years after imposing a ban on economic activity along the shores of Lake Chad aimed at staunching the flow of funds to the Nigerian Islamist militia *Boko Haram*, the authorities in Niger have admitted defeat and scrapped the restrictions.

In peaceful times this is one of the most prosperous parts of Niger, thanks to fishing in the lake, cereal farming in the well-watered fields along its shore and the production of red peppers – a high-value crop – in the valley of the Komadougou Yobé river which marks the border with Nigeria (AC Vol 54 No 13). Sales of fish and red peppers generate CFA70-100 billion (\$120-171 million) a year.

But after it became clear that *Boko Haram*, which is especially active in the Lake Chad basin, was taxing this trade heavily, the authorities intervened. Families farming peppers were ordered to move out of the Komadougou Yobé valley and the use of motorbikes, one of *Boko Haram's* favourite forms of transport, was banned.

Yet the human cost was severe. Partly as a result of the policy, some 200,000-

300,000 Nigériens in the Diffa region have come to rely on emergency food aid, along with 700,000 refugees from neighbouring countries. Local youth and community groups, as well as the government's own rural development specialists, feared the destruction of livelihoods would increase recruitment to the jihadists. The ban on market trading was lifted last year, and all restrictions have now been scrapped, with an environmental specialist, **Mohamed Mouddour**, recently appointed as Diffa's new governor.

This is not the only region of Niger where scorched earth tactics to curb terrorism have been tried – and failed. In Tillabéri region, often targeted by Malian armed groups, the governor tried banning urea-based fertiliser, which can be used to make bombs. The government has now realised the policy was counter-productive and has restored fertiliser imports (see Feature, page 7).

Egypt/Sudan

WHOSE CHAIR IS IT ANYWAY?

■ It has been a week of two halves for Egypt's President **Abdul Fattah el Sisi**. It ended with a celebration at the Heliopolis Presidential Palace of the vote in parliament on 16 April backing a constitutional change to allowing him to stay in power until 2030. More proposals to consolidate and widen his powers are in the offing (AC Vol 59 No 24).

There are misgivings, however, about Sisi's autocratic style of government within and without Egypt, especially in Sudan. As opposition grew to **Omer el Beshir's** regime in Khartoum over the past four years, Sisi tried to negotiate an outcome that would benefit Cairo. In February, he met **Salah Abdullah Mohamed 'Gosh'**, Khartoum's veteran spy master, to discuss a phased exit for Beshir (see Feature, page 1).

Once Beshir had been forced out, however, Sisi instructed his officials on 11 April to recognise the junta under Lieutenant **General Awad Mohamed Ahmed Ibn Auf**.

That was problematic as this year Sisi is the Chairman of the African Union, which prohibits recognition of any regime that won power through military force. Undeterred, Sisi called the Chairman of the AU Commission, the administrative head of the continental organisation, **Chad's Moussa Faki Mahamat**, to persuade him to make an exception for the Sudanese junta.

Unconvinced, Faki Mahamat put out an official statement condemning the coup and demanding a speedy return to civil rule. And when the AU Peace and Security Commission chair also backed his call with his own statement, Sisi's proposal was dead in the water.

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BLUE LINES

Protestors on the streets of Khartoum have taken up a new slogan: 'Victory or Egypt'. For them it's personal. Sudanese activists resented the collaboration between the two countries' elites. Both the current head of the junta, Lieutenant General Abdel Fattah Burhan and ousted leader Omer el Beshir went to military academy in Cairo. The new junta's first leader, Lt Gen Awad Ibn Auf, who lasted just a day in power, was at military academy with Egypt's President Abdul Fattah el Sisi.

Particularly irksome was President Sisi's buying more time for Sudan's junta after the African Union's Peace & Security Commission had set a 15-day deadline to hand over to civilian rule. Days earlier, Sisi won a referendum to change Egypt's constitution to allow him to stay in power until 2030. The spectre of Sisi's authoritarian regime – and the dimming of Egyptians' hopes after the 2011 revolt – haunts Sudan's activists.

Sisi typifies a new authoritarian wave, backing Khalifa Haftar's attack on Tripoli and nodding at the electoral carve-up in Congo-Kinshasa. In Tanzania and Burundi where elections are due next year, the opposition is being coopted and crushed. In Uganda, due to vote in 2021, the emphasis is on crushing; in Kenya, which votes the following year, co-option. For opposition parties, business-as-usual tactics are not working even against regimes mismanaging economies and stealing billions. That makes the protestors in Algeria and Sudan ever more relevant.

AFRICA'S ECONOMIES

Slowing down but borrowing more

International financial institutions are downgrading their growth prospects for the continent

As the International Monetary Fund and World Bank held their spring meetings in Washington DC last month, economists with both institutions presented an Africa growth picture which has worsened since the meetings in Bali, Indonesia, just six months ago. The IMF also downgraded its estimates of global growth, which are now expected to fall (compared with last year), particularly during the first half of 2019 (AC Vol 59 No 21).

The IMF had, in January, already reduced its October 2018 projection for real GDP growth in sub-Saharan Africa (SSA) in 2019 from 3.8% to 3.5%, which remains unchanged (AC Vol 60 No 3). Yet the latest IMF figures confirm that since Bali, it has reduced 2019 growth predictions for over 20 economies in SSA and North Africa including: Algeria, Angola, Cameroon, Ethiopia, Kenya, Nigeria, South Africa, Tanzania, Tunisia, Zambia and Zimbabwe.

The World Bank slashed its projections of 2019 SSA growth from 3.3% in October and 3.4% in January to 2.8% now and, unlike the IMF, now says overall SSA growth decelerated between 2017 and 2018. The Bank, like the IMF and most economists, believes that, overall, the SSA economy will expand more quickly this year than last.

Like the IMF, the Bank has since October reduced its growth projections for SSA's three largest economies, South Africa, Angola and Nigeria. They remain a drag on the region's growth and are predicted, as a group, to register negative

per-capita growth this year, in 2020, and in 2021.

SLIPPING GIANTS

Taking a historical perspective, the Bank now ranks these three among several 'slipping' economies whose average economic performance from 2015-18 is clearly worse than during 1995-2008. It also lauds the performance of a number of 'improved' and 'established' SSA economies, exclusively from East and West Africa, both exceeding 5.4% average growth from 2015-18 and improved compared with 1995-2008.

The growth outlook for SSA and Africa, including North Africa, remains differentiated according to region. The African Development Bank (AfDB), ahead of its June-scheduled annual meeting in Malabo, Equatorial Guinea, maintains that East Africa will, as in 2018, outpace, in declining order of growth, North Africa, West Africa, Central Africa and Southern Africa this year and next.

Yet the AfDB's prediction for Africa's fastest growing region, at less than 6%, falls short of the IMF's predicted economic expansion in Emerging and Developing Asia even if faster, on average, than the group of 'ASEAN-5' economies (Indonesia, Malaysia, Philippines, Thailand, Vietnam). Convergence of average SSA living standards with more economically-developed regions appears improbable for now.

Differentiation also persists between non-resource and resource-intensive economies, with the former set to outpace

MALAWI	3	SUDAN	4	SOUTH AFRICA	5	BENIN	7	KENYA	8
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the latter in both the short and medium term. IMF economists predict that 21 mostly diversified/non-resource intensive SSA economies should reach or exceed 5% growth this year, and that nine (including Côte d'Ivoire, Ethiopia, Ghana, Senegal and Uganda) could reach or exceed 6%.

Among resource-intensive economies, the Fund now predicts Africa's oil exporters will, during 2019 at least, narrow the growth gap with other resource-intensive countries. Commodity prices remain a key factor in these countries' growth, and for their government finances.

From an oil producer perspective, the significant fall in oil prices from around US\$80/barrel back in October has fortunately been followed by a modest price recovery this year, backed for now by hopes of global demand growth and continued commitment by OPEC and (some) key non-OPEC producers to cap supply. The current outlook for non-oil commodity prices remains mostly weak, partly due to lower-than-hoped Chinese demand.

On the fiscal front, both Washington DC institutions predict an overall reduction in median SSA fiscal deficits this year, with most oil exporters – though not Nigeria – achieving fiscal surplus.

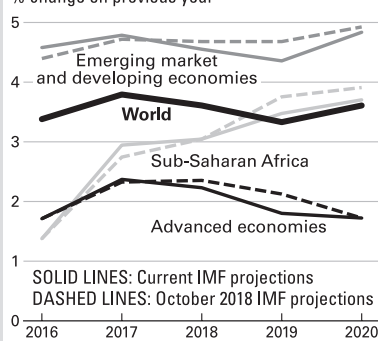
Current account deficits are expected to worsen this year on average, reducing foreign exchange reserves in turn. So, too, will price inflation, particularly in Africa's non-resource intensive economies.

JOBS DEFICIT

Critics continue, with some justification, to bemoan the failure of Africa's policymakers to achieve, or set the stage for, sufficient per-capita growth to reduce inequality, and significantly boost job creation. IMF economists repeat their assertion that 20 million new jobs need to be created annually to accommodate SSA's rapidly expanding labour force, an unrealistic target should SSA's medium-term growth 'plateau' as the IMF expects given the economic policy status quo – at 3.75% in the medium term.

GLOBAL GROWTH PROJECTIONS: CURRENT vs OCTOBER 2018

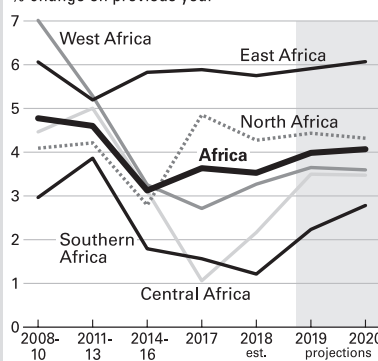
% change on previous year

**CUMULATIVE IMPACTS ON GDP**

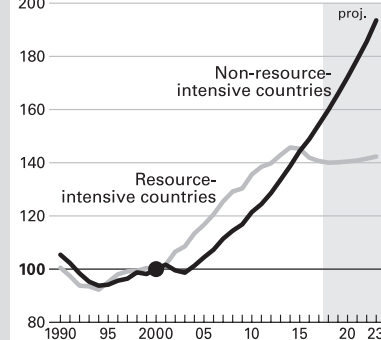
% points

**AFRICA: GDP GROWTH BY REGION**

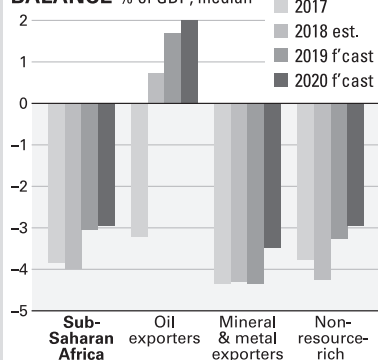
% change on previous year

**SUB-SAHARAN AFRICA: REAL GDP PER CAPITA**

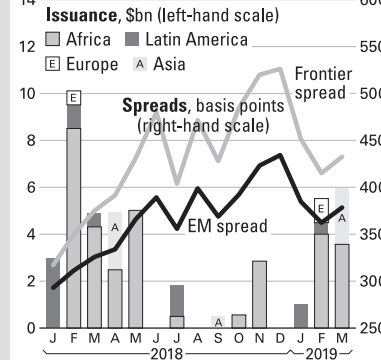
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**SUB-SAHARAN AFRICA: FISCAL BALANCE**

% of GDP, median

**FRONTIER ISSUANCE & SPREADS**

Issuance, \$bn (left-hand scale)



Despite debt reductions in some oil exporters, debt service and debt sustainability remains a concern in a number of economies. Sixteen SSA economies are still at high risk of debt distress, or currently in debt distress, according to the IMF. Current IMF hopes that average debt/GDP levels will decline in oil exporter and non-resource intensive countries depends on these countries following IMF recommendations, or at least matching 'baseline' Fund scenarios.

Moreover, both the Fund and Bank highlight the shift this decade in SSA countries' debt away from concessional

and Paris Club bilateral debt, and the additional risks (including currency, rollover, and increased complexity of future debt restructurings) faced by several countries.

FUND WARNING

The Fund, along with other sceptics, warns of the risk of reversal of the improved – compared with much of 2018 – financing environment, currently reflected in the reduced borrowing 'spreads' for frontier and emerging market borrowers that has encouraged SSA Eurobond borrowings during the first quarter of 2019, including an

oversubscribed US\$3 billion Ghana Eurobond, shortly before the country exited its IMF 'extended credit facility' programme.

Another Eurobond borrower, Nigeria, still continues to spend the clear majority of its federal government revenues on interest payments. The IMF again warns that, in the event of shocks, including to interest rates, revenues, growth and exchange rates, interest payments could significantly exceed 100% of these revenues.

Nigeria's economic policies are unlikely to change significantly in the short term following the re-election of President **Muhammadu Buhari** in February, even with likely ministerial changes and the anticipated exit of Central Bank of Nigeria governor **Godwin Emefiele**. Hopes persist that, in South Africa, the continent's second-largest economy, economic reforms could accelerate following the scheduled May elections if, as expected, President **Cyril Ramaphosa** secures his first full term.

Some market analysts are more sanguine on the risks attached to sovereign debt, and associated rollover risk, than the Washington DC institutions (AC Vol 59 No 10). Even so, they still warn that Zambia's debt woes could worsen significantly in the near term, as its government struggles to present a coherent fiscal plan and if it fails to agree an IMF deal to boost its finances (See Feature).

Other analysts warn specifically of the growing level of bank financing to some governments and corporates – on which there is often less transparency and understanding. Fast-growing Kenya is one country which has recently been negotiating with bank lenders over its expensive syndicated loans.

RISKS

Aside from potential debt struggles, Africa's economies remain vulnerable, like the world economy, to a number of risks. The IMF estimates, for example, that the combined impact of a deterioration in financing conditions,

commodity prices, increased US trade policy-related uncertainty and trade tensions, and slower China growth could conceivably reduce SSA growth by 2% this year – with commodity exporters the most affected. Other risks to African growth remain: banking sector fragility, the economic impact of insecurity and conflicts, and adverse climate conditions.

As climate change protests attract international attention, climate shocks have already impacted Africa's economy this year, including Cyclone Idai, which has already Zimbabwe's short-term economic prospects, and caused a humanitarian crisis in **Mozambique**.

Despite reduction in African growth projections, and persistent downside risks, other developments are seized upon by Africa optimists. In particular, hopes have been raised of an economic boost from the African Continental Free Trade Area, now ratified by over 20 African economies albeit not, for example, Angola and Nigeria. ●

MALAWI

Campaign plumbs the depths

The war of words between politicians is becoming more and more frenzied as polling day nears with no obvious favourite

The result of the 21 May general election is now anybody's guess, as President **Peter Mutharika** of the Democratic People's Party (DPP) and his main rival **Lazarus Chakwera**, of the Malawi Congress Party (MCP) go into the final weeks of campaigning with all guns blazing. The third main presidential candidate, Vice-President **Saulosi Chilima**, and his United Transformation Movement (UTM), is joining in the bitter round of mutual accusations of electoral fraud, in both this and previous elections.

In the latest exchange of fire, Mutharika insinuated that Chilima was receiving help from **Russians**, **Indians** and **Nigerians** to tamper with the flow of results from tally centres to the main polling centre, which uses the country's two mobile networks, Airtel and TNM. Chilima is a former Managing Director of Airtel. Ex-President **Joyce Banda's** People's Party officials have also been claiming that the Mutharika-Chilima DPP ticket, to which they lost in 2014, also interfered with the mobile networks back then.

Chilima, who has rejected the allegations out of hand, countered

Mutharika with a far larger claim, which shocked his followers at a rally on 30 April. He said that the director of the National Intelligence Service in 2014, **Nicholas Dausi**, who is now Homeland Security Minister, was responsible for the vandalising of Malawi Electoral Commission cameras in Lilongwe. 'They have stolen the cameras at MEC to scare you,' he claimed. He also laid the arson in 2014 of an MEC warehouse containing ballot papers at Dausi's door. The ballot papers went up in flames after the High Court ordered a recount of the votes cast in Lilongwe City South East, where the DPP candidate had beaten the MCP candidate by only 98 votes (AC Vol 58 No 6).

Mutharika responded by claiming Chilima had hired Nigerian, Indian and Russian mercenaries, saying, 'I know you; I will squeeze and crash you.' Immigration officers were ordered to impose strict visa conditions on these nationals during the campaign period. They deported a visiting Indian doctor in the northern city of Mzuzu who was working with the UTM. UTM Secretary General **Patricia Kaliati** claimed police threw him out of the country after the

Indian refused to implicate Chilima in allegations of election-rigging.

A UTM insider admitted that the party has some members from TNM and Airtel, but they are only advising on data management, he said, while the two companies reject any implication in Mutharika's accusations against Chilima.

Meanwhile, the DPP stands accused of trying to use surveillance equipment and software housed by the Malawi Communications Regulatory Authority to gather data on subscribers and has hired data analysts from **South Africa** and the **United Kingdom** to help them.

The MCP has been accused of bribing staff at the MEC apparently because, they say, MEC Chief Elections Officer **Sam Alufandika** is a relative of MCP vice-presidential candidate, **Sidik Mia**. Both hail from the same area of Lower Shire province.

NO PROOF

None of the accusers in the fog of claim and counter-claim, however, has any proof. An intelligence source told *Africa Confidential* that the security services are pulling out all the stops to find evidence against opposition activists they suspect of being involved in rigging efforts.

One reason for the uncertainty of the election result is that all three contenders have been fielding immense crowds at their campaign rallies. Yet Mutharika can be safely predicted to take most of the votes in the Southern Region while Chakwera does well in his

CASHGATE ON THE BACK BURNER

Six years on from the K60 billion (USD \$82 million) 'cashgate' scandal, only one third of the 72 people arrested in connection with it have seen their cases disposed of. While politicians trade accusations over who was most involved and benefitted most, the delays are being blamed both on political interference in the prosecutions and failures in the Anti-Corruption Bureau (ACB), the major body responsible for mounting the cases (AC Vol 57 no 16).

An increasing number of reports have suggested that ex-President **Joyce Banda** may face trial over her alleged role in the scandal and separate accusations concerning the disposal of the presidential business jet originally purchased by her predecessor, President **Bingu wa Mutharika**. Prosecutors are now drawing up a charge sheet against her including abuse of office, negligence and receiving stolen property. After the election, however, all this could change. Banda has denied all wrongdoing, although the ACB has denied her claim to have been exonerated.

The reports appear to confirm the ending of a pact between Mutharika and Banda that allowed her to return to Malawi last year after four years in exile. Political insiders say that the deal was that she would not be prosecuted if she supported the ruling Democratic People's Party (DPP) in this month's election (AC Vol 59 No 9). Banda, however, has pledged support for **Lazarus Chakwera's** Malawi Congress Party (MCP) in exchange, reports say, for the promise of cabinet seats for members of her People's Party. The reports of the indictment's preparation started to flow after Banda declared for the MCP.

Asked about the delay in bringing the case against Banda, and the timing in the midst of an election campaign, Justice Minister **Samuel Tembenu** claimed that corrupt officials at 'lower levels' were being targeted by prosecutors before higher-ups such as Banda.

Some sources say that the ACB has been falling under the influence of those being investigated. One lawyer close to the prosecutors, saying there was infighting within the agencies, told *Africa Confidential*, 'ACB investigators have deliberately been losing evidence and documentation over a number of cases entrusted to them. Many seem to be on the payroll of some of the influential suspects.' ●

Central Region base. The deciding votes are expected to come from Northern Region and Eastern Region (AC Vol 60 No 6). The 46-year-old Chilima, whose party was only launched last August, could do better than expected if he can take advantage of his relative youth compared with Chakwera (64) and Mutharika (78). Over half of the Malawian electorate is 35 or under.

In addition to the regional, tribal and religious factors, Mutharika has invested heavily in highly visible infrastructure, including roads, schools and bridges, especially in the southern region, which could well prove decisive for voter intentions.

For his part, Chakwera, who has the wealthy businessman **Sidik Mia** on his side, will also gain from his electoral

alliance with Banda and **Khumbo Kachali**, who have a lot of pull in the northern region.

There are very few policy differences between the contenders; each promises jobs, fertilisers, loans to small businesses and more infrastructure investment. This could give the incumbent the edge, as he claims that he is already meeting their needs and demands. ●

SUDAN

A battle against the clock

Talks between the generals and the opposition about the shape of the transition are floundering

At the heart of the contest is the fight for control of the interim regime: whether ultimate power should rest with the military or the proposed civilian council. The Forces for Freedom and Change (FFC) are proposing there should be one military representative on an executive council dominated by civilians. They also suggest two more military representatives, one each from the interior and defence ministries, should sit on the council.

Alongside that, it proposes a 120-member transitional legislative council, of which at least 40% should be women, and all would be drawn from the protest movement and opposition parties. It would also be a constituent assembly, drawing up a new constitution.

Both sides are watching the clock. Some in the junta calculate that

dragging out the negotiations could tire out the opposition demonstrators and get them off the streets. So far, the junta has been proved wrong. Despite its more conciliatory posture towards the activists, there is plenty of scope for violent clashes.

Attacks in late April on the headquarters of the Popular Congress Party, an Islamist grouping founded by **Hassan el Turabi** with ties with the ruling party, led to condemnation from both the FFC, which has maintained impressive discipline so far, and the junta (AC Vol 57 No 6). None of ex-President **Omer el Beshir's** network of covert armed units have been demobilised and few seem to be under central military control despite the sidelining of their political and military chiefs.

In the week ending 27 April, the opposition brought a new cohort of activists to Khartoum by train. They came from Atbara, a town with a tradition of rebellion against the centre, where protests over economic shortages started on 19 December, quickly encouraging nationwide demonstrations against the National Congress Party (NCP) regime of Beshir (AC Vol 60 No 1).

On the train were trade unionists, farmers, traders, doctors, engineers and a range of civic activists. On 27 April, the opposition organised its million-strong march to bolster its encampment outside the Alqiyada al Amaah complex, the military headquarters in Khartoum.

Time could still erode the coherence and energy of the opposition as activists ask tough questions about leadership roles and policy positions. The movement's refusal to push forward a leadership structure in public was deliberate policy – both to evade arrest and detention by security agents and to unify the disparate strands of opposition activism in the country. It now says it will announce a nationally representative executive committee on 5 May.

The two key players in the junta – its leader Lieutenant General **Abdel Fattah Abdelrahman Burhan** and his deputy **Mohamed Hamdan Dagalo**, known as ‘Hemedti’ – insist they want the core of the interim government to be civilian but are not willing to relinquish executive power to the civilians in the way proposed. That would mean a military veto on the opposition’s plans to rewrite the constitution, restructure the public service and electoral commission, and most sensitive of all, push through comprehensive reform of the security services and armed forces.

At stake is the leverage of the military and the myriad armed units set up under the rule of the NCP and Beshir. For now, the opposition negotiators, grouped under the FFC and the Sudan Professionals’ Association (SPA) are putting forward a more united front than the junta.

MANAGED DEMANDS

To hold its supporters together, the FFC is restricting its demands for the transition to matters of personnel, structure and phasing. They want a four-year timeframe, far longer than the transitions after the coups of 1964 and 1985.

The SPA technocrats are key to the FFC and the wider protest movement. But they have taken care to bring in workers, farmers and traders across the country, whose livelihoods had been devastated by the corruption and repression of Beshir’s regime.

Less clear is how they fit together with the established political parties such as the Sudan People’s Liberation Movement-North, the Umma Party, the Democratic Unionist Party and the

Justice and Equality Movement (JEM). Detailed talks on economic and political reform should wait, says the FFC, until there is agreement over the structure of the transition.

The opposition is also overwhelmingly secularist, condemning the repression of women under the ousted Islamist regime. Yet Islamist factions are reorganising, some backing the junta and others, particularly the footsoldiers, pledging support to the opposition. Dismantling what activists call the ‘Islamist Deep State’ will need determination and imagination.

Rivalries between military units – such as the army under Lt Gen Burhan, the Rapid Support Forces under Hemedti and the armed units of the National Intelligence and Security Services – were exploited by Beshir to weaken his opponents within the system.

Now, those rivalries have weakened the coherence of the military, as seen in the jockeying for position with the junta since Beshir’s ousting on the night of 10 April. There is competition for political power, patronage and control of budgets and other resources.

The opposition demands that all those commanding officers linked to the violent repression of the demonstrations should stand down and face investigation.

A former paratrooper, Beshir had launched his coup 30 years ago with the covert backing of the National Islamic Front headed by el Turabi, a veteran leader of the Muslim Brotherhood in Sudan. Beshir then tried to purge the armed units, starting with the commanders, of all secularists. Although he was never wholly successful, it was this forced marriage between Islamist

senior officers and the ruling party that helped to make the regime coup-proof until this year.

With the junta’s public rejection of Islamist formations such as the Muslim Brotherhood, Lt Gen Burhan has gleaned strong support from **Egypt**, **Saudi Arabia** and the **United Arab Emirates**. After the African Union’s Peace & Security Commission gave the junta just 15 days to hand over executive power to civilians, Egypt’s President **Abdul Fattah el Sisi** convened another meeting of African leaders, in clear contravention of AU statutes, which extended the handover deadline to three months. But on 1 May, the AU Commission under its administrative Chairman, **Moussa Faki Mahamat** said it regretted that Sudan’s junta had not handed over power to civilians within 15 days but would allow a final extension of the deadline by 60 days. That undercuts Sisi’s preferred timeframe.

BUYING TIME

Saudi Arabia and the UAE are promising US\$3 billion to the junta, again intended to buy it some time as well as credibility on the streets. Opposition activists reject the interventions by Egypt and its Gulf allies but also warn against **Turkey’s** and **Qatar’s** offer of support to Islamist factions in Sudan.

Such outside interventions could further delay and complicate the negotiations for the transition and weaken the hand of the massed ranks of the opposition. Indeed, that could be the main purpose of the intervening countries, none of whom are keen to see a democratic and accountable state in Sudan. ●

SOUTH AFRICA

ANC split threatens campaign

Jacob Zuma’s allies rally the troops to vote for the ruling party at provincial level – but endorse other parties at the national level

President **Cyril Ramaphosa** is running almost a solitary national campaign for the African National Congress in the 8 May elections while his opponents in the party, led by former President **Jacob Zuma**, prefer to plough their efforts into winning their home provinces (AC Vol 60 No 7).

Ramaphosa is fighting not just the opposition – mainly the Democratic Alliance (DA) and the Economic Freedom Fighters (EFF) – but also rivals

within his own party. Some in the Zuma group hope the ANC will do badly at the national level while the provincial vote holds up.

Voters will cast two votes on 8 May: one for the national and the other for the provincial government. In the past, most ANC members would automatically vote for the ANC in both elections. But ANC National Executive Committee members who support Zuma have not been seen on the campaign

trail. Ramaphosa is even said to have raised formally the question of ‘certain’ leaders’ lack of enthusiasm at the ANC’s last NEC meeting in Irene, near Pretoria, at the beginning of April. The formidable campaign machinery which won power for the ANC in the five national elections since 1994, when the party came to office in South Africa’s first all-race election, has essentially been ‘demobilised’.

With every passing day, the ANC looks more and more like two parties. Ramaphosa has been working hard to hold it together and win over some of the Zuma-ites. This, the President hopes, should secure for him the strong mandate in the May elections which would give him power to pull the teeth of the Zuma faction once and for all (AC Vol 60 No 6).

Ramaphosa needs a national vote

ZUMA FAVOURITES WIN LIST TUSSLE

In the lead-up to election day on 8 May, the **Cyril Ramaphosa** and **Jacob Zuma** factions of the African National Congress fought to get as many of their members as possible high up the party's list. The higher up the list, the more likely a candidate is to be appointed.

Zuma supporter and ANC Secretary General **Ace Magashule** deposited the full list of 200 candidates with the Independent Electoral Commission (IEC) only minutes before the deadline (AC Vol 60 No 6). Ramaphosa allies allege that Magashule altered the position of nominees, raising Zuma allies higher and pushing Ramaphosa supporters down the list. The smaller the ANC's vote, the fewer the elected representatives.

So alarmed is Ramaphosa by the adverse voter reaction to Zuma allies on the list perceived to be corrupt that he has decided not to wait until after the election to move against them. Investigations have begun this week with a view to taking action against party members suspected of corruption, including prominent members such as Magashule.

Ramaphosa allies such as Public Enterprises Minister **Pravin Gordhan** and Finance Minister **Tito Mboweni** have been pushed to the bottom of the list. If they do not make it into parliament, they may still be appointed by Ramaphosa to cabinet but will lack political clout.

The Zuma faction hopes that if it can dominate national and provincial parliaments they can be used to undermine Ramaphosa's decisions, policies and appointments. Access to public resources will also give them powers of patronage and springboards from which to launch further attacks.

Ramaphosa has been out-manoeuvred by the Zuma faction over the list, which cannot now be changed. Some are calling it a serious blunder. The President has approached the ANC's Integrity Committee to try to get candidates accused of wrongdoing removed from the list. However, Magashule has said he will oppose any attempt to amend it.

At a special meeting at the beginning of April, Ramaphosa got the ANC's National Executive Committee to set up a special body to investigate the process of compiling the list. But the move backfired when the Zuma group got ANC Deputy Secretary General **Jessie Duarte**, a close Zuma ally, appointed to chair the committee, which it then packed with Zuma-ites.

Not surprisingly, the committee has found 'nothing wrong' with the list. Duarte then decided to dissolve the committee because there was 'nothing to investigate', we hear.

Some relegated pro-Ramaphosa candidates have taken the ANC to court for redress, while others approached the IEC to object to certain Zuma allies on the list. *Africa Confidential* has seen a letter from Magashule to the IEC arguing that it must dismiss such complaints because the ANC candidates are 'compliant' with electoral law. Under the rules, anyone objecting to candidates on a party list must send a copy of their message to the person concerned, together with reasons for the objection, along with their own full name and contact details.

Ramaphosa may have to rely on prosecutorial investigations to remove corrupt Zuma allies on the list after the election, provided evidence is found against them. ●

KwaZulu-Natal and become the face of the local campaign in the last few weeks of campaigning. Some Zuma allies are even encouraging supporters to vote for the ANC at the provincial level but not the national polls.

How the 'Premier League', the group of powerful provincial party bosses who back Zuma, manoeuvres between now and polling day is important (AC Vol 56 No 18). Unusually, the ANC's and South African Deputy President **David Mabuza** has spent most of the time campaigning in Mpumalanga, his home province, and Zuma's KwaZulu-Natal. ANC campaigning in the North-West, where the former Premier League strongman and Zuma acolyte **Supra Mahumapelo** was ousted by the ANC leadership for corruption, has come to a virtual standstill. Mahumapelo is apparently urging his supporters not to vote ANC in the local election. The party leadership replaced Mahumapelo with **Job Mokgoro** as Premier last year. Premier Leaguer and current ANC Secretary General **Ace Magashule** has confined his own campaigning mostly to Free State Province, where he used to be Premier, and has put in appearances in the Western Cape and KwaZulu-Natal.

Zuma has also gone so far as to endorse parties which have split from the ANC. Late last month, he signalled approval for Black First Land First (BLF), an Africanist breakaway from the EFF, itself a splinter group from the ANC. BLF is led by firebrand **Andile Mngxitama**. Zuma allies say that if the ANC loses the national elections but wins in the provinces, the former President will have a strong hand to strike alliances with such parties.

In Gauteng, Ramaphosa's stronghold, Zuma allies have effectively withdrawn from campaigning even though the ANC faces a fierce battle for control of the province with the DA, which already holds Johannesburg and Tshwane (Pretoria), South Africa's financial and administrative capitals.

In private, Zuma allies admit that an ANC loss in Gauteng and victories for the ANC in other provinces will help them fight Ramaphosa after the election. Ramaphosa has approached former President **Thabo Mbeki**, who has been popular in the past with the province's large black middle class, to campaign in Gauteng to make up for the absence of the Zuma-ites.

Both the ruling party and its government are now delicately balanced between the two factions, with the Zuma faction believing they have the upper hand because Zuma has won national and local elections, while Ramaphosa's electoral support is yet to be proven. The President has been

share at least similar to what the party won under Zuma's leadership in the 2016 municipal elections – 54%, preferably more. Anything less will strengthen the hand of the Zuma faction to call for a post-election special conference to vote for new ANC leaders, based on the argument that the Ramaphosa-led leadership has caused an electoral collapse.

A drop in support to less than 50%, even if it wins a minority victory, would oblige the ANC to secure a coalition with smaller parties. Although the Zuma faction's hand would be strengthened it is believed to be split over what to do in that eventuality. Zuma would want the ANC to strike alliances with smaller

parties, we hear, and call a special elective conference to eject Ramaphosa. Some of his allies, however, argue that the party should not enter a coalition but remain in opposition, running those provinces where the local campaign succeeds.

FACE OF THE ANC

The former President has confined himself to KwaZulu-Natal, his support base, where, while ostensibly campaigning for the ANC, he disparages Ramaphosa. We understand that Ramaphosa told Zuma he cannot be the face of the campaign in the province but has been ignored. Ramaphosa is planning, however, to focus on

cautious about confronting them head-on, and instead has relied on pursuing his opponents through prosecutions, commissions of inquiries and police investigations.

He is busy setting up a Special Investigation Unit tribunal which will have extraordinary powers to speed up corruption investigations and recover monies and assets. The special tribunal will launch immediately after the elections. Zuma groups fear that Ramaphosa, unless he is stopped now, will pursue them relentlessly through these investigations.

The ANC Women's and Youth Leagues, both firmly in the Zuma camp, have been extraordinarily quiet. In previous elections, the leagues were at the forefront of campaigning, going house to house, mobilising the vote in far-flung areas. Both campaigned against Ramaphosa at the ANC's 2017 national elective conference. Many Youth League members have defected

to either the EFF or BLF. Nor have the leaders of the *Umkhonto weSizwe* Military Veterans' Association put their shoulder to the wheel. The veterans have been among Zuma's most loyal supporters.

COSATU SITS IT OUT

Worse still, members of the Congress of South African Trade Unions (Cosatu), the ANC's historical ally, who backed Ramaphosa for president of the ANC in 2017, have also withdrawn from campaigning. The ANC's successful campaigns of the past were funded by generous financial contributions from Cosatu, and relied on a nationwide union structure.

For the first time, Cosatu has not made any formal financial contributions to the push for votes, *Africa Confidential* has been told. Neither has it mobilised its mass of shop stewards to campaign for the party. The union group opposes the President's post-election plans to make

economies in the bloated public sector, privatising some costly state-owned enterprises (SOEs) and reducing union control in government departments and other public concerns (AC Vol 60 No 1). The unions particularly object to the plans to restructure the debt-ridden state energy utility Eskom, despite its dire condition and damaging knock-on effect on the rest of the economy, killing investment and jobs alike.

The South African Communist Party also supported Ramaphosa for the ANC leadership in 2017 but is taking a low profile in the ANC campaign. It may not have the money or the boots on the ground but usually makes up for this by shouting the loudest in favour of the ANC leader. This time its voice is noticeably muted. It opposes privatisation of the SOEs and slimming the public sector, and fears that after the election Ramaphosa will bring more business leaders into cabinet at their expense. ●

BENIN

Talon turns back the clock

Banning opposition parties from contesting parliamentary elections is the latest episode in a presidential crackdown

After almost three decades as an admired pioneer of democratic freedom in francophone Africa, Benin has just conducted a parliamentary election from which all parties were excluded save for the two backed by President **Patrice Talon**.

Béninois voters responded by staying away from the polls in droves.

The parliament elected on 28 April will now only include members of the *Bloc républicain* and the *Union progressiste*, both sponsored by the president himself. The electoral commission had earlier ruled that no opposition party had met the eligibility criteria for taking part in the polls. Talon now has a rubber-stamp legislature, although few are sure what he will do with his virtually absolute power.

The opposition must work out how to adapt to the new absence of pluralism and respect for human rights, for which the country was renowned. Journalists have been arrested in recent months and in some circles there is a growing fear that phones are being tapped. The internet and all social media were shut down on polling day.

Security forces suppressed protests in the run-up to the election, firing tear gas at crowds which included the former presidents **Thomas Boni Yayi** and the 84-year-old **Nicéphore Soglo** and his wife. Civil society organisations were divided over what tactics to adopt: Social Watch, an NGO on governance issues, decided against acting as poll observers because of the absence of competition. The *Organisations de la société civile* platform did post observers, but only to monitor potential human rights abuses at polling stations. All agreed that the vote itself was meaningless.

TOTEM POLL

This is an extraordinary turn of events for a country that had enjoyed totemic status as a leader of the democratisation that swept across francophone Africa in the early 1990s. Confronted by mass protests against his one-party regime in 1989, the then president, **Matthieu Kérékou**, consented to a peaceful transition to multi-party politics, gracefully accepting defeat at the ballot box. Over the subsequent decades, and despite corruption and other periodic scandals, democratic freedoms remained alive; voters turfed

three governments out of office (AC Vol 47 No 7).

Talon was a beneficiary of the last such alternance, defeating Boni Yayi's chosen successor **Lionel Zinsou** in the 2016 presidential race (AC Vol 57 No 7). The extremely wealthy Talon presented himself during that campaign as a can-do moderniser who would tighten up the government machine after Boni Yayi's erratic later years. Once elected, he quickly took action to stabilise national finances and improve public services.

However, he then opted to prioritise the payment of state debts to his own companies over other creditors and restored cotton ginneries and a lucrative import verification franchise that the previous government had removed from his conglomerate. For most, these flaws were more than offset by the benefits of his pragmatic service reforms and development projects.

But gradually his uncompromising style has begun to claim casualties and prompt opposition: unauthorised traders were swept off the streets of Cotonou. Cotton-growing smallholders are now reportedly pressured to keep boosting short-term output without regard for fallow periods, crop rotation and the longer-term fertility of the soil.

The government also began to take a similarly authoritarian approach to governance, trying to bully parliament into changing the length of the presidential term and passing legislation to curb the right to strike. Several radio stations were also temporarily shut down.

Another tycoon-politician, the 'frozen chicken king' **Sébastien Ajavon** – a one-time Talon supporter turned rival who set up the *Union sociale libérale* party – was implausibly accused of involvement in drug trafficking. In October, weeks after taking refuge in **France**, Ajavon was sentenced in absentia to 20 years' jail for economic offences and 'terrorism'.

This was the backdrop to April's legislative elections, with Talon hopeful of sweeping away the previous parliament in which long-time opponents such as the redoubtable wife of former President Soglo, **Rosine**, have been standing up to the government.

The president seems uninterested in compromise and managed to recruit the regulators to his side when the electoral commission first declared opposition parties ineligible to stand. After it was pointed out that the pro-government parties also failed to meet certain criteria, there were half-hearted negotiations and the UN's West Africa envoy **Mohamed Ibn Chambas** tried to broker a compromise that would allow the opposition back into the process.

Opponents accused Talon of manoeuvring behind the scenes to sabotage any adjustment of the rules or the electoral timetable. The authorities refused to contemplate a delay to the polls and, once the talks had crumbled, Talon's government showed little tolerance of dissent.

Amnesty International has documented three instances where opposition protests against the election were violently suppressed by the security forces. Journalists have been arrested under the the 2017 digital law, which criminalises online press offences, such as publishing 'false information' and 'incitement to rebellion'.

BLACKOUT

On polling day itself there was an almost total shutdown of the internet and all the online communication services that civil society or the opposition would have used to monitor the poll – such as Twitter, Facebook, WhatsApp, Telegram, Messenger, Skype, and PureVPN. Talon's office offered no explanation for the blackout.

Talon has never been open about

his motivations for the crackdown, and largely left ministers to speak for him. He is known, however, to be a fan of efficient business as a model for government efficiency and is reputed to be a keen admirer of **Rwandan** President **Paul Kagame's** governing style. He made a three-day state visit there shortly after taking office in 2016.

SECOND TERM

With a compliant new assembly and curbed media, there is now speculation that Talon will prepare the ground for further steps to entrench his position and prepare to seek a second term in the 2021 presidential polls. There is currently a limit of two successive five-year terms.

Béninois political observers report a slide in popular support for the president, with many who voted for him in 2016 having second thoughts. However, the circumscribed conditions in which politics will now be played out may well hamper the opposition's capacity to transform potential support into a serious challenge at the ballot box. ●

KENYA

Belt, road and pork barrel

The President heads into uncharted territory in dealings with China but also with opponents and allies at home

While the leaders of **Egypt**, **Ethiopia**, **Djibouti** and **Mozambique** brought their official staff to **China's** recent Belt and Road Forum last week, Kenya's President **Uhuru Kenyatta** also brought the nominal leader of the opposition, **Raila Odinga** and his staff. The object was, primarily, to make the case for Chinese financial support for the extension of the Chinese-financed Standard Gauge Railway (SGR) from Naivasha to Odinga's home-town of Kisumu.

This trip symbolises the informal power-sharing between the two leaders that now characterises politics in Kenya (AC Vol 59 No 6). Just before they flew to Beijing, Raila told a political gathering of his Luo base at Nyakach near Kisumu that 'we are going to China with President Kenyatta to negotiate SGR construction deals so that next year the railway can continue from Naivasha... finally to the lake-port in Kisumu'.

A week earlier President Kenyatta had informed a disbelieving audience in Nairobi at the AfroChampions Boma

Forum on infrastructure financing and delivery that, unlike other African leaders, he and Raila 'sit, we discuss, we agree; he gives me ideas to enhance what we are doing. What is wrong with that?' He took a swipe at those 'who take exception to his new-found friendship with my brother Raila, while talking loosely at funerals and weddings'. This is a criticism the President has often levelled at the faction of his Jubilee Party that supports Deputy President **William Ruto** for president in the 2022 elections. The group views Raila as an interloper and spoiler in a government that has marginalised Ruto's public role since the March 2018 'handshake' that brought Kenyatta and Raila together after months of violent electoral rivalry.

EMPTY HANDED

As it turned, out Kenyatta and Raila did not bring home the promised 380 billion shillings (\$3.8bn) funding for the rail link to Kisumu. As far back as September 2018, we hear, Chinese sources in Kenya had hinted to the

Nairobi government that funding for that segment of the railway might not be available because the line would not be commercially viable. The Chinese are also doubtless aware of the negative publicity they are receiving for Kenya's rising public debt and the fact that the Mombasa-Nairobi line it funded is so far a loss-maker (AC Vol 59 No 18).

Yet Kenyatta and Raila convinced each other they could override China's decision by making a joint direct appeal to President **Xi Jinping** during the Belt and Road Forum. To strengthen their case, Kenyatta invited **Uganda's** President **Yoweri Museveni** for a ride on the Mombasa-Nairobi line and offered his government free land to build a dry port at Naivasha to hold cargo that it would subsequently tranship to Congo-Kinshasa and points west. This, the Kenyans thought, would appeal to Chinese sensibilities of a Belt and Road transport network connecting many African countries (AC Vol 56 No 16).

Typically for the Jubilee administration, no technical or commercial feasibility studies on the project had been done; just warm agreements between two 'brothers' and a neighbouring president. Better-informed, the Chinese refused to take the bait. But they offered to rehabilitate the dilapidated **British**-built metre-gauge line from Naivasha to Kisumu and the Uganda border, and

reaffirmed their commitment to a toll-road connecting western Nairobi to Jomo Kenyatta International Airport. So, the Kenyans didn't go home empty-handed. But without blushing, and after all that hype on the Naivasha-Kisumu SGR line, Kenyatta's spokespeople were instructed to issue statements to the effect that the subject had never been on the Belt and Road Forum agenda.

OLD RIVALRIES

The joint dreams on the political front do not look realisable either. The old ethnic political rivalries are back but wearing different party attire. When he emerged from the Office of the President at Harambee House on 9 March 2018, hand-in-hand with opposition leader Raila, President Kenyatta was at his most philosophical in the off-the-cuff remarks he made after Raila had read the official joint statement. With the new-found unity between him and 'my brother Raila', as he put it, Kenya would embark on a new path in which all its ethnic groups 'will be united in national harmony, stability, and prosperity for all without leaving anyone behind'. He decried the violence that comes with national elections, saying 'Elections come and go, but Kenya remains. We must put the national interest first' (AC Vol 60 No 3).

But the ruling Jubilee Party is now split between Kenyatta's and Ruto's supporters while Raila's opposition National Super Alliance (Nasa) appears badly fractured between his core ethnic supporters in Luoland and his previous supporters such as Luhya and Kamba. In the fog of the nascent alliances, one can detect the emerging profiles of two ethnic coalitions: one uniting Kenyatta's remaining supporters with the rump Raila following; the other comprising Ruto's mainly-Kalenjin

support combined with bits of Kikuyu, Luhya, Coast and Kamba. It is a fluid situation, and the allegiances, always glued together by financial handouts, could come unstuck long before 2022.

Raila is making the best of it, battering his forces and fiercely attacking Ruto for the alleged corruption associated with him and his close Kalenjin ethnic allies (AC Vol 59 No 24). Kenyatta angrily attacks those politicians in Jubilee (especially his Kikuyus) who voice support for Ruto as their candidate, saying this is a time for development not politics. Among the three top political leaders, he appears to be the only one who believes this (AC Vol 60 No 2).

OPPOSING OPPOSITIONS

On 28 April, 15 parliamentarians from Raila's Luo community, led by **James Nyikal**, head of the Luo-Nyanza MP Caucus, attacked other parties in the Nasa coalition for insinuating that Raila had abandoned opposition politics for a role in government, thereby weakening democracy in Kenya. Nyikal said that 'the constitution had not reserved the role of the opposition for the Luo', adding that 'if others feel that there is a vacuum in the opposition, they should go right ahead and fill it'. Nyikal and the Luo MPs were referring to **Moses Simiyu Wetangula's** Ford-Kenya, whose Secretary General, **Eseli Simiyu**, has repeatedly levelled the charge against Raila, and to **Wycliffe Musalia Mudavadi**, Nasa's deputy, who advocates a stronger opposition. Both are Luhyas.

The other main Nasa supremo, **Stephen Kalonzo Musyoka**, a Kamba, is fond of contradicting himself; praising Raila for astute leadership of the opposition one day and then asking Kenyatta for a top government job

the next. It is no surprise that Ruto is making inroads among the Luhya, and the Kamba are disillusioned.

The fissures in Nasa are replicated in Jubilee, starting with Kenyatta's Mount Kenya homeland. Despite the President's exhortation to focus on government not politics, a determined number of legislators and governors, led by Kiambu governor **Ferdinand Waititu**, Kikuyu MP **Kimani Ichung'wa**, Bahati MP **Kimani Ngunjiri**, Kiharu MP **Ndindi Nyoro**, and Nakuru Senator **Susan Wakarura** **Kihika**, have defiantly held rallies among the Kikuyu in support of Ruto's presidential candidacy in 2022. They are derisively called *Tanga Tanga* (a loitering lot) after Kenyatta in late 2018 accused Ruto of 'political loitering' instead of promoting development. *Tanga Tanga* are opposed by the *Kieleweke* (Let's make it clear) group, also from Mount Kenya and led by long-time Kenyatta confidant **David Wakairu Murathe**, Nairobi MP **Maina wa Kamanda**, Nyeri Town MP **Wambugu Ngunjiri**, and former MP **Peter Kenneth**. They consider Ruto unelectable because he is tainted by corruption, and lean towards a Raila candidacy in 2022. In their 28 April rally, the Luo-Nyanza MPs caucus announced a joint rally with *Kieleweke* in Nyanza would be held soon to strengthen the new alliance. It would be the first Kikuyu/Luo alliance since 2002, and even some Kalenjin politicians who oppose Ruto, such as **Gideon Moi** and **Joshua Kutuny**, seem likely to join in.

As the new ethnic coalitions take shape and old ones vanish, Kenyatta has said publicly that he does not discuss 2022 election politics with either Raila or Ruto. As with the railways, there are no firm plans for the political road ahead. ●

ZAMBIA

Treasury in the red

The liquidity problems are getting worse and state asset sales are looking more likely as a last resort to avoid debt default

The lavish spending and borrowing of President **Edgar Lungu's** government is starting to catch up with it. *Africa Confidential* has learned that in March, it had to raid the state pension fund, the National Pension Scheme Authority (NAPSA), to pay overdue February salaries for public service employees (see Box, AC Vol 60 No 5).

While the ruling Patriotic Front continues to deny that its debt burden poses any problem, alarm has been growing in financial circles. Standard Bank, which trades as Stanbic in Zambia and is a significant lender, has warned in a report titled 'Déjà vu' that the government is facing an imminent liquidity crisis.

Of key concern are the foreign

reserves. The government began the year with a little over US\$1.5 billion in reserves, only slightly more than the \$1.4bn of budgeted debt repayments. Central Bank data shows that last year, it paid almost all its external debt service and some domestic debt from the reserves, totalling almost \$1bn. The last officially reported figure for the reserves, in January, was \$1.45bn. Now, Standard Bank says further repayments could have brought that down to \$1.1bn, potentially falling to \$1bn by June, based on its conversations with the Central Bank.

Central Bank Governor **Denny Kalalya** admitted in February that the fall in reserve levels was 'a matter of great concern' but after its recent visit, Standard Bank remarked that there was

POLITICAL REPERCUSSIONS OF CASH CRISIS

Continued failure to pay salaries on time could be politically disastrous for the ruling Patriotic Front party, and there seems to be no solution on the horizon. After going to extreme lengths to pay February's salaries, March brought no reprieve. Protests by trade unions are on the rise, including postal workers who say they have not been paid for more than six months. State postal company Zampost is owed large sums by government departments.

On 9 April the University of Zambia Teachers and Researchers' Union informed members that 'it had no capacity to pay workers because the Government has for the past two months failed to remit to the university' grants and tuition fees due. The government has also halted its economically important civil service microfinance scheme, under which workers may purchase items on finance – such as IT equipment for teachers – with the cost gradually deducted from their wages. The government has stopped paying many suppliers but continued to make salary deductions, meaning effectively that it is not paying salaries in full.

On 5 April the government announced the indefinite closure of the Copperbelt University, blaming student riots over unpaid student allowances and teacher salaries. Commentators say the closure just before the by-election on 12 April in the Copperbelt's Roan constituency damaged the PF in its former stronghold. National Democratic Congress (NDC) candidate **Joseph Chishala** beat the PF's **Joel Chibuye** by 8,665 votes to 5,533, becoming NDC's first Member of Parliament since the party was set up by former Minister **Chishimba Kambwili** (AC Vol 59 No 18) who was MP for Roan until his exit from the PF. The main opposition party, the United Party for National Development, supported the NDC, which has in turn pledged to support UPND leader Hakainde Hichilema's bid for the Presidency (AC Vol 60 No 2).

The defeat, described by commentators as a 'serious wake-up call' to the PF, came despite a well-resourced campaign which saw the entire Cabinet out in force and lavish cash handouts to local people as well as a heavy security presence. Public apathy towards the PF in key areas has been increasingly visible, with a dismal turnout in last year's mayoral election in Lusaka. Both the Copperbelt and Lusaka are considered to be central to a PF win in 2021. ●

'strangely...hardly any discussion of any policy measures being taken to end the erosion of external buffers' and that any 'plan to quell this persistent drain' was 'conspicuously lacking.'

This is all the more pressing since, ministry insiders tell AC, the government has again underestimated the cost of debt service, which has risen because of unexpected loan disbursements and a weakened currency. The budget assumed an exchange rate of 10.5 kwacha to the dollar, but this is now ZK12.5 and is likely to rise further, making it more expensive to buy dollars needed to repay debts.

NO CREDIT

At the same time, the government is struggling to raise credit domestically as market confidence plummets, leading to further shortfalls in budget funding. Ministry insiders say the government was relying on \$750m of external financing that is unlikely to materialise. Zambia's recent failure to pay its \$14.8m share of costs for the Kazungula bridge, which will link **Botswana** and Zambia,

demonstrates the severity of the cash shortage.

On 18 March contractor Daewoo suspended works, and after Botswana's President **Mokgweetsi Masisi** visited Lungu on 2 April it appears Botswana may pay Zambia's share. The government is also reportedly struggling to pay **Chinese** road contractors, leading to suspension of works. The government has been quietly examining the possibility of borrowing up to \$3.25bn to fund roads, domestic debt repayments and the health service, we understand from senior officials.

Standard Bank's team say that asset sales are now the most likely means of raising cash – something that the government has hitherto denied. 'This was the first time that we heard policymakers raising the possibility of asset sales to repay maturing debts,' reported Standard Bank. Standard Bank also said that little, if anything, was being done to restructure Chinese debt. The same admission was made at the International Monetary Fund

Spring meetings in Washington DC in April, say investors who were in attendance. Senior civil servants tell AC that some of the talks with China resulted from Exim Bank sending a delegation to Zambia two months ago to demand overdue payments to Chinese contractors. Insiders say that the 15% down-payments Zambia was supposed to contribute to the capital for Chinese projects were borrowed but not always paid in full to contractors as intended (AC Vol 59 No 18).

DEBT THREAT

April has been awash with bad news, including the IMF's forecast of lower growth of 2.9% next year and rising inflation. At a poll taken on 24 April at an IMF meeting in Lusaka with industry, almost half those in attendance believed the government would default on sovereign debt this year. The seriousness of the situation is finally dawning on the government, sources in Lusaka say, although it may be too late. ●

EU/EAST AFRICA

Patchwork diplomacy

The EU wants to boost its influence in Africa but its diplomatic appointments are proving haphazard

Critics of the European Union's foreign service arm, the European External Action Service, are saying that its desire to move beyond the

status of a mere giver of funds to that of a major political player, especially in Africa, is being compromised by its approach to appointing ambassadors.

While countries like **Saudi Arabia** and the **United Arab Emirates**, **Qatar**, **Turkey** and others are attempting to impose their wills on African countries, especially in the Horn of Africa and the Red Sea, many are telling Brussels that it needs to raise its game. Also, **Russia** is playing a spoiler role by developing bilateral relations with **Somaliland**, **Eritrea** and **Sudan** that could cut across – and are perhaps intended to – **French** and **United States** initiatives.

Three EU ambassadors have recently had to leave their posts in what many

feel were avoidable circumstances. In **Tanzania**, **Roeland van der Geer** was expelled for criticising President **John Magufuli's** human rights violations on orders from Brussels. Critics say his superior, European External Action Service Africa director **Belgian Koen Vervaeke**, left Van der Geer exposed and vulnerable to the declaration of persona non grata that followed the démarche.

In Eritrea, the EU Ambassador, **Josep Colli I Carbo**, was not warned by the Africa department, we hear, that Asmara would regard his homosexuality with hostility and he ought therefore to be careful about managing the status of his partner. He was PNG'd after six months in post. **Veronique Lorenzo**, the EU ambassador in Somalia, was recalled in March 2018 to avoid being PNG'd. She was regarded as abrupt and abrasive, even by her own staff, but this was well known and most critics felt her qualities would have been more appropriate for a different type of post.

UNDIPLOMATIC POSTS

Rather, however, than take a breath and reflect more fully on new nominations to strategically important posts, Brussels is steaming ahead with what some see as insensitive appointments. Host countries take note of the status of the ambassadors they have to welcome, and frequently take umbrage if the new appointee does not have a track record in their region. The host country may then see dealing with other countries,

even newcomers like Russia, as more attractive. This, the critics say, should give Brussels pause or lead it to consider whether it really does wish to take leading positions in diplomacy, peacekeeping and counter-insurgency strategy.

Identifying a new ambassador for Somalia has been particularly problematic. Two candidates proposed for the job scored poorly with the selection committee, our sources say, and it was decided to appoint someone with EU ambassadorial experience. Vervaeke's choice is **Nicolas Berlanga Martinez**, a **Spanish** former military officer who headed the EU delegation in Lomé, **Togo**, and also arrived back to Brussels just in time to avoid expulsion for voicing his concerns over human rights violations. His lack of knowledge of Somalia's sensitive intricacies is thought to be a major drawback.

The current crop of European Commissioners, which is due for replacement at the end of their five-year term in November, includes **Federica Mogherini**, the High Representative of the European Union for Foreign Affairs and Security Policy, who supervises the EEAS. Some believe she has obligations to honour in the appointment of new ambassadors regardless of the candidates' fitness for the post, and she is not allowing the problems this can cause in the host countries to get in the way.

After the debacle in Eritrea, Mogherini decided that she would appoint a **Hungarian** diplomat with neither

previous ambassadorial experience nor familiarity with the region, which are normally considered minimum conditions. The Secretary General of the European Commission, **Martin Selmayr**, who is in charge of managing staff in the EU executive, vetoed the appointment on those grounds. Our sources say Mogherini intends to use a clause in the EU civil service code that allows her to waive these conditions and appoint someone because of an 'absolute need'. No other official involved in the process sees any such need, but she may not succeed anyway because she has to justify her choice at the EU Political and Security Committee.

COMPETENCE FIRST

Analysts are beginning to make unfavourable comparisons with the United Nations, where competence is not always the guiding principle for appointment to important office and few careers suffer after poor management.

More serious, however, is the simple criticism that if the EU wants to be considered seriously as a diplomatic player, helping decide strategy for the international community in aid-dependent or deeply unstable regions, or both, they need to appoint skilled ambassadors and respect the expectations of their hosts. To do so would also, this strand of opinion holds, remove the danger of the institution being seen as a body that solves problems by throwing money at them. ●

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POINTERS

Algeria

'ROLL MORE HEADS'

■ Deputy Defence Minister and Chief of Staff Lt Gen **Ahmed Gaïd Salah** is continuing a purge of Algeria's elite to try to persuade demonstrators, who have been filling the streets each Friday since 16 February, that the military and courts can continue to clean up a rancid system following the Bouteflika clan's demise (AC Vol 60 No 6).

Unrelieved pressure from the protestors is driving the rump of *le Pouvoir* ('the powers that be') to go after more elite players. Algeria's ex-Prime Minister **Ahmed Ouyahia**, seen as Bouteflika's most likely successor just a few months ago, Finance Minister **Mohamed Loukal** and former police chief **Abdelghani Hamel** have all appeared in court this week in three different cases involving corruption allegations. Several leading tycoons have been rounded up, including **Ali Haddad**, the Kouninef brothers, Chamber of Commerce chairman **Mohamed Laïd Benamor** and Condor group's **Abderrahmane Benhamadi** (AC Vol 60 No 7).

The sacking of Sonatrach CEO **Abdelmoumen Ould Kaddour** last week is likely to be followed by other senior officials at the state oil and gas giant, delaying much-needed reforms to the vital energy sector. Knives are also out for the company's vice-president, **Abdelhamid Raïs Ali** and old cases involving former energy minister **Chakib Khelil** are being re-opened.

With oil companies wary about doing new deals, Ould Kaddour's successor **Rachid Hachichi** faces a bumpy ride, despite an early show of support from major gas partner Eni of Italy.

Interim President **Abdelkader Bensalah** is hoping to build confidence ahead of his proposed elections on 4 July, but critics doubt that credible polls are possible. Protestors have been adamant that the '3Bs' – Bensalah, recently resigned head of the Constitutional Council, **Tayeb Belaiz**, and Prime Minister **Noureddine Bedoui** – should all go, along with Gaïd Salah himself. The opposition may be disorganised but remains remarkably effective and impossible, so far, to buy off.

Maghreb

HIRAK TRACKS WEST

■ Some saw President **Abdel Fattah el Sisi's** 89% 'yes' vote in the referendum on extending his presidential term to six years from four and allowing him to stand for a further term in 2024 as

evidence that **Egypt** is unlikely to follow the insurgent path of **Algeria** and **Sudan**. Others wonder if Sisi – who has been working hard to legitimise the new military regime in Khartoum – forced through his referendum out of fear for his future.

Across North Africa activists are learning from each other. Algeria's diffuse protest movement is called *hirak*, a term more familiar in **Morocco**, where the *Hirak al Shaabi* ('Popular Movement') emerged from protests in Al Hoceima two years ago to spread to Rabat and other cities and shook the establishment, despite action by King **Mohammed VI** to meet protestors' concerns (AC Vol 60 No 2, Vol 58 No 12). Thousands protested in a 'March of the Moroccan people' in Rabat on 28 April, demanding the release of 42 *hirak* activists including the *Hirak Rif* leader, **Nasser Zefzafi**, and journalist **Hamid El Mahdaoui**. The movement has yet to reach the scale of the Algerian *hirak* but the authorities are worried. The government has sealed a 'new social deal' with employers and trade unions but this may not be enough to calm rising tensions, despite the offer of a 10% minimum wage rise for all except agricultural workers.

On 29 April, some 5,000 **Tunisians** protested in Sidi Bouzid city, where the Arab Spring kicked off in December 2010. The trigger was a traffic accident which killed 12 female farm workers two days earlier. The anger was driven by deteriorating living standards and resentment at what the protestors see as an unreformed Tunis elite (AC Vol 60 No 3) – following the regional pattern.

Ethiopia/Eritrea

CHILL ON THE BORDER

■ Last year's rapprochement between Ethiopia and Eritrea was supposed to be about breaking down barriers, but a stuttering process has seen them rise again after an initial thaw (AC Vol 59 No 14). Eritrea has shut key border crossings without explanation.

The uncertainty in **Sudan** could have prompted the initial closure of the northwesterly Omhajer-Humera border crossing, but no such excuse could apply to the shuttering of the Bure-Assab post on the border with Ethiopia, in the southeast strip of Eritrea that runs along the Red Sea. The ports of Assab and Massawa are supposed to be part of a new, unfrozen relationship between the two countries, with the restoration of road and rail links under discussion (AC Vol 59 No 12). But so far there has been little progress, despite Ethiopia's best efforts, officials in Addis Ababa claim.

The idea that Prime Minister **Abiy Ahmed** and the autocratic President

Issayas Afewerki have formed a strong bond allowing the two nations to agree terms is wearing thin. There has been precious little concrete action, and Eritrea is anxious about Ethiopia's ambition to have a navy.

The obstacle on the Ethiopian side to greater rapprochement is internal politics. Tigray region and its ruling party, the Tigray People's Liberation Front, share a border, language, and blood ties with Eritrea. But Tigray has been marginalised and the TPLF ostracised by Abiy, with whom relations are so strained that Tigray is refusing to execute a federal arrest warrant for former spy chief **Getachew Assefa**, a TPLF politburo grandee (AC Vol 60 No 3).

On the northern side, the problem is simpler; a president who fears that liberalising trade relations and opening borders could invite an end to the war footing that Eritrea is officially on, inviting the restoration of constitutional government and thus challenges to Issayas's presidency.

UK/Africa

MOVE OVER DARLING

■ The UK's Conservative government is taking a leaf out of **France's** book by promoting the English language in sub-Saharan Africa, including those countries normally considered exclusively within the French sphere of influence and where Paris defends and promotes *francophonie*. It's part of a drive by the British government to establish new, post-Brexit trading links.

British Foreign Secretary **Jeremy Hunt** was still on a six-day tour of **Senegal, Ghana, Nigeria, Ethiopia and Kenya** to launch 'English Connect', a £4 million programme for English-language teaching in French and Portuguese-speaking sub-Saharan Africa as *Africa Confidential* went to press. The new scheme aims to reach 7.5 million young Africans each year.

Hunt, the first British Foreign Secretary to visit Senegal in two decades, also announced a £750m export finance facility to support UK companies trading with Senegal and their Senegalese buyers. Britain sees trade in Africa as less tied into international agreements, and Prime Minister **Theresa May** has pledged that the UK will be the G7's number one investor in Africa by 2022 (AC Vol 59 No 17).

The Foreign Secretary was accompanied by a group of leaders from businesses including the London Stock Exchange and BP, which became one of the biggest investors in Senegal when it bought up the Saint-Louis Profond and Cayar Profond gas exploration blocks from US oil firm Kosmos Energy for \$1 billion in 2017 (AC Vol 58 No 10).

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BLUE LINES

On what criteria is Godwin Emefiele, the mild-mannered governor of Nigeria's central bank, about to be given a second term in the job? Although Emefiele is in President Muhammadu Buhari's government, which is meant to be fighting corruption, he has little to say about the fiscal and financial frauds – past and present – that have hobbled the national economy.

Indeed, economists argue that the multi-tier exchange rate which Emefiele administers is opaque and facilitates arbitrage, allocating scarce foreign exchange to the government's political favourites. Yet Emefiele and Buhari are as one on the 'strong naira' policy, defending an 'investors' rate' of N360 to the dollar, under which dollars are about 20% cheaper than on the parallel market. Using strong foreign reserves (running about \$45 billion) and high interest rates, cut to 13.5% in March, to defend the currency, there is little prospect of growth exceeding 2.5% this year. The stock market, which has fallen by 8.5% this year, is one of the weakest in any emerging economy.

It seems that Buhari doesn't expect Emefiele to boost growth or bring in investment. Instead his job is chief financial juggler: to run the strong naira policy, with all the ambiguities of multiple exchange rates, preside over one of the biggest national debt markets in Africa, and direct credit to the government's favoured industries and clients. It may be that Emefiele is one of the few bankers who can keep all the balls in the air.

SUDAN

Cutting a deal on a knife-edge

From armed clashes to roundtable talks to threats of a walk-out, the transition jolts from crisis to crisis

Veering from armed clashes to roundtable talks, the negotiations between the ruling generals and civilian activists remain fraught, with hundreds of thousands of protesters camped outside key military installations in Khartoum. One day after several fatal shootings in the capital on 14 May, the generals and the activists agreed on a three-year political transition.

The outline of the deal – with civilians and military officers sharing power on a sovereign national council with 11 members, a civilian-dominated council of 17 ministers and a legislature of some 150 representatives with a definitive, negotiated end to the country's armed conflicts – was announced jointly by the Transitional Military Council (TMC) and the Declaration for Freedom and Change Forces (DFCF). That left a critical issue unsettled: the balance of power between the military and civilians on the sovereign national council. Then, late on 15 May, when the issue was due to be resolved, the civilian negotiators said the military was refusing to continue negotiations until all the protesters had dismantled the sit-in around *Alqiyada al Amaah*, the military headquarters in the capital.

Before that, as news of the three-year transition deal reached the mass sit-in outside the military headquarters, there were muted celebrations among the protesters still mourning their fallen comrades.

Coming after the killing of at least five protesters and an army major, according to the Sudanese Physicians' Association,

and the threat of much wider protests and strikes, the situation is febrile, alternating between jubilation and fear of a return to armed repression (AC Vol 60 No 9). With 60 people treated for gunshot wounds in clinics around the capital, it was the worst outbreak of violence since the ousting of President **Omer el Beshir** on 10 April.

It also sparked more distrust of the ruling generals who denied any responsibility for the shootings, blaming instead 'unidentified armed groups'. A theory peddled by military sources was that the decision to charge Beshir with complicity in the killing of protesters prior to his overthrow, as well as for corruption, and reports of a deal on the transition had prompted a bid by the ousted President's allies to derail the process.

SPLINTERING

Other reports point to more splintering among the military and security units, all concerned about their loss of power and financial autonomy in a civilian-led transition. General **Mohamed Hamdan Dagalo**, known as 'Hemeti', deputy leader of the TMC and Commander of the Rapid Support Forces (RSF), had already said he would not tolerate 'chaos' and the interruption of business in the capital by the protesters, despite his earlier support for the sit-in (AC Vol 60 No 8).

A mercurial figure, Hemeti had tried to burnish his street cred by publicly supporting the protesters, claiming he had deployed some of his forces to protect them against attacks by armed units under the command of **Salah Mohamed Abdallah**

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of the Sudanese Congress Party and a leading member of the DFCF said his organisation held the TMC responsible for the shootings. The **United States** Embassy backed that view, saying the security forces actions had 'led directly to unacceptable violence that the TMC was unable to control.'

One of the first tests of the new transitional authority will be to oversee an investigation into those shootings, and all the violence by state forces that resulted in over 90 protesters being killed over the past five months. It could

reveal continuing rivalries between armed factions as well as the ability of the civilians to confront the military.

That will get harder as the transition moves on. The next six months will be dominated by negotiations between the transitional authority and armed opposition groups such as the Sudan Liberation Movement led by **Minni Minawi**, the Justice and Equality Movement led by **Jibril Ibrahim** and the Sudan People's Liberation Movement-North whose factions are led by **Malik Agar** and **Yasir Arman** (AC Vol 57 No 22).

The first phase will be for the new government to sign peace treaties with each faction. Since the ousting of Beshir, almost all the armed groups have agreed a bilateral ceasefire with the TMC.

Bringing all the factions into a coherent transitional authority and a reformed military is likely to take most of the three years available. Jealous of its firepower, political and financial autonomy, the military commanders

will try to dominate the reform programme.

Aside from calculations of military force, the other factor will be the government's financial weakness and the urgent need to cut state spending. The economic strategies drawn up by technocrats close to the DFCF all envisage substantial shifts in state spending towards the wider economy, administration and social services but away from the security-centric budgets under Beshir.

'DEEP STATE'

When asked about how the transitional authority would be able to take down this system, Lt Gen **Shamsudeen al Kabbashi**, spokesman for the TMC, replied: 'We have to dismantle it together'. But he admitted that it could take decades. That suggests a project well beyond the planned transition and raises questions about the good faith of the military, many of whose senior officers were direct beneficiaries of the Islamist Deep State. ●

SUDAN ECONOMY

A military-Islamist complex

To rescue the economy, the new government will have to free it from the grip of the generals, the spies and corrupt politicians

Just as the spiralling price of bread was the trigger for the four months of nationwide protests that led to the toppling of President **Omer Hassan el Beshir** on 10 April, the political economy will be at the centre of the new transitional government's reform efforts over the next three years.

At stake will be the military's domination of the economy. Over 60% of state spending goes on military and security spending, according to IMF and World Bank estimates. Official budgetary allocations put security spending at five times the level of health spending and 35 times the budget for education (AC Vol 58 No1).

Part of those allocations went into the building of a military-industrial complex along the lines pioneered in the region by **Egypt's** President **Gamal Abdel Nasser** in the 1960s. Beyond building a local arms industry, the military was moving into other areas of manufacturing even as the wider economy was staggering.

With the start of oil exports in 1999 as well as a sharp increase in gold production, Beshir's regime financed a

war economy and stepped up political patronage. It financed wars in the marginalised areas such as Darfur, the Nuba Mountains and Kordofan while boosting investment in the north and central regions.

In the 2000s, Beshir used growing state revenues to widen the military and security role in the economy, so boosting his standing with his base in the Sudan Armed Forces and the regime's myriad militias, as well siphoning off funds for Islamist formations independent of the generals.

For a decade, that political-security patronage system kept rival factions in some kind of balance. Senior officers in the Sudan Armed Forces strengthened their position as did the National Intelligence Security Service (NISS), with armed units including helicopter gunships and artillery.

State funds sponsored armed groups, the most notorious of which was the *Janjaweed* in Darfur, eventually rebranded as the Rapid Support Forces (RSF) with a leading role in the security apparatus and autonomous funding. We hear from banking sources that the RSF controls gold mines in Darfur which

export directly to the **United Arab Emirates**. Revenues from the sales are opaque but substantial amounts are recycled through Sudan's financial system.

That is how **Mohamed 'Hemeti' Hamdan Daglo**, Commander of the RSF and deputy leader of the Transitional Military Council, was able to offer to finance police salaries for the next three months. He says that the RSF's 'investments' have generated US\$350 million to help the national economy.

Alongside the military's grip on the economy were vast off-budget allocations to security and ideological training projects linked to the NCP and its Islamist satellites, the losers in this year's upheaval. The party's headquarters building, a gargantuan edifice on the Airport Road in the centre of Khartoum, has been shuttered since Beshir's fall. That alone, together with the party's network of offices in every state in the country, would be worth billions of dollars.

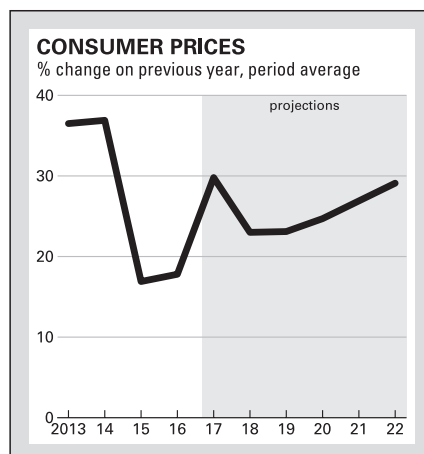
The turning point came in 2011 when **South Sudan** seceded, taking two-thirds of oil production and revenues with it. That pushed the government to devalue the Sudanese pound and cut subsidies on essential goods. Last year, the value of the Sudanese pound fell 85% against the US dollar and inflation was running at over 70% by the end of the year.

Attempting win to IMF backing, Prime Minister and Finance Minister **Mutuz Musa** pushed through budgetary

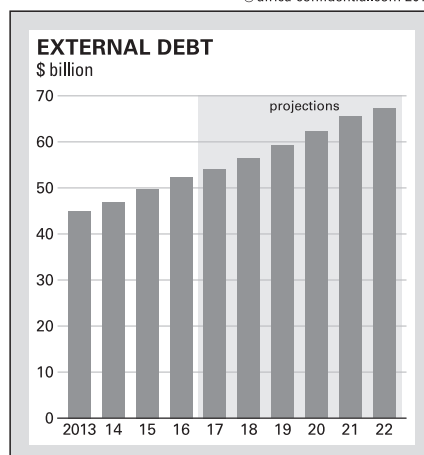
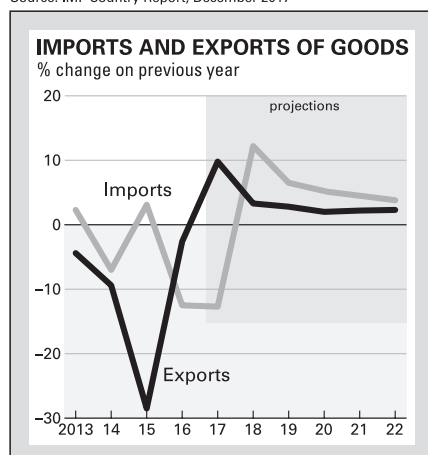
SUDAN'S MEDIUM-TERM MACROECONOMIC OUTLOOK



Source: IMF Country Report, December 2017



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cuts, leaving the military's privileges untouched, and announced measures to boost local food production in the budget in December. Separately, he devalued the pound, pushing up the price of key imports such as wheat and petrol, and cut subsidies.

The resulting rise in the price of bread and fuel shortages hit the economic heart of the country, its central and northern regions, places such as Atbara, Gedaref, Port Sudan and Gezira with trade unions and civic activists organising protests.

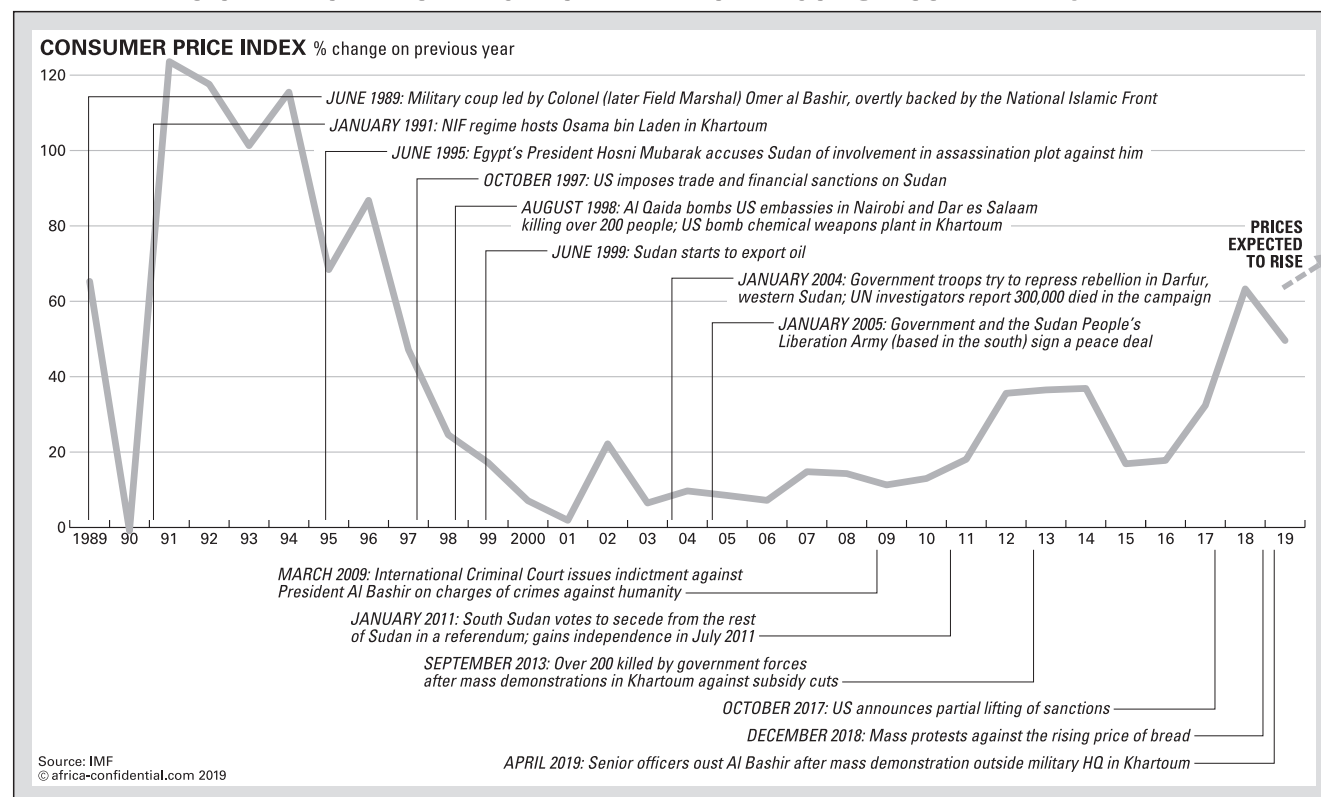
It was in Atbara, known as the railway city of 'steam and iron' with a tradition of radical politics, that the latest wave of protests started on 19 December. Led by students after the state university said it couldn't afford to buy bread, protesters burned down the local offices of the ruling NCP.

PROTEST ALLIANCE

Over the past five months the alliance between grassroots activists, the Sudan Professionals' Association and opposition parties has strengthened with the spread of the protests. Local businesses, at first cautious, became enthusiastic backers.

Some of the bolder ones supplied food and water, along with free medical treatment, to the mass sit-in

THIRTY YEARS OF NATIONAL ISLAMIC FRONT – NATIONAL CONGRESS PARTY RULE



outside *Alqiyida al Amaah*, the military headquarters in Khartoum, when it started on 6 April. Others waited until the fall of Beshir before they made public declarations. One of the protest leaders said with a smile that the sit-in has become a 'branding festival' for local companies offering everything from food, pharmaceuticals, air-conditioning units, tents, public address systems and generators.

How the alliances between the activists and local companies develop as the new government tries to reform the faltering economy will be critical. They have a common foe in the shape of the military's economic dominance but they differ radically on issues such as privatisation, trade and monetary policy as well as social spending.

Local and foreign companies in

groups such as the US-Sudan Business Council have been promoting support for the end of all sanctions on Sudan and a market-driven economic strategy in concert with the IMF and World Bank. Many activists at the sit-in see things differently. 'We've already had a regime imposing Islamist neo-liberalism,' an activist said. 'It's not just the Islamism that we want to get rid of. First Beshir, and then the IMF.' ●

SOUTH AFRICA

The Ramaphosa relaunch

The President has the mandate to purge corruption from the ANC but his foes in the party will complicate reform efforts

President Cyril Ramaphosa's mandate at the polls, amid waning support for the ruling African National Congress and rapidly growing support for the populist Economic Freedom Fighters (EFF), leaves him in a precarious situation to deliver his promised 'new dawn'.

The President indicated in his victory speech outside ANC headquarters on Monday that he would only appoint officials who were 'not corrupt and arrogant'. But within the party battle royal is looming over any purge.

The President's first challenge is whether to shift Deputy President **David Mabuza** to another post in the party or government. Mabuza, who faces allegations of corruption and organising the assassination of political enemies while premier of Mpumalanga, is widely regarded as a political albatross around Ramaphosa's neck. Although he threw his weight behind Ramaphosa's bid for the ANC presidency at a key moment in December 2017, Mabuza is politically close to EFF leader **Julius Malema** and is known to want the presidency in 2024 (AC Vol 59 No 8).

However, Mabuza, who has health problems and has travelled on more than one occasion to **Russia** for treatment, has little experience in government and chairing cabinet committees, which is one of the functions of the Deputy President. The most likely candidates to replace him are International Relations Minister **Lindiwe Sisulu** or the former wife of former President **Jacob Zuma**, **Nkosazana Dlamini-Zuma**, who as a senior minister in the Presidency has been supportive of Ramaphosa.

The second challenge for Ramaphosa will be whether to forge ahead with the drastic reduction in the size of the cabinet from 35 to 25 posts

with 12 deputies or to postpone it until the election day fallout has settled.

The third challenge is whether Ramaphosa will allow corruption suspects, who made it onto the ANC election list at the insistence of party Secretary General **Ace Magashule**, to retain their positions in the ANC, be appointed to the cabinet or to take their seats in Parliament (AC Vol 60 No 6). Magashule, who has also been accused of graft, is Ramaphosa's other albatross. He has been tainted by corruption allegations at the Zondo Commission into State Capture along with senior ANC officials **Nomvula Mokonyane**, **Nathi Mthethwa** and **Thabang Makwetla** (see Box and AC Vol 60 No 7).

NEW ARRESTS

Within days of the election result, the Hawks special police investigation unit had arrested **Zandile Gumede**, the ANC mayor of eThekweni (Greater Durban), along with several municipal officials, on charges of money-laundering and racketeering. On 14 May, the former Acting Police Commissioner **Khomotso Phahlane** was arrested in connection with the investigation of a \$6 million tender fraud.

Parliament meets on Tuesday 21 May, the election of the President is on 22 May and his inauguration is on 25 May. The new cabinet is likely to meet on 26 May.

The message of the ANC's reduced national majority (57.7%, down from 62.1% in 2014) – and hair's-breadth win in the economic heartland of Gauteng (50.19%, down from 53.59%) clearly invites action to reduce unemployment and poverty at the expense of retrenchment and investor-friendly reforms (AC Vol 55 No 10).

But perhaps the starkest warning for Ramaphosa and the ANC came in terms of the big drop in voter turn-out from 73% in 2014 to just under 66% this time around. This means that almost a million fewer registered voters went to the polls in 2019 than in 2014.

The Democratic Alliance, the centrist opposition party, did better than the polls predicted, albeit with a reduced vote (20.76% from 22.23%). The DA also retained control of the Western Cape legislature (55.25% from 59.38%) despite the breakaway Good, a party under the leadership of former Cape Town mayor **Patricia de Lille**, which gained 3.01% in the province, but only won 0.4% of the national vote.

Despite some challenges to the Independent Electoral Commission (IEC) over 'double voting', South Africa's sixth democratic poll was clear evidence that democracy has taken root and that political stability prevails alongside the noise, infighting and protests.

Interestingly, the parties said to have the tacit support of former President Zuma fared very poorly. The African Transformation Movement managed at most one seat and Black First Land First (BLF), which uses openly racist rhetoric, fell far short of winning any seats (AC Vol 60 No 9).

Of the 48 parties that took part in the election, 11 are set to be represented in parliament. The election saw smaller parties win an unprecedented 10% of the vote if an unusually high number of spoil papers (1.4%) is included.

POLLS APART

The main winners in the poll were the militant EFF (10.75% up from 6.35%) and the right-wing Freedom Front Plus (FF+, 2.38% from 0.9%), which represents the most conservative white voters. The governing party and official opposition both lost considerable ground. Analysts said that if this trend continues support for the populist left and far right will accelerate. This could mean an increase in the already high levels of protests, which could in turn raise perceptions of risk and dissuade investors from long-term commitments.

THE ZUMA GROUP DEMANDS ITS PLACE AT THE TABLE

Factional fighting between the **Jacob Zuma** and **Cyril Ramaphosa** camps within the African National Congress – undiminished by the election results – is set to enter a new phase as the ruling party distributes the political and administrative appointments in its gift. The top six leaders of the ANC met on Monday and Tuesday (13 and 14 May) to begin to thrash out the shape of the new government and the assemblies.

Behind closed doors, the Zuma group has put its demands on the table, according to senior ANC insiders, under the rubric of a 'unity' strategy. It wants equal allocation with Ramaphosa supporters of all seats and appointments, as well as a halt to the economic liberalisation and austerity programme waiting in the wings. While many of the group's demands are highly unpalatable to Ramaphosa, it is well represented in the party's National Executive Committee (NEC). **Ace Magashule**, the ANC general secretary, typified the pro-Zuma position on the election when he lashed out at those saying Ramaphosa was key to the ANC's victory. 'The ANC is not about an individual,' he said. 'That's nonsense. People are electing the ANC.' He said the ANC 'needs' Zuma, whom he persistently addresses as 'President', we hear, much to Ramaphosa's annoyance.

The group is insisting on consultation on all cabinet appointments at a minimum, or better still an equal share of appointments – all part of the 'unity' policy.

The provincial premierships candidates appointed on 13 May reflected almost parity between Zuma and Ramaphosa supporters, with Ramaphosa supporters appointed to head the Eastern Cape, Northern Cape, Gauteng and Limpopo, and Zuma supporters heading KwaZulu-Natal, Mpumalanga and Free State.

Northwest province – a stronghold of the Zuma faction – remains undecided. The former premier, **Supra Mahumapelo**, a staunch ally of Zuma and Magashule, was removed by the ANC leadership for mismanagement (AC Vol 58 No 9). Ramaphosa appointed the veteran public servant **Job Mokgoro** as acting premier but the Zuma group will not allow him to be made permanent in the post. Mokgoro will remain acting until a candidate can be secured who would satisfy the Zuma faction.

The ANC Women's League, a close ally of the Zuma group, has demanded equal representation for women at all levels of the Ramaphosa government but insists that it shall decide who they are. In similar fashion, the pro-Zuma ANC Youth League wants better representation for 'youth' but that it should control which youths go where.

The ANC will be making appointments to national parliament and provincial legislatures. The reduction in its national and provincial votes means that fewer ANC members on its candidates list will be appointed. Magashule's deft control of the list saw Zuma supporters at the top and Ramaphosa supporters at the bottom (AC Vol 60 No 9). Ranking on the list decides who gets preference in seat selection.

An option remains open to Ramaphosa. The ANC's Integrity Committee, which supports the President, has named 22 'compromised' individuals to be asked to resign or to be taken off the list, including Deputy President **David Mabuza**, Women's League leader **Bathabile Dlamini**, former Finance Minister **Malusi Gigaba** and Environmental Affairs Minister **Nomvula Mokonyane**. All are staunch Zuma loyalists and very unlikely to go quietly. ●

An analysis of voting patterns suggests that some white former DA voters took refuge in the FF+ in protest against the ANC and the EFF's radical land redistribution plans and affirmative action. In return, the DA won some black voters warming to its progressive land redistribution and less radical affirmative action policies. But it also lost some white voters turning to the ANC to support Ramaphosa.

ECONOMIC STRUGGLES

Despite Ramaphosa's commitment to clean government and reviving the ailing economy, the economic growth rate languishes at less than 1%. The electricity utility Eskom is crippled with massive debt, unemployment is at 27% – rising to 54% for the youth – and the country has the highest levels of inequality on the planet.

But investors are relieved that the vote for the EFF was not as high as some polls had predicted – and that they cannot now force a coalition in any of the nine provinces. The EFF did, however, emerge as the official opposition in three provinces – Northwest, Mpumalanga and Limpopo.

In KwaZulu-Natal, Zuma's heartland, the ANC shed a whopping 10 points of its 2014 vote (54.22%

from 64.52%), divided mainly between the EFF and the Inkatha Freedom Party, the regional Zulu party which garnered an impressive 3.38% of the national vote.

The President faces a barrage of challenges. First, he must shore up his still precarious support in a deeply divided party as well as deliver on his promises to end corruption with a series of prosecutions in the courts. He must preside over the bailout and recapitalisation of Eskom and manage the explosive land ownership issue in a way that keeps investors on board while showing material benefits for people.

All the while, a toxic mix of former Zuma allies, the EFF and wavering Ramaphosa supporters who have not yet decided which way to jump, will continually seek to undermine his leadership in the hopes of getting their turn at the patronage trough in 2024, or even in 2021 when the party's national executive committee is due to review his performance.

WHITE DILEMMA

The debate among white liberals and business leaders in the run-up to the election was whether to vote for the ANC to strengthen Ramaphosa against the

pro-Zuma patronage lobby or whether to vote against the ANC because the party is irretrievably corrupt (AC Vol 60 No 1).

'We are under no illusion when it comes to ending corruption and turning the economy around,' said a business source. 'It is going to be a hard slog these next five years with no guarantees of success,' he added. 'But Ramaphosa is our best hope.'

Ramaphosa has succeeded in winning the support of the business community with a series of high-level meetings in which the government has agreed to remove red tape for the private sector to proceed with major business projects over the next three years, with government eventually joining as an investment partner.

All eyes are on the President now as the country grapples with the disastrous consequences of a decade of corrupt and incompetent rule and tries to get the train back on the rails.

'Ramaphosa has a choice,' said independent political analyst **Daniel Silke**. 'Will he put the interests of his own party first – prioritising their divisions, history and fears of a stronger EFF – or will he put the interests of South Africa first in its urgent need for real structural and policy reform?' ●

SENEGAL/GAMBIA

Pushing out the privateers

Oil majors are returning to the Senegal basin, and long-time local dealmakers like Frank Timis are gradually being eased out

BP has cemented its interest in the Senegal basin by sweeping up two disputed oil blocks off the coast of Gambia previously held by Norway-listed Africa Petroleum as a raft of increasingly positive exploration results ramps up interest in the region among international oil majors.

At a reception hosted at President **Adama Barrow's** residence in Banjul, BP's Vice-President for new African ventures **Jonathan Evans** announced the firm's triumphant return to the Gambia after a 30-year absence. The oil major is partnering with the Gambia National Petroleum Corporation (GNPC) to explore for and develop oil off the coast in block A1. Work will begin with an environmental impact assessment, followed by a two-year period of drilling, exploration and development of the first well. BP says the licence was awarded following a bid-round process.

Its interest in the region has grown rapidly since it signed a US\$1 billion farm-in deal in December 2016 with **United States** oil company Kosmos Energy, taking a majority stake in the St Louis and Cayar deep sea blocks off Senegal's north coast (AC Vol 58 No 10).

The deal put BP into business with the controversial mining and oil entrepreneur, **Frank Timis**, whose privately owned company Timis Corporation held a 30% stake in the blocks. Timis's association with **Aliou Sall**, a one-time employee of Timis's Senegalese company PetroTim and the brother of Senegalese President **Macky Sall**, has long been the subject of local controversy (AC Vol 56 No 18). Macky

Sall won February's general election and a second term, with a mandate to realise the country's oil and gas potential (AC Vol 60 No 5).

Sources in the region said that both BP and Kosmos had been eager to part company with Timis Corporation, due to Timis's reputation for controversy in the region. BP bought out Timis Corporation's stake in the Senegalese blocks in April 2018 for an undisclosed amount (AC Vol 59 No 6).

Timis has been a long-term player in the region, and his much-documented relationship with the Salls remains a talking point in Dakar. His interests in the region's oil and gas potential extend beyond the web of companies carrying his name, as he remains a shareholder in African Petroleum, which he founded in 2010, through Sarella Investments.

The appeal of the region's oil potential has increased significantly since Kosmos and US oil company Cairn made major discoveries off the coast of Senegal. Meanwhile, African Petroleum's Gambia blocks are estimated to contain 3 billion barrels of oil.

Neighbouring Gambia has had a chequered relationship with African Petroleum, with the disputed offshore blocks A1 and A4 already having been stripped from African Petroleum and its partner Buried Hill Energy, in 2014 by former President **Yahya Jammeh**. **Jammeh's** government accused the firms of failing to meet their contractual drilling agreements, alongside a third firm, Oranto Petroleum.

African Petroleum's initial exploration period for the two offshore blocks has been extended three times,

with the company seeking further extensions which Gambian authorities rejected in 2016.

Affiliate companies, African Petroleum Gambia Limited and APCL Gambia B.V, filed requests in 2017 for arbitration documents with the International Centre for Settlement of Investment Disputes (ICSID) to shield its interests in A1 and A4, which it acquired in 2006.

Omnia Strategy, the specialist law firm headed by **British** barrister **Cherie Blair QC**, the wife of the former UK Prime Minister **Tony Blair**, is representing **Gambia** in the case. A spokesman for African Petroleum told *Africa Confidential* that the timeline for a decision had not been provided.

Also being heard at the ICSID is a case brought by African Petroleum against the government of Senegal disputing two blocks held by the company off the coast near Rufisque (AC Vol 59 No 23). African Petroleum was expected to have drilled a first well on the Rufisque Offshore Profond Block in 2015 but lacked the funds to carry out drilling work to depths of close to two kilometres and has since been pushing back drilling target deadlines.

Rumours that African Petroleum might be looking beyond the basin for further investments were fuelled when the company quit a pair of ultra-deepwater blocks off **Sierra Leone** late last year and were confirmed in March when it announced that it planned to combine with a company part owned by an Abu Dhabi investment firm to give it a stake in producing assets in **Congo-Brazzaville**. The Oslo Axess-listed firm's board has unanimously recommended an all-shares deal that will see it merge with privately held PetroNor E&P.

BP's increasingly muscular presence in the region and the quality of the oil and gas discoveries emerging will leave little room for junior oil explorers like African Petroleum – more likely is a flurry of interest from other oil and gas majors looking to cash in. ●

ANGOLA

Sonangol's head rolls

The state oil company's chair took the blame for chronic fuel shortages but there are deeper currents at work

The sacking of Sonangol chair **Carlos Saturnino Guerra Sousa e Oliveira** on 8 May is a deeply political affair, according to sources in Luanda. Saturnino replaced the billionaire **Isabel**

dos Santos as CEO of the state oil company in late 2017, only two months after President **João Lourenço** took office in what was then seen as one of his boldest moves against the business

and patronage network built during the 37-year reign of his predecessor, **José Eduardo dos Santos** (AC Vol 58 No 24).

The day before Saturnino's dismissal, President Lourenço had promised the public he would quickly end the fuel shortages that have been plaguing the country. Despite exporting crude oil, Angola imports the vast majority of the petroleum products it consumes.

When Saturnino replaced Isabel dos Santos at the end of 2017, he accused her of mismanagement and directing consultancy fees to her own companies. His appointment was warmly welcomed

by the foreign oil companies who had got to know and trust him as he rose through the ranks of Sonangol since joining the company in 1996.

President Lourenço sacked Saturnino, insiders say, to deflect blame for the fuel crisis, which has brought some cities close to paralysis because of their dependence on diesel generators for electricity. Sonangol itself blamed the crunch on payment delays to fuel suppliers. But after meeting oil industry officials, the presidency said a 'lack of communication' between parties involved had caused the problem, and days later a new Sonangol board was appointed.

A well-known bureaucrat who has made his career in Sonangol and is unlikely to rock the boat, **Sebastião Pai Querido Gaspar Martins**, takes the helm. He has served on the company's board and in various other roles, including as chairman of Somoil, a company allegedly owned by former Vice-President and ex-Sonangol chairman **Manuel Vicente**, along with former oil minister **Desiderio Costa**. Somoil was involved in a due diligence controversy that affected **Norway's** Norsk Hydro in 2008. Somoil was believed to hold a secret 15% interest in offshore Block 04/05, in which the Norwegians had also invested (AC Vol 55 No 6). It was common at the time for oil companies to be obliged to 'carry' about 15% interest in a production block on behalf of companies like Somoil which were secretly owned by senior members of the Angolan political establishment (AC Vol 56 No 25). Somoil was the most

influential of these and the only Angolan company to have oil interests outside the country.

Sources say Gaspar Martins, like Saturnino, is a 'man of Vicente's making'. Saturnino was reported not to have been Lourenço's first choice as Sonangol chair (AC Vol 59 No 9).

FALLING OUT

Saturnino fell out with Lourenço when, as part of a restructuring of the oil sector aimed at reducing Sonangol's power, the *Agência Nacional de Petróleo, Gás e Biocombustíveis* (ANPG) was created to handle relations with foreign companies and supervise exploration and production contracts.

Saturnino, who at the time was busy lobbying independent oil companies in Houston, Texas, against the agency's creation, was caught off-guard and threatened not to show up to a press conference. In the end he attended, but wearing neither suit nor tie, which we hear angered Lourenço. Independent oil companies say that although they had a good relationship with Saturnino, the impact of his dismissal on business won't be significant, particularly since Sonangol's powers have been significantly cut back in favour of ANPG.

In some quarters in Luanda, Finance Minister **Archer Manguiera** and the governor of the central bank, the *Banco Nacional de Angola* (BNA), **José de Lima Massano** are blamed for the fuel shortages. According to one theory, the two, who are still linked by Luanda insiders to the Dos Santos circle, deliberately created a forex bottleneck

which would cause a fuel shortage which would then be blamed on President Lourenço. Massano and Manguiera are likely to lose their positions after a congress of the ruling *Movimento Popular de Libertação de Angola* (MPLA) in June or sooner, if Lourenço can find a different team that his wife **Ana Dias Lourenço** approves of. She is a distinguished economist and former minister whose opinions the President trusts implicitly.

Gaspar Martins is said to have a good relationship with the ANPG head, former secretary of state for oil, **Paulino Fernando de Carvalho Jerónimo**. The agency will oversee Angola's new oil and gas licensing round, which will be announced at an oil and gas conference in June. Sonangol urgently needs new expertise and drive to increase crude production, which is in the process of sliding from 1.5 million barrels a day to 1.4m bpd and may not stabilise until it reaches 1.2m bpd. Up to 50 new blocks will be offered up to 2025, but industry sources say foreign investor interest is low. Many of the offshore deposits are too deep to be exploited at current prices.

People to watch in the new Sonangol board include **Joaquim Fernandes**, an old company hand who will be in charge of downstream, including the refineries. This is a big job, particularly given the recent fuel crisis. **Luís Ferreira do Nascimento José Maria**, who is aligned to a reformist wing of the MPLA led by **Manuel Nunes Jr**, is in charge of governance. **Osvaldo Salvador de Lemos Macaia** is head of the legal department. ●

SÃO TOMÉ & PRÍNCIPE

Graft, or statescraft?

The detention of an ex-finance minister on corruption charges looks more like a ruse to keep his former boss in exile

While dethroned Prime Minister **Patrice Trovoada** was able to leave São Tomé for his luxury home in Lisbon after losing power, one of his most prominent ministers has not been so fortunate.

Trovoada's Finance Minister **Américo Ramos** was arrested on 3 April as he left the Presidential Palace. The following day he was charged with money laundering and corruption, and has remained in detention ever since. The manner of Ramos's arrest was widely seen as a humiliation of President **Evaristo Carvalho**, who appointed Ramos as his economic and

financial adviser in early March.

But four weeks on, it appears that the charges hanging over Ramos are also meant to prevent Trovoada from returning. Trovoada left São Tomé immediately after his *Ação Democrática Independente* (ADI) was defeated in last October's elections (AC Vol 59 No 24). In November, Trovoada declared his temporary resignation as ADI leader.

The charges against Ramos are based on two loan agreements he signed on behalf of the Trovoada government: a \$30 million loan from the Hong Kong-based China International Fund (CIF) for the construction of an administrative

city and housing for civil servants agreed in July 2015; and in November 2016, a \$17m loan from the Kuwait Fund for Arab Economic Development for the rehabilitation of São Tomé's only hospital. The \$47m is still missing, the government says.

CIF is owned by **Sam Pa**, the controversial Chinese investment tycoon imprisoned on corruption charges in Beijing in October 2015 (AC Vol 58 No 10). Ramos is also accused of having withdrawn €624,000 from the local branch of the **Gabonese** BGFIBank.

Ramos's lawyer **Adelino Pereira** argues that the government's claims about the 'lost' \$47m have been trumped-up, and has presented evidence that only \$10m of the \$30m loan was actually deposited in the account of São Tomé's central bank at the **Portuguese** bank *Caixa Geral de Depósitos* (CGD). He cited a letter from Ramos's successor as Finance Minister, **Osvaldo Vaz**, to the local Chinese ambassador, dated 9 January 2019, asking for assistance

in obtaining the disbursement of the remaining \$20m, since the country was in a precarious financial situation.

Pereira was also able to substantiate that the \$17m from Kuwait has not yet been disbursed, and that only \$246,607.66 was paid to a consultancy joint venture of the **Kuwaiti System Development Project Management** and the **Indian Feedback Infra Private Limited** when a contract was signed on 15 July 2017. This amount corresponds to 15% of €1,395,200, the fee demanded in the proposal submitted by the joint venture in a public tender. Pereira claims that, as the government possessed this information, its assertion that it was unaware of the whereabouts of the \$17m and the recipient of the \$246,607.66, is evidence that the case is a politically motivated hatchet job.

The sense that Ramos is being made an example of has been given added credence by the battle over whether he should be released or charged.

On 30 April, the three-member Supreme Court chaired by its president **Manuel Silva Gomes Cravid** refused to put Ramos on trial. Two weeks later,

Supreme Court judge **José Bandeira** ordered that Ramos be released from custody and instead placed under house arrest. However, the government's lawyer **André Aragão** successfully appealed against this decision, arguing that Bandeira was not impartial due to his connections to the Trovoada government.

In his statement to the Supreme Court, Attorney-General **Kelve de Carvalho**, one of the few senior office holders appointed during the Trovoada government who has not been replaced by new Prime Minister **Jorge Bom Jesus**, leader of the *Movimento de Libertação de São Tomé e Príncipe/Partido Social Democrata* (MLSTP/PSD), described Ramos's custody as illegal.

CREDENTIALS

Whatever the strengths of Pereira's case, many see Ramos's detention as part of an anti-corruption drive by the Bom Jesus government. To prove his credentials, the prime minister publicly reimbursed government travel allowances worth €2,100 from recent trips to Addis Ababa and Luanda.

More critical voices view the government's claims of the alleged disappearance of \$47m as part of an attempt to explain the government's inability to solve its financial difficulties. Moreover, it is believed that the true target is not Ramos, but Trovoada.

Pundits believe that the new government, which has quickly followed Trovoada's path of politicising the judiciary, wants to make it hard for him to return to São Tomé. Trovoada's absence has already encouraged **Agostinho Fernandes** to put himself forward for party leader. It is the first time since 2001, when then President **Miguel Trovoada** imposed his son Patrice as party leader, that anyone else has challenged for the ADI leadership.

Trovoada's supporters in the ADI still hold out hope that their leader will return, pushing back the party's congress scheduled for 30 March to 25 May to give him more time to return and prevent Fernandes's coronation. But that seems increasingly unlikely. Trovoada has now left Portugal for Dubai, taking himself another step away from the prospect of possible indictment. ●

SOMALIA

Farmajo's big push

The President is planning to launch a new anti-Al Shabaab military offensive. But the auguries are not favourable

New talks are taking place between the government of President **Mohammed Abdullah Mohammed 'Farmajo'**, the **United States**, **Ethiopia** and the African Union Mission in Somalia (Amisom) to launch a large-scale military offensive in Jubaland and a greater part of Lower Shabelle, the stronghold of the Somali Jihadi movement *Al Shabaab*, according to intelligence and diplomatic sources.

Whether Galgaduud region will be included in the operation is not yet known because there are differences over it between Mogadishu and Addis Ababa. Important senior Ethiopian army officers have good relations with the *Shabaab*-opposing *Ahlu Sunna wal Jama'a* militia that for 10 years has secured the border area of Galmudug state with Ethiopia. They don't like the idea of sidelining this efficient allied militia.

Farmajo is in political difficulties, our sources say, and he appears to believe that such a military initiative could help restore his credibility with his international partners, whose doubts about his ability to deliver

continue to grow. When he was elected in February 2017, he promised to dismantle *Al Shabaab* within two years. In fact, the group's ability to sow terror in Mogadishu has revived and the movement's zones of influence have expanded, notwithstanding renewed US military activity and a strong increase in the number of drone strikes this year and last.

Last September, when the US requested better and more transparent management of the Somali National Army (SNA), Farmajo announced that this had to be done before a major offensive against *Al Shabaab*. Yet, in mid-March this year there were mutinies in Middle and Lower Shabelle, mainly over chronic failures to pay soldiers' salaries, which again shed light on the SNA's poor management and the tensions between the military and the government (AC Vol 60 No 8). Even though the main grievances of the troops have not been addressed, Farmajo and his team intend to prove to the international community that they are committed and trustworthy.

Presumably in aid of Farmajo's campaign to demonstrate his government's zeal, much publicity was devoted on 23 April to the defection of an *Al Shabaab* notable, **Adan Abdi Mahamed**, aka 'Adan Obbe', who was presented to the media as the head of tax collection for *Al Shabaab* in Gedo region. A second, more junior commander, **Fuad Adan Mahamud**, defected with him.

Somalis quickly spotted a weakness in the government's claims for their defectors. Adan Obbe is a well-known businessman and elder in Kismayo and while he probably was involved in tax collection for *Al Shabaab*, like many other elders, it is more significant that he is Marehan/Reer Siyad and so clan-related to the National Intelligence and Security Agency head of operations who helped him defect. Moreover, after three days in Mogadishu, it was announced that after falling ill he had been taken to a medical facility outside the country. The defecting junior commander – also Marehan/Reer Koshin – appears to have been his driver.

Promotions are quick when you defect to the government side. A dozen further defections were announced in the next two weeks but all were Marehan and many observers doubt they were real *Al Shabaab* members. The announcements are designed to support the narrative that the government campaign is working and *Al Shabaab* weakening.

Further exaggeration in the PR blitz came in the assertion that retaking the villages of Barire, Sabib and Anole in Lower Shabelle was a strategic defeat for *Al Shabaab*, which is untrue, according to our sources. Somalis point out that the facts behind this 'victory' reveal some home truths about the SNA. The SNA contingent that carried out the attack was made up of recruits prompted to join up when *Al Shabaab* killed over 500 people in a truck suicide bomb on 14 October. The men lacked experience, so Farmajo's team paid about 50 Haber Gidir fighters from SNA Battalion 2 to provide support. The support unit only stayed until Barire was captured, and then left. *Al Shabaab* quickly took Barire back and only US firepower prevented them from staying.

The reality is that SNA is not acting as a unitary armed force but as a coalition of separate contingents, some trusted by Farmajo, others not. To launch an offensive when so little has been done for the soldiery seems risky to many. Salaries have still not been paid for months and on 3 May, the government announced that it couldn't afford to pay pensions to the families of soldiers killed in action.

Farmajo's initiatives can also hurt security. He sent new recruits to **Eritrea** and **Egypt** for military training but without referring to the presidents of the federal states and in contravention of an agreement on Somalia's 'national security architecture'. Somalis tell *Africa Confidential* that most of the recruits are Darod and some see this as evidence that Farmajo is building an army of his own. This initiative also cuts across **Turkey's** training programme for the SNA at Halane, near Mogadishu international airport. Some political observers see the wider Gulf crisis at play here. Eritrea's President **Issayas Afewerki** is believed to be acting on behalf of **Mohamed bin Zayed al Nahayan** (aka MBZ), the Crown Prince of the **United Arab Emirates** and key ally of **Saudi Arabia's** Crown Prince **Mohammed bin Salman** (aka MBS).

ETHIOPIAN RISK

Such circumstances do not augur well for a new military campaign but other political dynamics are at work. Ethiopia's Prime Minister **Abiy Ahmed** is willing to commit fresh troops on the strength of the warm relations he enjoys with Farmajo. But memories are still

raw concerning the Ethiopian invasion of 2006 and Abiy seems strangely oblivious to the potential downside.

Ethiopian troops under Amisom command lost local credibility when they arrested **Mukhtar Robow Ali 'Abu Mansur'** in Baidoa in a blatantly sectarian move by Farmajo (AC Vol 60 No 2). And they are taking over from **Kenyan** troops in Jubaland at a time when tensions between Nairobi, Addis Ababa and Mogadishu are growing. Since 9 May all direct flights from Mogadishu to Kenya have been obliged to stop over in Wajir airport in north-east Kenya for a further security check. Trust in Ethiopian neutrality in Somalia is low, so much so that there are rumours that Ethiopian troops plan to take over Kismayo and arrest the current Jubaland president, **Ahmed Madobe**.

For its part, Amisom needs to show enthusiasm for launching an offensive originally promised five years ago but never delivered. **Federica Mogherini**, the High Representative of the European Union for Foreign Affairs and Security Policy, is set to visit the region in May, when she is expected to visit Mogadishu and announce new funds for Somalia and Amisom. ●

LIBERIA

Weah on borrowed time

Donors' fury over misused funds add to the woes facing the President as a mass public protest looms

A much-anticipated 'Save the State' protest, which is scheduled for 7 June, seems to be gaining momentum as citizens challenge President **George Weah** and his government on critical national issues.

'We are not demanding the President to step down, but we want him to make adjustments, perhaps fire a few people and tighten the screws on corruption and greed,' said **Henry Costa**, one of the protest's organisers. He is a popular radio talk show host and a stalwart of the opposition All Liberia Party, for which he stood, and lost, at the last parliamentary election. His career is strongly associated with **Benoni Urey**, a prominent wealthy businessman and the sponsor of the ALP (AC Vol 58 No 16).

Last month, Presidential Affairs Minister **Nathaniel McGill** sued Costa and his Roots FM station for defamation over its critical coverage of the government. That was before two communications to the President leaked. One was from the ambassadors of the

United States, Germany, Norway, Sweden, France, Ireland, Britain, Japan, and the European Union alerting the President to misused donor funds. Another, from the World Bank, was addressed to Finance and Economic Planning Minister **Samuel Tweah** demanding the immediate repayment of nearly \$3.3 million of funds diverted from their intended mission of fighting the Ebola crisis.

The diplomats' missive complained that they had received a copy of a letter from government ministers to the Central Bank of Liberia ordering funds to be withdrawn from accounts holding funds for donor programmes.

'While some partners have been aware of particular accounts from which funding had been removed for purposes other than those that were intended and agreed,' the leaked diplomats' letter said, 'and have been addressing the issue, the letter indicates a greater scale of irregular withdrawals than was previously and collectively known.' Donors would

have to 'consider the integrity' of their funding for Liberian programmes, it went on. 'We are apprehensive about the potential negative impact that such conduct may have on assistance levels to Liberia overall.'

Allegations of misconduct, theft of government funds, dubious procurement practices and myriad other cases of malfeasance have dogged the Weah administration ever since he took office in January 2018. Weah's long-running failure to declare his assets, as required by law, has raised eyebrows among Liberians and abroad. After taking office, he began a building programme on his own behalf of numerous properties across the country, including a 48-unit apartment and office complex in Monrovia, and the renovation of a dilapidated home built during his illustrious career as a top footballer (AC Vol 59 No 20). In spite of the public outcry Weah still refuses to make his declaration public, arguing in a BBC interview that he wants to protect his children from scrutiny.

Before the ambassadors made their joint démarche, the United Nations had also written to McGill highlighting questionable transactions and a lack of accountability on the use of UN funds by government agencies. The Economic Community of West African States (ECOWAS) Representative in Liberia also cautioned the government to be

careful in the use and management of donor funds.

The leaks are fuelling public anger against an administration which has presided over an economic downturn, currency depreciation, and rising inflation. It has also been criticised for ignoring World Bank and International Monetary Fund advice on loans, incurring massive debt from sometimes questionable sources.

Speaking at the ceremonies marking the 243rd anniversary of US independence, US ambassador to Liberia **Christine Elder** urged President Weah and his government not to spurn the IMF. The IMF had criticised the government in March over its public wages bill which, including discretionary allowances, totals about two-thirds of all public spending. 'As grants and other external assistance decline, this is no longer a tenable situation,' the IMF reported following a visit in February. 'Freeing up resources in an equitable manner for pro-poor development will likely require effective actions to reduce the share of government resources devoted to this budget item,' added the Fund.

The leaks increase the pressure on Weah to make drastic changes to his economic management team, which is headed by Tweah. Among the demands of the 'Save the State' planners – although nobody regards their stance as politically neutral – is the dismissal of Tweah, McGill and **Nathaniel Patray**, the Governor of the Central Bank.

The Finance Ministry and the Central Bank having been under pressure since a report in February by the US-based corporate investigations and risk consultancy Kroll Associates funded by the US government identified discrepancies in the government's programme for the Central Bank to pump \$25m into the economy last July to mop up the excess liquidity of Liberian dollars (AC Vol 59 No 22).

In the wake of the Kroll report, the President asked the General Auditing Commission (GAC) to carry out its own detailed probe into the programme, a move seen by many as an attempt to buy time and avoid parting ways with the influential Tweah, who many hold responsible for the dismal performance of the economy.

The President asked the GAC to complete and submit the report in two weeks, but when that deadline passed, announced a six-week extension – with a new deadline of 20 May. In the meantime, speculation abounds that Weah has the report but is working out how to handle it, prompting the Ministry of Information, Cultural Affairs and Tourism to dismiss speculation that it had already received the report. Either way, it is becoming harder for his administration to stall for time.

DEALING IN DISMAY

The diplomatic protests and words of advice to the ex-champion footballer do not reveal the full extent of international dismay and worry with

Weah's government. Among the deals that cause concern are the fishing agreement with Senegal, under which that country's trawlers were granted rights to catch up to 40,000 tonnes of fish in Liberian waters. There has been massive local protest at what is seen as a very poor deal for Liberia. It has not gone forward, but has not been cancelled either.

Then there was the deal with businessman **Sahr Ngegba** and his Global Tracking and Maritime Solutions, under which the firm would monitor all containers coming to and passing through all seaports in Liberia for a fee of \$175 per item. Yet Liberia recently renewed its contract with a pre-shipment inspection agency, BIVAC, which solicits a fee for doing the same job. While public protests have caused the arrangement to be suspended, it has not been killed.

In neighbouring **Sierra Leone**, the President **Julius Maada Bio's** government obliged Ngegba to return \$665,000 in port fees collected under a similar scheme (AC Vol 60 no 7).

Questionable business negotiations aside, President Weah's tenure so far has been a mixed bag of complications and controversy. The President and his top officials' quest for wealth and the administration's slackness in regard to the economic fundamentals have not yet touched off significant social unrest, which is why the scale of the 7 June protest and the government's reaction to it will be so closely watched. ●

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POINTERS

Benin

A TALON FOR AUTHORITARIANISM

■ President **Patrice Talon** continues to rebuff calls for a rerun of the 28 April parliamentary polls, which were marked by a meagre 23% turnout after opposition parties were excluded (AC Vol 60 No 9).

The West African and diaspora intelligentsia, along with religious leaders, anxious at the loss of a respected model of sub-Saharan African liberal democracy, back mediation. But there's no sign Talon is ready to compromise.

Calm has returned to the streets of Cotonou after days of post-election protests, including the shooting dead by security forces of at least seven demonstrators gathered outside the home of former President **Thomas Boni Yayi** in the Cadjéhoun district on 1-2 May.

Meanwhile, in the far north, on 1 May jihadists kidnapped two **French** tourists in the Pendjari national park, murdering their Béninois guide before fleeing across the border into **Burkina Faso** – where French commandos belonging to *Opération Barkhane* mounted an operation to free them and other captives, at the cost of the lives of two French marines.

Northern Benin is exposed to the wave of jihadist violence in the Sahel, which threatens to shut down the wildlife tourism business in a poor region already short of viable livelihoods (AC Vol 60 No 8).

Nigeria

OPL245: FIGHT OR FLIGHT

■ A new claim for damages by the Federal Republic of Nigeria, linked to a historic scandal over the controversial award of the OPL 245 oil licence, is set to further embarrass two high-profile ministers as President **Muhammadu Buhari** ponders a reshuffle ahead of his inauguration for a second four-year term on 29 May.

Nigeria last month asked a London commercial court to declare invalid an April 2011 Agreement that awarded OPL 245 to Shell and ENI, according to court papers revealed on 10 May by Finance Uncovered, a London-based investigative journalism organisation. Nigeria argues that the agreement (and original award in 1998) was corrupt, claiming that those who benefited from improper payments from 2011 included the then President, **Goodluck Jonathan**, Attorney-General **Mohammed Adoke**, Petroleum Resources Minister **Diezani Allison-Madueke** and National Security

Adviser **Aliyu Mohammed Gusau** (AC Vol 58 No 16).

All parties have denied any wrongdoing at various stages of the affair, currently subject of a criminal trial in **Italy** which has also attracted the interest of prosecutors in the **Netherlands** and the **United States** (AC Vol 59 No 25). But the claim – now officially in the Nigerian republic's name – asks the commercial court in London to declare that it is 'entitled to rescind the grant of OPL245'. This contrasts contrasts with vocal support for the confirmation of the licence and approval for its development offered by **Abubakar Malami**, the current Attorney-General, and **Ibe Kachikwu**, the Minister of State for Petroleum Resources, a veteran Buhari ally.

Malami and Kachikwu may want to forgive Shell and ENI to get the oil flowing, but **Dayo Apata**, Abuja's Solicitor General since August 2017 – whose boss is Malami – instructed a new legal team in London last year to sue the companies.

Nigeria is now seeking at least \$1 billion in damages from Shell, ENI, and Malabu Oil Gas, the company controlled by **Dan Etete**, who as oil minister in 1998 effectively awarded OPL245 to himself. Nigeria is also suing two fixers, **Emeka Obi** and **Ednan Agaev**, who were paid nearly \$200 million. In a separate civil action launched in London in February, Nigeria is also seeking damages from JP Morgan, the bank that helped manage payments around the 2011 deal.

Botswana

KHAMA'S TACTICAL SHIFT

■ After shaking off a challenge for the Botswana Democratic Party (BDP) leadership, President **Mokgweetsi Masisi** has begun a clear-out of the ruling party and cabinet ahead of elections in October.

Masisi's targets are loyalists of former President **Ian Khama** and those who supported **Pelonomi Venson-Moitoi's** aborted bid for the party presidency (AC Vol 60 No 8). Last week Masisi dropped a well-known Khama ally, **Biggie Butale**, from the cabinet, along with Minister of Agriculture **Patrick Ralotsia**.

The reshuffle came shortly after the dismissal of two pro-Khama legislators from the BDP. **Samson Guma Moyo** was expelled for his part in a meeting called by Venson-Moitoi during her leadership campaign, while former Minister of Lands and Water **Prince Maele** was suspended for six months after expressing his support for Khama at a public meeting hosted by the former President.

Infrastructure and Housing Minister **Vincent Seretse**, and assistant ministers **Phillip Makgalemele** and **Master Goya** are said to be next in line for the chop.

Khama now appears to be shifting his campaign against Masisi from within the

BDP to without. At a recent meeting in his home village of Serowe, where he is the paramount chief, Khama announced plans to resign from the BDP. He urged supporters to vote for candidates from the Umbrella for Democratic Change, the Alliance for Progressives, and BDP independent candidates.

Khama is being advised by a team of high-powered **South African** political consultants, according to local weekly *The Weekend Post*.

Under the constitution the state President is the leader of the largest parliamentary party. The BDP would only have to lose 12 of the 38 seats it currently holds to lose power.

EU/Africa

EU-ACP TIES IN QUESTION

■ A joint ministerial council on 23-24 May had been earmarked as the moment for formally concluding the successor to the Cotonou Agreement, governing the next 20 years of relations between the EU and the 79 countries from the African, Caribbean and Pacific (ACP). But progress has been painfully slow, and few officials believe the deal will be concluded in time to come into force in January 2020 as planned.

'We are looking at at least a one-year extension,' one official involved in the talks told *Africa Confidential*. The delay is more the product of institutional power struggles than a profound renegotiation of EU-Africa policy on trade, migration or political relations, we hear.

Despite being the most controversial issue on both sides of the Mediterranean, the chapters on migration will not change significantly. Maintaining levels of European aid has, once again, become the chief motivating factor for ACP negotiators, participants say (AC Vol 59 No 18).

Yet both sides are losing patience with the format. The African Union's chief negotiator, **Carlos Lopes**, is resented by his EU counterparts, who see him as too assertive. They dislike his effort to create a genuine 'partnership of equals' between Africa and the EU rather than settle for the status quo. However, divisions among African leaders have hindered Lopes's efforts.

Meanwhile, the EU is mired in its own institutional battles. The European External Action Service (EEAS), the EU's diplomatic service, is embroiled in a power struggle with the Directorate-General for International Cooperation and Development (DEVCO) for control over EU-Africa policy. DEVCO, which leads on the post-Cotonou talks, supports traditional development policy based on aid. The EEAS is critical of the donor/recipient relationship that it believes Cotonou perpetuates.

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BLUE LINES

Although the first two days of the general strike in Sudan designed to pressure the ruling generals to hand power to civilians have had mixed results, there is no prospect of the protesters giving up. The mass sit-in around the Defence Headquarters in Khartoum continues. The numbers thin out during the day as temperatures pass 40 degrees, but every evening tens of thousands go to the main protest site to take Iftar during Ramadan.

Efforts to extend the protests and barricade more roads have been blocked by the army and the Rapid Support Forces (RSF) commanded by General Mohamed Hamdan Dagalo 'Hemeti'. Now the RSF is increasing the pressure by bringing more troops to the capital and reinforcing its cordon around the protest site.

The junta's deputy leader, Hemeti is its lead voice, arguing that the protesters' intransigence, not the military's, is blocking the transition. In fact, the stalemate is the result of failure to agree which side would have a majority on the proposed sovereign ruling council.

Ideas such as needing a two-thirds majority for major decisions or a rotating chair for the council haven't won support. Hemeti's plan to hold national elections in the current chaotic conditions shows how far the military is from agreeing to a credible transition and reform. That he proposed it after visiting the United Arab Emirates and Egypt suggests the regime's regional sponsors are in no hurry either.

SOUTH AFRICA

Long shadow of corruption over new order

David Mabuza's strategic manoeuvres challenge both his boss's authority and the plans to reform the economy

On the eve of the expected announcement of his drastically trimmed and revamped cabinet on 27 May, a power struggle erupted between President Cyril Ramaphosa and his deputy in the last administration, David Mabuza. It could define—even prematurely end—Ramaphosa's term of office. 'It is more like a chess championship than a wrestling match,' said a close observer. 'There will be many calls of "check" but "checkmate" seems a long way off.' The test of strength between Ramaphosa and Mabuza could determine the future trajectory of the ruling African National Congress and whether it can find a balance between attracting foreign investment on the one hand, and alleviating poverty and creating jobs on the other (AC Vol 60 No 10).

'If there is an ongoing stalemate between the factions, the economy will sink deeper into the morass,' a prominent CEO who participates in presidential advice forums warned. Moody's, the last of three key global rating agencies to continue to rate South Africa as worthy of investment-grade status, is poised to downgrade the country unless the new government signals investor-friendly policies (AC Vol 58 No 9).

The economy lingers at below 1% growth and needs to achieve 3-5% to make an impact on rampant unemployment of 27% nationwide and over 50% for youth (AC Vol 60 No 3).

When Mabuza signalled that he would not take the oath for Parliament on 22 May, he set off a chain of events which

eventually forced Ramaphosa to delay his cabinet announcement, and demonstrated Mabuza's tactical acuity, an ANC insider said.

TOXIC CONNECTION

Ramaphosa's close association with Mabuza is seen as toxic by investors and analysts alike. Mabuza, sometimes called 'the cat' for his political survival skills, now hovers between the Jacob Zuma and Ramaphosa ANC factions, having formerly been seen as a Zuma loyalist. He delivered a key bloc of votes for Ramaphosa at the December 2017 ANC elective conference and was once one of the three influential 'Premier League' provincial premiers (AC Vol 58 No 21). Aged 58, he has presidential ambitions of his own.

'There is no doubt that Ramaphosa's association with David Mabuza has dented his reputation and will continue to damage his campaign to attract foreign investment,' a leading investor in the City of London told *Africa Confidential*.

Conscious of the danger Mabuza poses to him, Ramaphosa hoped that the ANC's Integrity Commission could put a brake on his progress, and that of other senior officials he wanted to move against. It was asked by the ANC's 'top six' to vet 32 marked names on the party's controversial list of 200 parliamentary candidates back in February this year with a view to investigating whether they were 'compromised' by corruption allegations.

The 'names' would be given a chance to put their case to the top six before they were referred to the Integrity Commission.

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The Integrity Commission would in turn decide which names should be removed from the ANC master list before being submitted to the Independent Electoral Commission (IEC) for the national poll on 8 May, the sources said. However, ANC Secretary-General **Ace Magashule** never wrote, as he was supposed to, to those on the marked list, and the Integrity Commission, headed by **George Mashamba**, never received clarification on its powers. This meant the Commission never got as far as taking any names off the full candidate list before the ANC submitted it to the IEC.

Those whose names had been marked were neither informed nor given a hearing by either the top six or the Integrity Commission. The President was disappointed that the Commission could not entangle his enemies in investigative processes, we hear.

The list of 32 marked names was later whittled down to 23 which eventually went forward to the Commission. When Mabuza discovered that his name was on the list he announced that he would not join those being sworn into Parliament until he had cleared his name. The constitution requires the Deputy President to be a member of Parliament.

THE TWENTY-THREE

The 23 names were divided into three categories: those who had been found guilty in judgements by the Constitutional Court which had serious implications for their integrity; the second category were those who had been tainted by allegations of corruption in judicial commissions appointed by the President; and the third faced allegations of corruption outside of the commissions or courts, mainly in the media.

Women's League President **Bathabile Dlamini** and former Home Affairs Minister **Malusi Gigaba** were disqualified in the first category; the 19 named in the second category included current ANC chair **Gwede Mantashe**, **Supra Mahumapelo**, former Premier of North West province, and former ministers **Bongani Bongo**, **Faith Muthambi**, **Mosebenzi Zwane**

and **Nomvula Mokonyane**. The third category consisted of only two names: **Zizi Kodwa**, head of the Presidency at ANC HQ, and **Mabuza**.

TOOTHLESS

Mabuza was deftly calling the Commission's bluff by refusing the parliamentary oath until he had appeared before it, which came on 24 May. Not having any investigative powers, let alone the right to call witnesses or gather evidence, the Commission had nothing against Mabuza other than allegations. On 27 May, therefore, the Commission admitted it could not take the matter further, and Mabuza duly described himself as 'cleared'. The Commission could not contradict him without exposing its own toothlessness.

Mabuza's name has been linked to a series of scandals during his term as Premier of Mpumalanga province including the rigging of state tenders, bribery and having political opponents assassinated. He has consistently denied the allegations. Usefully for his chances of becoming Deputy President again, Mabuza was also 'cleared' the day before Ramaphosa's inauguration by the Public Protector, **Busisiwe Mkhwebane**, of unauthorised expenditures totalling 5 million rand (US\$340,000) on luxury vehicles, and 70m rand on a memorial service for former president Nelson Mandela. Mkhwebane was appointed to the post by Zuma to replace **Thuli Madonsela**, the Public Protector who called for the 'state capture' inquiries into the Gupta brothers' affairs.

In a further indication that Zuma's ghost is by no means laid to rest, Mkhwebane found against Public Enterprises Minister **Pravin Gordhan** for awarding a pay-out and early retirement to **Ivan Pillay**, a senior official at the South African Revenue Service (SARS), in 2010 during his first stint as Finance Minister. She called on Ramaphosa to discipline Gordhan for contravening the constitution. Gordhan will take Zuma appointee Mkhwebane's recommendation to judicial review, but it's an unwelcome development seemingly timed to embarrass Ramaphosa.

It is understood that Magashule was the most senior ANC official at the original meeting of senior ANC leaders setting up the Integrity Commission review. As Secretary-General, the most senior position after Ramaphosa, he was responsible for implementing the decisions taken by the top six and at the NEC meeting. Magashule is himself tainted by accusations of corruption while Premier of the Free State province and considered the least enthusiastic

about Ramaphosa's leadership while harbouring his own ambitions for the top job. His name did not appear on the marked list.

The constitution indicates that Ramaphosa has five days to take up office after inauguration but is less clear about when the executive has to be finalised. Several flagged candidates had already withdrawn from the parliamentary list including Gigaba and outgoing environmental affairs minister Mokonyane (AC Vol 60 No 9). Gigaba and Mantashe also met the Commission on 24 May.

UNITY STRATEGY

Insiders say that Ramaphosa had worked out a careful strategy to achieve a degree of unity between the warring ANC factions which would allow him to stamp his own authority on the party and pursue his anti-corruption and pro-growth policies. The strategy involved at least temporarily side-lining Mabuza by replacing him with Minister in the Presidency **Nkosazana Dlamini-Zuma**, who fought Ramaphosa for the ANC leadership, but has been supportive of Ramaphosa's leadership and declared that she would gratefully carry out any task she was given.

With Dlamini-Zuma in the Deputy President role, Ramaphosa could kill several birds with one stone: he would be restoring the status of the Zulu-dominated KwaZulu-Natal province which was marginalised in the first Ramaphosa cabinet; he would be healing the wounds of the closely-fought leadership battle in December 2017; and he would be honouring the ANC decision to promote women in top leadership positions including the Presidency.

NEW CROP

Insiders say that major changes are due at ANC headquarters as the likes of **Senzo Mchunu**, narrowly beaten to the post of Secretary-General by Magashule in the 2017 election, Kodwa and ANC election chief **Fikile Mbalula**, a former Zuma loyalist turned Ramaphosa fan, leave for government positions.

'If Magashule does not face corruption charges in court, his ability to run the show at ANC headquarters is likely to be severely constrained by a new crop of officials supportive of Ramaphosa,' an ANC insider said.

The balance of power in the ANC's 'top six' has been painfully divided between the warring factions. Mabuza, Mantashe and ANC Treasurer-General **Paul Mashatile** are considered supportive of Ramaphosa in varying degrees while Magashule and Deputy Secretary-General **Jessie Duarte**, a

Zuma loyalist, are seen as hostile.
The key battle now is over Mabuza.

If he becomes Deputy President again, it will mark a poor start for the president

and cast a long shadow over his new term of office. ●

ZIMBABWE

Readying for protest

Mnangagwa tightens the noose on civil activists to distract attention from the faltering economy

The arrest of five civic activists on 20 May typifies the crackdown President **Emmerson Mnangagwa's** government is implementing. Aware of the penury into which most citizens are forced, and the fact it won't end soon, the government is sending signals to all activists that opposition will not be tolerated. The five were picked up at the airport returning to Harare from a conference in the **Maldives** and have been charged with plotting to subvert the government.

According to the state media, they had attended a workshop organised by the Centre for Applied Nonviolent Actions and Strategies (CANVAS), run by **Serbian** youth activists of **Otpor!** who fought to overthrow **Slobodan Milosevic** in the 1990s. The five are in custody while 'their alleged accomplices are still at large'. The arrests follow a dramatic front-page article the previous week in the state-controlled *Herald* newspaper, which accused 'shady organisations' linked to the opposition of 'plotting to unleash a wave of violent demonstrations beginning next month'.

In April, plainclothes agents abducted four teachers organising a workshop with the Amalgamated Rural Teachers Union of Zimbabwe, a group with a history of agitating against the Zimbabwe African National Union-Patriotic Front (ZANU-PF) government. They marched 250 kilometres in one protest against the ruling party last year. After a beating the teachers were taken to a police station where they and their lawyer, **Doug Coltart**, were charged with participating in a gathering with intent to promote public violence.

Media controlled by the state are heavily promoting the notion that violent plotters are intent on overthrowing the government. The risk of instability is not from civil society, however, but from an increasingly unhappy population. There is widespread suspicion that the propaganda is being put out there in case popular revolt at worsening living conditions breaks out. The protests would then be described as attempts to depose the government.

NGOs working in rural areas are

reporting that low rainfall this season has affected food reserves across the country. Crops have only recently been harvested but hunger is already present.

The economy, which became increasingly unstable throughout 2018, is now out of control. In February, Finance Minister **Mthuli Ncube** reversed his 2018 pronouncement that money paid through electronic transactions (RTGS\$) is 1:1 with the US dollar (AC Vol 60 Nos 4 & 9). The electronic RTGS now functions as a kind of local currency and the rate is falling fast. As of 27 May, the interbank trading rate was 4.76:1 USD and the black market rate 7.40:1 USD. Bread, which cost less than RTGS\$1 in 2018, is now RTG \$3.50. Inflation is reported to be 75.9% annually as of April.

PRICE RISES

Fuel prices have risen sharply in keeping with this, against a similar backdrop of government backtracking and confusion. On 21 May, following rumours on WhatsApp that petrol prices would increase by 47% and diesel prices by 51%, the Zimbabwe Energy Regulatory Authority issued a formal notice that the prices would not change. Less than 24 hours later, ZERA announced that fuel prices would go up, by just the percentage reported on WhatsApp. On 28 May, WhatsApp rumours of another price increase, from the previous week's \$4.89 to \$7.98 for diesel prompted another denial from ZERA.

Meanwhile, the *Herald* was exhorting Zimbabweans to be grateful for the price rises, which it claims would have been much higher, had the Ministry of Finance not stepped in to halve fuel duty. The same article claimed that this fuel duty (still half its former value) will henceforth be used to subsidise public transport run by the state. The state-run bus company, ZUPCO, cut its fares from \$1 to \$0.50 the day after the fuel price rise, while the privately owned kombi commuter buses were raising prices to stay in business. ZUPCO does not have the capacity to cope with commuter demand, however. Its buses were

deployed hurriedly, before they were registered, and there are not enough places to seat the crowds of desperate passengers.

President Mnangagwa attempted to contain public anger about the fuel crisis by announcing a minor reshuffle and appointing **Fortune Chasi**, formerly Deputy Minister of Transport, as Minister of Energy and Power Development. The minister demoted, **Joram Gumbo**, was given a conciliatory position, Minister of State for Presidential Affairs in charge of implementation and monitoring. Gumbo, one of **Robert Mugabe's** 'old guard', recently became notorious for allegedly corrupt tender awards for the Zimbabwe National Roads Administration and allowance allocations for his department while Minister for Transport in the previous government, allegations he denies. His demotion looks positive, but in the same mini-shuffle Mnangagwa appointed **Mackenzie Ncube** as the chair for the new National Oil Infrastructure Company.

Mackenzie Ncube is a top ZANU-PF operative in the Midlands. He helped build Mnangagwa's support in the region during the ZANU-PF faction-fighting prior to the 2017 coup against Mugabe. The analyst **Alex Magaisa** says Ncube will act as a 'gatekeeper' for fuel imports – a critical zone for corrupt rents and political power-building in the elite (AC Vol 59 No 22).

Another likely source of public instability is the street vendors. They played a powerful role in the 2016-17 protests which preceded Mugabe's fall and have always had a contentious relationship with the police and city council. The vendors are highly organised and have daily contact with the public, and it is important to the ruling party to control them politically. ZANU-PF infiltrated the powerful National Vendors Union and managed to flip its leader, the formerly vocal activist **Sten Zvorwadza**.

Harare city council has moved the vendors from the central Robert Mugabe Street to designated areas outside the centre such as Coca Cola Corner. These areas are controlled by local ZANU-PF land barons, who charge the vendors \$3 a day to sell their wares (in addition to council tax of \$1.25 a day). The vendors are trying to move back into the centre of town and this has resulted in running battles with the police almost every day. Angry about manipulation by the council and infiltration by ZANU-PF, one group has created the breakaway Survival Vendors Union,

which is reportedly plotting large-scale demonstrations.

Meanwhile, there is increasing unrest in the south. President Mnangagwa and Vice-President **Constantino Chiwenga** have never been popular in Matabeleland because of their roles in the Gukurahundi massacres in the 1980s (AC Vol 51 No 18). This is now compounded by anger about the failing economy and lack of opportunities. ZANU-PF has always relied on traditional rulers for support and control in the rural areas but in May, Chief **Nhlanhlayamangwe Ndiweni** of Ntabazinduna publicly urged the international community to enforce harsher sanctions on Mnangagwa's government. A few days later, ZANU-PF youths surrounded and attacked Ndiweni in Bulawayo city centre. The

mob action was caught on camera and circulated on social media and has provoked widespread outrage.

The Mthwakazi Republic Party, a Matabeleland secessionist group, has said that its youths will personally ensure Ndiweni's safety in public. Government concern is growing about the increasing belligerence of Mthwakazi, which was once a fringe group but is now gaining popularity among the large numbers of unemployed and impoverished Matabeleland youth. The police blocked a solidarity march for Ndiweni on 17 May. Some predict that the death on 23 May of **Dumiso Dabengwa**, a liberation fighter and Ndebele hero who was jailed by his former comrades Mugabe and Mnangagwa in the 1980s, will be a catalyst for further protests in the province.

The main opposition Movement for Democratic Change Alliance (MDC Alliance), previously unsettled by infighting, finally held a congress on 25 and 26 May at which it officially elected **Nelson Chamisa** as its leader and clarified the structures around him. It may now be in a position to capitalise on the mounting public frustration. Chamisa's speech suggested that he intends to pile pressure on the government. He also invited a number of leading regional and national allies to the congress, including the Ugandan opposition firebrand **Robert Kyagulanyi** (aka **Bobbi Wine**), Chief Ndiweni and the former ZANU-PF activist **Temba Mliswa**. There is every sign that he will work to grow the MDC's base in Zimbabwe now that he is in a more secure position. ●

ZIMBABWE/IMF

Austerity first

The Finance Minister's IMF-backed reforms will impose harsher cuts while aiming to end subsidies for elite farmers

Agricultural subsidy reforms that reach to the heart of Zimbabwe African National Union – Patriotic Front's (ZANU-PF) patronage structure – which underpins the regime – have been negotiated between Finance Minister **Mthuli Ncube** and the International Monetary Fund and approved by the IMF this week.

Severe pay curbs are promised for the public sector workforce in a bid to stabilise state finances, making it clear that the government's beleaguered modernisers have taken on a challenge as politically as it is economically daunting (AC Vol 60 No 6).

'DOWNSIDE'

With measured understatement, the IMF describes this new Staff Monitored Programme (SMP) as carrying risks 'tilted to the downside'.

The programme, setting targets for a year and based on the Transition Stabilisation Programme (TSP) already launched by Ncube some months ago, imposes belt tightening that is severe even by the standards of 'fiscal consolidation' routinely proposed by the Fund for troubled economies. This medicine will be hard to swallow, particularly for public-sector workers, even if partially offset by enhanced social measures.

But the real political challenge comes from the structural measures,

which will gradually erode some of the most lucrative patronage foundations of the ZANU-PF power structure.

Nowhere will the pressure be felt more than in the overhaul of farm subsidies, which have fattened the incomes of the political loyalists who have done well from the seizure of land from white farmers (AC Vol 59 No 4).

While reform of the exchange rate system is primarily a threat to the small elite circle who profit from the gap between official and parallel rates, the overhaul of the agricultural subsidy system promises to challenge the vested interests of privileged land-holders across the country, in the rural areas where ZANU-PF harvests its votes (AC Vol 60 No 9).

No wonder the IMF, in announcing the SMP, commented that: 'The large fiscal adjustment needed will be politically and socially difficult to implement.'

However, with consumer prices set to rise 80% this year and economic output shrinking, Ncube and the Fund believe imposing severe austerity to prevent a slide into hyper-inflation and the collapse of government finances is the only option (AC Vol 60 No 2).

There are few options other than to agree a programme with the IMF if Zimbabwe is to reschedule its foreign debt and reopen the door to new finance.

Even so, the government's

economic reformers are demonstrating considerable ambition and nerve in seeking to overhaul farm subventions and public sector pay simultaneously – however desperate the need for action.

In 2017 the cost of paying public sector wages ate up 82% of all government revenue. Ncube aims to slash this to 47% this year – and cut the wage bill by 2.5% this year – by limiting pay rises to just 18%; that is less than a quarter of the forecast total inflation and in real terms will slash incomes by about a third. Top civil servants will see their pay cut by 5%.

PHASED REFORM

The reform of farm subsidies will not have such an immediate impact, being phased through to 2021 and potentially subject to adjustment as the government seeks to protect farm output. But over three years it aims to phase out massive and expensive distortions.

The cost of farm support has surged from less than 1% of GDP in 2013 to 4.2% last year – when the government was buying maize at a guaranteed price of \$390 per tonne, but selling it at \$240, and at a time when grain was available on the regional market for \$290. Moreover, the prime beneficiaries of this support have often been well-connected individuals with much larger farms. The money is distributed by regional governors, themselves political appointees.

Also set for overhaul is the Presidential Input Scheme of free farm supplies and the Command Agriculture system of loan guarantees to help farmers buy inputs such as fertiliser – established to fill a funding gap because Zimbabwe's history of expropriation deters bankers from regarding land as adequate collateral for lending working

capital (AC Vol 59 No 22).

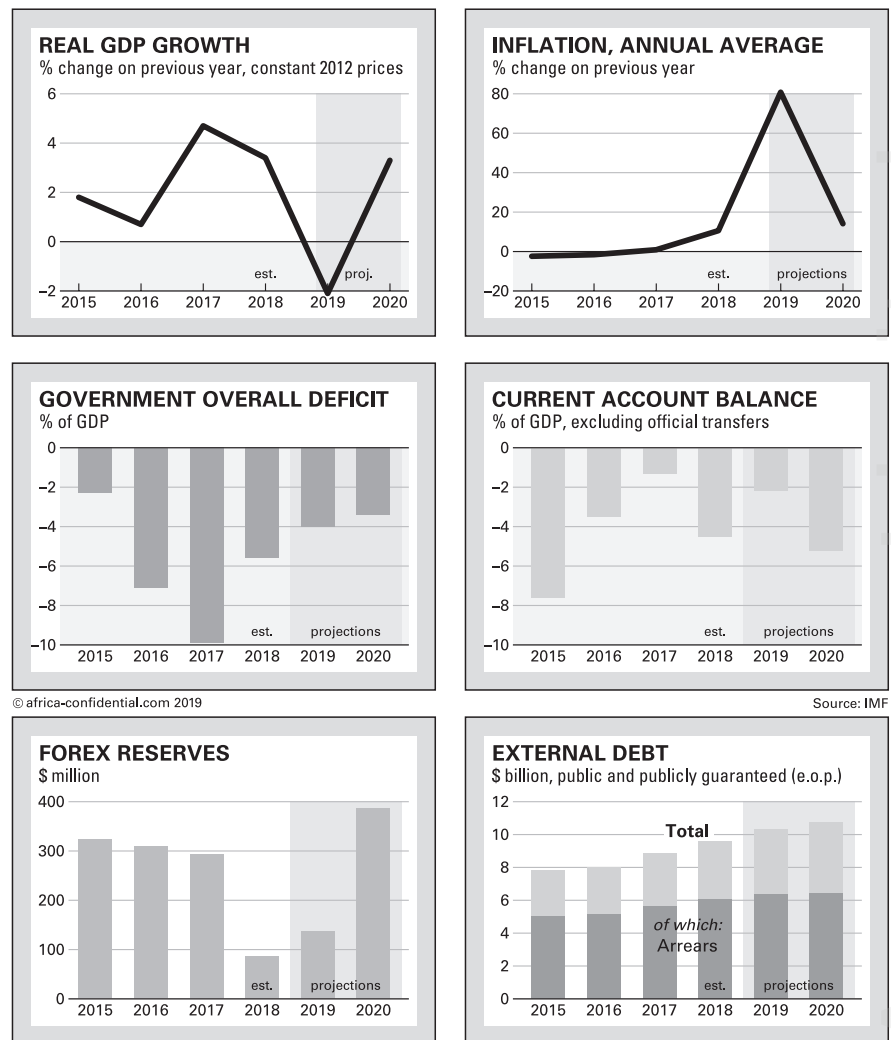
Difficult reforms may also be in the air for state-owned enterprises, 43 of which are set for privatisation or liquidation. But this element of the programme is treated as less urgent, because it makes little sense to shut enterprises that might find buyers once the economy has made some progress and investor confidence has begun to revive.

For all the social pain and political bravery that the programme requires, there is a potential reward: the IMF believes that, after contracting by 2.1% this year, economic output should rebound by 3.3% in 2020, with inflation plunging back to a somewhat more survivable 14.1%.

If Zimbabwe can manage to meet the performance targets set under the SMP, the Fund will be able to press Western governments to join in the bridging loan being led by **France** and **Japan** to clear Harare's \$2.3 billion arrears to the World Bank, African Development Bank and European Investment Bank and thus open up the path to new assistance from these and other donors. That aid will be vital.

Ncube has drawn up plans to provide 'cash transfer' welfare support and subsidised food for the poor, subsidise public transport, help small farmers and provide more free school meals. The IMF lauds these proposals, but the government has no money to implement them and the spectre of widespread social unrest looms large. ●

ZIMBABWE ECONOMIC DATA AND TRENDS



MALAWI

Mutharika's narrow win

The final result had to be decided in court, so narrow was the victory margin and so mired in accusations of rigging

After a bitter, though largely policy-free, campaign in which the main candidates jockeyed for ethnically advantageous alliances while flinging accusations at each other, the High Court finally awarded victory to President **Peter Mutharika** on 27 May (AC Vol 60 No 9).

The Malawi Electoral Commission (MEC) put Mutharika's margin of victory at 159,000 votes – 38.5% to 35.3% – over **Lazarus Chakwera** of the Malawi Congress Party (MCP). Mutharika's outgoing Vice-President, **Saulos Chilima**, polled just over 20%, a disappointing result having confidently touted his prospects in the polls.

The turnout was 74%, or 5.2 million Malawians voting out of the 6.8m eligible, a record high for the country, although they appear to have voted almost exclusively on tribal and regional lines.

The MCP went to court on 25 May to prevent the MEC from announcing the results claiming fraud and anomalies in 10 districts, and demanding a recount. Chakwera's party says that its own tallies suggest that their candidate obtained 2.4m votes, Mutharika 1.945m and Chilima 1.04m, figures which suggest an even higher turnout than that given by the MEC.

The MEC challenged the restraining order that Justice **Charles Mkandawire** granted to Chakwera, arguing that it was premature to involve the courts because the commission was within the eight days legally provided to address complaints before announcing the results. The court lifted the injunction on 28 May.

Chilima had dramatically broken with President Mutharika, who was not permitted by the constitution to dismiss his deputy, after making ringing accusations of corruption. His youth and stridency promised much but his failure to cement tactical alliances meant his 10-month-old United Transformation Movement (UTM) was doomed to fail. Chilima at first appeared to call for the vote to be annulled and the election rerun before looking embarrassed and trying to evade the questions of reporters.

The results of the parliamentary election came out on 26 May, showing strong performances by the two main parties. Mutharika's Democratic Progressive Party (DPP) obtained the

most seats – 62 – compared with 50 in 2014, while Chakwera's MCP garnered 55 seats, up from 48 in 2014.

Ex-President **Joyce Banda's** People's Party collapsed from 26 seats to 5, while the United Democratic Front (UDF) shed four seats it won in 2014, leaving it with 10. Chilima's UTM ran a highly visible campaign but is seen as the biggest loser of all the parties as none of the party's executive committee won a parliamentary seat, and it won only four in all. The Alliance for Democracy (Aford), one of the key parties in the fight for multi-party democracy in the early 1990s, only managed to get one seat.

One striking shift was the rise in independent lawmakers, 55 of whom were elected. The Northern region, which voted primarily for Chilima in the presidential poll, was the most liberal in spreading its votes across different parties and independents.

A number of prominent political families fell in the contest. **Atupele Muluzi**, whose father Bakili was Malawi's first democratically elected president, lost the seat he had held for 15 years, while Joyce Banda's son **Roy Kachale**

lost the Zomba Malosa seat his mother held before she became Vice-President to President **Bingu wa Mutharika** in 2009. Also losing their seats were Aford President **Enock Chihana**, and **Khumbo Kachali**, Banda's deputy when she was head of state.

The DPP is adamant that it did not rig the elections. The MCP's youth movement, however, was busy erecting roadblocks, stoning vehicles and rioting in order to pressure the MEC, and threatening bloodshed if the MCP lost. The violence has been trickling away and pundits believe the MCP's objections will be purely verbal from now on. The party performed miserably in the most populous Eastern and Southern regions.

CHANGING GUARD

We are now likely to see a substantial changing of the political guard. The MCP's constitution restricts a candidate to only two attempts at the presidency, which could force Chakwera to resign the party presidency. His deputy **Sidik Mia** did not run for a parliamentary seat but he is rumoured to have invested a large part of his business fortune in

the campaign and may be in financial difficulties (AC Vol 60 No 5).

Chilima, who did not contest a parliamentary seat as well as the presidency, is likely to have another try in 2024, but his appeal will be damaged by his weak showing this time and he won't have the advantage of incumbency in a high public office then. Banda has already announced her retirement.

Looking forward to Mutharika's incoming administration, insiders believe he will try to rejuvenate it by recruiting new blood from the pool of parliamentary freshmen and women. Older politicians such as DPP Treasurer General **Henry Mussa** and DPP Central Region Vice-President **Uladi Mussa** are likely to lose out.

Mutharika will probably attempt in his last term to produce some project or law which will act as a legacy as well as improve the delivery of public services. Policy-wise he is likely to continue on the same, uncontroversial course. Some observers credit him with a high tolerance for rivals and potential political enemies, predicting he won't get bogged down in internecine fighting or the settling of scores. ●

CONGO-KINSHASA

A shake-up takes shape

In spite of Kabila's enduring power, politics is on the move, militias are mobilising, and fresh alliances are forming

The return to Congo-Kinshasa after three years in exile of **Moïse Katumbi**, the former Governor of Katanga, is set to shake up national politics even as ex-President **Joseph Kabila** retains a vice-like grip on state institutions and the military.

The popular business tycoon and Kabila political arch-rival returned to his home-town of Lubumbashi on 20 May. Blocked from entering the country and barred from running in the December elections, Katumbi was a major backer-in-exile of **Martin Fayulu**, the clear winner of the polls, according to reports in the *Financial Times* and *Africa Confidential* which said the *Commission électorale nationale indépendante* (CENI) altered the result and declared **Félix Tshisekedi** President (AC Vol 60 No 2). After Kabila's coalition swept to overwhelming majorities in the National Assembly and Senate and won a large share of a slate of governorships, it appeared Tshisekedi was destined to be a puppet in hock to an ex-president who still wielded absolute power and

occupies the presidential villa (AC Vol 60 No 6).

The military remains largely loyal to Kabila, as are many of the top civilian politicians such as the Governor of Tanganyika Province, **Zoé Kabila**, the former President's younger brother. On the same day as Katumbi returned, Tshisekedi named his Prime Minister, **Sylvestre Ilunga Ilukamba**, after four months of wrangling with Kabila's coalition. Ilukamba served as a minister under the former dictator **Mobutu Sese Seko** and had run the struggling national railway company since 2014, away from the cut and thrust of mainstream power politics. 'He is not an ally the President can count on, in the sense of being neither loyal nor very influential,' says a presidential aide.

However, Katumbi's arrival portends a shake-up in domestic politics. His reversal of fortunes with help from the judiciary signals at the very least an attempt by Tshisekedi to unshackle himself from Kabila and open up alliances with some of the former

President's keenest rivals.

This month also saw the return of another Kabila rival, **Sindika Dokolo**, son-in-law of the former Angolan President **José Eduardo dos Santos** (AC Vol 58 No 15). An open critic of Kabila, he was convicted in absentia in 2017 for fraud.

Antipas Mbusa Nyamwisi, another top Kabila rival in exile who is an important former warlord from the troubled Beni area, currently the centre of the Ebola epidemic, says he may be next to come back home (AC Vol 59 No 23; see Box). Media speculation is rife that **Honoré Ngbanda Nzambo**, the Mobutu-era intelligence chief, may also return (AC Vol 50 No 25). For years he has denounced Kabila's reliance on ethnic Kinyarwanda-speaking officers in the national army and his close relationship with **Rwanda's** President **Paul Kagame**.

On 6 May, **Ne Muanda Nsemi Badiengila**, leader of the underground *Bundu dia Kongo* sect, which opposes Kabila, also presented himself in public at a press conference held by **Joseph Olenghankoy**, president of the *Conseil national de suivi de l'accord* (CNSA). Set up under the December 2016 peace agreement, the CNSA is a committee mandated to oversee election planning and expansion of the political space. Nsemi led an uprising in 2008 in the western province of Bas-Congo (now Kongo-Central) which Kabila quelled

violently. He was besieged and captured by Kabila's security forces in Kinshasa, but escaped from prison in May 2017. At the press conference he thanked the 'head of state for his firm commitment to completely appease the political climate'.

While Fayulu insists he is the legitimate President, Katumbi appears to be abandoning him and gearing up to be named as the official opposition spokesman. He sees himself as playing a leading role in what he calls a 'republican' opposition rather than a 'radical' front committed to removing Tshisekedi from power and installing Fayulu. The return of various exiles may however also encourage other actors to take more radical action as new political centres of gravity form. 'The reshuffling of the political deck could present opportunities for unruly elements even connected to Kabila's coalition – including interconnected armed groups in the east of the country – to challenge the status quo, which has already started showing some limited signs of erosion,' a Western diplomat told *Africa Confidential*.

SECURITY SCRUTINY

One early casualty from the Kabila regime has been **Kalev Mutond**, the much-reviled former chief of the intelligence agency, the *Agence nationale de renseignements* (ANR). He was removed from his post in late March under the transfer of power deal between Kabila and Tshisekedi. Katumbi's *chef de cabinet* **Olivier Kamitatu** openly taunted Kalev this month, suggesting his behaviour and actions may be subject to scrutiny by a government commission looking at past crimes by the security services.

Further cracks are appearing. On 19 May, police raided the house of the hardline Kabalist and former Information Minister **Lambert Mende**, bundling him into a vehicle. He was wanted for questioning in relation to an alleged illegal diamond purchase. Mende was soon released on the orders of national police commissioner General **Dieudonné Amuli Bahigwa**, who then ordered the suspension of the police intelligence chief, General **Vital Awashango Umiya**. The Deputy Minister of the Interior, **Basile Olongo**, appears to be behind the arrest, an apparent attempt to stymie Mende's chances of being elected Governor in his home province of Sankuru, where the electoral commission is involved in legal wrangling over the suspension of a rival candidate.

Such instances of discord raise questions about who else is vulnerable to being axed but also capable of stirring trouble. And armed activism in

MILITIAS WORSEN EBOLA CRISIS

Armed group activism and a catastrophic spread of the Ebola virus in the northern part of North Kivu could become an insurmountable problem for the Congolese government and a shrinking UN peacekeeping mission. The area around Beni and Butembo, a bastion of sentiment against ex-President **Joseph Kabila** and stronghold of **Antipas Mbusa Nyamwisi** and his fellow ethnic Nandes, is also subject to claims that Islamic State has taken root there amid the constellation of armed groups (AC Vol 60 No 3).

Over the past few weeks, the virus has begun spreading again at an alarming rate, with 1,223 deaths tallied by 22 May and 1,840 infections since the outbreak began last August. It is now the world's second-largest recorded outbreak. Cases have risen by 20% in the past month. North Kivu and Ituri, the provinces at the centre of the outbreak, have seen widespread conflict for more than two decades, and aid workers are calling for protection: there have been 130 attacks on health facilities since January, with four health workers killed. On 17 April assailants killed a World Health Organisation medical worker from **Cameroon**, injured two civilians and set alight a WHO vehicle.

In response to calls for reinforcements, Health Minister **Oly Ilunga Kalenga** has announced a plan to strengthen security at treatment centres along with the United Nations Organisation Stabilisation Mission in the Congo (Monusco), which has deployed its second-in-command, **David Gressly**, to the area.

The neighbourhood is rife with Nande *Mai-Mai* militias which frequently attack positions held by the *Forces armées de la République Démocratique du Congo* (FARDC). It is also the operational centre of the Allied Democratic Forces (ADF), a partly Islamist rebel group which has been blamed for local massacres of civilians since 2014. On 17 April, a group of suspected ADF elements attacked a FARDC position near the **Ugandan** border, seizing weapons from the camp. The next day, Islamic State's internet media channel *Amaq* published a video claiming the attack had been conducted by 'IS Central Africa Province' fighters.

The clip was released barely two weeks after President **Félix Tshisekedi** announced to the Atlantic Council in Washington that he was seeking a strategic partnership with Washington to defeat terrorism in eastern Congo. A diplomatic source close to the President says Tshisekedi has also been entertaining discussions with the Uganda People's Defence Force (UPDF) about a local joint operation.

This prospect pleases Nyamwisi, who once controlled the area as a Ugandan-backed warlord. UN and diplomatic sources say the IS claim is exaggerated and a convenient narrative for President **Yoweri Museveni**, who has been pushing the IS narrative through the US philanthropist **Shannon Sedgwick Davis** and her Bridgeway Foundation, which in turn has close links to the US military.

In reality, according to intelligence sources in Congo-Kinshasa, the ADF is unlikely to have strong IS links. It has been co-opted partly by Nande groups that hail Nyamwisi as their leader, and partly by the FARDC. The resulting tensions have evolved into a cynical and dirty war, blighting the area and spreading into neighbouring oil-rich Ituri Province. The **Rwandan** government is watching nervously to see whether FARDC-UPDF operations take off. ●

the east continues to aggravate relations between Kinshasa and its neighbours.

On 10 May, Tshisekedi and Mbala met a delegation of the Rwanda Defence Forces led by its chief of staff, General **Patrick Nyamvumba**, to discuss ongoing movements of Rwandan Hutu armed fighters displaced from North Kivu Province since January. The fighters belong to a coalition of proxies which allegedly receive support from **Uganda** and **Burundi**. Kigali believes that officials in Congo-Kinshasa are not dealing seriously enough with these elements. The Rwandans also suspect that a prospective deal between Tshisekedi and Nyamwisi will empower *Mai-Mai* groups close to Nyamwisi in the Beni area which receive financial support from within Uganda.

Meanwhile, the ethnic Nyanga warlord **Guidon Shimiray Mwiswa** continues to expand his territory in North Kivu and send emissaries to Kigali. *Mai-Mai* allied with Kigali in the high plateaux of South Kivu have also engaged throughout May in pitched battles with Banyamulenge militias allied to Burundi and Rwandan rebels operating in the province.

TOP GENERALS

In this context, Tshisekedi appears to be keeping important generals of the *Forces armées de la République Démocratique du Congo* close to him. On 21 May, he reappointed General **Célestin Mbala Munsense** as army chief of staff and named General **Jean-Claude Yav Kabey**, a crucial Kabila loyalist, as chief of his

maison militaire. The top generals **John Numbi** and **Gabriel Amisi**, both under international sanctions, are expected to stay on and play an important role in bringing Katangan and eastern armed

groups to heel. Less secure in their jobs, we hear, are the chiefs of military intelligence, General **Delphin Kahimbi Kasabwe**, and military justice, General **Timothée Mukuntu**. Like Mutond, both

men are blamed by Tshisekedi loyalists for the worst abuses during the anti-government *Kamuina Nsapu* uprising in Tshisekedi's native Kasai in 2016-17 (AC Vol 59 No 17). ●

ZAMBIA

Little cash, no credit

The liquidity crisis continues while the exchequer has a different kind of problem with liquids to deal with

The government's chronic shortage of cash has resulted not only in late payment of salaries for public servants, but also in a four-week default on a large loan repayment for new equipment for the armed forces, *Africa Confidential* can exclusively report. Meanwhile, on 23 May the credit ratings agency Moody's downgraded Zambia to a Caa2 negative rating to

reflect 'the probability of default over the near term'.

The government has been issuing reassurances and defiantly denying the existence of a crisis. At the same time, Finance Minister **Margaret Mwanakatwe's** is being called into question over allegations that she is often drunk (See Box).

One response to the liquidity

problem has been to suddenly raise new taxes on mining companies, and fears over nationalisation of foreign-owned assets are growing (See Box). Neighbouring **Congo-Kinshasa** drew loud protests from its mining companies when it imposed new taxes early last year but despite threats of legal action and investment strikes, the companies eventually fell silent (AC Vol 59 No 4). President **Edgar Lungu** will be hoping for the same.

The kwacha has also rapidly declined in recent weeks to stand at around 14 to the US dollar, leading the Central Bank to raise its benchmark interest rate from 9.75% to 10.25% in a bid to stabilise the currency.

The latest loan repayment to be missed is €6 million to the **Italian** bank Intesa Sanpaolo which fell due on 30 April, according to financial sources in Lusaka. The payment represents the first instalment on €97m Zambia borrowed to buy two C-27J twin-engined military transport aircraft (AC Vol 59 No 20). The aircraft have not yet arrived in Zambia, but almost all of the loan was disbursed in December directly to the manufacturer Leonardo, we have learned.

The government denies that such loans are a drain on its finances, often at the expense of vital public services and public servants' pay, but critics point to military equipment as a perfect example of expensive goods that can generate no economic returns.

Intesa Sanpaolo has not yet publicly declared the loan repayment in default, which would have serious consequences for other loans and the Eurobonds Zambia has issued. We understand that the Ministry of Finance is now processing the overdue payment, although it is taking an unusually long time for the funds to reach the bank.

TAPPING UP THE MINERS

Zambia's ruling Patriotic Front (PF) has taken a drastic step in a power struggle with mining firms. State mining agency Zambia Consolidated Copper Mines – Investment Holdings (ZCCM-IH) obtained an order to liquidate Konkola Copper Mines (KCM) under the Company Insolvency Act on 21 May. KCM is owned by the UK-headquartered and Indian-owned Vedanta Resources. ZCCM-IH's winding-up petition to the Lusaka High Court cited tax evasion and breach of operational agreements. ZCCM-IH owns 20% of KCM. Vedanta was not initially informed of the move. Vedanta has been in several serious arguments with the government over taxes dating back to the presidency of **Michael Sata** and before (AC Vol 55 No 12).

The latest move comes after a recent tax increase on mining operations which the government pushed through despite fierce industry opposition. The industry claims that the net effect of the new, non-refundable Sales Tax, which replaces VAT, will be to lower production and reduce the total in revenue the government receives (AC Vol 60 No 2). VAT was in theory refundable, though the government was heavily in arrears on its refunds to businesses including miners.

In a 23 May statement, Vedanta said it would challenge the liquidation order in court and that it had 'serious concerns about the intentions of the applicants and the procedures that were followed' in obtaining it. There has been widespread controversy over the appointment of a PF official, **Milimo Lungu**, as liquidator, and some local media accuse President **Edgar Lungu** of 'sending in his boys to take possession of the company's assets'. A court hearing is scheduled for 4 June.

Some sources say the government simply wishes to seize the asset in order to hand it to another investor in a bid to bring in windfall revenues – possibly even a deal with **China** as part of a debt restructuring (AC Vol 60 No 9). But documents seen by *Africa Confidential* indicate that the government has had concerns over KCM for some time. KCM has also been fighting hard to prevent the High Court in London hearing the case of over 1,800 Zambians claiming damages for harm caused by pollution. In April, the litigants were granted the right to proceed in London. The government is looking at alternative investors to take over Vedanta's interest in KCM, AC has learned.

Mining industry investors are increasingly nervous about Zambia and the growing popularity of resource-nationalist motivated tax grabs, such as the one ex-President **Joseph Kabila** imposed on miners in **Congo-Kinshasa**, and the demand for \$190 billion in back-taxes from Acacia Mining, initially made by **Tanzania's** President **John Magufuli** (AC Vol 58 No 15). Lungu has also appeared to threaten the Mopani mine, which is owned by Glencore, with similar action. Industry sources say that Glencore may attempt to counter the move by closing its Zambian operations. ●

AUSTERITY MEASURES

The government was already struggling to meet its debt service payments when the Italian loan was contracted, and it came as Mwanakatwe announced austerity measures that were meant to halt all but essential further borrowing. The test of that policy was supposed to become clear when the government published its Debt Sustainability Analysis, expected a year ago. But the paper failed to bear out the claim that the debts were sustainable in the short term, we hear, and it remained

MARGARET AND THE MARGARITA

The severity of the economic problems Zambia is facing, especially in finance, is drawing unwelcome attention to the public behaviour of Finance Minister **Margaret Mwanakatwe**. Cynics are suggesting that President **Edgar Lungu** may throw her to the wolves as a scapegoat for the country's economic ills, in part because of her very public battle with alcohol.

Initially appointed as a compliant successor to **Felix Mutati**, who resigned the portfolio because he feared Lungu was damaging his future political prospects, Mwanakatwe is not generally held to be the author of the country's financial misfortunes, only a facilitator of them (AC Vol 57 No 25). Sources who meet her say there is only a short window in the morning during which it is possible to have a productive discussion with her before she becomes inebriated.

Videos of Mwanakatwe acting drunk are circulating widely. In one, she speaks erratically about the Lusaka mayoral elections last July. In another, her head lolls backwards during a public ceremony. Local newspaper *News Diggers* has published a number of editorials, one entitled 'Minister for Beer' in which it has implored her to get help; they published another in mid-May. So far, no response has come from the minister.

Mwanakatwe gave an interview on Bloomberg TV in April in which she said that the depreciating kwacha and rising debt service posed 'no problem'. Suspicions arose about her sobriety and the interview was viewed by local observers as a disgrace. ●

under wraps.

While the investment climate remains poor, confidence is not high among donors. The audit of over \$50m in Ministry of Education funds suspected of being embezzled is testing

the patience of those who provided the money. Of the \$20m audited so far, indications are that around 90% was misappropriated, according to sources involved in the audit. The **United Kingdom's** Department for

International Development is believed to be contemplating demanding repayment now of the funds already identified as missing because of the length of time it is taking to complete the audit. ●

NIGERIA

Troubles mount for Buhari

There will be no radical changes in economic policy but a reshuffle of the security chiefs is probable and long overdue

It may have been lack-lustre economy or the deepening national security crisis but President **Muhammadu Buhari's** swearing-in on 29 May was a morose affair. It was also short of star guests. Military ruler General **Yakubu Gowon**, under whom Buhari served during the civil war, attended the swearing-in but **Olusegun Obasanjo** and **Goodluck Jonathan**, two former presidents who back the opposition People's Democratic Party, were absent (AC Vol 52 No 8).

A day earlier, the Office of the UN High Commissioner for Refugees in Geneva reported that about 20,000 Nigerians had fled across the border to **Niger** because of growing violence from different groups and crises – including the herder-farmer clashes, armed robberies and kidnapping as well as attacks from Islamist militias such as *Boko Haram* and Islamic State West Africa Province (ISWAP).

Over three million people have been displaced by the *Boko Haram* and ISWAP attacks in north-east Nigeria alone. Now they are widening the area of their attacks (AC Vol 60 No 4).

Of the Islamic State's estimated 6,000 fighters in Africa, about 3,500 are in West Africa, mostly in northern Nigeria according to new research from

the Combating Terrorism Center at the US Military Academy at West Point. Unlike *Boko Haram*, ISWAP is targeting Nigerian soldiers and police rather than civilians and trying to win the confidence of local communities who have little faith in the state's ability to protect them or provide public services.

Given the chronic under-funding and poor recruitment in the police and the military's serial failures to address either Islamist militia attacks or the herder-farmer clashes (reckoned to be costing the country some \$13 billion a year since 2016), the government's response is prompting sharp criticism even among its main base in the north-west and north-east.

Calls are growing for the sacking of the Chief of Army Staff Lieutenant-General **Tukur Yusuf Buratai** and Defence Minister **Mansur Dan Ali** (AC Vol 57 No 19). A reshuffle at the top of the security system might persuade Nigerians that Buhari will adopt a more decisive strategy in his second term.

After the swearing-in, the next big political event will be Democracy Day on 12 June to celebrate the anniversary of elections held in 1993 that were annulled by the military regime. That gesture by the Buhari government, intended to win favour in the south-

west of the country, whose candidate Chief **Moshood Abiola** won the 1993 elections, is something of a paradox.

In the past, Buhari has spoken in favour of the man he served as Chairman of the Petroleum Trust Fund, General **Sani Abacha**, who seized power in the aftermath of the annulled elections and whose regime jailed and tortured democracy activists and is still regarded as one of the most blatantly corrupt in the country's history.

Most of all, the Democracy Day celebration plan reflects the growing power of the south-west within the governing All Progressives Congress. As national elections in March proved, the APC would be overwhelmingly a northern party without the strong support of the south-west.

TINUBU'S REWARD

Bola Tinubu, a former governor of Lagos State, now expects his reward in two ways. First, he wants Buhari to take his advice on appointments to the reshuffled cabinet. In particular, he wants Buhari to appoint **Wale Tinubu** (despite having the same name, the two are not blood relatives but are business associates), chief executive of the troubled Oando oil company, as Petroleum Resources minister.

Secondly, and an even tougher call, he expects Buhari to back, or at least not obstruct, his campaign for the presidency in 2023 (AC Vol 60 No 4).

So keen is Tinubu to have the ear of the President, he joined the entourage when Buhari took time out from contemplating his second, four-year term with a trip to **Saudi Arabia** on 17-21 May to complete an *umrah*

pilgrimage. Tinubu, a Muslim married to a Christian, is said to have joined the President for prayers.

The main interest in the Buhari trip for journalists was the president taking a brisk jog around the Kaaba in Mecca, captured on cameras, and leaving many of his aides scrambling to keep up.

The mandate of serving ministers expired on 29 May, fuelling speculation over who might return or leave government, who might join – and how long the process might take.

The composition of the Federal Executive Council, the cabinet, is influenced by party politics and patronage, with a constitutional requirement for representation of one minister from each of the 36 states.

Some portfolios are key to the public administration – such as Petroleum Resources, Justice/Attorney-General, and Finance. Of those, the competition will be fiercest for the commercially sensitive Petroleum Resources ministry (Buhari acts as the substantive minister with **Emmanuel Ibe Kachikwu** as his Deputy) and Finance (AC Vol 59 No 16).

Zainab Ahmed, who took over from **Kemi Adeosun** after she was forced out last year, has proved an effective and popular finance minister. And the government is under pressure to appoint women to senior posts. Should she be

replaced by a man, such as **Okechukwu Enelamah**, the trade minister who has recently backed Nigeria's membership of the African Continental Free Trade Area, then there would be pressure to have a woman as Foreign Minister.

On the economy, **Godwin Emefiele**, the governor of the Central Bank of Nigeria just re-appointed by Buhari for a second term, plays an outsize role in policy. It is Emefiele's line, after consultation with the presidency, that holds on key issues such as: multiple exchange rates; a strong naira (which determines indirectly policy on fuel subsidies); interest rates (running at 22.5% for most business borrowers); directed and subsidised credit for farmers and factories; inflation; and getting tough on foreign companies such as **South Africa's MTN**, which is accused of breaking rules on foreign transfers and tax payments.

PRESIDENTIAL BUSINESS

Outside those key ministries many other departments operate as clearing houses for never-to-be-completed contracts. Much of the real business of government is done within the Presidency or by officials appointed by the President: principally the Secretary to the Government of the Federation, the Chief of Staff, and the National

Security Adviser. The Director-General of State Security Services and Chief Justice were both replaced in controversial circumstances over the last six months.

There has been a social media campaign against **Abba Kyari**, Chief of Staff and veteran Buhari loyalist, which reflects the view of many politicians and contractors that he is the main obstacle in the inner circle to 'business as usual'. However, there are other influential voices, including the President's nephew, **Mamman Daura**, who have no official title but equally strong views on policy (AC Vol 57 No 21).

Buhari is slow and cautious when he makes appointments; he tends to reward loyalty over competence, and sometimes over commitment to the government's avowed anti-corruption pledges.

This time the appointments will be scanned by those looking for signs of the looming competition to succeed the President in 2023. Contenders are divided over the prospect of radical change in the cabinet.

But with the service chiefs, the head of Nigeria National Petroleum Corporation (NNPC) and other parastatal chiefs at or past retirement age, significant changes are likely to be made sooner rather than later. ●

BURKINA FASO

Between Blaise and jihad

Party manoeuvring for elections in 2020 coexists with intercommunal slaughter in rural areas. Then the deposed president turns up

While the jihadists register notable successes and violence increases, attention begins to turn towards the conventional politicians and what they can offer the people in the elections of 2020. So much uncertainty reigns that the despised dictator, **Blaise Compaoré**, chased out of the country by mass protests only five years ago, is offering himself as a mediator in its travails (AC Vol 55 No 22).

President **Roch Marc Christian Kaboré** – once a prime minister under Compaoré – is a favourite to win the 2020 presidential election. His *Mouvement du peuple pour le Progrès* supports his candidacy and the opposition is weak. For two years, the leading opposition party, *Union pour le Progrès et le Changement* (UPC), led by **Zéphirin Diabré**, has lost a third of its deputies, who split to create a faction close to the MPP (AC Vol 59 No 1).

The *Congrès pour la démocratie et le Progrès*, the former ruling party founded by Compaoré, finished third in the legislative elections of 2015 and survives still, but is dogged by rivalry among its leaders. Its president, **Eddie Komboïgo**, and several top CDP officials have declared their candidacies without waiting for primary elections. The most important is undoubtedly **Kadré Désiré Ouédraogo**, Compaoré's former Prime Minister and a former chair of the Economic Community of West African States (Ecowas, AC Vol 56 No 19). The former second-in-command of the *Régiment de Sécurité Présidentielle* (RSP) and the country's first self-declared post-Blaise president, **Yacouba Isaac Zida**, exiled in Canada, has also mentioned his possible candidacy. But the opposition to him is almost certainly too strong (AC Vol 57 No 7).

The MPP appeared directionless

after the death two years ago of its president, **Salif Diallo**. Diallo always personified the left wing of the MPP (AC Vol 58 No 17). But the party never tried to appeal to this segment of the political scene after he died. It also faces danger from splits. The most notable is that of **Tahirou Barry**, former Minister of Culture to Kaboré who came third in the 2014 presidential election. He has created the *Mouvement pour le Changement et la Renaissance* (MCR) and is already a candidate for 2020.

The President is especially reliant on the support of the Mossi chieftaincy in the person of the King of the Mossi, the *Moro Naba*, whose political power has increased under Kaboré. Mossi influence pervades the administration, as it always has. The king has been the go-to person for consultation when crises erupt.

STREET ATTITUDE

The big unknown is the attitude of the street, which in 2014 was decisive in the fall of Compaoré. The *Balai Citoyen* (Citizen Sweep) movement which led the mass protests is a new broom no longer. Some of its leaders were co-opted by Kaboré, joining the presidential team or easing into top jobs. This has struck at the movement's political neutrality,

once one of its key strengths. At a press conference on 23 May, *Balai Citoyen* criticised the regime's approach to social justice, but it is a pale shadow of its 2014 self and looks little able to present a serious challenge to the MPP.

The government is in massive confrontation with trade unions and public sector workers over management of the public sector, fuel prices and so on. This broad movement is showing much of the power that *Balai Citoyen* once had. Last November the *Confédération Nationale des Travailleurs Burkinabè* criticised the increase in fuel prices. Strikes have been increasing since the beginning of the year among civil servants, health and national education personnel, while the judiciary has been paralysed since the end of 2018 by a lawyers' strike. Truck drivers and toll booth workers have also gone on strike. Demonstrations were also organised to demand better public housing. Practically the only way out for the government is to make spending promises it will find hard, if not impossible, to keep.

JIHADIST THREAT

Meanwhile, Burkina is experiencing a particularly worrying deterioration of its security situation. Of the 13 regions of the country, only two (Central South and Central Plateau) have not experienced terrorist attacks. The capital is surrounded by militias the authorities cannot contain. Some have been founded with the state support

(the *Koglewéogo*), but others are taking the initiative in ethnic violence in which the state is helpless, sometimes even complicit (AC Vol 60 No 8). The dependence of the regime on Mossi allegiance helps prevent any action to rein in the intercommunal violence.

The anti-terrorist operations conducted by the army, *Forces de Défense et de Sécurité* (FDS), have produced no palpable effect. Burkina led the largest military operation in its post-independence history in the Eastern and Central Eastern region in March and April 2019. This operation, called *Otapuanu*, pushed back some jihadist groups but did not destroy any of their bases. Even if there has been a decrease in attacks, it is highly likely to be temporary, military experts are saying.

Equally discouraging have been the reports of numerous acts of violence against civilians by the FDS from independent sources. Operation *Ndofofou*, begun this month in the North, North Centre and Sahel regions, is a source of even greater concern as dozens of summary executions have already been reported of members of the Fulani (or Peuhl) community. Human Rights Watch has protested. Tension between Mossi and Fulani has been high for months now, and jihadists are actively exploiting it to portray themselves as the only friends of the Fulani, much as they do in Mali.

Now, the intercommunal violence threatens to drag Christianity into the mix as the jihadists target churches

throughout the country and in Niger. The aim will be to encourage anti-Muslim violence which the jihadists will then claim only they can prevent. Four attacks have already been reported against churches.

WORLDS APART

The worlds of liberal democratic electoral discourse and civil agitation for better wages and conditions are still far from the intercommunal slaughter and instability caused by jihadist insurgency and social injustice. But the latter is reaching such a pitch that questions are already being raised about how much peace the 2020 elections can look forward to.

To much astonishment from foreign observers, the government reactions to the crises are not only ineffective, but inflame the dangers. The opposition will compete with the MPP for the support of *Koglewéogo* 'self-defence' militias needed for political campaigning but who are implicated in the massacres of Fulani. Dozo 'hunters' also fight jihadists but are not as allied to the MPP as the *Koglewéogo*.

Against such a chaotic background it is hardly surprising that Compaoré, despite the humiliation of his departure from power, can put himself forward, as he did on 21 May, as a mediator with the jihadists. Few will have forgotten that he was himself accused of using jihadist movements for political ends when he was in power, a charge that Kaboré himself also has trouble refuting. ●

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POINTERS

Sierra Leone

FATHER OF THE BRIDGE

■ Investors and contractors were invited to attend a conference on 3 May in Freetown to express interest in the proposed bridge over Tagrin Bay which is intended to link Lungi International Airport to the capital. President **Julius Maada Bio's** earlier doubts about the advisability of incurring a US\$1.3 billion debt to **China** for its construction have been allayed by his advisers. Sceptics remain unconvinced of the project's viability because of the low level of traffic through the airport, and the improbability that road tolls could ever cover the cost (AC Vol 59 No 22).

Although investors were officially invited to participate in the conference, they would have had to pay \$200,000 for sight of the initial plans. It is believed only Chinese contractors attended.

There was vigorous debate among the President's advisers about the bridge, especially since the President spent so much time during his election campaign pouring scorn on President **Ernest Bai Koroma's** much less costly project to build a new airport at Mamamah, on the Freetown side of the bay.

Mozambique/South Africa/US

CHANG DODGES US EXTRADITION

■ Leaders of Mozambique's ruling *Frente de Libertação de Moçambique* (Frelimo) won an unexpected victory over the United States when South Africa's Justice Minister **Michael Masutha** overturned a court decision to approve the extradition of Mozambique's former Finance Minister **Manuel Chang** to the US on 21 May. Masutha claimed 'justice will be best served' if he returned Chang to Mozambique, which belatedly requested his extradition after he was arrested in South Africa at US request while en route to Dubai.

Eyebrows were raised at the decision because government ministers are normally only supposed to keep their departments ticking over until a new cabinet takes office, and not take controversial decisions.

The US accuses Chang of money-laundering and fraud in relation to the US\$2 billion secret loans scandal (AC Vol 60 No 2). The US embassy in Pretoria expressed 'great disappointment' at Masutha's decision. The issue was set to 'top the agenda' of talks between the US government delegation attending President **Cyril Ramaphosa's** inauguration last week, according to a report by **Portugal's** LUSA news agency.

Masutha, a Ramaphosa supporter, was heavily lobbied by Frelimo and other Southern African Development Community nations, including **Angola**, who are afraid Chang's extradition to the US could set a precedent if their own officials are implicated in crimes over which the US has jurisdiction. Masutha said he considered various factors, including the SADC Protocol on Extradition, which excludes individuals who have immunity against prosecution, including MPs, like Chang.

Frelimo officials involved in the secret loans saga are anxious to prevent Chang naming others allegedly involved in the scams. Former President **Armando Guebuza's** son **Ndambi**, among others, is in jail awaiting trial. The extradition papers presented in South Africa did not specify what crime Chang would be charged with once returned. Opinion is split between those, said to include Chang, who believe he is in danger once back in Maputo, and those who say he will never be tried.

Botswana

NEW KHAMA PARTY TAKES OFF

■ Ex-President **Ian Khama** has given up on pursuing his rivalry with President **Mokgweetsi Masisi** within the ruling Botswana Democratic Party (BDP) and founded his own. Although he is not the new Botswana Patriotic Front's (BPF) formal leader, it is his in all but name.

President Masisi has seen off several challenges to his leadership, the last of which saw the Khama-supporting long-serving former cabinet minister **Pelonomi Venson-Moitoi** withdraw her bid at the BDP congress in April (AC Vol 60 No 8). At the core of the new party are disgruntled BDP loyalists of Khama such as **Biggie Butale**, recently sacked from the cabinet, and **Samson Guma Moyo** (AC Vol 60 No 10).

At a meeting on 25 May in his home village of Serowe, where he is paramount chief, Khama announced his decision to quit the BDP, the party formed by his father in 1965, ostentatiously tearing up his BDP membership card, as hundreds in the crowd followed suit.

Khama has vowed to help the BPF and other opposition parties remove the BDP from power at October's elections.

The BPF is expected to focus on fielding candidates in the central region where Khama's tribal influence is strongest. Yet Khama remains aloof, refusing to join or lead the new party. This is apparently on the advice of his **South African** political consultants, who want him to keep some mystery and be above the fray, as well as avoid any accusations that he seeks to return to office after a spell out of it, à la **Russia's Vladimir Putin**.

The BDP currently has 38 MPs compared to the opposition's 19. The BPF would only need to take the seats of 12 BDP legislators to unseat Masisi. In Botswana, the president is chosen by parliament and not directly elected.

Western Sahara/Morocco

KÖHLER LEAVES THE HOT SEAT

■ **Horst Köhler's** appointment as the UN Secretary-General **António Guterres's** Personal Envoy for Western Sahara in July 2017 was welcomed by Morocco, for whom the former **German** President and International Monetary Fund chief was a professed 'close friend' who understood its historic claim to the disputed Western Sahara. But Morocco was soon disabused. It quickly came to resent Köhler's efforts to involve the African Union and accelerate moves towards a referendum offering potential independence for the disputed territory. The 76-year-old has now left the office – ostensibly on health grounds. The Polisario Front independence movement admitted 'profound sadness' at the development (AC Vol 59, No 11).

Köhler brought Morocco and Polisario to the table – together with **Algeria** and **Mauritania** – for the first time in six years, and most observers believe his departure will stall what small momentum still existed. Reflecting the heft of key Polisario supporters **Algeria** and **South Africa** in Addis Ababa, a greater AU role – on the agenda during Köhler's watch – was seen to favour the Sahrawis over Rabat, while the UN Security Council and the stasis surrounding its United Nations Mission for the Referendum in Western Sahara (Minurso) peace-keeping force is seen as more amenable to Rabat.

Köhler may be unwell, but there was also speculation about the impact of the intense lobbying by under-pressure Moroccan Foreign Minister **Nasser Bourita** at the UN against his efforts.

Rabat has been muted in its response to Algeria's crisis, but its strategists hope to take advantage of it to outflank Polisario. No wonder the Saharawi movement urged Guterres 'to act quickly to appoint a Personal Envoy with the same conviction as Horst Köhler'.

Polisario's hopes may lie with **United States** National Security Advisor **John Bolton**, who lent his support to Köhler's efforts, including the referendum that Polisario craves, and even accused Rabat of delaying tactics. But Bolton is also a trenchant critic of the UN, and the future of the costly Minurso may again come into question, as it comes up for renewal every six months. Unless Bolton wants to force the issue, it looks as though the Western Sahara issue has retreated once more to the back burner.

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BLUE LINES

Whether the aims behind President Paul Kagame's closure of Gatuna (Ugandans call it Katuna), Rwanda's busiest border crossing with Uganda in February, were diplomatic, commercial or security, it seems to have failed on all counts. Although Kagame complained at length to diplomats and journalists about Ugandan President Yoweri Museveni's 'betrayal' and his government's alliance with oppositionists such as tobacco magnate Tribert Rujugiro Ayabatwa and former chief of staff of the Rwandan Army, General Kayumba Nyamwasa, Museveni has dismissed them as non-issues. Rujugiro and Nyamwasa are both linked to the Rwandan National Congress which wants to overthrow Kagame (see page 12).

Commercially, the border closure has hurt Rwanda far more than Uganda. It also disrupted regional trade routes from Kenya's Mombasa port through Uganda and into Burundi and Congo-Kinshasa. As current chairman of the East African Community and an avid backer of a pan-African free trade zone, Kagame's move disrupted the regional economy, as well as weakening his own country's economy.

On 10 June, Rwanda's announcement that it would reopen the border for 12 days looks like an admission of defeat. Kigali says it will still ban its nationals from crossing into Uganda to protect them from harassment by Museveni's security agents. But officials in Kampala insist this is to stop a growing number of Rwandan dissidents from seeking sanctuary.

SUDAN

Freedom under fire

As it tries to shoot down the democracy protests, the junta underplays the deepening splits in its own ranks

Such was the horror wreaked by the Rapid Support Forces' (RSF) massacre squad on 3 June that the tentative steps towards dialogue this week between the pro-democracy protesters and the junta have been greeted with some relief but low expectations in Khartoum.

The inability or unwillingness of soldiers in the Sudan Armed Forces to protect civilians against murderous attacks by the RSF militia and armed operatives from the National Intelligence and Security Services, has ended activists' hopes for an alliance with younger officers and their troops. It was the protection of those troops, some of whom exchanged fire with NISS operatives, that emboldened the activists to expand the sit in outside *Alqidah al Amaah*, the military headquarters in Khartoum, after 6 April.

However, there are continuing reports of schisms within the ruling Transitional Military Council, arrests, detentions or banishments of dissident junior officers. A security source in Khartoum tells us that when some soldiers heard of the RSF and NISS plans to attack civilians at the sit in, they were told to stay in the barracks and that no arms would be issued to them.

Some generals, either professional cadres or adherents to the now banned Islamist National Congress party, are said to see the deputy leader of the junta and RSF commander, **Mohammed Hamdan Dagalo**, known as 'Hemeti', as a useful figure in diverting attention from the army's own political plans. Their aim is to set up an authoritarian regime, with a civilian patina, modelled on President

Abdel Fattah el Sisi's in Egypt. They want to avoid an open election en route to that.

There is a common bond between the junta leader, General **Abdel Fattah Abdelrahman Burhan** and Hemeti (AC Vol 60 No 9). After running the regime's operations in Darfur in 2003 – Burhan was a regional army commander and Hemeti led the pro-regime *Janjaweed* militia – the two men jointly coordinated Sudan's dispatch of fighters to the **Yemen** war front, financed by **Saudi Arabia** and the **United Arab Emirates** (UAE). They both commanded units in Yemen, getting to know their Saudi and Emirati counterparts (AC Vol 60 No 8).

MILITARY MEANS

Apart from military ties, there are lucrative commercial deals. It is the RSF's control of gold mines in Darfur that it has enabled it to build up substantial foreign exchange reserves. Business sources tell us that the militia has been exporting gold directly to Dubai, without paying any local taxes, and managing the foreign currency earnings, running into hundreds of millions of dollars, independently of the central bank.

This has established the RSF as a fully funded security entity alongside the army, with its controlling stakes in the military industrial complex, and NISS, with its network of wholly owned companies funding security and surveillance operations, as well as building the personal fortunes of its top echelon.

It is the financial, military and diplomatic backing from Riyadh and

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Abu Dhabi that is the most critical foreign support system for the junta. Before the massacre of 3 June, there were substantial deliveries of military hardware from the UAE across the Red Sea to Port Sudan. Emirati-made armed personnel carriers, driven by the RSF militia, are now a common sight in Khartoum.

Others say the schisms run far deeper and that the factionalised armed forces are one of deposed leader **Omer el Beshir's** most poisonous legacies. They see little prospect of more professional army officers bringing either the RSF militia, the armed intelligences services (with helicopters and tanks) under control. That doesn't rule out the possibility of a wider and more violent breakdown in the security system of which many outsiders have warned.

After **United States** officials warned Saudi Arabia and the UAE that their

unbridled backing for the junta's repression could trigger a national conflict for which they would be held responsible by Sudanese and the wider region, both issued unconvincing statements urging a return to dialogue.

A key figure is **Taha Osman Al Hussein**, Riyadh's Advisor on African Affairs, who flew into Khartoum on the last scheduled flight before the overthrow of el Beshir was announced on 11 April. Al Hussein, a former minister in the Presidency in Khartoum, broke with the Sudanese regime and took Saudi citizenship. Today he is a key intermediary between Hemeti, whom he knew well from the Darfur war, and Crown Prince **Mohammed bin Salman**.

In the wake of the 3 June massacre, the Gulf States' preferred strategy appears to be to stretch out the negotiations, making a few cosmetic concessions but leaving a joint force of the RSF and the NISS to run security in Khartoum and other towns and cities.

Their specific interests are: to keep Sudanese troops fighting in the Yemeni war; block any moves towards the political pluralism and democracy demanded by the protesters; to push back against **Iranian**, **Turkish** and **Qatari** interests in the country; and protect the massive Saudi and Emirati land holdings in Sudan, particularly the fertile Nile valley.

In some areas, particularly over

support for the RSF militia, there is tension between Egypt's interests and the Gulf States. Should rivalries between RSF fighters and the national army spin out of control in Sudan, Egypt's already overstretched military would be confronted with a new and unpredictable crisis on its southern borders. All in a state where some of el Sisi's Islamist foes have put down deep roots.

Despite scheduled visits of US Assistant Secretary of State for African Affairs **Tibor Nagy** and the return of **Ethiopia's** Prime Minister **Abiy Ahmed**, no date has been set for a resumption of negotiations over a transition to civil rule. And there is no sign that that the Transitional Military Council is prepared to accept an independent investigation into the murder of over 110 people, mass rapes and the wounding of over 600 on 3 June.

The incremental trade-off announced on 11 June by **Mahmoud Dirir**, the mediator appointed by Abiy, was that the junta would release all political prisoners and the Declaration for Freedom and Change Forces (DFCF) would suspend the civil disobedience has ratcheted down tension.

But this has changed none of the main political and security conditions, including security guarantees, the role and powers of civilians in a transitional authority, or indeed whether there will be a transition at all. ●

NIGERIA**Oando chief takes on his foes**

The company's management is fighting the regulator's orders to quit amid threats of fresh investigations

A reckoning is due in the battle for Oando, one of the country's biggest independent oil companies, after the market regulator barred its CEO and his deputy from holding directorships in public companies. In its ruling of 31 May, the Securities and Exchange Commission in Abuja attempted to suspend the current management of the company and appoint a caretaker board. It added that it would refer the case to the Economic and Financial Crimes Commission.

But CEO **Adewale Tinubu** and his deputy **Omamofe Boyo** are appealing against the ruling in the Federal High Court in a case due to start on 14 June. The phrase 'no permanent friends, just permanent interests' is highly apposite in Lagos business circles.

Oando's woes are complicated by

the political overtones of big business dealings in the country. In this case, senior politicians in both the main parties may have something to gain if Wale Tinubu and his deputy are forced out of the company.

CEO Wale is from the Tinubu aristocratic dynasty which dates back to a repentant slave trade trader in the 19th century, **Efunroye Tinubu**. A square in the middle of the Lagos business district is named after her.

Although former Lagos governor **Bola Tinubu** is not a blood relative of Wale's, he identifies strongly with the clan. Bola Tinubu, a political godfather in south-west Nigeria as well as a contender in the 2023 presidential elections, has been lobbying for Wale Tinubu as the country's next oil minister.

President **Muhammadu Buhari**,

who controlled the oil portfolio in his first term alongside the deputy minister, **Emmanuel Ibe Kachikwu**, is due to announce a new cabinet for his second term in the coming weeks.

Buhari's relations with Bola Tinubu, one of the richest men in the country with a substantial property portfolio in Lagos, have been uneven, at best. But Buhari has racked up some political debts to Bola Tinubu. There is no doubt that Bola Tinubu's political organisation and aggressive campaigning, which prompted claims of violence and fraud from his opponents, helped deliver electoral victory for Buhari in Lagos state which has the highest number of registered voters in the country.

The chairman of Oando and the **Alake** of Egbaland, **Adedotun Aremu Gbadebo III**, has his own political antecedents. A retired army colonel, he was Principal Staff Officer to Brigadier **Tunde Idiagbon**, deputy to Buhari during his time as military leader from 1983 to 1985.

If Bola Tinubu and the **Alake** can be relied on to back the current management at Oando, they face a powerful foe in **Gabriel Volpi**, a major shareholder in the company and also a

former business associate of opposition presidential candidate, **Atiku Abubakar**.

Although Volpi's interests in Oando are commercial rather than political, his name is still linked with Abubakar's, mainly because of their common shareholding in Intels, the oil service and logistics company. In a dispute with Wale Tinubu and his deputy, Volpi's Ansbury Investment company was awarded \$680 million by the International Arbitration Court in London last year.

The fourth major figure in the drama, **Dahiru Mangal**, is the hardest to predict. Although he hails from Katsina, Buhari's state, he is said to be close to Abubakar. Mangal's personal gripe with Wale Tinubu has been settled but he's unlikely to turn down the chance to seize control of Oando should Volpi seek his support (AC Vol 59 No 16).

Whether Wale Tinubu retains control of Oando or not, the company's image has been shredded over the past five years. In its 31 May letter, the SEC accused Tinubu and Boyo of 'serious infractions'. It quoted from a forensic audit by Deloitte & Touche referring to 'false disclosures, market abuses, misstatements in financial statements and corporate governance lapses stemming from poor board oversight'.

Wale Tinubu's management team rejected the critique as 'unsubstantiated' and 'invalid' and said it hadn't seen the Deloitte & Touche report. However, Oando's own auditors, Ernest & Young raised concerns in April about the company's continued financial viability. Its main burden is the \$2.5 billion debt it took on when it bought some oil and gas assets in Nigeria from Conoco Phillips. The SEC letter added that: 'The purported sale of OEPL (Oando

THREE MEN IN AN OANDO BOAT

Adewale Jubril Tinubu, Chief Executive Office of Oando PLC

Tinubu trained as a lawyer in the UK and is close to **Bola Tinubu**, a former governor of Lagos State and now a chieftain of the governing All Progressives' Congress.

Adewale Tinubu led the charge to build Ocean and Oil, via its acquisition of state-owned Unipetrol in the government's privatisation drive in 2000 and subsequent acquisition of Agip, into the country's leading retail fuel supplier. Since then it has expanded operations into production and exploration. But Tinubu and Oando's fortunes were hit hard by the crash in oil prices in 2015 just as the company had taken on massive debt to fund ambitious expansion plans. He shares those problems with many of those running independent oil companies in Nigeria although Tinubu had a more international outlook than most. This latest battle with the SEC is the most serious crisis in his business career.

Gabriel Volpi, leading shareholder in Oando PLC

A Nigerian-Italian businessman with a colourful history and business interests in **Angola, Mozambique and South Africa** as well as Nigeria. He is also a shareholder in Orleans Invest, owners of Intels Logistics. Another leading shareholder in Intel is former vice president, **Atiku Abubakar**, a serial presidential contender. Volpi has a substantial shareholding in Oando and has been trying to seize control of the company from Wale Tinubu for the past five years.

Dahiru Mangal, leading shareholder in Oando PLC

A close friend of the late President **Umaru Musa Yar'Adua**, Mangal was said to be one of his main financial backers. He is also from Katsina State, home state of Yar'Adua and President **Muhammadu Buhari**. Mangal's relations with Buhari are ambiguous. His interests in cross-border trade – particularly importing rice and sugar from **Niger** and **Chad**, is said to have been badly hit by the Buhari government's ban on those imports and attempts to boost local production. Mangal owns Max Air, Persoil SA, an oil company in Niger and many fuel stations in **Burkina Faso** and Niger.

Over the years he has befriended Wale and Bola Tinubu and is a leading shareholder in Oando Plc. His network includes president of Niger Republic, **Mahamadou Issoufou**. Mangal wrote the petition that launched the Securities & Exchange Commission investigation into Oando. ●

Exploration & Production Company) enabled Oando Plc to report a profit instead of a loss, thereby misstating its Financial Statements in 2013 and 2014 and consequently misleading investors. This 'fictitious' profit reported in 2013,

enabled Oando Plc to declare dividends.'

Since the SEC's letter, two of Oando's non-executive directors have resigned. Hostilities started two years ago when Volpi and Mangal tried to get Tinubu and Boyo sacked from the board, petitioning

PARLIAMENT TOES THE LINE

On the eve of Nigeria's Democracy Day (June 12), its newly inaugurated National Assembly elected its principal officers without much ado or drama, unlike four years ago when some members of the ruling All Progressives Congress (APC) outwitted the party and the presidency.

This time, party favourites **Ahmed Lawan** and **Femi Gbajabiamila** were elected senate president and house of representatives' speaker respectively. With their deputies also vetted by the APC hierarchy, all is now set for a docile parliament that will in all likelihood do the bidding of the executive arm of government, unlike their predecessors.

Outgoing Senate President **Bukola Saraki** and Speaker **Yakubu Dogara**, who both crossed over to the opposition halfway into their tenure, were at constant loggerheads with the APC leadership and President **Muhammadu Buhari**, who tried but failed to remove them. Saraki failed in his bid for re-election but Dogara returns to take a seat on the bench (AC Vol 60 No 5).

Desperation for a more malleable parliament to pass government bills faster led to several failed plots to unseat Saraki, who survived Code of Conduct Bureau trials on asset declaration charges, and Dogara, even before they joined the People's Democratic Party. Last August, the State Security Service laid siege to the National Assembly complex, leading to Vice-President **Yomi Osinbajo** giving secret police chief **Lawal Musa Daura** the boot (AC Vol 59 No 16).

New speaker Gbajabiamila, a protégé of APC national leader **Bola Tinubu**, managed to stave off opposition to his election, including civil society lawsuits about his 2003 suspension from practising law by the Supreme Court of Georgia in the **United States**. As a young lawyer, he had won a \$25,000 injury settlement for his client but failed to remit the funds, travelling instead to Nigeria to use the money to fund his election as a federal lawmaker that same year. Gbajabiamila returned the money a few years ago.

Also elected was **Ovie Omo-Agege**, who made the headlines when he led thugs to steal the senate mace in April 2018. The new Deputy President of the senate was also reportedly convicted for forgery by a California court back in 1996. ●

SEC about the company's violations and manipulations of financial statements.

Last October, the Nigerian Stock Exchange suspended Oando's shares for five months, following a directive from the SEC which then launched its

forensic audit. Oando says that due process was not followed. Now months of legal argument could lie ahead as the protagonists battle it out in court.

The two men with most to gain, Volpi and Mangal, both with strong

associations with the opposition People's Democratic Party, could end up with joint control over a formidable range of upstream and downstream assets in the country's oil and gas sector (AC Vol 60 No 5). ●

CONGO-KINSHASA

Tshisekedi tries his luck

A test of the President's ability to challenge Kabila's influence is coming up over how the state mining company is run

President Félix Tshisekedi's decision to reappoint **Albert Yuma Mulimbi** – one of ex-President **Joseph Kabila's** closest allies – as head of Congo-Kinshasa's largest state-owned mining company has raised eyebrows as well as hackles.

For many, Yuma's continuation as the president of the Gécamines board after nine controversial years is proof of the enduring influence of Joseph Kabila, who was succeeded by former opposition leader Tshisekedi in January. **Martin Fayulu**, the rival opposition candidate who leaked voting data indicates was in reality the comfortable winner, is still calling – without much luck – for the Congolese to emulate the **Algerians** and **Sudanese** in rising up to defend democracy (AC Vol 60 No 6).

Yuma's leadership of Gécamines, today a mere husk of the company that produced more than 400,000 tonnes of copper per year in the Katanga region in its 1980s heyday, has been blighted by reports of mismanagement. Hundreds of millions of dollars of 'tax advances' have been sent from the miner to central bank-controlled accounts at commercial banks, rather than to tax authorities, after which the trail goes cold. Yuma says the payments have allowed the state to meet its urgent needs but there are suspicions that cash was diverted to slush funds controlled by Kabila. Yuma happens to also chair the central bank's audit committee.

The respected *Observatoire de la dépense publique* (Public Expenditure Observatory – ODP) pleaded with Tshisekedi to cancel the decision, arguing that the Gécamines boss 'has excelled in unprecedented financial scandal depriving the public treasury of enormous receipts'.

International mining companies such as Glencore, Barrick Gold and China Molybdenum were also eager to see the back of Yuma. They blame him for forcing through laws last year which hiked royalties, introduced new

taxes and removed a clause that would have protected them from complying with the fiscal changes until 2028. After many complaints and threats, the companies are paying the revised rates while declaring they haven't abandoned the possibility of launching arbitration proceedings if aspects of the law aren't softened (AC Vol 60 No 5).

The chief executives of Glencore and Barrick – **Ivan Glasenberg** and **Mark Bristow** – met Tshisekedi and his chief of staff **Vital Kamerhe** in Kinshasa to try to push for changes to the mining code.

Copper and cobalt producers are equally hostile to Yuma's crusade to renegotiate all of Gécamines' joint ventures. Last year, he successfully brought Glencore and Eurasian Resources Group to the table to discuss the former's Kamoto Copper Company (KCC) and the latter's Boss Mining. Yuma secured billions of dollars of forgiven intra-company debt and hundreds of millions in payments to Gécamines.

FUND RELATIONS

The International Monetary Fund will not be welcoming Yuma's stay either. The Fund cancelled a \$532 million loan programme midway through 2012 after the government failed to publish the terms of an asset sale by Gécamines and Kabila stopped it conducting its routine annual monitoring missions during his final three years in power. Tshisekedi says he wants to normalise relations with the IMF, but he revealed Gécamines' new board while the Fund's team was still in the country, which will not have encouraged the multilateral lender.

The IMF would like Congo-Kinshasa to 'consolidate various mining revenue streams into the Treasury', it said as its officials boarded the plane for Washington.

Tshisekedi's advisers intend for Yuma's post to be largely 'symbolic', as is the case for other presidents of

Congo-K's state-owned companies. Yuma accumulated immense control over Gécamines in 2014 when he emerged victorious from a boardroom battle with then-Director General **Ahmed Kalej Nkand**, who was sacked by Kabila. Nkand's replacement, **Jacques Kamenga Tshimuanga**, got the job on an interim basis and never had his predecessor's power. He was only Yuma's 'errand boy' for the past five years, one presidential advisor told *Africa Confidential*.

Gécamines' new Director General is **Sama Lukonde Kyenge**, a former sports minister under Kabila who is close to **Dany Banza**, one of the most influential Katangans in Tshisekedi's entourage, who has been named the President's 'roving ambassador'. Tshisekedi's team believes Yuma can be reined in by Lukonde and the other seven handpicked members of the board, marking an end to his freewheeling days.

Yuma couldn't be removed, say the President's people, because Tshisekedi had already rejected him as Kabila's first choice as prime minister. 'We don't want to humiliate our partners and Yuma counts a lot for Kabila,' one said. 'This is not a revolution.'

The head of government must come from the parliamentary majority, which is controlled by Kabila. While the ex-head of state's handpicked replacement performed dismally in the presidential contest, his *Front Commun pour le Congo* (FCC) secured hefty majorities in the National Assembly, Senate and the provincial assemblies. (Fayulu claims most successful parliamentarians were 'nominated' by the pliable agency that organised the polls rather than elected.) In the absence of much choice, Tshisekedi agreed to govern in coalition with the FCC and their respective teams are still negotiating the makeup of the next government.

There are therefore serious doubts Yuma will be curbed, especially as Lukonde is unversed in Gécamines' dark arts, but even if he is brought to heel it's unlikely Glasenberg and Bristow will get their way. Tshisekedi promised in March to retain Kabila's legislative reforms, and two presidential advisors confirmed as much to *Africa Confidential*. 'The mining code is popular and the companies are paying,' said one.

An equally embarrassing hangover from the Kabila years is **Dan Gertler**,

the **Israeli** billionaire who partnered with Glencore and ERG in their Congolese mines. The US Treasury sanctioned him in late 2017 for having used his friendship with Kabila to make a fortune through corrupt mining and oil deals. Some of Gertler's contentious transactions have involved Gécamines and therefore Yuma – such as the acquisition of a lucrative revenue stream originally due to the state miner from Glencore's KCC. Gertler's future in Congo-K seems unclear with his pal Kabila out of office and Tshisekedi's team appears uncertain how to deal with him (AC Vol 58 No 5). While radical action against Gertler is highly unlikely on account of his relationship with Kabila, one Tshisekedi ally said, 'his time as the King of Katanga is over'.

Tshisekedi insisted that the prime minister he was obliged to pick from the ranks of Kabila's FCC should be a technocrat untainted by corruption allegations during the former president's era. On 20 May he named septuagenarian university professor **Sylvestre Ilunga Ilunkamba** to the post but it is not an inspired choice if Ilunga's six-year tenure from 2013 as the Director General of the national railway the *Société Nationale des Chemins de Fer du Congo* (SNCC) is a fair guide.

The World Bank spent about \$400m in recent years on a disastrous project to revitalise the moribund parastatal, according to an independent audit published last month. The report concluded that the SNCC is bankrupt, suffers from 'poor management practices', and is even further from

'financial and operational' viability.

Ilunga confirmed his lack of authority last week when he admitted to the local media that he isn't involved in the talks which will select the administration he'll nominally lead. He's simply waiting to be presented with his ministers.

The furious reaction of the FCC to the announcement of Gécamines' new board indicates that Kabila's allies do see it as a threat, even though Yuma remains in place. The FCC is fuming that Tshisekedi's appointment of the new Gécamines directors was co-signed by outgoing Prime Minister **Bruno Tshibala** who had already handed in his resignation or Kamerhe (depending on whom one believes). They say he acted unconstitutionally in publishing the directive without the co-endorsement of the new prime minister. If Tshisekedi had waited for the investiture of Ilunga and the new government they would have had more influence over the composition of the board.

OVER-REACH

With Kabila's negotiators walking out of talks on the formation of the coalition government, Tshisekedi and Kabila – who are said to get on well personally – met on 9 June to smooth the way for talks to resume. But it's possible that Tshisekedi and his supporters are guilty of over-reach. Analysts are asking whether Lukonde and his team will really be able to control Yuma, whether they will be shouldered aside instead, or whether they will be co-opted. How

much muscle-flexing, given Kabila's domination of elected institutions and the military, can Tshisekedi indulge in before the FCC bites back, they ask.

Tshisekedi and Kamerhe have accepted that, controlling only 10% of parliament, they will have less than half of the ministerial posts. However, they balk at the demands of FCC hardliners such as **Jean-Pierre Kambila**, Kabila's former deputy chief of staff, who say they must settle for only 20% of the portfolios. The President will tolerate 30-40% of positions but the real fight will concern the big jobs such as finance, defence, justice and interior. Tshisekedi still believes he can obtain them all, one source says, although the FCC chief **Nehemie Mwilanya**, Kabila's ex-chief of staff, has different ideas.

'Nehemie and his band don't understand that the wind has changed', says a Tshisekedi confidant – probably over-optimistically.

The return of **Moïse Katumbi** to a hero's welcome in the mining city of Lubumbashi on 20 May after a three-year absence is also shaking up Congolese politics (AC Vol 60 No 11). The wealthy former governor of Katanga supported Tshisekedi during much of his exile but ended up backing Fayulu along with **Jean-Pierre Bemba**, a former vice-president and rebel leader.

Those around Tshisekedi worry less about Katumbi pushing Fayulu's claim and more about him pushing his own bid for the presidency in 2023. 'He's already campaigning,' one said. Tshisekedi and Kabila have a shared interest in squashing it. ●

CONGO-KINSHASA

Missing you already

The grand old man of Congolese politics gets a state send-off, and the funeral offers a chance for political manoeuvres

Two years and four months after the old man passed away, the body of veteran Congolese politician **Étienne Tshisekedi** finally returned from Brussels to Congo-Kinshasa on 30 May. Thousands lined the streets as Tshisekedi's coffin was driven from N'Djili airport into Kinshasa, and thousands more filled the capital's *Stade des Martyrs*, where the coffin lay in state on 31 May and 1 June under an elaborate awning featuring a 10-metre, gold-coloured forearm and hand, two long fingers raised in a victory salute.

The late Tshisekedi has been awarded the rank of 'grand cordon'

in the National Order of National Heroes, joining the likes of **Augustin Katumba Mwanke**, **Yerodia Abdoulaye Ndombasi** and **Antoine Gizenga**. So far, only **Laurent Désiré Kabila** and **Patrice-Émery Lumumba** have been designated as national heroes, but presidential spokespeople have been briefing, perhaps optimistically, that Tshisekedi may yet also be given this honour.

Tshisekedi's official state funeral on 1 June was notable for who was there – and who was not. Six heads of state attended, including **Rwandan** President **Paul Kagame**, **Angolan** President **João**

Lourenço and **Congo-Brazzaville** President **Denis Sassou Nguesso**, which was five more than attended the inauguration of Tshisekedi's son, **Félix Tshisekedi**, as President in January. Intriguingly, Sassou was the only one among them invited back afterwards to Félix Tshisekedi's private residence in N'Sele, outside the capital, for a much smaller ceremony for his father's burial on the evening of 1 June.

NO-SHOWS

Among the main no-shows at the funeral was former President **Joseph Kabila**, who sent his brother **Zoé Kabila**, the new governor of Tanganyika province, to represent the family. Also missing was **Moïse Katumbi**, who returned to Belgium earlier in the month after his plane was allegedly twice refused permission to land in Goma, intended as the next leg of a planned tour of the country (AC Vol 60 No 11). Katumbi has not given up on his tour yet, though. On 10 June, Katumbi's 'cabinet' published

the programme for his safari, which will take in eight towns and cities.

Another absentee was **Martin Fayulu**, the man who the evidence suggests won the presidential poll last December (AC Vol 60 No 1). A Fayulu spokesperson later blamed his absence on 'security and protocol', apparently alluding to opposition to Fayulu playing a role in proceedings from the funeral's steering committee.

That committee also snubbed the *Église du Christ au Congo* (ECC), which groups together a large number of Protestant churches and is reckoned to be the second-largest denomination in Congo-K after the Roman Catholic church. Étienne Tshisekedi was a devout Catholic but the President periodically attends a church that is a member of the ECC. Fayulu has been seeking to win the ECC's support for his claim to the presidency, which he continues to press, and met with the ECC's senior representative **André Bokundoa-Bo-Likabe** in late February. Eager not to alienate the ECC, we hear, the President also met with Bokundoa-Bo-Likabe on 11 June.

Addressing students in Kinshasa on

6 June, Fayulu said he would be at the airport to welcome back **Jean-Pierre Bemba**, who is currently scheduled to return for his own grand tour on 23 June. Fayulu said Bemba's *Mouvement de libération du Congo* (MLC) party was still talking to him but that Katumbi's *Ensemble* coalition was no longer doing so. Katumbi's decision to recognise Tshisekedi's presidency and to position himself as the 'republican' opposition has put him on course for a split with Fayulu. Bemba has thus far remained silent on the issue.

So far, the Congolese authorities have mostly let Fayulu continue to press his case, though in late April he was accused of 'inspiring hatred and genocide' against Luba people (Tshisekedi is a Luba), and was formally requested to go to Kinshasa's inspector of police on 6 May to answer to the charge. There were rising tensions in the capital in the days approaching the date, and a promise from Fayulu's militants that they would accompany their man to the police in numbers. Finally, just before the deadline, the inspector's request to Fayulu was indefinitely suspended.

The police have, however, taken

a firm stance against militants of Tshisekedi's *Union pour la Démocratie et le Progrès Social*, who on 10 June gathered to attempt to storm the National Assembly in Kinshasa. The militants said they wanted to protest the blocking tactics of *Front Commun pour le Congo* (FCC) MPs, which they claim are preventing Tshisekedi from deploying UDPS loyalists to positions in state-owned enterprises. UDPS activists gathered outside the Haut Katanga provincial assembly in Lubumbashi on the same day, burning tyres, calling for Kabila's arrest and demanding, as Fayulu does, that Tshisekedi 'divorce' Kabila.

Having ceded majorities in the National Assembly and the provincial assemblies, and almost all the provincial governorships to Kabila's FCC, with all the money and employment opportunities that come with them, Tshisekedi needs to deliver some patronage from elsewhere to the UDPS. If Tshisekedi is unable even to do that in the state-owned enterprises, which have traditionally been a presidential fief, the days of his base remaining loyal could be numbered. ●

SOMALIA

Washington stirs the UN pot

State Department choices prompt a resurgence of anti-US sentiment as oil goes up for grabs

The nomination on 30 May of the **United States** diplomat **James Swan** as the UN Secretary-General's Special Representative in Somalia has deepened divisions within the country's political class, amid accusations that Washington forced through his selection to protect US influence over oil-rich ground.

Swan, a veteran US State Department career officer who served as ambassador in **Djibouti**, Somalia and **Congo-Kinshasa** during **Barack Obama's** presidency, has been pushed forward by **Donald Yamamoto**, the current US ambassador in Mogadishu and a mentor of Swan's, diplomats and UN insiders told *Africa Confidential*. Yamamoto also served under Presidents **George W. Bush** and **Bill Clinton**, including stints as ambassador to **Djibouti** and **Ethiopia**.

Yamamoto has developed political alliances on one side of the political fence in South West State, which may hold some of the richest oil deposits of all the acreage that the Mogadishu

government showcased, albeit unsuccessfully, at a London licensing roadshow in February. The state also hosts Baledogle Airfield, an important and expanding base for US military operations against *Al Shabaab* (AC Vol 59 No 22). British officials have appealed to Yamamoto to share the ex-Soviet military base of Baledogle, which has a 3.2 kilometre runway, but the request has been rebuffed, security sources say.

Late last year Baidoa, the capital of South West State, was the centre of a brutal political dispute after federal government forces violently suppressed protests following Ethiopian troops' arrest of **Mukhtar Robow Ali 'Abu Mansur'** (Rahanweyn/Leysan clan), an *Al Shabaab* founder and long-time Baidoa area commander until his defection to the government in 2017 (AC Vol 60 No 2). Robow was tipped to win the state's presidential election until Federal President **Mohamed Abdullah Mohamed 'Farmajo'** ordered Ethiopian troops to detain

him and ensure victory for **Abdiaziz Hassan Mohamed 'Lafta Gareen'** (Rahanweyn/Xarin). Lafta Gareen's mother belongs to the same clan as Farmajo (Darod/Marehan). Appalled at Farmajo's high-handedness, the **United Kingdom** and **Germany** suspended their security sector assistance. The US government, meanwhile, bankrolled the state election and then deepened its relationship with Lafta Gareen.

DIPLOMATIC CASUALTY

One of the main casualties of the Robow affair was the UN's top representative at the time, **Nicholas Haysom**. The **South African** was not alone in seeing Robow as a potential bridge to *Al Shabaab*, or at least as a politician who could counteract its appeal. Many believed UN Secretary-General **António Guterres** did not do enough to defend Haysom against Farmajo's ire.

David Concar, the UK ambassador to Somalia, was believed to be close to Robow. Despite the presence of many Islamists, even Salafists, in mainstream politics and the current government, rapprochement with former *Shabaab* leaders remains anathema to Farmajo and controversial in general. The prominent British-Somali journalist **Rageh Omaar**, international affairs editor of Britain's *ITV News*, condemned Concar's meeting last year with Robow.

Haysom's two predecessors, **Nicholas Kay** and **Michael Keating**,

are both British. During their tenure between 2013 and 2018, London was the penholder on Somalia at the UN Security Council as the UK government invested heavily in its development.

Yamamoto has attempted to cultivate close contacts with Prime Minister **Hassan Ali Khaire** and with officials in the Ministry of Petroleum and Mineral Resources, notably the Minister, **Abdirashid Mohamed Ahmed**. The ministry has been partly responsible for developing Somalia's controversial petroleum bill, which was passed into law and is described as unconstitutional by many Somalis occupying positions of power in federal member states. Khaire was once an executive at Soma Oil and Gas, the British company chaired by British Conservative party grandee Lord **Michael Howard** and which in 2013 gained licences to prospect 60,000 square kilometres of acreage.

At the same time, Yamamoto has exacerbated divisions on a number of other fronts. With his opposition to Robow, he has alienated the Leysan sub-clan in Baidoa. By being perceived to have allied US diplomatic interests to Bantus he has incurred the ire of the largest clan, the Hawiye, who perceive their important sub-clans in Lower Shabelle, the Abgal and Habr Gidir, to be under threat. In neighbouring Jubaland, where elections are due in August, the majority Ogaden and Marehan clans see Yamamoto forging an alliance with the minority Bantu and Bimal against them. Diplomatic sources say meanwhile that Farmajo is pushing his favoured candidate, Aviation Minister **Mohamed Abdullahi Salad Omar**, to take on Jubaland President **Ahmed Mohamed Islaan 'Madobe'** in the elections.

Yamamoto was one of the key backers of last month's talks between the federal government and the states

in the Puntland capital, Garowe. He pressured Farmajo and Khaire to attend the meeting just as tensions between Mogadishu and the states were reaching fever pitch, Somali and UN officials told *Africa Confidential*. Predictably, the talks collapsed, with Puntland and Galmudug formally cutting ties with the Mogadishu government by the end of the month. Jubaland issued a statement of blame but stopped short of closing the door on relations.

SOURING MOOD

Amid the meltdown, the five-month delay to replace Haysom took a toll on political stability in Somalia, and on the standing of the UN. The collapse of the Garowe talks also left a bad taste in the mouth of Farmajo and Khaire, who see Yamamoto's alliances in South West State and with individuals in the Petroleum Ministry as no guarantee that he will also protect Mogadishu's interests. With the mood souring against him, overall Somali opposition to Swan's nomination appeared to be gathering pace, just as within the UN system resentment was building against the Somali government, and with it an ill-judged call for punitive measures and a show of strength against Mogadishu.

In the initial stages of recruiting Haysom's replacement, the field of candidates was crowded with ill-qualified national diplomats with no knowledge of Somalia or the UN. Central to the race were candidates from three countries: the US, **Canada** and, to a lesser extent, **Turkey**. By early last month, it looked as if an alternative candidate from Canada – **Jarat Chopra**, with decades of UN and Somalia experience – also had the backing of a number of member states, including Somalia.

The week after the Garowe

meeting, however, the US intervened aggressively, pressuring Guterres in New York and the Somali President and Prime Minister in Mogadishu, we hear from diplomatic sources. Regional governments, including **Kenya**, appealed to the Secretary General, warning against the implications of appointing a US national to lead the UN in Somalia.

Nairobi is also nervous after the leak of a document from Somalia's Petroleum Ministry showed that five oil blocks it aims to license to bidders may in fact be in Kenyan waters. We hear that US diplomats have also been promoting the idea of deploying the Ethiopian and **Eritrean** military to Jubaland to replace Kenyan forces who, despite being present since 2011, have failed to adequately take on *Al Shabaab* (AC Vol 60 Nos 4 & 10).

As premature leaks of Swan's appointment spread through Somali-speaking Voice of America journalists, interest groups began to react. Robow's political party issued a press release warning that Swan would not be welcome in South West State. The Hawiye elders in Benadir published a statement warning against the appointment, evoking the last time the Hawiye confronted a US-led United Nations, in the Black Hawk Down era of the early 1990s.

By the third week of May and after the Garowe debacle, the Somali government attempted to delay Swan's appointment process by calling for consultations, only to hear that he had already been chosen, against their wishes. In early June, the federal government issued a statement welcoming the Security Council's renewal of the mandate for the African Union Mission in Somalia (AMISOM), but remaining silent about the new UN Special Representative. ●

SENEGAL/OIL

An oily threat to Sall

Hotly-denied suggestions that officials were paid for awarding oil concessions are causing trouble for the President

Ever since BBC television's *Panorama* current affairs programme revealed apparent evidence that controversial **British-based Australian/Romanian** businessman **Vasily Frank Timis** made massive payments to President **Macky Sall's** brother **Aliou Sall**, the political scene in Senegal has been in turmoil. The programme

alleged that Timis's Senegal company Petro-Tim's employment of Aliou Sall was likely to have influenced the award of the St. Louis Profond and Cayar Profond offshore oil blocks to Petro-Tim. They have now been sold off to BP and Kosmos Energy in a bonanza payday for Timis.

Although all the parties deny any

wrongdoing, *Africa Confidential* can reveal an earlier finding by an official Senegalese investigation which queried Timis's relationships at the top level in Dakar but was suppressed.

In 2014, ex-President **Abdoulaye Wade** accused President Sall's brother of 'owning 30% of Senegal's oil' with Timis, and *Africa Confidential* then reported that the deal was under scrutiny by the **United States** Federal Bureau of Investigation (AC Vol 56 No 18). We also reported news of high-stakes negotiations by the US oil company Kosmos Energy and Britain's BP with Timis to gain control of the gas fields, which are now known to be vast and could well transform the Senegalese economy (AC Vol 58 Nos 7 & 10).

Yet, any evidence was lacking until the BBC's *Panorama* revealed secret accounts detailing payments from Timis to Aliou Sall of \$250,000 plus a salary of \$25,000 a month. The BBC says that BP will pay Kosmos and Timis, in return for their 30% stake in the gas fields, up to \$10 billion over 40 years.

All of the parties involved deny any wrongdoing. Aliou Sall says he is suing for libel, while Timis's lawyers in London, Schillings, have described the BBC's allegations as 'entirely false' and defended Timis's handling of an oil concession that 'now has the potential to generate many billions of dollars revenue for the people of Senegal and provide gas to generate power which can be supplied across the whole of West Africa, to the benefit of many millions more people'. President Sall was contacted but had not replied as *Africa Confidential* went to press.

The Senegalese public, primed by a drip of allegations and opposition claims about corruption in the oil sector, thinks differently, however, and the President is facing the most serious challenge to his credibility in either his first or second term of office, which only began in February.

A new group of opposition organisations called the Conference of Leaders called for the public prosecutor in Dakar to bring the allegations to Senegal's High Court, demanding a full investigation.

EARLIER CONCERNS

Africa Confidential has seen a 2012 report – secret until now – that President Sall commissioned to probe Timis's activities before he came to office. The report told the new President that Petro-Tim should never have been awarded the gas fields in the first place. The report by the *Inspection Générale d'Etat* (IGE) found that Petro-Tim did not even exist at the time it was allocated the concessions and recommended that its licence be cancelled.

Insiders believe that President Wade's energy minister and son **Karim Wade** made the original deals with Timis for exploring the offshore blocks, and that when Wade lost office, Timis had to make new deals with President Sall and his brother. This could help explain why the IGE report was never published. One of its chief findings was that Petro-Tim, a Cayman Islands company, was only incorporated two days after the concessions were granted.

The IGE report also warned that Petro-Tim clearly did not have the capital to fund the drilling programme it had signed up to. The report added that Petro-Tim paid \$1.5 million in signing bonuses to Senegal's state oil

company Petrosen, which Tullow, the UK-Irish oil firm also then in talks with the Senegalese government over the concessions, refused to pay.

Senegal's 1998 oil law was designed to attract investors into extensive exploration – no significant gas or oil discoveries had yet been made – and it prohibited the payment of signature bonuses. This would make the payments to Petrosen illegal. There was no investigation or prosecution.

Tullow has been held up to the Senegalese public as something of a villain by Sall's supporters. During the recent presidential election campaign, pro-Sall propagandists falsely accused Tullow of offering opposition presidential candidate **Ousmane Sonko** cash in exchange for oil concessions in the event of his election (AC Vol 60 No 4). After the BBC broadcast its revelations, defenders of the President accused Tullow of being behind the story, and of creating 'fake news'.

BROTHERS UNDER FIRE

This is not the first time Aliou Sall's association with Timis has caused embarrassment for the presidency. After reports emerged in 2016 accusing Aliou Sall of taking payments from Timis, he resigned from Petro-Tim, but kept his job as mayor of the Dakar suburb of Guédiawaye.

Sall added that his brother had ratified Petro-Tim's concession 'as part of the continuity of the state' and that he was ready to respond to any commission of inquiry or international tribunal that requested it. Regarding allegations over a \$25,000 a month salary he received for his role at Petro-Tim, Sall said: 'Like any worker, I have negotiated a firm contract, but my salary is not illegal or unusual in the oil and gas sector. Some of my colleagues were receiving much more than I was.'

Reports emerged in Dakar on Sunday suggesting that President Sall, who has so far remained tight-lipped about the BBC's allegations, is under pressure to remove his brother from the head of the state-run savings deposit bank he heads, the CDC, and relieve him of his mayoral duties.

President Sall's background as a geological engineer, and his time as special adviser for energy and mines to President Wade and as director-general of Petrosen, will make it difficult for him to shrug off renewed criticism over the initial deal signed with Petro-Tim and say he was not aware of the potential value of the deal.

Former opposition candidate Sonko, who wrote a book about the controversy surrounding Senegal's nascent energy boom in 2016, said: 'At the time, I

hadn't got the information that the BBC has... We knew there was a conflict of interest, now we know what was behind it. Timis should never have existed in Senegalese oil.'

The allegations have prompted a flurry of comments from other members of the Dakar elite named in connection with the business, including millionaire architect and former presidential candidate **Pierre Goudiaby Atépa**, who introduced Timis to Aliou Sall in China when Sall was a diplomat there (AC Vol 59 No 23). Speaking to local press from Paris, Atépa defended Aliou Sall, calling him an 'excellent commercial agent' and said that he had not received 'a cent' from Timis.

The high-profile nature of the Petro-Tim controversy in Dakar and its dominance of headlines throughout Sall's Presidency raise questions about the rigour of BP's compliance regime.

BP claims that it conducted 'extensive and appropriate due diligence' before deciding to do business with Kosmos and Timis.

BP said that the \$9-12bn which the BBC said the major could pay Timis in royalties for the Senegal gas fields was 'exaggerated beyond the realm of reality', adding that any payments would come out of BP's share of the investment, and not at Senegal's expense.

US oil company Kosmos has been in the firing line for the methods it uses to gain access to lucrative assets in West Africa in the past. In 2010, Ghanaian and US authorities opened an investigation into how Texas-based Kosmos and its local partner EO secured control of the Jubilee oil field, Africa's biggest offshore oil project (AC Vol 50 No 21). After five years, the investigations were dropped, with Kosmos and their partners claiming their innocence.

Kosmos said in a statement that it 'strongly refutes any implication that it acted improperly in the acquisition of interests in Senegal.' Regarding allegations that Kosmos made a cash loan to Timis, the US oil firm said that it entered into a credit line with Timis Corporation for the 'sole purpose of funding exploration costs'.

No money changed hands between Kosmos and Timis. They pro-rated costs in exchange for his 30% share in the operations. This is the holding which Timis used as collateral against an iron-ore off-take deal in **Sierra Leone** with trader Gerald Metals (AC Vol 57 No 24).

TIMIS THE PIONEER

Within African resources circles, Timis is widely known for his failed Sierra Leonean mining ventures African Minerals and Regal Petroleum. In

2009, Timis's Greece-focused oil exploration firm Regal Petroleum was fined £600,000 by the London Stock Exchange's junior market AIM for failing to inform investors that drilling results from its well revealed an absence of oil. Shareholders in Regal lost millions.

After the collapse of Regal, Timis

built up his West African empire, with operations at one point in Liberia, Sierra Leone, Côte d'Ivoire, Senegal and Burkina Faso. After the collapse of African Minerals in 2014 and the stripping of the mining licence at Tambao in Burkina Faso, Timis focused his energies on his increasingly lucrative

Senegal operations. Most recently Timis moved into the virtual mining space and made headlines in the UK for emerging as the largest shareholder of Bitcoin mining venture, Argo Blockchain.

This article was developed with the support of the Money Trail project (www.money-trail.org). ●

ETHIOPIA Seeds of instruction

Premier Abiy Ahmed's focus on a democratic transition faces heavy challenges as the ruling coalition struggles to rein in conflict

With preparations for landmark elections less than a year away and behind schedule, with the country trapped in a security crisis and an ethnic group threatening to declare the federation's first new regional state, Ethiopia's Prime Minister **Abiy Ahmed** has a lot on his plate.

But still he has found the time to plant tree seedlings, discuss his pet project to beautify Addis Ababa's riversides, visit a children's cancer hospital, and encourage schoolchildren (AC Vol 60 No 5). 'He advised the students to undertake the examinations in a relaxed and focused manner,' the ruling-party-linked Fana Broadcasting Corporation reported in a series of dispatches by one of Ethiopia's newly liberated media.

To be fair to Abiy, he also took a trip in late May to the West Guji Zone of Oromia, where officials have been busy corralling ethnic Gedeo into returning to their homes after about 700,000 were chased out by their Guji neighbours last year. A recent campaign resulted in more than one million internally displaced Ethiopians going home, not long after the news that the 2.9 million Ethiopians uprooted by conflict in 2018 represent the highest figure for internal refugees anywhere in the world. Aid officials complain that the rushed government response – after months of ignoring the problem – seemed more focused on presentation than rehabilitation.

CAUSE FOR CONCERN

It is the presentational focus of Abiy's otherwise promising premiership that is causing concern in many quarters. He has set inspiring democratic objectives that will take years to reach, if Ethiopia can get there at all. With the course set for the Promised Land, the powerful leader seems more comfortable acting as civic educator than Prime Minister.

'Drawing a distinction between

"moral of duty" versus "moral of aspiration", he emphasised that maintaining the rule of law cannot only be based on the former but through investments in nurturing moral of aspiration,' Fana gnomically reported after Abiy lectured Ethiopian judges. 'He concluded the discussion session by planting seedlings together with members of the justice sector and calling upon them to spend the upcoming rainy season cleaning, cleansing and planting.'

Meanwhile, the seeds of Ethiopia's political crisis planted decades ago are germinating.

There is stiff competition for the title but the primary challenge is arguably the rise over the past year of the National Movement of Amhara (NaMA), which says that community lost out when the federation was carved into ethno-regional units in the early 1990s, primarily at the behest of the Tigray People's Liberation Front (TPLF). That means the Amhara want 'their' land back, which is causing friction with neighbouring groups, notably Tigrayans and Gumuz (AC Vol 60 No 3). Although the former dispute has only simmered this year, the latter recently exploded. Perhaps as many as 200 Gumuz were killed in Jawi Woreda of the Amhara Region in early May when villages were razed. That looked like retaliation for the killings of several Amharas in the Metekel Zone of Benishangul-Gumuz, a neighbouring district to which NaMA and elements of Amhara's ruling party lay claim.

NaMA activists blamed Oromo agitators for the Jawi carnage but there was no evidence to back that up. The group rejects claims that the Amhara were a repressed minority in Ethiopia's imperial era and casts Amhara local minorities as victims of discrimination instead.

But it was in an Oromo enclave of Amhara that more worrying events took

place in early April. Unruly Amhara police seem to have intervened in a local dispute in the Oromia Zone of Amhara where they met stiff resistance from local militiamen. The ensuing violence, which killed dozens, spread into the adjacent North Shewa Zone.

Meanwhile, in Oromia itself, progress was made in Addis Ababa in late May as the recently returned Oromo Liberation Front (OLF) leader **Dawud Ibsa** confirmed that he no longer commanded an armed force. However, that is primarily because his commanders have disowned him and vowed to continue armed struggle without him.

ELECTION HOPE

Abiy's plan is for an international-standard election next year to re-legitimise a government that has been buffeted by years of protests and internal wrangling. This would, theoretically, allow it to reassert control over security and progress with its reform agenda, eventually including the constitution. However, Ethiopia's structural problems are too deep for a mere election to solve. The crisis Abiy inherited has worsened partly because of his disdain for the ruling coalition he leads, and which has governed the country by hook or by crook since 1991, the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF).

That squabbling front is in disarray and so the multinational federation it built is coming apart at the seams. After last year's humiliation, the TPLF has marginalised itself, content to pull up the drawbridge and snipe at Abiy's sermons. One result is that the **Eritrean** peace process appears to have stalled (AC Vol 59 No 14). Abiy's stated de-ethnicising scheme is to convert the EPRDF into a national party, rather than an alliance of four regional organisations, including adding ruling elites from five non-EPRDF-run regions. Alternatively, the Front may split as the TPLF balks at these plans. Abiy could then try to cobble together a more liberal national coalition from the fragments. However, one major problem is time, or the lack of it.

Fanfare greeted the appointment of the former political prisoner **Birtukan Mideksa**, a nemesis of the late Prime

Minister **Meles Zenawi**, as the head of Ethiopia's electoral board in November, but donors are less enamoured of its achievements since. It is still in the process of appointing a board, meaning that it has made no important decisions, including whether to accept foreign funds from partners queuing up to support the election. With less than 10 months to the polls, delay looks inevitable – but there will be more drama first.

As a post-TPLF spring dawned in Ethiopia last year, the Ethiopian elite revved up their activities. Some jetted back from the immense Ethiopian diaspora in Washington DC to Addis to proclaim the imminent death of ethnic federalism, OLF leaders trooped back triumphantly from Asmara hotels to Addis hotels, Guji Oromo turned on

Gedeo, and next door, the Sidama Zone's leaders revitalised a long-held demand for their own regional state to be carved out of the Southern Nations, Ethiopia's multi-ethnic 'museum of people'.

Although the Southern Nations administration received the request a year ago, there is no sign of a referendum. This has enraged Sidama activists, who say their constitutional rights are being ignored, as they were neglected when they were included in Southern Nations back in 1995 rather than being given their own state.

Consequently, the four-million-strong Sidamas are set on unilaterally declaring a new regional state around 18 July, a year after the referendum request. That means there may well be intercommunal conflict in Awassa, the multi-ethnic Southern Nations

capital that Sidamas claim as their own. Meanwhile, the Wolaytas' demands for their own region are mounting up, followed by at least five other southern communities. They will be emboldened by any Sidama progress towards statehood.

Publicly, there is no clear federal, regional or EPRDF policy on the matter. That means either it is drifting towards chaos, or that leaders plan federal intervention if matters get out of control. Some Tigrayan commentators suggest the disorder is deliberate: if burgeoning ethno-nationalism threatens to tear the EPRDF apart and rip up its multinational federation, what better excuse for Addis Ababa to step in and put matters right? Regardless, whether devious or distracted, Abiy will be busy. ●

SOUTH AFRICA

A tale of two ANCs

The ruling party at war with itself searches for answers to a looming recession, spiralling unemployment and failing parastatals

Two wings of the African National Congress – the constitutional and the rent-seeking – are engulfed in a civil war which could turn the country's economy into a pariah shunned by all foreign investment by year-end. 'You can no longer talk about the ANC as one coherent body,' said one exasperated liberal economist after the party announced that it would recommend extending the mandate of the SA Reserve Bank, the central bank, to include developmental needs rather than confine itself to combating inflation.

The proposal, which has been discussed at various ANC executive meetings since December last year, is ANC policy but has not been adopted by the government because of what it would cost and the damage it could do to foreign investment.

The proposal that it should be implemented along with quantitative easing measures was issued in the name of the ANC on 3 June, following a meeting of the National Executive Committee (NEC), by party Secretary-General **Ace Magashule**, who has been linked to corruption while Premier of Free State province (AC Vol 60 No 11).

Some observers see the proposals as harbingers of nationalisation of the central bank and the introduction of prescribed assets, which would force

companies to invest in government development projects. Far from resolving the ANC's factional differences, the general election results have sharpened them. President **Cyril Ramaphosa's** supporters and the opposition Democratic Alliance are urging him to take public statements on the economy away from ANC headquarters into the Presidency.

The ANC statement came hours after the shock disclosure that South Africa's GDP contracted by 3.2% in the first quarter of the year, bringing recession a step closer and ensuring that growth for the year will come in well below 1%, possibly as low as 0.5%, some economists say.

Ramaphosa was slow to repudiate the statement released by Magashule, who is the second most powerful ANC official and has repeatedly undermined Ramaphosa's leadership by putting his own interpretation on party statements, even when they run counter to government policy, according to insiders. Analysts sympathetic to the President say he must take command of economic statements in order to prevent them becoming the property of the left and frightening investors.

Ramaphosa left South Africa on 10 June for the start of the 12-day conference of the International Labour Organisation in Geneva with an entourage of 50, making it one of the

largest delegations. He will return on 20 June to deliver his first state of the nation speech since the 8 May poll. But nobody is expecting any breakthroughs.

He is expected to announce the framework of a short-term bail-out for the electricity utility, Eskom, which is facing debt of \$25 billion. South African Airways is in meltdown following the 2 June resignation of its CEO **Vuyani Jarana**, who leaked the news he was stepping down and announced that he would leave the SAA Board.

Magashule's statement referred to 'quantity [sic] easing' and a tweet in his name, which directly contradicted Ramaphosa's subsequent denial, was later deleted.

BANK WARNINGS

The repudiation of the statement came after investment bankers issued dire warnings when the double-shock came of the fall in growth and Magashule's statement about the Reserve Bank. One key banker who was in Cape Town when the news broke told *Africa Confidential*, 'We told the President that he could forget about any new investment unless certainty around the status of the Reserve Bank was restored.' Other prominent business people joined the chorus.

By the time Ramaphosa denied that the government was planning to nationalise or extend the mandate of the Reserve Bank, the already ailing rand had fallen 4%, making it the weakest emerging market currency, while some economists warned of a looming economic catastrophe.

Earlier denials by Finance Minister **Tito Mboweni** and Public Enterprise Minister **Pravin Gordhan**, who has led the government campaign against state capture and corruption, failed to arrest

the sliding rand. What was once known as 'Ramaphoria' – the feeling of relief which came with the fall of President Zuma – has evaporated and the reformist leader is battling to control a ruling party the core of which is far more about patronage and rent-seeking than most have been willing to admit (AC Vol 59 Nos 6 & 22).

Morale among the business elite and the wealthy is at a post-apartheid low; money leaving the country is accelerating, financial experts say. The only factor preventing an all-out exodus of institutional money is that Moody's, the only one of three agencies that has not downgraded the country to junk status, still believes Ramaphosa's reform initiatives can end corruption and revive the economy.

This is a minority view. At present, the indicators are all going in the wrong direction: if there is negative growth again next quarter, the country will fall back into a recession.

Growth for the year had been downgraded from 0.9 to 0.7% by most economists, youth unemployment is pushing over 50% and the currency is weak and losing value. Three of the country's most important state-owned enterprises – Eskom, Transnet, and SAA – are on the edge of bankruptcy and bail-outs are becoming more difficult and exorbitantly expensive, financial experts say. There is increasing talk among analysts and business of the possibility of a bail-out by the International Monetary Fund (IMF).

On the upside, Ramaphosa has managed to eliminate a large number of rent-seekers from his cabinet and from state institutions, but there have not yet been any prosecutions of key suspects, which will be crucial to changing perceptions.

Ramaphosa has overwhelming support in his cabinet for rooting out corruption, implementing investor-friendly policies and raising investment abroad but his support among the top six ANC officials and in the 110-member NEC is less sure, and open to manipulation by the likes of Magashule (AC Vol 60 No 10).

Although Magashule has denied changing or adding to the long and lugubrious ANC statement to include the reference to the Reserve Bank, AC was told by insiders that an earlier draft had no such references. 'Magashule has handed Ramaphosa a loaded revolver,' wrote veteran columnist **Max du Preez**. 'He needs to pull the trigger.'

BATTLE LINES

The battle lines in the party are now clearly drawn. Supporting Ramaphosa's reforms are: Gordhan and Mboweni; ANC economic policy head **Enoch Godongwana**; Reserve Bank Governor **Lesetja Kganyago**; and former Public Protector **Thuli Madonsela**.

Lined up against Ramaphosa with Magashule are: Deputy President **David Mabuza**; former Premier of North West province **Supra Mahumapelo**; former President **Jacob Zuma**; and

the current Public Protector **Busisiwe Mkhwebane**, a Zuma-appointed advocate who formerly worked in intelligence.

Mkhwebane is leading a revived and formerly discredited investigation into Gordhan about his role in a so-called 'rogue unit' within the tax collector, the South African Revenue Service (AC Vol 58 No 19).

And she has also announced an investigation into whether Ramaphosa benefited from a \$33,000 loan from a company that allegedly paid back-handers to government officials to further their cause. Ramaphosa said he was not aware of the payment into his campaign fund and has taken steps to repay the full amount.

Several of Mkhwebane's findings have been overturned by the courts and some were described by lawyers as 'bizarre'. There have been widespread calls for her resignation or removal from office.

Dube Tshidi, former CEO of the Financial Services Board who has sent Mkhwebane's finding on the FSB for review, accused her of 'gross incompetence and negligence'.

Madonsela, her internationally celebrated predecessor, went public for the first time on 9 June to repudiate Mkhwebane's claim that she was merely using the same strategy as Madonsela in her investigations of Gordhan and Ramaphosa, the two leaders of the fight against state capture and graft exposed by Madonsela. ●

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POINTERS

Mauritania

UNCHANGING OF THE GUARD

■ **Mohamed Ould Cheikh el Ghazouani** has reason to be confident as he approaches presidential elections on 22 June. An ally of retiring President **Mohamed Ould Abdel Aziz**, the Defence Minister has the state and the ruling *Union pour la République's* formidable electoral machine behind him. A relative newcomer to politics, Ghazouani is short on charisma but the UPR will almost certainly deliver him overwhelming victory in the first round. In the unlikely event that he cannot clear 50%, a second round will take place on 6 July.

Unlike the last presidential race in 2014, the major opposition forces will put up candidates, having last year abandoned their long-standing boycott to participate in legislative, regional and municipal polls (AC Vol 59 No 17).

Opposition parties could have secured more gains with better co-ordination last year, and that mistake is being repeated again. There's been no prospect of a single opposition standard-bearer since anti-slavery campaigner **Biram Ould Dah Abeid** announced that he would stand regardless of what others did.

The secular 'soft left' is represented by **Mohamed Ould Maouloud**, leader of the *Union des forces du progrès* (UFP) and joint candidate of the *Coalition des forces du changement démocratique alliance*. He has attacked a deal for the state-owned *Société Nationale Industrielle et Minière de Mauritanie* (SNIM) to allow the **Australian** mining firm BCM to take an 80% stake in a new iron ore mine, a scheme the government says will create 700 jobs.

Tavassoul is not running its own candidate and is backing the inoffensive former Prime Minister, **Sidi Mohamed Ould Boubacar**, perhaps a sign that the Islamist party is heeding Abdel Aziz's warnings last year not to overstep the mark in pushing political Islamism.

Abeid, Maouloud and Ould Boubacar are serious contenders, but will all be competing for the same pool of urban youth votes.

Côte d'Ivoire/Ghana

COCOANOMICS

■ Côte d'Ivoire and Ghana are threatening to suspend the sale of cocoa beans to the open market for the 2020/21 crop season in a bid to secure higher prices for their farmers. The two countries produce 65% of world cocoa output; the Ivorians contributing about

two-thirds of the total and Ghana's high-quality crop fetching a premium. But high supplies in 2016 led to a sharp decline in income. From a spot price high of over \$3,100 per tonne in mid-2016, cocoa fell to \$2,080 in 2018. It has been trading at around \$2,400 this year.

Last year, the two countries endorsed a 'strategic partnership agreement' to respond to increasingly unsustainable cocoa economics, and have mooted a floor price of \$2,600. Ghana continues to pay producers 7,600 cedis (\$1,400) per tonne for the 2017/18 and 2018/19 seasons, citing farmer welfare.

In March, both countries refused to consent to International Organization for Standardization requirements on sustainable and traceable cocoa. A declaration said the ISO terms would inflate costs, make farmers vulnerable to takeover by third-party investors and impede production.

In April the IMF advised the Ghanaian government to cut its producer price, provoking a cool response from officials, farmers and social justice campaigners.

It's unclear whether the move to 'go OPEC' will win the support of other cocoa-producing countries, especially those in Latin America, and the tough stance is sure to meet resistance in Western countries where some of cocoa's biggest markets lie.

Malawi

CHAOS HELPS MUTHARIKA

■ Malawi's defeated oppositionists are taking different attitudes to May's disputed presidential polls, and that appears to be playing into newly re-elected President **Peter Mutharika's** hands (AC Vol 60 No 11).

Malawi Congress Party leader **Lazarus Chakwera** has filed a petition for the partial recount, citing inflation of voter figures and results sheets altered with. The MCP leader has also led public demonstrations by his supporters, causing chaotic scenes in Lilongwe.

Former Vice-President **Saulos Chilima** and his United Transformation Movement (UTM), meanwhile, have filed for nullification of the results, alleging a series of errors by the Malawi Electoral Commission.

Both parties appear to be going through the motions. Lawyers for both say there is little hard evidence to back up the claims. Senior UTM officials accept that they filed the petition to be seen as doing something, while the MCP tactic is to force civil disobedience in the hope of forcing a recount or rerun. The parties show no sign of being willing to work together. Chilima officials say they have rejected requests for support from Chakwera, while Chilima has condemned the violence of Chakwera's supporters.

Claims and counter-claims abound. Mutharika has accused Chakwera of fomenting violence, while Chilima has accused the President's aides of running a 'crooked system of rigging'. Intelligence insiders claim Chilima's team sought to hack the DPP's digital system (AC Vol 60 No 9).

Congo-Kinshasa/Rwanda

ENEMIES WITHOUT, AND WITHIN

■ UN peacekeepers and other security sources confirm that units from at least two battalions of the Rwanda Defence Force have taken positions inside Congo-Kinshasa, to hunt down groups of Rwandan rebels. The troops have been spotted by local sources in the Virunga Park in North Kivu province, with reports of others crossing over into neighbouring South Kivu, near the tri-border area with **Burundi**, as late as 30 May.

Congolese securocrats say the move is blessed by Congo-K's president **Félix Tshisekedi**, who discussed the neutralisation of armed groups in Congo-K at meetings in Kinshasa with presidents **Paul Kagame** of Rwanda and **Angola's João Lourenço** on 31 May.

Rwandan authorities have been applying pressure on Tshisekedi to attack two Rwandan Hutu groups (the *Forces démocratiques de libération du Rwanda* and the *Congrès National de la Résistance pour la Démocratie*) that have increased their movements between the two provinces this year (AC Vol 60 No 6). Rwanda says these groups are backed by both **Burundi** and **Uganda**.

Kigali's seasoned director of external intelligence, **Anaclet Kalibata**, has visited Kinshasa several times in recent months to warn Tshisekedi of the consequences of not dismantling a Tutsi-led rebel group in the high plateau of South Kivu that is enmeshed with local *Banyamulenge* Tutsi militia and also allegedly allied to Bujumbura and Kampala. Diplomats say **France** has urged the UN to support the RDF operations, but the UN's cautious top representative in Congo-K, **Leila Zerrougui** demurred (AC Vol 59 No 23).

The presence of RDF troops is an emotive issue in Congo-K, which has fought several Rwandan-backed rebellions since 1997 but also integrated many former Rwandaphone rebels into the Congolese army. Many Rwandaphone officers were also involved in the massacres in 2016 and 2017 in Tshisekedi's native Kasai region.

Ugandan President **Yoweri Museveni** is said to be irked at the move just weeks after diplomats said Tshisekedi had opened discussions with Kampala about allowing the Ugandan People's Defence Force (UPDF) entry into the Beni sector of North Kivu to take on Ugandan rebels, the Allied Defence Forces.

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BLUE LINES

The best construction that can be put on the return of the Zimbabwe dollar and the ban on foreign currencies is that its authors wanted to rein in inflation and crack down on the currency trading rackets that gave politically connected businesses access to cheap US dollars. But it won't fix either problem.

The ban on the use of the US dollar, South African rand and other foreign currencies announced on 24 June will drive the foreign exchange trade further underground. Already, small-time traders in the centre of Harare are being harassed by police while favoured business people who can organise their trades at arm's length suffer no sanction.

The premise for the reintroduction of the national currency – that there is enough local confidence in it to sustain its official rate of US\$1=Zim\$5.2 – is palpably false. Before the ban on the US dollar was introduced, the Zimbabwe dollar was trading at half that level and it has fallen further this week.

Neither is there any sign that the return of the Zim dollar will cut inflation, now nudging 100%. As shops repriced their goods in Zim dollars, crossing out the US dollar pricing, customers complained the goods were even more expensive.

Both the main opposition Movement for Democratic Change and the trade unions reject the move and look set to organise protests. The IMF, with which the government has just signed a monitoring agreement, maintains a diplomatic silence.

EAST AFRICA

Singing from the same spreadsheet

Despite growing fears about rising debt levels, the region's finance ministers have unveiled a series of expansionary budgets

The four major players in the East African Community completed the annual ritual of unveiling their national spending plans on 13 June. 'Transforming lives through industrialisation and job creation for shared prosperity' was the theme for the budgets of Kenya, Rwanda, Tanzania and Uganda.

The headline growth forecasts paint an equally optimistic picture: East Africa is the fastest growing sub-region in Africa, with an estimated growth rate of 5.9% in 2018 up from 5.3% in 2017, largely on the back of strong performances by the agricultural sector in Kenya, Uganda and Rwanda. The African Development Bank reckons growth in the region will hit 6.1% in 2019 – compared to 4% across the continent – driven by manufacturing sector growth (AC Vol 60 No 3).

All four governments continued to follow a recent pattern of presenting expansionary budgets with ambitious revenue targets that, say most local economists, are almost certain to be missed. The result is likely to be more borrowing and ever-rising concerns about debt distress. That has been the case for the previous five years, with Kenya, Uganda, Rwanda and Tanzania all going for a mix of infrastructure investment with protectionism to promote domestic industrialisation (AC Vol 55 No 14 & Vol 57 No 13).

Nairobi's budget is actually slightly smaller – down to \$27.5bn from \$30bn in the 2018/19 financial year, while Uganda has increased its spending by around

20%*. Rwanda also unveiled a hefty budget increase to \$3.16bn in 2019/20 from \$2.87bn.

None of these are pre-election giveaway budgets motivated by short-term political gain. With the exception of Tanzania's President John Magufuli, who faces elections next year, none of the governments are going to the polls any time soon. But they follow the traditional pattern of government spending in the 'good times' – few tax hikes other than higher 'sin levies' on alcohol, gambling and tobacco (with the exception of a capital gains tax increase in Kenya, and the Tanzanian government's planned 25% tax on imported wigs and hair extensions), and a focus on more efficient tax collection to raise revenues.

LEGACY HUNT

But while spending is slightly down in Kenya, Treasury Cabinet Secretary Henry Rotich's grandly titled 'Creating Jobs, Transforming Lives – Harnessing the Big Four Plan' is about legacy rather than concerns about austerity. Out of the \$4.5bn allocated to President Uhuru Kenyatta's 'Big Four' agenda, \$3.3bn has been earmarked for 'critical infrastructure'.

Locally made and grown products will be given priority in public procurement, while government authorities agencies will be required to provide exclusive preference in procurement of motor vehicles and motorcycles to domestic assembly plants.

In Uganda, Finance minister Matia Kasaija's Ush40.487trn (\$10.8bn) budget

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focuses on funding increased spending on military, public administration and infrastructure spending.

East Africa's third-largest economy plans to borrow more from local and foreign sources with the Uganda Revenue Authority expected to increase its tax take from around \$4.3bn to \$4.85bn.

Kenya, the region's biggest spender, unveiled a \$27.5bn budget, that involves plans to borrow \$5.9bn to cover a 5.7% deficit. A hefty hike on capital gains tax from 5% to 12.5% is the only major tax rise in the budget, although the government expects the Kenya Revenue Authority to continue improve its efficiency in collecting taxes – the tax take has doubled under the Kenyatta government. Rotich argues that public debt is within sustainable levels, and that the burden is projected to decline

– he has promised to cut the budget deficit to 3% by 2022/23, though most analysts are sceptical that this target will be met.

'We shall continue to remain on the planned path of reducing the fiscal deficit in the medium term in order to create more fiscal space and reduce the public debt,' he said.

But that claim doesn't sit comfortably with the fact that it has increased from 39.9% of GDP in 2011 to the present record high of 59.2%, and although Kenya's budget deficit is on a downward trend, expected to drop to 5.6% of GDP from 6.8% in 2018/19 and 7.4% in 2017/18, 60% of revenue is currently being spent on servicing debt.

The Parliamentary Budget Office has warned that Kenya is slipping into debt distress unless the country adopts careful management strategies. 'Debt-sustainability concerns in the medium term arising from a risk of debt distress have been raised from low to moderate,' said the PBO.

Yet while the government's appetite for new debt is causing plenty of consternation among domestic analysts, there is little sign yet that financial markets are overly perturbed by Kenya's economic credibility.

Kenyatta's government recently agreed a \$750m loan from the World

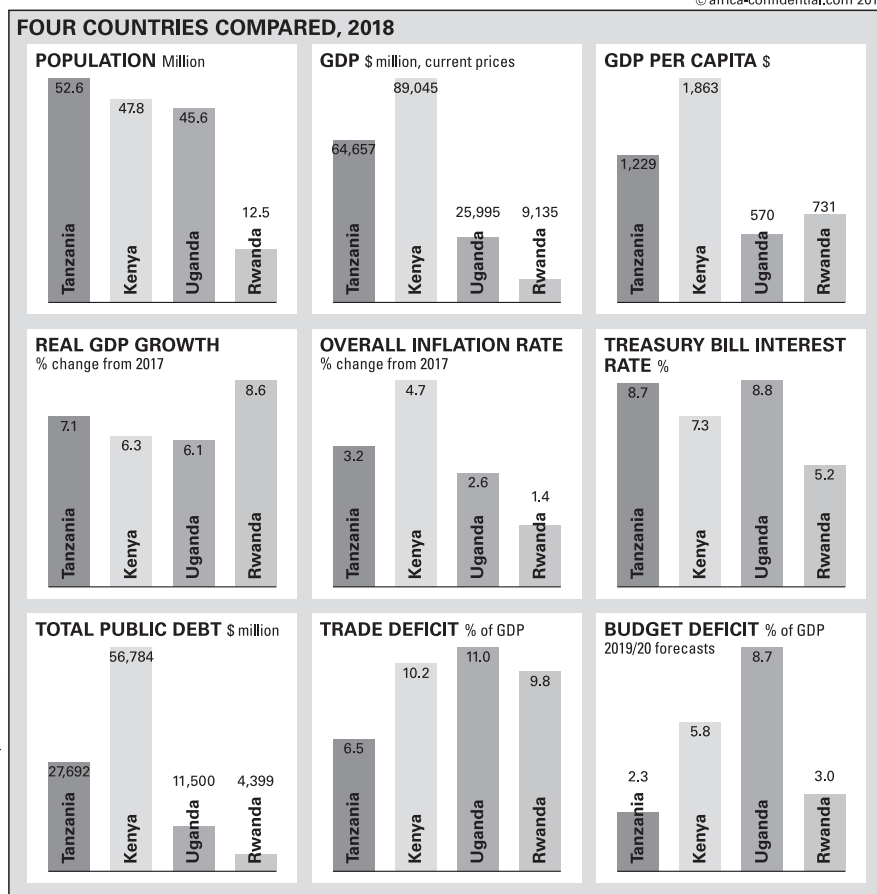
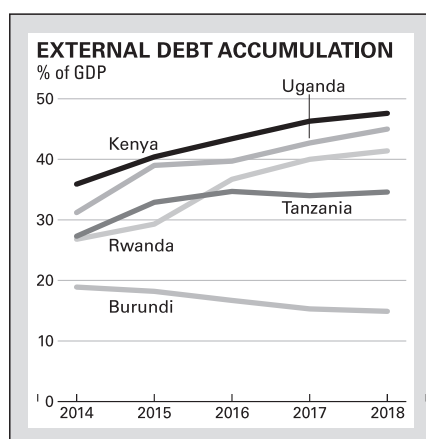
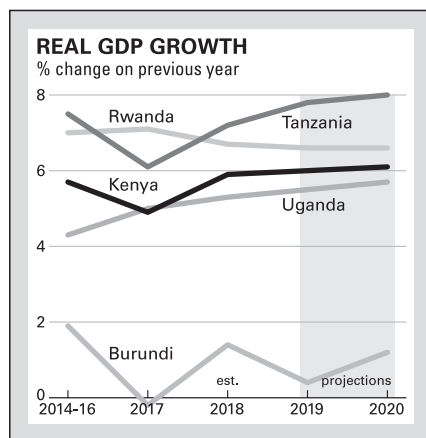
Bank which followed an oversubscribed \$2.1bn Eurobond issue in May, both to contribute to Big Four spending.

The government is also set to make peace with the International Monetary Fund after signing a deal with selected banks to release close to \$10bn in loans to the private sector that appears to have persuaded the Fund to renew its \$1.5bn standby credit facility.

In Rwanda, where Finance Minister **Uzziel Ndagijimana** unveiled a \$3.16bn budget, the government has had to borrow aggressively in recent years to fund growth. Rwanda recorded the highest GDP growth rate in the region at 8.6%, and its budget assumes real GDP growth of 7.8% for 2019/20, in line with the recent forecasts from the African Development Bank and the IMF. Ndagijimana's new budget represents an 11% hike from the \$2.7bn for the 2018/19 fiscal year.

Although the IMF's analysis suggests that Rwanda remains a low debt-risk economy – its debt burden of 32.9% of GDP is one of the lowest in sub-Saharan Africa – concessional loans stood at 63% of the debt stock at the end of 2018. Even so, Ndagijimana points to a Debt Sustainability Analysis conducted in April which confirmed the sustainability of his country's debt in the medium and long term.

FIRING UP THE ENGINES



Tanzania is the only EAC state that plans to keep its budget deficit below 3% in 2019/20, with President Magufuli pushing a non-donor-dependency programme, perhaps mindful of the threats of aid suspension from a handful of European countries and the European Union (AC Vol 60 No 3).

Finance Minister **Philip Mpango's** \$14.3bn budget plans to grow the economy at 7.1% this year, largely on the back of infrastructure investment in the Standard Gauge Railway and Stiegler's Gorge hydropower project, but that also means projected national debt will rise in the coming fiscal year.

Intra-EAC trade is the highest among all regional economic communities in Africa – above 20% of exports and significantly higher than the continental average. That, in turn, makes the region likely to be one of the main beneficiaries from the recently ratified African Continental Free Trade Area, if and when it becomes reality.

But there are headwinds on regional trade (AC Vol 60 No 7). The escalating diplomatic row between Uganda's President **Yoweri Museveni** and Rwandan counterpart **Paul Kagame**

is almost certain to weigh heavily on Rwanda's and indeed the region's growth in 2019, even though both countries have sought to offset the damage by improving trade relations with other regional partners (AC Vol 60 No 6).

Burundi has also joined in the spending, proposing a 7.2% increase from the 2018/19 budget of \$676m to \$725m, although, in his case, Finance Minister **Domitien Ndiwokubwayo** plans to fund at least 88% of the budget from domestic revenues.

While the World Bank has been relatively sanguine about Kenya and Tanzania ramping up infrastructure investment on the grounds that it was long overdue, the continued, and, in many cases, growing appetite of foreign investors to push their money into the region is another reason for leaders' optimism.

The latest World Investment Report 2019 by the United Nations Conference on Trade and Development (UNCTAD) shows that despite flat growth in FDI in the wider East African region, which remained largely unchanged at \$9bn due to contractions in Ethiopia, the

East African Community partner states recorded impressive growth.

In Uganda, inflows reached a historic high, increasing by 67% to \$1.3bn, while Kenya posted 27% growth to \$1.6bn and Tanzania an 18% increase to inflows to \$1.1bn.

Aside from the yet-to-be imposed discipline of the financial markets, it is hard to see what other tools can rein in growing debts and deficits. The East African fiscal convergence framework requires EAC members to keep public debt below 50% of their GDP in Net Present Value Terms and maintain reserves of at least four and a half months of imports as precondition for entry into a planned monetary union by 2024, modelled on the European Union's Stability and Growth Pact. The EU's fiscal rules were happily flouted by many of its member states for over a decade until the double dip recession caused by the 2007-08 financial crash prompted a sovereign debt crisis. East Africa's leaders will hope that is not a portent for the future but it serves as a reminder of the economic pain that comes when the good times suddenly come to an end. ●

CONGO KINSHASA

Mbororo conundrum

Fulani herders – already involved in clashes in the Sahel – are being targeted by unscrupulous politicians and the dangers levels are rising

In Congo-Kinshasa's Haut Uele province, which borders **South Sudan and Central African Republic (CAR)**, inflammatory rhetoric from the authorities and civil society against the nomadic, cattle-herding Fulani (or Peuhl), known locally as the Mbororo, is reaching becoming dangerous heights, just as the United Nations prepares to take its forces out of the province.

The Mbororo crossed into Congo-K from CAR over a decade ago, having quit **Chad** for CAR during the 1970s. They appear to have prospered during recent years from good grazing in Haut and Bas Uele provinces (AC Vol 52 No 19). The Mbororo community numbers less than 20,000, while their cattle total around 900,000. They are present in five of Haut Uele's six territories and in the neighbouring provinces of Ituri and Bas Uele too.

In Haut Uele, conservationists are increasingly anxious that the Mbororo, many of whom are feared to be armed, are heading for Garamba National Park, one of the continent's oldest

wildlife reserves. The conservationists are trying to persuade the Mbororo to change course but if they keep going in their current direction they will approach the Kibali gold mine operated by Barrick Gold, currently one of the most productive and profitable gold mines on the continent.

MONUSCO MOVES

The United Nations Organisation Stabilisation Mission in the Congo (MONUSCO), is closing its base in Dungu, which will mark the end of its presence in Haut Uele province. As part of the same process of reducing the mission, MONUSCO is also closing its base in Kisangani.

Congolese opposition to the Mbororo's presence is growing increasingly vociferous. In March, all the Catholic bishops of the Kisangani region – which takes in the whole of the former province of Orientale – denounced the 'expansion' of the Mbororo, accusing the herders of being Muslim and a terrorist threat.

On 5 June, civil society organisations in Faradje, Haut Uele, threatened to launch a campaign of 'fiscal disobedience' if no action was taken to remove the herders, and on 16 June, groups in the provincial capital Isiro launched 'Operation Zero Mbororo', saying the herders were doing massive environmental damage and demanded that all of them 'leave immediately'. The Isiro organisations accused the national government of being 'lax' and the international community for 'criminal complicity', adding ominously that if this did not change within 30 days, they would revert to 'self-defence'.

The newly-elected Haut Uele governor is **Christophe Baseane Nangaa**, the brother of **Corneille Nangaa**, the head of the country's electoral commission, who has been sanctioned by the **United States** government for his role in the December 2018 election (AC Vol 60 No 6). Christophe Nangaa has been supportive of Operation Zero Mbororo and took to national radio to urge the Mbororo to 'go back home now'. Nangaa met Mbororo leader **Mohamed Tchad** in Isiro on 18 June, where Tchad promised to take his people out of the province as soon as river levels subsided, which would allow their cattle to cross them. Nangaa said publicly that he was not convinced by that and wanted the Mbororo to leave immediately.

Another powerful and prominent

supporter of the campaign to drive the Mbororo from Congo-K is the outgoing defence minister, **Crispin Atama Tabe Mogodi** (AC Vol 58 No 11). Atama is a signatory, along with the entire caucus of National Assembly deputies from the two Uele provinces, to an angry statement dated 28 May rejecting the idea of cohabitation with the Mbororo.

The statement was issued one day into a week-long meeting in Kinshasa of the United Nations Standing Advisory Committee on Security Questions in Central Africa, which meets twice a year at ministerial level. The committee's official position is that pastoralists contribute to the economy of the sub-region and that the 'challenge' of the Mbororo should be resolved multilaterally between Congo-K, South Sudan and CAR. Yet even if the Congo-K government were genuinely to seek interlocutors on the Mbororo issue, it is by no means clear that the

governments of CAR and South Sudan would be capable of playing their part.

Atama and the other deputies said in the statement that they vigorously reject the conclusions of the UN Committee as 'foreign interference'. Additionally, it is the committee's appeal for cohabitation and dialogue that appears to have inspired Isiro civil society to raise the issue of international criminal complicity.

Despite all the rhetoric, there have been only a few isolated skirmishes between local Congolese and Mbororo, and few lives have been lost. More attention, rightly, is currently focused on the rapidly deteriorating situation in the Djugu, Mahagi and Irumu territories of Ituri province where there are ongoing clashes between Hema and Lendu armed groups and the national army, *Forces Armées de la République Démocratique du Congo* (FARDC). All three are said to be raiding villages, displacing hundreds

of thousands of people. Haut Uele is currently far more peaceful than Ituri, but this could change if Isiro's civil society delivers on its threat of 'self-defence', supported – openly or covertly – by the provincial administration and the national minister of defence. If that happens, armed conflict seems inevitable with Mbororo herders, who will not concede easily. Observers also point out that military solutions to the presence of Muslim herder communities have been repeatedly tried and have failed across the region, with radicalisation often the result.

With Nangaa, Atama and the other Ueles' national deputies adopting such a gung-ho stance, and with MONUSCO pulling out of the region, decisive intervention from the national government will be needed to calm things down. The problem, however, to everyone's increasing unease, is that there is still no new government. ●

SOUTH AFRICA

Ace helps his allies

As President Ramaphosa purges corrupt politicians from the cabinet, Zuma supporters are grabbing key appointments in parliament

Opponents of South African President **Cyril Ramaphosa** in the ruling African National Congress have opened a new front in the ruthless campaign to remove him from office by 2021 or at least ensure that he does not serve a second five-year term. Tactics similar to those used to remove former President **Thabo Mbeki** before the end of his second term and are now being deployed behind the scenes by a committed group of senior ANC officials loyal to discredited former President **Jacob Zuma** (AC Vol 60 No 12).

There is a limit of two five-year terms for the national President but no formal limit on the terms an ANC President can serve, although the two positions usually coincide.

No sooner had Ramaphosa won the fight with pro-Zuma ANC Secretary-General **Ace Magashule** over the independence of South Africa's central bank, the SA Reserve Bank, than Magashule and his allies selected some of the most corruption-tainted pro-Zuma loyalists, many of whom had been dropped from the Ramaphosa cabinet, as chairs of the powerful parliamentary portfolio and cabinet committees.

The committee chairs, as part of their function overseeing and driving

legislative work in Parliament, have the power to change legislation in the drafting process and even to discipline ministers if they are seen to be working against ANC policy directives.

But reformist presidents – such as Mbeki and Ramaphosa – often find that their agendas are at odds with populist party resolutions and try to maintain a gap between party policy and that of the government (AC Vol 49 No 19).

MAGASHULE'S CHAIRS

Magashule used his power to push through a batch of committee chairs that read more like a who's who of state capture and graft than a team to assist Ramaphosa with his programme to end corruption, create jobs and restore economic growth. The announcement of the new committee chairs followed a week of horse-trading which Magashule described as 'collective action' but Ramaphosa supporters branded as attempted sabotage. However, they failed to capture the chair of the Justice parliamentary committee, which could have given important support to corrupt ANC members fighting to avoid prosecution.

Magashule insists that no-one is guilty until convicted in a court of law

and the new appointees are therefore fit for public office.

Leading the list of appointees is corruption-tainted former deputy finance minister **Sfiso Buthelezi**, now chair of the key appropriations committee which oversees allocations for the country's US\$128 billion (1.83 trillion rand) budget.

Bongani Bongo, a former Security Minister who was sacked by Ramaphosa and faces corruption allegations, is now chair of the home affairs committee which oversees laws on immigration.

Faith Muthambi, another Zuma-appointed minister who leaked confidential information to the Gupta brothers, was sacked by Ramaphosa and continues to be at Zuma's side during his court appearances on multiple fraud charges, is now the chair of the co-operative governance committee which oversees the increasingly important realm of provincial and local government.

Mosebenzi Zwane, former mineral resources minister appointed at the request of the Guptas to facilitate massive gains for the **Indian** brothers in the coal industry, now chairs the transport committee in Parliament.

Tina Joemat-Pettersson, former energy minister who lobbied for Zuma's potentially crippling \$75bn (R1trn) nuclear deal with **Russia** and presided over the clandestine sale of the country's precious oil reserves, is now chair of the police committee on parliament. Ironically, she lost her job for failing to help push through the nuclear deal.

And **Joe Maswanganyi**, heads the all-important standing committee on finance which oversees accountability

for public expenditure and acts as a watchdog on excessive government spending, such as occurred during the Zuma decade that crippled state-owned enterprises.

Delivering his third state of the nation speech in 18 months last week President Ramaphosa sought to straddle the widening chasm in the ANC and soothe a troubled nation looking for hope. Less a victory speech and more a personal manifesto, it was high on vision and low on specifics as to how he was going to achieve his dream of a developmental state embracing cutting-edge digital innovation and bullet trains and smart cities 'like they have in China'.

Ramaphosa's central dilemma is that as he makes gradual but steady headway in the fight against corruption, the economy is buckling under the weight of youth unemployment exceeding 50% in some provinces, as the last ratings agency just holds off from downgrading the country to junk investment status.

If Moody's downgrades South Africa to 'subinvestment' or junk status in November, as seems likely, it would trigger a major outflow of global institutional investment.

Some analysts argued that although Ramaphosa experienced some earlier setbacks in the rhetorical battle with the militant Economic Freedom Fighters over land redistribution and the unattainable goal of free education for all, he has succeeded in kicking these controversial issues into touch following the election.

As well as killing the crucial Reserve

Bank issue, Ramaphosa has also damped 'Radical Economic Transformation' expectations in favour of the more incremental National Development Plan, which was previously discredited by the same forces that supported Ramaphosa in the leadership campaign.

He referred to 'tough choices' which would have to be made to achieve efficiency and the levels of economic growth needed to reverse unemployment. 'Now is the time to focus on implementation,' he said, without providing a detailed road-map.

It is these 'tough choices' that will test his relationship with the South African Communist Party and the Confederation of South African Trade Unions (Cosatu), as he seeks to strengthen bonds outside the ANC's comfort zone, in business, civil society and even the parliamentary opposition which now collectively accounts for 42% of the vote.

Ramaphosa said a broad-based social compact between government, labour, business and civil society was needed to overcome the formidable challenges facing the country.

COOL RECEPTION

The speech received a cool reception from investors who did not see much light at the end of what they perceive as a long and hard tunnel to achieve higher economic growth.

Ramaphosa's announcement that he would speed up the R230bn, 10-year plan to bail out the ailing electricity utility Eskom by bringing forward some

of the funding was criticised for not detailing plans to split up and reform the utility and put it on a steadier footing. Investors are not convinced that the 10-year scenario is feasible and fear the impact on political stability of repeated electricity price hikes and further power-cuts. The R69bn of bailout funds over three years promised in February were welcomed, but despite the R23bn portion to be disbursed this year, it is feared that Eskom will run out of funds by October. It currently has debt of over R400bn.

'Overall we don't see economic sentiment shifting higher after the speech until actual implementation is begun,' said Peter Attard Montalto, head of capital markets research at Intellidex. Political analyst William Gumede said that the Ramaphosa era is going to be characterised more by provincial and metropolitan power blocs and special interest groups than by ideological and organisational constituencies. 'The success of the Ramaphosa Presidency will depend on the extent to which he is able to balance these regional and special interest groups,' Gumede said.

But he warned that Ramaphosa had only six to nine months to assert his authority in the party if he wanted to achieve his objectives of containing public sector corruption, improving efficiency and cutting costs.

'The longer Ramaphosa postpones the inevitable battle with the Zuma-ite populists, the more his powers will wane because of constant attacks on him,' said Gumede. ●

NIGERIA

The rise of Godwin Emefiele

As the country awaits a new government, four months after elections, the Central Bank Governor has stamped his authority on economic policy

The importance of Godwin Emefiele, governor of the Central Bank of Nigeria, to President Muhammadu Buhari's plans was clear as he set out his agenda for the next five years in Abuja on 24 June. His key message was that the bank would continue to manage the value of the naira and has no plans to abandon its system of multiple exchange rates, as the International Monetary Fund has advised (AC Vol 60 No 9). This month, the IMF said it was considering a tougher stance towards countries, such as Nigeria and Venezuela, which operate multiple exchange rates.

The IMF says the system deters foreign investment and ties up the central bank in complex administrative

operations, distracting it from the demanding task of regulating the country's fast-growing financial sector. Nigeria, with some 160 million mobile phone subscribers, is on the brink of a revolution in digital banking which the traditional banks are trying to keep up with.

The multiple exchange rate system also allows arbitrage deals between the official rate of US\$1=N306 (for official government purchases and fuel imports) and the 'Investors and Exporters' rate' of about US\$1=N360. There is also a parallel rate, offering about a 20% discount on the official rate. Local critics say that officials and their business allies with access to foreign exchange

at the cheaper official rate are making hundreds of millions of dollars every year from round-tripping deals.

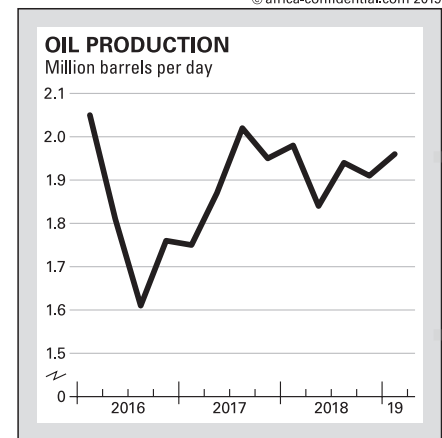
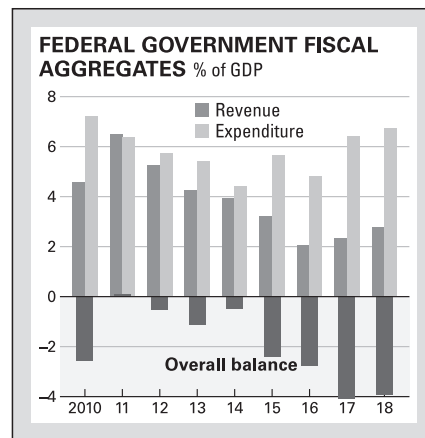
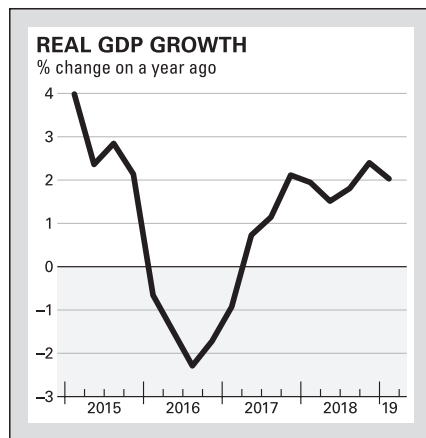
Bankers say that a good part of the \$14 billion reported capital inflows into the country in the first five months of 2019 are the proceeds of round-tripping deals. Given the opacity of these transactions, it's an assertion that's almost impossible to prove.

Governor Emefiele's argument is that the managed float regime has reduced the effect of market volatility on the country's economy. It has brought down inflation to 11% from 18% in 2016, he added, and laid the foundation for double digit growth within the next five years. For now, Nigeria's performance, averaging 1.9% in 2018, makes it one of Africa's slowest growing economies, along with South Africa (AC Vol 60 No 3).

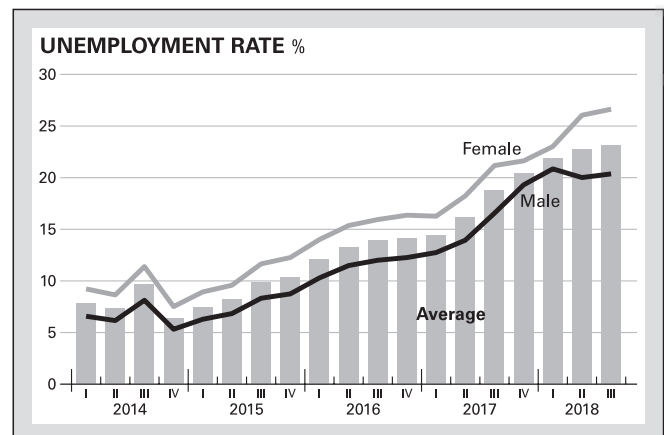
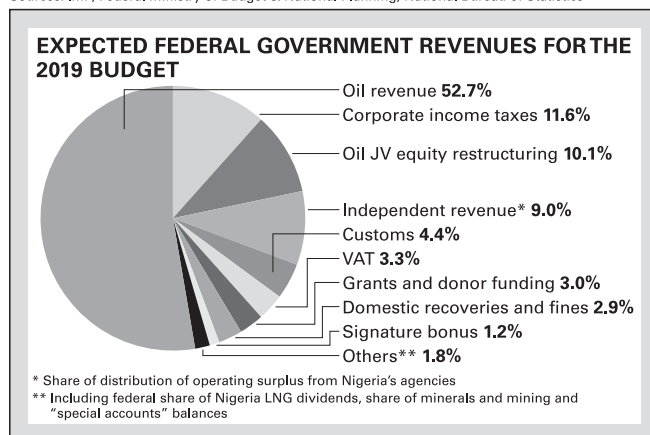
Referring to the bank's \$45bn of reserves, Emefiele reiterates that the government will be defending the naira at the official rate of \$1=N306. However, economists say the \$45bn figure overstates the reserves once foreign

NIGERIA: GROWTH FLUCTUATES, UNEMPLOYMENT RISES

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Sources: IMF; Federal Ministry of Budget & National Planning; National Bureau of Statistics



exchange liabilities and commitments are deducted.

Emefiele's stance has the full backing of President Buhari and his advisors, although it is less popular with the ministers he appointed to lead on economic policy in his first term (AC Vol 60 No 9).

Occasionally, a chink of light shows through. Earlier this month, the central bank stopped publishing the official naira exchange rate on its website, saying the exchange rate would be market determined. And **Yewande Sadiku**, head of the Investment Promotion Commission, said the central bank was in talks with other departments to move towards a single rate.

Whatever the government's plan in the medium-term, Emefiele wants to halt speculation about any moves towards a single exchange rate. Many bankers are convinced that the central bank will unify the rates in the next year but is yet to choose the timing, probably linked to an improvement in foreign receipts.

INVESTMENTS

The latest central bank report records a massive jump to \$7.1bn of portfolio investments and that foreign remittances, mainly from Nigeria's growing diaspora, have hit \$7.6bn. Non-oil exports are reported to be up by 65%

for the first five months of this year, compared with last year's out turn.

With the spot price for Nigeria's Brent crude oil down to an average of \$65 a barrel, barely over the minimum price on which the 2019 budget is based, the short-term finances look difficult.

Meanwhile, Emefiele, backed by Buhari, is doubling down on the bank's interventionist role: those firms importing any of the 43 items ineligible for foreign exchange at the official exchange rate are now to face some form of regulatory sanction. He also wants to step up cheaper loans for agricultural and processing operations from the commercial banking sector. For now, Nigeria's banks find it far more profitable to lend to government via Treasury bills and other instruments.

Emefiele also announced plans to recapitalise the banking sector by stepping up capital requirements, probably leading to more consolidation of the sector.

Buhari is yet to announce whether **Zainab Ahmed**, from Kaduna State, will be reappointed as finance minister in his second term. On 25 June she told an emerging markets conference in London organised by Bloomberg News that she hadn't discussed the issue with Buhari.

The government had a revenue not a debt problem, said Ahmed in response to

questions that over 50% of government revenues were being used to service debt. Its tax-raising campaign would intensify, she said, including a hike of value added tax to 7% from its current level of 5%.

Also important in the economic team is **Okechukwu Enelamah**, former Industry, Trade and Investment Minister, from Abia state. However, he wasn't backed up after he announced that Nigeria would soon join the African Free Continental Trade Area, whose founding agreement Nigeria is yet to sign. Buhari said in mid-June that he was studying the conclusions of a report commissioned last December on the effects of a no-tariff regime on Nigerian manufacturers (AC Vol 59 No 18).

GROWING GAP

Budget and National Planning Minister **Udo Udoma's** public presentation of this year's budget on 28 May, in the wake of Buhari's belated signing of the budget, pointed to a growing gap between planned federal expenditures and revenues.

Udoma forecast that some 10% of revenues this year could come from a restructuring of joint ventures between the Nigerian National Petroleum Corporation and the international oil companies. The state's NNPC is to cut its

stake to 40% in many of those companies (AC Vol 59 No 6).

Although the N8.9 trillion (\$29bn at the official exchange rate) budget, passed by Buhari last month after protracted negotiations over pet spending projects with the House of Representatives and Senate, remains modest – it is under 7% of the country's GDP– its viability is vulnerable to recent weaker oil prices.

Udoma projects that combined recurrent expenditures and debt service payments could account for close to 70% of budget spending, which is almost 90% of projected federal revenues this year. The forecast budget deficit of N1.9trn for 2019, less than 1.5% of GDP, looks an under-estimate, especially if the government is to meet its ambitious plans for capital spending.

MORE BORROWING

The budget deficit will require more funding, and probably more borrowing on present projections. Wary of escalating debt servicing costs, the Debt Management Office in Abuja wants to boost the share of concessional financing and cheaper external debt. That would mean recourse to the World Bank and the International Monetary Fund, which would include policy conditions in the loans.

Government departments differ on whether Nigeria will float another Eurobond this year although most bankers think it likely, even if it is less than the \$2.8bn issuance last November. It would also bolster Emefiele's reserve firepower in the central bank.

Recent releases from Nigeria's National Bureau of Statistics suggest the

NNPC CHANCE FOR REFORM

President **Muhammadu Buhari's** appointment of **Mele Kyari**, petroleum engineer and former head of marketing, as group managing director of the Nigerian National Petroleum Corporation (NNPC) is his second major economic appointment a month into his second term.

It comes as the NNPC plans to sell off equity in its joint venture companies and the ruling All Progressives Congress, with its clear majority in both houses of the National Assembly, should find it easier to push through its preferred version of the Petroleum Industry Bill, the long-delayed reforms of the oil and gas sector. With President Buhari having secured his preferred candidates to head the Senate and House of Representatives it's probable that the positions of the legislature and the executive on the reforms will be better aligned (AC Vol 60 No 13),.

International oil companies claim that delays in passing the bill – which remains divided into its governance, fiscal, administrative and host communities parts – have held up some US\$40 billion in new investments, although Abuja officials are more sceptical (AC Vol 59 No 17). They point to the willingness of companies such as **France's Total** to go ahead with the massive Egina project on current fiscal terms. Whenever the revised bill goes through the legislature, there will be calls for far better fiscal terms for Nigeria, given revenue shortfalls and industry trends.

The government wants to review offshore oil production-sharing terms, as well as a settlement of its claims that international oil companies have failed to remit billions of dollars of local taxes.

Kyari, who is well known to Buhari but not related to his chief of staff **Abba Kyari**, will lead that tougher stance on investment terms. Including Kyari, five of eight new senior NNPC appointments – including its chief financial officer and chief operating officers for three NNPC divisions – hail from the North East, North West, or the North Central region. Only one senior appointee comes from the South South oil-producing region.

Kyari's predecessor, **Maikanti Baru**, supported Buhari's personal preference to explore for oil in the Chad Basin, in the North East, where he also hails from. Industry experts, however, doubt this is worth while. ●

country will struggle to meet the IMF and World Bank's growth projections of just over 2%, which would be negative in per-capita terms. Although, according to the NBS, Nigeria's agricultural output is growing, there are concerns about the slowdown in the manufacturing sector,

and even contraction in the oil sector.

Beyond the arguments over exchange rates and targeted lending, it must be those growth figures, and the consequences for unemployment now running at 23%, that will give the government most concern this year. ●

ETHIOPIA

The politics behind the putsch

The most serious attack so far on Abiy Ahmed's premiership signals how difficult his reforms will be to achieve

It was a deadly *coup de théâtre*. The simultaneous slaying of the premier of the Amhara regional state, the second most populous in the federation, and the Defence Force Chief of Staff on 22 June was a broadside against Prime Minister **Abiy Ahmed** and the federal government.

Late that evening in camouflage fatigues, Abiy cut an uneasy figure in a television broadcast assuring Ethiopians that it was under control. The plotters, he insisted, were power-hungry and not driven by ethnic motives. It was very

different from the confident leader who had faced down a pay demand from armed soldiers in his own office six months ago.

Abiy was right to take the attempted putsch seriously. The first target was the Amhara region premier **Ambachew Mekonnen**, and two of his advisers, at their offices in Bahir Dar, the regional capital. Ambachew, deputy leader of the ruling Amhara Democratic Party, was a key ally of Abiy's as he tries to enact political reforms ahead of national elections due next year.

The issues in Amhara region have their parallels across the country. The government's ethnic federalism is sprouting challenges. A crop of newly legalised ethno-nationalist parties has arisen to argue in their groups' interests. They want greater regional autonomy.

Others go in the opposite direction, and want a strengthened centre. This agenda is more popular in mixed urban areas, but away from the cities ethno-nationalism still holds sway. In the multi-ethnic south, groups are pursuing constitutional demands to carve out their own ethno-regional states.

Abiy wavers between the two camps. He has opened up politics, allowed dissidents to return and freed much of the media, although some of the returnees are lambasting Abiy for his policy ambiguities. Although he is himself a product of the federal system, Abiy doesn't seem to favour it. By creating political space for all he has by

default encouraged ethno-nationalists to pursue their agendas.

Abiy will have to woo some of the dissidents if he wants to steer the ruling Ethiopian People's Revolutionary Democratic Front to another victory in the coming elections. Abiy and allies reportedly want to turn the EPDRF into a national party instead of an alliance of four political parties: the ADP, the Tigrayan People's Liberation Front (TPLF), the Oromo Democratic Party and the Southern Ethiopian People's Democratic Movement.

Such a new national party would likely be dominated by activists from the Oromo and Amhara regions to the detriment of Tigray, which has already lost power in the party, federal government, and security, although Tigrayan officers still populate the military top brass and the south. Despite his history – his father, who recently died, was Oromo and his mother is Amhara – Abiy's political skills would be put to the severest test to organise such a party, let alone lead it.

Many members of the EPRDF sympathetic to the ethno-nationalist cause might resist, or jump ship for

one of the new regional parties if they calculate that the centre can no longer hold.

The failed putsch casts some light on the government's dilemmas on reform.

Behind the attack, say officials, was Brigadier **Asaminew Tsige**, who had been jailed with other officers in 2009 and charged with coup-plotting as a member of the Ginbot 7 opposition group. Released last year in amnesty just before Abiy took over as prime minister, Asaminew was appointed security adviser to the Amhara regional government in November.

Asaminew's appointment may have been a bid to win over ethno-nationalists in Amhara to the regional government. If so, it backfired spectacularly.

Asaminew may have been secretly working with the National Movement of Amhara (NaMA) which has been demanding a redrawing of borders with Tigray and involved in tensions with Oromo (AC Vol 60 Nos 3 & 12). Last month, at least 200 people died in clashes in the borderlands of Amhara and Benishangul-Gumuz region, and there was violence involving fatalities, for which Asaminew was partly blamed,

in an Oromo district of Amhara the month before.

Abiy's aides say that Asaminew was directly involved in the killing of the regional premier in Bahir Dar but had also orchestrated the murder of Defence Chief General **Seare Mekonnen** and his adviser Major General **Gizae Aberra**. The official account is the two were killed by one of Seare's bodyguards, who was part of a bigger plot.

Officials said Asaminew was killed two days later. If the government version is correct, it seems likely that he used some of his old military contacts for the operation, which raises concerns about security and political sentiments in the army. Last year, Abiy, who had been a lieutenant colonel specialising in communications and cyber security, restructured the armed forces and intelligence services. He brought in some close allies but made new enemies.

Just hours before the putsch on 22 June, **Debretsion Gebremichael**, acting Premier of Tigray region, warned that any delays to elections next year would create political ructions. Now delay to the electoral timetable looks certain, as do more ructions. ●

MAURITANIA

Ghazouani's modest mandate

Ex-President Abdel Aziz has smoothly slipped his placeman into his old job while a reinvigorated opposition failed and the world turned away

Opposition leaders were left with much to ponder after the 22 June presidential election handed **Mohamed Ould Cheikh el Ghazouani** outright victory on the first ballot with 52% of the vote. Anything other than victory for the chosen successor of President **Mohamed Ould Abdel Aziz** would have been astonishing – and it was certainly no surprise when the electoral commission announced that Ghazouani had cleared the 50% hurdle.

Ghazouani did not wait for the full figures to be collated, proclaiming his triumph to supporters at dawn on Sunday, alongside Abdel Aziz, just a few hours after the polls had closed. Inevitably, opponents cried foul, disputing the results and complaining about Ghazouani's early claim of victory.

There was no international election-monitoring operation, making it hard to test the claims of fraud against the advantages of incumbency, such as the political machine of the ruling *Union Pour la République* (UPR), a compliant public administration and supportive

local notables.

Opposition parties did manage to collect copies of most local vote declarations but neither they nor civil society organisations, nor the independent local media had developed a parallel voter tabulation (PVT) to check the official results.

There was little external pressure from either regional neighbours or Mauritania's key European partners and the **United States** – who were simply relieved, above all, that Abdel Aziz had resisted pressure from his supporters to tinker with the constitutional limit of two consecutive terms. This matters, at a time when **Togo's Faure Gnassingbé** is fiercely resisting suggestions that he should quit in 2020 or even 2025, and **Guinea's Alpha Condé** appears to be preparing to amend the constitution so that he can run for a third successive five-year stint in office.

But beyond the headline result, the detailed figures carry important lessons for both Mauritania's new ruler and his opponents. Even taking the official

result at face value, Ghazouani's 52.01% falls far short of a crushing mandate, especially when allowance is made for the overwhelming advantages he enjoyed. The new president has not been granted a honeymoon of popular goodwill and will be under pressure to deliver tangible improvements in public services and citizens' material wellbeing.

MOOD FOR CHANGE

There are clearly many Mauritians who want to see significant change and are dismayed or disappointed with Abdel Aziz's record. That is reflected in the strong 18.58% second place score for the outspoken campaigner for the Haratine (descendants of slaves) **Biram Ould Dah Abeid**, and the 8.71% notched up by **Hamidou Baba Kane**, also appealing primarily to black Mauritians.

Meanwhile, the Islamist party *Tawassoul* signalled that it remains a force to be reckoned with despite Abdel Aziz's overt hostility and its failure to progress in last September's legislative polls. With a healthy 17.87% third place score for the candidate it backed, former prime minister **Sidi Mohamed Boubacar Bousalaf**, the party reaped the fruit of its community engagement and youth appeal.

Most disappointed by the results was **Mohamed Ould Maouloud** (2.4%), standard bearer of the progressive

secular camp. Despite commanding wide respect as an individual, he was completely marginalised by the stronger identity politics appeal of the other opposition candidates.

Ould Maouloud accused the regime of 'an electoral coup d'état' aimed at destroying his *l'Union des forces de progrès* (UFP) party, which has been allied to **Ahmed Ould Daddah**, traditional leader of the hard-line opposition and brother of Mauritania's first president, **Mokhtar Ould Daddah**.

But Ould Maouloud's poor showing this time also shows how hard it will be for the opposition to mobilise the public over policy issues rather than falling back on sectional bases of support.

Ghazouani enters office with some room for manoeuvre, and following last September's legislative, municipal and regional polls, the electoral calendar now provides him with time to show what he can do.

OPPOSITION BOOST

Meanwhile, after the disappointment of last September, the strong results in defeat in the presidential contest should

serve as a morale booster for opposition, who are getting better at working together (AC Vol 59 No 17). When the security forces ransacked the offices of Abeid and Kane this week, they united to issue a joint condemnatory response.

But in the absence of any significant nationwide electoral contest for more than four years they now have to work out other ways to make their substantial electoral support count for something. They govern few local councils and have only a small minority of seats in the national assembly. Any popular dissatisfaction with the government will probably be expressed on the streets – as it already has been, briefly, with protests and barricades in opposition-supporting districts of Nouakchott since the election result.

This discontent is a reminder to Ghazouani that there are serious development challenges to be tackled, particularly if the government wants to keep youth discontent in check. As Abdel Aziz recognised, alongside security, social and economic programmes have to be part of the strategy for countering any resurgence in the appeal of jihadist

extremism.

Ghazouani will also have to manage the evolution in expectations from family, tribal and business vested interests. And he will face pressure to deliver money and jobs to the allies of his ruling UPR, such as the *Alliance populaire progressiste* (APP) of former parliamentary speaker **Mohamed Ould Boulkheir**, *Karama*, led by **El Ghacem Bellal**, mayor of the fishing and iron ore export port Nouadhibou, and the *Union pour la Démocratie et le Progrès* of social affairs minister **Naha Mint Hamdi Ould Mouknass**.

Future gas revenues will provide some extra margin for spending, but not until 2021 at the earliest, and initially not in large volume. Abdel Aziz did much to cultivate regional relations, particularly through the G5 Sahel grouping and rejuvenated economic links with the Economic Community of West African States (ECOWAS). Ghazouani now has a personal diplomatic profile to establish, a priority if he is to be regarded both by Arab governments and his West African neighbours as more than his predecessor's protégé. ●

TUNISIA

Nobbling Nabil

The establishment has taken fright at popular new politicians, and is trying to kill off genuine challenges to the president and ruling party

A political class absorbed by the painfully long run-up to parliamentary elections on 6 October and the presidential poll on 17 November has suddenly found itself with a surprise outsider to contend with. Tunisians have been wondering whether local media magnate and television 'champion of the poor' **Nabil Karoui** could emerge as a **Donald Trump** figure, leveraging his celebrity to take over the presidency, for which he is one of the few candidates to have declared (AC Vol 60 No 3). Or whether **Olfa Terras** – married to **French** hedge fund millionaire and philanthropist **Guillaume Rambourg** – could be the candidate to channel a movement partly inspired by *La République En Marche*, which brought **Emmanuel Macron** to the French presidency. Both have found the limelight leading civil society associations, rather than conventional parties. Now, the parties have struck back.

Established parties led by President **Beji Caïd Essebsi's Nidaa Tounès**

(NT) and the Islamist *Hizb Ennahda* are rattled. Lawmakers passed an amendment to the 2011 post-Ben Ali electoral law in early June banning heads of charitable associations from standing in elections. The overtly political move only serves to deepen Tunisians' alienation from politics.

From a Bizerte family, Karoui and his brother **Ghazi** have developed a rare cutting-edge North African media business. For more than 20 years, the Karouis have cultivated top international media partners to build their business. As well as the candidate's Karoui & Karoui World (KKW) group, their Nessma TV boasts among its shareholders Mediaset, owned by **Italian** ex-premier **Silvio Berlusconi** – the very model of a media magnate turned populist politician – and veteran film producer **Tarak Ben Ammar** (nephew of Tunisia's founding President **Habib Bourguiba**). A founder member of NT – whose successful election campaigns KKW promoted in 2014 – Karoui split from the President

when preference for his ambitious son **Hafedh Caïd Essebsi** alienated swathes of NT members. His relations with the authorities have since soured, and Nessma TV was ordered off-air for alleged infractions of the broadcasting code; it has since returned.

Karoui emerged as a star in his own right via a popular show on Nessma TV, *Khalil Tounès*, personally distributing largesse on air to poor Tunisians. While local polls are not the most accurate, they give Karoui 25% and potentially more of the vote among a generally apathetic electorate. Karoui has been planning to create a party to run in October's parliamentary polls before he stands for president in November.

DISRUPTERS

Former London-based derivatives trader **Terras** and her co-leader in the 3ich Tounsi movement, **Selim Ben Hassen**, have travelled from being comfortably off Franco-Tunisian activists to disruptive players in domestic politics. The movement got a lot of publicity when it paid for giant screens for football fans to watch the 2018 World Cup in down-at-heel towns like Rejim Maatoug, Mellassine and Kef, which are habitually ignored by administrations in Tunis.

At the core of 3ich's appeal has been its polling of ordinary citizens to hear their concerns, and then to turn these grievances into a political programme.

Even if Terras doesn't currently seem to have Karoui's heft among ordinary Tunisians (and she has yet to say if she will stand), 3ich and its 'collective project' has already shown up the established parties.

Their reaction was speedy: the amendment to the electoral law forbidding individuals who have received or provided charitable donations to Tunisians within the past year from standing in elections was passed by 128 to 30 votes, with 14 deputies abstaining. Karoui stood down from his charity, also called *Khalil Tounès*, after the legal change. Also affected is *Parti Destourien Libre* leader **Abir Moussi**, who called the move 'a joke'.

Will it be business as usual when

elections are held? *Ennahda's* veteran leader **Rachid Ghannouchi** has said he will not compete in the presidential poll (AC Vol 57 No 11). *Ennahda* is biding its time; its Shura Council met in mid-June but failed to name a candidate. Other contenders are expected to include Prime Minister **Youssef Chahed**, who has built support for his new *Tahya Tounès* (TT) party. Chahed has yet to confirm he will stand, but TT secretary-general Selim Azzabi says the party – which he says has over 80,000 members – will field a candidate.

None of the established parties is doing well. *Ennahda's* vote is tumbling. A *Sigma Conseil* poll gave the Islamist party only 24.7% of the vote – ahead of NT with 20% and TT with 11.9%.

After another discouraging Sigma poll in early May, Ghannouchi observed that 'Ennahda has gone from 33% voting intentions to 18% in a single month. We are wondering what disaster struck the political landscape to cause such a reversal?'

Part of the answer lay with Karoui; in a more recent poll, conducted by Emrhod Consulting before the ban, he scored 26.5% compared with Chahed on just 5.8% and others doing even worse. No wonder voters haven't been rushing to register. In what is often called the only democracy to survive the 'Arab Spring' uprisings, politics has not provided the answer for millions who might instead prefer to put their trust in reality TV. ●

KENYA

'Rot' in the Commission

A parliamentary probe into the management of the 2017 elections found serial irregularities and recommends possible criminal charges

When, in April, the Kenyan parliament's Public Accounts Committee (PAC) delivered its report on the Independent Electoral and Boundaries Commission's performance during the 2017 elections, it found the Commission guilty of a host of sins, including mismanagement of the elections budget.

'During our inquiries, it was clear right from the outset that prudent management of public resources by the IEBC had been sacrificed at the altar of self-aggrandisement. Speculators and wheeler-dealers had a field day as internal controls, where they existed, failed or were made to fail spectacularly,' wrote the PAC chair, **Opiyo Wandayi**, an MP for **Raila Odinga's** Orange Democratic Movement (ODM).

Among those censured – including former IEBC chief executive, **Ezra Chiloba**, the six other commissioners, including the chair, **Wafula Chebukati**, and senior staffers, notably IT team leader **James Muhati** and head of the legal division **Praxedes Tororey** – was the **French** security printing company, IDEMIA, which supplied the technology for the elections.

The PAC report, whose inquiries were triggered by the Auditor-General's audit of the IEBC, provides a glimpse of what it describes as 'the rot that has come to be associated with the IEBC'. The similarities with parliament's report on the IEBC's performance during the 2013 elections are many: a

mess of inflated bills, technology failure and malfeasance at senior levels. In that report too, IDEMIA (then known as Morpho SAS) had supplied technology systems that failed.

The Auditor-General noted that the Commission had costed the election at 2,540 shillings per voter (US\$25.40), five times the global average of \$5 and several times more expensive than other African elections during the same period and, after Papua New Guinea, the world's most expensive (AC Vol 58 No 21). The AG also noted that Chiloba had signed Ksh12.2 billion (\$122 million) worth of contracts that were unsupported by mandatory performance security bonds.

TECHNOLOGY

Specifically linked to IDEMIA is one of the two 'keystone contracts': the acquisition of technology. (The other was the controversial contract to supply ballot papers, which went to the Emirati printers, Al Ghurair – AC Vol 58 No 15).

Chiloba, who was sacked in October after refusing to appear before the IEBC's disciplinary board, is accused of at least twice wilfully ignoring the IEBC's plenary resolutions that, for cost-saving purposes, it would lease Electronic Voter Identification systems from an African country – **Nigeria**, **Ghana** and **Ivory Coast**, all of which had recently conducted 'electronic elections' were mooted – rather than going for the more expensive option of upgrading

the Commission's existing systems. Citing time pressures, the secretariat opted instead to directly procure EVID as well as Biometric Voter Registration equipment from Safran Identity & Security (SIS), even though several other elections technology bidders had lodged successful appeals against the tender award at the Public Procurement Appeals Regulatory Board (PPARB).

Eighteen months later, the Commission is saddled with a \$39m debt, several lawsuits from unpaid suppliers, and discredited sitting commissioners, all of whom parliament has recommended for dismissal and possible criminal and civil charges. Just as crucially, in adopting the PAC's report, parliament banned IDEMIA from doing any business with the government for 10 years (AC Vol 60 No 8). The House chose to cite IDEMIA for operating in Kenya without having been registered locally, a legal loophole that judiciously deflects any political shrapnel that would implicate the ruling Jubilee party in the chaotic August 2017 election. IDEMIA executives told the PAC they had fulfilled their obligations, did not need a local office, and still had a number of contracts with the government.

The immediate fate of the Commission, while uncertain, is not as dire as it could be because the politics of the Kenyatta succession is being played out elsewhere, leaving establishment interest in the Commission low. Going by the post-2013 activism against the Commission, which ultimately resulted in that Commission's demise less than a year before the 2017 elections, the seeds of a future crisis have already been sown. With the national census slated for later this year, alongside an electoral boundaries reviews, the IEBC will have to be reconstituted before either exercise can be carried

out, meaning it will probably be done hurriedly and chaotically.

IDEMIA still has a relationship with the Commission and the executive. Last year the Jubilee government quietly commissioned IDEMIA to supply 35,000 BVR kits at a cost of \$59m for its intended digitised national ID project, *Huduma Namba* (AC Vol 60 No 8). Parliament's April resolution barring IDEMIA from doing business with the government seemed to put the validity of the entire exercise in question. However, the cabinet's Information Communications, and Technology secretary, **Joe Mucheru**, has since argued that the ban against IDEMIA was only imposed after the government had made the order, and so it could not be applied retrospectively.

Addressing the PAC during the IEBC hearings, IDEMIA's executives explained that the firm had met all its obligations as far as the 2017 elections were concerned. They also pointed out that they had not been fully paid on their 2017 contract. Insiders speculate that these pending bills may have been smuggled into the *Huduma Namba* BVR contract.

The government has been determinedly opaque, both about the *Huduma Namba* contract and the status of monies owed to IDEMIA. Despite the lack of establishment interest in the PAC reports, the investigations into financial improprieties at the Commission have shone a light on how the Kenyatta administration, its enemies say, 'captured' the Commission and secured

its second term.

Last year, one of the bidders for the 2017 election technology contracts, Kanuri Ltd, took the IEBC and IDEMIA to court. A Kenyan technology company, Kanuri had partnered with the French security printing firm Gemalto to bid for the Kenya Integrated Electoral Management System tender. After the IEBC announced that it had awarded the tender to SIS, as IDEMIA was previously known, Gemalto appealed to the PPARB, arguing that the award of the tender was irregular since the Tender Committee had earlier disqualified SIS on technical grounds. The Board upheld Gemalto's petition. So, the Commission changed tack and, in contravention of its internal provisions, directly procured SIS's services.

MANUAL DRIVE

In early October 2016, Chiloba made a presentation at the National Security Council, the country's top security supervisory organ, during which he expressed fears about the passage in parliament of a bipartisan electoral reform law that exclusively adopted an electronic election management system, excluding the possibility of a manual count. It was only after he was invited to re-present his concerns at the NSC six weeks later that, apparently, the full implications of what he was saying were understood. Weeks later, in mid-December 2016, Parliament was recalled from its Christmas break and, amid chaotic scenes, an amendment

was passed to the reform law allowing for manual counting of ballots.

Correspondence seen by *Africa Confidential*, part of the annexes of a tender complaint launched by Dittel Technologies, a local company that was bidding for the IEBC technology tender, alleges that the Commission's secretariat had approached SIS as early as September 2016 (before the passage of the electoral reform bill) to design its own terms of reference for the 2017 elections technology tender. In the MS Word document AC has seen, two SIS officials changed the original terms of reference 45 times in an apparent effort to tailor the tender to SIS's purposes. However, the Kenyan company that had originally lodged this complaint against the Commission, Dittel Technologies, later withdrew the complaint.

In the end, it was the Commission's failure to secure a back-up that cost it, and Uhuru Kenyatta, the August 2017 elections during the Supreme Court of Kenya case. Demands from the Supreme Court to 'open the servers' for scrutiny could not be met in a timely fashion and, as such, the true results of the August 2017 elections have never been made public. 'It is safe to conclude that...the true cost of the August 2017 General Elections and the repeat October 2017 presidential election may never be known,' says the PAC in its report on the IEBC, 'But one thing is clear: it is a cost that was highly inflated and the taxpayers did not get value for their investment.' ●

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POINTERS

Mali MILITIA STARTS SCARE

■ At first sight, it looked like ethnic cleansing by communiqué. The predominantly Dogon militia *Dana Ambassagou*, led by **Youssouf Toloba**, issued a statement on 17 June to the effect that all Fulani (or Peuhl) and those speaking the language should leave the town of Bandiagara, in Central Mali, within three days (AC Vol 60 No 8).

A police statement said doctors, imams, community leaders and bankers were leaving the town. *Dana Ambassagou* was formally disbanded by the government after it was held responsible for a killing spree in March in Ogossagou that left at least 160 dead. It ignores the ban and has taken to issuing statements from the capital, Bamako, including one denying that it had ever ordered the Fulani out of Bandiagara.

Confusion has engulfed Central Mali, with neither the army nor the United Nations Multidimensional Integrated Stabilisation Mission in Mali (MINUSMA) able to contain the violence between Dogon and Fulani. MINUSMA'S mandate comes up for renewal at the UN on 29 June.

On 19 June, the UN Secretary General's Special Representative for Mali, **Mahamat Saleh Annadif**, announced an increase in patrols in the troubled zone. A day later, President **Ibrahim Boubacar Keita** announced the appointment of former interim President **Dioncounda Traoré** as Presidential High Representative for Central Mali, although it is unclear what his mandate is. Most Malians remember the charisma-free Traoré for being chased out of the presidential palace by a mob in 2012 (AC Vol 53 Nos 11 and 25).

These initiatives seem desperate to knowledgeable observers. They depend on the good will of armed groups that have never signed the central plank of government and MINUSMA actions: the 2015 Algiers Peace Accord.

Burkina Faso GAG ON SECURITY REPORTING

■ Burkina Faso's National Assembly voted in a new law on 21 June heavily restricting freedom of speech. Human rights organisations and press freedom advocates are up in arms. Under Article 312 of the new penal code, sanctions will apply for acts aimed at 'demoralising the *Forces de défense et de sécurité*' (FDS, the national army). It also promises to punish any action that could 'compromise' FDS anti-terrorist operations, and criminalises

the distribution of images and video of a terrorist incident in the absence of prior official authorisation. Fines of up to 10 million CFA francs (\$17,000) and jail terms of between one and five years could be imposed.

The protestors are in no doubt that the restrictions are meant to prevent any independent reporting of incidents similar to the government's claimed 'neutralisation' of 146 'terrorists' in a northern village in February. Human rights organisations believe it was in fact a massacre of Fulani (or Peuhl) herders (AC Vol 60 No 4).

Local journalists told *Africa Confidential* that the new measures effectively make it illegal for them to cover their country's anti-terrorist efforts and aims to protect the FDS from scrutiny. The new code, they say, will also have a chilling effect on the kind of investigative journalism that made the late **Norbert Zongo**, killed by the clan surrounding former President **Blaise Compaoré**, a national hero and forged Burkina Faso's high reputation for reporting in Francophone Africa (AC Vol 40 No 20).

The country awaits the return of ex-president Compaoré's younger brother, **François**, who is widely blamed for Zongo's murder, now that France's highest court has given clearance for his extradition. This could embarrass the current government, including president **Roch Marc Christian Kaboré**, who was a pillar of the Compaoré government for 25 years.

Mozambique FRELIMO ON A ROLL

■ Voter-registration has been hijacked by the ruling *Frente de Libertação de Moçambique*, which is blatantly inflating the electoral roll with ghost voters in order to win a clear majority in parliament and minimise the chance of the presidential contest going to a second round, observers claim. The elections are due in October. Opposition strongholds have lost parliamentary seats in the registration exercise while Gaza province, where Frelimo expects a firm win, has been allocated nine additional seats by the electoral commission, the *Comissão Nacional de Eleições* (CNE).

The authorities report that 90% of voting age citizens have registered, but local transparency watchdog the *Centro de Integridade Pública* (CIP) spotted massive anomalies.

In an article for local think-tank, the *Instituto de Estudos Sociais e Económicas*, this month, academic **António Francisco** observed out that while the 2017 national census found that 47% of the population was over 18, in Gaza, according to CNE figures,

it was 80%. Thus, the 1,166,000 people that CNE says have registered in Gaza is 161% of adults identified in the 2017 census. This could give President **Filipe Nyusi** an extra 307,000 votes, CIP says. Zambezia province's population, where support for Frelimo is generally lower, was declared to be only 41% adult.

The poorly organised main opposition party, the *Resistência Nacional de Moçambique* (Renamo), would be unlikely to win, even on a level playing field, pundits say (AC 57 No 10). But Frelimo is afraid of a protest vote boosting Renamo and diverting votes to smaller opposition parties. A two-round presidential election could result in President Nyusi losing.

Meanwhile, Frelimo has been making a show of being tough on corruption while not acting over the \$2bn hidden loans scandal. Several high-profile party members have been arrested, but little real action taken.

Algeria ROUNDING UP UNUSUAL SUSPECTS

■ Once, four-time premier **Ahmed Ouyahia** was seen as a possible successor to President **Abdelaziz Bouteflika**. Likewise, Boutef's campaign manager and ex-premier **Abdelmalek Sellal**. With the trust of the ex-president and the security services behind them, they looked unbeatable. Now, they are in prison. The remnants of the old guard running Algerian politics, led by Lieut-Gen **Ahmed Gaïd Salah**, have imprisoned them to convince the sceptical *Hirak* protest movement that it can carry out a clean sweep. Neighbouring cells in El Harrach civil and Blida military prisons are inhabited by more and more 'oligarchs' who got rich from their connections to the Bouteflika clan.

Ouyahia was arrested on 12 June, Sellal the next day. A Supreme Court judge is investigating Sellal's alleged links to the imprisoned oligarchs **Ali Haddad** and the Kouninef brothers. Investigators are swarming over the previously untouchable Ouyahia's affairs. Also under the judicial microscope is fast-rising businessman **Ayoub Aissiou**, whom *Hirak* members are linking to his fellow **Kabyle Ouyahia**.

Behind them all was presidential brother **Saïd Bouteflika**, also in prison. *Hirak* claims that Saïd pushed Ouyahia to back Aissiou's Atlantis Motor Company, a vehicle assembly project with Ford which opponents of the ancien régime regard with great suspicion.

Many more arrests are likely. Among others nabbed in latest sweep were bankers **Achour Aboud** and **Omar Boudiab** and *Groupe Sovac* head **Mourad Eulmi**. Gaïd Salah's former friends in the business elite have been warned.

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BLUE LINES

Disbelief was ostentatiously suspended when heads of state gathered at the African Union summit in Niamey to proclaim a new era of cooperation with the full launching of the African continental free trade area (ACFTA) on 8 July. After winning over Nigeria, almost in extra time, the pacts promoters pact managed to get all the 55 member states of the union on board, except for Eritrea.

The numbers – a market of 1.3 billion people, worth an estimated US\$3.4 trillion – look compelling, but in the short term the proclamation of the ACFTA will change little but aspirations. Two realities dominate the agenda: an impressive number of political speed bumps; and the need for gradualism and painstaking commercial diplomacy.

For now, the main task will be to get the regional economic communities to work much better. Only in the East African Community has there been much convergence towards a single market in goods and services.

More diversified economies such as South Africa, Kenya and Morocco will have a greater incentive to push for cutting tariffs and opening up markets for their exports. In the case of South Africa and Kenya, they will put more pressure on the regional economic groupings that they already dominate in southern and east Africa. Morocco's market strategy is undermined by its cold war with Algeria, and Nigerian manufacturers remain sceptical about any short-term benefits from the treaty.

SUDAN

Military roadblocks

The ruling generals in the sprawling security system will try to control the transition, whatever the cost

The security structures – the rival armed and intelligence groups – that grew up under the National Islamic Front (NIF) and its successor National Congress Party regime cast a long shadow over the political and economic landscape. As they protect their stakes in the well-financed and brutal security system, they will complicate any transition to civil rule.

The difference between this year's revolution and its predecessors is that in 1985 and 1964, the armed forces, police and intelligence services were relatively coherent institutions with defined lines of command and responsibility.

After General **Omer Hassan el Beshir** seized power in July 1989 in a putsch covertly backed by the NIF, he re-organised the security system and gradually replaced most of the secular senior officers with committed Islamists, first in the intelligence and surveillance system, creating tensions and rivalries as he did so.

He also co-opted and set up many local militias to operate alongside the military to suppress regional opposition. Some, such as the *Janjaweed* in Darfur, have been co-opted into the state system in Khartoum, giving them serious political leverage.

Beshir's aim was total loyalty to himself and the Islamist project, an all but coup-proof regime. The fact there were just two serious coup attempts against his rule – a plot by Baathist officers in 1990 (28 officers accused of involvement were executed) and the palace coup that forced him out on 11 April – speaks to his success

in terms of regime survival. But it has left a poisonous legacy of violent repression, mass killings and pervasive division as well as what almost everyone calls Sudan's 'Deep State'.

DEEP STATE ECONOMY

It also gave the military, police and intelligence services over 60% of the national budget, spent on weapons and training but also their own heavily subsidised economic projects, along the lines of **Egypt's** military industrial complex. Senior officers invested heavily in information technology and digital communications; the former director of military intelligence Lieutenant General **El Fatih Mohamed Ahmed Erwa** is now managing director of Zain Sudan and CEO of the Zain Africa mobile telecoms company. The majority state-owned Sudatel includes security operatives throughout its hierarchy and allied entities.

Such are the roots of this system, that pro-democracy activists say it will take at least three years to reform the state structures, laying the foundations for an open political and economic system.

Military dominance of Sudan's economy has been shored up by external financiers, first via Khartoum's Islamist ties to **Turkey, Iran and Qatar** and now to its regional backers, **Egypt, Saudi Arabia and the United Arab Emirates**. President Beshir's stated tilt away from Ankara, Tehran and Doha was both to mollify western critics and raise billions of dollars from the conservative Gulf states.

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HIGH COMMAND, HIGH RISKS

As the formation of a power-sharing government between civilians and the military edges close, both sides are being coy about their nominees for the sovereign national council, the ruling body at the head of the transitional authority.

Each side, civilians and military, will have five members on this ruling council. The chair will alternate between the military (for the first 18 months) and civilians.

The ruling general's aim is to control, if not hamstring, the transition. The following officers are set to play a critical role in the transition, regardless of whether they serve on the sovereign national council:

Lieutenant General **Abdel Fattah Abdelrahman Burhan**: The announcement that Lt Gen Burhan will be the first chairman of the Sovereign National Council is a riposte to claims that his deputy, Commander of the Rapid Support Forces **Mohammed Hamdan Dagalo** (known as 'Hemeti') is really in charge of the government. Military sources tell us that it suits the taciturn Burhan to be under-estimated and out of the public gaze.

Burhan hails from the village of Kundato. Although he is seen as close to the Islamist parties, Burhan has family ties to the family of **Mohammed Osman el Mirghani**, the Sufi patron of the Democratic Unionist Party (AC Vol 57 No 6).

After graduating from military academy in Khartoum, he took up training courses in **Egypt** and **Jordan** where he built up an important regional network. Afterwards, he served as a military attaché in Sudan's embassy in Beijing.

In the late 1990s and early 2000s, Burhan served as a military intelligence officer in Darfur, then became a military commander where he had a reputation for ruthlessness as the Khartoum regime's tactics attracted media attention and an arrest warrant for President **Omer el Beshir** from the International Criminal Court for crimes against humanity.

It was in Darfur that Burhan established close relations with leaders of the *Janjaweed* militia such as **Musa Hilal Musa** and Hemeti. The two later worked together, coordinating Sudan's military deployment in **Yemen** in support of **Saudi Arabia** and the **United Arab Emirates**.

Burhan, with professional ties dating back to his time at Cairo's military academy, is particularly close to Egypt's **Abdul Fattah el Sisi**. Cairo's class-conscious officers' corps prefer Burhan to his deputy, whom they regard as an unpredictable hick.

Hemeti is likely to be Burhan's deputy on Sovereign National Council, the military's second most senior nominee. He is from a sub-clan of the Mahariya Rizeigat, of which his grandfather was a chieftain, and was based in the tough Sudan-**Chad** borderlands. Working at first as camel herder, without formal education or military training, Hemeti used his business acumen to cut deals with local and then national leaders and rose through the ranks of local militias.

In the early 2000s, he fought in the *Janjaweed* militia, under the command of his cousin Musa Hilal Musa, and financed by Beshir's regime in Khartoum to suppress dissidents in Darfur with the utmost brutality. When the *Janjaweed* fell out with Beshir in 2007, Hemeti was among those fighting its former sponsors.

It took some hard bargaining between the National Intelligence and Security Services officials and Hemeti and allies to co-opt the *Janjaweed* back into the state security system. Hemeti exacted substantive cash payments. Beyond that he was preparing his forces for a takeover of the gold mines in Jebel Amer, in Darfur, mainly worked by small-scale miners.

The *Janjaweed* was rebranded as the Rapid Support Forces and took on an enforcement role for the government in the Nuba mountains and South Sudan, as well as Darfur. When his commander Hilal started another rebellion against Khartoum, Hemeti betrayed him and established a close relationship with Beshir, who became his political godfather.

Lieutenant General **Shamsaldin al Kabbashi**: A spokesman for the TMC, he has tried to build a rapport with journalists. He is a Kadugli from the Nuba mountains. As Army Chief of Staff, he also oversaw coordination of the land forces in Yemen. He is likely to be given responsibility for defence in the transitional authority. He is said to be close to Hemeti, a relationship that may have grown out of the RSF operations in Nuba and its deployment to Yemen.

Lieutenant General **Yasir Al-Atta**: Like Burhan and Hemeti, Atta served as a border guard commander in Darfur. A military source told us that he was an interlocutor between **Russia's** Ministry of Defence and the SAF when problems arose over the import of defective military equipment, some of which was related to corrupt payments. He is being tipped for the post of Interior Minister in the transitional authority. ●

Sudan's willingness to supply troops to take on the tougher fighting in the **Yemen** war, alongside the more cosseted troops from Saudi Arabia and the UAE, has reinforced those economic and military ties. The oil-rich Gulf states provide the most critical financial and diplomatic support for the Transitional Military Council (TMC), and try to shape the transitional authority to ensure a compliant regime.

There is already a plan to hire out Sudanese troops to **Khalifa Haftar's** Libyan National Army which is besieging Tripoli, accused by the United Nations-recognised regime there of multiple war crimes, including the bombing of a shelter for migrants on 2 July (AC Vol 60 No 14). Haftar has the strong support of Egypt, Saudi Arabia and the UAE in his declared battle against the Muslim Brothers in Libya and the Government of National Accord in Tripoli.

Despite the Gulf backing, Sudan's current security structures face unprecedented political, economic and internal pressures with many reports of junior army officers being arrested and armed clashes between rival factions.

The current structure and leadership is as follows:

- The Sudan Armed Forces (SAF): comprising Land Forces; Navy; Air Force; Popular Defence Forces; Republican Guard; oil field protection forces: Commander, Lieutenant General **Abdel Fattah Abdelrahman Burhan**.
- National Intelligence & Security Services: Director, Lieutenant General **Abubakar Mustafa**.
- The Rapid Support Forces: Commander, 'General' **Mohamed Hamdan Dagalo** known as 'Hemeti' (AC Vol 60 No 12).
- The Sudan Police and border protection forces: Commander Lieutenant General **Al-Tayeb Babakr Ali Fadeel** has just been replaced as Police Commander but he still sits on the Transitional Military Council.
- State-sponsored militias in Darfur, Nuba Mountains, Blue Nile and Kordofan.

In the wake of the 11 April coup, there have been re-organisations and a rebalancing of force strength. Local security sources put the strength of the SAF at around 150,000 on the state payroll, with the vast majority in the Land Forces.

There are reports that several SAF officers have been redeployed to the Rapid Support Forces (RSF) both for training and surveillance purposes. Under Beshir, at least 20,000 were recruited into the Popular Defence

Forces, mainly Islamist fighters lacking training or combat experience, and generally used for repressing civilians.

Salaries for regular troops and officers in the SAF have often been delayed; and they are much lower than those of their counterparts in the RSF, exacerbating institutional rivalry and suspicion. The RSF, which was recruited mainly from the *Janjaweed* militia in Darfur, is reckoned to number some 50,000.

In the national army there has been growing dissent in the officer corps over the past five years as economic and political conditions have deteriorated. And in the RSF, there are signs that the officers have been losing control of their fighters, unconcerned about considerations of political tactics or optics, in recent weeks.

With their khaki-painted pick-up trucks with artillery mounted on the back, RSF fighters have become the dominant force in Khartoum and cities across the country including Port Sudan, Kassala, Atbara, El Geniena and Al Fasher.

Some of their best-trained units have been sent to fight in Yemen, alongside soldiers from the SAF. The

deployment was jointly managed by the SAF's Lieutenant General Burhan and the RSF's 'Hemeti', whose relationship dates back to their military operations in Darfur in 2003.

Although the Burhan-Hemeti relationship is central in the Transitional Military Council, the RSF started as a co-opted force under the command of the National Intelligence & Security Services (NISS), which still has many operatives embedded in its ranks (AC Vol 60 No 9). Hemeti's control of the Jebel Amer gold mines in North Darfur has given the RSF some autonomy from other security structures.

The NISS, ostensibly run from its gleaming new headquarters off the Airport Road in Khartoum, remains the most opaque organisation, combining a military capacity including snipers, artillery, tanks and attack helicopters with pervasive surveillance and monitoring capacity within Sudan, many of its neighbouring states and in countries such as **Canada, France, Malaysia, Saudi Arabia, UAE, the United Kingdom and the United States** where there are substantial Sudanese diaspora populations.

Similar to the model in the security

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services of Egypt, Iran and apartheid **South Africa**, the NISS has received massive unaudited payments from the state treasury but has also launched its own autonomous commercial entities within Sudan and overseas. These have helped to finance operations in each state of the country, and its network of national and international agents.

At a press conference in Khartoum in mid-May, TMC spokesperson Lt Gen **Shamsudeen al Kabbashi** told journalists that it would take years to dismantle the Deep Security State in Sudan. One of his colleagues commented to journalists on the way out: 'On that one, you know he's telling the truth.' ●

ZIMBABWE

Running on close to empty

Shortages of fuel, electricity and bread are creating panic as the government faces a cash-flow crisis

Two weeks after the Zimbabwe government banned the use of foreign currency, the economy is reeling. Statutory Instrument 142, published without warning on 24 June, decreed that the country's sole legal tender is now the Zimbabwe dollar but the move only resulted in a temporary halt in the decline of the national currency.

The Zimbabwe dollar can either take the form of bond notes, the 'placeholder' notes introduced to alleviate US dollar cash shortages in 2016, which quickly became less valuable than the US dollars they represent, or RTGS dollars, the electronic currency. RTGS once represented US dollars deposited into bank accounts, but is no longer backed by reserves in any currency (AC Vol 60 No 9). Although Finance Minister **Mthuli Ncube** claims that these measures will stabilise the economy and curb inflation, without the trust of citizens and businesses, no currency will hold its value. Within the first

few days the US dollar rate for RTGS decreased slightly, but it has begun to climb again, and it is back up to 10RTGS to the US dollar once more.

Meanwhile, the shortages of fuel, electricity and bread are driving a sense of desperation. Now that petrol stations are forced to sell fuel in RTGS rather than US dollars, the fuel companies do not have the foreign currency to import more stock, so fuel is becoming increasingly scarce.

The Zimbabwe Electricity Supply Authority has increased 'load-shedding' so that most neighbourhoods now receive electricity for fewer than six hours a day, generally between the hours of 11pm and 5am. The IMF has publicly raised concerns about the macro-economic impact of 17-hour-plus power cuts. ZESA claims that low water levels in Lake Kariba and equipment breakdowns at Hwange Power Station are causing the power shortages, but the real issue is the inability to pay foreign currency debts. On 26 June,

state media announced that ZESA had paid the **South African** power supplier Eskom US\$10 million. Eskom promptly issued a statement that no payment had been received from Zimbabwe, although it was eventually made later in the week. Even so, the payment is less than a third of the \$33m that Zimbabwe owes Eskom. It owes another \$37m to Cahora Bassa in **Mozambique**.

At the beginning of July, two of the main bread companies, Lobels and Baker's Inn, closed bakeries and reduced production by 50% and 80% because of the power cuts. As it is, the mills are still waiting for the government to release the foreign currency to pay for 60,000 tonnes of wheat waiting to be imported via Mozambique. On 19 June, the Reserve Bank issued enough to pay for two weeks of wheat. Meanwhile, farmers in Mashonaland West have reported that they have begun ploughing their wheat crop back into the soil because they cannot irrigate it without electricity. The forex shortages are having similar knock-on effects throughout the economy.

It is unclear exactly why the government issued SI 142. Hours after the instrument was published, Ncube released a hastily filmed video clip explaining that the measure was implemented to help civil servants, who were threatening industrial action because they could not afford the US

dollar prices for groceries and rent on their meagre RTGS salaries. Although the strike has been averted, the prices crisis has not, so further industrial action should be expected. It has been widely reported, although not officially confirmed, that Ncube was not informed about SI 142 until after it was issued. If this proves true, it indicates a high level of mistrust at top levels of government.

While Ncube struggles to assert himself within the government, he is also scrambling for a position in the ruling Zimbabwe African National Union–Patriotic Front. After a Matabeleland by-election was called, Ncube tried for the seat. If he were an MP, and had standing within the party he might carry more weight than he does now and be better able to resist the ZANU-PF apparatchiks who blocked his economic policies this year. After the Provincial Executive Committee meeting in Matabeleland North however, Ncube did not stand. Sources in the province say he was thwarted by **Obert Mpofu**, the ZANU-PF Secretary for Administration, who is also powerful in Matabeleland North.

AUDIT PLAUDITS

In late June, the Auditor General, **Mildred Chiri**, submitted her 2018 report to parliament. This, the first audit of the post-Mugabe government, recorded only a marginal improvement over the 2017 and 2016 audits. What Chiri calls ‘governance issues’ dominate the report (AC Vol 58 No 21). She drew specific attention to the Zimbabwe Electricity Transmission and Distribution Company, which has still not received transformers that it paid \$4.9m for nine years ago, the Grain Marketing Board, which is yet to receive maize that it paid

\$1m for in 2016, Air Zimbabwe, which is missing supporting documents for expenses and cannot account for at least three aircraft, and a number of other entities which have not been settling statutory obligations. The Minerals Marketing Corporation of Zimbabwe (MMCZ), responsible for mining concessions, could not produce maps of the mining claims that it manages. There is widespread doubt that the audit will be used to clean up governance.

‘PEACE OFFICERS’

In March, President **Emmerson Mnangagwa** appointed a new chair to the Zimbabwe Anti-Corruption Commission. Justice **Loice Matanda-Moyo** is the wife of General **Sibusiso Moyo**, Minister of Foreign Affairs and announcer of the 2017 coup (AC Vol 59 No 18). Matanda-Moyo in early July committed ZACC to investigate and prosecute corruption. Statutory Instrument 143, published on 28 June, classifies ZACC officials as ‘peace officers’, who have the power to arrest, search and seize property, a major increase in its powers. Given the position of her husband, doubt remains about who the powers will be used against.

ZACC’s commitment to investigating and prosecuting high-level corruption will be an indicator of government commitment to reform in the coming months, particularly as the internal ZANU-PF fissures deepen and crack. On the same day that foreign currency was outlawed, the ZANU-PF Youth League held a press conference to denounce a list of high-profile party officials and business people as corrupt.

Mpofu was the target of the heaviest

criticism because of his powerful party role and because he is a heavyweight in Matabeleland North (AC Vol 59 No 8). **Prisca Mupfumira**, the Minister of Tourism, is an influential businesswoman and politician in Mashonaland West. Formerly linked to the G40 faction, she was brought back into the fold because Mnangagwa needed support in the province, but is now accused of undermining the President and his provincial Minister of State, **Mary Mliswa** (AC Vol 56 No 17).

Tongai Muzenda, chair of the MMCZ, was originally suspended from ZANU-PF for being allied to former Vice-President **Joice Mujuru**, and was later considered a threat to Mnangagwa’s faction in Masvingo province. MMCZ is an important parastatal because of the renewed interest in mining contracts from international investors (AC Vol 54 No 19). Other names on the Youth League’s list included **Mlungisi Moyo**, ZANU-PF Bulawayo Secretary for Finance, who some party members believe is establishing parallel structures disloyal to Mnangagwa, through his control over the money-changers in Bulawayo, and **John Mangudya**, the Governor of the Reserve Bank. Mangudya is suing the leader of the Youth League for defamation.

Matanda-Moyo acknowledged the Youth League’s report and says that she will look into the accusations against these individuals. However, she will have to tread carefully, in order to both demonstrate her willingness to respond to substantive allegations of corruption and ensure that she is not simply a tool in the continued factional in-fighting of ZANU-PF. ●

NIGERIA I

False starts for the clean-up

Incompetence and corruption threaten the latest government body to be set up to tackle oil pollution

The Ogoni area of the Niger Delta is one of the world’s most severely contaminated stretches of land and water, and yet no relief is in sight. Eight years ago, after publishing a comprehensive survey of the environmental damage, the United Nations Environment Programme recommended setting up a US\$1 billion fund for the first five years of a project to clean-up decades of pollution caused by oil spills that could take 30 years in

all (AC Vol 52 No 17). The government in Abuja has raised nearly \$200 million from its own funds and from the oil companies, but relief for the people in this 404-square-mile area where so many oil pipelines and wells converge remains elusive. The levels of benzene in Ogoni people’s drinking water were found by UNEP to be 900 times above World Health Organisation (WHO) recommended safe levels (AC Vol 59 No 24).

Nigeria set up the Hydrocarbon Pollution Restoration Project in 2012 to run the clean-up, but there were concerns from the start that the people in charge lacked the experience necessary to manage the complex and challenging task. UNEP recommended setting up HYPREP under the Ministry of the Environment, to keep it independent of the oil industry and separate from civil servants overseeing oil.

Instead, President **Goodluck Jonathan’s** administration chose to establish the agency under the Ministry of Petroleum. HYPREP made practically no progress at all, closing amid accusations of corruption and incompetence, accumulating unpaid bills to the tune of millions of dollars (see second feature).

A second HYPREP that was set up in 2015, now under the Environment

Ministry, is in the process of letting contracts to clean-up companies having remained all but dormant for four years. This incarnation of HYPREP is also doomed to fail, sources close to the project have told *Africa Confidential*.

Companies HYPREP has hired have inadequate expertise in their fields, and the clean-up zones have been divided into plots so small that no meaningful work can be done, our sources say. *Africa Confidential* can also reveal that established clean-up standards for Nigeria are being changed so that contractors can claim that their jobs are completed.

The UN-mandated clean-up of oil-polluted Ogoni in Rivers State has been called 'the biggest clean-up in the world' by international experts. The 2011 UNEP report rates the levels of pollution and the public health impacts over several decades as far worse than the consequences of BP's Deepwater Horizon spill in the Gulf of Mexico in 2010.

Ogoni has also been a flashpoint in the conflict-prone Niger Delta since the mid-1990s, when the majority of the 500,000 inhabitants mounted a campaign that shut down the operations

of Shell and Nigeria's national oil company, Nigerian National Petroleum Corporation. Royal Dutch Shell was the dominant presence here after oil was first discovered in 1956 but since President **Muhammadu Buhari** won re-election, he has handed the operating licence for Ogoni's 96 oil-wells and 9 oil-fields, OML11, to NNPC.

Meanwhile, HYPREP is supposed to mend this legacy of pollution and that is where concern is now greatest. HYPREP is slow, opaque, and staffed with people with no expertise, our sources say. And yet, the work has barely begun and the \$200 million earmarked for the initial phase has not even been touched yet.

BOARDS GALORE

There are boards within boards of the Ogoni clean-up. Another Nigerian government agency, National Oil Spill Detection and Response Agency (NOSDRA), is also supposed to monitor oil companies' own clean-ups across Nigeria, but HYPREP is the only official body in Nigeria mandated to do remediation work. Despite having a national mandate, at present HYPREP is only funded to clean up Ogoni and

nothing more. According to insiders it hasn't got access to the \$170 million to do that, which was deposited by Shell and other operators in the SPDC Joint Venture (SPDC JV) into a London Standard Chartered Bank escrow account in July 2018.

ADVANCE

The money has since been transferred to the Ogoni Trust Fund in Nigeria, which supposedly works in parallel with a HYPREP Governing Council, while President Buhari also inaugurated a HYPREP Advisory Committee for the Ogoni clean-up in April this year. HYPREP has received \$10 million to set it up, which *Africa Confidential* gathers the SPDC JV has paid into the Nigerian Environment Ministry, of which HYPREP is a sub-department. The \$10m is an advance paid by Shell and the other companies in the joint venture, we understand, and that is what HYPREP has been using up to now. If it cannot adequately account for the expenditure of those sums the Ogoni Trust Fund will not be able to release any of the remaining \$170m, we hear. ●

NIGERIA II

HYPREP's checkered rep

The environmental agency Abuja created has a bad record. It is even believed to be relaxing the clean-up benchmarks

The Hydrocarbon Pollution Remediation Project (HYPREP) is only the latest iteration of Nigerian government agencies charged with using oil revenues to compensate for the effects of its extraction in an area inhabited by some of the poorest people in Africa, whose farms and fishing waters are adjacent to tens of billions of dollars' worth of hydrocarbon reserves.

With the publication of the UNEP report in 2011, then-President **Goodluck Jonathan** set HYPREP up in 2012 at the Ministry of Petroleum Resources under **Diezani Allison-Madueke**. Allison-Madueke was arrested in London by the **United Kingdom's** National Crime Agency in 2015, although never charged. In Nigeria she has been charged with the theft of tens of billions of dollars from her ministry during her tenure, but no trial has taken place (AC Vol 58 No 7). Within a year, HYPREP was mired in scandal.

It started with a car crash. HYPREP's National Coordinator,

Joy Nunieh-Okunnu, was seriously injured when her car plunged into a river and was submerged for five hours on 1 May 2013 as she was returning from a site visit in Bayelsa, Jonathan's home state. Nunieh-Okunnu survived but three other occupants did not: **Zaaki Labbo**, **Aloy Agunwa** and a Mr. David. A PricewaterhouseCoopers staff audit showed that although they were on HYPREP's books they were not formally employed. Nor were two-thirds of HYPREP's 201 staff. It is common practice in Nigerian public institutions to give people jobs, but seldom formal contracts, and often to pay them late, if at all. The practice enables employers to use jobs as patronage and the threat of non-payment to ensure employee loyalty although it often prevents the agency functioning effectively. There were dark rumours following the crash that Nunieh-Okunnu was caught up in a power struggle between **Abdulkadir Musa**, who was deposed as permanent secretary of the Ministry of Petroleum, and Allison-Madueke.

The unpaid HYPREP staff appealed to **Bukola Saraki**, who was the Chairman of the Senate Committee on Environment and Ecology at the time, saying that they had not been paid for two years, and many were destitute. The then Group Managing Director of NNPC, **Andrew Yakubu**, approved N2.5 billion (\$15.6 million) to cover their outstanding salaries.

MOTHBALLED

These scandals meant that HYPREP was mothballed until its relaunch by Buhari in 2016 under the then Minister of Environment, **Amina Mohammed**, who is now Deputy Secretary-General of the United Nations. HYPREP was inactive until Shell and others paid \$10 million directly to Mohammed's Ministry in 2017. During this time, no actual clean-up work was done.

From its inception, HYPREP's role has overlapped with those of other agencies, particularly the National Oil Spill Detection and Response Agency (NOSDRA), although it only has money to work in Ogoni. The official Nigerian federal government gazette of 12 December 2016, Vol 103 No 176, re-established HYPREP under the Ministry of Environment, the preamble mentioning Ogoni and the UNEP report in its second paragraph. By page 2, HYPREP's mandate is 'Ogoniland and other impacted Communities' and its role is to 'investigate, map and evaluate'

WHO ARE THE CONTRACTORS?

Speculation continues in the Niger Delta as to the identities and expertise of contractors hired by HYPREP to carry out the clean-up. This uncertainty led **Vivian Belonwu-Okafor** of non-government organisation Social Action to write to HYPREP in June, making a Freedom of Information request for the list of 21 companies.

A spreadsheet had appeared that lists 16 of 21 firms contracted to undertake 'Phase 1' of the \$900 million clean-up for HYPREP, which is projected to run till 2022. HYPREP and the Nigerian government haven't put this information in the public domain, and international partners in the clean-up have told *Africa Confidential* that there's no good reason for the information to be withheld.

All of the companies exist, in that they're registered in Nigeria or internationally. One, Pacrim Engineering, is based in Los Angeles. A 5 May piece in Nigeria's *Premium Times* based on the leaked spreadsheet questioned the authenticity of several firms' credentials. There's no clear way to contact five of the 16, so suspicions are high about their qualifications. Louizioni Ferreti Ent. Ltd, which *Premium Times* says deals in oil-field equipment, Tip Tree Nig. Ltd, Rey & Reina International Ltd, Mosvinny Energy Ltd, and Shamsa Resources & Services Ltd, which, according to the *Premium Times*, is based in Maiduguri, northern Nigeria, and is a training and consulting firm, cannot be reached. Of those who can be contacted, only two companies replied to *Africa Confidential's* inquiries. Both confirmed that they had begun clean-up work, with one saying they saying it began in February and another expecting to complete the job in a few months.

Fegalo Nsuke, one of at least three people claiming to be the President of the Ogoni civil society group Movement for the Survival of the Ogoni People (MOSOP), which is split into many factions, claims that 'members of the governing council [linked to the Ogoni Trust Fund] have awarded contracts to companies in which they have interests. It has been more about personal interests and political patronages than real concerns to clean Ogoniland' (AC Vol 60, No 7). Nsuke's remark is probably directed at another claimant to the MOSOP Presidency, **Legborsi Pyagbara**, who sits on the HYPREP Governing Council. Pyagbara was challenged for the MOSOP leadership partly over allegations of embezzlement levelled at him by rivals, including Nsuke. He denies any wrongdoing.

All of this all adds to the general confusion and problems with the presentation of HYPREP's work, confusion which is worrying international parties involved in the clean-up. While Shell, other oil companies, UNEP, and the **British and Dutch** governments all have roles in the process, as funders, observers and advisers, *Africa Confidential* understands that they work entirely independently of one another. The UNEP report which alerted the international community to the environmental emergency in Ogoni arose partly from the 1996 visit of **Malaysian** lawyer **Param Cumaraswamy**, sent as Special Rapporteur by UN Secretary-General **Kofi Annan** to investigate the aftermath of the murder of **Ken Saro-Wiwa** and his co-defendants.

Almost a quarter of a century after Saro-Wiwa and thousands of other Ogoni died in a stand-off with the Nigerian military and oil companies over their poisoning of their environment, the international community seems unable to muster the collective resolve to clean up the worst pollution on Earth. ●

oil spills referred to it by NOSDRA.

In the space of a few legalistic paragraphs, HYPREP's mission was thus expanded from cleaning up the environment of Ogoniland to cover not only the territory of the Niger Delta, where another 30 million Nigerians live, but also the entire country. Two government agencies are supposed to keep track of oil spills, with neither in overall charge of the monitoring work. HYPREP also overlaps with the Niger Delta Development Commission (NDDC).

EXPERT DEFICIT

Consultants in three main areas of responsibility have all been appointed by HYPREP as preliminary steps before contracting companies, but none have the adequate experience, experts familiar with the issue say. When questioned about this, HYPREP representatives have claimed – astonishing experts familiar with this type of work – that this is irrelevant, and that the companies concerned can sub-contract the technical work to companies that do have the relevant expertise. HYPREP remained silent on what the point is in hiring a company that is only going to sub-contract the work to someone else.

The three main areas of work have

been subdivided into Communications, Project Management, and Monitoring and Evaluation. The Communications portfolio went to a company called Alliance Boots. Project Management is very active, *Africa Confidential* is told, whereas the Monitoring and Evaluation section is dormant because no significant remediation work is being done. It appears that HYPREP only has one phone line, which is rarely if ever answered. Alarm at the slowness in HYPREP getting on with its work, despite the \$10 million shot in the arm, has been increasing.

As Minister of the Environment, **Amina Mohammed** (who is now Deputy UN Secretary General) appointed **Marvin Dekil** as Project Coordinator, making him de facto HYPREP boss, in January 2017. Although he is Ogoni, he has been heavily criticised for failing to educate the public about the project, let alone answer questions from the media. Sources close to the clean-up programme say Dekil is completely out of his depth. He has come under a storm of criticism from Ogoni groups and others for lack of transparency and for having no experience in managing such a massive project. Nobody could say why Mohammed appointed him, but other experts fear that the same lack of expertise will be applied to other key

posts within HYPREP.

Now that the actual clean-up is meant to be going ahead, there are complaints from experts involved in the process that the plots of land have been subdivided into contracts so small – \$80,000 to \$1 million – that no single contractor can do the work properly.

TINY PLOTS

One international expert in pollution remediation told *Africa Confidential*, 'Normally, you would expect contracts on a project like this to be around the \$100m mark and large areas put under the control of that company. Technical experts in this field could cost \$200,000 a year in salary, but HYPREP has divided the plots up to such small sizes, that the work cannot practically be done.' Every site has been broken into – often arbitrary – subdivisions to be done by different companies, based on a map provided to HYPREP by UNEP, which HYPREP then broke into smaller plots. The contracts have been deliberately kept small so that they fall below the threshold for compulsory audit and competitive tender, *Africa Confidential* was told.

Another alarming feature of the contracts is that the Project Managers unilaterally lowered the pollution standards so that contractors can

find the goals easier to reach. From a statutory maximum of 50mg of hydrocarbons per kilogramme of soil, the level has been raised to 1000mg of hydrocarbons per kilogramme of soil. The managers have no authority to do this, as the standard is set in Nigerian law. In spite of this, we hear, NOSDRA has gone along with the arbitrary reduction of the cleanliness standard and written to HYPREP approving the 1000mg/kg level. Experts have told *Africa Confidential* that this loosening of standards would probably fall foul of a

future legal challenge.

Employment of Ogoni in the restoration of their farms and fishing waters is a crucial factor that could determine how both the clean-up and the resumption of oil and gas production is received in the region. None of the 16 named companies appear to have Ogoni directors, or offices in Ogoni, in spite of public undertaking that the majority of workers employed would be Ogoni. HYPREP's Dekil has said in public statements that no Ogoni are involved in 'Phase One' of the scheme, but that

there are plans to build their 'capacity' in due course.

Despite this, one of the contractors has told *Africa Confidential* that their contract stipulates that they must employ Ogoni, and that another contractor (possibly one of the additional five contractors so far unnamed, formally or informally) has an Ogoni managing director who employs people of Ogoni ethnicity. How these contradictions can be resolved is just one of the problems afflicting HYPREP and the government. ●

MOROCCO/EU

Lobbying pays off for Bourita

Rabat's charm offensive on Brussels has been bearing fruit, as the EU offers deals during the Foreign Minister's red-carpet visit

Foreign Minister **Nasser Bourita** had plenty of reasons to be cheerful after getting the red-carpet treatment from the European Union during his late-June visit. Morocco's foreign minister has been feeling heavy royal pressure, but his visit to Brussels for the EU-Morocco Association Council to meet EU foreign affairs chief **Federica Mogherini** produced a generously worded communiqué that promises the swift relaunch of talks on a 'deep and comprehensive free trade agreement' between Rabat and Brussels, among a series of other goodies.

The relaunch on trade is a diplomatic coup for Morocco, which has invested much time and cash on Brussels-based PR firms over the past 18 months in a bid to reinvigorate its relations with the EU (AC Vol 60 No 4).

LONG-TERM

The groundwork on migration and trade has been a long-term effort. Morocco hosted last December's UN migration summit, at which countries formally signed the non-binding 'global compact' on migration. Marrakech will also host the next EU-Africa Business Summit in November.

The deal is set to see Morocco being integrated into a number of EU programmes and agencies, while Brussels has also offered the prospect of visa-free access to the EU as a sweetener. The trade talks are expected to start immediately and will dominate the next 18 months. Morocco is also thought to have its eye on accessing some of the EU's new development-related private finance initiatives.

The EU needs help controlling migration from sub-Saharan Africa, and Morocco is positioning itself as the perfect partner. 'We are experiencing the same problems as Europe. Morocco has gone from being a country of transit to one of settlement,' said one of Bourita's officials. The EU, alarmed at the possible consequences of the UK's imminent exit from the bloc, has stepped up its efforts to broker ambitious free trade pacts, and Morocco looks like low-hanging fruit.

But despite its offer of visa-free travel, EU cash and new and improved trade terms, Brussels is not going to get a straight-forward 'cash for migrants' deal of the sort it negotiated, at a cost of €4 billion, with **Turkey**, under which would-be migrants attempting the Eastern Mediterranean crossing were returned to camps in Turkey. Last summer Morocco led the African Union's rejection of an EU plan to set up 'migration reception centres' on African soil (AC Vol 59 No 22). Morocco had no desire to be the 'gendarmier for Europe', Bourita told reporters in Brussels.

'We have our own borders to protect and you also have to remember that Morocco is now also a country of destination for migrants and asylum seekers as well as a country of transit,' he added.

Insiders say that Morocco, which already has one of the EU's most advanced trade relationships, knows how much leverage it has with the bloc.

Trade and migration are not the only successes for Morocco. Just as significant was the EU's praise for

Rabat's handling of the long-running dispute over the status of Western Sahara. In the joint communiqué, the EU 'welcomes the serious and credible efforts' of Morocco to obtain a peace settlement, and in a further warning to the Polisario Front, the independence movement which claims to represent the people of Western Sahara, the communiqué calls on both sides to 'continue their engagement in a spirit of realism and compromise'.

Polisario has accused the EU of undermining the prospects of a UN-negotiated peace settlement, accusing Brussels of 'entirely ignoring Morocco's appalling human rights record under its illegal occupation of Western Sahara'. Momentum behind the peace process stalled when former **German** President **Horst Köhler** stood down as the UN Secretary-General's Personal Envoy for Western Sahara in May on health grounds (AC Vol 60 No 11).

'Genuine progress in the UN Peace Process can only realistically be achieved if Morocco's EU allies take seriously the need to desist from any trade agreement or protocol which includes Western Sahara without the consent of the Sahrawi people,' Polisario added in a statement on 5 July.

Brussels insiders say that Polisario is simply a victim of realpolitik. **France** and **Spain** are Rabat's main cheerleaders in Brussels, and carry more weight than Polisario's Nordic supporters, led by **Sweden**.

BUMPY RIDE

But while Morocco now appears to have moved a decisive step towards its goal of a 'privileged partnership' with the EU, the relationship has been bumpy over the past five years.

Although trade with the EU has remained steady – exports to the EU have stood at around 60% of the country's total exports for about a decade – Moroccan officials say that the current trade deal favours Europe, and point out that they have a €700 million trade deficit.

Relations have been further strained by several European Court of Justice rulings between 2016 and 2018, stating that EU-Morocco trade deals could not include Western Sahara, and that any future agreement between the EU and Morocco involving Western Sahara would require the consent of the Sahrawi people, and directly benefit them.

The European Parliament decided on 12 February to endorse the new EU-Morocco Sustainable Fisheries Partnership Agreement, which Polisario has taken back to the Luxembourg-based court.

That impasse has frustrated Morocco, with Bourita remarking that relations between the EU and Morocco had been 'losing its way and its substance' until recently.

Insiders say that difficulties with the EU were part of the motivation for Morocco's diplomatic manoeuvres, positioning itself as a bridgehead between Europe and sub-Saharan Africa, re-joining the African Union in 2017 and quickly becoming one of the major political players in the

pan-African organisation. It has also sought to join the 12-nation Economic Community of West African States, although this has been put on ice by **Nigerian** opposition (AC Vol 59 No 13).

While migration flows from the Middle East have fallen dramatically over the past 18 months, prompting the EU's migration commissioner to proclaim in April that 'the crisis is over', the West Mediterranean route has become the key transit route to Europe in 2018 and early 2019.

Spain, one of Rabat's main EU allies that already works closely with Morocco on this front, has consistently called for deeper EU-Morocco cooperation on migration as well as greater financial support in order to prevent migrants reaching Spanish territory.

NEW FACES

With a change of the EU's top five leaders due at the end of October – including Spanish Foreign Minister **Josep Borrell Fontelles** who has been nominated by EU leaders to replace Mogherini as the EU's High Representative on Foreign Affairs – Rabat has every reason to

think they will be more amenable to its interests. **Cecilia Malmström**, a **Swede**, is thought to be sympathetic to Polisario, and is expected to leave the EU executive's trade portfolio.

Following a meeting with Bourita in Rabat in June, Borrell said that he had 'stressed the strategic importance of Morocco for Europe', and added that the EU should put together a multi-year financial package to help the country deal with the pressure of undocumented migration.

'Spain supports, with the authorities of the EU, the Moroccan ambitions to intensify the Moroccan-European relations in all areas,' said Borrell.

At the press conference following his meeting with Mogherini, Bourita conceded that the EU-Morocco relationship had struggled in recent years.

'This was partly due to the fact that in recent years the EU seemed more busy with its own internal issues,' he said, adding that 'we hope that this new joint declaration agreed with the EU today will give fresh impetus to the relationship'. ●

KENYA

Roads, rails, pots and kettles

Westerners are fuelling fears about the government's appetite for Chinese loans. But their funding models are not that different

According to some of the opinion columns in its newspapers, Kenya is currently on a reckless borrowing spree in which the country has mortgaged some of its key assets – notably Mombasa port – to the **Chinese** government. China is blamed by Kenyan politicians, many of whom habitually go shopping via the thrice-a-week Kenya Airways flights to Guangzhou, for loading the country with an unsustainable external debt burden that has risen from US\$8.4 billion in 2013 to \$27bn in March 2019. (The domestic government debt is about equal to the foreign one.)

Though now the single largest external creditor to Kenya, China accounts for about 23% of Kenya's external debt stock, but its terms are harder, in the form of higher interest rates and shorter maturities, than those of World Bank and the African Development Bank, traditionally Kenya's top development loan providers. Much of the Chinese debt is accounted for by the \$3.8 billion standard gauge railway

(SGR) from Mombasa to Nairobi and will rise even further when Kenya takes up an additional \$1.5bn to finance the extension of the railway from Nairobi to Naivasha, 150 miles to the west of the capital (AC Vol 60 No 9). Kenya's Treasury has not helped the situation by piling up \$7.25bn in short term credit from the Eurodollar market since 2014. Kenya's total debt to GDP ratio is now at an all-time high of 57% (AC Vol 60 No 13).

Most of Kenya's foreign debt is still owed to multilateral donors and a few first-world states – notably **Japan**, **France** and **Germany**.

In his latest stop in Nairobi in early July, the World Bank's Vice President for Africa, **Hafez Ghanem**, pointed out the danger of Kenya – and Africa – taking external credit where 'the cost of borrowing is higher than the returns on investment'. He did not need to cite the source of the high-cost loans. However, Western attacks on China may camouflage attempts by some governments to provide large-scale

development projects in a manner no different to China.

Standing up to, or against, China globally is now a canon of **United States** foreign policy and one project in particular is seen by many in Nairobi as a continuation of US-China conflict by other means. The US is applying great pressure on Kenya to accept a highway project in partnership with the US construction giant Bechtel. Many suspect that Bechtel's opening of an impressive regional headquarters for Africa in Nairobi's Westlands suburb in June 2017 was related to competing with China for state-funded infrastructure projects in Africa.

Since late 2016, Bechtel had been talking to officials from the Ministry of Transport and Ministry of Finance about the prospects of building a four-lane expressway from Mombasa to Nairobi, to the highest standards of US Interstate highways, and funded by a private-public partnership. The road would reduce the driving time between the two cities from 10 to four hours – roughly the journey time on the Chinese-built SGR. The road would have the added advantage of door-to-door motoring.

Funding would be assisted by a combination of US federal institutions: the US Export-Import Bank, the Overseas Private Investment Corporation (OPIC) and its 2018 successor, the United States International Development Corporation. The total estimated cost was \$3bn, with

construction commencing in June 2019 and ending by 2022.

One effect of this project would be to deal the *coup de grâce* to the struggling Chinese-operated railway line. As it is, 95% of the cargo between Mombasa and Nairobi still goes by road because it is cheaper and it guarantees port-to-destination delivery, as opposed to the SGR line, which offloads cargo at Athi River Container terminal, 20 miles from the city. Last January, the loss-making SGR increased freight charges by 80% , reducing its competitiveness even further. Although the engineers at the Ministry of Transport are impressed by Bechtel's highway design and technology, the Treasury is worried about the rising debt level. If the expressway damages the viability of the SGR – which many suspect is part of US intentions – it would make paying off the debt even harder.

LEGACY PROJECT

President **Uhuru Kenyatta**, meanwhile, sees a completed Nairobi-to-Mombasa expressway as an attractive potential legacy project. The IMF and the World Bank, we hear, have expressed reservations about the increase in indebtedness it would involve.

President **Donald Trump** played his part on behalf of Bechtel in August 2018 by inviting Kenyatta to the White House for a bilateral meeting, although little progress was made (AC Vol 59 No 18). Trump tried to charm Kenyatta while the latter reciprocated. In the midst of the love-in Trump went straight to the point. 'Your representatives,'

he told Kenyatta, 'have been dealing with our representatives and making a lot of progress and they are talking about a very major highway. And that seems to be going along well. This is a very important project, I think, for your country.' Kenyatta promised to cooperate but progress has been slow.

As far back as August 2017, Bechtel claimed that a feasibility study by PricewaterhouseCoopers supported its view that the project was best done as a toll road operated by Bechtel either sharing equity with the Kenya government, or with a government guarantee. The Kenyan Treasury, however, preferred not to give a credit guarantee as that would go down in the figures as an increase in external loans, which they want to avoid. Because of this hitch, Transport Minister **James Macharia** was forced to inform the press that, as of early July, 'we have no contractual agreement yet'.

But Bechtel and the new US ambassador to Kenya, **Kyle McCarter**, have not been put off. A former Republican Senator for Illinois, McCarter is an old Kenya hand who speaks fluent Swahili and Meru, having served as a missionary and philanthropist in Meru in the 1980s. He has used every opportunity to express the need to build the expressway but insists that the US will avoid burdening Kenya with a heavy debt 'like some other countries' adding that Kenyan and American experts are exploring the options, which they are.

In a breakfast address to the Kenya Private Sector Alliance in February,

Bechtel's regional president for Africa, **Andrew Patterson**, said that a funding solution would be based on a hybrid private/public partnership between his company and the Kenyan government. He emphasised doing those things China is accused of not doing without mentioning that country once: taking care of game reserves and the environment, imparting technical skills to Kenyans, involving communities along the highway, building local capacity.

DAM AFFAIR

Nor is the US the only developed country pushing a very China-like model – import export credit for large infrastructure built by donor country construction firms. In July 2015, the then Italian Prime Minister **Matteo Renzi** flew into Kenya for a 48-hour visit during which he signed an agreement with Kenyatta to finance an irrigation dam in the Rift Valley worth \$340m. Renzi resigned in December 2016.

The dam is to be financed by Italian Ex-Im credit and loans from two banks: France's BNP Paribas and Intensa San Pablo. The selected construction firm was *Comparativo Muratori Cementisti Di Ravenna*. Four years on and with the Kenyan Treasury having dispensed \$110m, very little work has been done at the Itare dam, and an investigation is under way into how much and how the funds were plundered. *Comparativo*, which had canvassed for the project and high-level political intervention, is said to be insolvent and in receivership. ●

NAMIBIA

SWAPO succession dilemma

The President is set for re-election in November, but a chronic failure to deliver land reform and jobs clouds the outlook

There is virtually no prospect of President **Hage Geingob**, Namibia's first non-northern head of state, failing to secure a second five-year term in the presidential and legislative elections due in late November. Likewise, few expect the ruling SWAPO Party of Namibia to lose its two-thirds majority in the National Assembly, where it has 77 of the 96 directly-elected MPs (a further eight are nominated by the president). This is despite the current economic downturn, mounting job losses and the impact of an exceptionally severe drought, the third in five years, which

is decimating the livestock and crops of subsistence farmers.

The Damaras – from which Geingob hails – along with the Ovaherero (central/eastern Namibia) and the Nama (southern Namibia), are Namibia's most influential minority communities, and usually divide their support between SWAPO and the opposition parties. The presence of influential northerners in the cabinet, including Prime Minister **Saara Kuugongelwa-Amadhila** and Geingob's most likely successor, the SWAPO Vice-President, International Relations and Cooperation Minister **Netumbo Nandi-Ndaitwah**, will ensure

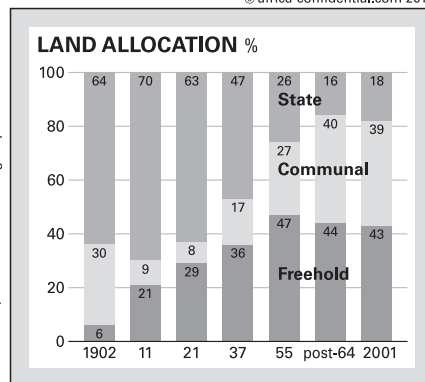
no measurable loss of support from SWAPO's Oshivambo and Kavango political heartlands.

But even so, cracks are beginning to appear, principally over a dispute over who should be next in line to succeed Geingob as the ruling party's presidential candidate in 2024 (AC Vol 59 No 6). Under SWAPO's custom-honoured but unwritten succession rules, the party vice-president becomes the party's presidential candidate when the incumbent's term comes to an end.

That should put Nandi-Ndaitwah, who is close to former President **Hifikepunye Pohamba**, whose influence within SWAPO remains strong, on track to become Namibia's first female president.

Pohamba is widely believed to have backed Geingob to become party vice-president and then party president at the 2012 and 2017 party congresses on the condition he later make way for Nandi-Ndaitwah to take over as both head of state and party president.

NAMIBIA: GROWTH, LAND TENURE



But some within Geingob's controlling faction ('Team Harambee') are mooting the possibility of state Vice-President **Nangolo Mbumba**, a close ally of Geingob's, who was SWAPO secretary general until 2017, taking over instead. Mbumba succeeded **Nickey Iyambo**, who stepped down from the post last year and died this May (AC Vol 56 No 7). The vice-presidency was only created in 2015, and its powers remained ill-defined, but Mbumba's backers claim making the national, rather than party, vice-president the automatic successor would be best.

There are suggestions that Geingob might step down around the middle of his second term – after SWAPO's 2022 elective congress – and allow Mbumba to take over before standing in his own right in 2024.

A partial exception to the generally weak and discredited state of SWAPO's political opponents is the official opposition in parliament, the right-of-

centre Popular Democratic Movement (PDM), formerly the Democratic Turnhalle Alliance of Namibia. This is led by the youthful **McHenry Venaani**, who is making populist gestures such as calling for an end to the generous benefits awarded in perpetuity to ex-heads of state (AC Vol 54 No 23).

SET FOR LIFE

Under a 2004 presidential pension and benefits act, these include not just an annual pension equivalent to their salaries in office, but having a private residence either built for them or receiving a cash equivalent, use of three vehicles, office staff, utility and entertainment costs. Founding President **Samuel Nujoma** received 70 million Namibian dollars (US\$5m) for a new house, and his successor **Pohamba** received a N\$35m house (US\$2.5m), shortly before he stepped down in March 2015. (Also in March 2015, Pohamba received the Mo Ibrahim

Foundation prize for good governance, which earned him \$5m in cash plus an annual payment of \$200,000 for life). Venaani wants the housing benefit to be scrapped entirely.

The PDM may slightly improve on its current tally of five MPs in November, but the main challenge to SWAPO could be from a new, radical, grassroots land reform party, and there is also the prospect of the first-ever independent presidential candidates. Long-time trade union leader **Evilastus Kaaronda** is close to announcing his candidacy as an independent, while SWAPO member **Panduleni Itula** has already announced he will stand as an independent to challenge Geingob.

There is yet no Namibian equivalent to **South Africa's** far-left Economic Freedom Fighters (EFF), who campaign for the expropriation of white-owned farmland and nationalisation of the country's mining industry and came third in May's general election. But the Landless People's Movement (LPM), which registered as a political party in February in order to contest this year's elections, has a similar policy stance. Its leader, **Bernadus Swartbooi**, was forced to resign as deputy lands minister in early 2017, after publicly criticising the Minister of Land Reform, **Utoni Nujoma**, the eldest son of the former head of state, over the identity of the beneficiaries of government-funded land resettlement of so-called 'historically disadvantaged Namibians' (HDNs) on commercial farms bought from white Namibians.

Swartbooi, a Nama, pledged if he became president to introduce 'restorative justice' in place of the national reconciliation policy pursued since independence. Another grassroots campaigning group, Affirmative Repositioning (AR), could also yet register as a political party, but is likely to fall in with the LPM demands. In March, following a public rally in Windhoek, AR leader **Job Amupanda** handed a petition to the national assembly speaker, **Peter Katjavivi**, demanding the strict regulation of foreigners' right to acquire land in Namibia, which would ban them from owning any farm land and 'reaffirm and give power, ownership and control of land in Namibia to the people'.

AR was successful in forcing the government to agree to a fast-track roll-out of serviced urban plots of land to enable building of low-cost housing soon after Geingob took office. It threatened to hold mass occupations, which Geingob headed-off by agreeing the government would make 200,000 serviced plots available in three towns initially: Windhoek, Walvis Bay and

LOW GROWTH, LOW LIVING STANDARDS

Despite expanded mining output the economy remains weak, with real GDP growth projected to be minimal this year at best after contracting by 0.1% in 2018 and 0.9% in 2017.

This means living standards for the majority of low-income voters will have decreased for nearly three straight years by the time the polls open in November. Even more damagingly, the burning issue of speeding up land resettlement of 'Historically Disadvantaged Namibians' (HDN) on white-owned commercial farms remains a sluggish work in progress.

The economy's weakness has been compounded by the government's efforts to rein in the budget deficit under a three-year programme of fiscal consolidation, which while doing little to cut back the size of the bloated public sector (an estimated 45% of the annual budget in 2019/20), has led to capital outlays being slashed. Along with a freeze on new government office buildings this has kept the construction industry in recession. Although capital spending was raised by 41% to N\$7.9m (US\$600,000) in the end-March 2019 budget, this will not translate into substantially more jobs before November's elections.

Previous fiscal expansionary policies led to the budget deficit soaring to almost 8% of GDP and also, along with increased public debt, to the loss of Namibia's prized investment-grade credit rating from the Fitch and Moody's rating agencies. Even though the finance minister, **Calle Schlettwein**, managed to trim the budget deficit to a projected 4% of GDP for 2019/20, public debt (the bulk of it domestic borrowing) will clear 50% of GDP by 2021/22 according to official projections (AC Vol 56 No 7). ●

Oshakati in the north. But because of government spending cuts this promise has not yet been kept, leading AR to accuse SWAPO of bad faith.

SHACKS SHAME

Geingob is acutely aware that SWAPO is vulnerable to the charge of doing little to provide land for cheap housing, given the mushrooming number of Namibians forced to live in informal settlement shacks. He told a meeting of central and local government officials early this year that the growth in informal settlements had become a national emergency, and promised to work with community representatives to eradicate the shacks. The scale of the problem is daunting; according to the Shack Dwellers Federation there were 995,000 people – most but not all Namibian – living in shacks in 308 settlements last year, representing just over 40% of Namibia's 2.3m estimated population.

Geingob maintained that his announcement was not an election gimmick, but a determination by his government to implement resolutions passed at last October's second national land conference – the first was held in 1991. This was billed as a ground-breaking event to kick-start land reform and redistribute farmland to black Namibians, as well as address the need to provide more affordable urban land for housing.

But in the event, while several resolutions were passed including one

calling for an end to foreign ownership of farms and other agricultural land, follow-up has been stymied by uncertainty as to whether these would comply with the Namibian constitution. This provides for 'fair' compensation of any privately-owned assets expropriated by the state, and is the basis for the 'willing buyer, willing seller' policies pursued for the past three decades. Under this, farmers who wish to sell must offer their land to the state first, but the government is obliged to purchase the farms at market value as adjudicated by independent land boards.

This has made land purchases exorbitantly expensive which, coupled with under-funding of the land resettlement programme, has led to fewer than 50,000 Namibians being resettled on farms bought by the state. Any effort to speed this up by expropriating land without appropriate compensation would contravene the constitution and probably result in legal challenges. At the conference, the Bank of Namibia deputy governor, **Ebson Uanguta**, stressed that reforms approved to remedy past inequalities should not diminish property rights but promote secure land tenure.

There is little prospect that Geingob – who is a strong constitutionalist – will adopt changes in policy that would breach this principle.

Further fuelling discontent over the delay in speeding up land resettlement

is anger over the continued sale of farms to wealthy foreign nationals. Just before the land conference took place, **Russian** billionaire **Rashid Sardarov** acquired a group of farms for N\$43m (\$3m) under a complicated transaction involving a transfer of the freehold to the government and leaseback to Sardarov's private company, **Switzerland**-based Comsar Properties. The sale was defended by Utoni Nujoma.

SALE OPPOSED

Another, more recent, transaction currently awaiting approval by the Namibian Competition Commission (NCC), would see the sale of the Erindi private game reserve to a **Mexican** billionaire, **Alberto Bailleres**, for N\$1.95bn (US\$136m). A group of 16 Ovaherero traditional authorities are strongly opposing the sale, and have warned the government – which said it could not afford to buy Erindi itself – that the continued sale of land to foreign nationals at the expense of those who lost their ancestral land under **German** and South African colonial rule might spark civil unrest. The claims of the landless are much clearer cut in Namibia, where far more land was seized from the original inhabitants under successive German and South African occupation than in South Africa, where many purchases were made which have legal standing. However, pre-colonial land ownership was not documented, and so proving title is difficult. ●

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POINTERS

Congo-Kinshasa TERMINATED

■ After a three-year trial in which more than 2,000 victims were represented, three International Criminal Court (ICC) judges have found **Jean Bosco Ntaganda**, 45, also known as 'The Terminator', guilty of 18 counts of war crimes and crimes against humanity, as well as murder, rape and conscripting child soldiers, in Ituri, Congo-Kinshasa between 2002 and 2003. He will be sentenced after further hearings.

Ntaganda's military career started in the Rwandan Patriotic Front, having fled across the Congo-Kinshasa/Rwanda border in his teens. After the RPF came to power, he drifted into Congo-K and became involved with the *Union des Patriotes Congolais* (UPC) and its military wing, the *Forces Patriotiques pour la Libération du Congo* (FPLC). It was during this time, towards the end of the second Congo war, that he committed the crimes of which he has been convicted (AC Vol 49 No 25).

He then became part of the Kigali-backed *Congrès national pour la défense du peuple* (CNDP) which in 2009 was absorbed into and became a key element of the Congo-K national army, the *Forces armées de la République démocratique du Congo* (FARDC). But he broke away again, in 2012, to form the *Mouvement du 23 mars* (M23) when he began to fear suffering the same fate as **Thomas Lubanga Dyilo**, a fellow warlord convicted by the ICC in the Hague.

In 2012, the United Nations Group of Experts on Congo contended that he and M23 co-founder **Sultani Makenga**, were answering to the Rwandan Minister of Defence, General **James Kabarebe**, and receiving weapons from **Uganda** (AC Vol 53 No 21). Before M23's final defeat, he took refuge in the **United States** embassy in Kigali in 2013 and was then handed over to the ICC (AC Vol 53 No 9).

Zambia

LUNGU TO CHANGE BASIC LAW

■ President **Edgar Lungu's** government has proposed sweeping changes to the Zambian constitution that critics say are aimed at reducing scrutiny and improving his chances of retaining power at the elections in 2021.

The Constitution of Zambia (Amendment) Bill, published on 21 June, aims to reduce the role of parliament and gives greater power to the executive. It re-introduces the costly roles of deputy minister and lifts restrictions on the creation of

new parliamentary constituencies. Most significantly, it removes the requirement of parliamentary approval to ratify loans and loan guarantees by the government and parastatals. This subjects the ballooning debt, which has doubled to US\$10 billion in the past decade, to fewer checks and balances at a time when, critics say, there should be more of them. Accusations of reckless government borrowing and the theft of state funds have been a feature of much of Lungu's time in office (AC Vol 60 No 9 & 11).

The amendments also provide for the formation of a coalition government in the event of no outright winner gaining more than 50% of the vote in the presidential election. This is widely seen as a crude attempt by the ruling Patriotic Front to open up the election to crude horse-trading, contravening the spirit of the constitution.

Law Association of Zambia president **Eddie Mwitwa** has responded with 'grave concern' to the proposed amendments, which he says give free rein to election interference through gerrymandering.

In a frank address on 27 June, **United States** ambassador to Zambia **Daniel Foote** waded in on what he called a deterioration of Zambian democracy and institutions. He said the electorate was tired of 'divisive politics' and corruption, and that the government's lack of transparency regarding 'problematic' debt was a key factor in increasingly poor governance under the PF. The amendments require a two-thirds majority in parliament to pass.

Ethiopia/Eritrea

ASMARA AND AMHARA

■ Attention is focusing once more on last November's meeting of Eritrean President **Issayas Afewerki** with Ethiopian Prime Minister **Abiy Ahmed** one month after retired Brigadier-General **Asaminew Tsige**, the leader of last month's alleged coup attempt, was appointed head of Amhara's regional security. Asaminew was shot dead two days after the 22 June killings of three top Amhara state and federal officials.

Issayas arranged his November meeting with Abiy in Amhara state, on 17 August, the day after a delegation from Ethiopia's Amhara state came to Asmara to sign a reconciliation agreement with the exiled leaders of Amhara Democratic Forces Movement (ADFM), a nationalist party until then opposed to the rule of the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF).

The ADFM agreed to return after Abiy Ahmed's appeal for national reconciliation with all anti-regime movements and parties. Asaminew was

imprisoned in Addis in 2009 after being charged with mounting a coup against Prime Minister **Meles Zenawi** and he was released along with other political prisoners last year (AC Vol 60 No 13).

Issayas seemed to have played the role of matchmaker in the merger, three days after his arrival in Amhara state, of the ADFM with the Amhara Democratic Party, the official Amhara party within the federal EPRDF, on 12 November.

Asaminew was responsible not only for the province's security but for absorbing returning ADFM fighters into the regional security structures.

Asaminew appointed Colonel **Alebel Amare**, one of the returned exiles, as his deputy in January and head of the state's Special Forces. *Africa Confidential* has learned that Alebel founded the ADFM in Eritrea along with Amhara officers who had defected to Asmara in the wake of the alleged 2009 conspiracy for which Asaminew was jailed.

After the killings on 22 June, Amhara state government announced that 190 of the new recruits into Asaminew's forces were suspected of being accomplices in the would-be putsch.

Alebel returned to Ethiopia on 23 August last year not from Eritrea, but from exile in **Sweden**, a fellow returnee told *Africa Confidential*. Alebel was then a representative of the All Amhara People's Organisation (AAPO), believed to be a splinter group from the ADFM. Alebel was arrested in Amhara in the sweep that has so far detained hundreds.

In Asmara, President Issayas never dealt directly with the ADFM, Alebel's acquaintance told us. Colonel Fitsum of the Eritrean Defence Force was in charge of training and advising the opposition, the person said. Alebel went to Sweden in 2014 and about a year later, a person with direct knowledge the talks told *Africa Confidential*, opponents of the Ethiopian government in exile in Asmara planned to unite all of the armed groups in exile: ADFM, Ginbot 7, Tigray People's Democratic Movement, and Afar People's Liberation Movement. But when the TPDM's **Mola Asegedom** defected to Ethiopia the groups abandoned the merger.

In Sweden, Alebel blamed the Eritrean government for the failure of the armed exile groups to merge, *Africa Confidential* was told. No further details about the discussions or the prelude to the return of the ADFM fighters to Ethiopia were available.

Allegations that Issayas may have had a hand in encouraging Amhara ethnic militancy are unconfirmed although he retains, many say, a visceral hatred for the Tigray Peoples Liberation Front (TPLF). Amhara nationalists have designs on a large part of Tigray.

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BLUE LINES

Boris Johnson took over as Britain's Prime Minister on 24 July after easily beating former Foreign Secretary Jeremy Hunt for the leadership of the ruling Conservative party. A Johnson premiership raises the prospects of Britain leaving the European Union without an exit deal on 31 October. That may mean British ministers could start talks on new trade deals with Nigeria, South Africa and Kenya. Divisions between the UK and the EU may increase Africa's leverage in trade and security talks.

Brexit will consume the Johnson team's attention almost to the exclusion of anything else. Diplomats in Brussels and across Africa note shrinking British influence and interest in the continent since the 2016 referendum. That has serious implications in the Horn.

Not a natural diplomat as seen in his unhappy stint as Foreign Secretary, Johnson's clumsy references, when editor of the London weekly *Spectator*, to 'picaninnies', 'AIDS-ridden choristers', 'watermelon smiles' and colonialism, though he has since apologised, are hard to forget. However, Johnson's aides say he will pick a more diverse team than his predecessors: fellow Brexit enthusiasts Kwasi Kwarteng (whose family is Ghanaian) and Priti Patel (family is Ugandan) are likely to get top jobs.

Last summer, Kenyan President Uhuru Kenyatta appeared to forget Johnson's name, referring to him as 'the bicycle guy'. Many said it was an intentional snub. Either way, African leaders could be forgiven for treating Johnson as warily as the EU will.

NIGERIA

The Gang of 43 breaks cover

Light on technocrats, heavy on party hacks with accountability issues, many ask if the new ministerial team was worth the wait

With an extra five members, stuffed with party loyalists and an average age of 60, President Muhammadu Buhari's new ministerial team cannot be accused of exuding dynamism or imagination. Announced two days after about a dozen people were killed in the capital when Shiite protestors clashed with armed police, the composition of the new government reinforced the sense of a lack of executive urgency as the country's national security crisis was spiralling out of control.

The list reinforces the view that President Buhari's second term will be like his first: tortuously slow decision-making, a reluctance to sanction bad performance in the security services or in the ministries, personal loyalty trumping competence and a tolerance for politicians facing serial corruption charges.

Only three of the new nominees stand out as 'meritocrats'. They include Sharon Ikeazor (Anambra, aged 58) a capable reformer who has led a government directorate tasked with fixing Nigeria's pension system. Another strong nominee is Mariam Yalwaji Katagum (Bauchi, 65), Nigeria's intellectual and articulate permanent representative to the UN Educational, Scientific and Cultural Organisation is tipped for culture minister.

The youngest nominee at 46 – five years older than France's current president – is Ali Isa Ibrahim Pantami (Gombe), a world-class technology expert and trained imam who has led the National Information Technology Development Agency since 2016.

One of the ruling All Progressives' Congress's top financiers and political godfathers – former governor of Rivers State Rotimi Amaechi – is set to retain his transport portfolio or be given another that involves hefty contracts (AC Vol 60 No 6).

Former governor of Lagos State Babatunde Fashola stays in the cabinet but will lose his 'super minister' status. He remains a leading contender, alongside Vice-President Yemi Osinbajo, to succeed Buhari in 2023 (AC Vol 59 No 25).

More bizarrely, given his record of garbled legal advice, Attorney General Abubakar Malami (Kebbi, 52), will retain his justice portfolio. He has retained close ties to the family of Sani Abacha, the legendarily corrupt military leader (AC Vol 59 No 15).

FINANCE PROTÉGÉ

Zainab Ahmed (Kaduna, 59) – a protégé of Kaduna State governor and 2023 presidential hopeful Nasir El Rufai will probably keep the finance portfolio. She has been giving confident interviews on economic policy since Buhari's re-election but will not deviate from the strong naira and directed credit policy.

Long-time Buhari loyalists like former governor Ogbonnaya Onu (Anambra, 67), physician Osagie Ehanire (Edo, 73), and Hadi Sirika (Katsina, 55) stay on board. Ehanire's reappointment suggests that Buhari's relationship with former defence minister General Theophilus Yakubu Danjuma, who is married to Ehanire's sister Daisy, has improved since he opposed Buhari's 2019 re-election bid.

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Little-known ministers squeaking back into the cabinet include businessman **Muhammad Musa Bello** (Adamawa, 60) and former legislator **Mustapha Baba Shehuri** (Borno, 58).

Also re-emerging are former minister of Labour and ex-governor **Chris Ngige** (Anambra, 66), former minister of education **Adamu Adamu** (Bauchi, 63), and former minister of water and member of Buhari's extended family **Suleiman Adamu** (Jigawa, 56 – AC Vol 57 No 24).

All three performed poorly in their previous roles. Despite the deepening crisis in public health, Ngige remarked that talent-strapped Nigeria had a 'surplus' of medical doctors and that medical professionals should feel free to seek opportunities abroad.

A surprise re-appointment was seasoned international bureaucrat **Geoffrey Onyeama** (Enugu, 63) who had intimated to Western diplomats that he would not be retained, having struggled to exert leadership over the foreign ministry or build a close relationship with Buhari. Onyeama's friendship with **Abba Kyari**, the president's chief of staff, may have been a decisive factor.

UNEMPLOYED EX-GOVERNORS

Of the many former state governors on the ministerial list, three appear to have received nominations to ensure they remain 'politically relevant' – and useful assets of the ruling party – in their home states. **Rauf 'Ogbeni' Aregbesola** (Osun, 62) is a risky choice given that he nearly bankrupted his state during his stormy tenure.

Likewise, former governor and ex-senator **George Akume** (Benue, 65). A voluble and sociable wheeler-dealer, Akume will probably spend more time politicking in his home state than huddling with bureaucrats to develop policy.

Former governor and recently defeated senator **Godswill Akpabio** (Akwa Ibom, 56) is the most controversial nominee. During Akpabio's tenure as governor in Akwa Ibom, the level of corruption was 'exceptional', according to US diplomats

at the time. So was political violence.

The US State Department is now keeping a tally of politicians who use violence to fix elections. This week it announced that it had imposed 10-year visa bans on Nigerian officials involved in violence in this year's elections. We hear that at least one of Buhari's nominees is among them.

At least five future cabinet members have been nominated to assuage ruling party godfathers. These include: **Clement Agba** (Edo, 55), former environment commissioner under then-governor **Adams Oshiomole**, the current APC National Chairman; **Mohammed Hassan Abdullahi** (Nasarawa), a top state government official under former governor **Tanko Al Makura**, a staunch Buhari supporter; and **Saleh Maman** (Taraba), said to be backed by **Bola Tinubu**, the godfather of Lagos politics and a former state governor.

Also in this category are: **Olamilekan Adegbite** (Ogun, 57), commissioner of works under Ibikunle Amosun, the state's former governor who, despite quarrelling with APC powerbrokers, remains close to Buhari; and **Mohammed Maigari Dingyadi** (Sokoto, 66), a former federal legislator and political chameleon who shows strong loyalty to former governor **Aliyu Wamako**; the two are in-laws.

Mohammed Mahmoud Abubakar (Kaduna) – chairman of the corruption-prone Universal Basic Education Commission – is an El Rufai pick. A former state legislator, Mahmoud is said to 'love money to a fault', according to a senior official.

Buhari's nominee from Ekiti State – **Richard Adeniyi 'Niyi' Adebayo** – has both governing experience and political chops. The son of Nigeria's universally respected first indigenous army chief, the 61-year-old Adebayo served as governor of Ekiti from 1999 to 2003. A skilled lawyer with strong ties to Governor **Kayode Fayemi**, Adebayo could take any number of portfolios and perform well.

Abubakar D. Aliyu is another legacy appointment. He was appointed as deputy to governor (now senator) **Ibrahim Geidam** in 2009 following the sudden death of his brother, Governor **Mamman Ali**, in office. A career civil servant, Aliyu is an establishment figure from a state where government is the largest employer and one that voted heavily for Buhari in 2015 and 2019.

Several of Buhari's first-time nominees fall into his comfort zone: ageing northern elites. These include retired general **Bashir Salih Magashi** (Kano, 70) whose last stint in government was thirty years ago as military governor of Sokoto State during

General **Ibrahim Babangida's** regime. Magashi was also in Gen Abacha's 'kitchen cabinet' and commanded the Brigade of Guards.

Other quintessentially northern nominees include **Zubairu Dada** (Niger, 67), a retired ambassador to **Poland** and **Mozambique**; **Sadiya Umar Farouq** (Zamfara), the head of Nigeria's refugee resettlement agency; and **Sabo Nanono** (Kano, 73), a retired banker who – according to a Kano APC politician – represents the 'GRA cabal' (a reference to Government Reserved Areas, upscale colonial-era neighbourhoods) rather than the *talakawas* (common people) who are Buhari's base in the north.

Of the eight women nominated, three are battle-hardened politicians. **Gbemisola Saraki** (Kwara) is a scion of Kwara State's pre-eminent dynasty – and sometime rival to her brother, erstwhile Senate President **Bukola Saraki**, who suffered a shock electoral defeat this year. Gbemisola's ministerial slot is a reward for working against her brother's re-election.

Likewise, **Ramatu Tijani Aliyu** (Kogi, 49), who served as the ruling party's national women's leader, will probably get the Minister for Women Affairs job. Also joining the cabinet is former Plateau State deputy governor **Pauline Tallen**, who also served as a deputy science minister under Olusegun Obasanjo.

RUNNERS UP AND OTHERS

Having failed to win re-election to the senate, former chairman of the petroleum committee **Tayo Alasoadura** (Ondo, 70) has a ministerial nomination as consolation prize.

Former Senator **Adeleke Mamora** (Lagos, 66) – a Tinubu loyalist who insiders describe as 'washed up' in state politics – has been promoted from his sinecure running the National Inland Waterways Authority to a ministry. Another consolation prize goes to **Emeka Nwajiuba** (Imo, 51), a Buhari loyalist who was well-positioned to run against Tinubu ally **Femi Gbajabiamila** for Speaker of the House of Representatives, but stepped aside at the urging of party elders.

Three of Buhari's nominees have more media savvy than their counterparts. **Lai Mohammed** (Kwara, 67) – another ally of Tinubu's – could return as information minister or could be substituted with **Sunday Dare** (Oyo, 53), a veteran journalist and social media guru who ran Voice of America's Hausa Service for eight years.

Clever and articulate, Dare is also a Tinubu man, serving as his chief of staff from 2010 until his appointment as an executive commissioner at the Nigerian

Communications Commission in 2016.

Celebrity human rights lawyer **Festus Keyamo** (Delta, 49), communications director for Buhari's 2019 campaign, will also be an outspoken and colourful minister. Keyamo was nominated as a reward for his tireless campaigning (AC Vol 59 No 15). He may also help the APC consolidate support in Urhobo areas of PDP-controlled Delta State. There he will work with Deputy Senate President **Ovie Òmó-Agege**, and perennial governorship candidate **Great Ogboru** in this vote-rich area.

Three nominees – **Timipre Sylva** (Bayelsa, 55), **Goddy Jedy-Agba** (Cross River, 60), and **Uche Ogah** (Abia, 49) – owe their political and personal fortunes to crude oil. As state governor from 2007-2012, Sylva earned a reputation for corruption, cosyng up to militants and criminal gangs, and holding drug-fuelled parties in the governor's mansion. He rehabilitated

his career by astutely joining the APC at its inception in 2013.

Ogah is an oil tycoon who ran for governor in 2019 under the APC banner. President and CEO of Masters Energy, an indigenous oil company in which some industry experts suspect **Allison Madueke** – a retired admiral and husband of former petroleum minister **Diezani Allison-Madueke**, who faces multiple charges of grand corruption – has a stake. **Jedy-Agba**, former head of crude oil marketing at Nigeria's state oil company, worked closely with Diezani Allison-Madueke when she was minister.

MISSING IN ACTION

Notable omissions from the list include several key first-term ministers including interior minister **Abdulrahman Dambazau**, defence minister Brigadier General (rtd) **Mansur Dan-Ali** and agriculture minister **Audu Ogbah**. Dambazau struggled to build

political networks.

Although in charge of the police, immigration, and prisons service, the retired army chief was often excluded from high-level security discussions between the President and his security chiefs. The exclusion of **Emmanuel Ibe Kachikwu**, the flamboyant minister of state (deputy minister) for petroleum, was expected but will intensify demands that the president replace him with an appointee from the Niger Delta.

Given his party's clear control of the senate, Buhari's nominees expect swift confirmation hearings. It seems doubtful that this larger, more politically oriented cabinet will function better than its predecessor.

With expectations running low and no grand vision to implement, the cabinet's more ambitious members will be tempted to do less governing and more politicking ahead of the 2023 elections. ●

KENYA

A killing joke

A fake letter detailing an assassination plot against the Deputy President has widened the fault lines within the ruling elite

The political drama sparked by a fake letter to President **Uhuru Kenyatta** claiming that several cabinet ministers from his Mount Kenya homeland had been plotting to kill Deputy President **William Ruto** provides yet more evidence of the fragility and fractiousness of his government. It has widened the political rift, but not yet led to a rupture, between Ruto's Kalenjin following in the Rift Valley and their erstwhile Kikuyu allies, some of whose leaders prefer a new alliance with one-time opposition leader **Raila Odinga** and his Orange Democratic Movement.

But the dismissal of Finance Minister **Henry Rotich** (a Kalenjin), following the corruption charges filed against him on 22 July regarding the CMC Di Ravenna dams project may lead to that rupture, so incensed are most Kalenjin leaders with Kenyatta and Odinga, whose anti-corruption drive in their view unfairly targets Kalenjin in public office (AC Vol 60 No 14 – see Box).

After receiving the letter at his office, Ruto rushed to State House to see Kenyatta and ask him what he knew of the apparent conspiracy. The President immediately called the director of the Criminal Investigations Department (CID), **George Maingi Kinoti**, and asked him to liaise with the head of

the National Intelligence Service (NIS), **Philip Wachira Kameru**. To calm Ruto's nerves – both Kinoti and Kameru are Mount Kenya/Meru – Kenyatta instructed the sleuths to work with the Nairobi-resident staff of the **United States Federal Bureau of Investigation**. Within days the FBI were able to trace the letter to a close confidant of both Uhuru and Ruto, 34-year-old **Dennis Ole Itumbi**.

'DAREDEVIL'

Itumbi was charged on 22 July. Insiders say Itumbi's actions reflect the daredevil approach to official life which many of Kenyatta's trusted lieutenants often take, confident in the knowledge that they will get away with it, give or take an angry reprimand from the President followed by no retribution, and soon a shared reconciliation drink. After drafting the bizarre letter and delivering it to Ruto, he posted it anonymously online.

Itumbi 'leaked' the letter to the *Tanga Tanga* group of Ruto-supporting Kalenjin and Kikuyu MPs so as to alienate them even more from the Uhuru/Raila-supporting Kieleweke faction, which boasts financial and security support from top securocrat **Karanja Kibicho**. Kibicho is an anti-Ruto Kikuyu who

is the Interior Principal Secretary of internal security. Itumbi blames Kibicho for recommending that he be stopped from operating from State House, and near Uhuru, in 2018. He also knows how much Ruto dislikes Kibicho and his Kieleweke friends. Itumbi apparently assumed the letter would reunite Uhuru and Ruto against Kibicho and bring him in from the cold as the super cyber-spook he always claimed to be. Instead, the FBI cracked his personal phone and the cyber-café computer he had used to make his play.

The fake letter claimed that a group of Mount Kenya cabinet ministers had been meeting Kibicho at La Mada Hotel, close to the NIS headquarters in northern Nairobi, to plot the elimination of Ruto.

The ministers Itumbi was framing – **Peter Munya** (Trade and Industry), **Sicily Kariuki** (Health), **Joseph Mucheru** (ICT) and **James Macharia** (Transport) – have indeed been meeting at La Mada, but on Kenyatta's authority. They were tasked with drawing up a list of development projects that the President could launch in the Mount Kenya region to shore up the popularity he has lost there since his 'handshake' with Odinga in March 2018 (AC Vol 59 No 6).

Yet, with Rotich and his Principal Secretary **Kamau Thugge** out of the Treasury, funding for these projects may become trickier. Both men were well regarded by external donors.

Also, Ruto's political supporters among the Kalenjin, led by Senators **Kipchumba Murkomen** and **Aaron Cheruyot**, and among the Bukusu branch of the Luhya, under Sirisia MP **John Waluke**, persist in believing a

DAMS – THE CONSEQUENCES

Whatever happens now, the arrest and charging of Finance Minister **Henry Rotich**, his Permanent Secretary **Kamau Thugge** and 24 more government officials marks a historic landmark in President **Uhuru Kenyatta's** campaign against corruption, which he sees as a major legacy of his time in office (AC Vol 59 No 19). The charges concern the award of tenders totalling US\$456 million for the Kimwarer and Aror dams in the mainly Kalenjin Elgeyo Marakwet County to the **Italian** company **CMC di Ravenna** following a deal between Kenyatta and Italy's then Prime Minister **Matteo Renzi** (AC Vol 60 No 14).

The charges came as a shock to many who are familiar with Kenya's financial sector. The two men had worked amicably with Kenyatta when he was Minister of Finance in ex-President **Mwai Kibaki's** government and also after he became President. The Harvard-trained Rotich and Thugge, a Johns Hopkins University-trained economist on secondment to Kenya from the IMF, are highly regarded. Both had just returned from the successful mobilisation of a \$2.1 billion Eurobond. The announcement led to a drop in the demand for local government bonds, a decline in stock market transactions, and a depreciation of the Kenyan shilling. It means major disruption in the finance ministry.

Most of the officials facing prosecution were involved in procurement, particularly in the Kerio Valley Development Authority. Given how the Kenya courts work, however, it might be years before the cases are heard. ●

genuine assassination plot against Ruto was being hatched at La Mada. The arrest of Itumbi, they say, is designed to cover it up. Some parliamentarians from the now only-nominal-opposition Orange Democratic Movement (ODM) accused Ruto of forging the letter himself in order to attract public sympathy in order to shore up his own flagging political fortunes, and may still hold that view.

For all his maverick behaviour, Itumbi has long been invaluable to Kenyatta and Ruto. In March 2012, the then chief prosecutor at the International Criminal Court, **Luis Moreno Ocampo**, wrote to Kenya's attorney general, **Githu Muigai**, demanding the

prosecution of Itumbi for hacking 'the email account of a person of interest to the prosecution' and obtaining the full list of witnesses the ICC had lined up to testify against Kenyatta and Ruto. The two were accused of committing crimes against humanity during the post-election violence of 2008 (AC Vol 53 No 8). Some well-informed Kenyans believe the account hacked was that of Ocampo himself.

Soon, the list of witnesses began to appear on a website called Jackal News. Some of the witnesses recanted after being paid off, others disappeared and have never been heard from. Itumbi was arrested and then quickly released 'for want of evidence'. From this point on,

the case against Kenyatta and Ruto was as good as dead. The abrasive computer geek who had wormed his way into the 'Uhuruto' election campaign from nowhere had become a regime asset.

Itumbi has been the Secretary of Innovation, Digital and Diaspora Communications in the Office of the President since President Kenyatta assumed office in 2013 and was based at State House until July 2018 when his office was relocated to the Harambee Annex building, which also houses Ruto's office. His mouthful of a title simply means 'social media chief and official blogger at the president's office' and in that capacity he has repeatedly stepped on the toes of top politicians. But he always emerged unscathed thanks to his close connections to the President and his deputy. His loyalty to both was unquestionable. So are his e-propaganda skills.

ANTI-SOCIAL MEDIA

Throughout the Jubilee government's first term, Itumbi repeatedly defied **Manoah Esipisu** (now Kenya's ambassador to the **United Kingdom**) who was the head of the press and communications at State House, issuing unauthorised statements on social media against Uhuruto's opponents. Earlier this year he had apologise after tweeting an image of Ruto's wife **Rachel** distributing relief to the hungry in Turkana, a photo which in fact dated from 2014.

Itumbi's trial is unlikely to draw a line under the saga, and after 18 months of peace the fragility of the 'handshake' accord with the opposition has been exposed. ●

SOUTH AFRICA

Zuma blusters at Zondo

The former President failed to convince at the state capture commission, but Ramaphosa took hits from another quarter

The African National Congress breathed a collective sigh of relief – party insiders said – when the questioning of former President **Jacob Zuma**, who is facing multiple corruption allegations, was halted after he reached a behind-the-scenes deal with the presiding judge. Deputy Chief Justice **Raymond Zondo**, leading the 'state capture' commission, agreed Zuma could return at a future date and give answers to a set of written questions.

The increasingly vicious war between opposing ANC factions has

reached new heights after Zuma testified at the commission and Zuma-appointed Public Protector **Busisiwe Mkhwebane** ruled that President **Cyril Ramaphosa** deliberately misled Parliament about contributions to his 2017 election campaign funds and engaged in money laundering (AC Vol 60 No 12).

Ramaphosa reacted to the ruling by seeking an urgent application to the courts to review Mkhwebane's decision, the latest in a series of rulings targeting key Ramaphosa allies such

as Public Enterprises Minister **Pravin Gordhan**. However, the law governing the Public Protector means the courts cannot review her findings; they may only adjudicate on the legal processes followed to reach them.

There is also a view in legal circles that the remit of the Zondo Commission is too narrow and needs to be widened but, as Chief Justice **Mogoeng Mogoeng** has pointed out, the President is the only person who is empowered to change the commission mandate (AC Vol 59 No 3).

The Public Protector has also called on parliament to take action against the President over his campaign funds and ordered him to disclose the names of all the external donors to his leadership campaign which ended in him winning the ANC presidential election in December 2017.

The opposition Democratic Alliance leader **Mmusi Maimane** came out in support of the Public Protector's finding

despite the fact that the DA has called for her to be removed from her post for incompetence. He said the President must be seen to be subject to the law and if money laundering had occurred he should be charged.

'APARTHEID AGENTS'

After three days of contradictory evidence to the Commission, obfuscation, bluster and claims of domestic and international plots to kill him, Zuma succeeded in diverting attention from his central role in so-called 'state capture' by branding some of his detractors as 'apartheid agents' and implying he has the names of many more. There was little surprise that, under questioning, Zuma claimed not to recall certain key events around the alleged corruption episodes, while digressing frequently to recall details of the liberation struggle four decades ago. He also implied that if he was guilty of corruption then his predecessors as president must have been also.

'Time has revealed how adept Zuma was at posing as the innocent victim of an odious conspiracy,' wrote former ANC Intelligence Minister and struggle veteran **Ronnie Kasrils**, who served under both Zuma and former President **Thabo Mbeki**, in his book on Zuma (AC Vol 57 No 8).

Jeremy Cronin, another ANC veteran, former deputy minister and member of the Politburo of the South African Communist Party (SACP), recalled that Zuma had played a leading role in the detention in exile of senior ANC operative **Thami Zulu**

(aka **Mzwakhe Ngwenya**), who was contesting a position that Zuma coveted. Zuma was also instrumental in denying him access to senior members of the military wing (AC Vol 48 No 19). Zulu died days after emerging from a harrowing incarceration by ANC security. It was suspected that he was poisoned.

'At least from the late 1980s there was a general perception within the ANC leadership that Zuma was an unsuitable person to be entrusted with security and intelligence-related activity,' Cronin said.

When he returned from exile in 1990, Zuma was relieved of his senior intelligence job by **Nelson Mandela** and veteran ANC heavyweight **Joe Nhlanhla** took charge of intelligence during and after the democracy negotiations.

In a recent article, Cronin appealed to his ANC and SACP colleagues not to be distracted by Zuma's tactics and to keep their focus trained on his alleged involvement in corruption and state capture.

Some former ANC exiles who served in camps in **Angola** and **Tanzania** have come around to believing a long-held conspiracy theory in ANC circles that Zuma himself was the most senior apartheid agent who used collaboration with the authorities to cause confusion in ANC ranks and smear his own enemies to advance his own position in the organisation, and ultimately to lead it.

Patric Tariq Mellet, a former exile

who as a youth did service at ANC headquarters in Lusaka, **Zambia**, said that the list of alleged spies which Zuma waved at the Zondo Commission to demonstrate his power but did not disclose, was a fake intelligence dossier drawn up by the South African Security Police during the apartheid era. Others say that this story is an example of precisely the tactic that Zuma has so often used to his own advantage.

DEFLECTIONS

While the Zondo Commission attempts to return the focus of the commission to state capture and corruption, Zuma appears to have sown confusion and fear in the ANC and bolstered morale among his supporters in the party. They now have some arguments, however implausible, with which to deflect the accusations against him.

Some observers believe the Commission was wise to require Zuma to answer written questions and return at a later date, as this would restrict his opportunities for creating distractions when giving evidence in person and failures to answer would be more obvious.

His attempt to walk out of the commission after two days of questions, claiming that he was being cross-examined, was quickly reversed when he realised that he would be the loser because the mandate of the commission is to produce a credible version of the truth and not to convict anyone. That will come later. ●

SUDAN

The Egypt model isn't working

As negotiations for the transition stretch out, activists are blocking plans for a born-again junta

Backed by money and guns from allies in the Gulf and Cairo, the ruling generals in Khartoum had hoped by now to have consolidated a new regime, complete with co-opted civilians, four months after the overthrow of President **Omer el Beshir**. After using the mass demonstrations as a pretext to topple a widely hated leader, they are trying to foster divisions among the civilian protestors to impose a born-again junta.

Having postured as supporters of the protestors camped outside the military headquarters in Khartoum, the generals on the Transition Military Council dug in, alternately offering to negotiate a

transition to civil rule, and then using extreme violence to break the will of the pro-democracy movement.

Their plan was to divide the civilian dissidents enough to persuade a faction to peel off and accept jobs in a hybrid regime under the thumb of the military. It would block the activists' demands for political and economic reforms, allowing the emergence of a military politician who could win the presidency in rigged elections.

Sudanese draw analogies with the election – widely believed to be rigged – of President **Abdel Fattah el Sisi** in **Egypt** a year after he seized power in 2013. Many believe that will be the most

likely outcome of the current political machinations. But it has not come to pass, despite the generals' best efforts.

That is partly because of the deep divisions in the security system between the army, the armed intelligence units and the myriad militias. The courage and discipline of the pro-democracy activists backing the Sudan Professionals' Association and the alliance known as the Declaration for Freedom and Change Forces (DFCF) have also been vital in thwarting the generals' scheme.

Yet divisions are growing, between the activists, the career politicians and some of opposition armed groups. The last month has tested the alliance to the limit as frustration mounts among grassroots activists over the failure of their representatives to extract more concessions from the generals.

The opposition's twin track of street demonstrations and formal negotiations has complicated the military's tactics. The wave of protests in Khartoum, Madani, Port Sudan, Atbara, the Darfur

A VOTE FOR THE GUN

Questions raised by the opposition's armed groups over the negotiations between the pro-democracy groups and the ruling generals in Khartoum could scupper any deal on an interim government. It would also bolster Khartoum's Transitional Military Council which has been trying to drive a wedge between the armed opposition groups and their civilian counterparts.

After the overthrow of President **Omer el Beshir** on 11 April, opposition armed groups and the junta declared a ceasefire while talks on a new dispensation continued. Until a delegation from the pro-democracy alliance, Declaration for Freedom and Change Forces (DFCF), flew to Addis Ababa on 8 July to meet the opposition armed groups, the pro-democracy groups hadn't tried to coordinate strategy. There, the DFCF opened talks with those armed groups under the umbrella of the Sudanese Revolutionary Forces (SRF) including:

- Sudanese Liberation Movement-Minni Minnawi (SLM-MM) led by **Minni Arkou Minnawi** (AC Vol 58 No 1)
- Justice and Equality Movement (JEM) led by **Gibreel Ibrahim Mohamed**
- Sudanese People's Liberation Movement-North (part of the Sudan Call) led by **Malik Agar** (AC Vol 60 No 10)

The TMC has opened talks with JEM and the SLM-MM, and in so doing may be weakening plans for a united opposition front. Minnawi, demanding 35% representation for the armed groups in the transitional government, has taken his group out of the opposition alliance and then changed his mind again.

Now, DFCF negotiators in Addis, led by **Omar el-Digeir, Siddiq Yousef and Taha Osman**, want to win agreement for clauses on ending the conflict in Sudan and peace agreements in the contested regions, all to be written into the political accord and constitutional declaration. The slow progress on these complex issues in Addis triggered the opposition's suspension of talks with the generals in Khartoum over a constitutional declaration due on 19 July. ●

states, and Kassala on 30 June surprised the leader of the Transitional Military Council (TMC) Lieutenant-General **Abdel Fattah Abdelrahman Burhan**, and his deputy **Mohamed Hamdan Dagalo** (aka **Hemeti**), commander of the Rapid Support Forces.

Despite his serial denials and obfuscations, Dagalo is widely held responsible for the massacre of over 120 protestors in Khartoum on 3 June when RSF fighters together with armed units of the National Intelligence and Security Services stormed the sit-in outside the ministry of defence.

Belatedly, European Union governments have suspended the cooperation agreement on migration, known as the Khartoum process, in which the main Sudanese interlocutor was Dagalo. However, **Saudi Arabia** and the **United Arab Emirates** still regard Dagalo as their point man in Khartoum, although Egypt's generals are more sceptical about the provincial militia leader's reliability.

Pressure from Sudan's diaspora and the circulation of graphic footage showing soldiers shooting, beating and drowning protestors triggered statements from the Troika – **Britain, Norway** and the **United States** – in support of peaceful protests.

A meeting in Saudi Arabia on 30 June between **Donald Booth**, US special envoy on Sudan, and **Ahmed bin Abdulaziz Qattan**, Riyadh's minister for

African Affairs, may also have changed the Khartoum junta's calculus (AC Vol 58 No 5). At least it prompted the generals to return to negotiations after pushing the option of a 100% military regime. US Deputy Assistant Secretary of State **Makila James** insisted that such a regime would not get US recognition.

Six days later, Dagalo was announcing a new power-sharing deal with civilians to reporters at Corinthia Hotel in Khartoum. At its apex, the new government, with three tiers, would have a National Sovereignty Council: five military members and five civilians, and an eleventh member who would act as chair and alternate between the military (the first 21 months) and civilians (the next 19 months).

On the Council of Ministers, civilians would have the majority of posts but the military want to control all security portfolios, including the interior ministry, police and defence.

The Legislative Council, which is to craft a new constitution, judicial and electoral reforms, would have over 130 members. The DFCF insists on its right to nominate two-thirds of this council but a final decision has been delayed for another three months.

Two considerations dominate the military's tactics: how to cobble together a transitional arrangement which gives it veto powers and can block the emergence of popularly-elected civilian reformer. Specifically,

the military wants immunity for human rights abuses dating back two decades in Darfur, Blue Nile, Kordofan and the Nuba Mountains, as well as atrocities against protestors this year.

The military's negotiators want the sovereignty council to have functional powers such as the right to declare war and to pass an immunity clause. Under the guise of a technical dispute over translations the military tried, unsuccessfully, to sneak an immunity clause into the terms of reference for the sovereignty council.

'DEEP STATE'

Despite its public statements about abolishing Sudan's 'Deep State', the TMC wants to restructure and strengthen the security services, including their vast economic holdings, and, most of all, keep them far from civilian oversight. Winning some international approbation and continuing financial backing from the Gulf could help the junta re-float Sudan's economy.

Their plan, according to Beshir's former advisors, is for a soft-landing approach, first tried in 2014 when Khartoum opened a dialogue with opposition parties designed to get the US to lift sanctions and remove the regime from Washington's list of state sponsors of terrorism (AC Vol 56 No 4).

Those talks are on hold, at least until the TMC has agreed to some form of power-sharing transition. That is where the civilians' bargaining power comes in. The political accord signed between the generals and the civilians on 15 July was heralded as a breakthrough by **Ethiopia's mediator Mahmoud Dirir**.

Yet grassroots activists in the resistance committees across Sudan, as well as the opposition armed groups (see Box) argued the accord made far too many concessions. They also opposed the signing of a constitutional declaration on 19 July, which would have enshrined the political accord in the transitional arrangements.

A third meeting of the International Partners group on Sudan at the EU in Brussels, attended by the Troika powers, the African Union, Ethiopia, Egypt, Saudi Arabia, as well as **Qatar**, concluded on 22 July with a call for both sides to agree the constitutional declaration as soon as possible.

Stretching out the negotiations suits the TMC best, as it hopes the pro-democracy groups will splinter. For its part, DFCF has to combine diplomatic pressures and street protests as it steps up its constitutional demands and brings the opposition armed groups on side. How the pro-democracy negotiators manage this critical stage will shape Sudan's future for many years. ●

SAHEL/FRANCE

Paris's terror dilemma

France needs solutions, and fast. It can't go all out against the Sahel's jihadists, but neither can it just fold its tents and go home

Over recent days President Emmanuel Macron and key advisers have been reviewing the French engagement in the Sahel amid increasingly vocal criticism of the *Opération Barkhane* military campaign and rumblings of concern – even among the generals. Despite having ‘neutralised’ more than 600 jihadist militants, the 4,500 *Barkhane* troops deployed across the region from Mali to Chad have been unable to deliver peace and security. Indeed, the violence has got much worse – in central Mali and, latterly, Burkina Faso (AC Vol 60 Nos 2, 4 & 11).

Paris sources say senior commanders are ‘in despair’ over the lack of progress. ‘Our policy is hitting a wall’ the prominent recently retired French general and international security consultant Bruno Clément-Bollée says. France and its international partners have made a ‘grave error’, he adds.

Yet, practical suggestions for a new approach are thin on the ground and some of the criticisms are full of self-contradiction. Clément-Bollée backs a Malian business proposal for economic development ‘corridors’ between Sahelian capital cities. It’s seen as a worthwhile idea that could address the question of social deprivation and exclusion, but it does not look like nearly enough to deal with today’s urgent crisis.

RETHINK

Macron and the architects of his West Africa strategy recognise the need for a serious adjustment in approach and they are believed to have gone into conclave last week to try to rethink the situation comprehensively.

A major withdrawal of *Barkhane* forces is not on the cards. The President has promised Sahelian allies that *Barkhane* will stay until jihadist groups are under control. Yet, Paris’s commitment cannot be open-ended.

French policymakers and independent analysts appear agreed on the need for both more emphasis on economic development in the region, and for a new security approach tailored to the very different conditions prevailing in the much more populated regions of central Mali, rural Burkina Faso and south-west Niger that are now

suffering the worst of the violence (AC Vol 60 No 8).

When *Barkhane* began in 2014, as an extension of the previous year’s *Opération Serval* that had ended jihadist occupation of towns across northern Mali, it deployed armoured vehicles, helicopters, surveillance drones and air force jets to search and destroy Islamist militant bands in the Sahara between the Niger river and Mali’s borders with Algeria and north-west Niger.

This prevented the radicals from re-establishing areas of permanent control – and thus created space for the non-jihadist political armed groups such as the *Coordination des Mouvements de l’Azawad* (CMA) and *Groupe d’auto-défense touareg Imghad et allies* (Gatia) to slowly engage in the peace process and local politics (AC Vol 58 No 7).

But over the past four years the security landscape has evolved. Shunning open battle, the militants have increasingly opted for low-profile ‘asymmetric’ tactics – roadside bomb attacks on the UN’s *Mission multidimensionnelle intégrée des Nations unies pour la stabilisation au Mali* (Minusma) peacekeeping force and assassination attempts on Malian government officials, to disrupt efforts to restore state administration and basic services.

Moreover, much more widespread violence has developed in more populated areas, as inter-communal grievances overlap with jihadism in central Mali, and militant attacks on isolated garrisons intimidate the national security forces across large tracts of northern Burkina and even Western Niger. Many police and gendarmerie posts in the Niger river valley have been abandoned and more recently there was even an attack on a checkpoint at the northern entrance to Niamey.

ALIENATING

In this new context France has been trying to work out how it can help the beleaguered Sahelian governments restore security without pursuing an excessively heavy-handed approach that would risk alienating already sceptical local populations or delegitimising what remains of fragile local state structures. Some politicians have encouraged anti-

French rhetoric in the urban areas and want them to leave, even though the evidence that the national armies can beat the Islamists in battle is lacking.

Much hope had once been vested in the G5 Sahel joint force (AC Vol 59 No 14 & No 25). But this still faces a shortage of resources, command failings, a lack of buy-in from several local governments, and it cannot assume the task on its own. The credibility of the Malian army, the *Forces de défense et de sécurité du Mali* (FAMA), for example, has been weakened by evidence that some of its elements connived with the Dogon militia *Dan Na Ambassagou*, which is suspected of massacring some 160 Peuhl (or Fulani) villagers at Ogossagou in March (AC Vol 60 No 13).

New Malian Prime Minister Boubou Cissé has managed to draw some opposition figures into his government to help tackle the national emergency and he has been visiting the troubled central regions. Peuhl and Dogon groups have begun talking to each other. Yet much of the Bamako political class remains more preoccupied with partisan preparations for the legislative elections, now postponed to mid-2020, than the crisis in the middle region and the north.

STRATEGIC SHIFT

So, in the meantime, the French military has opted to press ahead with a strategic shift. They have deployed in the Gourma region south of the Niger river, and established a new base at Gossi, 150 kilometres west of Gao, with the aim of disrupting local jihadist groups and providing security cover for the restoration of government services (AC Vol 58 No 11).

Regular French army units will now focus on ‘hearts and minds’ local development projects, health services and so on, while Special Forces are left to take the fight to the jihadists.

To free up resources for this deployment, all French troops have been withdrawn from the Madama base in northern Niger, where Nigérien forces based at this ‘Beau Geste’ desert fort will remain to keep a watch on the Libya border. At Niamey’s request, *Barkhane* has also begun to actively help the Nigérien army, rather than just using the country as a support base for its Mali operations (AC Vol 59 No 8).

Meanwhile, the armed forces minister, Florence Parly, has outlined a scheme for Special Forces from France and other European Union states to mentor Sahelian army units and accompany them on active combat operations. This is a natural follow-on from the widening out of the EU Training Mission that has been working

with the FAMA.

France hopes to see more help from its European allies. It will particularly welcome the **United Kingdom's** decision to deploy troops to Minusma next year, to take over the advance reconnaissance work so far carried out by **Swedish** and **Dutch** troops. And in a gesture of goodwill the UK has also confirmed that it will continue to support *Barkhane* with three Chinook transport helicopters until at least June next year.

Beyond these military concerns, Macron is continuing to press forward with the development agenda that he regards as equally important. On 13 July, in partnership with **German** Chancellor **Angela Merkel** and the outgoing EU foreign policy chief **Federica Mogherini**, he launched the 'Alliance Sahel', which aims to improve coordination between member donors – 12 of them so far – in funding €9 billion worth of projects. The *Agence Française de Développement* official aid agency

contribution is €1.6bn.

Development in the Sahel will be a major theme of the G7 summit in Biarritz on 24-26 August, to which Macron has invited Burkina's President **Roch Marc Christian Kaboré**, as current chair of the G5, and other African presidents: **Senegal's Macky Sall**, **Rwanda's Paul Kagame**, **South Africa's Cyril Ramaphosa**, the current African Union chair **Abdel Fattah el Sisi**, and the AU commission chief **Moussa Faki Mahamat**. ●

CONGO-BRAZZAVILLE

Fund falls for Sassou

The IMF sees the country as a test case for African nations which borrowed heavily from China. It is being lenient

President **Denis Sassou-Nguesso** appears, again, to have secured victory over the International Monetary Fund, obtaining an urgently needed bail-out in exchange for promises that he has made and broken many times over the previous two decades.

The IMF announced on 11 July that it will disburse US\$448.6 million over three years in exchange for greater 'transparency' of its public accounts, particularly its oil sector revenues.

The two-year bail-out talks were a stop-start affair, recovering from a low point in 2017, when Sassou's government claimed that its debt burden was 77% of GDP (AC Vol 58 No 19). The true figure for 2017 was eventually declared at 119% of economic output.

Back then it seemed like the Fund had tired of the government's repeated obfuscations. But the 75-year-old President now appears to have secured victory on all fronts: a restructuring of Congo-B's debts to **China**, the IMF facility, and the promise of increased investment from the African Development Bank (AfDB).

Stung into action when the IMF threatened to pull the plug on the talks in summer 2017, Sassou has left little to chance.

In July 2018, he hired veteran **Israeli** intelligence operative and former **Robert Mugabe** lobbyist, **Ari Ben-Menashe**, on a \$2m retainer to lobby the Fund at its **United States** headquarters (AC Vol 59 No 16). In March this year, former IMF Managing Director **Dominique Strauss-Kahn** was flown in to advise the finance ministry, and spend time in the President's home

town of Oyo after Sassou's lead debt adviser, **Lucien Ebata**, was fired as 'special advisor on foreign funding'.

Paris-based *Lazard Frères* and US-based lawyers *Cleary Gottlieb*, veterans of previous debt-related lawsuits filed against the Sassou regime, have also been on the case.

In May, AfDB President **Akinwumi Adesina** made major new AfDB commitments on a visit to Oyo, which is represented in Parliament by Sassou's son **Denis Christel 'Kiki'**, while expressing his 'great confidence in [the president's] leadership and the excellent work and efforts of the government'. The AfDB plans to substantially increase its development assistance to the country, from \$290m to \$1.7 billion, Adesina said.

SPENDING CURBED

To persuade the IMF, the government has had to dramatically rein in public spending, despite a weak economy, turning a fiscal deficit of 7.4% of GDP in 2017, into a surplus of 6.8% in 2018. That, in turn, has persuaded the Fund that Congo-B's debt burden fell to 91% by the end of 2018. In late April it also cut a debt deal with China which holds one third of Congo-B's external debt, worth around 1.48 trillion CFA francs (\$2.56bn) at the end of March.

Under the terms of the restructuring deal, the repayment of CFA 944bn (\$1.7bn) will be extended by 15 years. Congo-B, however, must pay off a third of that amount by the end of 2021 and China will not take a haircut on any of the debt.

'There is a substantial reduction in the amount of debt service that

would have been required during the programme period,' said **Alex Segura**, IMF mission chief for Congo-B.

But its leverage to force Sassou to restructure Congo-B's debts with commodities giants *Glencore* and *Trafigura*, who advanced loans in return for crude, looks limited. The Fund says it is 'advising' the government on the matter, but if it was a priority, the Fund would have forced the government to restructure the debts before agreeing the bailout, say analysts.

The Fund's economic forecasts and expectations of oil sector reform also look unhealthily optimistic.

It has forecast economic growth of 5.4% in 2019, largely based on a continued rebound in oil revenues, though that seems optimistic for a country which recorded just under 2% growth in 2018, after a prolonged period of recession since 2015. Congo-B, itself, has projected 1.2% growth in 2019.

Meanwhile, in a working paper published in April, the Fund reported that 'depending on the magnitude of the reforms adopted, growth could increase by up to 0.8 to 1.8% per year over the next 10 years, and debt could decline by 2.25 to 3% of GDP every year over the same period.'

It added that 'improvements in oil sector governance alone account for around 10% of the increase in growth and one-third of the reduction in public debt.'

The government has prepared three laws tackling corruption and set up an anti-corruption commission with investigative powers and to introduce asset declaration requirements for senior political figures. The IMF has also trumpeted the fact that the Sassou regime has promised to submit reports on pre-financing contracts concluded by the national oil companies, and deals to finance infrastructure through in-kind payments from oil revenues.

Global Witness described the bailout as a 'concerning case of institutional amnesia', and, on the face of it, it is hard to understand why the Fund

would put its faith in Sassou delivering on new promises to reform governance of the oil sector. GW analysts say that the IMF views Congo-B, one of sub-Saharan Africa's smaller economies, as a test case for African countries that borrowed large chunks of money from China and are now facing debt distress. Besides, not giving the money would denude the IMF of what remains of its influence over Sassou, and its status as a lender of last resort.

Yet the Fund's officials know only too well that corruption and mismanagement of the country's natural resources have been a key factor in its recurrent debt problems, compounded by the national oil company's practice of contracting oil-backed loans from commodity traders. Sassou has played this game before, securing full debt cancellation under the Heavily Indebted Poor Countries initiative a decade ago, only to ramp up new debts via opaque oil-sector deals

that have enriched the Sassou family but left Congo-B one of sub-Saharan Africa's poorest countries (AC Vol 51 No 5).

'I think they've [the Sassou government] learned their lesson as to the costs of these kinds of practices,' Segura said, on the signing of the bail-out agreement.

Others believe that the IMF is having to soften conditionality in the face of Chinese loans. ●

CONGO-KINSHASA

Kasaï peace at risk

An ambitious provincial governor's new appointments and initiatives threaten to anger armed militants now on a ceasefire

Violence engulfed Kasaï Central Province between 2016 and 2018, when the anti-government *Kamuina Nsapu* militia – aggrieved about the murder of their traditional leader by the *Forces armées de la République Démocratique du Congo* (FARDC, the national army) – fought a bloody conflict against both the army and rival ethnic militias. There were thousands of casualties, hundreds of thousands displaced and widespread economic carnage (AC Vol 59 No 17).

That unrest has subsided and the international attention it generated has waned. But **Martin Kabuya Mulamba Kabitanga**, the new governor of Kasaï Central, is playing a dangerous game. Having courted the *Kamuina Nsapu* during his election campaign, Kabuya, who is from the Dibaya territory where the conflict began, is now distancing himself, to their growing dismay.

Thousands of *Kamuina Nsapu* combatants declared a ceasefire following the election of **Félix Tshisekedi**, a fellow Luba-speaker from Kasaï, as President. However, most have not disarmed and their leaders say they will 'remain vigilant' until they are sure that Tshisekedi's position is secure. **Alexis Thambwe Mwamba**, a member of former President **Joseph Kabila's** *Front commun pour le Congo* (FCC) coalition, is likely to be elected President of the national senate. This has deeply alarmed *Kamuina Nsapu* leaders, who point out that, if elected, Mwamba will be in line to inherit the presidency if ever the FCC-dominated *Assemblée Nationale* should vote to remove Tshisekedi from office or if he became incapacitated or died (AC Vol 60 Nos 6 & 12).

Governor Kabuya is supported strongly by **André-Claudel Lubaya** and

Delly Sesanga, two prominent National Assembly deputies from Kasaï Central who are part of the Lamuka grouping, which is in turn part of **Moïse Katumbi's** *Ensemble pour le changement* coalition. The new President of the provincial assembly, **Patrice-Aimé Sesanga**, is Sesanga's father. Three members of Kabuya's eight-strong cabinet are from Lamuka; another minister is from Vital Kamerhe's *Union pour la nation congolaise* (UNC) and a fifth, **Tharcisse Kabatusuila Mbuyamba**, from Tshisekedi's *Union pour la démocratie et le progrès social*. However, the UDPS in Kasaï Central has denounced Kabatusuila's appointment, saying it was made without consulting the local party. And **Blandard Tshimbombo**, the UDPS federal President in Kananga, the provincial capital, claims that the party has expelled him.

PPRD PLOT

Kabila's *Parti du peuple pour la reconstruction et la démocratie* miraculously secured 12 seats in the 33-strong provincial assembly though over 90% of voters chose Tshisekedi in the presidential election. Fraud is assumed to have taken place, as it did in many other provinces. Yet, the PPRD is furious that it has been excluded from Kabuya's government and is preparing to take revenge. The party is exploring the possibility of teaming up with the UDPS, which has nine seats in the Kasaï Central assembly, to unseat Kabuya and his entire cabinet in a motion of censure when the provincial parliament sits in September. The PPRD intends to propose that, should its scheme succeed, the next governor should be from the UDPS while it takes the vice-governor position.

Meanwhile, Kabuya is busy creating further enemies with his brash style of leadership. Late last month, he ordered an increase in taxes on motorbike taxis, to furious protests by the Kananga taxi drivers' association. Kabuya has also ordered the removal of numerous medical personnel and teachers across the province, saying they have been in their posts for too long. They have been replaced with newcomers who in many cases, observers say, are of doubtful competence and are assumed to be patronage beneficiaries.

Eager to gain control of provincial finances, Kabuya has sacked the head of the *Direction générale des recettes de Kasaï Central*, the revenue authority for Kasaï Central. After inviting them to a meeting at the Governor's office, he also had the DGRKAC second-in-command and several other managers arrested and detained. The fiscal flow from Kinshasa, known as retrocession, has apparently much improved this year, yet there have been complaints about unpaid salaries.

Residents of Kananga complain that they have seen no evidence so far of promised infrastructural improvements, while Kabuya has announced plans for a smart new, seven-storey Governor's office, saying it was 'unacceptable' that he should work from the more modest, colonial-era edifice.

With the end of the conflict, there has also been a welcome reduction in the number of barriers on roads into the city manned by kleptocratic soldiers, thanks to a recent visit to the province by FARDC General **Gabriel Amisi Kumba** (aka Tango-Four). Yet local traders say there is still very little money in circulation and business remains desperately poor. The situation is exacerbated, they say, by the winding down of emergency assistance from humanitarian agencies to Kasaï Central – made necessary by the disruption to agriculture caused by the *Kamuina Nsapu* insurgency.

Encouragingly, aid workers in Kananga say that many formerly displaced people in the province have

returned to the fields and resumed growing crops. A big new challenge, however, is the return of hundreds of thousands of Kasaians expelled from Angola's diamond fields in recent months. In the process, many have been robbed of everything they own and are now lodging with host families. Humanitarian agency assistance to these families is very thinly stretched and Governor Kabuya, it seems, has other things on his mind.

Maize traders from Mweka in neighbouring Kasai Province are up

in arms at a recent order from Kabuya that 40 tonnes of maize en route to Mwene-Ditu in Lomami Province via Kananga should remain in the city. The Governor's justification was the shortage of maize in the province. The *Société Nationale des Chemins de fer du Congo*, the national rail company, has reluctantly complied and the maize is stuck at Kananga railway station, but the SNCC management says the order is not legal unless it comes from the *Procureur Général*, the national equivalent of Attorney General. Governor Kabuya

has requested that the *Procureur* do just that, but the process could take months, and in the meantime the maize will sit, rotting slowly.

GAMBLE

Governor Kabuya appears to be gambling that the traders will give up and let the maize be sold in Kananga. Yet his move is certain to anger the provincial governments of both Kasai and Lomami and, traders say, that will make future maize exports to Kananga less likely. ●

TANZANIA

One rule for the party

Factions are struggling for advantage within the ruling CCM. But outside it, opposition and dissent are dangerous

With 15 months to go to the 2020 general election, President **John Pombe Magufuli** faces blatant dissent from senior figures in the ruling *Chama Cha Mapinduzi* (CCM). **Yusuf Makamba** and **Abdulrahman Kinana**, who both served as CCM Secretary General, have accused him indirectly, through an open letter to party elders, of being behind a libellous campaign directed against them by the self-described activist **Cyprian Musiba** through a daily newspaper that Musiba edits, *Tanzanite*. The newspaper is widely rumoured to be backed by Tanzania Intelligence and Security Service (TISS).

Former Minister for Foreign Affairs **Bernard Membe** has taken the legal route, suing Musiba for libel for accusing him of seeking to undermine President Magufuli. Membe himself is a former senior officer in TISS and an unsuccessful candidate for CCM's presidential nomination in 2015.

Notably, Makamba and Kinana do not refer to Musiba's allegations in November 2018 that they both enriched themselves while each served as party Secretary General under President **Jakaya Kikwete**.

POWER STRUGGLES

Although dramatic, this is a familiar ritual, as the power struggles that have always characterised CCM now run, since the introduction of multiparty elections, to a five- and ten-year cycle. The contests have two objectives. The short game is about factions within the party contesting over rents, private and public. The long game is about securing

the presidential nomination at the end of an incumbent's two terms. Parallel to this is the party's use of both the law and brute force to silence opposition voices (AC Vol 59 No 1).

CCM's rule is not threatened by the contesting factions within it. It is important to distinguish between the wider suppression of dissent through the political opposition, civil society and social and mainstream media on the one hand, and the internal contest for power on the other. At times, the distinction is blurred, as CCM factions may align temporarily with elements in the opposition, media and civil society. Beyond the party, the struggles have short-to-medium-term implications for security, investment and wider freedoms. The longer-term outcomes in all areas will remain uncertain. The machinations among the CCM's leaders do not encourage a long-term perspective on development, and the dogged efforts to silence opposition voices may have unintended consequences.

The latest drama began with Makamba and Kinana announcing publicly on 14 July that they had written to CCM's Advisory Council demanding that action be taken against Musiba for accusing them of undermining President Magufuli's work and seeking to prevent him from running for a second term. They say he has the backing of 'people with the power to protect and encourage him without fear of being questioned by any institution or individual', which is widely interpreted as meaning President Magufuli himself. The Advisory Council is composed of retired presidents and

prime ministers; former Speaker **Pius Msekwa** serves as its secretary. It was established in 2013 by President Kikwete as one of a number of party reforms to stymie **Edward Lowassa's** bid for the presidency (AC Vol 53 No 10). Msekwa has said the Council will hear Makamba's and Kinana's concerns.

Their public move is just the latest move in the game for control of rents under this government, and the leadership of the next one. The struggle is brutal. In the battle for mining rents, Acacia Mining has effectively been held hostage as its majority shareholder, Barrick Gold, looks to conclude an agreement with the government. After Barrick Gold agreed to buy the 36% stake in Acacia that it did not already own on 19 July, giving it full control of Acacia's three Tanzanian gold mines, a deal appears to be in prospect.

Others have been held hostage literally. The kidnapping of businessman **Mohammed Gulam Dewji** in October 2018, almost certainly by the state, was just the most high-profile incident of intimidation of Tanzania's business leaders (AC Vol 58 No 5). Several businesspeople, many of Asian origin, are thought to have been detained by the police, the Prevention and Combating of Corruption Bureau (PCCB) and TISS, or had their passports seized in an attempt to confiscate property or enforce dubious tax demands. Dewji, who is close to **Yusuf Makamba's** son **January**, has had to relinquish considerable property. In President Magufuli's first year, he lost the site identified for a liquefied natural gas (LNG) plant (AC Vol 56 No 9). After his kidnapping, he relinquished title on a number of formerly state-owned sisal plantations.

Rostam Aziz, who threw in his lot with the former Prime Minister **Edward Lowassa** as the opposition *Chadema's* candidate in the 2015 elections, has returned from de facto exile in Dubai and Hong Kong. The same day in November 2018 that he offloaded his remaining 26% stake in Vodacom

Tanzania, he had his first meeting with President Magufuli. By December, he was accusing **Bernard Membe** of undermining the President. By March 2019, he was accompanying Lowassa back to CCM. Aziz's latest venture, a \$60 million liquefied petroleum gas plant, was launched by President Magufuli last month.

Many say President Magufuli is a vain man with a sense of divine mission. He has said he will pick a successor to continue his work. Despite the noise and apparent signs to the contrary, he is all but certain to be CCM's candidate in 2020. Opposition parties and other critical voices have been silenced.

The parties have been hamstrung by amendments to legislation, as have NGOs, which increasingly self-censor. *Sikika*, an NGO that made a name with high-profile analysis of health service expenditure, now concentrates its public advocacy on road safety. State violence has driven home the message that opposition has consequences. The shooting of the *Chadema* MP **Tundu Lissu** in September 2017 has been the most high-profile incident to date – late last month he was also stripped of his seat, as he predicted – but disappearances of journalists and relatively minor opposition activists by TISS have become frequent in the past two years (AC Vol 58 No 20). The police often raid opposition meetings.

The battle now is for the 2025 nomination. Former aspirant Membe,

unable to navigate CCM's waters in 2015, still has hope. January Makamba also wants the nomination, although both men will need power and access to rents, within the party and in government. One of President Magufuli's first acts was to investigate management of party assets, an investigation in which **Yusuf Makamba** was questioned, and allegations were made that his son January had profited personally from CCM shares in the Halotel mobile network.

Such opportunities are no longer open to him in the party, especially now that the President has sacked him from his job as Minister of State in the Vice President's Office (Union and Environmental Affairs), a relatively lowly cabinet position, especially given his hard work as CCM media manager in the 2015 campaign. Being a favourite of World Bank country director **Bella Bird** does not make up for failing to please the President.

NEW MEDIA

There is nothing new about warring factions, let alone TISS's intimidation of political opponents, whether in or out of the ruling party. But the media context has changed entirely. Musiba's front-page splashes are designed not for street sales but for rapid distribution on WhatsApp and Instagram. The same social media channels are used to highlight TISS practices, from hashtag campaigns to release kidnap victims to shared accounts claiming inside

knowledge of TISS motivation and practices.

This can lead to chaotic public messaging. Soon after the kidnapping of a former personal assistant to **Zitto Kabwe**, leader of the ACT-Wazalendo party, Kabwe's Twitter account first was taken over – presumably by TISS officers – and then quickly shut down by Twitter. The account was used to link Kabwe to CCM MPs **Nape Nnauye** and **January Makamba**. The kidnap of Membe's assistant **Allan Kiluvya** early this month was the culmination of a seven-month war of words between Membe and CCM, represented by Musiba and prodigal son Aziz.

None of this helps general stability, especially not after nine Tanzanians were murdered in June by the mysterious insurgent **Mozambicans** in the north of that country. Nor is the economy and the government's dealings with foreign investors.

Negotiations with Equinor ASA and Royal Dutch Shell for a Host Government Agreement on the LNG project may be affected in the same way (AC Vol 60 No 2). Progress on this before next year's election could be presented as a coup but may require compromises that would have been unwelcome earlier in the President's term. They may also be a means of squaring off competition for rents within CCM. Both projects present considerable opportunities for politically connected businesses, regulators, officials and the politicians that bind them. ●

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POINTERS

Zambia

OFF THE CASE

■ The dismissal of Zambia's embattled Minister of Finance, **Margaret Mwanakatwe**, on 14 July came as no surprise, although a few eyebrows were raised at the choice of Sunday night for the announcement. No reason was given. She had been in the job for 18 months, although most saw her as merely rubber-stamping economic policies decided in President **Edgar Lungu's** State House. She succeeded the political heavyweight and more independent-minded **Felix Mutati**, who had tried to control the ruling party's borrowing spree (AC Vol 60 No 11). Mwanakatwe had come under criticism for incompetence amid much public comment on her public displays of drunkenness.

Her successor, **Bwalya Ng'andu**, a Bemba, cuts a more serious figure and his appointment has been welcomed by investors who hope he will bring more business-friendly policies, stabilise Zambia's sliding economy and regain the confidence of the IMF (AC Vol 57 No 25). Ng'andu has been deputy to respected Bank of Zambia governor **Denny Kalalya**, where he had limited influence but was well liked. A mild-mannered technocrat, Ng'andu is seen as competent but more of a banker than an economist.

Insiders say Ng'andu has a huge task to pull Zambia back from the brink of debt disaster, and many remain sceptical that has can succeed where Mutati failed.

Changing personnel has allowed the ruling PF to win back some market confidence – at least temporarily. The departure of Mwanakatwe and Ng'andu's statement this week promising reforms was followed by a slight boost to Zambia's struggling Eurobonds.

Kenya

SPINNER CAUGHT IN WEB

■ In the months leading up to the August 2017 polls in Kenya, rumours flew that data-mining consultancy Cambridge Analytica (CA), then at the height of its notoriety, had been hired by President **Uhuru Kenyatta's** Jubilee coalition (AC Vol 58 No 17). These were strenuously denied by Jubilee and State House.

Two years on, the cat was let out of the bag by an unlikely source; **Alexandra Phillips**, a **British** Brexit Party MEP elected in the European elections in May. Questioned by a reporter for the UK's Channel 4 News, Phillips initially denied having worked for CA and warned the broadcaster not to repeat the charge in

case it was libellous. She backtracked after the UK broadcaster played a recording of a 2017 interview in which she confirmed that she had in fact been employed by CA.

In the recording, Phillips, a former head of media for the right-wing UK Independence Party before joining **Nigel Farage's** Brexit Party, claimed the contract between Jubilee and CA was worth US\$6 million.

Confronted with her admission, Phillips said she had worked 'on speechwriting' for Jubilee, but admitted that her work was 'so sensitive' that whenever someone asked what she was doing she would respond that she was an 'air hostess'.

Before CA went into administration in 2018 after admitting breaking UK data protection laws, CA and its parent company, Strategic Communication Laboratories, had a long history of running controversial election campaigns in African countries. CA/SCL worked for Jubilee ahead of the 2013 elections and for **Nigerian** ex-President **Goodluck Jonathan** in 2007 and 2015 (AC Vol 58 No 12).

It remains unclear whether CA was responsible for conventional polling and social media campaigning, or the darker arts of online misinformation designed to smear Kenyatta's opponent **Raila Odinga**, which were used to such dangerous effect in 2017.

Guinea-Bissau

VAZ CLINGS ON

■ Hopes that the 10 March elections would usher in a new era of reconciliation and dislodge President **José Mário Vaz's** limpet-like grip on power have again proved vain as the political crisis continues.

The reforming faction of the *Partido Africano da Independência da Guiné e Cabo Verde* (PAIGC) formed a coalition with its previous partners as well as the newcomer *Assembleia do Povo Unido-Partido Democrático da Guiné-Bissau* (APU-PDGB), leaving the Vaz loyalists of the *Movimento para a Alternância Democrática* (MADEM-G15) of businessman and key Vaz ally **Braima Camara**, and the *Partido para a Renovação Social* (PRS) in opposition (AC Vol 60 No 6).

However, President Vaz again refused to accept a new prime minister, the tactic that has produced stasis for three years. In mid-June he rejected reforming PAIGC leader **Domingos Simões Pereira** as premier yet again (AC Vol 59 No 23).

Shortly after that, Vaz should have run out of options because his presidential mandate officially ended on 23 June. For now, Vaz ally **Aristides Gomes** remains caretaker prime minister.

The Economic Community of West African States (ECOWAS), whose inability to grasp the nettle has attracted criticism, failed again in late June. After Vaz conceded that presidential elections should go ahead on 24 November, the PAIGC alliance nominated parliament's Speaker, **Cipriano Cassamá**, to take over as interim head of state. On 25 June, ECOWAS invited Cassamá to represent Guinea-Bissau at a summit in Abuja a few days later.

But Vaz insisted on staying on as President and ECOWAS gave in, allowing him to stay in place until the November elections, provided that he keep out of day-to-day politics and appoint a government tasked with organising the elections. On 3 July Vaz nominated a new government proposed by Gomes. Analysts say Vaz is hoping to wear down the opposition and amass enough of a war chest to finesse the election.

Egypt

SISI'S SINAI STALEMATE

■ The temporary cancellation of flights to Cairo by major airlines on security grounds this month and the handing over of El Arish port to the military are reminders that the Islamist insurgency in Sinai is far from over. President **Abdel Fattah el Sisi** has repeatedly promised to deal with Islamic State's affiliate in the Sinai peninsula, *Wilayat Sina* (WS-Sinai province) but without any decisive blows. In June, **Abu Jafar al Ansari** revealed himself in a video message as the group's new commander, replacing **Abu Osama al Masri**, assassinated in an Israeli air strike last year. Al Masri's predecessor died in another air strike in 2016.

Although Sisi launched Operation Sinai 2018 to end them, WS attacks have reached their highest rate since the President's first term began in 2014 (AC Vol 56 No 14). In May, the group claimed responsibility for 11 bombings and kidnappings across north Sinai. On 5 June, simultaneous raids on three checkpoints near El Arish left 10 members of the Central Security Forces dead. The army responded with raids of its own, in which it claimed to have killed 26 militants in revenge for the attacks. By the end of June the jihadist group had launched a total of 20 separate raids, which continued into July. Sisi has sacked two of his Sinai generals for poor results and Major General **Mohamed al Masry** is now in command.

The army's latest tactics include building a 37-kilometre curtain wall around the tourist resort of Sharm el Sheikh. All use of motorcycles has been banned. In June 296 defendants were convicted on Sinai terrorism charges and 32 got life sentences.

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BLUE LINES

The first reaction to the opposition Movement for Democratic Change's plans to mount national protests next week against Zimbabwe's economic meltdown might be: what took them so long?

It also follows the last wave of protests in January when the MDC lagged behind young civic activists, students and trade unionists who demanded that the government, with several millionaires in its ranks, do more to protect the poor. Instead of fixing the economy, they complained, President Emmerson Mnangagwa's regime was hiring companies to lobby against sanctions and spy on text messages and social media.

Those arguments will be sharpened further with the announcement by the UN that a third of Zimbabwe's 17 million people face a food crisis this year, worsened by what is forecast to be the worst drought for two decades.

This coincides with Finance Minister Mthuli Ncube's tough new reforms, slashing state spending as inflation hits 500% (although statistics are to be withheld for the rest of the year). There are also chronic shortages of bread and fuel as foreign exchange reserves dry up, and power cuts of 18 hours at a time. After reintroducing the Zimbabwe dollar and banning local use of the US dollar, the government is waiting until the IMF and the banks back its plan with some hard cash. That may not be enough as the government readies itself for an opposition on the march.

LIBYA

Proxies battle over Tripoli

There's a stalemate on the ground while each side's foreign supporters use high-tech weaponry try to change the strategic balance

As the campaign of Benghazi-based strongman Khalifa Haftar to take Tripoli slows down, foreign powers are putting more and more resources into the fight, including armed drones and psychological warfare tactics in social and mass media (AC Vol 60 No 8). There's been a let-up in the overall level of casualties, but about 1,100 people, over 100 of them civilians, have been killed and around 120,000 people displaced, many of them to Tunisia.

Impasse on the ground and pleas for a ceasefire from UN special envoy Ghassan Salamé and numerous regional and international governments have failed to budge either Haftar or the Tripoli-based Government of National Accord (GNA) led by Faiez el Serraj (AC Vol 59 No 7). In his bi-monthly briefing to the UN Security Council on 29 July, Salamé blamed both men. Despite their promised commitment to a political solution and elections, neither had taken any practical steps to stop the fighting, he said. 'The parties still believe they can achieve their objectives through military means,' he complained.

In the meantime, misinformation and disinformation have become as much weapons in the conflict as aircraft, tanks and missiles. Leading officials in Haftar's Libyan National Army regularly announce a fresh push which they insist will result in imminent victory, while the GNA declares that it will force the LNA to retreat (AC Vol 60 No 14). The LNA's last 'fresh push' was supposed to start on 1 August with Tripoli in its hands by the Muslim festival of Eid al Adhah, which is expected on 11 August.

Media sites linked to one side or the other promote the claims, rarely bothering to check their facts. Salamé has noted the role of 'intentionally false news' in the struggle. That was on show at the beginning of August when photos of a crashed drone appeared on both pro-LNA and pro-GNA media sites, each side claiming that it belonged to the other and that their forces had shot it down.

GOOD PUBLICITY

But it is not just Haftar and Serraj that appear to have little incentive to return to the table. Turkey has supplied the GNA with several of its domestically manufactured Bayraktar TB2 combat drones, while the LNA has acquired the technically similar, Chinese-made Wing Loong II drones allegedly from the United Arab Emirates (UAE), but possibly Egypt. It was a Wing Loong II that featured in the recently published photos of a crashed drone, which would mean that the GNA shot it down, not the LNA. Nonetheless, the LNA have destroyed a number of Turkish drones, and more have been delivered. The war is good publicity for Turkey's growing drone industry.

Both sides rely heavily on the drones, as was seen on 26 July, when the GNA attacked Haftar's key supply airbase at Jufra in central Libya, destroying two Ukrainian Il-76 heavy-lift military transport aircraft and, reportedly, killing a Ukrainian pilot. According to several sources, the attack was carried out by drones with the assistance of Turkish military 'advisors'. The GNA claimed it

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also destroyed a hangar for Haftar's drones and a munitions store.

Furious, Haftar launched revenge airstrikes the following day against Misurata Air Academy, part of the city's shared civil and military airport. It was the LNA's first attack on Misurata, although it appears to have done little damage. LNA forces also attacked and occupied a military camp in southern Tripoli and the town of Qarabulli on the coast road between the capital and Misurata but were quickly forced to withdraw when GNA forces counter-attacked. Militarily, nothing was achieved but it did not stop the LNA again claiming that the battle for Tripoli was in its final stage.

Whether the LNA has the resources to achieve this is questionable, although there are **Sudanese** reports claiming that 1,000 fighters from Sudan's controversial Rapid Support Forces militia arrived in Libya at the end of July to take over protection of LNA-controlled oil fields and terminals and so free up LNA fighters to join the battle for Tripoli. They are supposed to be the first batch of 4,000 RSF soldiers being provided to Haftar by Sudan's generals and paid for by the UAE.

DARFURI DISCORD

This, however, could cause problems for Haftar. The RSF was a development of the *Janjaweed* militias that the former Sudanese government used against rebels in Darfur. But Haftar has been using Darfuri mercenaries, who have been based in Libya for some time. The two groups are hardly likely to fight side by side. The situation could be further complicated by reports of discontent among the Darfuris who say they have not been paid. Whether they stay with the LNA or switch sides remains to be seen.

These are not the only foreign fighters involved in the Libyan chaos. **Chadian** Tebus and other Chadian opposition groups are still in the south, allegedly backing the GNA but generally pursuing their own interests. Over the weekend of 3-4 August, about 42 people were reported killed in the southern town of Murzuq when what

a GNA spokesperson described as a meeting of 200 dignitaries to 'settle social differences' was attacked from the air, according to AFP news agency.

Yet the main drivers of the Libyan conflict are now Turkey and **Qatar**, backing the GNA, and the UAE, **Saudi Arabia** and Egypt behind the LNA. It is not just a drone war but arguably the world's number one proxy war. Without Turkish military supplies, equipment, and, it's said, military advisors – all funded by Qatar – it is highly doubtful that the GNA could withstand the LNA offensive against Tripoli, let alone launch its own, such as the Jufra attack on 26 July. Equally, without equipment and, allegedly, F16 fighter-bomber support from Egypt and the UAE, it is doubtful whether the LNA could sustain its offensive.

As Salamé noted in his Security Council briefing, the two sides 'are now fighting the wars of others and in so doing destroying their country'.

Not that other countries are disinterested. The LNA has drawn comfort from perceived support from **France**, **Russia** and now from **United States** President **Donald Trump**, while **Italy** and the **United Kingdom** firmly back the GNA.

Having effectively created the GNA, the UN Support Mission in Libya (UNSMIL) headed by Salamé has also been a firm supporter. This has brought him into bitter conflict not just with the LNA and the associated political establishment in eastern Libya but also with hardliners and various Islamists in the west of the country who, until April, wanted to bring down the GNA. Haftar's offensive prompted them to switch sides, the ideological struggle against him being more important for them. But they are no less opposed to Salamé. At the end of July, the man whom the hardliners still regard as Libya's grand mufti, **Sheikh Sadik al Ghariani**, again demanded that Salamé leave.

Ironically, the UN envoy has now been accused of bias by the GNA too, over his briefing to the Security Council on 29 July in which he criticised both the LNA and the GNA for continuing the conflict. Salamé's strong criticism infuriated the GNA while LNA supporters – incorrectly – thought he was switching sides.

The GNA took particular exception to his demand that it stop using Mitiga, Tripoli's only functioning airport, for military purposes and his suggestion that it had allowed militants and terrorists to fight on its behalf against the LNA. It furiously denied both charges, despite photos of destroyed Turkish drones at Mitiga and of evidence that internationally sanctioned militants

were fighting in southern Tripoli. Serraj formally protested to Salamé at what he said was misrepresentation to the Security Council, and called on UNSMIL to name any such militants.

The row has not yet abated despite attempts by Salamé to mend fences – he condemned another missile attack on Mitiga airport on 3 August which was widely alleged to have been by the LNA. The same day, in a political snub, the GNA's transport ministry closed Zuwara airport near the Tunisian border, which was being quietly used by Salamé and UNSMIL staff, who were told they now had to use Mitiga like everyone else.

DAILY STRUGGLE

In Tripoli, though, at least for the moment, most people are little interested in the war, Salamé or the GNA's relations with him. They have been more concerned with the power cuts (day long in some cases and which in the soaring summer temperatures has meant no air-conditioning) and, in the run-up to Eid, the lack of money in the banks and the high price of sheep to sacrifice. Many have had to accept that there will be no Eid sacrifice.

They have also been much pre-occupied with the announcement in Tripoli that applications for the \$500 foreign-exchange allowance for 2019 can be made at banks as of 20 August. It is a major handout, though too late for Eid. The dollars are bought at the official rate of around US\$1 to 1.4 Libyan dinars, costing LD700. They can then be sold through black market dealers for around LD2,000, minus commission. That can be over 10%, but the profit is more than an average monthly salary and because the allowance is available to everyone, including children, it can triple or quadruple the average monthly household income.

Needless to say, supporters of the LNA have called it a bribe aimed at diverting attention from the current crisis and reducing public discontent. They have urged people not to accept it, though there is little chance of that.

Meanwhile, with the focus on Eid, the question now being raised by some analysts and observers, including some who support the LNA, is whether the LNA can continue the offensive afterwards or whether it will be forced by its foreign supporters to adopt a different strategy, possibly even a ceasefire. Salamé will be banking on it. The larger the foreign supporters loom in the conflict, the greater the pressure on them to make peace.

In his Security Council briefing, Salamé presented a three-point plan to enable Libya to exit the civil war: an Eid

truce, and an international summit to devise an end to hostilities, followed by a meeting of leading Libyans to agree on the way forward (AC Vol 59 No 23).

He will be hoping the foreign players opt for a ceasefire, accepting that a clear-cut military victory is unlikely in the foreseeable future. But given their

rivalries and the fact the war is costing them very little apart from cash and, in some cases, not much of that either, it could be a hope too far. ●

SUDAN

From revolution to realpolitik

Neither side likes the deal. The generals want to play for time and the activists see it as a first step to power

For the thousands gathering in central Khartoum, waving flags and sounding horns around the Friendship Hall, the constitutional declaration initialled on 4 August was far from the revolutionary victory they had sought. It has taken four months since the overthrow of **Omer el Beshir**, tortuous negotiations, mass sit-ins and enduring murderous attacks by the security forces to get here.

For the Declaration of Freedom and Change Forces (DFCF), it was in the end a matter of locking the ruling generals into some internationally monitored political commitments involving the replacement of the Transitional Military Council (TMC) with a power-sharing interim government.

The talks were brokered by an African Union mediator, **Mohamed el Hacem Lebatt**, a veteran advisor to **Moussa Faki Mahamat**, the former **Chadian** Foreign Minister who now chairs the AU Commission (AC Vol 43 No 4). Many Sudanese had feared that Lebatt and Faki would reflect the views of **Chadian** President **Idris Déby Itno** and favour another authoritarian military-backed regime in Sudan.

Déby has an ally in Khartoum in the form of General **Mohamed Hamdan Dagalo**, known as **Hemeti**, the deputy leader of the TMC. Hemeti, from the Mahariya Rizeigat ethnic group which straddles the Chad-Sudan border, has become the leading power-broker in Khartoum's junta.

Occupying a grand office in the presidency and entertaining foreign envoys, Hemeti has his own presidential ambitions. As Commander of the Rapid Support Forces, most of whose fighters started out in the pro-regime *Janjaweed* militia in Darfur, and controller of several gold mines in the west of the country, he has a formidable powerbase.

That's why it was he who initialled the constitutional declaration opposite the DFCF's **Ahmed Rabie**. The AU's Lebatt said the final agreement establishing the power-sharing government is to be signed on 17 August in front of regional

leaders and international dignitaries. That day should mark the dissolution of the junta.

It follows months of turmoil and trickery when it looked like the generals might co-opt enough civilians into a sham **Egyptian**-style sham transition.

Some well-timed initiatives from **Ethiopia's** Prime Minister **Abiy Ahmed** countered the support of some Gulf states for an authoritarian response to the protests. Abiy's envoy **Mahmoud Dirir** helped keep the generals and activists at the negotiating table.

In the shadows, **United States** envoy **Donald Booth** helped persuade **Saudi Arabia** and **United Arab Emirates** that their 100% support for Khartoum's junta and its murderous tactics could have high diplomatic costs.

The turning point was the junta's massacre, led by Hemeti's RSF, of the sit-in opposite the defence headquarters, killing over 120 unarmed protesters. It didn't work. Days later the protesters were back on the streets, planning a million-strong march for 30 June. With factional rivalries growing within the armed forces, the country's security system seemed to be breaking down.

In parallel, a top Khartoum businessman hosted democracy activists, a few generals, diplomats from the West and the Gulf states to draw up an outline of a power-sharing deal, culminating in elections within three years.

AMBITIOUS ACCORD

With help from Lebatt and Dirir, those ideas were squeezed into a political accord signed on 5 July. The constitutional declaration initialled a month later reads: 'Sudan will be a democratic, multi-party country ruled by a parliamentary system.' That is an ambitious goal for a country that has been dominated by the military since 1956, and an Islamist-backed junta for the past three decades.

The new agreement provides for the following:

- A 39-month transitional period;

- Establishment of a sovereign council, overseeing a council of ministers and a legislative council;
- The sovereign council will have five military and five civilian members, while the eleventh member will be a civilian chosen by consensus, and it will be chaired by a military officer for the first 21 months, and a civilian for the remaining 18 months;
- The DFCF will appoint a civilian prime minister, who will name 18 members of the cabinet; the military will appoint the interior and defence ministers;
- An independent legislative council with a maximum of 300 seats; 40% will be reserved for women;
- The DFCF will appoint 67% of the members of the legislative council; other political groups not associated with Beshir and the National Congress Party (NCP) will choose the rest;
- A rights charter to guarantee equality before the law, freedom from arbitrary arrest, a ban on torture as well as the right to a fair trial, and equal civil and political rights for women. If adhered to, those provisions would herald revolutionary change in Sudan;
- The power-sharing government would extend the de facto ceasefire with armed opposition groups in regions such as Darfur, Blue Nile, and Nuba Mountains, aiming for a sustainable peace agreement.

Yet it is the opposition of the armed groups to the constitutional declaration that could undermine the new government. On behalf of the junta, Hemeti met in mid-June with the Sudanese Liberation Movement-**Minni Minnawi** (SLM-MM) and the Justice and Equality Movement (JEM) both part of the Sudan Revolutionary Front (SRF) (AC Vol 58 No 1). The junta had wanted to drive a wedge between the armed opposition groups and the avowedly pacifist DFCF.

In response, civilian activists opened talks with the armed groups in Addis Ababa, reaching a declaration on their joint aims to devolve power to the regions and end the economic marginalisation of areas such as Nuba Mountains and Darfur.

But **Minnawi** and **Jibril Ibrahim**, leader and deputy of the SRF, disavow the power-sharing accord, saying that it ignores the plan to devolve power

from Khartoum, and would require two-thirds support from the new 300-member Legislative Assembly to change it (AC Vol 60 No 10).

Those concerns are critical, according to **Khaled Omar**, Secretary-General of the Sudan Congress Party and a leading figure in the DFCF, and he urged discussions to include the devolution point ahead of the 17 August signing. Failure to do that would store up problems for the restructuring of the country's armed forces and the integration of armed groups into them.

IMMUNITY DEMAND

For the generals, the demand for an accord giving them immunity from prosecution for war crimes and grand corruption is key. They want immunity for claims of crimes in Darfur and the other regional wars as well as the suppression of opposition protests this year, dramatic footage of which was recorded on mobile phones.

As the opposition mounted more street protests, the generals abandoned their demand for absolute immunity, opting instead for procedural immunity. That would give immunity to all members of the three tiers in the transitional government; it could be lifted on individuals or groups only if two-thirds of the legislative assembly vote to do so.

Such a vote would mean the dismissal of the individuals from the government, after which they would then be subject to investigation and prosecution in line with the constitutional charter and existing laws. We hear from opposition sources that no one expects that to happen, at least in the early months of the new government. The idea is incremental, if slow, progress at

the outset.

Similarly, plans to reform the security services are to take off slowly. An early demand of the protesters was the disbanding of the National Intelligence and Security Services headed by General **Salah Mohamed Abdallah 'Gosh'**.

On 14 April, the junta sacked Gosh, who remains influential and has been allowed to travel to Dubai, and appointed General **Abu Bakr Mustafa 'Damblab'** in his place, promising reforms (AC Vol 60 No 8). So far, the most visible sign of reform has been Gen Burhan's decision on 29 July to change the organisation's name to General Intelligence Services (GIS).

Oppositionists say under the new government, the GIS should focus solely on intelligence and counter-intelligence operations. That would mean the end of its vast military capability, including armoured cars, tanks and attack helicopters, as well as its sprawling covert network of economic and commercial entities.

This overwhelming intelligence and enforcement capacity, tightly linked to the Islamist project, is at the heart of Sudan's 'Deep State' and few expect the new government to make many inroads into it, even if the constitutional declaration states that the GIS comes under the authority of the civilian council of ministers and the sovereignty council.

It also provides for the armed units of the intelligence services and Hemeti's RSF fighters to be integrated into the Sudan Armed Forces reporting to the General Commander. Again, many are sceptical about how quickly that could happen given the strength of Hemeti's military and economic base.

Apart from controlling several gold mines in Darfur, from which ore is shipped directly to the **United Arab Emirates** in US dollar sales contracts, the RSF earns US\$3,000 a month for each fighter it rents to the **UAE-Saudi Arabia** coalition in the Yemen war.

Under the terms of Hemeti's public relations contract with US lobbyist **Ari Ben Menashe** (see Pointer), he is said to have despatched a further 1,000 fighters to support General **Khalifa Haftar's** rebel forces based in eastern Libya.

For now, Hemeti and junta leader Burhan are tied together by their mutual commercial and security interests. In the longer run, the Khartoum elite's disdain for Hemeti, the Darfuri camel trader turned militia leader, could unpick the alliance.

Divisions in both camps could undermine the transitional government as it starts work on the tougher political and economic reforms. Distrust ran high between the military and civilians as they hammered out the latest accord. Some activists think it only a matter of time before the military side engineers a crisis which could trigger a coup d'état.

The stakes could not be higher after three decades of repression and continuous war. The fate of the transition will also shape developments in the Horn. If the new government's civilian-led reforms succeed, it will be a setback for the authoritarian regimes in Egypt and the Gulf states, with their aim of becoming regional hegemons.

It will also be an improbable triumph for the AU and its democracy charter. Most of all, it will tell opposition movements across Africa that disciplined and peaceful protest can still produce political change. ●

AFRICA/UAE

The Crown Prince's power play

From Benghazi to Assab and Khartoum, the UAE's strongman has emerged as a key player in regional conflicts

The world has woken up to the dynamic and ruthless Abu Dhabi Crown Prince and Deputy Supreme Commander of the United Arab Emirates Armed Forces, **Sheikh Mohammed bin Zayed al Nahayan's** ('MBZ') status as a quietly dominant figure on the world stage, and in Africa in particular. While his older half-brother **Sheikh Khalifa bin Zayed al Nahayan** has official seniority, the federal President and Abu Dhabi ruler has been infirm for years.

'The Most Powerful Arab Ruler Isn't MBS [Saudi Crown Prince Mohammed bin Salman al Saud]. It's MBZ,' said a recent *New York Times* headline. This has long been evident in several African conflict zones.

Long obsessed with thwarting the Muslim Brotherhood, MBZ's influence was apparent in **United States** President **Donald Trump's** recent suggestions that the MB might be designated as a terrorist organisation. UAE lobbying

has countered Pentagon and State Department calls for caution, with the irrepressible ambassador to Washington since 2008, **Yousef al Otaiba**, busy pushing the Abu Dhabi line. Well before Trump, MBZ was able to water down a potentially influential **United Kingdom** policy paper seen as favourable to the MB after he lobbied former Prime Minister **David Cameron**.

MBZ's links to the White House have been assisted by a complex network of relationships, notably with **Erik Prince**, founder of the private security contractor Blackwater which became notorious in **Iraq**. Prince's sister, **Betsy de Vos**, is Trump's Education Secretary and a friend of former Trump advisor **Steve Bannon**. Prince has been based in Abu Dhabi and active in **South Sudan**, **Somalia** and elsewhere in Africa in alliance with MBZ, according to *Africa*

Confidential correspondents (AC Vol 59 No 6).

MBZ has long loathed the MB, which he sees as the principal threat to dynastic rule in the Gulf and Saudi Arabia. During the early years of independence, when he was courting Islamists, the UAE's canny founding president **Sheikh Zayed bin Sultan al Nahayan** retained **Ezzedine Ibrahim** to tutor to the young MBZ; the teenager detested the prominent MB thinker and his ideas, proving so rebellious that Zayed put him under a more rigid regime under his **Moroccan** friend King **Hassan II**'s control in Rabat. While still a teenager, MBZ went to the British military academy at Sandhurst – which he loved. Sandhurst rigour and Moroccan pragmatism have been drilled into the UAE Armed Forces, who first focused on relief work in hotspots like **Bosnia** and **Kosovo** before going into action in **Yemen**, **Libya** and **Syria**.

MBZ has brought his sometime protégé MBS along with this way of thinking. The two-year-old Saudi/UAE-led boycott of Qatar is a reflection of their opposition to the ruling al Thanis' support for MB affiliates (AC Vol 59 No 3). This was most apparent after the 2011 'Arab Spring' uprisings, when Qatar, along with its *Al Jazeera* Media Network on 'Father Emir' **Sheikh Hamad bin Khalifa al Thani**'s watch, actively supported revolutionary movements. Hamad stood down in June 2013 since when his son, 39-year-old Emir **Sheikh Tamim bin Hamad al Thani**, has said MB links are no longer an issue. As underlined by an early July visit to Washington, Trump seems to agree – but Abu Dhabi and Riyadh, who see Doha as a threat to stability, are far from convinced.

NILE ALLIES

Having overthrown the late MB President **Mohammed Morsi**, Egyptian President **Abdel Fatah el Sisi** is a committed MBZ ally. Abu Dhabi and Cairo have provided Libyan strongman **Khalifa Haftar** with aircraft and other vital military support as his Libyan National Army (LNA) first took – and destroyed – Benghazi and then marched on Tripoli. As the LNA's effort to replace internationally recognised Government of National Accord (GNA) and Presidency Council head **Faiez el Serraj** faltered, sources have told *Africa Confidential*, the UAE stepped in with more direct military support (AC Vol 60 No 8). The F16s that reportedly bombed the African migrant refugees in early July on Tripoli, killing at least 60, are suspected of belonging to the UAE or Egyptian air forces.

However, since Haftar lost a key

THE UAE: ONE NATION, DIFFERING MODELS

All but ignored in their early years of independence as 'oil-rich' but politically marginal specks on the Gulf map, the United Arab Emirates' major players – political and financial leader Abu Dhabi and commercial hub Dubai – have emerged as global players with an ever-greater footprint as the Emirates expand their hinterland in Africa. While the dominant political force is Abu Dhabi Crown Prince **Sheikh Mohammed bin Zayed al Nahayan** (MBZ), the other UAE leader of note is the ruthless and focused federal Prime Minister and Ruler of Dubai, **Sheikh Mohammed bin Rachid al Maktoum** (MBR).

MBZ and MBR have long worked together. According to one UAE-based political analyst, 'MBR doesn't always agree with the direction MBZ is taking – in the **Yemen** conflict, in his close identification with [Saudi Arabia's Crown Prince **Mohammed bin Salman al Saud**] MBS, to name but two big issues, but he understands that it's MBZ that makes the political running.' When, a decade ago, the debt-fuelled Dubai economy crashed in the global financial crisis, it was Abu Dhabi that bailed out MBR. MBR is believed to vehemently disagree with some political decisions as 'bad for business'. But he is free to chart the course for his dynamic emirate, whose 'Dubai model' ambitious governments try to replicate world-wide.

Dubai state companies like property giant Emaar and ports operator DP World have expanded abroad. Many ventures have been very profitable, but not always: DP World's development of **Djibouti's** Doraleh Container Port under a 30-year concession agreement ended in acrimony after the host government decided to change partners in favour of **China** (AC Vol 59 No 5).

Dubai will soon unveil its Expo 2020 extravaganza as just the latest step in developing a truly global commercial hub. From hosting political dissidents and fugitive businessmen – including members of the **South African** Gupta family – to attracting the regional operations of international banks and private equity firms, Dubai's relaxed environment has drawn in companies working across Africa. A walk through Dubai's downtown Deira district quickly delivers shoppers and traders speaking Swahili, Maghrebi Darija, Lingala and Congolese French and many more African languages. 'It may sound embarrassing to say so for an African development-focused infrastructure developer, but when we decided to move our team towards the region from London we ended up in Dubai,' one executive says. 'Emirates' air links, the security and attitudes to business here seemed persuasive arguments when compared to Nairobi or Johannesburg.'

While Dubai provides an African business hub, and Abu Dhabi finances Masdar's innovative renewables projects and much more, there is a dark side.

Every emirate within the seven-member UAE fears MBZ's federal security service and there are deep concerns for academic and other freedoms. MBZ's political muscle was a key factor in the **United Kingdom's** reluctance to protest the detention over many months on unproven espionage charges of Durham University PhD student **Matthew Hedges** a year ago. This silence was especially apparent while new Prime Minister **Boris Johnston** was Foreign Secretary. This was thought to be because he was looking to the UAE as a leading supporter of his post-Brexit for trade and investment and, cynics say, MBZ's strong moral support for his installation in Number 10 Downing Street. ●

position at Gharyan on 26 June, his offensive has stalled and Abu Dhabi has begun to rethink its policy. It will not drop Haftar – that would cause complications with Egypt – but MBZ is promoting other eastern Libyan leaders to let Haftar know he is not the only game in town. Reports are circulating that Abu Dhabi is pushing the claims of a prominent eastern politician (and Sufi), former Libyan ambassador to the UAE **Aref Ali Nayed**. Haggling is under way for Nayed to head a new interim government in Benghazi, which would work with Haftar, while controlling his excesses.

Following a model piloted in Yemen, Sudanese forces might also be sent to strengthen the LNA, financed by the

UAE and possibly Saudi Arabia.

Gulf funds have also inflated the coffers of followers of radical Saudi Salafist theologian **Rabee al Madkhali**, whose influence in Libya has grown enough for the Brussels-based International Crisis Group to issue a substantial report recently.* While Madkhali's penetration of Haftar's militia is most notable, factions aligned to the GNA are also attracted to his teachings. However, the ICG commented that Madkhali could be furthering Riyadh's aims in Libya.

Doha's recent public re-entry into mediating the Darfur crisis has not gone down well in either Riyadh or Abu Dhabi, giving rise to further concerns about proxy wars in East Africa.

Somali President Mohamed Abdullah Mohamed 'Farmajo' is a notable supporter of Qatar, which returns the favour with ample funds. Since Farmajo came to power there have been several serious clashes between Gulf state proxies, and the UAE withdrew support for an important hospital in the capital, and for troops under training, when he refused to break with Doha, which duly picked up the tab. The UAE and Saudi Arabia have since sought support among the federal states within Somalia, leading many to comment – not least in **Kenya** – that the struggle for supremacy between the Gulf rivals is often at the expense of the local fight against *Al Shabaab*.

MBZ and MBS have emerged as key backers of the Sudanese junta led by Lieutenant General **Abdel Fattah Abdelrahman Burhan** and his deputy, Commander of the Rapid Support Forces **Mohammed Hamdan Dagalo ('Hemeti')**. Riyadh and Abu Dhabi have worked with both men, as with ex-President **Omer el Beshir** in 2016, and the Sudanese troops in **Yemen** are now thought to number about 14,000. While Hemeti's role has received most publicity, not least given the number of his *ex-Janjaweed* fighters in the Sudanese force, sources say Burhan has also established strong relations, building on links developed during the 2003 Darfur conflict.

Within days of the 13 April coup,

Saudi Arabia and the UAE between them committed \$3 billion in financial support to the junta. The first tranche of \$500m was deposited in Central Bank of Sudan in May. While much attention has focused on MBS and Saudi Arabia, former National Intelligence and Security Service chief General **Salah Mohammed Abdallah 'Gosh'**, who resigned on 13 April after a standoff with Hemeti, has said the UAE was most influential in driving Gulf support.

PEAK MBZ?

It is now being asked whether 'peak MBZ' has arrived. The UAE leader is acutely aware that his high-profile role and calls for sanctions in the US, **Germany** and other powerful players on Abu Dhabi and Riyadh for alleged human rights violations in Yemen could cause damage that even his skills cannot contain. To apparent Saudi chagrin, the recently confirmed drawdown of UAE forces in three key Yemeni theatres suggests MBZ is seeking to diminish such pressures.

Sources with knowledge of the move say UAE Special Forces will continue to support proxies in some areas and consolidate the UAE's controversial occupation of Socotra island, 460 kilometres off the Yemeni coast, for military purposes. The UAE may also continue deployments from its **Eritrean** base in Assab, which currently houses its largest base outside the Arabian

peninsula and supplies coalition forces by sea (AC Vol 58 No 3). The early 2017 Operation Golden Spear, launched from Assab, was an attempt to recapture the Yemeni coastal cities of Mocha and Hodeidah while blocking **Iranian** arms shipments. Unusually, given Eritrea's international isolation, US and other international military observers were understood to be in Assab at the time.

The UAE presence in Assab may be under review, we hear, but having built up such a strong position there, disengagement looks unlikely.

The military base at Berbera port, a source of major friction between Abu Dhabi and Mogadishu, is nearing completion (AC Vol 59 No 6). This will include a naval facility, two parallel 4.9km runways and a coastal surveillance system, and the possible involvement of **Ethiopia**. Farmajo worries about the UAE balancing his own support of Qatar with stronger support for his Somaliland rivals, who are opposed to any eventual reunification of Somalia (AC Vol 59 No 10). The Emiratis have also been active in the Somali region of Puntland, where Abu Dhabi trained a maritime police force, and Dubai-owned P&O Ports followed up with a deal in 2017 to manage and operate Bosaso port under a 30-year concession. ●

**www.crisisgroup.org/middle-east-north-africa/north-africa/libya/addressing-rise-libyas-madkhali-salafis*

NIGERIA

High risks, low politics

Attempts to resolve the worsening herder-farmer clashes are foundering as politicians exploit regional loyalties

Of the myriad security threats in Nigeria, herder-farmer clashes which have killed more than 4,000 people and seen at least 250,000 chased from their homes in the past three years are the most personal for President **Muhammadu Buhari**.

Unlike Nigeria's other security crises – the insurgency in the north-east, militancy in the Niger Delta, and cattle rustling in the north-west, the herder-farmer clashes are a nationwide problem and the country's dominant political issue.

For opposition campaigners, it fits neatly into the argument that President Buhari, a stern former general, is failing on security and favouring his own Fulani people, who comprise about 90% of the country's nomadic herders (AC

Vol 59 No 15). Buhari also happens to own an impressive herd of cattle. It doesn't help his credibility that Buhari has been sounding warnings about the intensifying competition for grazing land, exacerbated by desertification in the north and urbanisation in the middle belt, since his earliest days as a party politician two decades ago.

The herder-farmer clashes, which have been escalating since 2016, took off in middle-belt states such as Benue, Plateau and Nasarawa as well as north-eastern states such as Adamawa and Taraba. Similar rivalries for grazing pastures are raging across the Sahel but are most dangerous in Nigeria when they pit mainly Muslim herders against predominantly Christian farmers.

In the absence of central government

action, some state governors banned open grazing and threatened to chase herders over state boundaries, while others encouraged local 'defence' militias to protect farmers. Violent confrontations between the two well-armed sides followed.

In response, the government, led by Vice-President **Yemi Osinbajo**, produced its National Livestock Transformation Plan (NLTP), which aimed to modernise and rationalise the cattle-breeding business. Meanwhile, former Minister of Agriculture **Audu Ogbeh** announced that Buhari had approved the Ruga (Rural Grazing Area) plan to set aside cattle-grazing areas for herders driving their cattle to market in the south along with water, pasture, housing and even schools for young Fulani.

Ogbeh said each settlement could create 2,000 jobs over five years. Eleven states in the north-west and north-east showed interest before the plan was suspended on 3 July, amid confusion over how the federal government would acquire the land for the project. Ruga risked dividing northern and southern states as well. States such as Benue and Rivers say they do not have spare land

to offer the herders. Others ask why those in the highly profitable cattle trade should not use their profits to buy land on the open market.

Poor management poisoned the politics around the plan. First, the word 'ruga' means 'settlement' in Fulani; although the official explanation was that Ruga was merely an acronym. Oppositionists swiftly claimed the plan was a Fulani bid to colonise the lush pastures of the southern states.

A senior official in Abuja insisted that Ruga was designed as a strictly voluntary programme and there was no provision to compel state governments to allocate land or other resources for the herders. But some enthusiastic contractors, brandishing plans to build ranches, cordoned off some land in Benue state triggering a national uproar about 'cattle colonies'.

With more extreme evangelical

Christians drawing parallels with the southward march of Islamic scholar and warrior **Usman Dan Fodio**, who spoke of 'dipping the Koran in the Atlantic Ocean' 200 years ago, some oppositionists are turning the crisis into a national proxy battle, between north and south, Christian and Muslim (AC Vol 60 No 8).

The federal government hasn't helped itself. Buhari sent in troops against ethnic militia fighting herders in the middle-belt and the south but came under heavy criticism for failing to defend farmers more robustly.

Work is intensifying in Osinbajo's team on the NLTP, we hear, which is due to be trialled in seven states worst hit by farmer-herder clashes. Six more states in the south and Kano, commercial capital of the North, will follow suit if the trial is successful.

In 2017, Osinbajo met security chiefs and stakeholders from the Middle Belt

after another crisis in Taraba state. Recommendations from that laid the groundwork for what became the NLTP (AC Vol 59 No 3). It was ratified by the national economic council in January and was set to be launched in May.

Instead it was held up and the Ruga plan surfaced in a blaze of negative publicity, with some of the cattle-breeders and federal official claiming that it had full support from Osinbajo and his team. After dismissing such claims, Osinbajo's office reiterated that the federal government would not impose the scheme on state governments or seize land to do it.

The memo suspending Ruga said the government would start consultations on the plan. That a mere proposal for herders could incite such fearsome rhetoric on all sides shows how easily the country's politicians can bring security crises to boiling point. ●

MOZAMBIQUE

Guilty plea on conspiracy

The case against the bankers in the \$2bn loans scandal has brought confessions, but there are doubts about how deep the trial will go

The United States case against eight defendants accused of fraud and money-laundering in Mozambique's US\$2 billion hidden loan scandal has secured two guilty pleas at the Eastern District Court of New York. But fears remain that the complex web of international banking fraud, corruption and greed will end with the punishment of just a handful of individuals for bribery.

Credit Suisse banker **Andrew Pearce**, whom the US indictment details as having been paid \$45 million in kickbacks and a key figure in the scheme, pleaded guilty to one charge of conspiracy to commit wire fraud, but denied the other charges, including money-laundering. His co-accused, former Credit Suisse colleague **Detelina Subeva**, pleaded guilty to one count of conspiracy to launder funds. The US agreed to drop the other three charges against her.

Some worry that Pearce and Subeva – as well as Credit Suisse banker **Surjan Singh**, who has been arrested but not yet tried – may, in taking the blame as individuals, be effectively shifting it from Credit Suisse as an institution. Pearce's statement to the court says that he acted in part to 'benefit Credit Suisse', noting that the bank made 'substantial profits' from the loans, but

it is unknown how far down this road US prosecutors intend to go.

He said that he was aware of the high corruption risks in dealings with Mozambique, but that it was the bank's policy to distance itself by using, 'intermediating brokers in transactions that featured a high risk of corruption with the apparent view that doing so insulated itself from legal liability.'

There is pressure from civil society groups to sanction Credit Suisse for failing to identify and act on the clear warning signs associated with the \$1bn of loans given by the bank to Mozambique for highly dubious projects.

Pearce also named as central to the affair **Iskandar Safa**, the founder, owner and CEO of Prinvest, which was paid directly by Credit Suisse and VTB bank for the maritime security contracts purchased with the loan money (AC Vol 60 No 2). He said that with Safa's knowledge, 'Prinvest... wired me millions of dollars in unlawful kickbacks from loan proceeds and illegal payments' for his 'assistance in securing loans made by Credit Suisse' which he knew to be the 'proceeds of illegal activity', which he received under agreements made with Safa himself and other Prinvest executives.

Yet Safa did not sign the supply contracts, some of which *Africa*

Confidential has seen. Pearce's revelations make clear that, as *Africa Confidential* has previously reported and as risk advisory firm Kroll Associates found in June 2017 after conducting a forensic audit at the behest of the IMF and Mozambican public prosecutor, Prinvest was central to the scheme (AC Vol 58 No 9). Describing the series of bribes and kickbacks paid by Prinvest, Pearce repeatedly states that Safa was aware of the payments. Mozambique has also pointed the finger directly at Safa, filing a case against him on 31 July in the High Court in London alleging commercial fraud.

Pearce's testimony makes clear the scale of the commissions paid; while the US indictment refers to about \$200m, the real amount of money unaccounted for is well over \$1bn and sources close to ex-President **Armando Guebuza's** family say they received vast sums. Pearce says that one of Guebuza's sons was paid 'at least \$50m' in commissions.

Guebuza's elder son **Ndambi** is now in jail in Maputo along with others arrested in connection with the hidden loans. On 6 August Ndambi, who has been in prison since February, had an application for habeas corpus rejected by a judge in Maputo.

Frelimo sources say that the arrests were made as a reaction to the US indictment and that progress before the October general election is unlikely. Many doubt those accused in Mozambique will ever face justice. The jail in which they are being held in Maputo is reportedly luxurious.

Much of the overall case hinges on whether former Finance Minister **Manuel Chang** is extradited to the US to be tried for his role in the deals. Chang

has been in jail in **South Africa** since his arrest on 29 December, with a drawn-out game of diplomatic ping-pong between the US and Mozambique over where Chang will be extradited to (AC Vol 60 No 11). Chang is one of the major figures in the US indictment and his long career in the Ministry of Finance places him at the centre of the secret loans saga, including intimate involvement with Armando Guebuza and Safa.

Chang managed to avoid extradition to the US while he was an MP, but now that he has resigned from parliament the way is open for South Africa to accede to the heavy pressure from the US to send him there.

Chang's successor, **Adriano Maleiane**, is the latest to be publicly implicated. Three years ago, Maleiane angered IMF officials by continuing to deny the existence of the debts, sticking

to the line that there was 'confusion' over Ematum which had put Mozambique in an 'unnecessary situation' (AC Vol 57 No 9). This was the position stated by officials, including his deputy **Isaltina Lucas**, who had previously told IMF officials that the Proindicus project had become Ematum, with no additional funds borrowed.

Now, however, according to a memorandum signed by US prosecutors on 22 July which has now emerged, Maleiane was told of the hidden loans by the 'conspirators' and he 'agreed to continue not to disclose MAM and Proindicus to the IMF'. He was then complicit in concealing from Ematum's auditors that both Ematum and Proindicus could not service their debts. He would have known of the loans' existence when he signed a letter to the IMF in December 2015 listing

all government guarantees, omitting \$1.15bn for Proindicus and MAM.

Sources close to Maleiane say that he was given little choice but to lie to the IMF by his *Frente de Libertação de Moçambique* (Frelimo) colleagues, but rewarded for his cooperation. We understand that his daughter's company was paid for designing Ematum's logo, and that companies he controlled may have benefitted. And yet, he remains Finance Minister.

The memo, we hear, is designed to reinforce the US case that Safa was the controlling mind behind the supposed Mozambican naval projects, the loans that supported them and the sums paid in bribes. The scheme mirrors efforts by Privinvest to interest **Nigeria, Angola and Congo-Brazzaville** in similar naval schemes backed by immense loans (AC Vol 58 No 3). ●

SOUTH AFRICA

Leaning to the left

The government's zeal for wide-ranging reforms is flagging against a pushback by his enemies within and outside the ANC

Battered by an economy in recession and a ruling party riven by corruption, President **Cyril Ramaphosa's** ability to drive radical economic and political reforms is coming increasingly into doubt. Foreign investment has dwindled and even **China** is setting strict preconditions for further investment. Embarrassing revelations are also hindering the President's room for manoeuvre.

Annual growth is below 1% and in the absence of a dramatic turnaround further downgrades to the country's investment status now look inevitable. Institutional investment could dry up.

Lord **Peter Hain**, the **South African**-born former anti-apartheid activist and **British** government minister who lectures at several South African universities, said investors abroad were 'bewildered' by the attacks on Ramaphosa and **Pravin Gordhan**, the Public Enterprises Minister, who is the target of almost daily onslaughts by Economic Freedom Fighters leader **Julius Malema**. The EFF, along with the 'Zuma faction' in the ruling party, is furiously opposed to the rationalisation measures that many believe Gordhan has in store for the disastrously indebted and bloated state-owned enterprises.

The local business community – whose morale is at an all-time low – sees action on the SOEs as a vital test

of the government's seriousness about tackling the country's overall economic problems. A 1 August meeting between representatives of the government, trade unions and business was dominated by business concern about the failure to grasp the nettle of Eskom – the hugely indebted electricity utility – as well as slow growth, a weak currency and poor rankings for the country from ratings agencies (AC Vol 60 no 5). 'It would not be an exaggeration to say that policy reforms and implementation have all but ground to a halt,' said a business executive who supports reform.

ALIENATING SUPPORTERS

On the political front, it is taking Ramaphosa longer than expected to face down the Zuma faction within the African National Congress, and internecine fighting has increased (see feature). He risks alienating his still-important supporters in the Confederation of South African Trade Unions (Cosatu) and the South African Communist Party (SACP) if he allows the drastic public sector retrenchments that Finance Minister **Tito Mboweni** says are vital, especially in Eskom. Eskom's losses for 2018/19 totalled 21 billion rand (US\$1.4 bn). He has admitted that current levels of unemployment running at 29% constitute a national crisis.

Dondo Mogajane, the most senior

official in the Treasury, said a 10% cut in public sector salaries across the board would cover the Eskom losses, and it needed to be on the table.

Ramaphosa has had success in removing corrupt officials but none of them have been prosecuted, even though he appointed a respected director of public prosecutions in **Shamila Batohi** (AC Vol 60 No 7). While prosecutions are awaited, the Zuma faction has scored against the President, especially in attacks by Public Protector **Busisiwe Mkhwebane** on Gordhan and on Ramaphosa himself who, she asserts, lied to Parliament about donations to the election campaign funds. Gordhan got remedial action against him halted in court, but it is not final.

Ramaphosa is confident of rebuffing the Public Protector's actions, but her strident criticisms and the exalted platform from which she makes them are a serious problem. She has accused him of violating the constitution, and commented in an interview, 'With this pace we are moving, we are going to face a serious constitutional crisis.'

The ANC national executive committee, which reflects the deep division in the organisation, has come out in support of Mkhwebane.

ATTRITION

Ramaphosa's problem is timing. He does not doubt he can prevail against Mkhwebane and the Zuma faction and its helpers, but the pace is slow and he is continually on the defensive.

A leak of emails to the media on 4 August hasn't helped. Ramaphosa denied being involved in fundraising for his presidential campaign but the emails confirm that he was consulted on the suitability of certain donors. They

also show that Gordhan was the main fundraiser for Ramaphosa and that 120 of the country's richest individuals pitched in. Presidential spokesman **Khusela Diko** described the leaked emails as 'smokescreens and mirrors', insisting Ramaphosa had committed no crime. But they do indicate the President lied, which is politically just as bad.

The saga has re-opened a long-standing call for new laws to ensure greater transparency on political funding.

The leaked emails are only the tip of a larger iceberg, we hear, and the names of prominent captains of industry who contributed to the Ramaphosa ANC leadership campaign may yet come out, including **Johann Rupert**, the richest industrialist in the country and the personification of the hated 'White Monopoly Capital' that ex-President Zuma made a target of, along with the radical Black First Land First (BLF) movement and the EFF.

The whip-round of 120 business moguls and wealthy individuals for the Ramaphosa campaign raised more than R440m (\$30m), *Africa Confidential*

understands. The appeal to the wealthy elite was based on preventing **Nkosazana Dlamini-Zuma**, the former chair of the African Union and Zuma's ex-wife, becoming leader of the ANC.

Other contributors are understood to include Ramaphosa himself and: **Gavin Watson**, the owner of Bosasa, who is accused of paying massive bribes to ANC officials; **Stavros Nicolaou** of pharmaceutical giant Aspen; shipping tycoon **Tony Georgiades**; **David Ngobeni**, CEO of the former Ramaphosa business-vehicle Shanduka; **Johnny Copelyn**, CEO of Hosken Consolidated Investments; Macsteel founder **Eric Samson**, and the London-based mining millionaire **Paul Ekon**.

Other major Ramaphosa supporters, some of whom contributed in cash, included: billionaire **Patrice Motsepe**, whose sister is married to Ramaphosa and whose other sister, **Bridgette**, is married to former Energy Minister **Jeff Radebe**; **Koos Bekker** of Naspers; **Johan van Zyl**, Motsepe's chief of staff; the Swiss-based **Johan van Zyl** (no relation), head of Toyota International; the industrialist **Christo Wiese**;

insurance magnate **Douw Steyn**; **Mark Lamberti**, former CEO of Imperial Holdings; **Colin Coleman**, Goldman Sachs' head of sub-Saharan Africa, and gaming billionaire **Martin Moshal**.

VICTIM OF SUCCESS

Ramaphosa is also, ironically, a victim of the success of Mkhwebane's predecessor, **Thuli Madonsela**. When she was Public Protector she was crowned an anti-corruption hero for standing up to Zuma when he was President. When Zuma challenged her rulings against him on corruption, the courts found that the Public Protector's reports carry the same weight as a court judgment. So, the process by which the Protector reaches her decisions can be challenged in court but not the decisions themselves. Mkhwebane is taking full advantage.

The overall impact of these pressures on the presidency and the government, all pundits are saying, is a shift to the left. 'Unless it leans leftwards the centre won't hold,' said **Jeremy Cronin**, former deputy minister and Communist Party intellectual. ●

SOUTH AFRICA

Meltdown in the party

A secret internal report exposes the in-fighting, ghost members and battles for state spoils that are wrecking the ANC

By a quirk of history, it fell to **Ace Magashule**, Secretary General of the African National Congress and leading beneficiary of **Jacob Zuma's** leadership, to deliver the most damning report on the state of the party in its history. According to this internal report, seen by *Africa Confidential* and delivered by Magashule at a closed session of the National Executive Committee on 30-31 July, the ANC's nine provincial secretaries could authenticate just 700,000 out of the party's claimed membership of 1.2 million.

The discrepancies are worst in those provinces where the ANC claims the biggest numbers, such as KwaZulu-Natal and Mpumalanga, or where Zuma allies dominate, such as the Free State and North-West.

In Limpopo, provincial secretary **Soviet Lekganyane** said most of the branches have lapsed. Now, he wants to ensure branches convene general meetings to renew their mandates ahead of the 2021 local government elections.

Also, nine ANC-run municipalities in Limpopo have been embroiled in

the VBS banking saga, having invested over 1.2 billion rand (US\$80.5 million) in the ill-fated mutual bank, breaking municipal finance laws. Some ANC mayors in the province benefited directly from the banking fraud and are under investigation by the Hawks, the elite police investigative unit.

INFIGHTING

In KwaZulu-Natal, which claims the most ANC members, provincial secretary **Mdumiseni Ntuli** explained how the factional fighting in its most important region of eThekwin (Durban) could end the party's dominance in the province (AC Vol 59 No 12). Many party members are standing as independents and assassinations and murder plots are rife.

Another site of furious in-fighting has been the North-West Province, whose ANC-run provincial government under premier **Supra Mahumapelo** was dissolved in August last year. The party recommended that a caretaker team run the province instead. But the Johannesburg High Court ruled in favour of Mahumapelo's appeal in February, exacerbating the chaos.

Mahumapelo now sits in Parliament where he was recently appointed to chair the Portfolio Committee on Tourism (AC Vol 60 No 6).

The ANC's internal report says divisions in the province are deepening and that the corrupt management of the party's membership lists holds up reform. 'Lack of vetting of members leads to infiltration by criminal elements,' it states. It says that some chairs of branches have convictions for robbery.

ANC officials in North-West recommend the NEC appoint an interim structure to vet the membership and organise a special conference to elect a new provincial leadership.

Long racked by in-fighting, the ANC in the Western Cape reaped the consequences when it suffered its worst defeat, winning under 30% of the vote in the May general election. It is now the official opposition to the Democratic Alliance. The report recommended that the Provincial Executive Committee be disbanded and a provincial conference organised to reconstitute the party. The NEC accepted the decision and a new team will start rebuilding branches in the province.

In other provinces such as the Eastern Cape, Free State, Mpumalanga and Northern Cape, ANC officials have been able to reform the branches.

In Gauteng, the provincial secretary said that regions such as Tshwane, Ekurhuleni, Greater Johannesburg

and Mogale City are functioning well, though a team has been dispatched to deal with problems in the Sedibeng region.

For President **Cyril Ramaphosa**, reforming and restructuring the ANC is a vital part of his campaign to rebuild state institutions and strengthen the economy and could have consequences for his own position. If he doesn't resolve it, the crisis in KwaZulu-Natal, could cost him his leadership at the ANC National General Council next year. How he can secure his position while Magashule, his most powerful foe, controls the party machinery is one of his biggest problems.

The most obvious way would be to encourage prosecutors to speed investigations into the many scandals which blew up during Magashule's time as premier of Free State. Yet it could take months, if not years, sifting through the witnesses and chasing elusive documents, to build a strong enough case against him, and the President is not in charge of the timing. Magashule has become the guardian of the Zuma faction's stake in the ANC

and will not go quietly.

Others suggest an historic compromise between the Zuma and Ramaphosa factions, which in some ways is happening by default.

Provincial secretaries argue the failures over credible membership lists are key to ANC reform. The report says: 'ownership of members by other members ...paying for their lifestyles' threatens the party, leads to court battles, and the reversal of key decisions by the party.

PHANTOM MEMBERS

All acknowledge this, and the party has appointed a special team to delete the phantom members and restore a credible membership system to be ready in time for the National General Council and provincial elections next year.

The problem, however, is that it is Magashule who will be in charge of this exercise, although some reformers are confident digital checks and independent verification will still produce far more accurate lists. The ANC's membership list will go online and should be subject to the same level

of checks at the electoral register. A service provider called SpesNet will manage party fees and allow new members to print their cards at local supermarkets.

Meanwhile, Magashule has disbanded the ANC Youth League, with a new team including Zuma-supporting ex-ministers **Nomvula Mokonyane**, **Faith Muthambi** and **Malusi Gigaba** set to rebuild the league ahead of an elective conference in January 2020.

The best news for Ramaphosa is **Sibongile Besani**, new head of the Presidency at the ANC's headquarters at Luthuli House. Besani will be Ramaphosa's top representative in the ANC, a post left vacant after **Zizi Kodwa** moved into government as the Deputy Minister of State Security (AC Vol 60 No 16).

A former provincial secretary of the Free State and an ex-MP in Parliament, Besani will be full-time in the party organisation. Seen as a political street-fighter, a top party official said he was just the person to counter Magashule. Ramaphosa's base in the party will depend heavily on Besani's success. ●

TANZANIA

Cashew crisis grinds on

The President's decision to act first and reflect later is proving costly for what should be the country's most valuable export crop

Last November, President **John Pombe Magufuli** took cashew marketing out of the hands of private traders, who refused to pay the price he demanded for raw cashew and brought in the army. Yet the nuts are still largely unsold.

The President, in a typical sweeping gesture, sacked the chair and management of the Cashewnut Board of Tanzania (CBT) for not looking after cashew farmers' interests, and then the ministers of agriculture and trade. He then more than doubled the price of cashew to farmers, directing the Tanzania Agricultural Development Bank (TADB) to pay farmers directly, rather than through cooperatives.

The dramatic decision to call in the army to transport and process the raw cashew was based on two mistaken assumptions, Magufuli's critics say. The first was that Tanzania had the capacity to process large volumes of raw cashew nuts, and the second that it could find new markets for its nuts, raw or processed. Local firms can only process 20,000 tonnes a year, so it would take a

decade to clear present stocks.

No new buyers have been found to date, for either processed or raw nuts. In May, the Minister for Trade and Industry, **Joseph Kakunda**, claimed that buyers had been found for all the unsold cashew, but they didn't materialise. He later declared that all warehouses storing cashew would be cleared by 15 June, but after a deal to sell 100,000 tonnes of raw cashew to a mysterious Kenyan company fell through in June, Magufuli sacked him.

To date, more than 200,000 tonnes of raw cashew collected by the army in Operation Korosho ('cashew' in Kiswahili) are lying in warehouses in Lindi, Mtwara and Dar es Salaam, hot and humid places where the nuts will begin to rot, sooner rather than later (AC Vol 60 No 7). In May, opposition *Chama cha Demokrasia na Maendeleo* (Chadema) MP **Joseph Selasini** claimed that stored nuts were already beginning to rot, to which then deputy Minister of Agriculture, **Innocent Bashungwa**, replied that the nuts were fine and efforts were still under way to find the

'right buyers'. Bashungwa was promoted to replace Kakunda as Minister for Trade and Industry in June.

The initial plan was for the army to begin processing the raw nuts in a recently nationalised plant in Lindi, but the plant turned out to be in need of a major overhaul. The President's directive that no cashews should be exported unprocessed was then quietly dropped and the government began looking for new markets for raw nuts, without much success.

The government says it has bought cashew worth 723 billion shillings (US\$320 million) from farmers since November, and payments drag on after a laborious process of differentiating 'real' farmers from local traders buying from small farmers, an activity deemed illegal. Traders would not be paid. 'Small farmers' were defined as selling up to 1,500kg.

Perhaps predictably, paying farmers has been a slow process. Lindi Regional Commissioner **Godfrey Zambi** noted 'lots of complaints' from cashew farmers over non-payment and set up a team to investigate. Having to wait months for payments is nothing new for cashew farmers, and by late May they were still owed Sh100bn (\$40m), according to Agriculture Minister **Japhet Hasunga** who, like Kakunda, was appointed last November with a mandate to implement the President's cashew directives.

Raw cashew nuts are by far Tanzania's biggest agricultural export.

In 2017-18, the industry earned \$341m, much more than the \$270m total earnings from coffee, cotton, tea, cloves and sisal exports combined.

Presenting the 2019-20 budget to parliament in Dodoma in mid-June, Minister of Finance **Phillip Mpango** said the value of cashew exports had fallen by nearly two-thirds over the last two years. While falling world prices account for much of this decline in income, Magufuli's initiative accounts for at least \$160m, the earnings from 220,000 tonnes of cashew at the minimum price originally proposed by the CBT.

Tanzanian banks, both public and private, will suffer major losses as a result of Operation Korosho. Loans from the National Microfinance Bank and Equity Bank to cooperative societies to buy farm inputs such as sulphur dust are unlikely to be repaid. The state-owned Tanzania Agricultural Development Bank (TADB) must have received a substantial capital injection to finance direct payments to farmers at the Magufuli price of TSh3,300 per kilo, amounting to a hefty TSh700billion (over \$300m). Opposition MP **Zitto Kabwe** pointed out that this was more than three times the bank's capitalisation.

TADB will not recover its money until the stored nuts are sold. The relatively unknown Cereals and Other Produce Board is now responsible for clearing the 200,000 tonnes of unsold nuts. *Africa Confidential* was told that at present, no Tanzanian official would

be prepared to commit to selling nuts at less than the purchase price, and no buyer would be prepared to pay anywhere near the \$1.50 per kilo paid to farmers for top-grade nuts. (Although the popular cashew narrative mentions only one price, farmers are paid according to quality.) Though the state guarantees the loans against default, there is no guarantee that the guarantee will be honoured. Default would effectively bankrupt the TADB.

REVENUE LOSS

The large hole in export revenues resulting from Magufuli's cashew initiative has added to Tanzania's growing fiscal woes (AC Vol 60 No 7).

Magufuli's increasingly visible preference for state monopolies belies the government's stated commitment to private sector-led economic development. Successive parliamentary sessions have seen new legislation giving new powers to state agencies at the expense of the private sector. The latest example is the empowerment of the Tanzania Shipping Agencies Corporation to take over swathes of the clearing and forwarding business in the country, causing an outcry among private agents. TASAC also regulates the industry.

That Magufuli can ride roughshod over the cashew marketing system with no pushback from the main industry stakeholders demonstrates how weak the country's formal institutions are. It may well be that many farmers have

gained materially from Magufuli's initiatives. As well as doubling the farmgate price, Magufuli also put an end to all deductions by the CBT, cooperatives and local councils from payments to farmers. Even so, the total direct and indirect costs of Operation Korosho and its aftermath far exceed such one-off benefits.

None of this has prevented Operation Korosho eliciting praise from diverse sources, including Zitto Kabwe and the former ruling party treasurer and millionaire **Rostam Aziz** (AC Vol 52 No 10). The Tanzania Private Sector Foundation, agricultural umbrella NGO Agriculture Non-State Actors Forum, and the head of the SAGCOT Centre all praised the President's move. An exception was former minister **Nape Nnauye**, MP for a cashew-producing constituency in Lindi, who was sacked by Magufuli for criticising the controversial Dar es Salaam Regional Commissioner **Paul Makonda**, one of Magufuli's key allies (AC Vol 59 No 7).

On 12 and 13 July, President Magufuli missed an opportunity to brief the industry on his plans when he failed to show for a cashew investment forum in Mtwara that attracted both local and foreign stakeholders. The government revealed plans to expand cashew production to one million tonnes per year, but Operation Korosho was not mentioned. Meanwhile, the CBT flounders without a replacement leadership or the income from the export levy with which to work with farmers. ●

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POINTERS

Africa/US

AGOA NO GO

■ The days of the African Growth and Opportunity Act, which has granted tariff-free access for 6,500 products to the United States from 39 African countries since 2000, may be numbered. Neither Africa nor President **Donald Trump's** administration is happy with it (AC Vol 58 No 14).

Although Africa/US trade quadrupled in value from 2002 to 2008 to US\$100 billion, it fell back in 2017 to \$39bn, according to US official figures. African exports to the US are still tiny, and crude oil accounts for 67% of their value. The access is granted on condition the African countries do not discriminate against US imports, and some of them complain that this prevents them taking measures to protect local industries. Last year, Washington forced members of the East African Community to abandon a planned ban on the import of second-hand clothes (AC Vol 58 No 18).

The law, which was extended for 10 years by President **Barack Obama**, looked to be on life-support at this week's annual AGOA Forum, in Abidjan. 'I do not think that AGOA has been the game-changer for many countries on the continent that we hoped it would be,' **Constance Hamilton**, assistant US trade representative for Africa, told delegates.

African Union Trade and Industry Commissioner **Albert Muchanga** said the African Union favours a single continent-wide free-trade agreement with the US to replace AGOA. Africa should negotiate with 'one voice', he said. That sounds like the AU's demand, as yet unfulfilled, for a continent-to-continent trade pact with Europe to replace the Cotonou Agreement (AC Vol 59 No 21).

The Trump administration, meanwhile, plans to let AGOA expire in 2025, and wants to replace it with bilateral trade pacts with a handpicked group of countries.

Tunisia

NEW FACES, OLD ENMITIES

■ Candidates are lining up for the first round of presidential poll now scheduled for 15 September. The smart money is on Defence Minister **Abdelkarim Zbidi** to succeed President **Béji Caïd Essebsi** (BCE), who died on 25 July. Zbidi could stand as an independent supported by BCE's fractured *Nidaa Tounès* (NT), Afek Tounès and other middle-of-the-road advocates of 'stability'.

Their great rival, the Islamist

Hizb Ennahda's leader **Cheikh Rachid Ghannouchi**, again declined to run. He seemed certain to block any alternative Ennahda presidential candidate until, under grassroots pressure and following a late rethink, he put forward parliament's deputy speaker, **Abdelfattah Mourou**. Ghannouchi had seemed likely to back a non-Islamist, probably Prime Minister **Youssef Chahed**, but pressure from Ennahda ranks for a less nuanced approach – and a rival bid from former Ennahda Prime Minister **Hamadi Jebali** – made him change his mind. Morou is one of the more respected Ennahda veterans, but has been ill of late.

Also competing will be ex-president **Moncef Marzouki** – who is more popular abroad than at home – and some eye-catching populists if, as expected, the interim state president, 85-year-old parliamentary Speaker and NT leader **Mohammed Ennaceur**, follows BCE's line by refusing to ratify controversial electoral law amendments which would ban media magnate **Nabil Karoui** and *Parti Destourien Libre* leader **Abir Moussi** from standing (AC Vol 60 No 13). However, a recent money-laundering charge may yet keep the popular Karoui off the ballot paper.

There is strong speculation that political power will shift from the presidency to parliament. Ennahda, which is likely to lead the poll, is more focused on the parliamentary campaign, with the 78-year-old Ghannouchi standing in the Tunis 1 constituency to launch him as a strong candidate to be the next speaker of parliament.

Sudan

LOBBYIST OF LAST RESORT

■ The widely publicised US\$6 million lobbying contract between controversial Washington lobbyist **Ari Ben-Menashe** with **Mohamed Hamdan Dagalo**, aka **Hemeti**, deputy leader of Sudan's Transitional Military Council (TMC), to supply the Sudanese military, secure meetings with international leaders and 'correct unfavourable international media coverage' of the junta has prompted outrage in Khartoum civil society. It has also confirmed Ben-Menashe's status as the fixer of choice for African figures other lobbyists will not touch. Once described by *The Jerusalem Post* as 'a notorious, chronic liar', Ben-Menashe worked closely with the deeply corrupt late president of **Zambia**, **Frederick Chiluba**, before finding fame as a prosecution witness in a trumped-up treason trial of the late **Zimbabwe** opposition leader **Morgan Tsvangirai**.

Ben-Menashe returned to Africa politics in late 2016 on a \$6m retainer with **Aguila Saleh Issa**, President of

the Tobruk-based **Libyan** Parliament and chief ally of Libyan National Army leader General **Khalifa Haftar** (AC Vol 58 No 9). The lobbyist has since gone from strength to strength, racking up contracts worth \$16m per year with African principals. He claims to have influence in both Washington and Moscow.

Also on his books is **Congo-Brazzaville** President **Denis Sassou Nguesso** on a \$2 million contract. An intriguing name on Ben-Menashe's roster is **Mboyo Di Tamba Vangu**, a nuclear medicine specialist at **South Africa's** Wits University. Last year Ben-Menashe received \$2m to promote the academic as leader of a provisional government alongside former President **Joseph Kabila** when the latter was planning to delay elections until 2020. Di Tamba Vangu did not stand in the Congolese elections, but he is still on Ben-Menashe's books.

Nigeria

BUNKERING MENTALITY

■ In the piracy-riven Gulf of Guinea, there is doubt as to whether one particular vessel, the Indian-registered MT *Apecus*, was a victim of pirates or a pirate ship. Confusion has reigned ever since April when pirates reportedly kidnapped the *Apecus's* crew, sailors from **Ghana**, **Nigeria** and **India**, while the ship cruised off Bonny Island, Nigeria's main oil export terminal. At one point the Indian Foreign Minister tried to intervene to help his countrymen. But then the Nigerian naval authorities said they believed the ship was involved in 'bunkering', the murky trade in crude oil. The country loses an estimated 100,000 barrels of oil a day to the trade.

It was the Director-General of the Nigerian Maritime Administration and Safety Agency (NIMASA), **Dakuku Peterside**, who cast doubt on the kidnapping story by claiming that the ship had been 'conducting trading activities in Nigerian waters since 2014 without any valid permits or documentation'. NIMASA said the *Apecus* had changed its name and flag 15 times since 1993 – a claim later challenged in the media.

Then, at the end of May, the Nigerian Navy stated that the kidnapping had been stage-managed to cover up a falling out among oil thieves and it had arrested 17 people, including the five Indian sailors. The Indian sailors were released and sent home at the start of July, having faced no criminal charges in Nigeria.

The sailors stuck to their story, saying they had escaped by boat from the small island they were being held on after being tortured, and were helped by villagers when they reached the coast.

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BLUE LINES

This week's Tokyo International Conference on African Development, held confusingly in Yokohama, shows the growing competition between foreign powers on the continent. Although Japan's commercial ties with Africa – some \$10 billion of trade a year – are minuscule compared with the \$200bn annual China-Africa commerce, the two Asian powers are in a fight for diplomatic and strategic influence.

Initially, Japan's strategy was to partner with international agencies in the UN system or the World Bank and the IMF, to part-fund projects and programmes in Africa, burnishing its credentials as a good international citizen and, perhaps, its case for a permanent seat on the UN Security Council.

However, it wasn't until the exponential growth in China's business in Africa that Tokyo really started paying attention.

Japan is also upping its game in Africa on trade, registering a near 9% increase last year. But investment is lagging badly. This week's meeting, attended by a dozen African leaders, has established a permanent council to coordinate corporate efforts to get a bigger share of the African market with the Japanese government. Beyond the yen and dollars, Tokyo is playing another game, teaming up with India and willing African partners to create the 'Free and Open Indo-Pacific' region. Stripped of the warm words, it is a cut-price competitor to Beijing's Belt and Road initiative. With New Delhi's support, it carries some demographic heft.

ZIMBABWE

Power play in Harare

The main opposition party wants an interim power-sharing deal. The government accuses it of using mass protests as a bargaining chip

Through the last 17 years of his rule, former President **Robert Mugabe** consistently dismissed claims of human rights violations as part of a Western plot to bring about 'regime change'. Now, however, the opposition Movement for Democratic Change under **Nelson Chamisa** is making no bones about its desire for just that. It wants to remove the **Emmerson Mnangagwa** administration through mass protests on the streets rather than a general election or other constitutional means.

The strategy owes much to the **Kenyan** former opposition leader **Raila Odinga**. He labelled as fraudulent the first Kenyan election in 2017, which was annulled by the courts, and boycotted the second (AC Vol 59 No 14). After prolonged unrest, and continual accusations against the Jubilee government, President **Uhuru Kenyatta** made the famous 'handshake' with his old adversary, and Odinga and his supporters were admitted to key positions in government. Sources in Chamisa's entourage admit taking advice from Odinga's advisers on tactics.

Chamisa also claims he won the July 2018 elections 'resoundingly' but was deprived of victory by electoral fraud (AC Vol 59 No 16). However, Chamisa has been unable to produce hard evidence to prove that the MDC polled more strongly than the Zimbabwe African National Union–Patriotic Front. The ruling party may have rampantly abused state resources to hang on to power, but Chamisa's theories about the vote numbers lack proof. Yet, at every opportunity, Chamisa says Mnangagwa's

incumbency is illegitimate, echoing Odinga's strategy of 'declaring victory in the polls early and to go on declaring it', Harare pundits are saying.

'ILLEGITIMACY CRISIS'

The MDC calls the current political situation an 'illegitimacy crisis'. This, the MDC maintains, is causing the country's current economic meltdown. Zimbabwe's problems are political and not economic, they say.

The MDC's proposed cure is set out in its *Roadmap to Economic Recovery, Legitimacy, Openness and Democracy (RELOAD)*. The right medicine, according to the document, is a 'national dialogue' under a neutral mediator, where Mnangagwa's illegitimacy is the first item on the agenda. The economic details of potential recovery, however, are considered thin.

The 'illegitimacy and stolen elections' are to be resolved by the formation of a 'National Transitional Mechanism' to run the country for two years, the MDC says. During this time the governing authority will sort out the politics, reform electoral laws and steer the country to a free and fair election, which, when held under such conditions where the popular will is allowed to prevail, is likely to deliver victory for the MDC.

The 16 August march in Harare was called by the MDC as the first in a series of rolling protests and demonstrations to bring about a 'people's government', again mirroring Odinga's mock inauguration and other mass protests (AC Vol 59 No 3). To some protesters in Harare, however,

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this looked like an attempt to use the action as a way of bolstering the MDC's negotiating position in any bargaining with ZANU-PF.

Many demonstrators said they were protesting against very real economic hardships and Mnangagwa's failure to bring about the economic recovery he promised.

By linking the economic crisis with illegitimacy, the MDC is hoping to use to protests to ride into government, and some cynics say it has no wish to see any kind of economic recovery until public anger and the severity of the country's economic difficulties force Mnangagwa to accommodate Chamisa in a transitional regime.

Tendai Biti, the Finance Minister under the previous unity government, which ran from 2009 to 2013, and now one of three MDC Alliance vice-presidents, has been quoted as saying that his party has ways of making sure that the Mnangagwa government 'does not get a cent' of the more than US\$2 billion required to clear debt arrears to key international financial institutions and open the way for fresh funding essential to lift Zimbabwe from the deep economic hole dug by Mugabe.

Public demonstrations, and the predictably repressive response by the country's security sector, are a sure

way to scupper international assistance, oppositionists believe. While the government claimed that the march was timed to embarrass Mnangagwa at the Southern African Development Community (SADC) summit the following day, it is much more likely to have been directed at the G7 meeting in Biarritz on 24-26 August.

BAILOUT OFF

The G7 had planned to arrange a \$2.3bn bailout for Zimbabwe, which would settle its arrears with the World Bank, African Development Bank and the European Investment Bank. They would then immediately release \$1bn in a fresh loan (AC Vol 60 No 11). The quid pro quo, insiders say, was for the Mnangagwa government to show good will on opening Zimbabwe's democratic space. The bailout was not discussed at Biarritz, we hear, probably because of Harare's failure to follow through on this. A loosening of repressive legislation was mooted in June last year, when the idea of power-sharing between the MDC and ZANU-PF also arose (AC Vol 59 No 14).

The G7 had identified two pieces of repressive legislation for reform or removal as part of the 'opening'. The first was the Access to Information and Protection of Privacy Act (AIPPA), which Harare sources say is wrongly blamed – that honour goes to the Broadcasting Services Act – for Zimbabwe's closed media environment which boasts a single TV station and a single voice in the political content of the few radio stations. The second was the Public Order and Security Act (POSA). The latter is used to suppress demonstrations.

A Freedom of Information Bill replacing AIPPA was gazetted on 5 July but has yet to be considered by

parliament. The national assembly sat until after 4 a.m. on 9 August to push the substitute for POSA, the Maintenance of the Peace and Order Bill (MOPA), through the house, and Mnangagwa called the Senate back from recess to approve the Bill on 15 August. The plan seems to have been to demonstrate reforming intent ahead of the G7 summit.

Wary of the possibility of mass protests à la Khartoum and Algiers, however, the government was reluctant to give up some of POSA's more repressive clauses. The POSA clause allowing demonstrations to be banned through a 'prohibition' order by the police, which was used to prevent the 16 August demonstration and those planned for other cities, has been retained in MOPA. So long as mass protests remain a possibility, the clause will remain, government sources say. The government also feels that because the United States, the least willing to compromise with Mnangagwa of the G7 countries, is taking over the chairmanship of the international club, there is no percentage in meeting its conditions.

POWER CRISIS

For Chamisa, the prospects for harnessing popular anger appear good. In about three weeks, Zimbabwe's only reliable source of power, hydropower from the Kariba Dam, is likely to dry up after weak rain in the catchment areas. The limited imports from **Mozambique's** Cahora Bassa hydro and **South Africa's** troubled Eskom will not stop the 18-hour blackouts returning. The wheels of industry, mills of the mines and irrigation for agriculture could stop, and the economy may well grind to a halt – all conditions which could help Chamisa's agenda. ●

ZIMBABWE**Activists take on the crisis**

As the economic meltdown boosts resistance to the government, the main opposition party senses opportunity and regroups

Observing the success of mass protests in Algiers and Khartoum against highly militarised regimes, Zimbabwe's opposition Movement for Democratic Change (MDC) is planning a change in tactics, stepping up the pressure on President **Emmerson Mnangagwa's** security state (AC Vol 60 No 7).

This follows several thwarted

attempts to organise demonstrations in Harare, Bulawayo and Gweru, the country's three biggest cities. As in **Algeria** and **Sudan**, the opposition's main targets are state repression, economic mismanagement and elite corruption. Economic conditions in Zimbabwe – with inflation running at over 500%, daily 18-hour power cuts and youth unemployment at over

80% – are even worse than in Algeria or Sudan. Facing the worst drought in three decades, more than a third of the country's 17 million people will need food aid next year, according to the UN.

Zimbabwe's deepening political crisis comes as Finance Minister **Mthuli Ncube** has agreed a shadow programme of fiscal reforms with the International Monetary Fund, aiming for a debt restructuring deal and new foreign funding (AC Vol 60 No 11). After winning some support from the French treasury and international banks, the government had hoped a financial aid package would be discussed at the G7 meeting in Biarritz on 24-26 August and a debt write-off deal agreed next year (AC Vol 60 No 14).

It was that prospect that triggered

the opposition's planned protests to draw international attention to the economic meltdown and political repression. In that, it has succeeded, drawing widespread condemnation of Mnangagwa's government and further delaying a financial accord.

In a video on 5 August, MDC leader Nelson Chamisa said the opposition would move into its 'next phase' and take steps to end the economic and political crisis. MDC Organising Secretary **Amos Chibaya** promised a mass demonstration.

As the word went out, state security stepped up its response. Police officials tweeted that they had found a cache of catapults and stones on a street a few blocks from parliament.

Then came reports of the abduction and beating of six political activists just days before a mass MDC protest in Harare. State media reported the attacks were carried out by 'a third force'. The activists say their abductors wore plain clothes and drove vehicles previously used in state-sponsored abductions.

Early on 16 August, the day of the planned protest, police set up roadblocks on roads leading into the capital, ordering people out of commuter buses and demanding to see their identity cards. Many buses were sent back and the passengers told to stay out of Harare.

The previous day, soldiers had cruised the streets of Harare, using loud-hailers to warn that anyone who protested on Friday would 'rot in jail.'

The night before the protest, police spokesman **Paul Nyathi** told state television that the Commanding Officer for Harare Central District had banned the protest. MDC lawyers unsuccessfully challenged the ban in the High Court the following morning. Calling off the action in Harare in response to the court order, MDC leaders said protests would go ahead in Bulawayo, Mutare and Masvingo the following week. MDC spokesman **Daniel Molokele** told citizens to enjoy their 'state-sponsored stay-away' in Harare. However, thousands of activists had reached the centre of Harare before the court issued its order and went ahead with the protest anyway.

Police wielding whips and teargas-launchers moved in. Dozens of people, including ambulance crews and bystanders trying to help injured protesters, were teargassed and beaten.

After clearing the streets, the police careered around the capital and the poorer suburbs arresting suspected protesters. According to the MDC Social Welfare Officer, 110 people were arrested on Friday and 48 'heavily assaulted'.

In the event, attendance at the MDC protest in Bulawayo on 19 August was lower than at the Harare protest after a provincial court banned it as well.

The opposition now has to calculate its next steps carefully. It respected the court order but the fact that thousands still took to the streets underscored the level of public frustration. There are unconfirmed reports that Chamisa and Mnangagwa have held private talks but that could be a government attempt to dampen popular anger.

NEW CONFIDENCE

Chamisa's personal position is stronger following his elevation to the presidency of the MDC at the party's first elective congress since the death of its founding leader **Morgan Tsvangirai** in February 2018 (AC Vol 60 No 11). Although some infighting has played out in the media, the party is broadly behind him.

Two of its new vice-presidents, **Welshman Ncube** and **Tendai Biti**, had led break-away factions in the Tsvangirai era. A third, Chimanimani MP **Lynette Karenzi**, is a popular women's leader (AC Vol 59 No 18). Many older party loyalists have been sidelined. But some of the new officials have strong organisational experience outside the party, such as the new Welfare Officer, **Maureen Kademaunga**, and the new Secretary for Education and Culture, **Fadzayi Mahere**.

State officials are trying to tie up the re-energised opposition in court cases. On 17 August, police arrested the MDC National Chairwoman, **Tabitha Khumalo**, Senator **Helen Zivira**, and six other activists in Bulawayo. They were later released on bail.

The MDC's Vice-Chairman, **Job Sikhala**, was arrested and charged with plotting to overthrow the government in July. The President of the Zimbabwe Congress of Trade Unions (ZCTU), **Peter Mutasa**, as well as human rights campaigners **Rashid Mahiya** and Pastor **Evan Mawarire** are also facing accusations of subversion.

There have been a suspicious number of car accidents involving opposition leaders. In May, a vehicle with soldiers on board crashed into **Vimbai Tsvangirai-Java's** car. Tsvangirai-Java, the Glen View South MP and daughter of the late MDC founder, died from her injuries a few weeks later.

MATABELELAND ANGER

Now, the loudest protests in Bulawayo are coming from Ndebele secessionists, the Mthwakazi Republic Party, and not the MDC. On 16 August, a Bulawayo magistrate, **Gladmore Mushowe**, sentenced **Felix Nhlanhlayamangwe Ndiweni**, the chief of Ntabazinduna in

Matabeleland North, and one of the few chiefs to criticise the ruling Zimbabwe African National Union–Patriotic Front (ZANU-PF), to two years in jail for destruction of property.

In May, Ndiweni called for sanctions on Mnangagwa and the ruling elite. When ZANU-PF youths attacked him in Bulawayo a few days later, MRP youths retaliated and vowed to protect Ndiweni. Although the MDC backs Ndiweni, the issue is not party political so much as an expression of the deep resentment in the region against the mainly Shona officials who try to control the province from Harare.

Meanwhile, internal wrangling in ZANU-PF is intensifying. Vice-President **Constantino Chiwenga** is in China for medical treatment. Mnangagwa said Chiwenga that was too ill to return for the Heroes' Weekend (celebrating liberation war fighters) in early August, and read his message to the crowd.

SICK LEADERS

Chiwenga's ill-health is heating up competition for top jobs in the ruling party, fuelling speculation about the pecking-order for the succession. At the forefront is Minister of Defence **Oppah Muchinguri**. Fitter than most of her rivals, she is ZANU-PF National Chairwoman. Other contenders are General **Sibusiso Moyo**, who announced the coup that ousted **Robert Mugabe** in November 2017 on TV.

Foreign Minister and cheerleader for the government's investment drive, Moyo is battling with his own health problems. Gaining popularity in the party is **Monica Mutsvangwa**, the Minister of Information and wife of outspoken presidential advisor **Christopher Mutsvangwa**.

Some think that Mnangagwa overstated Chiwenga's illness to keep him out of the country and undermine his position. Chiwenga has been largely superseded by army commander **Valerio Sibanda**, who is now the main link between the armed forces and the state. There is growing concern about the loyalties of different branches of the security services to individual commanders and politicians.

Immediately after the coup, there were reports that hundreds of pro-Mugabe CIO agents had been jailed and killed. Officials vehemently deny this along with reports of factional battles between Mnangagwa and Chiwenga supporters. The upper echelons of both the army and the intelligence service have been purged under Mnangagwa, but that is not enough to dissipate the sense of a state apparatus run by elderly men in poor health fighting over the spoils of a patronage economy. ●

NIGERIA

Executive exerts its privilege

Despite the fuss over the delayed ministerial appointments, real power will stay in the presidency

Just days after President **Muhammadu Buhari** allocated the portfolios and swore in his 43 ministers on 21 August, regional leaders of the ruling All Progressives Congress started staking their claims to the presidential ticket in the 2023 elections. The breakneck speed at which party factions break up and realign in pursuit of political patronage is in stark contrast to the pace of what more generous commentators call President Buhari's 'deliberative style' of government.

Politics in Buhari's second term will run on two parallel tracks: about 10 people in the executive, and then the far wider second stage of politicking in the legislature and 36 state governments. Buhari's closest advisers will again be chief of staff **Abba Kyari**, Secretary to the Federation **Boss Mustapha**, and his nephew, **Mamman Daura**.

More recent additions are **Godwin Emefiele**, the central bank governor given a second term by Buhari before any of the ministers were named. A holdover from the **Goodluck Jonathan** era, Emefiele has become the main cheerleader for Buhari-nomics: defending the naira and multiple exchange rates using reserves if necessary, keeping the IMF at a distance, cajoling banks to lend to productive farms and factories, and banning the use of foreign exchange at the lower official rates for imports of food grown in Nigeria (AC Vol 60 No 11).

Vice-President **Yemi Osinbajo** heads the economic team, having led the work on the government's recovery and growth plan, which set the policy framework. Key to that was the Budget Minister, **Udo Udoma** and Trade Minister **Ugochukwu Enelamah**, who have both now left government, and then deputy budget minister **Zainab Shamsuna Ahmed** (AC Vol 58 No 1).

Diplomatic and restrained, Osinbajo replies with a wry smile when asked about policy disputes in the executive. This year's elections saw him canvassing for votes in the south as energetically as anyone else in the party. His advisers say Osinbajo is determined to help turn the sluggish economy around.

Elevated to Finance Minister after the resignation of **Kemi Adeosun** last year, Ahmed is critical to the economic team, given the horrendous revenue

shortfalls that the government faces. The government collects non-oil taxes amounting to 3-4% of GDP, less than half the percentage in **Saudi Arabia**, previously the world's most oil-dependent country.

TAX SHORTFALL

The government's failure to collect serious levels of corporate tax from local and foreign entities, let alone the billions in untaxed wealth of Nigerian plutocrats, has become a political crisis as the treasury faces ever-rising demands and indifferent export oil prices. That explains the stern rebuke from Buhari and Kyari to the outgoing head of the Federal Inland Revenue Service, **Babatunde Fowler**, for missing revenue targets four years in a row.

The other executive insider will be the new Defence Minister, Major-General **Bashir Salihi Magashi**, a lawyer and former commander of the Brigade of Guards, who held senior posts in the military juntas of **Ibrahim Babangida** and **Sani Abacha** (AC Vol 60 No 15). Magashi is set to preside over a shake-up in the armed forces. Several generals are due to retire as security threats multiply in the north and the Middle Belt.

Although the Lagos press delights in calling Kyari 'prime minister' and accusing Buhari of running a cabal, the current power structure has obtained since the return of civil rule in 1999. Critics miss the point about cabinet government in Nigeria in general. Constitutional requirements to select a cabinet that reflects federal character – a minister from each of the 36 states – and political convention to reward supporters mean that merit and technical capacity come second to political factors.

Buhari's new team includes the former governors of Akwa Ibom, Bayelsa and Benue, who defected from the opposition People's Democratic party and now have their reward. Even ministers with star technical quality have left office with their reputations at least partially damaged. **Ngozi Okonjo-Iweala**, drafted in from the World Bank, the late **Rilwanu Lukman** at oil and former Goldman Sachs executive **Olesegun Aganga** enjoy better reputations abroad than at home.

Jonathan's former oil minister

Diezani Allison-Madueke had experience in industry and government but is now widely regarded as one of the country's most corrupt officials in modern times due to allegations she vigorously denies.

Her continued restriction to Britain, where the government seized her passport over three years ago, intrigues close observers of the oil business who conclude that any public trial and disclosure of the myriad oil deals to which she is linked would serve the interests of neither London nor Abuja, let alone several powerful commodity traders and oil companies.

Buhari dropped several prominent ministers: **Dan Ali** at defence, apparently for being as anonymous as he was ineffective; **Abdurahman Bello Dambazau** at interior for relentlessly feuding with rivals; and **Emmanuel Kachikwu** (oil), **Udoma** (budget) and **Enemalah** (trade), who had all advocated policies on trade and liberalisation at odds with the administration's.

Most of those who are staying on, including **Abubakar Malami**, **Hadi Sirika** and **Adamu Adamu**, have a reputation for loyalty and a good personal relationship with the Presidency (AC Vol 60 No 10). For any new appointees slow to take the hint, Buhari warned new ministers twice, privately and in public at the inauguration, not to go off-piste: 'in terms of coordinating communication, kindly ensure that all submissions for my attention or meeting requests be channelled through the Chief of Staff while all Federal Executive Council matters be coordinated through the Secretary to the Government of the Federation,' he said on 21 August.

PDP oppositionists say Buhari has reduced ministers to the role of clerical aides. His allies insist it reflects his commitment to process and avoiding the corrosive informality associated with former governments.

OIL REFORM

Buhari has kept the Petroleum Resources portfolio within the Presidency, with reports suggesting an early priority to resurrect oil sector reform, promised in 2007 but yet to find expression in a workable piece of legislation. Close relations between the managing director of the state Nigerian National Petroleum Corporation (NNPC) **Mele Kyari** and presidential chief of staff **Abba Kyari** (no relation) who also sits on the company's board, might bolster reform prospects.

Setting a clear programme for reform and accountability, as **Mele Kyari** has done, is all the more critical and the country's oil and gas sector's

production is stagnating as it struggles with a lack of investment.

The main infrastructure projects are being managed through the Presidency. Stripping former Lagos Governor **Babatunde Fashola** of power, leaving him with works and housing, is a further sign of his diminished influence in government and perhaps also his waning prospects for the succession in 2023.

Aides blame the disappointing performance of Buhari's APC in the south-west on rivalry between Fashola, Osinbajo and party power-broker **Bola Tinubu**, amid suggestions that all are manoeuvring for position ahead of the 2023 election. The new team provides few clues as to who may have the President's support.

That may explain speculation from some in the political class that Buhari may be contemplating looking beyond the south-west for his successor. For now, with a more coherent party and cabinet, Buhari has plenty more pressing concerns.

SECURITY WORRIES

Security is especially problematic: although officials insist that the *Boko Haram* insurgency has been contained in the north-east, Islamic State West African Province (ISWAP) has a growing footprint across West Africa. Although violence between herders and farmers has diminished since the election, former President **Olusegun Obasanjo**, now oscillating between opposition formations, warns of the potential for division on the issue.

Local farmers' groups have solicited support from well-funded evangelical networks in the **United States** and Europe, aiming to portray a historic competition for land and water, worsened by climate change, as an organised religious conflict.

There are also simmering tensions in the east and the Niger Delta, as well as more systemic law-and-order

BILLIONS AT STAKE IN THE COURTS

The government faces two torturous courtroom battles with huge implications for the economy. First, Process and Industrial Development (P&ID), an **Irish**-based company founded by **Brendan Cahill** and **Michael Quinn**, which won a power sector contract in the final days of the **Umaru Yar'Adua** administration, has secured a judgement debt in the **United States** against the government that with daily interest is pushing US\$10 billion, over 2.5% of gross domestic product. This follows a ruling in a London commercial court in P&ID's favour.

P&ID never broke ground on the project but claims it spent \$40 million on 'preparatory work'. It has now sold the bulk of its equity to VR Capital, a hedge fund based in the Cayman Islands, and Lismore Capital, an outfit based in the British Virgin Islands whose ownership is not public.

The two companies wield influence. They have hired Kobre & Kim, DCI Group and Black Diamond Strategies, lobbyists in Washington DC close to President **Donald Trump's** administration. Between ministerial appointments, **Britain's** Home Secretary **Priti Patel** promoted P&ID's cause, writing in the London press that Nigeria had breached its international commitments in the case.

In London to test the market for another Eurobond issue, central bank governor **Godwin Emefiele** was told the P&ID claim could render another bond unviable. Belatedly, Nigeria is pushing back hard, determined to appeal the London ruling.

Newly reappointed Attorney General **Abubakar Malami** has been accused of failing to address the dispute, allowing P&ID to make uncontested claims that could have been rebutted earlier in the process.

Malami is also at the centre of a second legal drama, as prosecutors in Milan wind up their case against Shell, ENI and a string of executives accused of colluding with officials and using corrupt methods under the **Goodluck Jonathan** government to acquire OPL245, the licence to exploit one of Africa's richest oil fields. Malami has argued both in favour of allowing development of the field by Shell and ENI to proceed and for it to be cancelled (AC Vol 60 No 10). Either way, Nigeria stands to lose billions. ●

challenges across the country. At least three of the ministers from the region – Transport Minister **Rotimi Amaechi**, deputy Oil Minister **Timipre Sylva** and Niger Delta Minister **Godswill Akpabio** – are fiercely partisan figures pushing the ruling party's interests there.

Defence Minister **Magashi** is better placed to offer support inside government and will take a higher profile than his predecessor. But defence policy has been driven by service chiefs for several years now: the main change since Buhari came to power has been to downgrade the Office of the National Security Advisor, which had acted under

Aliyu Mohammed Gusau and **Sambo Dasuki** as a parallel government and procurement agency when the PDP was in power from 1999-2015.

Incumbent **Babagana Monguno**, a former intelligence chief and Brigade of Guards commander, has feuded with several senior government aides and Buhari supporters, and was neither reinstated nor replaced when Boss **Mustapha** and **Abba Kyari**, the two other key appointments, were retained on 5 July. Buhari also has a decision to make on service chiefs, who are all beyond the stipulated retirement age and have already been extended once. ●

TUNISIA

Upstarts and old guards

Jealous of presidential candidate Nabil Karoui's popularity, the political class manoeuvred to have him arrested

Tunisians go to the polls on 15 September to choose a new president and, three weeks later, a new parliament. The contests lacked strong drama until 23 August, when front-runner **Nabil Karoui**, founder of

the Nessma TV station, was arrested on corruption charges. They are nonetheless vital tests of the strength of the only democracy in the Middle East and North Africa to survive the political earthquakes caused by the

Arab Spring. But Karoui's arrest throws that reputation into doubt.

Karoui was arrested for violating a law widely believed to have been specifically designed to keep him out of the polls. Nobody convicted of a criminal offence can stand for the presidency, but the case will not be decided before the polls, so he remains on the ballot paper.

After the 2011 revolution, Tunisia experienced an explosion in the number of political parties and alliances, generally centrist and neo-liberal and, in many cases, little more than vehicles for individuals' ambitions. Few

have a firm ideological base, the main exceptions being *Ennahda*, the relatively moderate local offshoot of the Muslim Brotherhood, and the *Front populaire*, an alliance of left-wing parties and activists. In the last parliamentary elections, in 2014, the lion's share of votes and seats in the National Assembly went to late President **Béji Caïd Essebsi's** secularist and centrist *Nidaa Tounès* (NT – 'Call for Tunisia') and *Ennahda* (AC Vol 55 No 21). Several parties have merged since, new ones have launched, particularly as a result of splits in NT. All told, there are over 150 of them.

The electoral commission, the *Instance Supérieure Indépendante pour les Élections* (ISIE), received 97 applications for presidential candidacies, which it whittled down to 26, although four of those rejected have had their candidacies reinstated. **Moncef Marzouki**, the human rights activist appointed President in 2011 by the post-revolution Constituent Assembly who came second in the 2014 contest with 44% of the vote, is standing again. But he scored only 3-7% in the final opinion polls on 16 July, as did most others, leaving Karoui leading with an average lead of 20%, with the constitutional lawyer **Kaïs Saïed** on 18%.

'TUNISIA'S BERLUSCONI'

Karoui is known as 'Tunisia's Berlusconi' – indeed, the controversial former Italian premier reportedly owns 25% of Nessma through his Mediaset company. The political class furiously resents how Karoui used his TV station to win political fame. In June, parliament voted to bar presidential candidates who had been involved in political advertising or made charitable donations to the public in a blatant attempt to rule Karoui out of the contest (AC Vol 60 No 13).

Ennahda and supporters of Prime Minister **Youssef Chahed**, who is also running for president, backed the law, which was also believed to be aimed at **Abir Moussi**, the leader of the *Parti Destourien Libre* who wants Islamists banned from politics and is one of two women standing. Many of Karoui's opponents opposed the bill, as did Essebsi, who refused to sign it into law.

Underhand moves to stop Karoui included a police raid in April on his TV station over an alleged breach of broadcasting law which temporarily forced it off the air. In July, a court banned him and his brother **Ghazi**, co-founder of Nessma, from leaving Tunisia, freezing their assets pending further investigations into a report by a Tunisian NGO alleging financial irregularities. The report dates back to 2016 and had been ignored until now.

If, as most believe, Chahed was behind the arrest of Karoui, it is a risky move which could backfire spectacularly. ISIE has decided that Karoui remains a candidate unless found guilty and it is unlikely that there will be court decision before the elections. He was the main anti-establishment candidate before the police arrived to take him away and his arrest and imprisonment will only have reinforced the impression of him as a victim of a corrupt political elite.

DISENCHANTMENT

Popular disenchantment with the post-revolution political establishment has been growing in recent months and is stronger the further one moves away from the capital. The other front-runner in the polls, **Kaïs Saïed**, also presents himself as an opponent of 'the system'. A moderate Islamist opposed to equal inheritance rights for women and men and to gay rights, he has tried to project himself as a man of the people. He has said that if elected, he would not move to the presidential palace and would prefer to live at home. His popularity appears to be more to do with contempt for other candidates, but he has touched on issues that are important to ordinary voters. 'The real subjects that interest Tunisians are poverty and misery,' he has said (AC Vol 59 No 2).

Until the end of April, though, it was Prime Minister Chahed who consistently led in the presidential opinion polls. Thereafter, however, his popularity and that of his newly founded *Tahya Tounès* went into steep decline, as did that of *Ennahda*. It will be something of a miracle if either he or *Ennahda's* candidate, party Vice-President **Abd el Fatteh Mourou**, makes it to the presidential runoff.

Their problem is their record as a ruling coalition. They go into the elections seen broadly as having made daily life much worse for ordinary Tunisians. The dinar has suffered a relentless slide in value since the revolution: it is now worth roughly half its US dollar rate in 2011. Prices have risen but salaries have failed to keep pace. With the average monthly salary at about 800 dinars (\$280), families are finding it extremely difficult to make ends meet without at least two wage-earners, if not more.

The dinar has stabilised in the past couple of months, helping inflation decline from 6.8% in June to 6.5% in July, according to the country's *Institut national de la statistique*, but that is unlikely to have any effect on voters' minds. Not for nothing do people increasingly speak with nostalgia about the **Zine el Abidine Ben Ali** era before the revolution, when 800 dinars a

month was a comfortable income.

A big question, however, is why so many politicians would want to be president. Tunisia is a parliamentary republic. The president has some control over foreign and defence policy but real power lies in the hands of the prime minister. Some candidates, Karoui and Chahed among them, would like to change the constitution and create a presidential system but, for the moment, the president's main role is to represent the state.

That is where an apparent new front-runner scores high. **Abdelkarim Zbidi**, the immediate past Minister of Defence, who was close to Essebsi, is seen by many as the man most likely to become the next president – or at least was, before the Karoui bombshell (AC Vol 60 No 16).

CLEAN HANDS

At a time when there is considerable suspicion of the entire political class, Zbidi is seen as having integrity, clean hands, experience and gravitas, despite being light on charisma. First serving as Defence Minister between 2011 and 2013, he resigned, criticising the then government of Islamist Prime Minister **Hamadi Jebali** (now also competing for the presidency) for not devoting sufficient resources to the armed forces to fight terrorism. He returned to the post in 2017 and is known to be highly rated by the military.

Shortly before Essebsi's death, Zbidi ruled himself out as a presidential candidate, but after the state funeral, which he helped organise, he came under pressure from numerous groups to stand. These included Essebsi's NT and the *Afek Tounès* party, both of which have endorsed him as their candidate. On 7 August he announced he would stand and resigned as defence minister.

Business leaders appear to like him, too. 'A safe pair of hands' is how one described him. Support from business could damage other candidates' prospects. Chahed, who has renounced his dual nationality (he was also a **French** citizen) so as not to be accused of divided loyalties, has been looking to big business to finance his campaign.

Some businessmen who had backed and funded NT switched to Chahed's *Tahya Tounès* when it launched at the beginning of the year, and it has been seen very much as the mouthpiece of business. If they feel comfortable about Zbidi and think he may win, however, they may decide that funding anyone else is a waste of money.

But funding may not be enough. The arrest of Karoui has thrown into sharp relief what the election is about in the minds of so many Tunisians. As

in a number of other countries recently, it is between the establishment and business on one side and the people

on the other. Chahed and Zbidi is seen as representing the former, Karoui the latter.

And now the TV magnate can present himself as martyr as well. It is likely to be a powerful selling point. ●

ALGERIA

Waiting on the general

No longer posing as an avuncular placeman, Gaïd Salah has emerged as Algeria's key power-broker

It seems a very long time since Algeria-watchers questioned whether a political beast with ambitions to control the military/security establishment and its 'deep state' structures – known in Algeria as *le pouvoir* ('the powers-that-be') – was lying within the unlikely figure of Deputy Defence Minister and Army Chief of Staff Lieutenant General **Ahmed Gaïd Salah**. In the months since February, security force *décideurs* have been toppled along with ex-President **Abdelaziz Bouteflika**, his omnipresent brother **Saïd Bouteflika**, four-time premier **Ahmed Ouyahia** and a number of crony business kingpins, yet Gaïd Salah has not only retained control of the army, but has been calling the shots within the interim government and an empowered judiciary (AC Vol 60 Nos 7 & 13). Gaïd Salah's departure is a central demand of *Hirak* (The Movement) protesters, who have filled the streets every Friday since 22 February. But the 79-year-old career soldier refuses to countenance his own departure.

Instead, Gaïd Salah has moved centre-stage, leading a social media activist to comment on the eve of the Algerian national football team's first African Cup of Nations (Afcon) final for 27 years that the result could be 'critical for the general's future... If we lose the crowd could finally lose its commitment to peaceful protest and turn on the General'. In the event the Algerian 'Fennecs' beat **Senegal** and delirious crowds celebrated noisily from Paris to Algiers and much further south. The army was not deployed to control any backlash as *Hirak* has largely stuck to its impressive non-violent stance; indeed, an attempt to intimidate protesters by organising army live-fire exercises rebounded and Gaïd Salah quickly learned to move more cautiously.

Interim President **Abdelkader Bensalah** represented Algeria at the Afcon final in Cairo – where President **Abdel Fattah el Sisi's** model of authoritarian rule is favoured by some, but not all, of the officer corps that have survived recent culls in Algiers.

Having missed a 4 July deadline to hold a presidential election, Bensalah has stayed in office without a legal mandate, while politicians discuss talks about talks, jails fill with protesters, along with Bouteflika-era politicians and businessmen, and diffuse *Hirak* groups refuse all solutions proposed by what they see as a discredited political class. Efforts to involve the former ruling *Front de libération nationale* (FLN) and *Rassemblement national démocratique* (RND) parties have won demonstrators' scorn; in recent weeks that dialogue's coordinator, Parliament Speaker **Karim Younes**, has been almost as vilified in popular chants as Gaïd Salah himself.

Bensalah has worked with Interim Prime Minister **Nourredine Bedoui's** government to carry on with business as usual – appointing new ambassadors, including career diplomat **Abdelaziz Benali Cherif**, to the sensitive Rabat post. Warming to the job, Bensalah has made **Farida Benyahia** President of the Council of State.

Bensalah's replacement as parliamentary Speaker by a Ouargla-born Islamist, **Slimane Chenine**, raised many eyebrows. However, speculation that the rise of a Muslim Brotherhood-aligned Speaker could signal that Islamists have once again taken over an Algerian opposition movement, as the *Front Islamique du Salut* (FIS) did in the late 1980s, seem overstated. Chenine's small *El Bina* party is an offshoot of the FIS's old rival – and long-time establishment ally – the *Mouvement de la Société pour la Paix* (MSP – *Harakat Mujtama As-Ailm*), whose leader **Abderrazak Makri** has presidential ambitions but lacks the necessary public support (AC Vol 60 No 2). Few believe the majority of Algerians who remain profoundly wary of conflict involving political Islam are ready for another experiment with Islamist government. Makri's problems winning over voters also reflect popular distrust of the MSP, whose political interventions have often been seen as 'an army play'.

Other Islamist factions could yet play a role. One potential compromise

candidate for president, **Ali Benflis**, has worked with Islamists and secular leftists in the Forum for Change grouping. But the way ahead remains unclear, with the opposition divided on most issues. What the majority do want is a shift from crony capitalism: few doubt that the Bouteflika cronies now in prison or under investigation have earned their place in jail. Latest to join the imprisoned is Bouteflika's Justice Minister **Tayeb Louh**, who was placed in *détention provisoire* by a Supreme Court examining magistrate on 22 August (AC Vol 54 No 19). There had been widespread calls for Louh to be investigated, but the extent of the crackdown is starting to cause concern even among those who advocate a major clean up.

Those arrested include business leaders who were not seen as being in Saïd Bouteflika's 'oligarch' circle or involved in major criminality (judging from the charge sheet), most notably Kabyle billionaire **Issab Rebrab** (whose son is now running his Cevital empire). Workforces are being laid off while the boss is in prison in a rising number of companies. Meanwhile old investigations are being reopened at Sonatrach, which threatens a further slowdown in investment decisions at the state energy giant. Eni and Total have made widely publicised commitments to their Sonatrach partnerships, but most investors are waiting to see what the post-Bouteflika political settlement looks like.

SALAH'S BIDDING

Many believe Gaïd Salah is pulling the strings. Judges have been re-empowered, with some legal groups seeing a chance to re-establish rule of law, but many other judges still seem merely to be taking instruction from above. 'They know Gaïd Salah is the one with power at present, so they will do his bidding,' commented once close observer. The army's power of arrest, removed in 2013, has been restored to aid the crackdown. Meanwhile, the lack of confidence in the judiciary was underlined when interim Justice Minister **Belkacem Zaghmati** on 22 August said he would lead a campaign against corrupt judges.

It is never advisable to make comparisons with former colonial power **France**, but it is tempting to see tumbrils filled with *ancien régime* figures, some innocent, others guilty, passing towards the guillotine during

Algeria's current revolutionary phase. With so little settled for the long-term, Gaïd Salah's position is powerful but potentially vulnerable. Notoriously private, and with only a small circle of close acquaintances, his profile is not unlike many other senior officers of his generation: there is talk of gold mining concessions in the south, financial dealings linked to Russian arms sales, of links to an 'Annaba clan' that has allegedly enriched itself protected by his influence, and of family business arrangements that could prove embarrassing. Gaïd Salah is well aware that his rival, former military security chief Major General Mohammed

'Tewfik' Medienne, kept files on such issues; indeed, the chief-of-staff has seized many of them (AC Vol 60 No 7).

To shore up his position, Gaïd Salah loyalists have been appointed at the top of the *Direction Générale de la Sécurité Intérieure* (DSI) military 'counter-espionage' agency. General Wassini Bouazza was quickly appointed DSI head in April, after Gaïd Salah managed to sack previous DSI chief General Lakhdar Abdelkader's boss and Bouteflika clan security supremo, General Athmane 'Bachir' Tartag. Bouazza held a senior post in Gaïd Salah's fief, the Ministry of National Defence, rather than having the usual

military security background. Since then, Colonel Nabil Benhamza has been appointed to lead the very busy DSI department that investigates business.

While Gaïd Salah has more of his men in place, it will be trickier to create a political configuration that meets some *Hirak* demands while largely keeping the traditional structure in place. Many see it as inevitable that the authoritarian general will seek to break *Hirak*. But the protesters won't go away. Whether the military establishment maintains its loyalty to the chief or whether some join their friends and family calling for genuine change on the streets, may yet prove critical. ●

SOUTH AFRICA

ANC tries to stop the rot

A caretaker leadership in the Western Cape is supposed to arrest the ruling party's electoral decline

Ace Magashule, the African National Congress Secretary-General, has read the riot act to the newly constituted Western Cape Provincial Task Team to start working in communities and end its notorious faction-fighting. The PTT was appointed as a caretaker leadership by the ruling party's National Executive Committee after it disbanded the provincial leadership, which has presided over a disastrous decline in the ANC vote and bled support to left and right. The PTT will stay in place until a new leadership is elected at a provincial congress, which is set to take place by January next year.

The moves are part of President Cyril Ramaphosa's programme to reform the party and stop its calamitous slide in the polls, but Magashule is regarded by many supporters of the President as part of problem and incapable of providing the solution (AC Vol 60 No 16).

Magashule and the NEC spent the weekend of 24-25 August briefing branches across the Western Cape on the decision to dissolve the Provincial Executive Committee. The 30-member PTT includes a mix of younger and older ANC members. Some call it a grubby compromise – the committee is split 50-50 between Ramaphosa and Magashule supporters. It includes the Jacob Zuma-supporting former minister Lynne Brown, Ramaphosa-supporter and former ambassador to the US Ebrahim Rasool, and provincial treasurer Maurencia Gillion, who is an ally of Magashule's.

Gillion was suspended over a 1 million rand (US\$65,000) donation to the party's coffers by businessman Iqbal Survé. Survé has not been repaid. The ANC officials who benefitted from the funds, mainly for travel and election expenses, believe they are entitled to the money and have no intention of repaying it, we hear.

SINECURES

Despite the calls for reform and back-to-basics activism, older long-serving party members expect their loyalty to be rewarded with undemanding and lucrative jobs. Some want seats on the PTT, which could be a stepping stone towards other sinecures, such as ambassadorships or senior positions within government. They are unwilling to adjust to the new concept of having to work for the party and rebuild the organisation from the ground up.

The Western Cape PTT also includes the respected former head of the police investigating unit, the Hawks, Anwa Dramat, and other old party hands including the former head of justice in the province, Hishaam Mohamed, and the former provincial secretary, Songezo Mjongile, a supporter of Nkosazana Dlamini-Zuma's leadership bid and a Magashule supporter. Also on board are the MP James Ngculu, who led the provincial ANC in the 2000s and was a supporter of Thabo Mbeki, along with the former provincial secretary Faiz Jacobs, now one of Magashule's main allies in the province. Ramaphosa ally Cameron

Dugmore is also present (AC Vol 56 No 5). How likely it is that such senior figures will operate as grassroots activists remains to be seen.

Lerumo Kalako, a former ANC MP and Ramaphosa ally who used to have the provincial communications portfolio, is convenor of the PTT. Kalako, a previous provincial chairperson with strong roots in Cape Town and a big support base in Gugulethu, pipped Brown for the job. Brown was the frontrunner until party officials realised that her alleged role in 'state capture' and her disastrous record as ex-President Zuma's Minister for Public enterprises did not send the right signal. Brown is still trying to clear her name and denies all the state capture allegations, but she was just what the local South African Communist Party head Benson Ngqentsu had in mind when he called the PTT 'an old wine in a new bottle'. One ANC member confessed her disillusionment with the PTT to *Africa Confidential*: 'There is a history of in-fighting and they are just not able to curb their anger, so this PTT just does not inspire me and I do not know if it can take the party anywhere.'

Ronalda Nalumango has been appointed the provincial coordinator of the PTT. The hitherto obscure Stellenbosch councillor was appointed to ensure gender parity. One ANC leader said, 'We need new blood and energy', adding that women needed to be given senior positions. Although Magashule's message is all about renewal, ANC insiders pointed out that there remain many highly ambitious ANC members who want senior positions, and the jostling for posts has not stopped.

The fact that the Magashule and Zuma supporters have carved up the PTT with Ramaphosa supporters indicates that no purge of the corrupt has, or will, take place. An end to the faction-fighting seems unlikely.

The Western Cape is the stamping ground of the opposition Democratic Alliance and the only province it runs. The ANC has never polled more than 50% there but the plunge in its vote down to 33% in 2014 to 29%

in May is regarded very seriously at ANC headquarters. Leaders blame the internecine warfare in the party and a failure to engage with poor voters in the Cape Flats. Because the ANC is already at a low ebb in the province,

headquarters feels action is necessary to prevent the Economic Freedom Fighters from making even more serious inroads into its base. So far, however, the measures undertaken only have the appearance of a clean sweep. ●

MALAWI

No let-up in post-election war

The opposition leaders' campaign to annul the May elections depends on getting more angry people on the streets

Three months after the highly contested and narrowly won elections, politicians, civil society and even religious leaders are divided between pro-opposition and pro-government factions. The issue is unlikely to be settled until the Constitutional Court delivers a ruling on the 21 May polls, which the opposition claims were rigged (AC Vol 60 Nos 11 & 12).

In court, former Vice-President **Saulosi Chilima** was questioned by Attorney General **Kalekeni Kaphale** over his petition alleging that the elections were rigged through 'irregular use of forms, intimidation and bribing of monitors and alteration of results using correctional fluid Tipp-ex'. Chilima, who stood in the presidential election for the United Transformation Movement (UTM), effectively agreed that the allegations he and supporters had made would not have affected the outcome of the polls. His lawyers face an uphill task convincing the court the election was fraudulent. None of his monitors or polling agents disputed the conduct of the elections while they were ongoing, although Chilima claimed fraud was being perpetrated before polling day (AC Vol 60 No 9).

LACKING EVIDENCE

Most observers believe Chilima is hoping that the mass protests against President **Peter Mutharika** by the Human Rights Defenders Coalition (HRDC) would be enough to persuade the government to hold fresh elections. Chilima convened enormous mass rallies when he left the administration accusing Mutharika of rampant corruption. But these were not in the key areas that could have threatened the incumbent's highly ethnically defined voter base, political experts said (AC Vol 60 No 6). Legal experts agree that the evidence of an organised pattern of rigging is lacking (AC Vol 60 No 9).

'The errors were more clerical in

nature,' one of the lawyers on the UTM team confessed to *Africa Confidential*. 'The use of Tipp-ex was mainly by teachers [who routinely use the correcting fluid] who were presiding officers, and the forms not being signed are monitors who left early or protested the results. The majority of complaints do not actually affect the valid votes – hence they do not alter the will of the people, which is the only reason the Elections Act gives for nullifying an election.'

Chilima came third in the presidential poll with 20% to Mutharika's 39%. Leader of the Malawi Congress Party (MCP) **Lazarus Chakwera** was second with 35%. Only four of the UTM's candidates made it into parliament.

The former Vice-President has been accused of sponsoring the HDRC demonstrations which at times have turned violent, with protesters looting and burning public and private property.

The HDRC is led by **Timothy Mtambo**, executive director of the Centre for Human Rights and Rehabilitation, and **Gift Trapence**, leader of the gay rights advocacy Centre for the Development of People. They demand the resignation of the Malawi Electoral Commission chair, Justice **Jane Ansah**, and accuse her of mishandling the elections. Ansah has said she will resign if the Constitutional Court finds her supervision of the elections was below the expected standard.

President Mutharika, once a professor of constitutional law at a US university, has opted for a laid-back approach, forbidding the Malawi Police the use of live ammunition and not banning marches. Mutharika ordered the Malawi Defence Force under a popular general, **Vincent Nundwe**, to back up the police, which is accused of being aligned to the ruling Democratic Progressive Party (DPP).

The demonstrations, according to both UTM and MCP officials, are

intended to force Mutharika to the negotiating table. The Public Affairs Committee (PAC) – a respected inter-religious body which was at the front of discussions to move Malawi from a one-party state to a multiparty democracy in 1992 – has tried to mediate. Former President **Bakili Muluzi**, too, has tried to act as a bridge and stop the demonstrations.

'Muluzi has been asking for a government of national unity, but Mutharika rebuffed him,' an official close to the discussions told *Africa Confidential*. 'The civil society organisations also rebuffed Muluzi, saying Justice Ansah should resign first. PAC almost got the same. Nobody is shifting positions because more of it is about assumption of power and people are scared they may have to pay for the damage caused.' The government has also tried to frighten the marchers by threatening to sue the organisers for damage to property.

HITTING BACK

Initially, the DPP merely watched its critics from the sidelines but now it is hitting back. The party organised its women's section to demonstrate against attacks on Justice Ansah. Trapence and another civil society leader, Reverend **MacDonald Sembereka**, were arrested for allegedly misusing Joint United Nations Programme on HIV/AIDS (UNAIDS) funds, but the UN said the matter had been settled.

A senior presidential aide claimed that Chilima and Chakwera were hoping security forces would shoot demonstrators so the protests would become so vast that the government would have no option but to invite the opposition into a government of national unity, as in **Zimbabwe** and **Kenya**. The demonstrators' violence has been concentrated in the opposition strongholds in the centre and north.

For now, the country's civil society groups seem to be aligned with either the UTM-MCP opposition on one side or with the DPP on the other. Whether the elections were rigged on not, however, will not be answered in the foreseeable future. The court has to consider dozens of affidavits and hear hundreds of witnesses, which will take at least a year, lawyers say.

Meanwhile, the HDRC has tried to emulated civil rights demonstrators in

Hong Kong demonstrators by taking their protests to airports and border crossings. But on 27 August, on the eve of the demonstrations, which had been

banned by the High Court, the Supreme Court ordered a 14-day suspension of all demonstrations and asked the government and HDRC to come up

with an agreement to avoid violence. The decision unusual reflects growing concerns by the larger public over violent demonstrations. ●

SOUTH SUDAN

Juba's payday loan habit

The government's fondness for pre-selling oil greases the wheels but hurts the exchequer. It's an addiction that will be hard to break

Developing countries have long been advised against forward-selling their natural resources – often their only source of foreign exchange – in return for upfront cash. The credit is expensive, fluctuations in prices disadvantage the seller, and fiscal planning suffers. Yet poor governments needing cash to govern often cannot resist the temptation.

The rulers of South Sudan are no exception. Here, *Africa Confidential* details a catalogue of deals for the country's oil, proceeds of which are used to buy support, ensure loyalty and fuel conflict.

'The Government of South Sudan... pre-sells almost all of its oil,' stated the UN's Panel of Experts on South Sudan to the Security Council earlier this year. 'Given that the number and terms of these pre-purchase agreements are not disclosed and revenues can be generated well in advance of actual production, the oversight of revenue flow is impeded.'

In conservative language, the IMF sets out the pitfalls in a mid-May report on the economy. 'Non-transparent oil advances, oil-backed loans and off-budget transactions are undermining fiscal discipline and budgetary integrity, which have led to high corruption vulnerabilities,' it says (AC Vol 60 No 15).

The government pre-financed close to US\$300 million of crude sales in the first half of 2019 alone, creating estimated arrears of almost \$200m, according to *Africa Confidential* calculations based on unpublished trading data and interviews with oil industry sources in Juba. At least eight of the ten government cargoes lifted from Port Sudan in the first six months of 2019 were pre-financed, close to 5m barrels.

From 2013 to 2018 the government pre-financed at least 32m barrels of crude, an average of more than 5m barrels a year, our calculations show. Over that period, the total value of pre-financed crude trades was more

than \$2 billion. Average arrears, based on a four-month repayment period, were more than \$120m, assuming the government was able to keep up with repayments, which is unlikely given its steady accumulation of arrears from numerous facilities.

The IMF puts the value of outstanding short-term oil advances at \$338m as of March 2019, while noting that this estimate 'may not capture all outstanding advances'. The government was 'unable to provide a full list of contracted oil advances and their repayment terms,' said the report.

The debt burden created by the government's thirst for upfront payments could threaten the implementation of the Revitalised Peace Agreement signed last September (AC Vol 60 No 1). The formation of the Transitional Government of National Unity has been put off to November.

FISCAL CLIFF

Although the government promised in June to end its addiction to pre-payment, it is likely to find this hard to deliver on. 'The government has mortgaged the future in order to fund the war effort and line the pockets of regime members,' JR Mailey, special investigations director at *The Sentry*, which monitors South Sudan's finances, told *Africa Confidential*. 'The government's ability to service its debt and to raise financing will become increasingly constrained and eventually it will fall off a fiscal cliff,' he added.

An analysis of unpublished crude trading data acquired by *Africa Confidential* has found that eight of the ten 600,000-barrel cargoes of South Sudanese crude lifted on behalf of the government from Port Sudan between January and June 2019 were pre-financed. The shipping details for the other two cargoes were unidentified; they, too, may have been pre-financed.

Tenders for six of the cargoes were won by Trinity Energy, which is 90% owned by South Sudanese businessman **Akol Emmanuel Ayii**

and 10% by **India-born** mobile phone payments entrepreneur **Richard Raja**. The government has an arrangement with Trinity whereby it leverages future crude sales for letters of credit (LOCs) from the African Export-Import Bank (Afreximbank). **Swiss-headquartered** oil trader Glencore ships the crude for Trinity and then Afrximbank is reimbursed.

'Afreximbank gives a loan facility to the government four to five months in advance and the government repays the bank from crude sales,' Raja told *Africa Confidential*. A \$60m credit from Afrximbank against the award of crude sales contracts to Trinity for the first two months of 2019 was already in Ministry of Finance accounts by the end of October 2018, a letter from Finance Minister **Salvatore Garang Mabiordit** to the then energy minister **Ezekiel Lol Gatkuoth** reveals (AC Vol 59 No 6). The government has awarded Trinity one 600,000-barrel cargo every month this year, trading data shows. 'All the cargoes we've lifted have been linked to the Afrximbank arrangement,' Raja told *Africa Confidential*.

The other two pre-financed cargoes we identified were lifted by Sahara Energy, a subsidiary of **Nigeria's** Sahara Group. The company has a straight pre-financing deal with the South Sudan government in which it pays upfront for its cargoes, oil industry sources working in Juba said. Sahara enjoyed a close relationship with Gatkuoth, which may have prompted his sacking by President **Salva Kiir Mayardit** on 10 June, according to industry sources in South Sudan. Ezekiel had influential detractors, a Juba-based oil industry source said. 'Kiir has been looking for an excuse to sack him for months.'

The pre-financed Trinity and Sahara cargoes total at least 4.8m barrels. Assuming that the two unidentified cargoes were not pre-financed, this is equivalent to about 70% of total government shipments in the first six months of the year. If the two unidentified cargoes were also pre-financed, the proportion nears 90%.

In the context of South Sudan's economy, the sums of money that the government is borrowing in this fashion are enormous. Based on an average oil price of \$65 a barrel and a \$5 discount to the Brent benchmark for South Sudan's crude, each 600,000-barrel cargo is worth \$36m. At least eight cargoes were pre-financed in the first

half of 2019, worth a combined \$288m. Assuming Sahara gives Juba the same four months of credit it has from the Trinity/Afreximbank deal, this puts average government arrears from oil trading in the first half of 2019 at a minimum of \$192m, equivalent to nine months of government spending based on figures from the second half of 2017, the most recent period for which data is available.

There is a significant financial cost to the government's pre-financing transactions. 'Companies receive a discount in exchange for making an advance payment and charge significant interest on the amount they have pre-paid,' says the UN Panel. Insiders suggest that the margins on the loans could be as much as 10%.

In the case of the Trinity/Afreximbank deal, instead of awarding cargoes to the highest bidder in an open tender, South Sudan is effectively paying three parties for the privilege of getting money up front. Proceeds from the crude trade are split '50/50 between Trinity and Glencore', says Raja. It is reasonable to assume that as a commercial lender, Afrximbank also earns a margin on the loan. A spokesperson for Afrximbank cited client confidentiality in declining to answer our questions.

In its Article IV report, the IMF said that government officials agreed that 'oil and budget management have been complicated by oil advances in recent years' and 'expressed commitment to

strengthen oil management through discontinuing contracting oil advances.' The IMF 'urged the authorities to implement the planned measures to discontinue contracting oil advances and to arrest off-budget transactions.'

The IMF discussions with officials ended on 15 March, after which pre-financed trades continued unchecked. But on 21 June, President Kiir set up a committee of government officials tasked with 'undertaking a complete enquiry into the crude pre-sale process, off-take agreements, sales, payments and taxes.' Kiir instructed the committee to 'ascertain the number of pre-sale agreements and companies allocated crude oil on the basis of pre-sale.' The committee was due to present its findings within two weeks; more than two months later, it is yet to do so.

SCAPEGOAT

The signs are that Gatkuoth is being cast as a scapegoat for the government's pre-financing problems. President Kiir launched his investigation nine days after Gatkuoth was sacked, and presidential spokesman **Ateny Wek Ateny** said that the former minister would be questioned by the investigating committee. While Gatkuoth may well have been intimately involved in the pre-financing deal with Sahara, the practice was well-established before he became oil minister in mid-2016. Of the 37m barrels of crude pre-financed by the government since 2013, a little over half were on Gatkuoth's watch, but

less than a third were with companies who hadn't previously arranged pre-financing deals with his predecessors.

Netherlands-based oil-trader **Trafigura** was the dominant source of pre-financing between 2013 and 2017, paying up front for 23.2m barrels, including 8m barrels in 2013, 5m barrels in 2014 and 5.2m barrels in 2016. As Trafigura's appetite for upfront payments dwindled in 2017-18, Juba has simply looked elsewhere.

BB Energy, a **Lebanon**-based crude trader, lifted just over 1m barrels of Dar Blend in 2017 and close to 2m barrels in 2018, all of them pre-financed, according to the oil industry source (AC Vol 55 No 4). **United Arab Emirates**-based **Synergy** pre-financed three cargoes totalling 1.8m barrels in December 2017. Neither Synergy nor BB Energy has lifted any government cargoes this year, but Trinity and Sahara are more than making up for it.

The government's reliance on pre-financing is 'a temporary arrangement' due to the 'financial crunch of the past three-four years', says Raja. The Trinity deal 'can be cancelled at 30 days' notice', he added. Regardless of whether there is a genuine political will to end pre-financing, it is more easily said than done.

'The government is hooked on a vicious circle of pre-financing,' says the oil industry source. 'If they want to get ahead of the curve they would have to totally shut down spending – it's not going to happen.' ●

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POINTERS

Sudan

HAMDOK'S APPEAL

■ Starting work on 22 August, a day after he was sworn in, new Prime Minister **Abdalla Hamdok** quickly amassed support, ranging from activists in the sit-in outside the military headquarters to loyalists of the former ruling National Congress Party (NCP), as well as the United Nations. Hamdok knows he has to move quickly, establishing a record of achievement for his government as a defence against sabotage attempts by generals and Islamist die-hards.

Hamdok's first call was to international organisations to argue that the country needed an immediate infusion of US\$2 billion to shore up the currency, and a further \$8bn to restructure the economy over the next three years. It is a politically charged request. In part it's a diplomatic rebuke to **Saudi Arabia** and **United Arab Emirates**, who pledged \$3bn to the junta but failed to deliver when a civilian transition became more likely (AC Vol 60 No 16). It was also a message to rich Western countries offering rhetorical support to the pro-democracy movement that pushed out **Omer el Beshir** that without cash the new government in Khartoum will struggle to reform the economy. Inflation is nudging 50% and there are shortages of fuel and the flat bread that is a national staple.

An obvious target for Hamdok, who has another two weeks to name his cabinet, would be military spending, reckoned to account for some 70% of the national budget, not counting the implicit subsidies that military and intelligence-backed companies enjoy from state spending. As hitting the generals' economy could trigger a coup, Hamdok is pushing for substantive talks to end all of Sudan's internal conflicts within six months before justifying cuts in military spending. Until then he has to find ways to make life bearable, and that means money to subsidise bread, fuel, electricity and medicine.

South Sudan

RUING THE DAY

■ The **British** government's Serious Fraud Office (SFO) has launched an investigation into suspected corruption by UK currency printer De La Rue Group and associates in South Sudan. The allegations relate to payments made to a consultant working for South Sudan's Central Bank, *Africa Confidential* understands.

De La Rue International made

deposits of \$253,166 and \$202,326 into an account in the name of a joint South Sudan and **United States** citizen, according to screenprints of bank statements dated 21 March 2016 seen by *Africa Confidential*. De La Rue was paying the man as an in-country representative, according to a source. Asked about the case, DLR said, 'We are co-operating with the SFO in its investigation, however at this early stage it would not be appropriate to comment any further. De La Rue has zero tolerance for any form of attempted bribery or corruption.'

Two De La Rue employees are among the South Sudanese man's Facebook 'Friends'. De La Rue was responsible for designing and manufacturing South Sudan's new currency when it gained independence in July 2011. The firm manufactures currency and passports for several African nations.

An SFO spokeswoman told *Africa Confidential*, 'we can't confirm or deny anything more than that due to the ongoing investigation.' In March 2018 DLR lost out on the contract to print the UK's new blue passports. The failure to win the contract contributed to De La Rue issuing two profit warnings in a month.

Morocco

DIVORCE MOROCCAN-STYLE

■ Rumours of problems in King **Mohammed VI** (M6)'s marriage to Princess **Lalla Salma** (née Bennani) have persisted for years and the couple are now separated after 17 years, although few details have emerged. After Lalla Salma was reported in July to be holidaying with her 12-year-old daughter on the superyacht *Serenity* off the **Greek** island of Skiathos – while M6 stayed at home with his son – some media went much further. *Gala* magazine suggested a Dubai-style effort to flee was under way. This led to a letter of protest from the Palace's **French** lawyer, **Eric Dupond-Moretti**, saying 'King Mohammed VI and his ex-wife Lalla Salma jointly' called such rumours 'intolerable'.

Dupond-Moretti's 'ex-wife' reference was implicit confirmation of a divorce. A popular figure when they married, former engineer Salma has been criticised by M6's inner circle, not least for her business dealings, including with high-profile figures like **Côte d'Ivoire's** First Lady, **Dominique Ouattara** (AC Vol 59 No 17). Morocco, like the royal couple, will move on.

Following a heart operation in France, speculation about M6's health has lessened, but the Palace's promotion of 16-year-old Crown Prince **Moulay el Hassan Bin Mohammed Al Alaoui** as king in waiting remains a priority. In

PETER DA COSTA

It is with great sadness that we report the loss of Peter da Costa, journalist, economist and activist, on 18 August, a year to the day after the death of his friend and mentor, Kofi Annan. A practical pan-Africanist, Da Costa's mother was Gambian and his father Ghanaian. After spending much of his early career in Ethiopia, he married Ciru, a brilliant Kenyan political scientist, and helped raise two wonderful daughters, Yassine and Jarra, in Nairobi. Da Costa started out on *West Africa* magazine, then organised a network of correspondents in Africa for the Rome-based Inter-Press Service.

The journalists among us lamented what we had hoped would be Peter's temporary migration to the world of civic activism, think-tanks and international organisations. The truth is that he was one of the sharpest reporters and most insightful editors on the international scene. But it turned out to be a long respite from journalism.

Proximity to the corridors of power left Peter better informed than ever about the failures of the international system. Yet he never allowed his clear-sighted analysis of politics and policy-makers to lessen his commitment to positive change. When it came to defending civil rights, getting people access to education and healthcare, or lobbying for equity and accountability, Peter's activism was an extension of his generous persona.

Da Costa brought together three stellar qualities – deep love for his family and friends, intellectual acumen and a determination to change the world for the better – in an apparently effortless way.

For so many of us, he was a great friend, the best company you could ask for – a fund of hilarious anecdotes and hard-headed argumentation on the issues of the day and the day after that. His great spirit will live on, cajoling and encouraging the next generation with the broadest of smiles. ●

the millennial history of the Moroccan monarchy, Lalla Salma was the first royal wife to have an official title (Her Royal Highness) and she will remain 'mother to the royal children'. Her split with the 'Commander of the Faithful' will merit a footnote in history, but in political terms probably not more.

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BLUE LINES

President Emmerson Mnangagwa's hopes that the death of independence leader Robert Mugabe would lead to a helpful outbreak of nationalistic fervour are proving forlorn. Mnangagwa implored Zimbabweans 'to show your love of the great leader who has left us.' Instead, many in Harare and Bulawayo are drawing comparisons between the two men that are highly unfavourable to Mnangagwa. The depth of economic chaos now, with another imploding national currency, continuing corruption and political repression has succeeded in making some nostalgic for the early Mugabe years.

Everyone remembers that the politicians and military officers now extolling the revolutionary virtues of Mugabe's rule were the same clique who plotted his overthrow two years ago. They will also recall how the cheerleaders for Mnangagwa and his deputy, General Constantino Chiwenga, orchestrated mass demonstrations in Harare and Bulawayo in support of the putsch that ousted Mugabe.

Then, the opposition parties were sucked along in the slipstream, nurturing hopes that they would benefit from the Zimbabwe African National Union-Patriotic Front's own version of regime change. But it was just musical chairs for the ruling party's central committee. With Mugabe's final exit and the economy in free-fall, the music has stopped again. But this time can the opposition, which is organising a protest rally on the day of the state funeral, seize its moment?

ZIMBABWE

Cash at the generals' command

IMF-inspired austerity may cause distress but it is not allowed to affect the flow of cash from the Command Agriculture programme to regime figures

Finance Minister Mthuli Ncube may be instituting deep, painful economic reforms to regain financial credibility abroad, but he has no control over the cash machine by which the military and elements of the ruling Zimbabwe African National Union-Patriotic Front enrich themselves and oil the wheels of the state. Lately, the army-backed oil importer Sakunda Holdings has been improving management of the Command Agriculture programme to increase the benefit to ZANU-PF and the military while reducing rivalry between their leaders (AC Vol 59 No 22).

Parliament's Public Accounts Committee, under its chair **Tendai Biti**, one of the Vice-Presidents of the opposition Movement for Democratic Change, has been unearthing new details about how Sakunda CEO **Kudakwashe Tagwirei** and his officer allies extract funds from Command Agriculture. The committee has heard how key elements of the programme are concealed from civil servants in both the Treasury and the Agriculture Ministry. The inquiry is fuelling already deep discontent with the government.

Also, President **Emmerson Mnangagwa**, despite lately desiring the demise of Command Agriculture because he feared it was funding a campaign to topple him, is now benefitting handsomely from the programme, according to multiple sources. Ncube has wanted to curtail the programme because it is a drain on the exchequer.

Air Force of Zimbabwe commander

Elson Moyo had, however, defiantly insisted that Command Agriculture would remain running 'for ten years to come'. Initially, Command Agriculture had \$192 million in finance from **Trafigura** – which it denies – before it became a government-funded programme (AC Vol 58 No 4 & Vol 55 No 10).

PRESIDENT'S STAKE

Cash from Command Agriculture was recently used to buy a controlling stake in **CBZ Holdings**, another financial institution which is key to ZANU-PF's extraction of wealth from the national economy, two well-placed financial sources in Harare have told *Africa Confidential* (see Box).

The stake was bought via a nominee vehicle, **Akribos Wealth Managers (Pvt) Ltd.** on behalf of **Tagwirei**, the sources say. What is different about this purchase is that **Tagwirei** was, in this case, believed to be fronting for President Mnangagwa.

That the President now has a key stake in **CBZ Holdings** was indicated by his appointment of **United States-born Kazakhstan** businessman, **Marc Holtzman**, as **CBZ Holdings** chairman just after the **Akribos** transactions became known in late August. **Holtzman** has a long track record in **Kazakhstan** of managing private companies which dominate the economy and in which members of the local elite have large shares.

Until now, **Tagwirei** was thought to be at odds with the President over widely-reported suspicions that **Tagwirei's** close ally, former Army Commander and now Vice-President **Constantino Chiwenga**,

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had ambitions to take over the presidency. Mnangagwa's appointment of Holtzman was a signal to the military that the President was in complete control of regime finances. Chiwenga has been in China for some time, receiving treatment for an allegedly terminal illness.

Mnangagwa's appointment of Holtzman is unprecedented and 'violated all tenets of good corporate governance', one CBZ Holdings insider told *Africa Confidential*. Harare's financial circles also took the appointment as a message that the President was the investor behind the stake acquired by Akribos.

The CBZ Holdings source confirmed that Mnangagwa had exercised 'an inferred right' as a controlling shareholder when appointing Holtzman, 'but that right, strictly speaking, is exercised through an AGM and then through elected board members who elect the chairman'. Another banker mused, 'Doesn't that tell you Tagwirei and Mnangagwa are one, or that one is fronting the other or they are partners?'

The purchase of the 24% stake in CBZ Holdings was financed with the sale of Treasury Bills by Command Agriculture, our sources say. In an advisory note, securities markets analyst Equity Axis said that Akribos, which was formed in 2016, had 'made dollars through Treasury Bills broking'.

Its biggest client was Tagwirei's Sakunda, said other stockbrokers.

Equity Axis said one of Akribos's partners was connected to Sakunda, which 'would have opened opportunities especially in Treasury Bills'. It did not name the partner.

One source from the banking group said Tagwirei's shareholding in CBZ Holdings had increased to 'just about 34%' in the past few weeks.

The government still holds a 16% stake in CBZ Holdings which could also be snapped up by Akribos. Ncube has earmarked the shares for sale under a programme to dispose of all the government's stakes in parastatals.

COMMANDING LOYALTY

The army is committed to Command Agriculture and has made it a department under Brigadier-General **Stanley Mangena**, formerly commander of the Artillery Brigade. He takes over from the retired air force commander **Perence Shiri**. Previously, the military had collaborated with Sakunda in running the programme. But now, Tagwirei is reporting directly to the army command, we hear.

Nyaradzo Tongogara-Hamphill, the daughter of one of the commanders of ZANU-PF's armed wing in the liberation war, Josiah Tongogara, is an administrator of the programme, which suggests Mnangagwa has an interest in it. Mnangagwa was married to Tongogara's cousin, the late **Jayne Matarise**, whom he married in 1973 while she was living with Tongogara in exile in **Zambia**.

The parliamentary hearings under Biti heard that the Ministry of Finance does not have reliable accounts for all the US\$1 billion paid directly to Sakunda under the Command Agriculture programme since its inception in 2017 to date.

Ministry officials questioned by MPs were also unaware of a company called FSG, which Command Agriculture had paid \$375m for fertiliser. A **Mauritian**-owned firm also called FSG (Ferts, Seeds and Grain) issued a statement reacting to the negative publicity denying any relationship with Command Agriculture.

At the end of July, Ncube allocated \$2.8bn to Command Agriculture. The Ministry of Finance also made an advance payment of over \$1bn to Sakunda for 2021, Parliament heard.

Responding to the parliamentary committee's questions, the Permanent Secretary in the Ministry of Agriculture, **Ringson Chitsiko**, and his Finance Director, **Peter Mudzamiri**, said they could not account for \$2.9bn given to Command Agriculture in 2018. Despite the protestations of the agriculture ministry mandarins, the Treasury compelled them to adopt the expenditure, they said. Mudzamiri complained that the paperwork was not there.

Following the revelations in parliament, the Zimbabwe Anti-Corruption Commission said it had begun investigating Command Agriculture. Nothing, however, is likely to happen. Government spokesman **Ndavaningi Mangwana** openly warned ZACC to confine itself to 'dealing with accounting issues, not misappropriation of public funds', which he says never happened. ZACC is led by a High Court judge, **Loice Matanda-Moyo**, the wife of the retired army Lieutenant-General **Sibusiso Moyo**, who is a cousin of air force commander Elson Moyo and serves as the Minister of Foreign Affairs and International Trade.

REVIVAL

Many observers and political insiders believe they have witnessed a revival

HOLDING TIGHT TO THE REINS OF WEALTH

CBZ Holdings is the parent company of CBZ Bank, formerly known as the Commercial Bank of Zimbabwe. In 2009, when the Government of National Unity, comprising the Movement for Democratic Change and Zimbabwe African National Union-Patriotic Front, adopted the US dollar, CBZ Bank became the de facto central bank of Zimbabwe and was indirectly reporting to then Finance Minister **Tendai Biti**.

The bank, which was fully privatised by the government when it listed on the Zimbabwe Stock Exchange in 1998, became part of CBZ Holdings, and was labelled by many as a 'crony bank' of ZANU-PF. It was key to the ruling party's patronage and an important wealth engine for senior regime figures. The essential role in the economy of CBZ Holdings is shown by the fact that two of its former CEOs, **Gideon Gono** and **John Mangudya**, went on to become governors of the real central bank, the Reserve Bank of Zimbabwe.

CBZ Holdings has run slush funds for the Central Intelligence Organisation, including the money used discreetly to buy shares in the now-defunct *Mirror* newspaper and the *Financial Gazette* in the 2000s. It also operated a US\$24 million slush fund under the personal and exclusive control of President **Robert Mugabe**, as reported in Zimbabwe's *The Independent* newspaper in January last year. Although Mugabe was the sole signatory to the account he is understood to have surrendered control voluntarily to President **Emmerson Mnangagwa** after he was overthrown.

CBZ Bank, which has been the biggest conduit for finance for the Command Agriculture programme, was banker to ZANU-PF's election campaign last year, the funds coming mainly from oil money from Sakunda and Command Agriculture. ●

in ZANU-PF's finances since President Mnangagwa came to power. ZANU-PF was thought to be broke before its lavish 2018 election campaign proved otherwise. Tagwirei last year bought top-of-the-range Toyota V8 Land Cruisers for senior government officials, including chief secretary to the president and Cabinet, **Misheck Sibanda**, and his deputy **Justin Mupamhanga**, who chairs the integrated Command Agriculture taskforce, according to the newspaper *Newsday*. The vehicles were imported duty free under Command Agriculture. He also bought Lexus vehicles for Mnangagwa, Chiwenga,

Vice-President **Kembo Mohadi** and their wives ahead of the 2018 elections.

ZANU-PF also, through Sakunda, imported very slightly less grand Toyota Land Cruiser VX 200 models worth \$5m for former ministers who had been redeployed to the ruling party including: **Patrick Chinamasa**, **Obert Mpofu**, **Sydney Sekeremayi**, **David Parirenyatwa**, **Christopher Mushowe**, **Simon Khaya-Moyo**, **Simbarashe Mumbengegwi** and **Mike Bimha**. These men have retained, like some other party officials such as legal secretary **Paul Mangwana**, ministerial privileges.

Although the programme has not

yet been unveiled, Mpofu has said there is a budget for an additional 300 luxury off-road vehicles to be allocated to ZANU-PF Central Committee members who will become full-time salaried employees of the party. They will help spearhead party programmes across the country ahead of elections in 2023.

ZANU-PF earns next to nothing from member subscriptions, insiders say, and the companies it formed in the 1980s to make profits for the party, such as Treger Holdings and Jongwe Printers, are struggling to survive (AC Vol 42 No 12). Command Agriculture has become the party's life blood. ●

ZIMBABWE

Mourning and machinations

The economic collapse overshadows the death of Mugabe, but it still presents opportunities for elite manoeuvrings

The death of **Robert Mugabe** means little to the majority of Zimbabweans. Not only are most too young to be aware of the liberation war and the dawn of black majority rule in 1980, but the prostrate economy demands all their attention (AC Vol 60 No 14). With 18-hour-a-day power cuts, fuel shortages, and an increasingly valueless currency, the population is more concerned about bread-and-butter issues than state funerals. Since his removal in November 2017, Mugabe was mostly confined to a private hospital ward in **Singapore**, far removed from the continued machinations of the ruling Zimbabwe African National Union–Patriotic Front (ZANU-PF).

However, the idea of Mugabe casts a long shadow into the new political dispensation, and his death will mark a shift in elite political manoeuvring that could have important implications for political stability.

The coup was carefully orchestrated theatre. It was designed to ensure that Mugabe (and, more importantly, his ambitious wife **Grace**) would be removed from the ZANU-PF presidium while keeping intact the party structures for economic and political control. When General **Sibusiso Moyo**, now Minister of Foreign Affairs, announced the takeover on national television dressed in military fatigues, he emphasised that the coup was targeting the 'criminals' surrounding Mugabe, not Mugabe himself. Mugabe was allowed to retire with dignity and a pension (AC Vol 58 No 23 & 24).

Current President **Emmerson**

Mnangagwa's PR structures have worked carefully to sell him as a renewed face of ZANU-PF, without tarnishing the idea of Mugabe as Zimbabwe's liberator or distancing Mnangagwa from the liberation legacy. Hence the party's official name for the coup, 'Operation Restore Legacy'. Mnangagwa has also managed to co-opt a number of key Mugabe allies into the new government structures. While there has been considerable anti-Mnangagwa sentiment from a group of Mugabe loyalists and G40 factionalists who were side-lined during the coup, the overall legacy has remained intact without much input from Mugabe himself. Even when Mugabe announced that he would vote for opposition leader **Nelson Chamisa** in the 2018 election, the result was not dramatically altered (AC Vol 59 No 16).

However, although Mugabe had already been sidelined as a political actor, his death presents an opportunity for political grandstanding that could affect elite political trajectories. The announcement of his death was met with a strong sense of nervousness. Unlike on 19 November 2017, when he was ousted, citizens did not pour into the streets to celebrate. There have been no strong displays of either mourning or celebration. Most businesses left their flags alone until they were ordered to fly them at half-mast 24 hours later. And although there are now statements and op-eds from most major Zimbabwean intellectuals, the first post-Mugabe day was eerily quiet, as though Harare and the diaspora were nervous of expressing

their reactions – whether of mourning, relief, anger, or nostalgia.

Now that Mugabe is dead, there is a small window for the sidelined anti-Mnangagwa elites to leverage his legacy and for the Mnangagwa elites to cement their domination of the narrative of both the liberation war and Operation Restore Legacy. This tussle can be seen in the funeral arrangements, which, five days before the burial, were yet to be clarified. There will be an official state funeral on Saturday 14 September, followed by the burial on Sunday 15. International guests have been invited to the funeral at the National Sports Stadium, but have been asked to leave before the burial. His family and the remnants of the G40 faction insist that Mugabe wanted to be buried at home in **Zvimba** (where they will control the proceedings), while the government and military appear determined to go ahead with a state burial at **Heroes' Acre** in Harare.

NARRATIVES

As in November 2017, the new dispensation must take control over the proceedings and of the narrative without appearing to strong-arm the Mugabe family. A delegation of Mnangagwa loyalists from Mugabe's home province – Minister of Justice **Ziyambi Ziyambi**, Minister of Mashonaland West **Mary Mliswa-Chikoka** and businessman **Philip Chiyangwa** – visited the family to ask for permission to bury the body in **Heroes' Acre**. Mugabe's family demanded that exiled allies be granted legally enforceable protection from prosecution if they return for the funeral. This is an opportunity for Mugabe allies to destabilise the balance of power, while it is an opportunity for Mnangagwa allies to cement Mugabe's legacy into a narrative that suits their agenda. However, given that neither narrative can resolve the dire state of the economy, this is a struggle that will only play out in elite circles. ●

CONGO-KINSHASA/ZAMBIA

The China price

Facing corruption probes and resource nationalism, Western mining companies are quitting the Copperbelt

Producing 70% of the world's cobalt, an essential component of electric car batteries and mobile phones, Africa's Copperbelt is in the midst of a sweeping transformation. Seeking to expand their access to the metal, China's mining companies are eyeing the potential sale of assets such as Vedanta's Konkola Copper Mines (KCM) in Zambia and Glencore's mothballed Mutanda mine in Congo-Kinshasa.

Buying up those assets and consolidating political ties with Lusaka and Kinshasa would enable China's companies to extend their control of supply chains in the high-tech sector and reshape the region's mining sector at the same time (AC Vol 60 No 11). It is also fits with a shift in China's strategy in Africa to focus more on private companies' operations, rather than state-backed mega projects, as set out by **Yang Jiechi**, President **Xi Jinping's** Africa envoy, on recent trips to Kenya and Nigeria.

Western mining companies' dominance in the Copperbelt is fading, owing partly to changing political conditions and business strategies while economic war between the **United States** and China escalates. Another complication is the growing scrutiny of international oil and mining companies. Glencore, one of the biggest commodity trading and production companies, faces a raft of corruption investigations.

The US and China have not competed much for African oil or minerals. But President **Donald Trump's** trade war, coupled with the search for scarce minerals for high-tech products, has changed the stakes.

Rising demand for cobalt, lithium, nickel and rare earths is changing mining companies on both sides of the border between Congo-Kinshasa and Zambia. With significant assets in both countries, Glencore's fate is key. The **Swiss**-based company's move to suspend production at its Mutanda copper and cobalt mine in Congo-K is seen as a challenge to the country's new mining code and an attempt to stabilise the price of cobalt, which halved in the previous 18 months because of over-supply (AC Vol 59 No 4).

It comes amid speculation in the markets that Glencore, facing a US Department of Justice (DOJ) investigation into corruption in four

countries including Congo-K, is looking for an exit.

Mutanda holds the world's largest-known cobalt deposits and produced a fifth of global supplies of the metal for the batteries of electric vehicles.

China's expansion comes as several Western producers look vulnerable to takeover. China Molybdenum acquired Congo-K's largest copper producer, Tenke Fungurume, from the US producer Freeport-McMoran in 2016 and upped its stake to 80% earlier this year when it bought private equity company BHR's 24% share for \$1.1 billion (AC Vol 57 No 11). CITIC Metal Africa and Zijin Mining have acquired substantial stakes in Ivanhoe's Kamoa-Kakula and Kipushi projects.

Eurasian Resources Group (ERG) has signalled its intention to sell its Frontier copper mine and other assets in Congo-K following a drop in value due to the mining code and a dip in commodity prices. Several Chinese suitors are queuing up.

LUNGU'S DEBTS

Neighbouring Zambia has long had Chinese mining companies, small and medium scale operators, in its Copperbelt. President **Edgar Lungu's** government has racked up much bigger debts to Chinese companies than it has previously admitted.

Sources in the Finance Ministry in Lusaka say that the Chinese creditors are losing patience over debt arrears. Chinese companies are not keen on debt rescheduling and would prefer to get some collateral, perhaps in the form of other mining assets. Under growing political pressure as economic problems mount, President Lungu is running out of options.

Chinese companies would seek to benefit from the liquidation of Vedanta's Konkola Copper Mines (KCM) and are also watching First Quantum Minerals (FQM), the country's largest producer, which operates Kanshansi and Sentinel mines.

The government-owned ZCCM Investment Holdings, which has a 20% stake in the country's biggest mines, wants to liquidate KCM, claiming that Vedanta is lying about expansion plans and is paying too little tax. However, Chinese companies are reluctant to buy

disputed assets. ZCCM-IH's claims have to go through arbitration. This is an important test and could open the way for a sale.

The companies also face some anti-Chinese sentiment on the ground among trade unionists and local communities.

This explains the secrecy as Jiangxi Mining has purchased about 9.9% of FQM, listed on the Toronto Stock Exchange. The purchases have come through derivatives and direct stock purchases and have so far cost about \$800 million. It would take about \$2bn to give Jiangxi a shot at majority control. Meanwhile, there is a standstill agreement between FQM and Jiangxi in which the Chinese have agreed not to take over without the approval of FQM's managers and shareholders.

Glencore's Zambian mine Mopani may also be ready for the auction block. Some industry insiders say Glencore's two majority-owned Congo-K companies, Mutanda and Toronto-listed Katanga Mining, which operates the Kamoto Copper Project, are also being prepared for sale.

On 7 August, Glencore announced that Mutanda was no longer economically viable, citing the new mining code and the increase in corporate taxes as reasons (AC Vol 59 No 12). The company said it would mothball the mine at the end of the year. The closure of Mutanda will constrain supply and has already stabilised the price.

Glencore's threatened mine closure may strengthen its hand with the government in its bid for an exemption to the 10% strategic substance levy on cobalt and the super-profits tax in the mining code.

Congo-K's tax revenues will plummet if Mutanda closes – Glencore paid the government \$626m in taxes from Mutanda in 2018.

But it is not clear whose attention they are trying to get in Kinshasa. President **Félix Tshisekedi** would be most damaged by the job losses and the loss of tax revenues from a two-year stoppage although many of his supporters wanted him to take a harder line with the mining companies and their political allies. Ex-President **Joseph Kabila** and his allies still call the shots in the mining industry. **Albert Yuma Mulimbi**, Kabila's man and the architect of the Mining Code, has just had his contract renewed as Chairman of Gécamines, the state-owned mining firm (AC Vol 60 No 12).

Mutanda, once the jewel in Glencore's strategy to convert itself into a hybrid miner-trader and take a bet on the future of electric vehicles, has dimmed along with the price crash. Chronic energy shortages and political

battles with Kinshasa have further complicated matters.

In February, a truck carrying sulphuric acid to Mutanda crashed into a minibus and spilled acid on the road, leaving at least 22 people dead. A month later, 43 artisanal miners were killed at Kamoto and the army was sent in to restore order.

CORE GERTLER

At the heart of Glencore's problems in Congo-K is the fact that its assets were acquired with the assistance of the Israeli businessman **Dan Gertler**, who was placed on a US sanctions list in December 2017.

At the time, the US Treasury said the billionaire had amassed his fortune through hundreds of millions of dollars' worth of 'opaque and corrupt mining and oil deals' in Congo-K. Gertler had used his close friendship with Kabila 'to act as a middleman for mining asset sales in the DRC, requiring some multinational companies to go

through Gertler to do business with the Congolese state' (AC Vol 58 No 5).

As a result of Gertler's actions, the Treasury said, between 2010 and 2012 alone, the Congo-K, one of the world's poorest countries, may have lost more than \$1.3bn in revenues from the underpricing of mining assets that were sold to offshore companies linked to Gertler.

Glencore's acquisition of the Congo-K assets is being investigated alongside charges against it of bribery and corruption in **Nigeria**, **Venezuela** and **Brazil**.

The sanctioning of Gertler created problems for Glencore as it owed him around \$200m in royalties. Paying him those royalties would put them in violation of US sanctions, so the account was frozen. After a political battle in Congo-K and a legal battle in Europe, Glencore resumed its royalty payments to Gertler in euros, rather than US dollars, to circumvent the sanctions. It said this was the only way to retain control of its assets in Congo-K.

But the issue soured Glencore's relationship with the government in Kinshasa. In the view of the US authorities, paying Gertler in euros is still a violation of the sanctions and perpetuates the financial ties between Gertler and Kabila.

As it tries to reach a settlement with the DOJ, Glencore is trying to restructure. Two of the company's key Africa hands – **Aristotelis Mistakidis**, head of copper, and **Alex Beard**, head of oil trading – have been pushed out. The use of middlemen to negotiate under-the-table deals is said to have been suspended.

Many expect this to be followed by the retirement of managing director **Ivan Glasenberg**, an apprentice of commodity trading king, **Marc Rich**, who died in 2013. However, Glencore's argument that, whatever its regulatory problems, its exit from the Copperbelt would hand control of many strategic minerals to Chinese companies, has failed to convince US officials. ●

TANZANIA

Bridge over troubled finance

Infrastructure development under President John Magufuli is haphazard and expensive

In July, the government contracted Chinese companies to build a 3.2-kilometre bridge across the Mwanza gulf on Lake Victoria. The US\$260 million bridge, to be funded out of state coffers, will span the gulf from Kigongo to Busisi, and make Mwanza town more easily accessible from the west, including President **John Magufuli's** home Geita Region.

Yet, the companies awarded the non-competitive tender for the bridge are regularly debarred by the World Bank for procurement irregularities. China Civil Engineering Construction Corporation (CCECC) and China Railway 15th Bureau, a subsidiary of China Railway Construction Corporation Ltd (CRCC), the second largest construction and engineering company in the world, have been banned from World Bank projects in at least 17 African countries (AC Vol 56 No 10).

There is no suggestion of corruption in the proposed Kigongo-Busisi bridge, which will provide a faster alternative to the current ferry service and, according to officials, dramatically reduce travel times for people and goods. The government has defended the project on economic and political

grounds. Speaking at the signing ceremony for the bridge on 29 July, Minister for Works **Isack Kamwelwe** praised President Magufuli's 'visionary leadership'. However, the government has not published any feasibility study or cost-benefit analysis that might justify the bridge's hefty price-tag of over \$60m per kilometre.

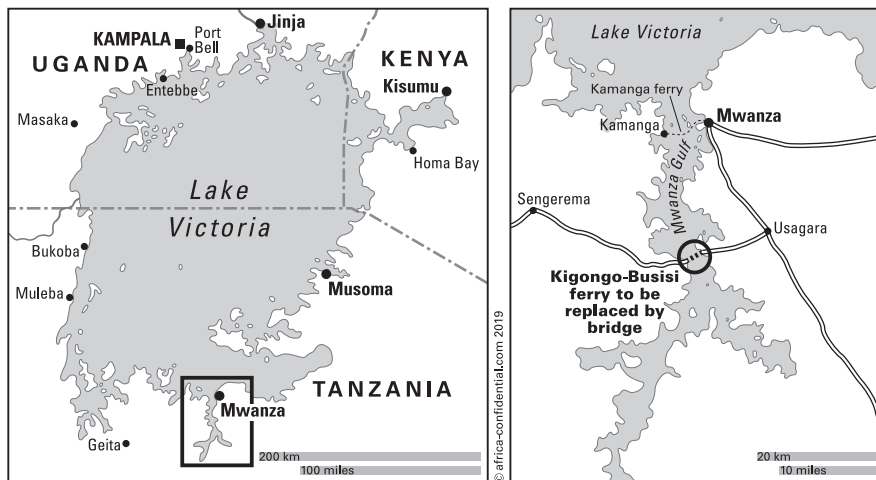
The government says that building the bridge was in the ruling Chama Cha Mapinduzi party's manifesto in 2015, and last year, President Magufuli told Sengerema residents that the bridge had been budgeted for. In fact, the CCM manifesto only committed to providing new ferry services in Mwanza, Tanga and Dar es Salaam. It mentioned a ferry between Kigongo and Busisi, but no bridge. According to the Public Procurement Regulatory Authority (PPRA) website, the government commissioned Mwanza-based Songoro Marine Transport Ltd to build a 250-tonne ferry for Kigongo to Busisi to be launched by May 2017. This did not happen, and in March 2018, Songoro finance manager **Mohamed Salum** told the parliamentary infrastructure committee that non-payment by the government had delayed the ferry's

launch. The new ferry, the MV Mwanza, was finally launched on 30 July, 2018. According to the CEO of Tanzania Electrical Mechanical and Electronics Service Agency (TEMESA), **Mussa Mgwatu**, the new ferry '... will improve movement of people and goods across the lake and hence boost economic activities in the region.'

Speaking at the signing ceremony with the Chinese companies on 29 July, **Patrick Mfugale**, the chief executive of TANROADS, said the new bridge will attract 12,000 vehicles a day, or ten times the current 1,200 vehicles served by the ferry, and will help to make Mwanza 'a commercial hub for the Lake Zone'. However, since it was first proposed in 1977, donors have refused to fund a bridge across the Mwanza Gulf on the grounds that it was 'too costly', according to Mfugale.

Magufuli is used to overseeing large procurement projects similar to those he is now promoting as part of his industrialisation drive (AC Vol 58 No 1). During two stints as minister of works, he oversaw, and subsequently opened, the 680-metre Kigamboni ('Nyerere') bridge, the longest suspension bridge in the region, also built by Chinese firms. Critics believe that the Nyerere Bridge was highly over-specified, with three lanes in each direction, when one would have been enough.

In 2014, Magufuli ordered TEMESA to lease a 300-passenger ferry, dubbed the MV Dar es Salaam, to ply between Bagamoyo and Dar es Salaam to ease traffic congestion. Leased from a **Danish** firm for eight months at a cost



of \$5m, the boat was too slow and never functioned commercially after its maiden voyage. Two feasibility studies by the World Bank finding the project economically and financially unviable were ignored. A subsequent audit was critical of the procurement process, and opposition MPs demanded that those responsible for the deal be brought to book.

The official procedures for negotiating multi-billion-dollar contracts transparently are routinely bypassed by State House, but few stakeholders complain. Once a major investment decision has been taken, its implementation becomes 'inevitable' and critics may be threatened with prosecution. The lack of transparency in contract negotiations, not to mention the frequent absence of competitive tendering, leaves the door open for speculation on who is driving the deal – the government or the likely financier – whether it makes economic and environmental sense, and whether it delivers value for money. There is a strong perception that large Chinese projects are over-priced in part because

they are over-specified, and designed for higher average speeds than is either safe or necessary. The Standard Gauge Railway (SGR) to Morogoro is designed for top speeds of 160 kilometres per hour for passenger trains and 120kph for freight trains, much higher than the Mombasa-Nairobi top speed of 120kph for passenger trains.

'IRREGULARITIES'

President Magufuli has cancelled a number of large contracts including the original SGR tender which had been awarded to China Railways Materials (CRM) in June 2015 on the grounds of procurement 'irregularities', for which the top management of Reli Assets Holding Company (RAHCO), including the former director general **Benhadard Tito**, were later sacked and arrested, and are still on remand. A large contract with Chinese companies to upgrade Dar es Salaam port was also cancelled.

Nor does Magufuli take potential Chinese-financed projects unconditionally, as shown by his choice of a **Turkish-Portuguese** consortium to undertake the first stage of the SGR

project from Dar es Salaam to Morogoro, thus eschewing potential Chinese finance for the entire project, initially budgeted for over \$14bn. Turkey's Exim Bank has funded the line from Dar to Morogoro to the tune of \$1.2bn.

The World Bank recently flagged as 'unsustainable' growing government arrears to suppliers, contractors, utilities and pension funds, worth 5.7% of GDP. The Bank also flagged a deteriorating balance of payments and 'significant under execution of public development plans.' The priority given to large project funding through the Ministry of Works' development budget and other channels effectively crowds out resources from 'soft' ministries and prevents smaller, less risky, projects, from being realised.

A number of other high-profile investments are under way as part of the industrialisation process, including Stiegler's Gorge dam, the SGR, the revival of Air Tanzania Company Ltd (ACTL), and other smaller projects (AC Vol 60 No 13). Stiegler's Gorge is larger than **Mozambique's** Cahora Bassa dam and will double Tanzania's power generation capacity, although the potential benefits from this and other investments in terms of improved power supply and lower transport costs must be weighed against the burgeoning debt and the opportunity costs incurred.

A basic question routinely ignored is why private investors are not more involved, for example, in providing air and lake transport services. It makes no sense to stretch state coffers to finance what the private sector would willingly finance itself, given the opportunity. Although market failures sometimes justify state provision and subsidisation of public goods, the Kigongo-Busisi bridge does not seem to be a case in point. ●

KENYA

Spending on the hoof

President Kenyatta wants to buy his way to a legacy. Sceptics say the economic outlook does not support this largesse

On an impromptu stop at a function at Mwangoni Primary School in Kwale County on the south coast on 8 September, President **Uhuru Kenyatta** made an instant personal donation of 1 million shillings (US\$10,000) to refurbish the school buildings and promised Ksh10m (\$100,000) more from the government.

The Treasury will have to find

the Ksh10m somehow, even though it is not budgeted for. Uhuru regaled the pleasantly surprised crowd with stories on how the fluttering flag on the school building had drawn his attention to the event as he drove past. The previous day he had promised leaders from neighbouring Taita-Taveta county half the revenue in entry fees to Tsavo National Park (which adjoins

Taita-Taveta), which is collected by law by the struggling Kenya Wildlife Services. Other counties with adjoining game parks are sure to make similar demands. Before departing for Nairobi, he promised a raft of new roads, ports, factories, and water supplies as publicly demanded. This is Kenyatta as he would like to be remembered – quick-on-his-feet, jocular, approachable and generous to all – regardless of how it will affect the country's fiscal condition.

As the clock ticks, President Kenyatta is becoming increasingly worried about what, if any, will be his legacy when he leaves office in 2022. He is striking out in many directions at once but there seems to be no order or clear reasoning to his priorities, many of which have been abandoned half-completed. Never given

to serious policy analysis or intellectual debate, Kenyatta has repeatedly chosen crowd-pleasing measures, even though they could end up undermining the lofty legacy he has in mind. Nowhere is this more evident than in the economic decisions that he has personally taken since the government budget for the current financial year was finalised in June.

Officially, the government is in a period of belt-tightening to reduce the fiscal deficit from 6.3% of GDP in the last financial year (2018/19) to 5.6% in this, with the aim of bringing it down to 3% by 2022. This was the projection made by the then Treasury Secretary **Henry Rotich** when he presented the annual budget to parliament in June, after long consultations with the cabinet, major state enterprises, the IMF and the World Bank. Rotich and his permanent secretary **Kamau Thugge**, both widely respected economists, were suspended over the **Italian-funded Aror and Kimwarer dams scandal** (AC Vol 60 No 15).

To many, the lack of credibility of the corruption charges raises the suspicion that their real sins lay elsewhere. Both repeatedly resisted planned spending splurges and tax cuts the President demanded. In return, he condemned both, we hear, for 'not thinking outside the box' to accommodate his legacy projects, particularly the ambitious and costly 'Big Four' (AC Vol 59 No 5).

Rotich presented a Ksh3.02 trillion budget with a deficit of Ksh608 billion shillings to be financed in part with local borrowing worth Ksh284bn and Ksh324bn in external loans. But acting Treasury Secretary **Ukur Yattani**, who accompanied the President when he made his handouts at the Coast, has quickly increased the planned local borrowing to Ksh300bn. The extra borrowing has been made necessary by the consistent failure of the Kenya Revenue Authority (KRA) to meet annual revenue targets, which is, in turn, partly due to politically driven tax exemptions (especially in VAT and custom duties) given by President Kenyatta and his ministers, and partly due to corruption within KRA ranks. In May, 75 KRA officials were charged with abetting corruption and tax evasion. The World Bank's Kenya office has on several occasions highlighted the danger of significant revenue losses to 'extensive and generous exemptions and preferential company-income taxation'.

On his return from his state visit to Jamaica in mid-August, the President announced an immediate removal of all taxation on musical instruments 'to make them accessible to youth and help nurture musical talent' in response to

THE SCHOOL OF UHURUNOMICS

Uhuru Kenyatta may have an economics and political science degree from Amherst College in Massachusetts, but many Kenyans believe his stewardship of the economy is poor evidence of his mastery of the subject. In September 2016, he approved the capping of interest rates 'to help low income borrowers', against advice from the government's top economists – Central Bank governor **Patrick Njoroge**, **Henry Rotich**, **Kamau Thugge** and **Geoffrey Mwau**. 'We will repeal it if it fails to work,' he told them.

Three years on, bank credit to small and medium enterprises has all but dried up. Loan books of the smaller banks which typically lend to small enterprises have shrunk. The IMF has held back a US\$989 million standby credit until the cap is removed and the fiscal deficit reduced, but the President could not get parliament to comply with the repeal of the cap, leading to a standoff (AC Vol 59 No 18). Foreign borrowing compared to GDP is at its highest level in decades but it took **China's** refusal in April to give Kenya a \$3.8 billion loan for the Naivasha to Kisumu railway for Kenyatta to stop piling up debt, at least for now. Despite promises of austerity, large-scale legacy projects are being expanded countrywide (see main feature).

With the departure of the top economists from the Treasury, Kenyans and donors wonder who is advising the president, with **Joseph Kinyua**, head of the civil service and a respected economist, seemingly powerless. Kirinyaga governor, **Anne Waiguru**, who worked at the Treasury under Kenyatta from 2013 to 2017, is frequently mentioned (AC Vol 57 No 23). Not a trained economist, she was always at odds with the Treasury economists and the IMF. Despite her exit from cabinet under a cloud in 2015, she has maintained huge influence at State House. At the Kikuyu ceremony of her second wedding on 13 July, Kenyatta shocked the audience by lavishly praising her as one of the most effective ministers who has ever worked for him. Close political advisors have asked him to pull out all the stops to secure a legacy that risks being undermined by jargon from cautious economists, and references to books and studies; 'to be practical like Kagame', they say, referring to **Rwandan President Paul Kagame**. Among them is his brother **Muhoho**, long-term friend **David Wakairu Murathe**, the former Jubilee Party vice chairman, the powerful interior principal secretary **Karanja Kibicho**, former Kiambu governor **William Kabogo**, former Solicitor General and now Deputy Chief of Staff at State House **Njee Muturi**, and **Kinuthia Mbugua**, State House Comptroller (AC Vol 60 No 9).

All are anti-intellectual and have either been schoolmates of the President or earned his trust from working with him for a long time. During his Coast visit, the President remarked that 'there are scores of erudite economists' reports gathering dust in government archives' but of no help to the country. It was now time for practical action 'to help all people of Kenya'. ●

a popular petition at a national music festival for schools in Nakuru, 140 kilometres west of Nairobi.

'BUY KENYAN'

Protectionism has also found its way back. After launching a Peugeot assembly plant at Thika in the presence of **French President Emmanuel Macron** in March, Kenyatta decreed that all government ministries and agencies must henceforth procure only locally-assembled vehicles in line with his 'Buy Kenyan, Build Kenya' legacy policy. (There are eight vehicle assemblers in Kenya, including Volkswagen, Nissan and Honda and all are strong lobbyists for protection from cheaper used and unused imports.) The effect of the directive has been an increase in the unit cost of new vehicles bought by the government. In line with old demands from the vehicle manufacturing lobby, which includes local African and Asian-Kenyan businessmen close to the Kenyatta family, the government

wanted to reduce the number of all used imported vehicles after the budget by banning any import older than five years. But it backtracked after a huge outcry from used car dealers and buyers. In addition, the Kenyatta government has increased protective tariffs on Liquefied Petroleum Gas (LPG) containers, edible oils, and paper products – all of which are produced by politically connected companies.

In mid-August, the Treasury gave stamp duty exemption, amounting to 1% of share value, on any stocks that changed hands in the merger between the Commercial Bank of Africa and the NIC Bank making the group the third-largest bank in the country. The Kenyatta family holds the majority of CBA shares while the family of the late **Philip Ndegwa** own most of NIC Bank stock.

Following his coastal tour, President Kenyatta is set to visit the counties in the south-west Nyanza region – the bailiwick of **Raila Odinga** – to launch

new roads, inaugurate water supply projects, and open a new berth at Kisumu port. A similar list is under preparation for western Kenya (Kakamega, Busia, Bungoma and Vihiga) and the Kikuyu technocrats operating from La Mada Hotel in Nairobi continue to finalise the list of project handouts for their Mount Kenya region. It now seems forgotten that on 20 July 2018, the President issued a stern written warning to all ministries banning the initiation of any new projects until existing ones are

completed.

In the meantime, the economic situation has deteriorated since the June budget. GDP growth in the first quarter of 2019 fell compared to 2018 principally because of inadequate rains. Business confidence is low. The Nairobi Securities Exchange continues with the bear run experienced in 2018 as banks and new investors shun stocks, preferring instead to invest in government bonds that will finance the projected deficit. Investment in

real estate, previously a key growth driver, is floundering. The World Bank already revised Kenya's projected 2019 GDP growth down by 0.1% in April. In these bleak times, the policy response by the new top officials at Treasury, who replaced Rotich and Thugge, has not helped. But the statistics have not dampened the President's optimism, with Kenyatta telling his coastal audience that Kenya has the potential to reach the standards of **Singapore** or **China**. ●

KENYA/SOMALIA

Jubaland row heats up oil tiff

Tensions between Kenya and Somalia are rising fast over a dispute about politics and money in a Somali province

Separate but inter-related arguments over elections in Jubaland and offshore oil blocks claimed by both Kenya and Somalia appear to be coming to a head in the wake of the May appointment of **Jim Swan**, the United Nations Secretary General's Special Representative for Somalia. Some Somali and Kenyan pundits see him as a pawn of the **United States** ambassador in Mogadishu, **Donald Yamamoto** (AC Vol 60 No 12).

On 25 July, Swan narrowly avoided death in a suicide bombing which hit Mogadishu mayor **Abdirahman Omar Osman** (aka 'Engineer Yarisow'), who succumbed to his injuries a few days later (AC Vol 59 No 20). Swan had just left the scene when the bomb went off. *Al Shabaab* claimed responsibility, but the hit was commissioned by someone else and outsourced to *Al Shabaab*, according to Western intelligence sources.

Yamamoto has sided with President **Mohamed Abdullah Mohamed 'Farmajo'**, who has been attempting to

get his allies appointed president in a number of the federal member states, while drumming up international interest in Somalia's oil sector.

Farmajo's opponents maintain that Mogadishu has no right to exploit oil which is either onshore or connected to the shoreline of various Somali federal states. The resulting tension fed into the Somali government's violent campaign to impose its own candidate in elections in South West State in 2018, when the popular candidate **Mukhtar Robow Ali 'Abu Mansur'**, a political rival of Farmajo, was arrested by **Ethiopian** troops in Baidoa (AC Vol 60 No 2).

KISMAYO CRISIS

Similar tensions are in play over the presidency of Jubaland, the Somali state bordering Kenya. On 22 August, **Ahmed Mohamed Islam 'Madobe'**, the incumbent regional leader and proxy for the Kenya Defence Forces, won the selection process in Jubaland for the local presidency. Nairobi has backed Madobe since 2012, when the former *Al Shabaab* ally and his Ras Kamboni militia were peeled off by the KDF and used to take the port of Kismayo from the *Al Qaida*-affiliated group (AC Vol 52 No 22). Kenya's campaign, ostensibly part of the African Union's peacekeeping mandate to defeat *Al Shabaab* in Somalia, has been controversial, with KDF control of the area allegedly covering for the mass smuggling of sugar from Kismayo into Kenya, which also weakens border security.

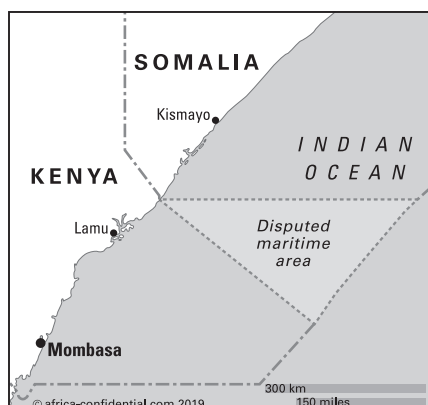
Farmajo's government continues to reject the result in Jubaland, having backed other candidates, including Madobe's Ogadeni clansmen **Abdinasir**

Senaar, who was Madobe's lieutenant in the Ras Kamboni militia. The election was preceded in July by the first major suicide attack by *Al Shabaab* in Kismayo since it lost control of the city. The attack claimed 26 lives.

Swan has been accused of wading into the dispute on Mogadishu's behalf. Supporters of Madobe in the Mogadishu parliament have accused Swan of attempting to influence the Jubaland Independent Boundaries and Electoral Commission by using 'illegal letters' drafted by Mogadishu's ministry of internal affairs in his correspondence with JIBEC. Swan's letters to JIBEC urged greater transparency and credibility for the regional presidential election process. On 21 August, Swan addressed the UN Security Council calling for restraint and stating that 'we continue to urge a single, agreed, consensual electoral process, without which there is an increased risk of instability'.

Mogadishu is also at odds with the political elite in Galmudug state, where elections are scheduled for later this year. Mogadishu insists the term of the outgoing president, **Ahmed Duale Gelleh 'Haaf'**, ended in July but Haaf says he is still president, because the four-year term which he says began with a power-sharing agreement between him and the local *Al Sunna Wal Jamma* (ASWJ) militia only ends in 2021 (AC Vol 58 No 11). The alliance bound Haaf's sub-clan, the Habar Gidir/Saad with the Habar Gidir/Ayr that dominates ASWJ, a Sufi militia opposed to *Al Shabaab*.

Following Mogadishu's assertions that Haaf's term is already over, ASWJ has taken over government buildings in Galmudug's capital Dhusamareb, after a visit to the area by Somalia's Prime Minister, **Hassan Ali Khaire**, where he promised ASWJ integration into the national army. The visit of Khaire, accompanied by a delegation of security officials from Qatar, coincided with suicide attacks in the city. Doha has recently announced investment in Galmudug's port of Hobyo, gambling



that Mogadishu's allies in Galmudug will secure an election victory there and grant access to oil companies that are scoping the Somali coastline near Hobyo.

On 3 September, **Abdirizak Fartaag**, a former anti-corruption whistleblower, descendant of Marehan clan aristocracy and one of Madobe's main rivals, issued a blistering attack on Swan. He stated that 'no UN special representative has before been such a lightning rod for Somali opposition and dissatisfaction' (AC Vol 53 No 5). He accused Swan of being an 'agent' of Yamamoto, both of whom are 'representing oil interests' and 'fixing political outcomes' that have 'generated conflict after conflict, pitted clan against clan, and threatened the stability of Somalia and the region'.

Somalia and Kenya are in a more direct confrontation over the maritime border between their countries. The case is already before the International Court of Justice (ICJ), based in the Hague, for arbitration. Unofficially, Kenya makes much of the fact that the court president, **Abdulqawi Ahmed Yusuf**, is Somali, but elsewhere his impartiality has not been questioned.

Kenya is sensitive about the arbitration and has tried to get it postponed because it fears it will lose. Kenya's claimed maritime border, instead of running perpendicular to the coastline out to sea, runs along the line of latitude, massively advantaging Kenya. Kenya says 'the ICJ may be capable, but it is not the appropriate mechanism' adding that the 'ICJ is a

court of last resort and all other dispute resolution mechanisms, including mediation, have never been attempted'. Kenya has sacked its lawyers and asked the ICJ to defer the proceedings, which were due to start on 9 September, until they find new legal representation.

On 5 September, the AU's Peace and Security Council called for the African Union Commission to appoint a special envoy to resolve the dispute. We hear that negotiations on the Somali oil question are ongoing and involve the US, **United Kingdom, Russia, China, the United Arab Emirates, and Qatar**, which increased its stake in three Kenyan offshore blocks in July. None of the oil blocks being explored or offered for exploration by either country lie in the disputed zone. ●

MOZAMBIQUE

Frelimo squares the vote

Happenstance as well as outright vote manipulation is boosting the ruling party's general election campaign

As many as 1,000 people may have died in the devastation that Cyclone Idai wreaked on the port city of Beira, which made tens of thousands homeless. Yet the consequences – an avalanche of emergency aid, international sympathy, leniency from the IMF and other side-effects – have improved the prospects of the ruling *Frente de Libertação de Moçambique* (Frelimo) in next month's general election.

The storm came just before registration for the 15 October poll began. A significant proportion of Beira's 500,000 inhabitants and others in Sofala Province lost their identity cards in the floodwaters. Without the cards they cannot register to vote. NGOs funded by the **United States** government tried hard to work with the government so that alternative methods of verifying identity could be used, but the authorities were unwilling, and many citizens were unable to obtain new cards in time to register. Many believe that had the area been a stronghold of the ruling Frelimo, rather than the opposition *Resistência Nacional Moçambicana* (Renamo), something would have been done. The ultimate electoral advantage to Frelimo could turn out to be decisive.

Beira has always been an opposition redoubt. The mayor, **Daviz Simango**, was first elected in 2003 as a member of Renamo. He has held power

continuously since, including after 2009, when he was elected for the Renamo breakaway party, *Movimento Democrático de Moçambique* (MDM), which he leads. Along with the northern city of Nampula, Beira is where the opposition secured the greatest lead over Frelimo in the 2018 regional elections (AC Vol 55 No 22). As well as contesting with MDM directly, Frelimo has worked with Renamo to try to squeeze the party out of existence.

RENAMO GAINS

Despite divisions within Renamo and a general view that its leader, **Ossufo Momade**, has none of the popular appeal of his veteran late predecessor, **Afonso Dhlakama**, Renamo made important electoral gains in the 2018 elections. Frelimo's support has been in steady decline for 10 years. The ruling party is mired in the toxic fallout from the hidden loans scandal and many formerly loyal voters are fed up with its failure to deliver on its promises, as well as rampant crime and corruption (AC Vol 57 No 10). Renamo candidates are enjoying strong popular support at campaign rallies in the north and centre of Mozambique, where the opposition gained a majority over Frelimo in the 2018 elections.

While Frelimo is likely to win a majority of the seats in parliament, its greatest worry is that President **Filipe Nyusi**, who is seeking re-election, will

fail to clear the 50% hurdle in the first round of presidential voting. If that happens, opposition candidates could rally around a single favourite in the second round and depose him.

This explains, pundits say, the increasingly desperate measures by the ruling party to manipulate the electoral register, with the apparent help of the *Comissão Nacional de Eleições* (CNE – the electoral commission). Frelimo has been trying to limit registration in key opposition areas such as Sofala and artificially inflate it in loyalist strongholds. In Gaza province, where 300,000 more people were entered on the register than were recorded in the 2017 census, Frelimo secured its highest vote in 2018 (AC Vol 60 No 13).

A request by transparency watchdog *Centro de Integridade Pública* (CIP) for an audit of the Gaza registration was officially refused by the CNE on 26 August. In addition to the 300,000 extra votes expected to go to Nyusi in the presidential election, an additional eight parliamentary seats were created which will also probably go to Frelimo.

President Nyusi roundly attacked the respected head of the National Statistics Institute, **Rosario Fernandes**, when the latter criticised the Gaza census figures. In Gaza, according to the CNE, 80% of the resident population was apparently of voting age, compared with 47% in most of the rest of the country.

Showing uncharacteristic bile, Nyusi tore into the statistician, even as he stood next to him on a podium. 'We cannot have people who say what they want, what they think, that they know more,' Nyusi said at the opening of the new ministry of economy and finance headquarters. 'We must pull out the tall grass that grows alone,' he added.

Fernandes took the hint and resigned the same day, later saying, 'I

am leaving this post to someone better able to acquiesce to the pressures.' He told local newspaper *Savana* on 23 August, 'I am committed to professional ethics and international standards.'

RIDICULE

Frelimo and Nyusi are determined to tough out the widespread comment, even ridicule, that the Gaza registration exercise has attracted at home and abroad. Some pundits think that Nyusi felt secure to hound the statistician because he thinks Frelimo's registration manipulation has already sewn up the election, and prevented the dreadful prospect of a second round in the presidential poll. According to political expert **Joseph Hanlon's** *Mozambique Political Process Bulletin*, citing

statistical analysis by **Wim Neeleman**, the number of polling stations in Gaza is 81% higher than in 2014, vastly greater than the increase in population over the same period. Six provinces increased by 15-20%, in line with the increase in population noted in the 2017 census, while Maputo showed a rise of 34%, reflecting its status as a migration target. Neeleman's figures show that more than 10,000 voters have been removed from the register in Zambezia province and 2,000 more added to the already inflated Gaza electoral roll.

Nyusi put Sofala on his campaign trail, in spite of the history, holding a rally on 2 September in which he pleaded with the population for a 'second chance' to show that Frelimo could deliver.

His electoral prospects, in the normal sense, have also been boosted by the recent signing of the peace accord with Renamo, and by the inundation of the cyclone-hit areas with aid supplies, which may have been higher than usual because of perceptions in the industrialised world that climate change played a large part in the severity of the disaster.

The cyclone also triggered a new phase in re-engagement with the IMF, which has approved a \$118 million emergency loan to Mozambique for the reconstruction effort, which Frelimo is virtually certain to put to political effect. The visit of Pope **Francis** on 5-6 September, which brought a mood of jubilation to the country, has also bubbled off well on Nyusi ahead of the polls. ●

NIGERIA

The oil clean-up that didn't

The efforts to repair environmental damage to the oil-producing Niger Delta lack ambition and urgency

The delays seemed at an end in 2015, when President **Muhammadu Buhari** formally launched the clean-up operation and endorsed the composition of the structures supervising the operations – the Governing Council of the Hydrocarbon Pollution Remediation Project (HYPREP) as well as its board.

Yet four years on, pressure groups in the Niger Delta are demanding answers from HYPREP about what it has achieved. It is a critical question for the government which plans to boost oil production to 2.5 million barrels a day by early next year, and then add a further million barrels to that.

International oil companies are preparing another \$50 billion of oil and gas projects to push up production towards 4 million barrels a day, according to **Mele Kyari**, the Managing Director of the Nigeria National Petroleum Corporation (AC Vol 60 No 17). Nigeria has reserves of some 37 billion barrels, the second biggest in Africa after **Libya**, as well as the world's ninth largest gas reserves at 201 trillion cubic feet.

Following the election in March, at which President Buhari's All Progressives' Congress won a clear majority in both houses of parliament, the government is confident of pushing through its Petroleum Industry Bill with wide-ranging reforms of the oil and gas sector. It is these reforms, argues Kyari,

that will help unlock a new round of oil production investment.

However, regional politics – most of the states in the Niger Delta are run by the opposition People's Democratic Party – could still get in the way of the government's plan to ramp up oil production and revenue. In recent weeks, there have been several attacks on oil installations by militants and companies report that at least 125,000 barrels a day – over 5% of production – are being stolen, much of it by well-organised syndicates with political connections.

Buhari may hope to neutralise his opponents by appointing a couple of political bruisers from the Niger Delta to key positions: **Timipre Sylva** is the new Deputy Oil Minister and **Godswill Akpabio** the new Minister of Niger Delta Affairs. Both are wealthy ex-governors of their states (Bayelsa and Akwa Ibom respectively) who have been running extensive patronage networks.

But they lost much of their credibility in the region when they crossed over to Buhari's party, deserting the PDP. Both men are trying to boost the government's standing by utilising shrewd local political tactics and a fresh round of appointments to lucrative positions on organisations such as the Niger Delta Development Commission and the Amnesty Programme which distributed stipends to former militants in the Delta.

The forthcoming November

gubernatorial election in Bayelsa State will test their ability to swing opinion behind the APC. The outgoing governor, **Henry Seriake Dickson**, is a stalwart of the PDP. The party was expected to cruise to victory but Dickson's choice of successor is fiercely opposed by a strong faction in his local party branches (AC Vol 57 No 19). Spotting an opportunity, Sylva has been talking to activists close to militant leader **Government Ekpemupolo**, known as **Tompolo**, to strike a deal under which they would campaign for an APC victory in Bayelsa in return for positions in the amnesty organisation.

Once closely linked with the PDP, having benefited from contracts under the **Goodluck Jonathan** government, Tompolo takes a pragmatic view of the Buhari government. Abuja hasn't launched investigations into the sources of his personal wealth, which include state security contracts, but he has refrained from threatening or carrying out militant attacks in the region (AC Vol 57 No 4).

GREAT EXPECTATIONS

Alongside these political negotiations, the environmental damage looms large, given the loss of livelihoods, agricultural lands and fishing grounds caused by oil spills. So, there were great expectations that the HYPREP initiative would start to make a difference in the region. But complaints about the secrecy of its operations, and the lack of local jobs that it creates, are mounting (AC Vol 60 No 14).

In late July, HYPREP's Project Coordinator, **Marvin Dekil**, appeared on Nigeria's Channels Television, and was pressed on whether any cleaning up had begun, since the start of the work has been announced several times since 2018. Explaining that while work on

smaller spill-sites had begun, larger ones may have to wait, he failed to give a direct answer. HYPREP has published photos, with GPS coordinates, on its Facebook page of foreign dignitaries visiting various clean-up locations.

Dekil said that despite 10 recent gun-related deaths in Bodo, K-Dere, B-Dere, Gbe, Bomu and Kpor, signs of increasing violence in Ogoni wouldn't hold up his agency's work. There were also reports of attacks on Ogoni communities, by 'cult' groups, over two days beginning on 13 August, in Taabaa and Nyokuru, Khana. The house of the paramount ruler of Taaba, King **Nule Junior**, was destroyed in a string of arson attacks leaving nine people dead.

A faction of the National Youth Council of Ogoni People has called for Dekil to be sacked for failing to include more Ogoni people in the clean up. Other NYCOP factions remain loyal to one of at least three rival claimants to be President of the umbrella group, the Movement for the Survival of the Ogoni People (MOSOP).

Many MOSOP leaders and other Ogoni community activists are cooperating with HYPREP. The house of a contender for the Presidency of MOSOP, Chief **Legborsi Pyagbara**, was targeted in the arson attacks. Pyagbara is on the board which oversees HYPREP and approves its funding.

HYPREP and NOSDRA, a parallel government agency which duplicates areas of HYPREP's work, haven't responded to *Africa Confidential's*

reports of problems at the heart of the operation, including a serious skills shortage (AC Vol 60 No 14).

An official from the Environment Ministry tweeted that *Africa Confidential* had been 'inaccurate' on the day of publication and referred queries to HYPREP and Dekil. In the weeks since, however, the ministry has not elaborated, and both HYPREP and Dekil have been silent.

LAMBASTED

A joint meeting in early September of the Board of Trustees and Governing Council of HYPREP in Abuja was a forum for complaints to be aired. Former Commissioner of Environment in Rivers State, Professor **Roseline Konya**, who sits on the Council, lambasted HYPREP, the delay in the procurement processes and lack of communication from the government.

Chairman of the Board of Trustees, Chief **Olawale Edun** said \$1bn was not enough and the federal government needed to contribute more. The \$10 million from Shell and other members of the SPDC Joint venture that jump-started HYPREP is still to be fully accounted for. Niger Delta minister, **Godswill Akpabio** said HYPREP's work should be extended to other parts of the region affected by decades of oil spills.

Across the Delta, politicians and activists are pressing for a state-by-state replication of the HYPREP plan in Ogoniland. This may be about political patronage as much as a serious bid to

improve the environment.

Decades of pent-up grievances about pollution and discrimination against the region by northerners are being seized on by Delta politicians.

Rivers State Governor **Nyesom Wike** fired the starting pistol on the race for clean-up cash from the federal government when he received **Alhaji Suleiman Hassan Zarma**, the Minister of Environment, in Port Harcourt in January (AC Vol 60 No 7). 'They took \$1bn from the Excess Crude Account [ECA] to fight insurgency. I say they should take \$500m from the Excess Crude Accounts for the Ogoni clean-up exercise,' Wike told reporters, referring to a controversy about the military dipping into the ECA to fund the fight against *Boko Haram* in Borno State.

In March, Dickson launched the Bayelsa State Oil and Environmental Commission in London and has since begun town hall meetings with 'stakeholders' in Bayelsa. **British Labour MP Chi Onwurah** held a session in Westminster of the Africa All-Parliamentary Group in mid-July which showcased the Dickson commission and provided a platform for people from oil-producing communities in the state to give voice to their criticisms of oil companies' remediation efforts.

The Dickson panel includes **John Sentamu**, Archbishop of York, **John Kufuor**, former President of Ghana, **Valerie Amos**, former Under-Secretary General of Humanitarian Assistance at the United Nations, and academics. ●

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POINTERS

Senegal

OPPOSITION OUT OF SORTS

■ Ex-President **Abdoulaye Wade's** imposition of his son **Karim** as his number two and de facto leader of his *Parti Démocratique Sénégalais* has provoked a deep split in the movement. Many PDS activists object because Karim apparently has no desire to leave his comfortable self-imposed exile in Doha, **Qatar**.

Oumar Sarr, whom Wade dismissed as Deputy General Secretary as punishment for joining President **Macky Sall's** national dialogue talks in May, leads a growing dissident faction (AC Vol 55 No 4).

Meanwhile, the *Parti socialiste* (PS), the other historic pillar of Senegalese politics, is also in trouble following the death of its veteran leader **Ousmane Tanor Dieng** in July. His determination to keep the party in the governing *Benno Bokk Yakaar* coalition and back the President in this year's presidential election provoked a rift with **Khalifa Sall** (no relation), the jailed former mayor of Dakar, who saw himself as the man to carry the PS banner (AC Vol 59 No 18).

PS discontent may grow because Tanor's death further depletes the party's already shrinking influence in the BBY coalition – where it has lost ground as the President's once much smaller *Alliance Pour la République* (APR) takes a dominant position (AC Vol 59 No 23). Another headache is the charismatic anti-corruption campaigner **Ousmane Sonko**, who is outflanking the PS on the left. All this is making a PS approach to **Khalifa Sall** appealing.

There has been speculation that President **Macky Sall** might grant a pardon to **Khalifa**, but that's unlikely so long as he presents a potential electoral threat. Local polls, due early next year, would offer him a chance for an electoral comeback.

South Africa

FAKE BROADCAST NEWS

■ **Cyril Ramaphosa's** supporters have claimed that the broadcast of the wrong version of the President's recent address to the nation was 'deliberate sabotage' by supporters and appointees of former President **Jacob Zuma** and African National Congress Secretary General **Ace Magashule** in the South African Broadcasting Corporation. State broadcaster SABC suspended three employees and a freelance after a recording of a rehearsal of the speech, instead of the final version, went on air.

The speech announced urgent interventions after days of protests over violence against women. In the version broadcast, the President is heard asking to re-read a portion of the speech after a stumble. SABC was quick to apologise but those close to Ramaphosa immediately blamed Zuma-supporters. Last week, SABC boss **Madoda Mxakwe** and other staff testified before the Zondo Commission into state capture about the favourable treatment given to companies owned by the Gupta brothers by Mxakwe's predecessor and Zuma ally, **Hlaudi Motsoeneng** (AC Vol 57 No 20).

In August, veteran journalist **Joe Thloloe's** report into editorial interference at SABC found staff were terrorised and that a 'spectre of the ANC hovered over the newsroom'.

SABC insiders say former head of radio, **Sebolelo Ditlhakanyane**, was seen as a key Motsoeneng enforcer, while the foreign editor, **Sophie Mokoena**, is believed to be an ally of Magashule, and the head of television news, **Nothando Maseko**, supports Ramaphosa (AC Vol 57 No 12).

The 3.2 billion rand (US\$218 million) government bailout of the deeply indebted public broadcaster comes with conditions. Communications Minister **Stella Ndabeni-Abrahams** says that it must meet further conditions. SABC insiders say they believe she is not happy with CEO Mxakwe and head of News and Current Affairs **Phathiswa Magopeni** and wants her own appointees. Magopeni, who has been blamed for airing the wrong speech, has blamed senior executive producers, *Africa Confidential* was told.

Burkina Faso

PUTSCHISTS PUT AWAY

■ After an 18-month trial, the Military Tribunal in Ouagadougou has handed down heavy sentences to the ringleaders and accomplices of the failed military coup in September 2015. The leader of former President **Blaise Compaoré's** now-disbanded Praetorian Guard, the *Régiment de sécurité présidentielle* (RSP), General **Gilbert Diendéré**, got 20 years for 'attacking state security'. Diendéré, a favourite of foreign military missions in his day and a key prop of Compaoré's regime, tried to oust the Transitional Council that ran Burkina Faso between November 2014 and December 2015 after Compaoré fled mass demonstrations into exile (AC Vol 56 Nos 19 and 20).

Of the 84 individuals on trial, 11 were found guilty of 'attacking state security'. Former Foreign Minister **Djibril Yipéné Bassolé** got 10 years. The court sentenced NCO **Eloi Badiel** to 19 years in jail. He coordinated the round-up of the Transitional Council members. Another

NCO, **Moussa Nébié** (nicknamed 'Rambo'), who escaped to **Côte d'Ivoire** but was handed back to Burkina, received 17 years. Warrant Officer **Jean Florent Akowé Nion**, who received a similar sentence, was said to have received money from an unknown benefactor in Côte d'Ivoire to help organise the coup (AC Vol 57 No 5). Compaoré is in exile in Côte d'Ivoire but he was not implicated in the evidence.

On 3 September the Tribunal handed down, in absentia, the heaviest sentences to Diendéré's wife **Fatoumata**, former Youth and Sports Minister **Émile René Kaboré**, and businessman **Abdoul Karim André Traore**. They got 30 years each for bankrolling the coup attempt. Fatoumata is believed to be in Lomé, **Togo**, and Kaboré is said to be in Abidjan.

Although severe, Diendéré's sentence fell far short of what the prosecutor demanded. He always denied being the mastermind.

US/Africa

BACKHANDER BACK AT YOU

■ Frustrated by their inability to prosecute the foreign recipients of bribes as well as those that pay them, United States lawmakers are seeking to plug the gap. A bill introduced in the House of Representatives in late July would allow the US to prosecute foreign officials who take bribes, closing a circle of the Foreign Corrupt Practices Act, which only punishes bribe-givers with a connection to the US.

'Currently, a business being extorted for a bribe can only say "I can't pay you a bribe because it is illegal and I might get arrested",' says one of the bill's sponsors, Representative **John Curtis** of Utah. 'This long-overdue bill would enable them to add, "and so will you",' he said.

US commentators say the bill particularly targets Africa and the multinationals conducting business there. The US Department of Justice has mounted a series of FCPA prosecutions of top corporations, which netted US\$1 billion for the US exchequer in 2018 alone. Most of this was from Deferred Prosecution Agreements in which no perpetrators were jailed.

The New York-based hedge fund Och-Ziff Capital Management Group settled for more than \$400 million in 2016 and entered into a three-year DPA for bribing foreign officials in **Congo-Kinshasa** and **Libya**.

The territorial link in the FCPA allowed the US Securities and Exchange Commission to successfully prosecute **Samuel Mébiame**, son of the former prime minister of **Gabon**, for his part in Och-Ziff bribery schemes in **Niger**, **Guinea** and **Chad** (AC Vol 57 No 17).

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BLUE LINES

The opening of the UN General Assembly this week brought out some unlikely commonalities. Nigeria's President Muhammadu Buhari and Britain's Prime Minister Boris Johnson both used their speeches to the assembly to rail against tech companies. 'They cannot be allowed to facilitate the spread of religious, racist, and xenophobic messages inciting communities against each other,' said Buhari. Johnson, distracted by defeat in London's Supreme Court, stated that 'digital authoritarianism is not alas the stuff of dystopian future but of an emerging reality.'

Buhari was the second African leader to speak to the UN General Assembly on the opening day, following Egypt's Abdel Fattah el Sisi, who called for international intervention in Libya but failed to mention the violent suppression of protests in Cairo. Recent reports suggest that Egyptian security is working with its Gulf allies and Russian security contractors in support of Khalifa Haftar, who has been laying siege to Tripoli.

Outside the auditorium, Sisi offered his good offices to encourage a rapprochement between Kenya and Somalia. Officials from the United States, Italy and Ethiopia joined a special meeting on 25 September on policy towards Somalia ahead of next year's elections. Despite its deepening security problems, Ethiopia is the biggest contributor of troops, policy and civil staff to UN peacekeeping missions: sending over 7,000 compared to 34 from the US, according to *Foreign Policy* magazine.

KENYA

Bridge of sighs

A bid to build alliances across the country's ethnic divides owes more to political ambition than to altruism

Due for release in early October, the wide-ranging report of the Building Bridges Initiative looks likely to deepen political conflict despite its lofty aims of lessening ethnic and regional rivalries. The BBI was set up to bring together the country's competing ethnic groups under a new national ideology and better system of government. At least, that was the idea agreed between President Uhuru Kenyatta and his new ally Raila Odinga in the historic 'handshake' of March 2018 (AC Vol 59 No 8).

The report will force Kenyatta to choose between Odinga's position on it – largely favourable – and Deputy President William Ruto's, who opposes the report in its entirety. The BBI report will also widen the rift within the ruling Jubilee Party between Ruto and Kenyatta followers. And it may splinter what remains of the Odinga-led National Super Alliance (Nasa), the nominal opposition.

What Kenyatta and Odinga intended to be a manifesto for national unity may cause more rancour among rival political factions (AC Vol 60 No 15).

The draft BBI report tries to summarise the views of voters, recorded in public meetings in Kenya's 47 counties, on the nine main governance issues that were identified by Kenyatta and Odinga in the March 2018 concord.

It gives equal prominence to all nine areas: ending ethnic antagonism; creating a patriotic ethos; ethnic inclusiveness; ending the pattern of polarising elections; strengthening devolution; strengthening public security; fighting corruption;

promoting shared prosperity; and respect for human rights.

Kenyans want to see progress in all these areas, the report says. They said the same to the Constitution of Kenya Review Commission when it took evidence from different parts of Kenya under Professor Yash Pal Ghai between 2000 and 2005.

It was those soundings that were incorporated in the reformed constitution in 2010 in the wake of the devastating violence after the 2007 elections. But those constitutional reforms didn't work as Professor Ghai reminded the BBI panel when he appeared before it on 8 May this year. Civil society and religious groups raised these concerns before the new constitution was inaugurated in 2010 and continue to do so.

DIVIDING LINES

The report's proposals to represent rival factions and ethnic groups more fairly look set to split opinion:

- The most contentious part of the report will recommend a parliamentary system of government, with more positions at the top of government distributed reflecting Kenya's ethnic diversity: a president with a deputy, and a prime minister with two deputies.
- This will divide the ruling Jubilee alliance as Ruto has twice campaigned for Kenyatta on the promise that he would inherit a unified and powerful presidential system. He has pronounced himself opposed to any changes.
- The report was commissioned by and for Kenyatta and Odinga, so other leaders

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in the Nasa opposition alliance say that its recommendations are of little interest to them and their supporters. These include **Musalia Mudavadi** (Luhya), **Stephen Kalonzo Musyoka** (Kamba) and **Moses Simiyu Wetangula** (Bukusu); their supporters say the report has no legal or constitutional basis.

- The most delicate relationship is with Ruto, who was excluded by Kenyatta from the two-way negotiations which led to the BBI and this new report. The gap between the two has grown apace.

POLITICKING DEPUTY

Kenyatta insists that all Jubilee activists must stop campaigning for the 2022 elections 'and concentrate on development' and service to the public, a warning aimed at Ruto's relentless politicking (AC Vol 60 Nos 3 & 18). Ruto tours the country inaugurating public projects, using the stopovers to consolidate his base and giving large sums to build churches. Kenyatta sees

this as insubordination.

Using the opaque security budget, the permanent secretary in the Ministry of Interior, **Karanja Kibicho**, has under Kenyatta's orders sponsored an anti-Ruto movement in the Mount Kenya region – the Kieleweke group. The aim is to undercut Ruto's initiatives, supported by the rival Tanga Tanga group of MPs.

The rupture has been papered over but it cannot remain so for long. Kenyatta has spoken vaguely in the past about the need for ethnic-political inclusiveness and the need to reform the winner-takes-all election system.

This has been taken up most vocally by his close advisor and supporter **Anne Waiguru**, Governor of Kirinyaga. Although she is Kikuyu, Waiguru defends parliamentary government with more ethnically distributed seats at the top and she also told Kenyatta's Kikuyu and Ruto's Kalenjin followers 'to forget running for the presidency and give other tribes a chance'.

This was seen as a pitch by Waiguru for an Odinga presidency and few doubt that her statement could have been issued without the President's permission. It has polarised Kikuyu political opinion and leaders as never before.

And the division will continue, we hear, since Waiguru will spearhead the campaign to sell the BBI proposals in the Mount Kenya region. The Mount Kenya groups (Kikuyu, Embu, Meru) seem split on the Uhuru/Raila reform pact but the larger proportion resents Jubilee's all but formal betrayal of Ruto, after he campaigned for two successive

election victories for Kenyatta and the Kikuyu.

Ruto retains broad support among his Kalenjin people although he is challenged for supremacy from **Gideon Moi** and **Joshua Kutuny**. The Kikuyu in the Rift Valley, who live cheek by jowl with the Kalenjin, largely side with Ruto, giving him credit for the peace they enjoyed during and after the 2013 and 2017 general elections, in contrast to the bloody polls of 2007. Ruto is working hard to bring under his wing the disenchanted Odinga supporters among the Luhya, Bukusu and Kamba, and from the Coast. The ethnic and ideological line-up behind the Deputy President is changing.

SHIFTING SUPPORT

Odinga's support among Luhya in western Kenya, Kamba and the coastal communities is falling. He has angered his leftist brains trust, including the likes of **David Ndii** and **Maina Kiai**, by forming his new alliance with the wealthy Kenyatta family. Nobody can tell where the dice will land.

Against the backdrop of the shifting ethnic-based political factions, one of the few certainties is the constancy of Odinga's support base among the Luo. Kenyatta has to make a critical choice: whether to throw his weight, his family's fortunes and his substantial Kikuyu following behind Odinga or should he back his deputy. On the basis of this report, and in the eyes of many Kenyans, Kenyatta has decided for now to back Odinga and sideline Ruto. ●

TUNISIA

Into the unknown

Polar opposites face each other in the presidential run-off. All they have in common is their disdain for the political establishment

The first round of the presidential polls on 15 September was – as predicted – a slap in the face for the post-revolution political establishment. Two extremes topped the poll: devout Muslim law professor **Kaïs Saïed**, who campaigned with no political support machine whatsoever; and his polar opposite, the fiercely ambitious media mogul **Nabil Karoui**, sometimes known as 'Tunisia's Berlusconi'.

Karoui is likely to remain where he is, in jail facing fraud and tax evasion charges, until the runoff, whose date remains undecided (Vol 60 Nos 13 & 17). It could be 6 October, the same

day as national assembly elections, or one week later.

But the first round was not quite the anti-'system' vote it was billed as. Cumulatively, as many votes were cast for candidates who are part of Tunisia's post-revolution political system as for independents and outsiders. But none of the establishment candidates, who included current Prime Minister **Youssef Chahed**, former Defence Minister **Abdelkarim Zbidi** and the deputy leader of the Muslim Brotherhood's **Ennahda** party, which is part of Chahed's coalition, **Abdelfattah Mourou**, polled enough votes to make it to the run-off (AC 58 No 1).

This is the result of deep disillusionment in Tunisia with current political leaders and parties. It has been fed by widespread allegations of corruption among the political elite and their friends, relentless inflation and declining standards of living among large sections of the population, a perceived widening gap between the haves and the have-nots and a general disillusionment with the revolution (AC Vol 59 No 2). People feel ignored by their politicians, which explains why just 45% turned out to vote, down from 64% in 2014.

The sense of political alienation has been particularly strong among younger Tunisians, with large numbers of potential voters ignoring the elections altogether. The candidates were only interested in what they could make by becoming president, many said, dismissing the polls as a waste of time (AC Vol 57 No 4).

Although the election authorities managed to convince some 1.5 million Tunisians to register prior to

the election, 1.9 million did not and anecdotal evidence suggests that many of these were young.

The country is now heading towards the unknown. The two candidates are ideologically as far apart as possible. Saïed leans towards Islamism and is said to be sympathetic to Sharia law, while Karoui's prime interest is business, self-aggrandisement and, if the charges against him are correct, in getting around the law.

Saïed has a good chance of winning, despite – or perhaps because of – his lack of experience, charisma, a political support machine, his radical international views and his insistence on speaking classical Arabic rather than the standard Tunisian dialect used by almost everyone else. A supporter of **Venezuela**, he says that Tunisia is also being bossed around by foreign countries, particularly the Europeans. If he won, relations with **France** and **Italy** in particular, are likely to be strained,

with potentially damaging effects on the Tunisian economy. He is also opposed to equal inheritance rights for men and women as well as to gay rights, and he supports the death penalty, all of which would alienate Tunisia from many of its current friends.

Saïed will certainly pick up the 13% of the votes that went to *Ennahda's* Mourou in the first round, and those of voters who see in him the little man who stands up to the system. Those who see the controversial Karoui as a criminal will probably vote for Saïed too. Other may not completely agree with him, but will give him their vote because they know the president's powers are too limited to institute radical changes.

Also unknown, however, is what would happen if Karoui won, not least because of the court case hanging over him. It is unclear as yet whether as president he would have automatic immunity. That is still for the courts

to decide. As for what a President Karoui would mean, if he clears the legal hurdles, it is unlikely that he would content himself with meeting foreign dignitaries, handing out awards and opening buildings. He has every intention of exercising all the power the office can give him, which could be damaging in a quite different way to Saïed.

ILL-OMENED

Tunisians are not by nature superstitious but the break with the past was underlined for many first by the fact that former President **Béji Caïd Essebsi**, whose death triggered the presidential elections, died on the country's Republic Day, 26 July. Then, on election day, his widow **Chadlia Farhat** succumbed and five days after that, on 19 September, former president **Zine el Abidine Ben Ali**, overthrown in the 2011 revolution, died in exile in **Saudi Arabia**. ●

ANGOLA

Lourenço woos New York elite

Under pressure from falling revenues, mounting debt and high expectations, the President pledges radical change

With sweeping promises of a multi-billion-dollar privatisation programme, including the state oil company Sonangol, President **João Lourenço** attracted top diplomats and business people to the Council on Foreign Relations (CFR) in New York on 23 September. With Lourenço speaking at the UN General Assembly the next day, it was one of the most high-profile attempts to relaunch Angola's economy, one of the five biggest in Africa.

But questions surround Lourenço's reform pledges. The plans to privatise subsidiaries of Sonangol and restructure the main holding company were mooted a year ago. Few think that the government will sell stakes in the main company and there are doubts about the planning and management of the privatisation plan.

'They've got a bunch of MBAs running this privatisation programme. They're treating it like case studies so looking at doing IPOs [Initial Public Offerings], asset evaluations and asking all sorts of crazy amounts for companies,' a senior official said. 'You can't take a classical approach, [as] if you were in London selling off UK-based companies.'

Many assets, he explained, come with 'poisoned pills' including big workforces, non-existent supply chains and poor management. The state bought many assets while Angola's economy was one of the fastest growing in the world. In the current economic climate, they may be hard to shift. 'They're going to put these state-owned companies on the market and hope people will want to own them – in Angola, of all places,' the official said.

IMF PLAN

The privatisation plan is pushed by the International Monetary Fund, with whom Angola has, under Lourenço, rekindled its relationship. Lourenço is also selling his tough anti-corruption stance as a guarantee that the privatisation, and new liberal, free-enterprise economic environment, will work.

Insiders in Luanda are sceptical it will draw buyers from outside the usual elite. 'If the purpose is to get rid of the assets, you'll have to make arrangements to sell to whoever shows up at the table, which may be the usual characters. We may be in for a **Russia-type** privatisation,' said one.

With national elections set for 2022,

Lourenço knows his political survival depends on improving living conditions. Some say inequality has worsened since he came to power as his government struggles with the legacy of the **José Eduardo dos Santos** years. In Luanda recently, there have been more small demonstrations blaming the president for the harsh economic conditions. The extended honeymoon following Lourenço's election in August 2017 is emphatically over.

Although Lourenço, a general and former defence minister, tolerates these protests as well as critical scrutiny in the press and parliament, the ruling *Movimento Popular de Libertação de Angola* is getting worried. MPLA officials think the party could lose substantial support in the coming elections – despite the inability of the opposition *União Nacional para a Independência Total de Angola* to mobilise substantial voter support.

Court and police action against figures accused of corruption is tortuously slow, as is the recovery of stolen funds. Local economists calculate that well over US\$100 billion of state resources was diverted into private companies between the end of the war in 2002 and Dos Santos's exit in 2017, but less than \$100m has been identified in foreign accounts, prior to requests ordered for the freezing of suspected stolen funds.

Lourenço's aides insist he is serious about reform but is being held back by political and technical factors. There are still few new and independent faces in government – and, say critics, a lack of technical capacity within his economic

team, with the exception of the governor of the *Banco Nacional de Angola*, **José de Lima Massano**. Prospects for pushing through the much-needed structural reforms to diversify the economy away from oil and boost other productive sectors look poor.

Lourenço specifically told the collection of leaders of US industry and finance at the CFR about the conviction of a former minister for corruption. He was alluding to former Transport Minister **Augusto da Silva**

Tomas, whom he sacked last June after a debacle involving an order for six Bombardier regional airliners. In August he was sentenced to 14 years in prison (AC Vol 59 No 13).

Tomas's punishment has boosted Lourenço's popular appeal. 'It was a very heavy sentence and most people are happy,' an insider said. 'Some say it's just for show and Tomas won't serve the sentence... people have been in denial about the changes Lourenço has made since Dos Santos but facts are facts.'

The talk was chaired by **Chester Crocker**, the Assistant Secretary of State for African Affairs during the **Ronald Reagan** administration, which attracted anger from anti-apartheid activists in the 1980s for its 'constructive engagement' policy with **South Africa**. The audience included many old Africa 'hands' and representatives of McKinsey consultants, Credit Suisse, Lazard, Chevron, Exxon-Mobil, Bechtel, Citicorp, Boeing, private equity investors and veteran academics. ●

ETHIOPIA Rushing to the ballot box

Abiy is gambling that he can win an election with a unified coalition, but the campaign could provoke more factionalism

Ethiopia's strained ruling coalition has pledged to hold national elections on time next year and is set to take advantage of the lack of preparation by a recently – and only relatively – unshackled opposition. That could well lead to another thumping victory, particularly with charismatic Prime Minister **Abiy Ahmed** at the helm.

But while more dominance by the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) would be a stale replay of past outcomes, Abiy seems to hope that a rejuvenated party – for years more a forced marriage rather than a functional alliance – can make a new beginning. Yet two of its most powerful regional parties, the Amhara Democratic Party and the Tigray People's Liberation Front, are at each other's throats (AC Vol 60 No 3).

Time is very tight for the mooted transformation of a fractious four-member coalition into a harmonious party before the polls. And even if it happens, the TPLF may well go its own way, wedded as it is to the traditional EPRDF approach of democratic centralism, revolutionary democracy, ethnic federalism and a developmental state.

Increasing the ambition further for next year, the delayed election for Addis Ababa's fiercely contested city council takes place at the same time as parliamentary elections in May, which could exacerbate tensions between Ethiopia's two most powerful communities, the Amhara and Oromo. That will come after the unprecedented 13 November referendum on whether or not to create a Sidama federal state. A yes vote could lead to an intensification

of similar demands elsewhere in the fragile multi-ethnic Southern Nations region. And last month's charged elections in **Somalia's** Jubaland State could contribute to complex clan-based destabilisation of Ethiopia's Somali Regional State in the east (AC Vol 60 No 18).

Some political elites are starting to question the wisdom of adhering to the election schedule while ethno-nationalist rifts are on full and bloody display. Possibly, momentum will start building towards a transition that looks more like **Sudan's** formal, staged approach than Abiy's ad hoc affair. 'Elections don't build consensus. They create winners and losers,' said one activist about the concerns over a rush to the ballot box.

REFUSING TO LOSE

In the two previous polls since 1995, the EPRDF, deeply embedded in the state, did not consider losing as an option. This time it could be its emboldened opponents that won't accept defeat. The first of what was to become four years of deadly revolts broke out just six months after the EPRDF took all the seats in the May 2015 regional and national elections. The sustained unrest hollowed out the EPRDF's authoritarian apparatus, and Abiy entered the vacuum.

Last year, his government implicitly admitted past electoral manipulation and amended the laws governing elections and political parties, restructuring the electoral body, the National Electoral Board of Ethiopia (NEBE). Other legislation, like a draconian anti-terrorism proclamation, is yet to be amended, while the broad

provisions of a draft law on hate speech and 'fake news' could easily be weaponised for political purposes.

A number of opposition parties claim that the new environment makes it even harder to challenge the EPRDF than before. On 23 August, a group of 57 political organisations asked the government to amend 48 articles in the new legislation, but the EPRDF parliament unanimously approved it, unamended, the next day. A central complaint was that the number of members required to register a national party had gone up from 4,500 to 10,000 and from 1,500 to 4,000 for regional parties. Parliamentary candidates are now required to provide 2,000 signed endorsements and those competing for regional council seats need 1,000.

Earlier in the month, 33 parties requested that 20 articles be removed and 13 corrected, saying that the draft law they had agreed on had been expanded. They said the process reflected badly on the impartiality of the donor-backed NEBE led by **Birtukan Mideksa**, a former political prisoner who also headed the Unity for Democracy and Justice Party.

Since being floated in 2016 by then President **Mulatu Teshome**, a largely ceremonial head of state, there has been no concerted talk of any switch to proportional representation from first-past-the-post, which had been discussed as a way to ease tensions in Addis Ababa between the bitterly opposed factions (AC Vol 57 No 21). Such a change would require a constitutional amendment.

While some factors play into the ruling party's hands, the new law is partly crafted to try to coax a fractured opposition into coalescing, a worthy objective from NEBE if the opposition is to pose a worthwhile challenge. Still, in early September, an opposition council threatened to boycott the election if the law is not revised – although the group didn't contain major players like the recently formed National Movement of Amhara, the legalised Oromo Liberation Front (OLF), or ex-Addis Ababa mayor-elect **Berhanu Nega's** new anti-ethnic

politics party, Ethiopia Citizens for Social Justice, known as Ezema, which partly evolved from Birtukan's former party.

Birtukan said on 4 September that 68 political parties had previously registered to participate in elections and 69 had not. She cited failures to obtain and submit the requisite signatures. While the new law suggests parties have to re-register under it, that does not yet appear to have been requested.

MILITARY CONTROL

Instability is another problem. In swaths of the country, including the entire Southern Nations region, the military manages security. Although an improvement from virtual anarchy, the tight conditions present a challenge for some opposition parties to mobilise supporters and collect signatures, as their freedom of movement is restricted by checkpoints and curfews. The opposition, including those that support May elections, such as the Oromo Federalist Congress led by **Merera Gudina** and **Bekele Gerba** and **Dawud Ibsa's** OLF, complains their members and supporters are being detained.

Some newly formed parties and most non-ethnic based organisations want elections delayed, citing limited time, new regulations, and insecurity. EPRDF coalition members, particularly the TPLF and the main Oromo opposition parties, are pushing for the May schedule to hold. In late July, parliament postponed the local and Addis Ababa and Dire Dawa elections for the second time since Abiy took office in April last year, after receiving a letter from NEBE urging delay. A highly sensitive census, which the constitution says has to be held once a decade, has been put off since 2017 (AC Vol 60 No 5).

Although there's no clear legal process for it, the board might

postpone parliamentary elections also, if, for instance, the opposition backs a parliament decision to extend its term amid more insecurity. If such extraordinary steps were taken, it could even pave the way for a programme of pre-election constitutional reform, with Abiy's eyes on creating an executive presidency, of which he would be the first holder. Such amendments, however, need approval from regional councils and both houses of parliament.

A bright spot for Abiy is that there was relatively little reported conflict in August, other than in Oromia, which is primarily due to resistance from the Oromo Liberation Army, an armed splinter of the OLF. But that situation is grave. The OLF represents a potentially popular threat to Abiy's own party, yet in actuality it is not yet even registered by NEBE as a party in order to start in earnest its evolution out of insurgency (AC Vol 59 No 15). Instead, violent acts are ongoing, including a 12 September grenade attack on a police station in Oromia just outside Addis Ababa and the assassination of the mayor of Guliso town in West Wollega Zone of Oromia on 15 September, which the government tends to pin on the armed OLF splinter group.

The National Movement of Amhara is also in a tricky situation after some of its top officials were detained on suspicion of involvement in the 22 June assassinations of Amhara and military leaders (AC Vol 60 No 13). Unless there are improvements soon to create conditions for fair electoral competition in Amhara and Oromia, August's relative peace could merely represent the calm before the storm.

There has also been Oromo opposition to a new education roadmap, again revealing the depth of Ethiopians' political differences. During the multi-year protests since 2015, activists demanded that Oromo becomes a

working language of the federal government, so joining Amharic. But, despite having a powerful premier from Oromia, there has been no movement towards that goal. Instead, the strategy promotes the study of Amharic from Grade 1 as a third language in addition to English and a local tongue. The roadmap was eventually denounced by Oromia's government, which may have forestalled protests.

In the south, identity politics also features heavily. Anti-ethnic federalists see the Sidama campaign as a retrograde move in a struggle that hinges on the city of Hawassa, the current Southern Nations capital, which will become the capital of a new Sidama state. Opponents of the Sidama want it to become an autonomous city like the federal capital, Addis Ababa, but there is no chance of Sidama elites peacefully giving up the south's commercial centre.

ADDIS STAKES

The situation with Addis Ababa, by a huge distance Ethiopia's wealthiest location, is similar, although reversed. Oromo nationalists portray it as colonised by Amhara and want it returned to its 1991 boundaries with the areas its expanded into handed back to Oromia's jurisdiction. The EPRDF's Amhara wing, Ezema, and the National Movement of Amhara decry any sign of 'Oromisation' of the diverse capital, which is run by an Oromo nationalist ally and unelected appointee of Abiy. The stakes could not be higher for the elections for city hall (AC Vol 56 No 25).

While Abiy breezily speechifies about transforming a divided coalition into a single party, and an *ancien regime* into a liberal democracy, his government and Ethiopia's warring political factions stagger towards an ill-prepared, and potentially existential, electoral battle. ●

EGYPT

All the general's hotels

Corruption allegations by an insider have stoked public anger, spilling onto the streets, prompting an immediate crackdown

Egyptians have been glued to a series of sensational videos which claim to detail high-level corruption by President **Abdel Fattah el Sisi** and the Egyptian armed forces. The controversy may have stoked the public demonstrations which have seen hundreds arrested in the subsequent crackdown on 21-22 September.

The clips have been released online in daily instalments by **Mohamed Ali**, a civilian contractor who worked with the army engineering corps for 15 years and recently fled to **Spain** after a dispute with the armed forces over payments owed to his firm. Safely abroad, he has turned whistleblower exposing corrupt procurement practices and official vanity.

Since he posted his first revelations on 2 September, Ali has accused the President of personally squandering millions of dollars on private comforts and construction projects, set up to enrich associates in the military establishment (AC Vol 59 No 24).

The videos have proved wildly popular, racking up millions of views. The revelations led to scattered anti-government protests in Cairo, Alexandria and Suez on the evening of 20 September, as Sisi was flying to the UN General Assembly in New York. The demonstrations were contained by the security services, which made hundreds of arrests, but they were significant as rare expressions of widespread resentment.

Ali's message is simple: he denounces government hypocrisy in demanding that Egyptians suffer austerity while regime insiders spend millions on fripperies. The impression has been fixed: President Sisi and his wife, **Intisar Amr**, are profligate 'while Egyptians eat out of bins'. That official corruption is widespread is no revelation to Egyptians, but it has been cathartic to hear a former insider describe the specifics.

Among other things, Ali alleges that the Sisi family has built a set of villas and an extravagant mausoleum. In one video he described the construction of a new presidential residence in Al Mamourah, a suburb of Alexandria on the Mediterranean coast, at a cost of 250 million Egyptian pounds (\$15.3 million). After building work began, Ali claims, the First Lady requested changes to the residence that cost a further 25 million pounds. It was then left unused.

Ali alleges that the \$120 million Triumph Luxury Hotel, which opened in New Cairo in March, was approved by the President as a favour to the retired General **Sherif Salah Al Din** – who is now the hotel's general manager. Similar projects were arranged, he says, to benefit the former Minister of Defence **Sedki Sobhy** and the former head of the Supreme Council of the Armed Forces, Field Marshal **Mohamed Hussein Tantawi**.

'AN HONOURABLE MAN'

The sheer popularity of the videos led Sisi to respond directly. On 14 September, at a hastily organised 'youth conference' at an exhibition centre on the Field Marshal Tantawi Highway east of Cairo, the President dismissed Ali's claims as lies and insisted that he pays

his own way. 'I'm an honourable man... nothing is in my name,' the President declared. In his statement he mentioned that his advisors had asked him not to address the matter. It may indeed have been better if he had not, as his denials did not come across well.

The General Intelligence Service coordinated the response in the official media. In *Al Ahram* newspaper, editor-in-chief **Alaa Thabet** dismissed the importance of Ali's claims. The main television channels aired clips of actors and singers repeating the phrase, 'We are with you, President.' The two foremost television presenters dedicated considerable time to ridiculing the corruption allegations. **Amr Adeeb** defended Sisi at length on MBC Masr, the free-to-air station. On Al Balad TV, **Ahmed Moussa** said the claims about luxury villas were nothing to worry about, pointing out that **Turkey's** President, **Recep Tayyip Erdogan**, had built a palace with a thousand rooms in Ankara. Meanwhile, a parliamentary committee raised the prospect of a law making 'spreading rumours about the nation' punishable by execution (AC Vol 60 Nos 1 & 8).

Details of the elite's spending habits have been hard to hear, coming on the back of an announcement this year that 32% of Egyptians live under the official poverty line, a hefty increase in the few short years since Sisi instituted an International Monetary Fund austerity programme. For no discernible reason, the measure used by the official Central Agency for Public Mobilisation and Statistics to determine the poverty line is lower than the World Bank's standard measure. That implies the true figure is much worse.

The army's role in the economy, already considerable, is increasing.

In addition to its network of factories producing civilian goods, the armed forces now administer ration cards for subsidised bread, run their own shops and make pharmaceuticals. Most military-owned companies are exempt from paying income tax. In August, the President transferred ownership of dozens of small islands in the Red Sea from the state to the armed forces.

The Administrative Control Authority, the state agency charged with investigating corruption (and where Sisi's eldest son, **Mustafa el Sisi**, holds an influential position), has become an arm of the security services. The agency does investigate corruption and has made some high-profile arrests this year, but only in cases which do not touch on military interests.

PROTESTS

Over the weekend of 21 and 22 September, thousands took to the streets in generalised protest against the regime, and hundreds were arrested. The lengthy sentences handed out in the ongoing trials of countless sympathisers of the Muslim Brotherhood are a reminder that dissent will be dealt with harshly. On 16 September, six were sentenced to death on charges of membership of the Brotherhood and allegedly manufacturing explosives.

Sisi may be tempted to see this as business as usual. None of the claims against the presidential family or army is comparable in scale to the rampant corruption of the Sadat or Mubarak years. The First Lady's tastes are not as lavish as those of **Suzanne Mubarak**. But the depth of general impoverishment is new and dangerous. And the intensity of public anger suggests it may be difficult to contain. ●

SOUTH AFRICA/NIGERIA

Summit bid to heal crisis

After xenophobic attacks and corporate rivalries, the leaders of Africa's two biggest economies are to meet next month

For pan-African economic alliances and security cooperation much is riding on the summit between Presidents **Cyril Ramaphosa** and **Muhamadu Buhari**, due to hold on 3 October in South Africa. On paper, they run Africa's two economic giants, producing over half the continent's gross domestic product. Close up, however, both economies are afflicted by slow growth, galloping unemployment and a

shortfall of productive investment.

An outburst of xenophobic violence in South Africa – directed at **Zimbabweans**, **Zambians**, **Mozambicans**, **Somalis** as well as Nigerians – drew a stern rebuke from the government in Abuja. At least 12 people were killed and over 50 seriously injured in attacks in the first two weeks of September. Several of the victims were South African nationals and local police were castigated for incompetence and, in

some cases, complicity in the attacks.

As in previous xenophobic attacks in South Africa, in 2008 and 2015, local people sought out shops and properties thought to belong to foreigners and destroyed them. As the crisis escalated, Buhari sent his envoy, **Ahmed Rufai Abubakar**, to deliver a protest note to Ramaphosa, spelling out the seriousness of the developments for bilateral relations.

The Ramaphosa-Buhari summit appeared at risk with some Nigerians demanding their government retaliate with sanctions unless the South Africans prosecuted the perpetrators of the attacks. Some wanted tougher actions such as expulsion of South Africa's High Commissioner to Abuja, **Bobby Moroe**.

Reports of the violence also triggered attacks on South African

businesses in Nigeria such as the MTN telecoms giant. **Adams Oshiomole**, the volatile Chairman of the governing All Progressives Congress, called on Nigerians to boycott all South African goods and service such as Multi-choice, Stanbic Bank and Shoprite.

Some groups started attacking South African owned banks and shops and at least one Nigerian in Lagos was shot by local police, having been caught up in a looting spree.

South Africa temporarily closed its embassy in Nigeria on 5 September due to fears for the safety of its staff, according to Foreign Minister **Naledi Pandor** in Pretoria. Abuja then organised an airlift of at least 600 Nigerians, almost all middle class and professionals, who said they felt threatened by the attacks in South Africa. And Abuja recalled its ambassador to Pretoria, **Kabiru Bala**.

FORMAL APOLOGY

Ramaphosa despatched **Jeff Radebe** to meet Buhari on 16 September with a formal apology, an attempt to ratchet down the tensions. Relations between the two countries have long been prickly, although Nigeria was a leading contributor to the anti-apartheid struggle.

Behind the public statements, Ramaphosa and Buhari both want to reset relations for economic and strategic reasons. They want to build on the growing volume of trade in physical goods and services between the two countries. They also have to find better ways to resolve disputes over taxes and profits repatriation.

Despite the nationalist rhetoric, much more is binding the two economies together. MTN Nigeria provides more than half of the global revenues for South Africa's MTN. And following its listing on the Nigerian Stock Exchange, most of the shareholders in MTN Nigeria are nationals of the country, as are its executive directors. All that is well known to Ramaphosa, a former director of MTN, who follows the company's fortunes closely.

And Nigeria, which wants to use the launch of the Dangote Group's 650,000 barrels a day refinery next year to take a large stake in Africa's petroleum products market, sees the growth of trade with South Africa is key to its own economic diversification strategy. Although slightly smaller than Nigeria's economy, the structure of South Africa's economy is much more industrialised with a bigger agri-processing sector and it is making strides in renewable energy.

These are all areas where the two countries should be cooperating, their diplomats say. Sealing the deal may prove more difficult on economic policy

grounds alone. Nigeria was among the last countries to ratify the African Continental Free Trade Area and it took a personal visit by Ramaphosa to Buhari to extract a public commitment on the treaty.

Nigerian manufacturers admit, in private, that they would struggle to compete with their counterparts in South Africa and **Morocco** in a continental single market. The latest round of xenophobic attacks will make the negotiations trickier still.

Ramaphosa had wanted to bolster South Africa's leadership in the continent as a non-permanent member of the United Nations Security Council and in 2020 as chair of the African Union.

Ramaphosa was embarrassed by scenes of public violence and looting in the country's major cities as well as a focus on horrific levels of attacks on women in South Africa.

This was amplified by the international focus on South Africa at the annual opening session of the UN General Assembly in New York this week when critics asked how the country justified its new coal-fired power stations with its campaigning against climate change.

Ramaphosa cancelled his trip to the General Assembly and sent Pandor in his place (AC Vol 60 No 18). She addressed a gathering of community representatives from the African diaspora before her departure for New York, reassuring them that steps were being taken to stop fresh attacks.

But both Ramaphosa and Pandor cast the violence as part of a wider phenomenon of economic migrants seeking employment and economic opportunity in South Africa because of harsh political and economic conditions in their home countries.

There have been intermittent outbreaks of violence against African economic migrants eking out a living as shopkeepers and workers in a country beset by poverty and with unemployment close to 30%, reaching up to 50% among the youth in some provinces.

Zimbabweans and Nigerians, the two largest expatriate African communities in South Africa, have been the most specific targets of the attacks, which were sparked by an alleged Nigerian drug-dealer shooting dead a taxi-driver in Tshwane (Pretoria) on 27 August. The violence spread to Johannesburg and parts of KwaZulu-Natal.

Nigerians, 600,000 of whom are reckoned to live in South Africa, are often discriminated against because of the small minority involved in organised crime, especially drug-dealing and people-trafficking. Zimbabweans, who number more than a million in South

Africa, are strong competition for job-seekers in South Africa (AC Vol 57 No 11).

Due to chronic unemployment levels in South Africa and decades of isolation during the apartheid era, black South Africans at the lower end of the socio-economic scale often feel threatened by their African counterparts who come to the country seeking a better life.

The tensions between South Africa and Nigeria are exacerbated by the rivalry between the two countries as the largest economies on the continent, competition to be elected as non-permanent members representing Africa in the UN Security Council and the intense irritation experienced by Nigerians at having to apply for visas to visit South Africa.

Pandor insisted in interviews prior to her departure to the UN General Assembly that it was not accurate to describe the violence as xenophobic as it was directed exclusively at Africans and therefore could be more accurately described as Afrophobia or violence directed at African immigrants. Of the 12 fatalities, she said, only two were Zimbabweans and the rest were black South Africans. She said there had been 794 arrests to date and several hundred Nigerians had been repatriated.

The main causes of the outbreak of violence, according to Pandor, were South Africa's weak immigration policies and poor border controls and the competition over jobs due to high unemployment.

IMAGE DAMAGE

The ANC government's apparent failure to control the xenophobic violence and prevent attacks against women has raised alarm in Western capitals and among those who believed that a degree of political stability had returned to the country under Ramaphosa despite the country's ailing economy (AC Vol 59 No 19).

'The violence also has foreign policy implications that extend far beyond Africa, damaging South Africa's image and influence,' said **John Stremlau**, a commentator on African affairs.

Ramaphosa lost no time in sending envoys to seven African countries; Nigeria, **Niger**, **Ghana**, **Senegal**, **Tanzania**, the **Democratic Republic of Congo** and **Zambia**, which cancelled a scheduled football match between the two countries in protest against the anti-African violence.

'Discernible progress on gender-based and public violence might allow Ramaphosa more time to begin dealing with the long-term problems of the economy: poverty, unemployment and inequality,' said Stremlau. ●

MALI

The talking cure

The President wants a 'national dialogue' about the political and security crises but only on his terms

Final preparations are under way for an 'Inclusive National Dialogue' widely seen as Mali's last hope for progress towards resolution of the seven-year-long political crisis. Some see it as a feeble response by a politically bankrupt elite.

With his 2018 re-election safely out of the way, President **Ibrahim Boubacar Keïta** has been forced to take such concrete measures by the paralysis in the northern peace process and the spectacular disintegration of stability across central regions.

A first move was to bring some opponents into the government in May this year. But it was clear that a much broader and more powerful consensus would have to be established for there to be any hope of pressuring the various factions and vested interests behind the violence into seriously engaging in peace efforts.

HONEST BROKERS

Keïta had already promised to organise a national dialogue to discuss constitutional issues and this idea developed into a much more open and comprehensive process. Three respected personalities – Professor **Baba Akhib Haïdara**, the former Prime Minister **Ousmane Issoufi Maïga** and the outspoken former Culture Minister **Aminata Dramane Traoré** – have been entrusted with preparations. One of their first steps was to fly to Dakar last month to seek the views of the exiled former head of state **Amadou Toumani Touré** (AC Vol 53 No 7).

Their perceived neutrality as honest brokers helped to convince the *Union pour la République et la Démocratie* of opposition leader **Soumaïla Cissé** to take part in a three-day workshop to draft the terms of reference for the talks. Keeping the URD on board would significantly boost the credibility of the process.

Speaking at the end of this meeting, on 16 September, Prime Minister **Boubou Cissé** was at pains to stress that the dialogue will be open to a wide range of participants far beyond the mainstream political class. But he also set limits to what it will be able to do, stressing that it would not be a 'sovereign national conference' of the kind that abolished authoritarian

constitutions across francophone Africa in the early 1990s and established new democratic systems – and nor would it be charged with preparing a political transition. In other words: Keïta will remain the president.

But other big issues are up for debate and change. These include the question of whether the planned multi-party legislative elections next year should be held only in those areas where security conditions permit campaigning and voting to take place, and what to do about representation in those places where it can't.

Also up for discussion is whether the northern decentralisation promised by the 2015 Algiers peace agreement should be enshrined in a constitutional reform, and how groups that have continued to carry out terrorist attacks should be treated.

Even with tight terms of reference, discussion is likely to quickly drift from dry constitutional issues onto much more emotional terrain about national identity and how to get all communities to buy into it and accept Malian state power and administration.

KIDAL CHALLENGE

If recent weeks have brought some modest progress in both northern and central regions, there have also been reminders of the daunting challenges still to be overcome.

After three months' training, the Malian army has taken on its first batch of 1,000 fighters from the northern armed groups: the former Tuareg separatist *Coordination des Mouvements de l'Azawad* (CMA), the pro-government *Plateforme* and smaller dissident factions such as the *Mouvement pour le Salut de l'Azawad* (MSA).

But a planned first-ever meeting in Kidal – the former separatist headquarters in the Sahara – of the committee charged with monitoring the implementation of the Algiers agreement was postponed on 16 September, the day before it was due to take place.

Travel and security arrangements had been finalised for Malians and international officials to travel to the north-eastern desert town when the government decided to postpone the gathering in an overt public rebuke to

the CMA, which effectively controls it.

This was clearly Keïta's attempt to placate the Nigérien President **Mahamadou Issoufou**, who on a visit to Bamako on 7 September publicly described Kidal as 'a threat to the internal security of Niger'.

Issoufou bluntly accused some groups that signed the Algiers peace deal of conniving with terrorists. This has been known or suspected for years. But it was a public humiliation for Keïta to have to look on as his fellow West African head of state said this in a public statement to the media, outside their bilateral meeting.

Nigérien intelligence has found that the Kidal-based *Haut Conseil pour l'unité de l'Azawad* – part of the CMA alliance – has bought vehicles and weapons that were seized by armed groups in attacks on communities in Niger. The Nigériens believe that the Kidal governor's security chief was involved in a July 2017 attack on Midal, while an HCUA officer who is close to **Alghabass Ag Intalla** is thought to have participated in a May 2019 attack near Tongo Tongo that killed 27 Nigérien soldiers.

It seems likely that further pressure was piled on to the Malians privately at the special Economic Community of West African States (ECOWAS) summit on regional security in Ouagadougou on 14 September.

It is not just the situation in Kidal that is a concern. In central Mali, local peace talks supported by the Centre for Humanitarian Dialogue have produced agreement between communities in the fertile inland delta of the river Niger on a ceasefire.

Minds were concentrated by the need to ensure that fields were planted and animals moved to new grazing areas during the annual July-September rainy season. Jihadists – often recruited from the Peuhl (or Fulani) – and the Dogon and Bambara hunters' groups appear to have put their guns down for now.

However, in the upland east of Mopti region the hunters have refused to comply, claiming that the justice system is biased. And the Dogon's feared *Dan Na Ambassagou* militia appears to have the backing of local politicians for its refusal to comply with a government order that it should dissolve (AC Vol 60 No 13).

CAPITAL PAINS

Back in Bamako, Keïta has other political headaches too. The influential imam **Mahmoud Dicko** is forming his own political movement, while the President's *Rassemblement Pour le Mali* risks erosion by defections to the ASMA party founded of **Soumeylou Boubeye**

Maïga, who resigned as prime minister earlier this year (AC Vol 59 Nos 14 & 15).

Meanwhile, the highly influential farmers' union leader **Bakary Togola**

has been arrested in a corruption probe amid speculation over the manipulation of votes in last year's presidential election in the key cotton and rice-farming belts. Opposition sources are

already claiming justification for their claims that the contest was rigged, and the Keïta administration will closely monitor the progress of a particularly delicate enquiry. ●

CONGO-KINSHASA

Of puppets and godfathers

Accusations of corruption against the President's appointees are weakening him in his fight with Kabila

I am not a puppet', President **Félix Tshisekedi** keeps insisting, most recently to the **Belgian** government and the Congolese diaspora in Brussels during a recent state visit to the former colonial power. Tshisekedi points, as evidence, to the closure of the notorious *cachots* (dungeons) of the *Agence Nationale de Renseignements*, the secret police, under his presidency, the freeing of all the political prisoners who were immured there and in the crumbling prisons, and the firing of the ANR's head, **Kalev Mutond**, a close associate of former President **Joseph Kabila**.

Following his removal, Mutond pushed hard within Kabila's *Front Commun pour le Congo* (FCC) coalition to secure nomination for a provincial governorship, or a cabinet post, but failed to secure either. Mutond is outraged that Kabila did not intervene behind the scenes to protect him, sources told *Africa Confidential*, adding that Tshisekedi is reluctant to push his luck by firing other Kabila *securocrat proches* ('close allies'), such as General **Gabriel Amisi Kumba** (also known as 'Tango-Four'), a venal military commander accused of multiple war crimes in the east, and **John Numbi**, a Katangan military man credibly accused of having ordered the murder of human rights activist **Floribert Chebeya** (AC Vol 53 No 15).

'NOT VERY GOOD'

Tshisekedi has privately admitted, however, that his prime minister **Sylvestre Ilunga Ilukamba's** new government, which is dominated by the FCC, is 'not very good' and is unlikely to get much done. The government took months to assemble, in part, said one insider, because the wily Kabila wanted to give the new president and his large entourage a chance to 'eat'. Ministers were only sworn in on 3 September. There are 66 ministers in the cabinet, of whom 43 belong to the FCC and 23 to Tshisekedi's coalition, *Cap pour le*

Changement (CACH).

A few are from previous administrations, notably Defence Minister **Aime Ngoy Mukena**, who was Minister of Petroleum and Gas during the last administration and Kabila's Minister of Defence before that, and **Azarias Ruberwa Manywa**, a founder of the Rwanda-allied *Rassemblement Congolais pour la Démocratie* (RCD) and a former vice-president, who has returned as Minister for Decentralisation. Another Kabila throw-back is **Julien Paluku Kahongya**, formerly the long-serving governor of North Kivu, who has been appointed the new Minister of Industry.

NEWISH FACES

In the main, however, the cabinet is composed of new or at least newish faces, and there are some notable exclusions. Among the big shots absent from the long cabinet list are former Prime Minister **Adolphe Muzito**, former Kabila chief-of-staff **Nehemie Mwilanya Wilondja**, who is also the FCC coordinator, former Prime Minister and Finance Minister **Augustin Matata Ponyo Mapon**, and **Emmanuel Ramazani Shadary**, the former Interior Minister and the man Kabila initially chose to succeed him once it became clear he could not secure a third mandate.

Despite their absence from cabinet, however, these four are the main godfathers of the new national government and of many of the provincial administrations too, installing their *proches* as ministers and governors and deciding on the personnel to staff their ministerial cabinets. This is a break from tradition. Previously, ministers picked their teams themselves, using the opportunity to build their own patronage networks and reward loyalists. But because the FCC is largely composed of smaller coalitions, political godfathers are intervening to ensure that all members of these coalitions receive something,

thus reducing the risk of aggrieved parties deserting them and teaming up with someone else.

Provincial governors appear to have a slightly freer hand, though their main autonomy flows less from whom they pick as ministers than from their control over provincial revenue authorities. Accordingly, several governors have already moved quickly to dismiss the entire leadership of their provincial revenue authority, in each case on the grounds of alleged corruption, and have replaced them with their own supporters instead.

Among the godfathers of the national government, Matata Ponyo has done particularly well, ensuring the appointment as Finance Minister of **José Sele Yalaghuli**. Yalaghuli was Matata's chief of staff when he was prime minister, and went on, at Matata's behest, to head up the *Direction Générale des Impôts*. The DGI is one of the country's three national revenue authorities, handling company and income tax, and is the one that pulls in the most money. That makes heading up the DGI a lucrative post for those so inclined, but the job of Finance Minister is potentially even more so, not least because of its power to exonerate companies from pesky taxes.

JUST LOYAL

Kabila had apparently wanted the justice ministry to go to a family member, just to make sure that no-one would be coming after him during Tshisekedi's presidency, but this was vetoed by Tshisekedi. Kabila insisted on a loyalist for the post, nonetheless, and in the end the choice was **Célestin Tunda Ya Kasende**, a founder member of Kabila's *Parti du Peuple pour la Réconstruction et la Démocratie* (PPRD) and a lawyer from Haut Lomami province. Tunda is close to Mwilanya, and his most prominent godson in the cabinet.

Tshisekedi's CACH coalition secured few important posts in the new government but the President was able to ensure that one of his closest allies, **Gilbert Kankonde Malamba**, became Minister of the Interior. Kankonde spent much of his life in exile in Belgium and was close to the President's father, **Étienne Tshisekedi**. Whether Kankonde will really be able to assert his authority, not so much over his ministry and the *Direction Générale*

de Migration (DGM) which ought to be relatively straightforward, but over the ANR and other, shadowy and still Kabila-aligned intelligence services that fall under his brief, remains to be seen.

Tshisekedi's *Union pour la Démocratie et le Progrès Social* is the main party in CACH, with **Vital Kamerhe's Union pour la Nation Congolaise (UNC)** the next largest in the coalition. Kamerhe, who is today the President's chief of staff, previously made a pact with Tshisekedi that he, Kamerhe, should be the CACH candidate for the presidency in 2023 and that the president should stand aside to give him a clear run. Senior UDPS officials, however, are already denying that they ever agreed to this and Kamerhe is letting it be known that he is anxious that Tshisekedi will not respect his side of the bargain.

Kamerhe is currently embroiled in a widely publicised corruption scandal, apparently implicated in the theft of US\$15 million of public funds. The scandal has led to growing calls for Kamerhe to be sacked, though so far Tshisekedi seems disinclined to act, despite declaring the war on corruption to be a core aspect of his presidency.

People close to Kamerhe, meanwhile, are privately briefing that most of the stolen money went to Tshisekedi, who apparently used it to fund his late father's funeral. Kamerhe's senior godson in the government is the Minister of Energy and Hydraulic Resources and Electricity, **Eustache Muhanzi Mubembe**, a lawyer from Kamerhe's home province of South Kivu with no previous experience of the energy sector.

\$250 PLEDGE

Tshisekedi has required all government ministers to sign a pledge not to accept any gifts, directly or indirectly, worth over \$250, and to agree to resign if found to have done so. How and whether this will be honoured – and, more importantly, policed – remains to be seen. All ministers are likely to come under serious pressure from their godfathers to deliver funds, particularly when the 2023 elections loom into view, and none more so than those belonging to CACH, who are newer to the game and therefore poorer. Most likely, the pledge will be used as a tool for Tshisekedi and, perhaps, Kabila too, to pick off the weak in the cabinet, those who lack godfathers and

hence protection when the going gets rough.

The prime example of this is the ex-Health Minister, **Oly Ilunga Kalenga**. Ilunga has just emerged from a short time in detention and is currently under house arrest, accused of embezzling millions of dollars in funds intended to fight the deadly outbreak of Ebola in the east. Ilunga denies the charges, plausibly according to reliable sources, with many suspecting that the real reason he has been targeted is that he abandoned the UDPS after the President's father died in 2017, and, lacking strong backing in the FCC coalition he joined subsequently, is now unable to defend himself politically from Tshisekedi's bid for revenge.

If this allegation against Tshisekedi is true, and if true too that the new President has already begun to steal public money, that renders Tshisekedi's public stance against corruption an act of cynicism, suggesting that the deep system in government of 'Article 15' or '*débrouillez-vous*' (sort yourself out) proposed and championed by former President **Mobutu Sese Seko** and lovingly nurtured by the Kabilas, remains alive and well. ●

EU/AFRICA

New names, same games

The new European Commission fails to match the hype about a relaunch of EU-Africa relations

Jean-Claude Juncker waited until his final State of the Union speech in September 2018 to show any interest in EU-Africa relations, surprising many with the offer of a 'partnership of equals', based around a continent-to-continent trade deal (AC Vol 59 No 19).

His soon-to-be-successor as European Commission president, former German Defence Minister **Ursula von der Leyen**, had promised a different tack. Her former government colleague in Berlin, Development Minister **Gerd Müller**, who has led Germany's renewed interest in the continent, had championed the idea of a commissioner for Africa (AC Vol 59 No 17).

But von der Leyen's team of commissioners-designate announced on 10 September was something of a damp squib as far as EU-Africa relations are concerned. The new Commission will take office in November, provided that the nominees pass individual hearings

in the European Parliament.

The Commissioner for Africa idea was scrubbed after the African Union voiced objections that it sounded neo-colonial, and, in the event, precious little has changed. The only significant change is the replacement of the Development Commissioner, **Neven Mimica**, with a Commissioner for International Partnerships, **Finland's Jutta Urpilainen**, and it is unclear whether this will mark a substantive change or is purely rhetorical.

The other commissioners dealing with EU-Africa relations will be Foreign Affairs High Representative, **Josep Borrell Fontelles**; and Greece's **Margaritis Schinas**, who has been designated as the Commissioner for the clumsy-sounding Protecting Our European Way of Life portfolio that includes migration control.

Former **Spanish** Foreign Minister Borrell's nomination is particularly good news for the **Moroccan** government (AC Vol 60 No 14). Borrell has repeatedly

called for Rabat to be integrated into EU programmes on maritime security and defence, and given new funding for migration control.

The emphasis on 'partnerships' rather than 'development' has been viewed by most Brussels-based NGOs as a shift away from traditional donor/recipient relations, and the nomination of Urpilainen, a former finance minister who served as her country's special envoy to **Ethiopia** between 2017 and 2019, has also been widely welcomed by civil society leaders.

So, too, was the heavy Africa-focus of the 'mission letter' from von der Leyen to Urpilainen setting out her political priorities, which says that the Finnish Commissioner and Borrell should work on 'a new comprehensive strategy for Africa. This should create a partnership of equals and mutual interest.'

SAME MANTRA

However, there is little detail on what this 'partnership' will look like, and Urpilainen's first public remarks following her nomination stuck to the jargon-heavy mantra that has guided the EU's Africa policy, talking of 'a new strategic partnership with Africa in which the private sector is also actively involved in creating investments, jobs and permanent wellbeing'.

'There is a positive side; it is less neo-colonial sounding,' says **Tanya**

Cox, director of Concord, the network of development NGOs, of the new portfolio. But Cox points out that the 'international partnerships' the von der Leyen Commission has in mind will not be with advanced economies.

ACP TALKS DRAG ON

Urpilainen's in-tray will also include completing the so-far painfully slow negotiations on a successor to the Cotonou Agreement between the EU and 79 African, Caribbean, and Pacific (ACP) states which was due to be completed before the end of 2019 but is now expected to drag well into 2020.

The ACP-EU relationship remains an ongoing source of conflict and there is frustration on both sides: from the African Union, led by the AU's chief negotiator on post-Cotonou, **Carlos Lopes**, that the EU prefers to negotiate with an organisation that is essentially a supplicant with few ambitions beyond receiving aid; and from Brussels that African countries do not yet speak with a united voice and are not, in the Commission's eyes, a reliable partner on trade.

However, the post-Cotonou talks have stalled on migration and on whether the ACP will allow a continent-to-continent regional protocol between the EU and Africa.

Observers to the talks say that Cotonou will now require an extension of at least one year.

'The longer it goes on the more likely it [post-Cotonou] is to get totally

torn up,' says **Geert Laporte**, deputy director of the European Centre for Development Policy Management.

'What is interesting is the comprehensive strategy for a Europe-Africa alliance,' says Concord's Cox. 'The EU needs to give Africa time, and it hasn't yet done so.'

Elsewhere, the von der Leyen Commission appears to have officially abandoned the proposal agreed by EU heads of state in June 2018 of persuading African countries to host migrant camps on their soil, instead seeking to broker 'comprehensive partnerships with countries of migration origin and transit'. This has been the strategy pursued over the past year with North African countries, particularly Morocco and **Egypt**, modelled on the €6 billion cash-for-migrants deal between the EU and Turkey (AC Vol 59 No 14).

'We blew the migration portfolio out of all proportion and it looks like it will continue,' says Cox, adding that 'Von der Leyen wants a fresh start on migration... but it doesn't look like it will change'.

'WATERSHED MOMENT'

Mimica, the outgoing Development Commissioner, has described the Juncker speech as a 'watershed moment' in EU-Africa relations from 'what previously was a "donor-recipient" focused relationship'.

In truth, most pundits viewed the Juncker speech as a panicked response to the rapid rise of **Chinese** political

and economic influence in sub-Saharan Africa, and the rhetoric of 'equal partnerships' has not yet been followed up.

The EU executive has provided €50 million to fund technical support for the African Union's team tasked with drawing up regulatory standards for the African Continent Free Trade Agreement, but Commission officials say privately that ACFTA will not become reality for a decade or more and the prospects of an EU-Africa trade and political agreement appear to be distant.

Similarly, the EU's investment offer seems unlikely to be radically increased any time soon. Over the past five years, the EU has focused most of its Africa investment instruments on trying to use funds from the EU budget to leverage private investment. Mimica says that the €2.45bn of EU funding in Africa committed by 2018 will leverage €21.6bn of total investment. That seems highly optimistic – privately, Commission officials concede that they have struggled to find projects that meet the financing criteria – and even if it is borne out, is a relative drop in the bucket.

The bloc's 2021-27 budget, which must be agreed by member states in early 2020, appears set to protect Africa-focused instruments, such as the External Investment Programme, but there is little scope to offer anything like the kind of funding to compete with China's largesse. ●

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POINTERS

Mozambique

WHAT THE FINANCE MINISTER SAW

■ Mozambique's Minister of Finance, **Adriano Maleiane**, is under growing pressure to explain his role in allegedly covering up the US\$2 billion hidden loan scandal. The **United States** Department of Justice is now suggesting that Maleiane was aware of the additional \$1.2 billion of undisclosed loans more than a year before he denied their existence to the International Monetary Fund. Maleiane found irregularities in the books when he assumed his cabinet position in January 2015 but his officials were reluctant to come clean, we understand (AC Vol 56 No 8). The US is saying he was 'made aware of Proindicus and MAM', the two companies that received the undisclosed loans, not more than two months later. Although he disagreed with an order not to talk about it to the IMF, he complied, *Frente de Libertação de Moçambique* sources say.

Whistleblowers have released evidence that appears to connect his granddaughter to former Finance Minister **Manuel Chang**. Chang is in jail in South Africa following his arrest last December for his involvement in the hidden loans (AC Vol 60 No 16). Maleiane's now 25-year-old granddaughter **Daisy de Sousa** bought an apartment in Maputo from Chang's daughter **Manuela** in May 2018 for \$80,000 – far below the usual value of properties in the building. Maleiane has defended the transaction as 'mere coincidence'.

Maleiane is focusing on concluding the restructure of the country's Mozam bond, which is the result of a previous restructure of part of the loan (AC Vol 59 No 6). Almost all the bondholders have agreed to a restructure deal, which would bring an end to Mozambique's sovereign default and enable it to secure credit for state participation in the country's now fast-developing gas projects. Maleiane is under pressure to complete the deal before next month's elections, which could also mark the end of his tenure.

Libya

EMIRATI CASUALTIES

■ The **United Arab Emirates** Armed Forces' announcement that six of its soldiers died in action in Libya is its first admission that it is fighting on the ground there. Up to now it has always denied direct military involvement in the conflict.

The UAE has pulled back its military

commitments in **Yemen** amid growing discontent at home. The Emirati leadership continues to try to foster nationalist sentiment by extolling the 'martyrdom' of its men but an increased pace of involvement in Libya is likely to be met with more domestic opposition. This will increase pressure on Abu Dhabi Crown Prince **Mohammed bin Zayed al Nahayan** (MBZ) who has been the architect of the policy of resisting and reversing post-Arab Spring reformism, especially where the Muslim Brotherhood is involved.

The deaths were at Jufra Air Base in central Libya, a key base for the now sluggish advance towards Tripoli of the Libyan National Army of General **Khalifa Haftar**, and were part of the attacks and counter-attacks on both sides of armed drones. Haftar's are supplied by the UAE, and the Tripoli regime's by **Turkey** (Vol 60 No 16).

Meanwhile, the US has continued counter-terror operations in Libya against Islamic State and *Al Qaida* affiliates. The UAE and the US coordinate their operations in southern Libya according to a modus operandi used in southern Yemen.

Under this model of counter-terror operations, the foreigners foster and develop local armed allies. The danger, analysts say, is that the militias that aim to take power suffer from deep divisions and rivalries which make them little suited to wielding it. Haftar's coalition is made of a plethora of groups who either oppose the administration in Tripoli, political Islam, or are simply opportunists, as well as his own military connections. If Haftar can secure power, all these differences are likely to surface, observers are saying.

Tanzania

MAGUFULI'S CHALLENGERS RECENT

■ One by one, President **John Magufuli's** opponents within the ruling *Chama Cha Mapinduzi* party are biting the dust. **Nape Nnauye**, MP, former minister, and former party ideology secretary, was made to publicly apologise to President Magufuli on 10 September. He was caught in July allegedly conspiring against the President with former ministers **January Makamba** and **William Ngeleja**, and former CCM secretaries general, Makamba's father **Yusuf** and **Abdulrahman Kinana**. The latter two had accused the President of directing a dirty tricks campaign against them in an open letter to party elders (AC Vol 60 No 15). The leaked telephone conversation recordings are purported to reveal Nnauye and fellow former minister **Bernard Membe** planning the media release of the letter.

January Makamba and Ngeleja's

apologies were private. Nnauye, who was allegedly heard describing President Magufuli as *mshamba*, or peasant, was televised making a walk of shame from the front gate of State House to a closed-door audience with Magufuli, followed by a public reconciliation.

In the same week, the Tanzania Petroleum Development Corporation announced that talks with Equinor and Shell on a Host Government Agreement (HGA) for a \$30 billion liquefied natural gas project were at an advanced stage (AC Vol 56 No 9). The latest analysis of the LNG project from the non-profit Natural Resource Governance Institute shows that, along with falling costs, the companies are interested in a smaller, two-train plant, and assumes a final investment decision (FDA) in 2023, one year later than the government's date of 2022.

While revenues will only start flowing under Magufuli's successor, the potential rents during the investment phase will be significant. Timely conclusion of an HGA would see Magufuli well placed to cement control of the party going into next year's election. An FDA before the 2025 polls could cement CCM in office for another ten years. Nnauye, January Makamba and Ngeleja would not want to miss that.

Ghana

DISSIDENT DOCTOR

■ When Information Minister **Kojo Oppong Nkrumah** announced on 20 September that three men had been arrested for coup plotting, some Ghanaians felt they had entered a time warp, stretching back 40 years to the era of army rule. But the three men held in custody in Accra look like an improbable band of putschists.

The leader, Dr **Frederick Yao Mac-Palm**, owns the Citadel hospital in Accra and is a vehement critic, on social media and other platforms, of the government of President **Nana Addo Dankwa Akufo-Addo** but also lambasts the opposition Presidential candidate, **John Dramani Mahama**. Both the main parties are terminally corrupt, says Mac-Palm writing on his Facebook page: 'Are we really ready for another bout of loot and share? These two parties are just killing Ghana slowly. I pray the youth of Ghana will rise against these wolves.'

Mac-Palm, white-haired and overweight, is certainly no youthful revolutionary and his sentiments about Ghanaian politicians, amid a fresh season of corruption scandals are unexceptional, especially in Accra. He and his claimed accomplices **Ezor Kafui** and **Bright Allan Debrah Ofosum**, had been tracked by security officers for 15 months, according to Oppong Nkrumah.

AFRICA CONFIDENTIAL

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BLUE LINES

Batten down the hatches. Shorn of its economic diplomat-speak, the World Bank's latest update for Africa sounds a loud warning about rising poverty, the debilitating effects of discrimination against women and galloping government debt, especially to commercial lenders. The Bank starts its case with another set of lackluster growth figures for the region. Africa's economies will expand on average by 2.6% this year – 0.2% lower than the Bank's forecast in April – compared with 2.5% last year. This means many countries' economies – apart from Ghana, Ethiopia, Rwanda and Mauritius – are growing slower than their populations, pushing down per capita growth figures further as inequality increases.

It quickly attributes much of the slowdown – compared to the boom years of 2005 to 2015 – to global uncertainties such as the trade war between the United States and China, weaker demand for Africa's export commodity and the effects of climate change. And it expects the price of oil and metal exports to remain below their 2018 level. It is no compensation that the Bank points out that growth will contract faster in the Middle East, Latin America and South Asia. That means African exporters cannot expect to expand trade much in those areas.

Within Africa, the poor performance of Angola, Nigeria and South Africa along with mounting political problems in Algeria and Egypt also limits the scope of the much-trumpeted continental free trade area set to take off next year.

ZIMBABWE

Hungry for change

Opposition activists are determined to hold the government to account for a crisis that will see half the country in need of food aid next year

With 8.5 million people facing serious food shortages next year, the discovery that some senior state officials are profiteering by importing 17,000 tonnes of grain at double the world market price is the latest blow to the diminishing credibility of President **Emmerson Mnangagwa's** government.

Africa Confidential understands that the grain was brought in from **Tanzania** – Mnangagwa and President **John Magufuli** are allies – at a price of US\$600 a tonne; the world price is currently \$240 a tonne. An expert in the regional commodity trade said the only explanation for the inflated price of the consignment is a 'vast corrupt rake-off'. Now the key question are, says the expert, who knew about the deal and who benefited from it.

Senior officials in international organisations have confirmed the pricing of the deal and say it helps explain the slow response to the United Nations' call for emergency funding to alleviate Zimbabwe's food shortfall. It comes as relations between the government and Western states falter again, after a brief improvement following the ousting of President **Robert Mugabe** in November 2017 (AC Vol 58 No 25).

Although the main cause of the food crisis is the drought which has hit most countries in the region, corruption and mismanagement are making it worse. The World Food Programme (WFP) estimates at least half Zimbabwe's population of 16.5 million are now 'food insecure', a staggering failure in a country that was the breadbasket of southern Africa.

Those at risk in Zimbabwe are not far short of the 9.7m needing food aid in all the 17 countries of the Sahel and West Africa combined.

Nor is Zimbabwe's crisis confined to the rural areas where 5.5m people are food insecure. Another 3m in towns and cities also face chronic shortages. At the start of the crisis it was estimated that it would cost \$300-500m to feed 7m people; now another \$100m will be needed.

GRAIN NEED

Some 800,000 tonnes of wheat and maize may have to be imported to avert disaster. This doesn't include the grain needed to keep farm animals alive: up to half of all cattle could die in some areas. In July, some agency estimates suggested Zimbabwe would need 1.3-1.4m tonnes – 850,000 tonnes of white maize, 350,000 tonnes of wheat and 80,000 tonnes of soya and cooking oil. That includes animal feed.

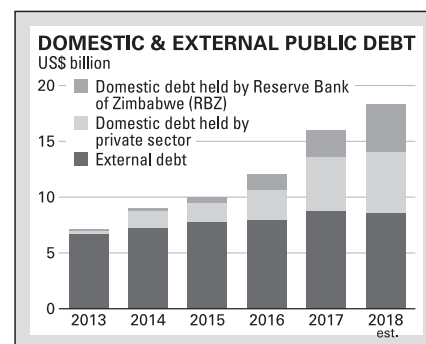
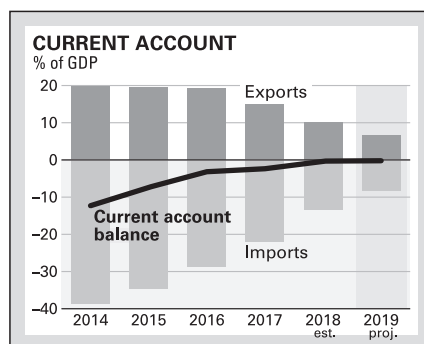
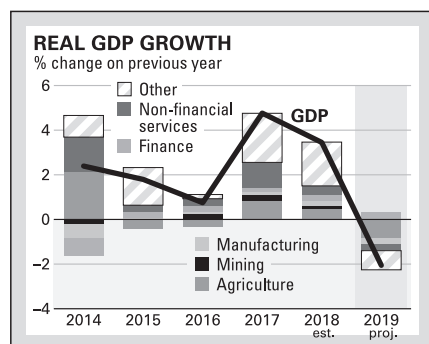
But trust in the government is low. A WFP 'flash appeal' has so far secured pledges of only about \$150m: \$89m from the **United States**, €9 mn (\$10m) from the **European Union** and £50-60m (\$60-75m) from the **United Kingdom**.

If money can be raised for emergency imports, there are still big logistical challenges that increase the risk of starvation. Zimbabwe has enough grain to support its population for the next three months. Drought has affected the whole region, so most imports will have to come from outside Africa.

Even if procurement deals are reached rapidly, it may take two months

SOUTH AFRICA	3	BOTSWANA	5	SOUTH SUDAN	6	LIBYA	7	BENIN	9
Ramaphosa writes off coal		The elite's big election fight		How to pay for Salva's jet		Washington's man wades in		BENIN/NIGERIA	10
The President hopes that his renewable energy plan will rescue the ailing Eskom		As the former president turns on his successor, political pluralism will be tested to the limit		A budget of largesse for the military and politicians threatens a fragile peace		The military stalemate has persuaded US officials to join pressure for negotiations		POINTERS	12

ZIMBABWE'S ECONOMY – ON THE BRINK AGAIN



to move the grain from, say, **Mexico** to the main import gateway ports – Beira in **Mozambique** and Durban in **South Africa**. Beira remains seriously damaged by the recent cyclone, so more shipments will have to come through Durban, which is further away.

This will impose huge pressure on the run-down railway network and on the availability of trucks. If the import needs are as great as 1.3 million tonnes, the railways could probably only move about a tenth leaving the rest to be

trucked, at the rates of 4,500 tonnes a day. That would need over 1000 lorries, operating a shuttle for several months.

The government's policy response to food supply has been the Command Agriculture system, a state-backed system providing seeds and fertilisers. Apart from governance and corruption issues (see Box), the programme was compromised from the start because so many land-holding beneficiaries had secured the best farmland through political loyalty (AC Vol 60 No 18).

In many cases the loyalists lacked the skills and personal commitment to make their farms more productive but were favoured in the distribution of inputs under Command Agriculture. However, tens of thousands of serious farmers did benefit from the contested land redistribution in the 2000s and many have rebuilt production.

But a common complaint is that farmers who are not overtly loyal to the ruling Zimbabwe African National Union–Patriotic Front face discrimination under the Command Agriculture scheme. Many of those giving Mnangagwa and his allies the benefit of the doubt two years ago now see it as both brutally authoritarian and incompetent, having reneged on its promise to open the economy to legitimate business.

One of the biggest shifts is the government's loss of support from public sector workers. Over the last five years, state sector workers were the main beneficiaries of the state. The average civil servant was paid Zimbabwe\$ or RTGS1000 per month (\$600-700) in the past three years. They were doing better than most other workers.

Now state workers are underpaid because inflation has massively eroded the real value of their salaries. The average salary of RTGS1000 is now worth only \$60-70 in market terms.

Many civil servants are the only regular wage earner in a household of five or six. Now there are cases of civil servants and their families suffering from malnutrition. Beyond the human suffering, this hits their ability to work, further undermining state administration and public services.

This has prompted strikes such as the continuing clashes between doctors and nurses and Mnangagwa's government. The brutal response to these protests is triggering further dissent in the cities where support for the opposition is already strong. Although the opposition has failed to capitalise on this growing anti-government sentiment, the prospects for a wider and more decisive confrontation increase as conditions deteriorate (AC Vol 60 No 17). ●

THE SAKUNDA PRICE

Investigations by Parliament's Public Accounts Committee into how the army-backed oil importer, Sakunda Holdings, has profited from the Command Agriculture scheme are causing international problems.

First, is Sakunda's long association with the Amsterdam-based Trafigura oil trading outfit. Sakunda has a stake in Trafigura Zimbabwe; Kudakwashe Tagwirei, Sakunda's chief executive and once close to President **Emmerson Mnangagwa**, was a key enabler of Trafigura's business in Zimbabwe (AC Vol 59 No 22). The joint venture company, Trafigura Zimbabwe, is accused of contributing, directly or indirectly, to Mnangagwa's re-election campaign (AC Vol 58 No 4).

There is little transparency about Trafigura's links to the Command Agriculture scheme before it became a government-funded programme. The trader denies any wrongdoing in the matter. There is no ambiguity about the role and networks of its local partner, Sakunda.

The second risk is that Sakunda's operations are undermining the onerous economic reform programme pushed by Finance Minister **Mthuli Ncube**. So close is Sakunda to the government and the Reserve Bank that it has benefited from preferential exchange rates between the local Zimbabwe\$ or RTGS and the US\$.

The deal uncovered by former Finance Minister **Tendai Biti** and the Public Accounts Committee allowed Sakunda to receive US\$366 million in government bonds as payment for supplying inputs for Command Agriculture.

When Sakunda redeemed some of those bonds at a preferential exchange rate (reckoned to be US\$1=new RTGS/Zim\$9-10) – everyone else was being repaid on basis of US\$1- new RTGS/Zim\$1). This led to an 80% surge in money supply.

On 20 February, all contracts were converted from US\$ contracts into local contracts: all assets were converted to Zimdollars, including Treasury Bills and other government paper. There was one exception: Sakunda which was allowed to hold onto its bonds denominated in US\$.

Sakunda started to unload these bonds in July 2019. But only one bank took the bonds. Most banks lacked the liquidity to do so and their executives were also worried about the legality of doing such a transaction. So Sakunda turned to the Reserve Bank. Sakunda managed to unload \$220-230m of the \$366m. It retains some \$100 million on its books, while a further \$20-40m is placed with a local bank.

In the main transaction, the Reserve Bank had in effect created a massive sum of new local dollars, about Zim\$2.3 billion, a huge increase in the reserve money. After criticism from bankers and international agencies, the government froze the Sakunda accounts and the company's political network appears to have been hit almost as badly as the local currency. ●

SOUTH AFRICA

Ramaphosa writes off coal

The President hopes that his bold plan to replace coal with renewables will rescue the ailing power utility and reboot the economy

Three key developments this month will shape South Africa's economic standing – Finance Minister **Tito Mboweni's** budget statement, Moody's credit rating report and the appointment of a new chief executive to head Eskom, the heavily indebted power utility.

The crisis at Eskom, with debts of 450 billion rand (US\$29bn), is at the centre of the country's economic crisis. The government's promised bail-out of Eskom is worsening the fiscal deficit, running at 4.9% of gross domestic product, according to Mboweni's budget statement in February.

Without a credible plan to restructure Eskom, the government's liabilities will increase and could worsen the deficit further. That, in turn, could prompt Moody's to downgrade the country's rating to junk, wrecking the government's drive for \$100bn in new investments to fire up the slow-growing economy.

One strategy would be for the new head of Eskom to back the sale of some of its costly power plants. So far, the government has promised R230bn (\$15 bn) for Eskom over the next decade, which gives the company room to restructure but doesn't solve the core problem of its grossly over-priced and much-delayed coal-fired power stations, Medupi and Kusile.

These plants, two of the biggest coal-

fired power stations in the world, have been criticised by environmentalists and are now the company's biggest financial headache. A forthcoming white paper proposing the division of Eskom into a generating and a separate distribution company will spark opposition from the African National Congress (ANC) if it recommends the sale of state assets.

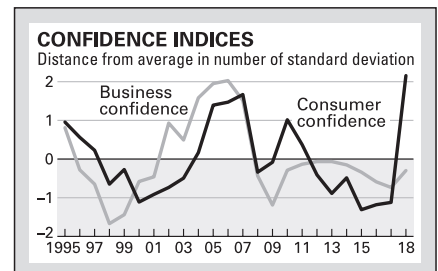
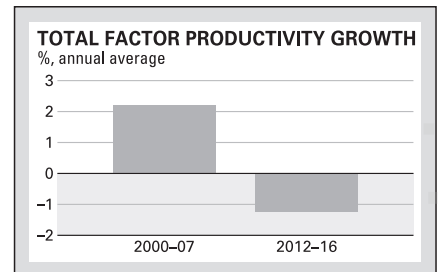
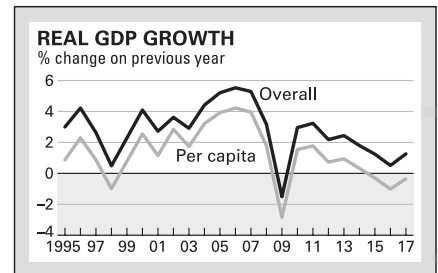
President **Cyril Ramaphosa** is trying to get around the Medupi and Kusile problem by promising a 'green bailout' for Eskom. His plan is to pump some R165bn into an ambitious switch to renewable energy with major new projects in north-eastern Mpumalanga province to phase out coal by 2050, replacing it with wind and solar energy.

Although Ramaphosa's green energy plan would not solve the short-term need for a bail-out, it would provide a more coherent vision for a country wracked by the erosion of state institutions and political factionalism.

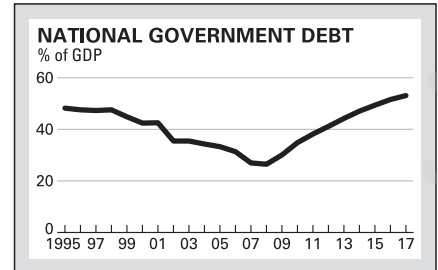
The plan could defuse resistance in the ANC to a commercial restructuring of Eskom. Reconfiguring the company is likely to cause job losses and undercut vested interests such as coal supply businesses which have been getting contracts for well above international pricing levels (AC Vol 60 No 5).

Talk of South Africa's 'green new deal' has subdued some of the political push-back against Ramaphosa and

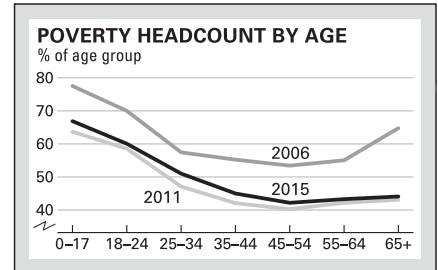
SLOW GROWTH AND RISING UNEMPLOYMENT



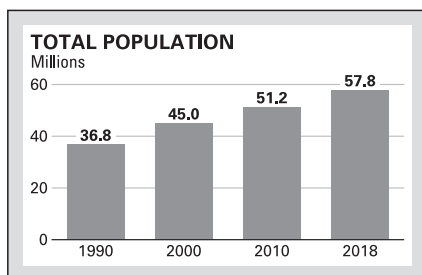
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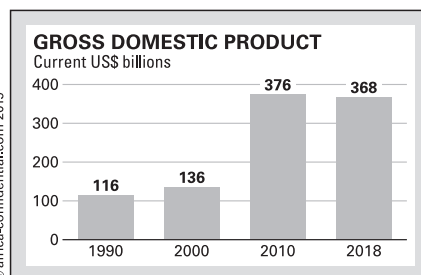
Sources: IMF; South African Treasury



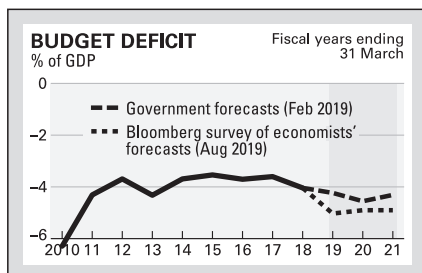
THREE DECADES OF CHANGE



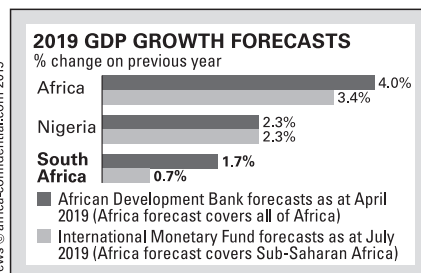
Sources: IMF; South African statistics
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BUDGET GAPS AND AFRICA'S SLOW GROWTH GIANTS



Sources: IMF; ADB; SA Treasury; Bloomberg
News © africa-confidential.com 2019



placated trades unionists nervous of job losses in the coal industry and other ailing state-owned enterprises such as South African Airways and national arms supplier, Denel (AC Vol 59 No 20).

Industry experts say Ramaphosa's plan could end uncertainty over the country's energy mix as it addresses the spiralling cost of coal-fired power stations.

Stellenbosch University's **Mark Swilling** said he was 'blown away' by a recent statement by the ANC's national executive, which opted for the 'lowest-cost option' for the 'future energy mix'.

The seemingly bland statement, which accommodated the party's internal factions, said the ANC had approved the balancing of 'national development goals with global obligations with regard to climate change particularly in the energy sector', said Swilling.

'This is a game-changer,' he added. 'It is the clearest commitment ever made to South African energy transition.'

South Africa's energy needs are currently heavily dependent on coal, which comes in at R1.30 per kilowatt-hour at 2019 prices compared to 60 cents for renewables and R1.70/1.80 for

nuclear energy, the favoured option of former President **Jacob Zuma**.

Industry experts say that the now-cancelled nuclear option would have bankrupted the economy and tied the country to **Russia** for at least three decades (AC Vol 58 No 9).

Ramaphosa's plan tries to position South Africa at the forefront of global efforts to curb climate change as well as to rehabilitate Eskom. The plan was unveiled in a speech sent to UN Secretary-General **António Guterres** during the Climate Summit in New York last month. It was immediately backed by International Development Minister **Naledi Pandor** and Environment Minister **Barbara Creecy**.

Africa Confidential understands that the main backers of the plan are Finance Minister Mboweni and **Enoch Godongwana**, head of the ANC's Economic Transformation Committee and chair of the Development Bank of Southern Africa.

In August, Mboweni announced a package of 'growth-enhancing reforms', which was short on specifics but opened debate within the ANC national executive. It could prepare the ground for policies that will meet resistance

from the Congress of South Africa Trade Unions (Cosatu) and the South African Communist Party (SACP).

Energy Minister **Gwede Mantashe**, who is ANC chair and a former chair of the SACP, has made a remarkable turnaround by embracing the green energy plan in the past few months despite his earlier claims that coal was a cheaper source of energy.

Ramaphosa did not openly back the Mboweni document on economic reform when it was unveiled at the end of August to a howl of protest from the left, but its broad objectives were largely endorsed by the ANC national executive a month later.

The Mboweni paper called for the implementation of a focused and flexible industrial trade policy, promoting export competitiveness and prioritising labour-intensive growth in sectors such as agriculture and tourism.

POLICY BACK SEAT

Debate on policies such as prescribed assets, which would enable the government to force private pension funds to invest in state-owned enterprises, and the nationalisation of the Reserve Bank have taken a back seat for now. Moves towards land expropriation without compensation and the National Health Insurance plan are proceeding with little publicity in committees.

As Ramaphosa's economic team (see Box) slowly builds its strategy – a major statement on the government's new economic direction is due by the end of this month – he is making more progress on the political battlefield.

According to a presidential advisor, several prosecutions of ANC officials on corruption are expected before the end of the year following the creation of two key tribunals to assist National Prosecuting Authority head **Shamila Batohi**: one to speed up prosecutions and the other to recover stolen funds.

'South Africa has been in chronic economic decline for many years,' said **Mcebisi Jonas**, a trade advisor to Ramaphosa and former Deputy Finance Minister who blew the whistle on corruption under the Zuma government.

'In addition to long-term restructuring, the economy needs a short-term boost with tangible and deliverable goals,' he said on a mission to London to brief investors.

It was Jonas's public statements, after rejecting a bribe of R600 million (US\$44m) from the Gupta brothers, that, focused the debate over state capture, national interest and the state of the ANC.

Some of the short-term interventions under consideration could include a

ADVISORS' ARMY ADVANCES

Critics accuse President **Cyril Ramaphosa's** government of being long on talk, short on action since he took over in 2018. Inheriting a compromised administration with billions of dollars of debt from corrupt deals and project overspends, Ramaphosa's team has been struggling to navigate its way out of the crisis.

It has decided on a new economic strategy, to be announced this month, but lacks the forces to go and sell it to voters and investors, and supervise its implementation. To fill that gap, Ramaphosa has set up an elaborate system of advisory and consultation groups.

The new Economic Advisory Council is due to have its first meeting this week. It includes **Alan Hirsch**, the chief government economist under former President **Thabo Mbeki**, up-and-coming economist **Thabi Leoka** and energy expert **Grové Steyn**.

Several high-level envoys are already talking up Ramaphosa's economic reforms. In addition to former Deputy Minister of Finance **Mcebisi Jonas**, former Presidency Minister **Jeff Radebe**, former Presidential advisor **Khulu Mbatha**, and Africa expert **Kingsley Mamabolo** have been on foreign missions.

They have added momentum to the trade and investor envoys appointed earlier: former Finance Minister **Trevor Manuel**, former director of the Competition Commission **Trudy Makhanya**, former Standard Bank CEO **Jacko Maree** and **Phumzile Langeni**, who has headed six South African companies.

They are all targeting co-operation with the private sector. Another outfit in that area is the Public-Private Group Initiative headed by apartheid-era minister **Roelf Meyer** (who co-chaired the constitutional talks with Ramaphosa in the mid-1990s). It is jointly run with **Nick Binedell**, founder of the cutting-edge GIBS business school in Johannesburg. The key minister is Public Enterprises Minister **Pravin Gordhan**. The PPGI meets regularly with the President and his economic ministers to discuss investments of some US\$66 million (1 billion rand) in the first phase and larger investments from government in subsequent stages.

On the eve of a crucial Cabinet meeting on 16 October, Ramaphosa will fly to London to deliver a keynote speech at the Africa Summit organised by the *Financial Times* – seen as a channel to sceptical investors and ratings agencies. This Cabinet meeting is expected to endorse some of the changes approved by the ANC executive with further detail emerging in subsequent weeks. ●

dramatic simplification of immigration processes for investors; the green bailout for Eskom and a debt-swap for some other liabilities; the announcement of public-private partnerships; and accelerated prosecutions of state officials and their business allies.

The ANC could be badly hit by the prosecution of some of its senior officials ahead of local government elections next year. Its partner, the

SACP, has already indicated it will field its own candidates.

Ramaphosa's allies are trying to box-in the pro-Zuma ANC Secretary-General **Ace Magashule**, widely seen as undermining reforms.

But victory is far from certain. The agonising slowness economic reforms, which still face powerful opponents, has sent business confidence plummeting after the widespread welcome for

Ramaphosa's takeover of the presidency 18 months ago.

The government is set to cut public spending by about 6% for the next three years, whether by job and service cuts or asset sales. That will certainly prompt more protests, some on a national level, which could provide Zuma loyalists another platform to fight back. It will also stretch the ANC's coherence to the limits again. ●

BOTSWANA

The elite's big election fight

As the former president turns on his successor, the country's political pluralism will be tested to the limit

After 53 years in power, the Botswana Democratic Party (BDP) is facing its toughest challenge in national elections on 23 October with former President **Ian Khama** and his brother switching their allegiance to back the opposition alliance.

Buoyed by a diamond-studded electoral war chest, the ruling BDP is trying to hang on to power despite an internal crisis. Yet the new opposition alliance looks confident, having put together a unified platform, boosted by the kudos and resources of the Khama family, and some of their business friends in the region.

Apart from being the country's tightest electoral race since independence, the election campaign will put the spotlight on the simmering discontent in a country that many had seen as pacesetter for good governance, multi-party democracy and efficient economic management.

But the shine is coming off Botswana's model. 'First past the post' (FPTP) elections, modelled on the Westminster system, have produced a winner-takes-all culture that has shut out several communities from politics and power. Civic activists voice growing concerns about a lack of accountability in the twin peaks of the country's economy: diamond mining and cattle ranching.

The establishment of the Debswana mining company, a joint venture between the government and De Beers, once held up an exemplar of a mutually beneficial public-private partnership, is drawing criticism about its lack of transparency and questions about its tax liabilities.

These concerns, pushed by activists rather than mainstream politicians, come as the global diamond industry is contending with rapid change in

production and marketing techniques. The current Debswana agreement will expire in the first quarter of 2021 and negotiations for the next accord will start immediately after the election.

Pressure is mounting at the grassroots at the deepening inequality in Botswana yet so far neither the ruling party nor the opposition alliance have called for reforms in the diamond industry which provides 80% of the country's foreign exchange.

In play in the coming elections are 57 seats in the National Assembly and 490 posts in local government. The leader of the party that wins most seats in parliament will become president.

BDP CHALLENGED

The BDP has seen its popularity fading in recent years with its share of the popular vote declining to 57% and 53% in the 2004 and 2009 elections respectively (AC Vol 45 No 23 & Vol 50 No 21). In the 2014 elections the BDP, for the first time since independence, lost the popular vote when it managed to amass just 47% of the total votes. Thanks to FPTP, that secured 37 of the 57 parliamentary constituencies for the party (AC Vol 55 No 22).

Apart from the usual voter attrition experienced by parties that have been in power for a long time, a key factor in the BDP losing the popular vote in 2014 was that the country's governance was seen to be increasingly authoritarian under former President Ian Khama. This view led to a split in the BDP in 2010 resulting in the formation of a splinter party, the Botswana Movement for Democracy. The BMD went on to join the opposition coalition, the Umbrella for Democratic Change (UDC).

The decision by one of the oldest opposition parties, the Botswana

Congress Party (BCP), not to join the coalition helped split the opposition vote in 2014, to the advantage of the BDP.

But the landscape has totally changed ahead of the 2019 elections. Through a well-scripted succession plan, after ten years in power Khama handed over to President **Mokgweetsi Masisi** in April 2018 (AC Vol 59 No 6). But the two men have since been involved in a bitter dispute which has divided the BDP and in May the former president quit the party formed by his late father, the founding president of the country, **Seretse Khama**.

KHAMA CAMPAIGN

So fierce is the dispute that Khama and his brother **Tshekedi**, who last month also quit the BDP and Masisi's cabinet, are undertaking nationwide rallies to endorse and support candidates for the newly formed Botswana Patriotic Front (BPF) as well as those of the main opposition coalition, the UDC (AC Vol 60 No 11).

'I came here to tell you that I am cutting ties with the BDP as I do not recognise this party anymore. It was a mistake to choose Masisi as my successor. I will now work with the opposition to make sure that the BDP loses power in October,' Khama told a gathering as he announced his resignation from the BDP in May in the village of Serowe in the central region, where he is paramount chief.

The BDP currently has 33 seats after two MPs joined the BPF and another two, who also have links to former President Khama, were expelled (AC Vol 60 No 10).

The central region, which has been a key territory for the BDP, holds 19 constituencies and Khama believes he can win 14 of these, a development that would pose a significant threat to the ruling party.

However, Khama's new-found alliance with the opposition might turn out to be a double-edged sword for the UDC. The coalition president, **Duma Boko**, was one of the fiercest critics of Khama during his tenure, accusing the former president of abetting corruption, misrule and dictatorship. The sight of

Boko and Khama working together to unseat the BDP might strike some voters as the politics of convenience and could work to the disadvantage of the opposition.

Already, the country's largest public sector trade union, the Botswana Federation of Public, Private and Parastatal Sector Unions (BOFEPUSU), which endorsed the UDC in 2014 following a fallout with Khama over salary increases, has indicated that it is open to working with any political party that does not have links with Khama. Following the expulsion of the BMD from the coalition earlier this year, the UDC is now a three-party coalition comprising the country's two oldest opposition parties – The Botswana National Front (BNF) and BCP – and a smaller member, the Botswana People's Party (BPP). In 2014 the UDC won 17 constituencies with 30.9% of the vote. The BCP, which did not participate in the UDC coalition, won 19.6% of the vote but only three seats. But most of the MPs that won seats in 2014 under the BMD ticket have since broken away and in 2017 formed the Alliance for Progressives.

The AP party, which is led by economist **Ndaba Gaolathe**, currently has five seats in parliament, all of which were won under the BMD ticket in 2014.

The AP has so far declined to align with the UDC for the 2019 elections, a factor that analysts say, as in 2014 with the BCP, might play to the advantage of the BDP.

BETTER OFF IN

Political analysts believe that although there are still some disgruntled MPs within the BDP who feel sidelined since Masisi took over, they are unlikely to cross the floor or defect before the elections as they stand a better chance of winning within the BDP than outside it. According to their analyses, despite the expulsion of the MPs, it is unlikely that the BDP will lose enough seats to remove them from power.

'The basis for this projection is that there appears to be renewed faith in President Masisi's reform agenda which appears to be a marked change from that of the former President, who was accused of being authoritarian,' said a political analyst with the University of Botswana, who declined to be named.

'I believe that given the gradual increasing popularity of the UDC, added to the Khama factor in the central districts, the worst-case scenario would be the loss of another 3 [BDP] MPs which would take their seat count to 30 out of 57. But it will be the tightest vote

we have seen and it might just be too close to call.'

In the event that the BDP fails to win back its members and the opposition UDC manages to wrest more seats from the ruling party, it appears the kingmakers would be the AP, and already there are reports of the BDP courting the AP about a possible post-election partnership. The UDC might seek help from Khama's BPF.

A BDP victory would signal the end of the Khama hegemony in Botswana, setting the country on a new path, and Masisi would settle for having ended what is often seen as an unhealthy stranglehold that the Khamas and the Bangwato tribe have had on the BDP and Botswana in turn.

On the other hand, despite questions about Boko's leadership, a UDC victory would allow the country to notch up its first change of ruling party.

Whatever the endgame, this election will be the greatest test for Botswana's multi-party system in half a century. If the political divide stays as sharp as it has been in the campaign, rival politicians could resort to legal action or extra-parliamentary politics, testing both the country's judiciary and its reputation as a bastion of peaceful pluralism. ●

SOUTH SUDAN

How to pay for Salva's jet

A bloated budget giving largesse to the military and politicians but austerity for the rest threatens an already fragile peace

The formation of a unity government has been thrown into doubt again after it was reported this week that Sudan People's Liberation Movement-In-Opposition leader **Riek Machar** would not join a coalition, accusing the government of failing to make funds available for the implementation of the peace accord.

SPLM-IO deputy spokesman **Manawa Peter Gatkuoth** told Radio Tamazuj that challenges facing the 2018 peace accord would need to be addressed before it would join, but the government's 2019/20 budget, which was approved in August, forecasts a hefty unfunded deficit with perks for the President and lawmakers paid for by cuts to the already meagre peace fund. Originally supposed to take office in May, the formation of the unity government has been repeatedly delayed, and the new deadline for its formation is 12 November (AC Vol 60 No 1).

Finance Minister **Salvatore Garang Mabiordit** tried to say all the right things when he presented South Sudan's budget for 2019/20 back in June.

Although still facing an 'extremely challenging' economic situation as a result of the damage left by years of civil war, the new budget, headlined by a 3.4% GDP growth rate forecast by the International Monetary Fund, would 'lay the foundations for recovery'.

'I wish to repeat that the achievement of peace, coupled with economic reforms, is the only way to return the country towards the sustainable pursuit of economic development,' Mabiordit said.

The government hopes that last September's peace agreement will spur its economy.

'It is important to acknowledge that the economic stabilisation and recovery process will be long and challenging,' said Mabiordit.

The programme is a 'lean budget' says Mabiordit, but data points to a budget that is 46% higher than last year with no concrete plans on how to cover a half billion US dollar funding gap.

Either way, there is sufficient fat for politicians. Recommendations made by the transitional national legislature's finance committee during the Third Reading of the Budget, seen by *Africa Confidential*, would give each MP \$50,000 a year for health care abroad. Unbudgeted arrears, totalling more than \$8 million, amassed under the old system of ad hoc payments, confirm the need for a formal allowance, they argue.

This kind of unbudgeted spending fuels the perception that political elites essentially make private withdrawals from public funds. Meanwhile, 1bn South Sudanese pounds (\$6.5m) has been found to provide President **Salva Kiir** with a private jet.

The justification for the new jet is that since independence in 2011, Salva has been 'travelling on commercial flights whose security cannot be guaranteed.' The government has chartered planes from Kenya Airways and Rwanda Air for use by the president, and says that giving Salva his own transport will save money.

The parliament also approved SSP100m for the establishment of a National Carrier, South Sudan Airways.

Other MPs called, this time unsuccessfully, for a budget line to build the President a residence in his hometown, Akon.

Not wishing to add further to the projected deficit, this new spending is to be financed with cuts worth SSP1bn, equivalent to around 10%, from the already underfunded peace budget and 15% from goods and services across the board, including health care.

South Sudanese MPs thus appear prepared to slash the country's already tiny health budget to fund their access to foreign medical care. The allowance, if allocated to each of the 450 MPs, would in fact exceed the \$14m or so the government plans to spend on health care for the country as a whole.

It also raises serious concerns about the level of commitment to the Revitalised Transitional Government of National Unity that is at the heart of the peace agreement.

OILY BUDGET

If the extra goodies do not add to South Sudan's borrowing, Mabiordit has forecast a budget deficit of SSP77bn (\$500m) which he hopes that 'the increase in oil production and favourable crude prices' will allow the government to finance. Oil exports already accounted for around 98% of the 2018/19 budget estimates.

That is a potentially dangerous hostage to fortune. Analysts say that there is little prospect of oil production increasing significantly any time soon. The government's budget estimates for 2018/19 and the coming year were

made on the basis of the government receiving around \$55 and \$60 per barrel for its oil.

Since the signing of the September 2018 peace deal, production has increased from around 135,000 per day, and the government is projecting production of 178,000 barrels per day, though this is still well short of the 350,000 bpd peak (AC Vol 59 No 19).

The final size of the budget deficit will also depend on the size of the government's opaque transfer to the state-owned oil company Nilepet, repeatedly linked to the country's National Security Services, as well as a promised allocation of between 10,000 and 30,000 barrels a day to an infrastructure project managed by a newly created **China Desk** within the Office of the President.

A large part of the government's economic difficulties stem from its fondness for pre-selling oil. According to the budget, pre-financing accounted for over SSP68bn (\$450m) of total revenues of the first nine months of the 2018/19 budget. *Africa Confidential* estimates that the government pre-financed close to US\$300m of crude sales in the first half of 2019 alone, creating estimated arrears of almost \$200m, with outstanding creditors including the Africa Import and Export Bank and commodity traders (AC Vol 60 No 17).

The practice, which Salva and Mabiordit have promised, under IMF pressure, to curtail, has served as a short-term financial lifeline for the government but means selling oil for less than its true value and disrupting

economic planning.

Yet, while politicians have found new perks for themselves, austerity is everywhere else. Ministers concede that their departments have long-running difficulties meeting payment obligations, with Mabiordit admitting that 'as well as being in arrears with salaries and transfers, we have also made little progress in clearing our stock of arrears for goods and services. Instead, we have accumulated more.'

That extends to paying salaries of public sector workers, which are typically paid months late. Last month the government reportedly received around \$600m from the Chinese government to pay outstanding civil servants' salaries.

SUDAN DEAL

Meanwhile, on 5 October, Petroleum Minister **Awou Daniel Chuang** revealed that the government was seeking to renegotiate its oil deal with Sudan, as it would be unable to meet a December deadline to pay a further instalment of the \$3bn compensation agreed as part of its 2011 secession.

The government is touting for donor cash, though there is little sign that western donors will join China in bailing them out. Last month, **David Shearer**, the UN Secretary-General's Special Representative for South Sudan, told the Security Council that international support for the peace deal needed to be ramped up. The government's cavalier approach to the budget is set to put further pressure on an already fragile peace. ●

LIBYA

Washington's man wades in

The military stalemate has persuaded US officials to join pressure for negotiations to reunify the country

There is a new drive in Washington's Libya policy (AC Vol 59 No 25). As the military stalemate continues, the new **United States** ambassador to Libya, **Richard Norland**, who took up the post on August 14, has stepped up efforts for talks on a settlement between the warring factions.

Norland and other US diplomats insist there can be no military solution to the crisis – a view boosted by the continuing stalemate in the battle for Tripoli. He has thrown US weight behind plans for an international conference in Berlin, later this month or early November, to force foreign players in Libya – primarily **Turkey**,

Qatar, **Egypt**, the **United Arab Emirates** (UAE) and **Saudi Arabia** – to stop providing **Faiez el Serraj's** Government of National Accord (GNA) and General **Khalifa Haftar's** Libyan National Army (LNA) with weapons and other material support fuelling the conflict. The conference also aims to restart the dialogue derailed by the LNA's 4 April attack on Tripoli (AC Vol 60 No 8).

Norland has been pushing for the resumption of dialogue. He met Haftar in Abu Dhabi on 17 September and was reported to have told him that there had to be a political solution (AC Vol 60 No 19). It seems to have had some

effect. The following week the general reversed his previous opposition to talks with Tripoli, saying 'we need dialogue and we need to sit down'. He also said, though, that there could not be dialogue while 'terrorist groups and criminal militias' still controlled the capital, clearly trying to maintain something of his former position.

Likewise, Norland has been unequivocal in insisting that Libya's organisational divisions between east and west must end. Following an announcement that a parallel state fuel distribution company was being set up in the east (itself the result of a decision by the National Oil Corporation to limit the supply of aviation fuel to the east because it was being used by the LNA air force to bomb Tripoli), he and other ambassadors issued a statement firmly opposing it. He immediately followed it up with a meeting with the head of the NOC, **Mustafa Sanalla**, in what was seen as an act of solidarity with him and the Tripoli NOC (AC Vol 60 No 5).



US involvement in Libya has been two-pronged. One line of action, ongoing since 2016 when US Africa Command (Africom) partnered with Misratan forces to defeat and destroy Islamic State (IS or *Da'ish*) rule in the central coastal town of Sirte, is to hit terrorists wherever they can be found. The other is to push for political dialogue and compromise between the rival combatants in the Libyan conflict.

There is little direct connection between the two policies and both had seen a distinct lull over the past two years. Following the Sirte campaign, there were a number of Africom attacks on terrorists but they were infrequent and irregular – seven in 2019, six in 2018 and none this year – until last month.

Likewise, on the political front, there was a lengthy hiatus during which the **Donald Trump** administration took a back seat in international efforts to find a solution to the Libyan crisis. Earlier this year it seemed that Washington might be taking a more active interest in Libya, but on the side of the eastern strongman Haftar and his LNA.

Trump's 15 April phone-call to the general, instigated by Egypt's President **Abdel Fattah el Sisi** and his own former National Security Adviser, **John Bolton**, was widely suspected as ushering in a switch in US support from the internationally recognised GNA led by Serraj and based in Tripoli,

to Haftar, especially as it came less than a fortnight after the general had spurned international plans for an all-Libya peace conference and launched his attack on Tripoli. There was, though, no real change in policy.

MURZUQ ATTACKS

Whatever the suggestions, mainly coming from the east, there has been no US shift towards the LNA – certainly not since the departure from the administration of Bolton, widely suspected of harbouring sympathies for Haftar. Separately, starting on 19 September, Africom launched four attacks in ten days targeting ISIS terrorists in Libya's deep south oasis town of Murzuq. Africom says it killed a total of 43 in and around the town.

Following the sweep though the south by the LNA earlier in the year, Murzuq was increasingly divided along ethnic lines between the Arab majority – members of the Ahali tribe who accounted for some 60% of the population and generally supported the LNA – and the Tebu minority who have been opposed to it. The Tebus, however, have long been the dominant minority and regard the town almost as their 'capital'. In mid-August after a number of LNA bombing raids, anti-LNA forces, largely Tebu, seized control and the Ahali inhabitants were forced out or fled.

The town then emptied of its civilian population following the closure of all the shops, banks, schools, hospital services and other facilities as well as fears of reprisals by the LNA. According to the source, there were just fighters left, most of them non-Libyans. Many were with IS or with IS-linked groups who used Murzuq as a safe haven for operations, particularly in Chad. They and the Tebu fighters who enabled them to base themselves in the town have had a common adversary in **Chad's** President **Idriss Deby**. There were a few others, according to the source – from *Al-Qaida* in the Islamic Maghreb and *Boko Haram*.

Following the first two Africom strikes, the militants started fleeing as well. The third strike, on 26 September, hit a convoy of terrorists heading north towards Sebha while that on 29 September hit one heading south towards Qatrún. Murzuq is now a ghost town.

The timing and number of the strikes indicate a new US capacity in the region. IS supporters and other militants had been in Murzuq for months, we understand. Yet there was no Africom action until 19 September.

The claims about the number killed in the strikes indicates that the Americans have good intelligence on the ground. **French** sources say there is close intelligence collaboration in the region between them and Africom. However, the Africom attacks are seen as directly linked to the start of operations in August at the much delayed and overbudget US reconnaissance drone base in Agadez, **Niger**.

There has also been major expansion of the US attack drone facility some 500 kilometres north-east of Agadez, at Dirkou, itself some 800 kilometres from Murzuq. Together, they have massively increased US drone capability not just in southern Libya but in the wider region. Confirming this, US defence officials were quoted following the first Murzuq raid on 19 September saying that the attack had been carried out by a Reaper drone based in Niger.

ISLAMIC STATE RISING

There are no reliable figures on IS numbers in Libya. There are claims that it has taken advantage of a power vacuum and re-established itself, particularly in the lawless south, boosted by the arrival of fleeing fighters from **Syria** and **Iraq**. A Misrata commander has claimed that a growth in IS numbers is because joint patrols by Misratan forces and the LNA south of Sirte had ended after the launch of Haftar's Tripoli offensive on 4 April.

Sources in the south, however, put

the number of IS and IS-linked fighters in the hundreds not the thousands – between 200 and 600 – though they agree that numbers have risen and that fighters have come to Libya – but from Niger, Chad, **Nigeria**, **Mali** and other African countries. If they had come from Syria and Iraq, they say, they would have arrived via Misrata or Tripoli and been caught there.

On the international circuit, away from the south, the focus is on the Berlin conference and the prospects for revived dialogue. There is little doubt that it will go ahead but many diplomats accredited to Libya (most of them based in Tunis) privately fear that it will end up being just another talking shop.

The Qataris, Saudis, Emiratis and Egyptians may bow to international, particularly US, pressure to stop providing succour to the GNA or the LNA, they say, but not the Turks. Turkish President **Recep Tayyip Erdogan** is totally committed to backing the GNA and preventing Haftar from winning; the pressure needed to change that would

be more than Trump would be willing to exert, they explain, noting his failure to stop Erdogan buying **Russia's** S-400 missile defence system. If Turkey refuses to play ball on Libya, they reason, the others will not do so either.

DEMANDS

Another problem is Serraj and the GNA. Speaking at the UN General Assembly in New York on 25 September, he not only condemned Haftar as a war criminal, but stated that there would be no more talks with him. That was followed by a series of demands that make any dialogue between the two sides almost impossible.

There has to be an acceptance of the Skhirat Agreement as the only basis for upcoming dialogue talks; the GNA has to be accepted as the sole legitimate government; the LNA must withdraw to its pre-4 April positions; all military forces in Libya must be under civilian government control; there can be no dialogue with anyone with blood on their hands who does not believe in a

democratic civil state; and all foreign governments must stop all dealings with parallel institutions. (This latter clearly includes the LNA and the eastern-based government of **Abdullah Al-Thinni**.)

Having told Haftar what he had to do, Washington will try the same with Serraj. Its displeasure with him was already clear from his visit to the US for the General Assembly. There were no meetings with Trump, Secretary of State Mike Pompeo or any other top members of the administration.

Serraj has less room for manoeuvre than Haftar. He is under extreme pressure not to have any dealings with the general from the very people who have held off the LNA's offensive – the local militias and the Misratan forces. As far as they are concerned, they have forced the LNA onto the defensive, and have told Serraj that any talks with Haftar would be treason.

If Ambassador Norland is to get Serraj back to the negotiating table, it is with the Misratans and the militias that he has to work. ●

BENIN

Breaking the democratic line

As he blurs state finances with private business, President Talon is shredding his country's reputation for political reform

Most of the big opposition parties boycotted the political dialogue called by President **Patrice Talon** on 7 October to defuse the crisis triggered by his exclusion of some of the country's most prominent politicians from the parliamentary elections in April. In the middle of a region struggling with deepening economic woes and security threats, Talon's government is fiercely protecting the President's commercial interests while cracking down on dissent.

Few take Talon's call for a national dialogue seriously. The *Union Sociale Libérale* (USL) party of exiled tycoon **Sébastien Ajavon** was one of many not invited; former president **Thomas Boni Yayi's** *Forces Cauris Pour un Bénin Emergent* (FCBE) was split over whether to join.

For many critics, the 'dialogue' is no more than a lightweight chat between Talon's officials and those willing to comply with the restrictive conditions he is setting for participation in politics. They see Talon's attempt to impose new rules as a betrayal of Benin's role as a pioneer of West African democracy.

It is now 28 years since a landmark

electoral change of power when authoritarian leader **Mathieu Kérékou** accepted defeat by **Nicéphore Soglo** in free elections. Few Béninois under the age of 40 or 45 can remember politics before the advent of a political system in which incumbent governments have routinely accepted electoral defeat. Now many see Talon as curbing their rights of democratic choice.

Elected under the slogan of '*La Rupture*' – a break with the cash and patronage lubrication of politics, Talon promoted himself as a businessman president focusing on the economy. He appointed former director of the IMF Africa department **Abdoulaye Bio Tchane** as planning minister and economic supremo to stabilise public finances undermined by his predecessor, Boni Yayi. A clampdown on petty corruption and innovations such as online e-visas followed (AC Vol 43 No 2).

An admirer of **Rwanda's** President **Paul Kagame**, Talon quickly became irritated by Benin's vocal national assembly where the opposition blocked his attempt to lengthen the presidential term.

Parliamentarians ultimately buckled under Talon's demands, agreeing to laws to constrain the right to strike and to impose new registration rules on political parties, measures that have been used to marginalise protestors.

The new political party charter imposed detailed requirements: for example, each party must have at least 15 members in each of the country's 77 municipalities – and each of those members must be in good legal standing with the authorities, with no tax arrears.

At parliamentary elections on 28 April 2019, the only opposition group to satisfy these rules was the *Parti du Renouveau Démocratique* (PRD) of the outgoing speaker **Adrien Houngbédji**. But the authorities claimed one of its candidates was also standing for another group and cited this as grounds to exclude the party (AC Vol 60 No 9).

They also brushed aside opposition questions over the eligibility of two new parties created with presidential backing, the *Union Progressiste* – which got 47 of the 83 seats – and the *Bloc Républicain*, which won the remaining 36. In private, loyalists doubted the wisdom of a strategy that has so marginalised the opposition.

Furious protestors gathered in the streets around Boni Yayi's home in the Cadjéhoun district of Cotonou on 1-2 May. The security forces responded with live rounds and Amnesty International believes that at least four people were killed, while the former president was under de facto house arrest; further protests in mid-June in his home town

of Tchaourou, in the north, and Savé, were suppressed, with more fatalities (AC Vol 60 No 10)

Eventually, Nigeria persuaded Talon to let Bony Yayi depart for Togo and then exile in France. But the final death toll remains unknown: some of those killed have never been returned to their families and many protestors remain in custody. This crisis – with armoured cars on the streets and protesters shot dead – has been a traumatic break with a political system where oppositionists had been free to play a vocal role.

Many Cotonou politicians and activists won't discuss politics on the phone, even on semi-secure networks such as WhatsApp. Independent media outlets such as *La Nouvelle Tribune* have been shut down or forced to suspend operations; some independent analysts live in fear of arrest.

Once a respected and independent watchdog, the Constitutional Court has been placed under the presidency of **Joseph Djogbénou**, Talon's personal lawyer.

LOW EXPECTATIONS

The mood is deeply pessimistic. Even defenders of Talon's vaunted modernisation expect little real progress from the dialogue this week. Eight parties registered but few expect serious concessions.

Municipal polls next year and the next presidential race in 2021 offer scope for an opposition comeback. But opponents question the value of contesting local elections, as the government has powers to eject elected mayors. In 2017, alleging financial irregularities, it dismissed the mayor of Cotonou, **Léhady Soglo**, son of the former president.

The prospects for credible presidential elections in 2021 will

depend on two factors: getting the government to accept rigorous international observer missions and certification of the election; and the freedom of the opposition to put up its most prominent candidates.

Talon has admitted that he has health concerns and might not seek a second term. If he does stand, many doubt that he could win a free election. He lacks a strong regional base and his popularity has slumped far below the heights of 2016.

Despite forecast GDP growth of 6.5% this year, inequality is worsening. And now the partial closure of the border with **Nigeria** is slashing state revenues and public services, and damaging livelihoods in the Cotonou area.

This could exacerbate the deep resentment at the predominance of the President's business interests which have been managed, since he took office, by his close associate **Olivier Boko**, who is sometimes dubbed '*le Vice-Président*'.

A cornerstone of Talon's business has been his dominance of the cotton ginning sector. Cotton is the main cash crop for the rural economy. Today there are reports that farmers are under pressure to maximise output without regard to the long-term environmental consequences.

Talon's empire includes Benin Control, the company that holds the import verification contract for Cotonou port and for road transit trade through the country. There are now repeated reports of this consortium pressuring local entrepreneurs, insisting it should be allowed to buy into their operations and earn a slice of the proceeds.

Through his wealth and the reach of his businesses, Talon was at the heart of Béninois politics long before he chose to enter as a candidate. He was a key financier of Boni Yayi's campaign until

the two fell out.

But Talon would look vulnerable against a heavyweight candidate, such as the quiet but well-respected former prime minister **Lionel Zinsou** – his 2016 opponent – or the ebullient and exiled Ajavon, whose social welfare activities have earned him a following beyond the urban south. But the government has manipulated the judicial system to push back against such challengers (AC Vol 57 No 7).

Zinsou stands accused of campaign finance irregularities, in relation to 15 billion CFA francs (US\$25 million) he was alleged to have borrowed from the Burkinabè businessman **Mahamadou Bonkougou** in 2016. Zinsou denies this and his allies see the case as a political stitch-up.

Two months ago, the **Ivorian** president **Alassane Ouattara** persuaded Bonkougou to drop the case he had brought in **France** against Zinsou. But the Benin authorities are pursuing the matter and Zinsou is battling to overturn his conviction.

Ajavon is in exile in France after being sentenced in Benin in October 2018 to a 20-year jail term for supposed involvement in drug trafficking – a conviction questioned by most independent observers. His and several other politically sensitive cases have been handled by the *Cour de répression des infractions économiques et du terrorisme* (Criet) – whose very name has been designed to imply that those accused of financial irregularities may actually be linked to terrorism.

The African Court on Human and Peoples' Rights says Ajavon's conviction should be quashed and has ordered Benin to pay compensation. Also in exile is former finance minister **Komi Koutché** after a Spanish court in April rejected Benin's request for his extradition. ●

BENIN/NIGERIA

Protectionism and patronage

A bid by President Muhammadu Buhari to stop the smuggling of rice and petrol is turning into a cross-border political fight

Ten months after its inauguration the new integrated frontier crossing between Nigeria and Benin at Sémé Kraké on the key Lagos-Cotonou corridor was closed to most trade on the orders of President **Muhammadu Buhari**, together with all other official crossing points on the 900km land frontier between the two countries. The restrictions are cutting

back regional trade sharply.

Originally imposed on 20 August for a month, the shutdown has been extended to December. The fracas followed the signing in June by Benin and Nigeria of the African Continental Free Trade Area – the last two countries to do so. Nigeria's economy is the biggest in Africa and the richest market for imports.

But the Buhari government is

desperately trying to wean the economy off its dependence on oil and rebuild its manufacturing sector, with very mixed results. Nigeria's cement magnate **Aliko Dangote** is building a US\$12billion plant outside Lagos to refine some 650,000 barrels a day of oil and producer fertilisers and petrochemicals. It aims to be the biggest supplier of petroleum products to West Africa and the rest of the continent (AC Vol 60 No 19).

Dangote won't discuss his pricing policy but he will have to take into account the heavy smuggling of products both ways across Nigeria's borders. Industrial goods and commodities such as sugar and rice, which face heavy tariffs or outright bans in Nigeria, are smuggled in. Then Nigeria's gasoline, heavily subsidised by the government,

is smuggled out by various crime syndicates who have exploited the region's price differentials for decades.

In different ways, Dangote's refinery and Africa's single market plan which starts up next year could change that dynamic. Dangote has also invested heavily in rice and sugar but complains that his production in Nigeria is undermined by smuggling.

BUSINESS EMPIRE

Buhari's border closure is not the answer to Dangote's trading problems but offers a short-term palliative. It also hits the finances of the Benin government and President **Patrice Talon's** own business empire; the president's personal interests are now central to the national economy.

The official explanation of the border clampdown is that Buhari was frustrated by rice and other goods landing at Cotonou port – and being declared as imports into Benin. Much of these imports were then moved into Nigeria through formal and informal channels.

Béninois sources say that the government in Abuja had signalled its readiness to accept imports of rice that are produced in Benin – which is able to grow more food than its 11.5 million people can eat.

But Nigeria is no longer willing to tolerate inflows of rice shipped from Asia to Cotonou and then trucked over the border, which it sees as undercutting its local producers, many of whom are in Buhari's northern heartlands.

Buhari had already moved to shut down the import of second-hand cars into Cotonou, for onward sale and delivery to Nigerian customers – a lucrative trade evidenced by the regular arrivals of car-carrying vessels at the Béninois port and the vehicle retailers who set up along the approach to the border.

The trade shutdown of Sémé-Kraké and other frontiers – individuals can still cross, but most goods are banned – will not prevent informal cross-border traffic along rural tracks. After shortages in August, Nigerian smuggled fuel is once again readily available in Cotonou and in Lomé (Togo), a reflection of the powerful Nigerian interests in these rackets.

But the border clampdown is starting to hit hard. Cotonou port generates half of the entire fiscal revenues of the Benin government. Officials have been working to finalise the budget for 2020 – but unless the border row is resolved the income projections upon which it is based could be rendered wildly over-optimistic. This would have harsh consequences for public sector pay and services.

Moreover, it is particularly painful for Talon, whose company Benin Control has the import verification contract for Cotonou port – and for road transit traffic, including the main West African coastal corridor from Nigeria all the way through to Côte d'Ivoire. When trade is stalled there are few imports to inspect.

Some also see personal business interests at work again. Benin-based businesses report that many trucks

carrying cement produced by the Dangote group had used the highway through Benin to service markets across much of coastal West Africa.

When Talon came to power he tightened up on this traffic, enforcing the collection of official transport levies on behalf of the Benin state – and at a significant cost to companies trucking cement and other goods. This frustrated Nigerian exporters.

But a further twist is that much of the revenue collected was allocated to Benin Control.

According to a government decree issued in 2018, revenues were split as follows: trucks carrying goods would pay a levy of CFA89,946 (\$150), of which CFA15,000 (\$25) would be paid to the customs service for the state treasury, while Benin Control would receive CFA74,946 (\$125). Vehicles carrying cement from Nigeria would pay CFA80,000 (\$132), of which CFA5,000 (\$8) would be paid to the *Conseil National des Chargeurs du Bénin* (the freight industry body) and CFA25,000 (\$40) would be paid to customs while CFA50,000 (\$80) was paid to Benin Control.

The now exiled **Thomas Boni Yayi**, a former President and rival to Talon, is well connected in Abuja. So the border closure row is an inter-governmental dispute which has harsh consequences for President Talon's business empire but also for trade along the West African coast, over 80% of which goes by road (AC Vol 60 No 9). ●

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POINTERS

Kenya

FUND ON STANDBY

■ New Principal Secretary to the Treasury **Julius Muia** is hoping that his talks with the International Monetary Fund at its annual meeting on 14-20 October in Washington will result in an IMF delegation to Kenya in November. Ministers are desperate to rebuild relations after the collapse of talks to renew the US\$1.5 billion standby credit facility, which was agreed in 2016 but suspended in September 2018.

The facility was one of the **Uhuru Kenyatta** government's protections against credit rating downgrades. But the Fund suspended access, frustrated by the government's failure to address a budget deficit that is consistently higher than the 6% agreed, low bank lending to business due to an interest rate cap, and the introduction of VAT on fuel.

Talks between the Fund and Treasury officials aimed at restoring access seemed to be progressing, although the National Assembly stymied government attempts to scrap the interest rate cap legislation and the petrol tax has been halved, to 8%, but not scrapped (AC Vol 59 No 18 & 19). The then Treasury Secretary **Henry Rotich** told reporters in May that the facility would be restored within two months.

But then the trail went cold. IMF approval was put on hold because of the CMC di Ravenna dam scandal: Rotich and his Principal Secretary **Kamau Thugge** were the most prominent government officials to be charged in connection to the fraudulent Ksh46bn (\$460 million) scheme in July (AC Vol 60 No 15 & 18). An IMF delegation was cancelled. The hope is that overtures in Washington will get the talks back on track.

Tunisia

OUT OF CONTRACT

■ On the face of it, it is just another lucrative lobbying deal, with **Israeli** arms dealer turned lobbyist **Ari Ben Menashe** bagging another US\$1 million contract to add Tunisian media mogul and presidential hopeful, **Nabil Karoui**, to a client list that includes **Libyan** warlord **Khalifa Haftar**, **Congo-Brazzaville's** President **Denis Sassou-Nguesso** and **Mohamed Hamdan Dagalo**, aka **Hemeti**, deputy leader of **Sudan's** Transitional Military Council (AC Vol 60 No 16).

Except that Karoui insists that he has no knowledge of the contract, which promised to secure meetings with **United States** President **Donald Trump** and **Russian** counterpart **Vladimir Putin**

ahead of the first round of Presidential elections on 15 September, in which Karoui finished second, as well as 'material support for the push for the Presidency', followed by 'full support and investments from US companies for your economy' after Karoui's election.

According to filings under the US Foreign Agents Registration Act, signed by Ben Menashe, on behalf of his **Canada**-based outfit Dickson and Madson, and **Mohamed Bouderbala**, \$250,000 has already been paid with the remainder to be paid in mid-October, after the presidential run off.

'There is no connection, whether close or in law between Nabil Karoui, candidate for the runoff at the presidential elections, and the signatories of the contract and the content,' said Karoui's Heart of Tunisia party. It added that Bouderbala has no relationship with the candidate, and Ben Menashe has conceded that the contract may have been drawn up without Karoui's knowledge. It is unclear who paid the initial \$250,000 and Karoui's assets have been frozen since July.

But the reputational damage may be worth far more than \$1m. The suggestion that Karoui – already in jail facing money laundering charges – sought to buy an election via a controversial lobbyist could cost him crucial votes. Meanwhile, the revelation that the lobbyist-to-dictators Menashe could be duped, is hardly going to be good for his business.

Zambia

FAILING POWER

■ Zambia is on the brink of an energy crisis that threatens to hike tariffs for consumers already feeling the economic hardship caused by the country's rocketing debt service bill. Load shedding is so severe that power cuts of up to 16 hours have hit the capital, Lusaka. The official explanation is drought, causing low water levels at the Kariba dam, a major source of the country's energy. But experts and insiders at state power utility Zesco also blame mismanagement and corruption.

Zesco has now lost financial support from the World Bank because it refuses to restructure its bloated workforce and cannot properly account for how funds are spent, we understand, ending its chances of raising a planned US\$500 million bond (AC Vol 59 No 10).

Faced with the prospect of Kariba running dry by December, Zesco announced on 24 September it would import 300MW of emergency power from Eskom, **South Africa's** state power company, at a monthly cost of \$20.5m. The deal was meant to last six months, starting from 1 October, but no imports have yet begun. Zesco

blames bureaucracy, but Eskom's spokesperson **Dikatso Mothae** told local media no deal had been signed because Zesco had failed to meet the necessary conditions. These include addressing the outstanding debts Zesco has to Eskom, we understand.

Businesses question why Zesco continues to export power to **Namibia** and **Congo-Kinshasa**, instead declaring *force majeure* domestically to raise tariffs for emergency power. Patriotic Front insiders say the crisis benefits the elite. A deal signed in November 2015 with **Turkish** company Karpower supplied diesel-generated power to Zambia from a ship stationed off the coast of Mozambique at a hefty 23 cents per kWh. The high price covered commissions paid to politically connected brokers of the deal, including former President **Rupiah Banda's** son **Henry**, *Africa Confidential* can reveal. Banda and Zesco Managing Director **Victor Mudende** are on close terms, say PF insiders, who say that Mudende only remains in post because he is complicit in Zesco being used as a cash cow for PF elites.

Nigeria

THE TAXMAN COMETH

■ Unphased by mounting security threats, weakening international oil prices and an unresolved US\$9 billion judgement debt demand, President **Muhammadu Buhari's** unveiled an ambitious new budget on 8 October, confounding analysts who say that the government needs to cut spending.

Buhari's spending plans for 2020 total 10.33 trillion naira (\$28.5 billion) and will run a 1.5% budget deficit. That may sound modest but is predicated on hitting highly optimistic revenue targets, as well as a \$57 per barrel oil price.

The government has missed its annual earnings projections every year since 2016, according to the Nigerian budget office, largely because of difficulties collecting taxes. Only 40% of the population pay taxes. But total revenue for 2020 is projected at 8.18 trillion naira next year, a 7% annual increase, even after Buhari said the government had met only 58% of its earnings target as of June.

Part of the gap will be plugged, Buhari hopes, by modest increases to consumption taxes and changes to oil contracts. However, he hinted that the bulk of the responsibility will lie with agencies collecting taxes, warning that they would face 'severe consequences' if targets are missed again.

The alternative – increased borrowing – appears more likely, especially after lawmakers approved plans to increase the government's borrowing limit next year (AC Vol 60 No 13).

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BLUE LINES

Although he pulled in dozens of Africa's leaders to the first Russia-Africa summit in Sochi on 23-24 October, Russia's President Vladimir Putin is years behind the competition in courting Africa. Russia-Africa trade has doubled to US\$20.4 billion over the past five years but that is a tenth of China-Africa business. Russia isn't in the top five trading partners with Africa, something Putin says he wants to remedy as a foreign policy priority.

His special subjects are nuclear power and the military. Africa now buys a third of Russia's arms exports. As the summit opened at the Black Sea resort, two Tupolev TU-160 strategic nuclear bombers touched down at the Waterkloof Air Force base in South Africa, presumably as a symbol of military cooperation.

But relations between South Africa and Russia remain strained after President Cyril Ramaphosa shelved his predecessor's plans to spend over \$80 billion on nuclear power projects to be built by Rosatom. Undaunted, Rosatom's sales representatives have been touting their wares to gas and oil-rich Nigeria as well as Ethiopia, whose mega-hydro plants will make it one of Africa's top power exporters over the next five years.

Putin is co-hosting the summit with Egypt's Abdul Fattah el Sisi – the two leaders are working together in Libya in support of the rebel general Khalifa Haftar, whose military campaign against the Tripoli government is bogged down. Moscow says it has military cooperation deals with at least 15 states.

MOZAMBIQUE

Frelimo takes no chances

Despite claims that the election was won through fraud and violence, the results will stand and strengthen the President's hand

President Filipe Nyusi has won a second and final term of office with the second-largest majority since multi-party elections began in 1994. The election win – which included parliamentary and municipal polls – is tainted by widespread accusations of fraud and unprecedented intimidation prompting fears that the fragile peace accord between the ruling *Frente de Libertação de Moçambique* (Frelimo) and opposition *Resistencia Nacional Moçambicana* (Renamo) could break down.

Despite acknowledgement among observers, donors and diplomats that Frelimo's election win is corrupt, there is little prospect that Renamo's appeal for the polls to be annulled will succeed.

The argument that Renamo is not sufficiently mature to govern and a Frelimo win – however achieved – is in the best interests of peace and economic stability finds support even among some Frelimo critics. However, Frelimo's evident determination to retain power at any price will diminish domestic confidence in democracy, increase youth and voter apathy and make it more vulnerable to autocratic rule. While a narrow Frelimo win might have compelled greater accountability, the large majority it now has in parliament will tempt it to rule with even greater impunity.

The final results will be published on 28 October and are expected to confirm President Nyusi won about 70% of the total votes. The figure was only previously topped by his predecessor, Armando Guebuza, who gained 75% in 2005,

but it comes against a background of growing anti-Frelimo sentiment among the electorate, especially in the wake of the US\$2 billion hidden loans scandal of 2016, a growing violent insurgency in the north, mishandling of the Cyclone Idai emergency and state corruption scandals across the board.

The leader of Renamo, Ossufo Momade, came a distant second in the presidential contest with a projected 21% of the vote, and Daviz Simango of the *Movimento Democrático de Moçambique* (MDM) may gain only 7%, according to preliminary results.

GHOST VOTERS

Nyusi's improbable landslide victory was set in motion long before polling day, with manipulation of the registration process giving Frelimo a head start after the addition of about 300,000 'ghost' voters in Frelimo's strongest province, Gaza, and the blocking of registration in opposition strongholds (AC Vol 60 No 18). After a poor showing in after last year's regional elections when the party lost its majority in many provinces, the party galvanised itself for this month's poll with a highly organised, systematic and centrally driven fraud covering all aspects of the electoral process (AC Vol 59 No 21). From registration to voting to counting, the strategy was consistently executed throughout the country to eliminate the risk of a close race. Election observers were intimidated (one was shot dead by police) and excluded from counts, homes of opposition activists were torched, police

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The President must hold elections that look fair if he is to win the wider acceptance he craves

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resources were freely used by Frelimo, and the *Comissão Nacional de Eleições* (CNE – the electoral commission) lost all semblance of impartiality as its officials were widely accused of facilitating multiple voting throughout the country.

In an exceptionally frank statement, the **United States** Embassy in Maputo said that its observers witnessed numerous violations of electoral processes including unsealed bags of ballot papers being left uncontrolled. Observers for the Election Bulletin produced by transparency watchdog the *Centro de Integridade Pública* (CIP) reported Frelimo voters not being required to properly ink their fingers after voting – presumably to enable them to vote more than once. Polling station officials said they received envelopes of money as bribes to facilitate such rigging, with some payments exceeding US\$300. The bulletin has calculated that there were at least 282,000 ‘fake votes’ for Nyusi, amounting to 5% of the total vote. This is without taking account of the less quantifiable swing to Frelimo as a result of intimidation and manipulation of registration. The bulletin estimates that at least 3% of opposition votes were illegally invalidated; this figure was as high as 32% in some opposition strongholds.

‘CLIMATE OF FEAR’

Turnout in Frelimo strongholds was also improbably high, with six polling stations seeing over 90% turnout in Gaza. Thousands of independent observers were refused credentials, and others tell *Africa Confidential* they were forced to leave during critical moments prior to vote counting, against the regulations. More sinister was the violence that marred the campaign: the European Union observer mission described a ‘climate of fear and self-censorship’.

Manipulation on this scale was not necessary in order for Frelimo to win, but the party was leaving nothing to chance and no expense was spared. Disillusioned party members came under heavy pressure to vote. Insiders say more than \$40 million was spent on the campaign – far more than the \$15m at play during the 2014 campaign.

Voters were given cash for their votes all over the country. This was thanks, at least in part, to the completion of the sale of US oil company Anadarko to Occidental Petroleum, which in turn sold on Anadarko's African assets to **France's** Total, which was announced on 27 September by Nyusi. It brought with it the prospect of an \$880m capital gains tax windfall. Frelimo is believed to have used the promise of this new cash to allocate more of the funds of the state to its campaign – a fact Nyusi all but admitted at a rally two days later, when he said the extra funds would boost the election budget because ‘democracy costs money’. In reality, the beneficiary was Frelimo.

The state's resources have always been unlawfully used for Frelimo election campaigns, but this time it was on a bigger scale than ever before. Although this seriously disadvantaged Renamo, the opposition had its own problems. Fragmented and still struggling to transition from guerrilla movement to serious political opposition, it attracted votes more because of traditional regional loyalties and protest votes than because it offered a credible alternative to Frelimo. It lacks clear policies and Momade is seen as a weak leader whose enjoyment of extravagant spending leaves him with little room to take the moral high ground in the face of the Frelimo elite's largesse. He does not keep the same tight grip over party finances of his late predecessor **Afonso Dhlakama**, and has angered the guerrilla wing of Renamo, which believes Momade has sold them out so the political wing can live in luxury, we hear.

Renamo has said the electoral process constituted a violation of its recently-signed peace accord with Frelimo, which stipulates that ‘acts of violence and intimidation for political objectives’ are explicitly prohibited. It called for the elections to be annulled, citing widespread intimidation. Academic **Joseph Hanlon**, who has many years' experience of closely following the Mozambican electoral process, described an unprecedented ‘a climate of control and intimidation’. He says that unlike previous elections, the fraud was centralised and determined by a ‘message from the top.’ One example of outright violence was the mysterious shooting in Zumbo, Tete province, of the Renamo Women's League President **Babula Jeque** and her husband **Joao Fenhane**, the day before the election.

Thus far Renamo's reaction to the rigging and violence has not been as strong as many expected, but its leadership appears still to be deciding how

to respond. Renamo's own democratic instincts are not highly developed and pundits believe it is always ready to make a deal, such as when it proposed to share out governorships with Frelimo without a ballot. Some believe Renamo will settle for financial compensation, which Frelimo can draw from the \$880m windfall.

The African Union, whose mission whose mission was headed by **Nigerian** ex-President **Goodluck Jonathan**, unsurprisingly endorsed the polls. Yet despite the criticisms of the process by Western observer missions, the international community is certain to accept the result ‘in the interests of stability’. Regardless of the rhetoric about democracy and transparency, the donor community in Mozambique prefers the devil it knows.

COMMANDING POSITION

Nyusi is stronger now too. Internally, he is already seen as having significantly strengthened his grip over the party, and his victory convinced many party members who previously doubted his leadership. He has escaped from the shadow of Guebuza, who was conspicuously absent during the campaign, and has asserted his own control. Such is his transformation from inexperienced managerial figure to shrewd statesman that observers are beginning to see him as now one of the strongest leaders in the Southern African Development Community region. He is driving international deals that he believes are in the country's interests and his own, notably a growing alliance with **Russia**. Russian mercenaries last month began operations against Islamist insurgents in the north. Nyusi can be expected to return from the Russia-Africa summit in Sochi with more deals and a powerful ally in President **Vladimir Putin**.

A strong mandate should enable him to take controversial but arguably necessary decisions in the interests of the economy, such as concluding the restructure of the Mozam sovereign bond that was regarded as politically risky before the election (AC Vol 60 No 19). But some insiders fear that his increased power will lead to more ruthless rule, both over the country and internally, with Nyusi liable to take decisive action against political opponents within the party in order to maintain his influence throughout his final term.

Despite enjoying greater political power than ever, the hidden loans scandal remains a risk for Nyusi as the aftermath continues to play out. He must decide what to do with the 20 Mozambicans jailed in association

with the scandal, some of them former senior officials, with both their release or continued imprisonment liable to induce backlash from different party members. The possible extradition of former finance minister **Manuel Chang** to the US also presents some risks for Nyusi himself. But the power he has secured in the party and the international community's view that he is the best hope for peace and stability may be sufficient to protect him from any such fallout.

Another problem for Nyusi is the fact that this is his final term, meaning the party will be on the hunt for a successor in 2024 and the value of his patronage will diminish as that date approaches. With the line of succession mapped out since independence having ended when Nyusi took the place of his mentor and the intended successor, the Makonde General **Alberto Chipande**, who was deemed too old, the field is wider open than ever before and Nyusi will face many would-be kingmakers trying to shift power from under him. ●

ROUGHING UP THE COUNTRY

Violence against both opposition and civil society has been exceptionally prevalent in the lead-up to the 15 October election. Ten individuals apparently regarded as a threat to the ruling *Frente de Libertação de Moçambique* project to manipulate the vote were murdered. The violence reflected badly on Frelimo and President **Filipe Nyusi**, who did not even pay lip service to condemning violence, let alone vow to punish the perpetrators. The shooting by an alleged police death squad on 7 October of activist **Anastacio Matavele**, head of independent civil society election observation in Gaza province, is reminiscent of the attacks on intellectuals critical of the regime around the time Nyusi took office in 2015 (AC Vol 56 No 10).

Such attacks are intended to scare dissidents into silence and stem the tide of growing disillusionment with Frelimo. Particularly sensitive has been the subject of the \$2 billion hidden loans, for which elements in Frelimo were willing to go to extreme lengths to keep under wraps. One casualty of the cover-up effort is believed to be the **French** lawyer **Gilles Cistac**, who was assassinated on 3 March 2015. Neither his case nor those of other prominent commentators, such as academic **Jose Jaime Macuane**, who was kidnapped and shot in the legs in 2016, or journalist **Ericino de Salema**, whose kidnapping and beating in March this year was similar to Macuane's, has ever been solved.

All attacks, including the fatal shooting of Matavele, took place in public in broad daylight and appear to have been orchestrated by police. Nyusi has kept silent over the incidents, offering no condolences or acknowledging the individual victims. It is a factor which has led some of the old guard in Frelimo to say they no longer recognise the party they built. ●

AFRICA ECONOMY

Up against the slowdown

As growth ebbs in 90% of the world's economies, Africa is trying to swim against the tide

The annual meeting of the International Monetary Fund and World Bank between 14 and 20 October in Washington DC was one of the gloomiest for decades, with economists competing to offer the most downbeat forecast. The headline figure – that 90% of the world's economies are slowing down – means shrinking markets, wobbly currencies and a shortage of investment capital is going to reverberate around Africa.

The immediate effect of the global slowdown is a widening split between Africa's economies: the big resource-dependent economies such as **Angola**, **Nigeria** and **South Africa** are locked in to low growth for the medium term, but the smaller and more diversified economies such as **Ethiopia**, **Ghana**, **Senegal**, **Kenya** and **Rwanda** are growing much faster.

In April both the IMF and the World Bank downgraded their projections for Africa's real GDP growth in 2019 amid growing concerns over the global economy (AC Vol 60 No 9).

In October, under the new leaders of the institutions – **Kristalina Georgieva** as IMF Managing Director and **David**

Malpass as the Bank President – economists have adjusted the forecasts downwards again.

They warn of downside risks to sub-Saharan Africa's prospects, including those outside governments' control, such as muted global growth, escalating trade tensions, lower commodity prices, tightened access to finance, and rising risk premiums. Environmental factors such as extreme weather and outbreaks of disease could also weigh on economic performance.

The 3.2% average sub-Saharan Africa growth predicted by the IMF for this year is over half a percent less than forecast this time last year. The IMF's projection is well below its projections for emerging and developing Asia, and implies that Africa's overall GDP – without higher growth – would take more than two decades to double. That means only marginal increases in average GDP per capita.

The 2020 growth projections, of 3.6% (IMF) and 3.1% (World Bank) will do little to change this outlook. Some economists downplay the significance of the revisions as minor adjustments to a stable status quo. They see Africa's

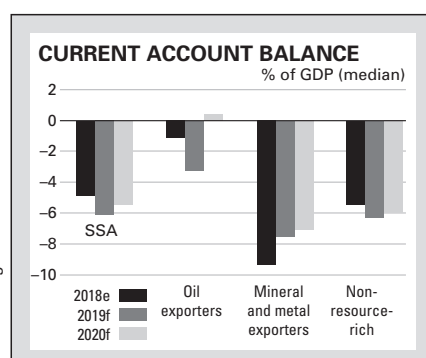
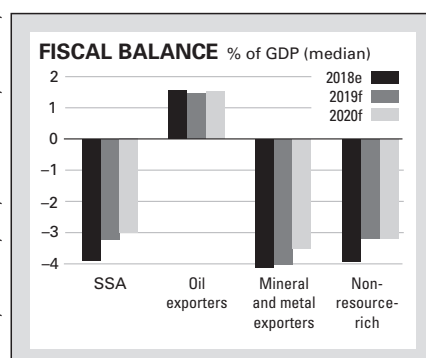
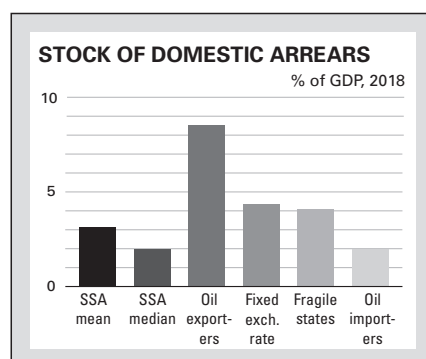
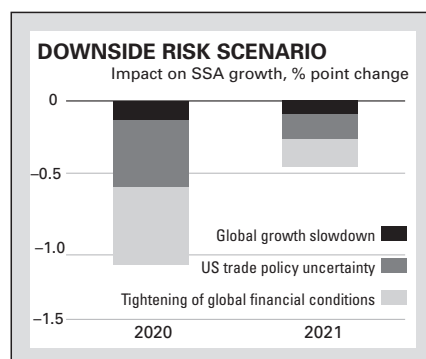
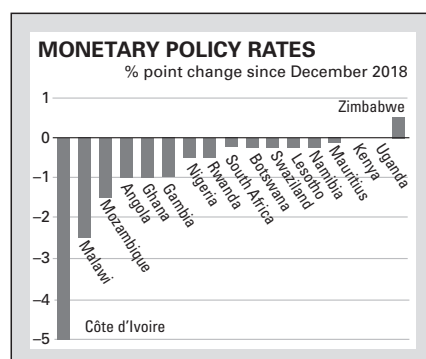
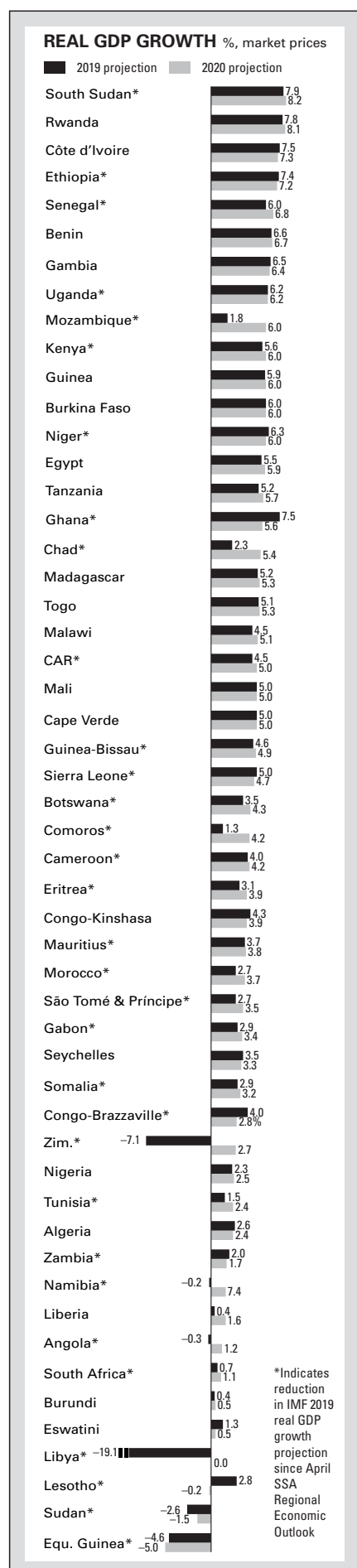
economies as a potential source of cyclical growth recovery in a slowing global economy.

The differentiated nature of Africa's growth, according to IMF Africa department director **Abebe Selassie**, means that non-resource economies growing – at around 6% – almost three times faster than the resource economies' average, implies that several economies could register much faster improvements in living standards should this growth be persistent, and be accompanied by strong job creation.

Nigeria, South Africa and Angola are a drag on the region's growth and are on track collectively to register negative per capita growth this year and next. All are trying to navigate tough reform programmes. **Egypt** is expanding strongly under its IMF programme despite fierce local opposition to government policies.

Oil exporters have better fiscal and current account balances than non-oil resource economies. Yet Africa's biggest oil producer, Nigeria, has now acquired a current account deficit to go with its persistent fiscal deficit. Average growth differs between the regions, with East and West Africa accounting for the lion's share of those economies expanding at 5% or more this year and next (AC Vol 60 No 13).

But the headline growth figures obscure a raft of more specific concerns and problems in many African economies, including heightened debt levels, debt service and refinancing requirements, constrained fiscal space,



diminished foreign exchange 'buffers', insufficient economic diversification, overly restrictive exchange-rate policies, costly subsidies, non-performing loans and insufficient bank lending to businesses, high unemployment and the need for accelerated job creation, and the need to increase investment in infrastructure and other growth-boosting areas such as health and education.

DEBT DISTRESS RISK

Africa's debt picture is getting more complicated. Though average public debt/GDP ratios are still low (slightly above 50% of GDP according to the IMF) compared to advanced economies, debt service levels as a proportion of revenues are very high in several countries, and 16 countries (unchanged from 2018) are either in debt distress or at high risk of debt distress.

Government concern over the growing cost of debt, which is increasingly foreign currency-denominated, is underscored by the much-reduced issuance this year of African Eurobonds, for which investor demand remains strong.

As more countries approach, or consider approaching, the IMF for assistance, fears persist over the true cost of Chinese lending for major infrastructure projects. IMF economists, publicly, deny that their institution is critical of China's participation, and suggest that the real question is whether some SSA countries have been borrowing 'excessively' across potential lenders, and whether 'non-Paris Club' debts are properly disclosed.

As the World Bank reminds that only a minority of SSA countries satisfy minimum requirements for 'debt transparency', the IMF calculates that average SSA governments' domestic arrears exceeded 3% of GDP, and indeed exceeded 8% of GDP among oil exporters, at the end of 2018.

Although not, other than for oil exporters, reflecting an upwards trend, the arrears issue is receiving increasing IMF attention to whom it is seen to signify poor management of domestic finances, over and above more understandable arrears slippages at times of fiscal shocks.

The perspective of governments' critics, and of economists, on both the significance and source of sovereign debts and liabilities differs. David Cowan, chief Citi Africa economist, portrays SSA's debt service concerns as more of a 'revenue crisis' than a 'debt crisis' and separates off-balance sheet and/or less transparent SSA debts into four main categories – arrears, legally contracted parastatal debts and

TRADE WARS, SINGLE MARKETS AND CHAIN REACTIONS

As Africa moves ahead with plans for a single market – the African Continental Free Trade Area (AfCFTA) – due to start operations next year, the region's economies face much tougher conditions in the international trading system. The biggest factor is the **United States'** imposition of \$250 billion of tariffs on **China**, prompting retaliation from Beijing.

This matters because China's appetite for raw materials, oil and metals has been the engine of economic growth for so many of Africa's economies over the past two decades. That growth, along with China's willingness to plough billions of dollars into building roads, railways and power stations, is slowing.

In the next phase of China's economic ties with Africa, its companies are going to be at the leading edge: tech giants like Huawei, Ali Baba and Ten Cent along with its mining and oil companies.

As countries and companies navigate the effects of the global slowdown, trade relations and negotiations will get tougher. Alongside the US trade war with China, and sundry other economies, the schism in the European Union as the **United Kingdom** leaves will also affect Africa's economies. Some officials argue that Africa should be able to take advantage of a livelier competition for its markets between Britain and the EU.

However, the short-term consequence of disruptions, trade wars and Brexit, will be slower growth – by over 1% across Africa next year according to the IMF.

That's one reason why African governments are pinning hopes on continental economic integration in the AfCFTA. Yet implementation, and the treaties around it, will be complex and will need to be backed up by better logistics, new roads, faster railways, more efficient ports and the elimination of many of the physical barriers to closer regional trade ties.

With a market of 1.2 billion people and a continental economy of US\$2.5 trillion, the initiative will drive growth but governments have to take some tough decisions. It aims to lower or eliminate 90% of cross-border tariffs, to allow free movement of people and capital, to promote regional investment.

Making that work will require economic and administrative reforms to allow faster cross-border payment systems, most of which will be electronic and will need more efficient information and communications systems. In the two-phased negotiations en route to opening up the continental market, countries will have to work out their 'rules of origin', setting up new protocols for the trade in goods and services.

The next phase – intellectual property, investment accords and competition policy – will be more complex still and could drag on for a decade. **South Africa** and **Nigeria**, the continent's biggest economies have signed up to cut 90% of their tariffs over the next five years. Smaller economies such as **Ethiopia**, **Sudan** and **Zimbabwe** have a decade to make the adjustments.

Among the first to benefit will be competitive local manufacturers and companies processing agricultural commodities. But life is likely to get tougher for those companies demanding tariff protection from their governments, particularly in Nigeria.

Countries with good transport networks and more competitive industries, such as **Kenya**, **Morocco** and **South Africa**, will sell more, but for many governments the biggest problem will be the loss of revenue from customs duties under Africa's new trade order. The transition will be difficult and could well be further prolonged. ●

guarantees, China debts, and liabilities arising from what some might consider fraud by governments and/or their bankers (AC Vol 59 No 10).

Cowan also emphasises that some countries – including Angola, **Congo-Brazzaville** and **Zambia** – have or are in the process of 're-profiling' their China debts to ease their entry (or desired entry) into IMF programmes (AC Vol 60 No 15). Others such as Standard Chartered's **Razia Khan** suggest that governments might seek IMF assistance less out of pressing need than to secure the advantage of IMF backing to assist future refinancing of existing external debts, of which a significant portion is scheduled to mature within the next five years.

FISCAL SPACE CONSTRAINT

Even as the IMF reminds of the need to increase revenues, whether via increasing tax receipts, non-commodity revenues or otherwise, the close inter-relationship between debt and SSA economies' 'fiscal space' remains. The latter, according to IMF economists, is a key constraint on SSA governments' ability to use policy measures to respond to downwards pressure on growth.

While the message from the IMF to the advanced, low-inflation, low-interest rate economies is that some of these economies could find further monetary policy easing less effective than fiscal stimulus, the message from the IMF and the World Bank to SSA economies is that currently constrained 'fiscal space' leaves monetary policy a better option even though several SSA economies have cut interest rates since December 2018.

The IMF continues to recommend that SSA economies boost their foreign exchange buffers to reduce their vulnerability to potential shocks and downside risks ahead. And the Bank, IMF and economists – as ever – continue to draw attention to what, in their view, remains a pressing need for improved economic policymaking and institutions across the board.

Trade, both global and within the African continent, remains a critical factor both in the short and longer term. Not only has disruption to global trade since mid-2018 adversely impacted SSA economies, dampening export growth for oil exporters, other resource-intensive countries and non-resource

intensive countries, but under one IMF downside risk scenario (incorporating disruptions to global growth, global financial conditions and US trade policy) SSA growth could be reduced next year by over 1% from current growth projections.

AFCTA HOPES

Within Africa, hopes that the African Continental Free Trade Agreement will boost its economies contrast with a more sombre reality: that implementation is far from simple and needs improved infrastructure and the elimination of other constraints/barriers to trade, that the benefits of AfCFTA will become more apparent in the medium/longer term than the short term, and that the much-delayed signing of AfCFTA by the likes of Nigeria does not prevent trade-obstructing policy.

Even so, hopes persist that the AfCFTA will provide a significant boost, specifically to Africa's manufacturing and processed goods activities, that currently account for a greater share of Africa's internal trade than of external exports, and that Africa can attract the much-needed investment to boost these activities. ●

TOGO

The price of legitimacy

The President must hold elections that look fair if he is to win the wider acceptance he craves

After their boycott of the 2018 legislative polls failed to extract concessions from the regime of **President Faure Gnassingbé**, most of the opposition is returning to the electoral fray for the April 2020 presidential race.

Veteran challenger **Jean-Pierre Fabre** has been confirmed as the candidate of the *Alliance Pour le Changement* (ANC). **Ekué Gamessou Kpodar**, a former International Monetary Fund official, has also declared, while the 'C14' alliance of smaller opposition parties has yet to name its contender (AC Vol 58 No 20).

But the radical **Tikpi Atchadam** – whose sudden emergence electrified Togolese politics in 2017 and who remains in hiding – dismisses all who plan to take part in the election as 'collaborators' and calls for a non-violent revolution (AC Vol 59 No 24).

Gnassingbé approaches the poll as the overwhelming favourite, even though it will be fought over two rounds, allowing the opposition to join forces for the final run-off, provided they can stop the president getting more than 50% in the first ballot.

DYNAST'S DREAM

As the sole family dynast in a West Africa where all leaders are now elected under admittedly sometimes flawed democratic systems, Gnassingbé is desperate for the election to give him legitimacy, particularly after the bitter constitutional battles of the past two years.

This gives the opposition leverage to extract concessions over the conduct of the election and wider governance issues. Kpodar, for example, has already called on the regime to permit the return of all exiled Togolese, including Atchadam – who leads the *Parti national panafricain* (PNP) – and another critic, **Akila Ezzo Boko**, who was recently refused permission to board a Lomé-bound flight at Paris's Charles de Gaulle airport.

'Faure will do all he can to ensure that opponents don't boycott the election,' says one Togolese political analyst, who expects the government to offer official campaign funding to all candidates and parties. 'He will ask Fabre, "what do you want that can boost

your chances".'

This desire for legitimacy reflects Gnassingbé's aspirations for a higher regional diplomatic profile, after many years assiduously working to normalise conditions in Togo and cultivate an image as a moderniser.

He succeeded to the presidency in 2005 on the sudden death of his father, the **French** army veteran **Gnassingbé Eyadéma**, whose one-party rule was scarred by violence by the security services, the breakdown of relations with donors and economic decay at a time when neighbouring more democratic countries were enjoying steady growth.

Gnassingbé came to power amid questionable constitutional manoeuvres and almost 500 deaths. But the parliamentary elections in 2007 were credible – securing the restoration of international aid – and in 2010 he tempted longstanding foe **Gilchrist Olympio** to join the government, prompting a split in Olympio's *Union des forces de changement* (UFC) –whose general secretary, Fabre, opted to remain in opposition and created the ANC (AC Vol 54 No 3 and No 16). Gilchrist is the son of **Sylvanus Olympio**, the first president of an independent Togo, who was assassinated in a 1963 coup.

Thereafter, opposition parties could operate freely, though their electoral prospects remained constrained, and while human rights abuses were curbed, members of the security forces still enjoyed de facto immunity.

The government rebuilt Togo's role as a business gateway. France's Bolloré Africa Logistics has revamped Lomé port's container terminal, while Geneva-based MSC and **China's** CHMI have developed a regional container trans-shipment facility. Lomé airport, with a new terminal, is the base of Ethiopian Airlines' West African offshoot ASKY.

But the crisis of 2017-18 undermined Gnassingbé's new, modernising democratic image as vast street protests challenged his attempt to overhaul the constitution and stand for two more terms of office, in 2020 and 2025. Church leaders signalled their sympathy for reform demands while the emergence of Atchadam confronted the president for the first time with an opponent who could mobilise popular

support in the north – hitherto a regime fiefdom.

Despite lengthy mediation by Presidents **Nana Akufo Addo** of **Ghana** and **Alpha Condé** of **Guinea** under the aegis of the Economic Community of West African States, the government refused to budge on the constitutional amendments and the response of the opposition was to boycott the 2018 parliamentary elections. This allowed the ruling *Union pour la République* (Unir) to sweep the board, while Olympio's UFC, with seven seats, was the only other significant force in the 91-seat national assembly, its now retired 82-year old leader rewarded with the title of 'leader of the opposition'.

Nothing now stood in the way of the government implementing a constitutional overhaul on its own terms and in May all the parliamentarians present backed the new rules allowing Gnassingbé two more terms.

Had the real opposition stood in last year's polls, given their popularity in Lomé and the south, they would almost certainly have secured enough seats to deprive the government of the four-fifths super-majority required to change the constitution.

This painful lesson – and discreet encouragement from Western governments – lies behind opponents' decision to return to electoral politics, participating in municipal elections in June. Amid claims of rigging, Unir won 895 seats while the ANC gained 134 and a coalition of other opponents got 131. Significant responsibilities have been devolved and so for the first time in Togo, opposition figures exercise genuine governing authority, albeit at local level, notably with an opposition mayor in central Lomé.

PROTEST CURBS

The regime remains distinctly nervous of a potential resurgence in mass protest as next year's polls approach. In August it legislated sweeping curbs to rights to demonstrate, particularly in the urban areas – such as Lomé and Sokodé, which have seen the main unrest – implausibly dressed up as an anti-terrorism measure.

But this move has backfired: late last month, the rapporteurs of the United Nations Human Rights Council wrote a joint public letter to Gnassingbé pointing out that the new law contravenes freedom of expression and legal commitments that Togo itself has made in international agreements.

The government has since come under heavy European pressure to amend the law or introduce implementing regulations that will prevent it being

used against normal peaceful protest. Meanwhile, the US has refused to grant Togo access to a full Millennium Challenge Compact because it does not meet the scheme's requirements on democracy, although it does receive lesser monies from the fund for land reform and telecoms regulation.

LEVERAGE

The ANC and C14 appear to be calculating that while Gnassingbé will be the overwhelming favourite next year, the regime's need to secure international approval and sustain investor confidence gives them some leverage to press for the contest to be conducted on reasonably fair terms.

Requesting talks with the President, Fabre has set out his shopping list: revision of the electoral roll, reform of the constitutional court, verification of ballot papers and the publication of election results by each individual polling bureau – a practice that is routine in countries such as Senegal and which makes it much easier for opposition and independent monitors to carry out an independent parallel vote count, to check against official figures. Fabre also wants to see opposition parties that don't yet have parliamentary seats also represented on the independent electoral commission.

Meanwhile, at a 3 October press conference the C14 leadership

announced that they would take part in the presidential election provided that it was properly monitored and that the final result was certified by the United Nations (as happened in Côte d'Ivoire's famously contentious 2010 presidential vote).

These opposition demands are a clever move. Although detailed and highly specific, they are eminently reasonable – and, six months before the election, there is plenty of time to carry them out. It presents Gnassingbé with a dilemma: either accede to demands to liberalise the political space or restrict it and lose the chance to win the acceptance abroad he so earnestly desires. ●

SAHEL/BURKINA FASO/G5

The politics of counter-terror

The government issues appeals to the West and the region for solidarity and money to resist the jihadist onslaught

Soldiers, civilians, worshippers at a mosque were but some of the dozens of victims of Islamist guerrillas in Burkina as the pace of jihadist attacks on civilians and security forces continued in October. Army and police seem unable to halt the momentum of the attacks, which were the topic of the 13-14 September Ouagadougou meeting of ten heads of states of the Economic Community of West African States (ECOWAS). The political elite of the capital, hitherto far from the barren fields of battle, has become increasingly nervous.

Côte d'Ivoire's President Alassane Ouattara, his Malian counterpart Ibrahim Boubacar Keïta, Nigeria's Muhammadu Buhari and Niger's Mahamadou Issoufou, who chaired the meeting, gathered to try to turn the underfunded, understaffed and underwhelming anti-terrorist *Force Conjointe du G5 Sahel* into a credible fighting machine.

Two non-ECOWAS member states were on-hand to offer help: Chad's President Idriss Déby Itno and Mauritania's Mohamed Ould Cheikh el Ghazouani.

Morocco's Foreign Minister, Nasser Bourita, came to sing the praises of his country's counter-terrorist programme, although the visit seemed more about boosting Rabat's application to join the West African regional body than to help quell the fears of the beleaguered Burkinabè.

Ten days later many of the same

leaders repeated their calls for help at the UN General Assembly, and the Security Council attested to the urgency of their predicament. Meanwhile, Burkina's recently re-organised and outgunned security forces took up purely defensive positions (see second feature).

LETHAL ATTACKS

The summit convened against a grim backdrop. On 19 August, the Burkinabè military suffered its heaviest loss yet, during an armed attack at Koutougou, in the northern province of Soum, when it lost 24 soldiers. Twenty-nine civilians died on 8 September when a vehicle hit a roadside bomb and a relief convoy, en route to help some of Burkina Faso's estimated 400,000 displaced, came under fire. To underscore the point, Iyad Ag Ghaly's *Jamaat Nusrat ul Islam wal Muslimin* (JNIM) made a statement on 17 September claiming that it had attacked two other military camps in Soum province on the eve of the ECOWAS meeting.

They and other armed groups move around unhindered in the border areas of Burkina Faso, Niger and Mali (AC Vol 60 No 8). Bakary Sambe, director of the Timbuktu Institute in Dakar and a long-time observer of Islamist extremism in the Sahel, warns that if the Burkina buckle snaps, all bets are off for the region, including the coastal areas of the Gulf of Guinea.

The ECOWAS summit at Ouagadougou demanded more money

for the G5 – US\$1 billion, to be precise – to be found and disbursed between 2020 and 2024. ECOWAS will ask its members to contribute also. It will try to persuade the International Monetary Fund and the World Bank to repackage security spending as 'investment', emulating industrialised countries which diverted development spending into budgets for policing their borders. At the same time a new catchall cause – much in evidence in New York – for the chaos was identified. It was the West's fault for the NATO offensive which polished off Colonel Moammar el Gaddafi's rule and unleashed hordes of jihadists across Libya's southern borders. Conference chairman Issoufou said because the West had caused it, the West had to pay.

Rich nations, however, remain reluctant to pay more to the G5. In August, at the French seaside resort of Biarritz President Emmanuel Macron and his Burkinabè counterpart, Roch Marc Christian Kaboré, who is chairing the G5, made a joint plea for more financial support. France, the driving force behind the G5, thinks it will need at least €460 million a year to operate. Less than a quarter of that has been disbursed. Yet the G5's ability to absorb such spending is one reason the West is reluctant. It not only lacks sufficient military skills and experience at top levels, but there are strong fears about donor funds going astray (AC Vol 60 No 15).

In Burkina Faso itself meanwhile, the opposition smells blood. President Kaboré, the designated presidential candidate of the governing *Mouvement du peuple pour le progrès* (MPP) hopes to be re-elected next year. After the disastrous Koutougou attack, the *Union pour le progrès et le changement*, the largest opposition party and home to his biggest rival, Zéphirin Diabré, demanded the immediate

ISLAMIST MILITIAS EXTEND THEIR GRIP OVER NORTHERN BURKINA FASO



dismissal of the eight-month-old administration of Prime Minister **Christophe Joseph Marie Dabiré**. Heavy salvos can be expected from **Kadré Désiré Ouédraogo**, a former ECOWAS Commission leader who served as Prime Minister in one of ex-President **Blaise Compaoré's** cabinets. Following an acrimonious split with the *Congrès pour la démocratie et le progrès* (CDP), Compaoré's old election-winning vehicle, Ouédraogo will run as an independent and is expected to do well. The CDP does not yet have an official candidate.

Kaboré faces assault from another direction. An alliance of civil society groups and trade unions called *Unité d'action populaire* declared 16 September 'National Mobilisation Day', in protest against low living standards and rampant insecurity. Marches went ahead in urban areas across the country. In Ouagadougou, where the march had been banned, there were running battles with the police near the armed forces headquarters, which was badly damaged in a major terrorist attack in March 2018 (AC Vol 59 No 5).

INTELLIGENCE GAP

The government is in dire need of a functioning army and effective intelligence. In its zeal to declare itself clean and distant from the Compaoré clan, it cut all ties with the gallery of rogues who used to frequent Ouagadougou in Compaoré's days, including Ag Ghaly and **Moustapha Ould Limam Chafi**, an obscure Mauritanian who, in tandem with General **Gilbert**

Diendéré and former Foreign Minister General **Djibril Yipènè Bassolé**, liaised between the Compaoré regime and the various jihadist *katibas* (armed units) in the Sahara/Sahel, often on behalf of Western governments. Both Diendéré and Bassolé were jailed for their roles in the failed coup of 2015 (AC Vol 60 No 18).

The state has attempted to plug the resulting intelligence gap by creating the *Agence nationale de renseignement* (ANR), in existence since 2016 but only legally authorised by parliament since June 2018. The new structure has been given a budget of CFA15bn (\$25 million), for which it has little to show so far.

Compounding the matter is that there is no unity of purpose within the *Forces de défense et de sécurité* (FDS), into which remaining members of the *Régiment de la sécurité présidentielle* (RSP), disbanded in 2015, must be reintegrated. This is resented by the standing army, which has always regarded the RSP, Compaoré's Praetorian Guard and de facto intelligence body, as privileged.

It was the army that was called in to dislodge RSP members from their camp near the presidential palace in the last days of the failed coup (AC Vol 56 No 20). And like so many armies in the region, it has a generational problem, the rank and file resenting the plum positions still held by generals from the tainted Compaoré era. Human rights organisations and local media have documented abuses meted out to civilians by FDS personnel; a recently adopted gag law is designed to prevent

citizens making such reports. All this makes people mistrustful of both presumed jihadists and uniformed personnel.

The government had a chance to design a useful intelligence system, in cooperation with Colonel **Auguste Denise Barry**. Barry developed expertise in geopolitics and conflict mediation nationally and internationally. He also developed a network of his own, involving key operators he could trust, in his own country, ECOWAS, the African Union and the UN system. It was this network he employed to create the impressive *Centre d'études stratégiques en défense et sécurité* (CESDS). In the short time it existed, the institute became a repository of sensitive information, to the chagrin of the Kaboré government, which had cut off the head of the existing intelligence system only to see a new structure being created that it did not control. In late 2017 trumped up charges of attempting a coup were concocted against Barry and he was jailed. He was provisionally freed in August the following year but remains silent, although it is unclear whether he is under a gag order or not. As the CESDS was being closed, there were unsuccessful attempts to get hold of the information it had stored digitally.

Barry's Achilles heel was his enduring loyalty to a man who is loathed and feared by the new MPP establishment – General **Yacouba Isaac Zida**, a former number two in the RSP who switched allegiances, became Prime Minister in the 2014-15 transition from Compaoré's rule to the present government and now lives in exile in Canada (AC Vol 55 No 22). Barry was his security minister.

TRIAL TWIST

The latest twist in this tale is the announcement in August, in the well-informed *Événement* news outlet, that with the 2015 coup trial out of the way the colonel's military trial is next, though there is no official date. Unlike the jailed coup leaders, Barry has little to hide and even less to fear and he may cause damage to the MPP government by stating who trumped up the charges against him, rather than use him to counter the biggest menace the country has experienced since independence. The prosecution has seen the point, too, and started to backpedal, changing the charge of 'attacking state security', a treasonable offence, to 'offer without authorisation to conspire' (*'offre non agréé du complot'*), a virtually meaningless formulation.

It may well be the opening gambit of a government painted into a corner and moving to get Barry on board, which

it can only possibly achieve through grovelling compromise. The MPP will of course calculate on getting Zida, too.

Zida knows this: on 2 September, the day his former colleagues were convicted for their role in the failed coup, he made

a rare statement, denouncing what he termed 'the stupidity of taking aim at the wrong enemies'. ●

BURKINA FASO

Backs to the wall

The speed of the jihadists' campaign has caught the government off-guard and exposed the woeful inadequacy of the security forces

This year the country has experienced more violent attacks in six months than the whole of the previous three years, causing hundreds of thousands to flee their homes while the army is continually on the back foot.

The catalyst for the violence in the North-Centre region was the attacks by the ethnic Mossi and Fulse *Koghlwéogo* – so-called 'self-defence' militias – on Fulani (or Peuhl) nomadic communities (AC Vol 60 No 4). The massacres against Fulanis in Yirgou on 1 January and then in Arbinda in April, as well as summary executions of Fulani by army soldiers, were exploited by jihadist propaganda and many Fulani did join jihadist groups for protection, local intelligence sources said (AC Vol 60 No 11).

Islamic State in the Greater Sahara has been especially active in using the anti-Fulani attacks to try and win Fulani support while dealing severe blows to the army, the *Forces de Défense et de Sécurité* (FDS). Since mid-August jihadists attacked the army camps in Soum province at Koutougou, Baraboule, Nassoumbou and Tongomayel, destroying them, carrying away huge quantities of equipment and killing at least 35 soldiers. Those who were not killed or captured ran away. The terrorists have blockaded the towns of Koutougou and Arbinda and their destruction of the bridge between Dori and Arbinda has cut off the latter completely from the rest of the country.

The massacres of Fulani have given the jihadists opportunities to expand their activities beyond their traditional recruiting grounds. *Ansar ul Islam* is operating in Soum, and ISGS in Oudalan and eastern Soum. Occupying a part of the North-Centre region marks a significant advance for these groups, as the town of Kaya lies there, only one hour's drive from Ouagadougou. Some sources expect an attack on Kaya any day. In mid-October, an attack on Barsalogho, just north of Kaya, was repelled by the FDS.

The *Koghlwéogo* were created by local communities after the ousting of President **Blaise Compaoré** in 2014 to

fight banditry. Some *Koghlwéogo* units, such as those in the North-Centre near the city of Boulssa, were officially recruited to be part of the government's counter-terror campaign, and died in large numbers in combat with the jihadists. But when they turned to massacring Fulani in response, the government had to disown them, leaving it without forces on the ground to oppose the jihadists.

In most parts of the countryside where massacres of Fulani have occurred, the jihadist claim that only they can defend the Fulani has had strong appeal. In Sourou and Kossi Provinces and the Boucle du Mouhoun region, both bordering Mali, jihadist recruitment among Fulani has been particularly successful. On 19 September, a jihadist attack on an army unit in Toéni (Sourou) claimed the lives of five soldiers just a month after four of their comrades had been killed. Fulani-Dogon conflict threatens to spread to Barani (Kossi), and the clashes between the so-called traditional Dozo hunters of Dogon ethnicity and the Fulani are increasing.

The only even marginally successful operation against the jihadists was the Otapuanu operation in April and May, which was launched in the Est region of the country. But although the jihadists were displaced, they are still active in rural areas far from the army, which is mainly present in cities.

One of the chief problems is that with the massacres perpetrated by the FDS in Kain, Ban or Arbinda since the beginning of the year, the centrally-located specialist counter-terror units now have no trustworthy local support structures when they deploy out of the capital to the latest flashpoint. Once a counter-terror operation is over, the military units are exposed to attack by ambushes or improvised explosive devices, which makes them highly reluctant to conduct patrols.

The *Régiment de sécurité présidentielle* (RSP) used to be the elite army unit, but it was mainly a presidential guard for President **Blaise Compaoré** and had to be disbanded after Colonel **Gilbert**

Diendéré led it in the attempted coup of 2015 (AC Vol 56 No 19). Diendéré is serving a sentence of 20 years in prison for his role in the coup attempt.

The soldiers on the front line are now only concerned with their own survival, operating only defensively. They have been criticising their orders and questioning tactics. After the 19 August Koutougou attack, soldiers blocked the Camp Guillaume Ouédraogo barracks in Ouagadougou to prevent any deployment out of the camp. After the attack on Toéni, soldiers of the 23rd RIC (Commando Infantry Regiment) of Dédougou disobeyed orders and several units withdrew.

Police units abandoned their positions in Soum after attacks at Nassoumbou and Baraboulé complaining they were outgunned by the jihadists. So far, these failures of morale show no sign of abating, and could lead to attempts by officers to seize power.

It doesn't help that the paramilitary gendarmerie and the FDS resent each other, the army men believing they have been sidelined in favour of the gendarmerie ever since counter-terror operations began three years ago.

The former interim Prime Minister **Isaac Zida**, who was an anti-Compaoré deputy commander of the RSP and still enjoys influence in some FDS units, especially the RSP's replacement as presidential close protection force, the *Groupe de Sécurité du Président de la République* (GSPR). He attacked government security policy after the Koutougou attack and wants a role for himself in the security picture. He also has presidential ambitions.

The inability of the government to protect its citizens, or even its soldiers, has dented the popularity of President **Roch Marc Kaboré**. At the end of 2018, **Mogho Nabaa**, supreme leader of the Mossis, whose support was crucial to Kaboré's election victory in 2015, came out against government security policy.

In the demonstration celebrating the defeat of the coup d'état on 16 September 2015 far-left organisations were present, but they were also joined by *balai citoyen* ('citizens' broom'), the mass movement that was key to the removal of Compaoré from power (AC Vol 55 No 22). The feebleness of the state's response to the jihadist campaign is just one of the protestors' grievances, but it will mobilise more and more popular opposition to the government as it continues to retreat before the security threat. ●

GHANA

Short circuits

A US aid agency and President Akufo-Addo's government are clashing over a plan to reform the state power company

The government's cancellation of a contract with a business consortium to manage the Electricity Company of Ghana (ECG) has put it at odds with the **United States** government and cost it US\$190 million in aid money. The Millennium Challenge Corporation (MCC), a US government agency which allocated funds for the project, says the consortium had done nothing wrong and urged the Ghana government to reinstate the contract or lose the aid money.

The dispute between the government, led by the pro-market New Patriotic Party, and the US is about business practice and interests, not ideology. But the row raises questions about accountability and sovereignty.

On 18 October, Finance Minister **Ken Ofori Atta** cancelled the contract with Power Distribution Services (PDS), the consortium appointed to manage the ECG's operations. Then he proposed to open a restricted tender process to find an alternative consortium to take on the project (AC Vol 59 No 24).

This follows a meeting between President **Nana Addo Akufo-Addo** and the Chief Executive Officer of the MCC, **Sean Cairncross**, on the margins of the UN General Assembly on 23 September, at which government officials proposed that the concession held by PDS would be ended and replaced with a new arrangement. This was, they

understood, acceptable to the MCC as the financing agency.

Not so, the MCC has fired back after a further meeting between the two sides in Washington on 18 October. The MCC insisted the concession to PDS should be reinstated by 30 October or the compact agreement with Ghana would be ended. Neither side would move, so on 23 October, the US Embassy in Ghana announced it was withdrawing the \$190m financing.

It's the loss of the funds and accusations of corporate malpractice over the breach of the contract by the consortium that have pushed the affair into Ghana's political spotlight. To complicate matters further, the International Finance Corporation, the World Bank's private sector affiliate, was advising the government on due diligence in the transaction and raised no concerns about PDS.

The clash between the government on one hand, and the MCC and World Bank on the other, comes as Ghana has been promoting its Beyond Aid campaign, urging African governments to focus more on building up national businesses than soliciting grants and cheap loans from the west. Ghana is one of Africa's fastest-growing economies but has had a prickly relationship with the International Monetary Fund over the past three years.

The PDS saga goes back to 2014,

when the government signed a \$535m grant agreement with the MCC to fund reforms in the energy sector (AC Vol 56 No 5). Part of the deal was to get a competent private sector partner to manage power distribution and payments to staunch the ECG's huge losses, running at 1 billion cedis (\$180m) in 2018 (AC Vol 57 No 18).

The Millennium Development Authority (MiDA), based in Accra, oversaw the tender process, with advisors from the IFC, which finally awarded the contract to the Manila Electric Company (Meralco). This was after four of six shortlisted companies withdrew because they couldn't bring together local shareholders to take up a 51% equity position in the consortium. The previous requirement of 20% Ghanaian equity in the consortium had been increased to 51% by the Akufo-Addo government to promote local business.

MiDA disqualified the fifth bidder – BXC Company Ghana Ltd/Xiaocheng Technology Stock Company Limited/Shaanxi Regional Electric Power Group Company Limited – because BXC had already won a contract with ECG. Meralco and the **Angola**-based AEnnergia brought in four Ghanaian companies (TG Energy Solutions Limited, Santa Baron Ventures Limited, GTS Engineering Services Limited and TBK Ghana Limited) to meet the local content requirement and formed Power Distribution Services (PDS) Ghana Ltd.

The government approved the agreement in March 2019 which leased ECG assets to PDS for 20 years. But just four months later, the government suspended the agreement on the grounds that PDS had not provided valid payment securities. The argument was that to be entrusted with the assets of the state power company and its revenue departments, worth several billion dollars, the PDS should have provided unimpeachable bank guarantees.

However, it emerged that MiDA, with the support of government officials and the IFC, had replaced the requirement for PDS to provide a bank guarantee with an insurance bond. But when officials contacted the provider of the insurance bond – Al Koot, a reinsurance company based on **Qatar** – its management team had no knowledge about the bond. They added that it was a service they could not offer and that the signature on the bond must have been forged.

That raises the question of why the due diligence on the consortium didn't raise these concerns before the contract was awarded. Civic groups such as the Africa Centre for Energy Policy and Imani, together with the opposition National Democratic Congress, have

WHO'S BEHIND PDS?

Meralco (Manila Electric Company), established in 1903, supplies electricity to the **Philippines** capital and 22 other cities and owns 30% of Power Distribution Services Ghana. AEnnergia SA, based in **Angola**, has 19% of PDS. Founded in 2012 by **Ricardo Machado**, AEnnergia claims credit for setting up the partnership with Meralco in Ghana. Machado claims that AEnnergia employs 500 people in Angola, earned about \$600 million there last year and has built power stations generating almost 350MW and manages another 1000MW. A **Portuguese** businessman with little track record in Africa, Machado is said to be close to **Hugo Pêgo**, the husband of **Welwitschia dos Santos**, the second daughter of **Angola's** former President **José Eduardo dos Santos**. The investors in AEnnergia remain a mystery.

The Ghanaian shareholders own 51% of PDS and include: GTS Engineering Services, Santa Baron Ventures, TG Energy Solutions, and TBK World Plus.

TG Energy Solutions' registered address is the law firm of **Andrew Kofi**, **Egypta Mercer**, MP for Sekondi in the Western Region for the governing New Patriotic Party (NPP). Mercer worked as a lawyer on the incorporation of TG Energy Solutions for **David Ofori-Asare** and is the registered director and secretary for the company, whose main businesses are listed as nature of business as electricity generation, oil and gas distribution and gas services. ●

accused MiDA and the government of negligence at best, with some opposition politicians expounding elaborate theories about those who stands to gain from this crisis. For now, there do not seem to be any clear winners if the PDS concession is to be ended. Any new contract award is likely to attract far higher scrutiny.

Allotting blame has been complicated by the launching of two separate investigations into the contract: one by government officials, who said they confirmed that there was no valid insurance bond with Al Koot; and one by the US-based agency FTI Consulting, which concluded that as of the time of the award in March, all the documents relating to the insurance bond, routed through a local insurance company called Donewell, were valid and there were no grounds to suspect fraud.

FTI failed to convince the government but the cancellation of the PDS concession will cause administrative complications and could trigger lengthy arbitration proceedings. It also takes the government back to square one, with or without the MCC, to find an efficient private consortium to manage the assets of its power utility.

With a loss of \$190m in US funding, the political furore over the affair is heating up. The NDC is using it to claim the government's promises to crack down on corruption and nepotism are hot air. And the government faces the danger that growing arrears in the

WHO'S WHO IN THE ELECTRICITY SAGA

● **The Millennium Development Authority (MiDA):** Established by an Act of Parliament to manage programmes financed by the **United States** government's Millennium Challenge Corporation (MCC), MiDA is implementing the US\$535 million second Compact Program, following its management of the \$547m Agricultural Transformation Compact from 2007 to 2012.

MiDA operates under the Office of the President of Ghana. Its Board Chairperson is Ghana's principal representative with the MCC in Washington. Its Governing Board has 11 voting members: a Chairperson, **Yaa Ntiamoah-Baidu**; six ministers (**Ken Ofori-Atta**, Finance; **John Peter Amewu**, Energy; **Gloria Afua-Akuffo**, Attorney-General & Ministry of Justice; **Cynthia Morrison**, Gender, Children, and Social Protection; **Alan Kwadwo Kyerematen**, Trade and Industry; and **Ibrahim Mohammed Awal**, Business Development). Other voting members are: **Humphrey Ayim Darke**, Association of Ghana Industries; **Samuel Kobina De Souza**, Private Enterprises Federation, and a representative from the Ghana Association of Private Voluntary Organisations in Development and **Martin Eson-Benjamin**, Chief Executive of MiDA. The Observers are: **Keli Gadzekpo**, Chairman, Electricity Company of Ghana (ECG); **E Antwi-Dankwa**, Chairman, Volta River Authority, and **Kenneth Miller**, Country Director of the MCC.

The MCC was established by the US Congress in 2004 and made independent of the State Department and USAID. Based in Washington DC, this year it had a budget of \$800m which it disbursed to eligible countries based of policy indicators and performance. Under MCC programmes, countries set their own priorities and set up a local organisation to implement projects. It stipulates that monitoring of funds is rigorous and transparent.

● **The International Finance Corporation:** The IFC is the private sector affiliate of the World Bank. It was the advisor for MiDA and government throughout the bidding process. It helped develop the tender document, including criteria to choose the concessionaires.

● **The Ghana government:** in February 2016, the Cabinet designated MiDA as the procuring entity and the MiDA Board as the decision-making body. The Cabinet also directed that MiDA should involve ECG in appointing the concessionaires.

● **The Parliament of Ghana:** on selection of the preferred bidder by MiDA, the cabinet submitted the concession agreement to Parliament for scrutiny and approval. ●

power sector – the ECG owes \$1.1bn out of a total of \$2.7bn owed to private power producers – could prompt

another round of load-shedding. And that would resonate badly with national elections just over year away. ●

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POINTERS

Tanzania

GET OUT OF JAIL CASHCARD

■ President **John Magufuli's** decision to resolve corruption cases through cash-based plea-bargaining rather than the dysfunctional law courts is already producing results. Instead of waiting years to have their cases heard, defendants on remand in jail can now plead guilty via a hand-written letter to the Director of Public Prosecutions, **Biswalo Mganga**, pay a fine and then be released. Applications have already been received from 467 detainees over cases involving 108 billion shillings (\$47m), about \$100,000 per person.

The measure hands over enormous power to the DPP.

The highest profile case awaiting trial involves businessmen **James Rugemalira** and **Harbinder Singh Sethi**, accused of corruptly acquiring over Shs300bn (nearly \$190m) from the Bank of Tanzania in the infamous International Power Tanzania Limited (IPTL) case in 2013-14, who have been awaiting trial in prison for over two years (AC 55 No 19).

While Sethi has opted for the plea-bargaining procedure, Rugemalira maintains his innocence, offering to cooperate with the DPP to obtain a staggering Sh37 trillion (\$16 bn) he claims he is owed by Standard Chartered Bank. But his chances of success took a serious hit when, on 11 October, Standard Chartered Bank Hong Kong (SCB-HK) was awarded \$185m by the World Bank's International Centre for the Settlement of Investment Disputes (ICSID) over the Escrow funds it said were wrongly paid to Sethi.

The government immediately disowned the ICSID decision, saying the dispute was a private matter between Sethi and SCB-KG. Should Rugemalira choose to buy his way out there is help at hand from former minister for lands **Anna Tibaijuka**, who resigned over receiving Shs1.67 bn (\$1m in 2014) from Rugemalira, and has offered to pay the same amount to the DPP to secure Rugemalira's freedom.

South Africa

'DUMP CYRIL' MOVE IN KZN

■ Supporters of President **Cyril Ramaphosa** are increasingly worried about moves against him by opponents in key African National Congress branches including Limpopo, KwaZulu-Natal and Gauteng.

Resentment is growing as rumours gather that ANC Secretary-General **Ace Magashule** may face arrest soon, and

since ANC KZN Premier **Sihle Zikalala** forced the resignation of the eThekweni (Durban) mayor, **Zandile Gumede**. Gumede has been charged with corruption and her assets frozen by the Asset Forfeiture Unit.

Ramaphosa's opponents are discussing whether it is best to try to oust him during the National General Council or replace him after his first term as ANC president, an ANC source told *Africa Confidential*. The NGC is due to take place in June next year. The opponents plan to attack the President's failure to implement ANC conference resolutions on nationalisation of the South African Reserve Bank and expropriation of land without compensation.

The real reason for these moves is that Ramaphosa's campaign to curb corruption is biting, pundits say. Pro-Ramaphosa factions in the Eastern and Northern Cape are ready for a fightback and defend the President on his land expropriation plans.

Ramaphosa has been trying to remedy his poor support in heartland provinces like KZN by visiting ANC branches there. This has done little to ease hostility and none of the 'top six' ANC leaders have come out to support him.

Mozambique

TUNA BONDS IN BROOKLYN

■ Prinvest salesman **Jean Boustani's** trial on money-laundering charges in connection with Mozambique's \$2 billion hidden loan scandal started in New York on 14 October (AC Vol 60 No 16). Ex-Credit Suisse banker **Andrew Pearse**, who has pleaded guilty to taking \$45 million in illegal commissions from the deals, told the Brooklyn court how he and other bankers 'provided the bank with false information about Prinvest' – the contractor that supplied the maritime projects purportedly funded by the loans.

Pearse, a prosecution witness against Boustani, told the court how the son of former President **Armando Guebuza**, **Ndambi**, now in prison in Maputo, asked Prinvest for \$11m so he could to buy a house in the south of **France** with a prostitute he had fallen in love with, on top of \$50m of bribes already paid.

According to sources close to Ndambi, he spent some of 2013 living in the house of Prinvest owner and CEO **Iskandar Safa** in Nice. Safa has attempted to keep his name out of the Mozambique deals, leaving Boustani as their apparent architect.

Frente de Libertação de Moçambique insiders say Safa dealt personally with Guebuza to secure the deals, with Boustani managing them later. A personal letter from Safa to Guebuza dated 3 December 2012, which was

published in the Mozambican Attorney-General's indictment, included Safa writing, '...I would be honoured to travel to Mozambique and meet with the competent authorities to close the Project...' Safa writes in conclusion, signing himself 'President of Prinvest'.

Mozambique is suing Safa personally for conspiracy to commit fraud, a charge he denies. The prosecution in New York, however, is calling Boustani the 'mastermind' of the deals. This could, some legal pundits say, be part of a pressure tactic by the prosecution designed to persuade Boustani to 'take a deal'.

African Union

THE AMBASSADOR STRIKES BACK

■ The dismissal of the African Union's Ambassador to the **United States**, **Arikana Chihombori-Quao**, via a curt letter from the AU Commission President **Moussa Faki Mahamat** dated 7 October, appeared at first to be a fairly routine changeover of personnel.

Moussa Faki praised her 'great contribution' and 'constant commitment to African causes' in the termination letter but he has since faced a determined backlash from Chihombori supporters who claim she was sacked for speaking out too frankly about the influence of the West in Africa. Since taking up her post in 2017, her supporters say, the US-trained medical doctor has publicly accused **France** and other Western powers of perpetuating colonialism by draining the African continent of its resources.

An online petition for her reinstatement has already received over 66,000 signatories. Quao's supporters accuse Moussa Faki, the former **Chadian** Prime Minister and Foreign Minister, of currying favour with the old colonial masters by getting rid of her.

A spokesperson for Moussa Faki strongly denied that the **Zimbabwe**-born Chihombori's termination had anything to do with any pronouncements she made, or her opinions, saying it was simply 'normal diplomatic practice'.

Since, however, a document has been circulated to the media which appears to be a report of an investigation by the AU's Office of Internal Audit into allegations that Chihombori ignored procurement procedures and misused her office. The report, however, only recommended 'disciplinary action'. Chihombori denies all wrongdoing. *Africa Confidential* could not confirm the authenticity of the document before we went to press.

The document appears to have been leaked by the AU in response to the backlash and to counter the suggestion that Chihombori was sacked for telling painful truths.

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BLUE LINES

Multilateralism might get another lease of life if some of Africa's top bureaucrats have their way. One of the few advantages of Africa's balkanisation into 54 states is the voting power that this gives the continent in such organisations as the UN General Assembly and the World Trade Organisation. It also gives Africa heft – as the region with the largest number of member states – in outfits such as the *Organisation internationale de la Francophonie* (OIF) and the Commonwealth.

African states have had a strong influence in both organisations.

Later this month, OIF Secretary-General Louise Mushikiwabo, former Foreign Minister of Rwanda, and Commonwealth Secretary General Patricia Scotland, former Attorney General in the United Kingdom, are to join forces on a mission to promote dialogue and rapprochement in the worsening crisis in Cameroon. Approved by President Paul Biya, the mission will meet with opposition figures and, for now, has modest aims of bridge-building between the anglophones and francophones.

The linguistic bases of the OIF and Commonwealth may allow them a role in resolving the crisis that has been closed to others. Despite the deepening conflict, President Biya has so far insulated his regime from any serious pressure from multilateral organisations such as the African Union and the United Nations. With a low-key approach, and the widest possible base of collaborators, this new initiative might break the log-jam. The alternative is a quickening pace of national breakdown.

ETHIOPIA

Prize fight

Selected as a Nobel Peace Laureate, the Prime Minister faces mayhem in his home region

Prime Minister Abiy Ahmed is pushing to merge all the ruling Ethiopian Peoples' Revolutionary Democratic Front's regional member organisations, as well as affiliated ruling parties from other federal states, into a single unit, dissolving their particular national, or ethnic, identities. The structure under formation, whose working name is believed to be the Ethiopian Prosperity Party, would then discard the EPRDF's Leninist cladding and instead follow Abiy's *Medemer* ('synergy') theory, a personal philosophy he has enshrined in a book which he offers as a road-map to Ethiopia's political future. Critics have called *Medemer* an ideological mish-mash coated in self-help evangelism.

Supporters assert that the merger, which Abiy wants completed before the polls set for May, would ensure true multinational federalism by integrating representatives of the five peripheral regions into national political decision-making. But that is not how hold-outs like the Tigray People's Liberation Front, once-dominant within the EPRDF, see it. The TPLF, lead architects of the 25-year-old federal system managed by the EPRDF, says now is not the right time to try and consolidate a coalition. The EPRDF is currently an alliance only in name, they say. They are afraid that removing constituent members' regional identities would be the first step towards ending devolved, ethnic self-rule, which is enshrined in the constitution. That, says Abiy's office, is mere fear-mongering.

Perhaps more problematic for Abiy

than yet another TPLF gripe is the fact that his dream scheme has already aroused opposition in the most populous region, Oromia, nominally his home turf. A dispute related to the issue in late October led to violence there that claimed around 80 lives.

REGIONAL OPPONENTS

There may also be popular opposition from the second-largest region, Amhara, despite formal support for the merger by the ruling EPRDF Amhara constituent party, the Amhara Democratic Party. Recently emerged ethnically based opposition groups, like the National Movement of Amhara, and some which recently returned from exile, such as the Oromo Liberation Front (OLF), and Somali region's Ogaden National Liberation Front, already enjoy strong support in their regions. If the EPRDF fuses into one party, it may not be able to compete with political opponents who prioritise protection of their communities' rights and interests over national goals. In febrile Amhara, NaMA may eventually consider a merger with the ADP, having rejected calls from Abiy do so in late 2018 in order to re-invigorate Amhara's ruling party. If this moves ahead, it could widen a rift between hard-line Amhara nationalists and Abiy-aligned groups within the ADP.

Recent events suggest that the TPLF is unlikely to board the Abiy train. The ostensibly 'consensus'-based EPRDF Secretariat, headed by an Amhara politburo member, condemned TPLF criticism of the merger as misleading and premature and

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said that unspecified members of the EPRDF would decide on the process.

Meanwhile, the Abiy-chaired Oromo Democratic Party Central Committee agreed in October that TPLF's

'Revolutionary Democracy' ideology would be supplanted by *Medemer*, although some ODP heavyweights are reportedly squeamish about the prime minister's merger scheme.

An increasingly spiky Abiy made the doctrinal dispute personal in October by saying at the launch of the book *Medemer*, 'If someone is not satisfied with *Medemer* idea and has another idea called "*Mebazat*" ("Multiplied"), let him put down his whisky and write a book.' This was assumed to be aimed at the loquacious *Getachew Reda*, a critical TPLF politburo member, who has also been mulling a book (AC Vol 57 No 24).

Medemer's critics do not just lie in the disgruntled ranks of the downwardly

mobile TPLF. Oromo activist **Jawar Mohammed**, who runs the powerful Oromia Media Network, also slammed the merger, which he thinks could undo the Oromo struggle for autonomy and reduce groups' bargaining power at the centre. His comments appeared to elicit another barb from Abiy, who told Ethiopian lawmakers on 22 October that foreign-owned media – Jawar is a **United States** passport holder – needed reining in. We hear that the TPLF likes Jawar's moves and is quietly opening up communication through intermediaries (AC Vol 59 No 19).

One upshot was a *mêlée* at Jawar's house in Addis Ababa the same evening after an attempt was made to remove his security detail in the middle of the night. The next morning, Jawar posted that there was a government plot to facilitate an attack on him. His supporters rushed to his defence in the capital and onto the streets across Oromia. At least 86 people were killed, 10 of them security force personnel, according to Oromia police. Over 200 people were injured and properties were damaged as Oromo mobs attacked passers-by and local minorities, while fighting erupted with rival Amhara groups marching in urban centres such as Adama.

The mayhem showed how deep-rooted ethnic nationalism is and how removed Abiy is from his own constituency. The Jawar controversy was the final trigger for protests spurred by anger at Oromia's ruling party and especially Abiy, as many believe the ODP has finally abandoned the Oromo people and aligned with Amhara interests. The Oromia ruling party was despised until Abiy and other professed reformists joined forces with protestors – and with Amhara coalition partners – and forced a power shift in the EPRDF last year, but Abiy has not pursued the protestors' Oromo-centric agenda.

'NEW CHAPTER'

Demonstrators who support the returned OLF rebels burned Abiy's new book and chanted that the ODP had escaped its abusive, subordinate relationship to the TPLF only to abase itself before the ADP. The Oromo Liberation Army's Central Command, which has split from OLF leaders in Addis, reported over 10 clashes in western Oromia between 1 and 2 November, claiming to have repulsed 'several advances' by the military in Najo and Dembi Dollo, which signalled a 'new chapter' in 'the armed struggle'.

The row between Abiy's government and Jawar started after the Oromia Media Network started reporting aggressively on the situation in western and southern Oromia, and in Gondar in

TWO-TRACK TALKS ON THE GRAND DAM

Two negotiating tracks are emerging over the potential flashpoint between **Egypt**, Ethiopia and Sudan over the effects of the Grand Ethiopian Renaissance Dam on the flow of the Nile. The first is the talks in the **United States** convened by US Treasury Secretary **Steven Mnuchin** set for 6 November. The meeting follows Egyptian President **Abdel Fattah el Sisi**'s request to President **Donald Trump** to mediate in the dispute, but Ethiopia's Foreign Ministry insists the talks cannot be called 'mediation' because Ethiopia will be reasserting its earlier position.

The other track is the sixth of nine planned meetings of a trilateral scientific group (the third party is **Sudan**), which is due to take place by the middle of this month in Addis Ababa. The group's work slowed to a standstill last September when Egypt refused to sign off on some meeting minutes and then sought meditation from the US, World Bank, European Union, and **Russia**.

The 1959 Nile Waters Agreement divides annual water use between Egypt and Sudan at 55.5 and 18.5 billion cubic metres respectively, with no allocation for Ethiopia. While Ethiopia in September proposed an average annual fixed flow for Egypt of 35BCM, we hear, Egypt did not accept. Ethiopia then hardened its position, reducing its proposal to 31BCM, heightening distrust in Cairo.

At the Russia-Africa summit in Sochi, Russia on 24 October, Prime Minister **Abiy Ahmed** referred to 'political' talks that would not interfere with the ongoing scientific work. In Cairo last year, Abiy dismayed his officials by discarding a speech prepared for him and simply professing to President Sisi in person, 'I swear to God, we will never harm you.'

The Washington meeting convenes, under Mnuchin's chair, Ethiopia's, Egypt's and Sudan's foreign ministers plus World Bank President **David Malpass**. Egypt wants the World Bank to be present to make assessments of the potential harm to Egypt of reduced Nile flow. Meanwhile, the technical track continues under Ethiopia's Water Minister **Sileshi Bekele**.

The time taken to fill the dam reservoir is the key issue. Egypt says that if it is filled too fast, the Nile's flow would be reduced, affecting its hydropower, irrigation and drinking water needs. Ethiopia is anxious to fill the reservoir as quickly as possible so that it can take advantage of anticipated economic benefits both of selling electricity abroad and using it for industry at home. Both countries accuse the other of violating their sovereignty.

Ethiopia says filling the GERD reservoir is planned to take four to seven years. In earlier talks Egypt proposed a longer time-frame. Construction, Addis says, won't be complete until 2023. Work has been held up by major defects in the dam construction, at least the parts controlled by the scandal-dogged Ethiopian military-run enterprise, Metals & Engineering Corp (MetEC – AC Vol 59 No 23).

Ethiopia now says the dam is 68.5% complete, after over five years of delay. Officials say **Italy's** Salini Impregilo SpA's civil work is 84% complete with the works reassigned from MetEC – on which the civil works depend – substantially behind (AC Vol 59 No 17). Electromechanical works – also taken from MetEC and awarded to companies including Sinohydro, CGGC, Voith and GE France – are nearing 25% completion and the Hydraulic Steel Structure works – re-contracted to Sinohydro and CGGC – are near 15% complete, we're told. The dam structure and inflow remain unchanged. The plan is ultimately to generate 15,760 gigawatts a year. ●

Amhara region, where there is sporadic conflict between regional forces and the Qemant minority, who want greater autonomy. Although Jawar has struggled against the EPRDF for years, he now worries about the coalition's dissolution. On 16 October, Jawar said that nationalists in ODP are becoming 'an endangered species' referring to its tendency to align with Abiy in the centre. Amhara's government criticised Jawar's media for reporting the conflict in Gondar, which they say is stoked by the TPLF backing Qemant militia to destabilise Amhara (AC Vol 60 No 3).

The dark backdrop to the drama of remaking the EPRDF system is the rising tension between Oromo and Amhara, which could spread into a sustained conflict if not managed carefully. Currently, anything said or done against the other has the potential to trigger more deadly confrontations, such as those that recently took place in Oromia towns with large Amhara populations, like Bishoftu and Dukem. In one recent incident, Oromo and their

youth groups, known as *qeerroo*, reacted angrily to an online video showing **Hachalu Hundessa**, a well-known Oromo musician, being harassed by Amharic-speaking people resentful of the Oromo presence in the capital.

ADDIS CLASH

Earlier in October, there was a foretaste of what such confrontation could mean during a controversy surrounding the Oromo thanksgiving celebration, *Irreecha*, which is held in Addis Ababa, which some Oromo nationalists claim for themselves. On the eve of the festival on 5 October, Oromia's President, **Shimelis Abdisa**, gave a speech saying that Oromo had been humiliated by the '*neftegna*' system, a form of subjugation of other nations that is commonly pinned on the Amhara during Ethiopia's imperial era, but that they had now overcome this oppression. Amhara activists criticised Shimelis's comment and accused him of hate speech against Amhara.

Two days after *Irreecha*, the Baladera Council – a body set up by

Amhara to contest alleged Oromo hegemony in the federal capital – called a rally in Addis Ababa. The Oromo-led mayorality denied the request and the authorities arrested supporters of chairman, **Eskinder Nega**, a former political prisoner (AC Vol 60 No 5). Online commentators said the ban on the rally was illegal and a sign of a new Oromo-led dictatorship. The road from the federal capital to Amhara capital, Bahir Dar, was blocked by Oromo youth in North Shewa Zone for two days from 10 October after a rumour that 200 buses full of Amhara youth militia, *fano*, were coming to participate in Eskinder's rally. It is unlikely to be the last such set-to related to the disputed capital, as Ethiopia's existential political crisis continues to snowball.

With such set-pieces growing in intensity and frequency the ability of the government to contain them is being stretched too thin, insiders are saying, with resources already under strain from the effort to completely remake the ruling system. ●

SOUTH AFRICA Where's the plan?

After the government's brutally honest budget statement, unions and business are pushing rival policies to boost jobs and growth

The sense of a return to the Mandela spirit in the wake of South Africa's 32-12 victory over England in the Rugby World Cup final on 2 November has quickly come up against economic realities as harsh as those in the worst years of the apartheid regime. Centre-stage is the contradiction between the trade unions' calls for a macro-economic stimulus – targeted spending to create jobs and growth – and the treasury's advocacy of micro-economic reforms that would involve restructuring many of the state-owned enterprises, commercialisation and privatisation.

Delivering his medium-term budget statement to parliament on 31 October, Finance Minister **Tito Mboweni** summed up the crisis as: 'low growth, low revenue collection ...a growing deficit leads to more debt and higher debt means fewer resources for social and economic investment.' Looking across the house, he added: 'If you have three BMWs at home and your income collapsed, you sell some.'

He listed the desperate economic indices. The economy is growing at 0.5% instead of the 1.5% forecast earlier

this year. The budget deficit is running at 5.9% of GDP, pushed up by financing the government's spiralling debt (see chart). This is despite planned cuts of 50 billion rand (US\$3.1bn) a year over the next three years.

TRAP WARNING

Mboweni warned of a debt trap: 'Expenditure exceeds revenue and national debt is increasing at an unsustainable pace ...the consequences of not acting now would be gravely negative for South Africa.' But there is no sign that along with President **Cyril Ramaphosa** and Public Enterprises Minister **Pravin Gordhan**, Mboweni is able to win enough support in parliament for the radical surgery required to rein in the debt.

Over the next year, government debt will be running at just over 60% of gross domestic product. With no policy changes, it will rise to 80% by 2028.

The government wants to change tack, but it can't ignore two key issues. Unemployment is pushing 30%, and youth unemployment is 50% in several provinces. The other issue is what will happen to public service standards,

already falling, if further spending cuts are imposed.

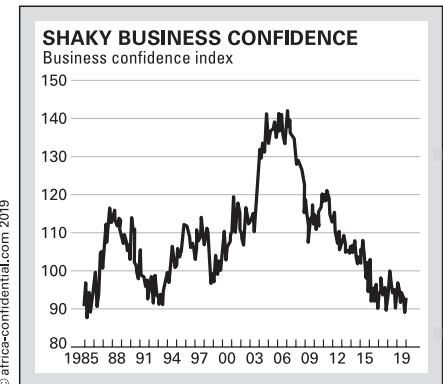
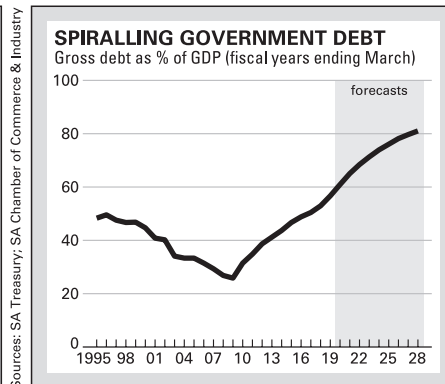
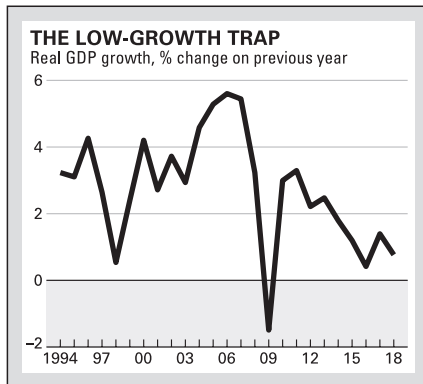
Those factors set a political floor on cuts in state spending, at least beyond the R150bn already announced. Yet few economists expect any turnaround in growth before those cuts are implemented over the next three years. With the political mood boiling over, that is not a waiting period that Ramaphosa can countenance.

Somehow, he will have to announce and win support for his own and Mboweni's economic plan within months. The assessment by Moody's ratings agency on the day after Mboweni's statement emphasised that tight time-frame. Moody's revision of its outlook on South Africa's credit to 'negative watch' was interpreted as a reprieve, meaning that the country's rating could be downgraded to junk within a year to 18 months. In fact, the ratings agency could downgrade it within months.

Its test would be a 'credible fiscal strategy to contain the debt', it said. Although it gave a cautious welcome to the government's cost-cutting plans announced so far, it was concerned that the government would not 'find the political capital' to implement them. Because most investors had expected some negative shift in Moody's assessment, the news didn't trigger any major sale of South African bonds or further weakening of the rand.

The next critical point will be the budget statement due in February. That means decisive action on state

SOUTH AFRICA'S ECONOMIC CRISIS



enterprises and imaginative measures to create jobs, two aims in conflict at the moment.

The results of a lacklustre budget and downgrade next February would be seismic. It would mean Moody's joining S & P Global and Fitch, which cut South Africa's rating to sub-investment level in 2017 when the country was consumed by the latest round of corruption scandals under President **Jacob Zuma**.

That would drive up the cost of servicing the government's debt and could mean South Africa's eviction from the World Government Bond Index and a concomitant outflow of investor funds. And any increase in global interest rates would compound the damage.

The biggest threat to the economy is Eskom, with its debts of over \$31bn. Mboweni has outlined a cost-cutting plan after government failed to reach its targets under the current budget. Two days before Mboweni's budget statement, Gordhan set out plans to restructure the company but steered clear of asset sales.

Government has intervened twice this year with bailouts for Eskom to the tune of R69bn and a further R59bn over two years. Over the next decade the

government will pay out R230bn.

Eskom's cost-cutting options are limited by the constraints imposed on the government by its trade union and communist party allies. Cutting 10,000 to 15,000 of the utility's 44,000 employees – up from 30,000 a decade ago – would cost R7bn, which Eskom can't afford, according to Chief Operating Office **Jan Oberholzer**.

He argues that R35bn should rather be found in renegotiating coal and supplier contracts. The government's recently published Integrated Resource Plan envisages less dependence on coal and a move toward solar and wind energy supplemented by nuclear power in the longer term. That could be 20 years away, meaning the company will have to manage its expensive coal-fired power stations in the interim (AC Vol 60 No 20).

RESCUE

Gordhan's rescue plan for Eskom means breaking up the utility into generation, transmission and distribution units. The first move will be to create a separate transmission unit by next March which may help break the company's century-old near monopoly. It could allow

gradual privatisation of transmission despite trade union resistance and would also enable private producers to feed into the national grid for the first time.

Cuts in the workforce may be made initially with early retirement schemes and by not replacing staff leaving the company. Some managers argue that incremental retrenchments will also become easier once the utility is broken up.

A gargantuan battle looms over the future of Eskom for the next four months that will pit the trade unions and the SA Communist Party against the government, testing Ramaphosa's diplomatic skills to the limit. Both those constituencies helped him win the African National Congress leadership election in December 2017 and see no reason why they should suffer because of the corruption and mismanagement of Ramaphosa's predecessor (AC Vol 60 No 18).

Mboweni has little interest in diplomacy and will step up his calls for radical change whatever his ANC colleagues have to say. 'We cannot continue to throw money at Eskom,' insists Mboweni. ●

SOUTH AFRICA Fighting within the ranks

The EFF leadership is facing challenges from within amid allegations of corruption at the top of the party

Julius Malema's Economic Freedom Fighters has always prided itself on being a cohesive unit speaking with one voice but with a month to go before the party's elective conference, cracks are showing in the façade. **Dali Mpofu**, the party's high-profile and charismatic chairperson, looks set to challenge Malema for the top post. 'The leadership battle is

real, no matter how Malema wants to downplay it. Dali is a popular figure and he's been around the political scene,' an EFF insider told *Africa Confidential*. The divisions are being fuelled by corruption accusations leaked to the media.

Malema wanted nominations for party leadership posts to be taken from the conference floor, so as to keep factional intrigue to a minimum, but

it has not stopped the plotting. While no formal lobbying prior to the conference is allowed, the complicated nomination system seems to invite it. Nominees for the top six posts are required to have support from 30% of the delegates in order to be placed on the ballot paper, while members seeking nominations for other posts need 25% of voting delegates.

EFF insiders say that there is 'definite tension' among the leadership. 'There's a fallout between Juju [Malema] and Dali,' one said. Parliamentary sources in Cape Town say keeping senior staff has been difficult and with the election season heating up the EFF leadership is quick to show people the door if they do not adhere to party protocol.

During a recent visit to the Nasrec

Expo Centre, the venue for the coming conference, Malema warned members 'to show restraint and not fall into the temptation of discussing leadership on the various social media platforms and with hostile media forces'. But local newspapers reported a leaked video of Mpumalanga chair **Collen Sedibe** telling branch members that the Nasrec conference was just a 'formality' and that Mpofu would be replaced.

Mpofu, 57, is the former head of the state-owned South African Broadcasting Corporation. He was sacked in 2009 but challenged his dismissal and SABC settled with him for 11 million rand (US\$740,000). Mpofu was an active member of the African National Congress and even represented Malema during his bitter legal battle with the ANC in 2011-12 that saw Malema expelled as leader of the party's Youth League (AC Vol 53 No 11).

It was no surprise then when Mpofu became one of the first ANC members to join the EFF in 2013, saying the party's formation was a turning point in the country's history (AC Vol 54 No 16).

Mpofu now runs a successful legal practice in Johannesburg and is often the go-to senior counsel for political and economic underdogs. He is an acting judge in the Labour Court and sits on various boards. 'Dali is too busy fighting legal cases and there is a feeling that he does not have time to build the movement,' said an EFF source.

Malema wants EFF rising star and MP **Veronica Mente** to replace Mpofu, we understand. Mente, often referred to as the 'barefoot lawyer', who is active in Cape Town's grassroots movement, is now the EFF's representative on parliament's disciplinary committee.

However, Mente, who hails from the Western Cape, does not have the support of all the provinces. Mpofu remains popular in KwaZulu-Natal and Gauteng and the leaderships there are likely to fight for him.

THREAT TO MALEMA

Malema is also looking to replace the party's outspoken secretary-general **Godrich Gardee** with KZN provincial leader **Marshall Dlamini**, we hear. Gardee has shown himself to be his own man and is not taking instructions from Malema. 'He runs the office in Jo'burg and knows the organisation and the regions. He is a threat to Malema. There will be a real battle to see if Gardee will step down,' one insider said. Treasurer-general **Leigh-Ann Mathys** has also indicated she will step down.

The EFF has also been rocked by the VBS banking scandal with allegations that both Malema and party Deputy President **Floyd Shivambu** benefitted from slush funds in 2012. A Reserve Bank report titled 'The Great Bank Heist' showed how Limpopo-based VBS Mutual bank was defrauded of almost R2 billion (\$135m) through a scheme that allegedly

benefitted more than 50 individuals including the families of Malema and Shivambu (AC Vol 59 no 24).

According to media reports, Shivambu's slush fund, the Grand Azania, paid over half a million rand for his lavish wedding in April 2017. The company, owned by his brother **Brian**, allegedly received more than R6m from VBS Mutual Bank. They have all denied any wrongdoing.

Malema has also been linked to a fund that was allegedly used to receive money from VBS Mutual Bank. Money from VBS reportedly paid for EFF parties.

'The leaks about all the slush funds are coming from within the EFF and one must question the agendas and what exactly the slush funds are being used for; whether as proxy leadership warfare or the truth,' a journalist who has covered the VBS banking scandal said.

GROWING NUMBERS

The EFF held its first conference in 2013 with 1,000 members; six years later members are sending 4,500 delegates to attend the three-day conference at Nasrec, where eight commissions will discuss the country's ailing education sector, National Health Insurance and 'building socialism in South Africa'. At the May general election, the EFF won 1.88m votes, just over 10% of the poll, and increased its parliamentary representation from 25 to 44 members (AC Vol 60 No 10). ●

NIGERIA

Command economics on trial

As Africa's biggest economy slows down with dangerous political consequences, policy-makers are looking for radical solutions

With economic growth failing to keep pace with population growth, and the country far too dependent on oil and gas exports, President **Muhammadu Buhari** is trying to deal with critical shortages of revenues and fast-growing debt obligations. A sign of how bad things have got is the fate of government's search for funds for its promised 29% hike in minimum wages which should take the lowest pay grades up to about N30,000 (US\$83) a month.

Implementing that election promise may trigger a new fiscal crisis, especially in the states where finances are even more precarious. At the heart of this is a revenue crunch (see charts).

Despite stronger oil prices and less disruption to production, export

revenues were about 50% below target for the first half of this year. And tax collection is running at substantially below target for the same period.

This points to a structural flaw. Even on target, tax revenues are just 8% of the country's gross domestic product – that's less than half the level in comparable African countries, and a third of that seen in other fast-growing developing economies.

Few Nigerian economists think there can be a quick transition to a system based on far higher tax revenues, and less dependent on the state parcelling out oil export revenues from the centre. Changing that model would probably take constitutional changes, allowing federal and state governments to collect more taxes; a move the well-paid

legislators are almost certain to block.

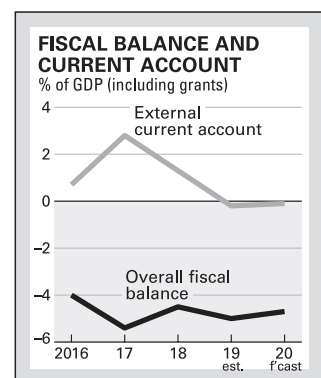
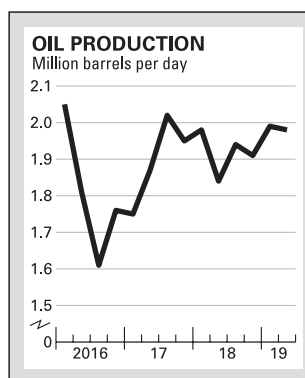
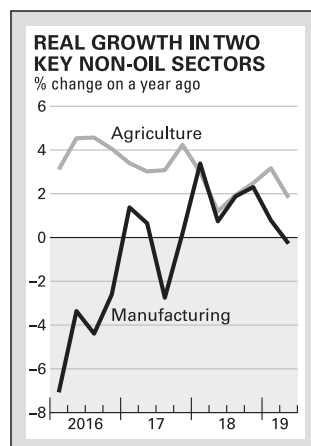
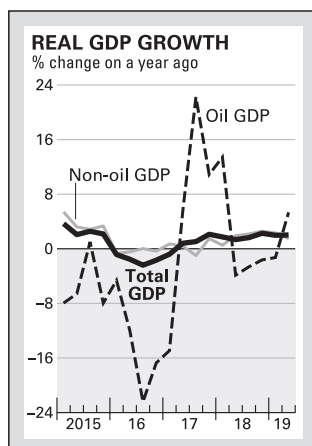
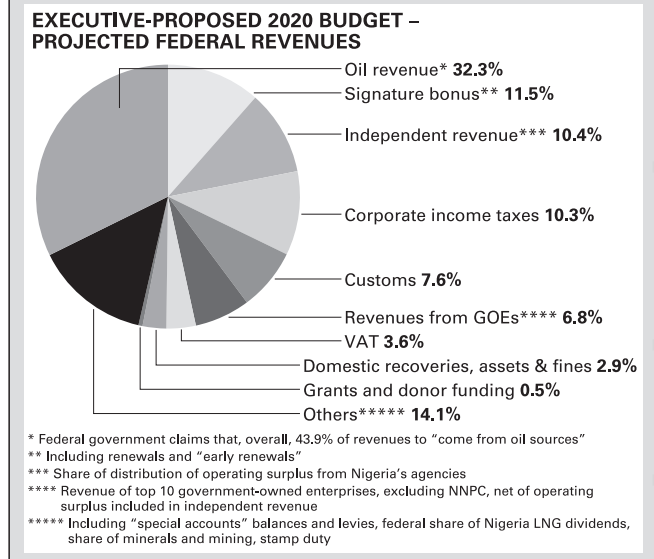
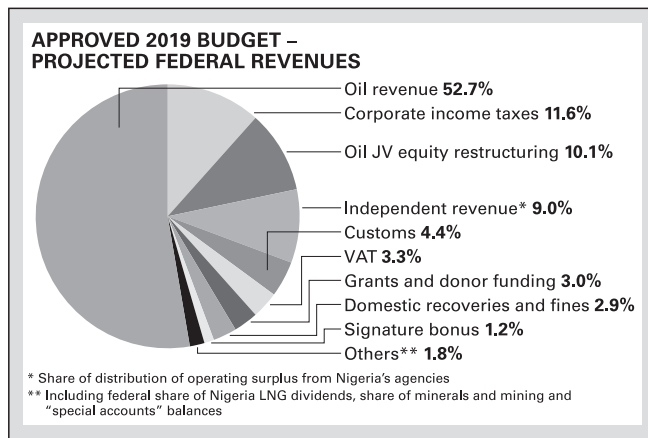
Instead, the Buhari government is pushing the Federal Inland Revenue Service to collect what is currently due – that could mean almost a doubling of tax receipts – and allow for incremental increases in indirect charges, such as value added tax. Tax is unpopular across the board, and few trust the government to use the money well.

For Buhari's team the bigger shift should be in production after the government invested heavily to boost agriculture – rice, maize, sugar and tomatoes – in the northern states. This has partly succeeded but local production is far from meeting national demand.

Despite that, the central bank will no longer release foreign exchange for food imports as an incentive to local farmers. But too many other pieces – better roads, storage, more efficient distribution of seeds and fertilisers – are still missing.

On 21 August, the government went a stage further with its command economics: it banned trade at all of Nigeria's land borders. The policy was aimed mainly at **Benin**, through which hundreds of thousands of tonnes of rice

NIGERIA'S SPENDING AND REVENUE CRUNCH



Sources: Federal Ministry of Finance, Budget & National Planning; Haver Analytics; National Bureau of Statistics; IMF
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from Asia have been smuggled into Nigeria (AC Vol 60 No 20).

On 4 November, **Hameed Ali**, comptroller-general of the Nigerian Customs Service, told journalists the 'partial border closure' (travellers may still move freely across frontiers) will continue until the end of January. Officials in Abuja insist the closure has been a roaring success, choking off rice shipments smuggled from **Thailand** and **Vietnam** as well as cracking down on the illegal export of Nigeria's subsidised petrol to neighbouring states that pay the commercial price for fuel.

On the other hand, the border closure has forced the more determined smugglers to use other routes to sell into Nigeria, pushing up prices in the main cities. But it has choked off much formal and legitimate trade for businesses that can't use ships or air freight.

As complaints mount from businesses along the West African coast, for which Nigeria's massive market is a magnet, the **Ghana** government has called for a regional summit on the issue later this month to mitigate the damage.

Slow growth will also hold back revenues, with the government failing to meet the ambitious targets set in its Economic Recovery and Growth Plan or

in its last three budgets.

The IMF forecasts 2.3% growth for Nigeria this year but the latest figures from the National Bureau of Statistics show growth of just over 2% during the first half of the year. During the second quarter this dipped below 2% as the non-oil sector slowed down and the manufacturing sector contracted.

IMPROBABLE

The target of 2.93% growth in next year's budget looks improbable. There is also the persistently high unemployment: the latest (Q3 2018) government figures of 23% (and a further 20% of 'under-employed') are widely seen as understating the problem.

Unemployment, like growth rates, varies widely across Nigeria's 36 states with the coastal states, especially Lagos and those with oil revenues, having far stronger economies than states in the middle belt and the north. The weakest economies are in the north-east, suffering from over a decade of jihadist insurgency by *Boko Haram*, and now the Islamic State West Africa Province as well.

President Buhari's 2020 federal budget, read last month in the national assembly, prioritised growth and

job creation with its N10.3 trillion (US\$34 billion) spending plans but has met with widespread scepticism. The doubts are based on the failure of previous budgets to deliver the promised capital investments in the big transport and power projects.

As a percentage of national income, the budget total is modest; not much more than **Kenya's**, which has a quarter of Nigeria's population. The earlier preparation of the budget should push forward the spending cycle and the government's comfortable majority in both houses of the national assembly should speed up financial appropriations.

However, financial pressures mean that capital spending has been cut back. Recurrent spending – of which a third will go on debt service – is projected to exceed N7.3 trillion – a marked increase on 2019. It will be about 70% of the proposed budget and about 90% of projected revenues for 2020.

The revenues could get tighter still. There is a slender margin between the oil price benchmark of US\$57 a barrel for 2020 and market realities. Nigeria's oil production is still running below the budget assumption of 2.18 million barrels a day. ●

POLITICIANS, BANKERS AND WONKS

Personnel matter as much as policy when it comes to results in Nigeria and there are at least five centres of power when it comes to the economy, whose influence can shift according to politics and business interests:

The Presidency at Aso Rock: President **Muhammadu Buhari**, Chief of Staff **Abba Kyari**, Secretary to the Government **Boss Gidahyelda Mustapha** and a coterie of advisors including veteran businessman **Mamman Daura**. Buhari's reputation as a proponent of command economics dates back to his brief tenure as a military leader in the 1980s. The group's other priority is to rebalance the economy, that is strengthen agriculture, agro-processing and manufacturing in the middle belt and diversify the national economy away from oil.

Vice-President **Yemi Osinbajo**: leading the economic management team, Osinbajo steered the development of the market-oriented Medium-Term Economic Recovery programme which summed up the government's public policy, including an incremental sale of state assets in the oil and gas sector and streamlining state bureaucracy with a view to moving up the World Bank's Doing Business league table.

Central Bank Governor **Godwin Emefiele**: this mild-mannered former chief executive of Zenith Bank, has become the country's top official on economic policy. At one with Buhari on key policies, Emefiele's team designed and implemented the multi-tier exchange rate system, drew up measures to pressure banks to lend more to productive enterprises, and blocks use of official sources of foreign exchange for food imports.

The economy ministers: **Zainab Ahmed** (Finance); **Timipre Sylva** (Petroleum Minister of State); Minister **Otunba Adeniyi Adebayo** (Trade and Investment); **Chris Ngige** (Labour); **Olamilekan Adegbite** (Mines); **Mohammed Nanono** (Agriculture); **Rotimi Amaechi** (Transport); and **Sale Mamman** (Power). The leaders of this group, Ahmed and Amaechi, are holdovers from Buhari's first term, and have weight in the policy discussions. Any change in the exchange rate policy, for example, would be a three-way conversation between the Presidency, Emefiele and Ahmed. This team of ministers is more political than the more technocratic team appointed in Buhari's first term. They have to sell the policies and make the ruling party more popular.

The Presidential Economic Advisory Council, most of whose members back economic reform, is regarded by insiders as superseding Osinbajo's economic management team. Since 1999, Vice-Presidents have led on economic policy, at least until they differed sharply with the President. And the EAC has taken over some of the policy work done by Osinbajo's team but there is no great ideological divide between the groups. If anything, the EAC may push harder for more market reforms and a strong stimulus for growth, triggered by sales of state assets but it has no policy-making powers. Each month, it briefs Buhari about policy ideas and implementation: budgets, growth and investment trends, and also liaises with ministers, top officials and may commission policy research. Its members are:

- Chairman: **Doyin Salami**, a member of the CBN's monetary committee and visiting professor at Lagos Business School with strong ideas on accelerating growth
- Deputy Chairman: **Mohammed Sagagi**, a veteran economic advisor and research leader
- **Ode Ojowu**, a former top advisor to the government
- **Iyabo Masha**, formerly an IMF Representative in Sierra Leone
- **Chukwuma Soludo**, governor of the CBN under President **Olusegun Obasanjo**
- **Bismarck Rewane**, Managing Director of Financial Derivatives in Lagos and advocate of an economic kick start through infrastructure concessioning deals
- **Shehu Yahaya**, chairman of the Development Bank of Nigeria, former executive director of the African Development Bank
- **Mohammed Adaya Salisu**, advisor to the President on Development and EAC Secretary. ●

ALGERIA

Two visions lock horns

The military is digging in and it will take more than weekly demos to dislodge the autocrats

The activists of *El Hirak* ('the movement'), who have been pitting thousands of protestors against the sclerotic ruling class every Friday for nine months, had high hopes of forcing change when they celebrated the 65th anniversary of the launch of Algeria's war of liberation from France on 1 November. However, despite putting possibly the largest number of anti-regime marchers on the street yet, the de facto leader of *le pouvoir* ('the powers-that-be'), Vice Minister of Defence and Army Chief of Staff Lieutenant General **Ahmed Gaïd Salah**,

doggedly clings to power.

Meanwhile, *Hirak* seems as rudderless as during its early days, when Facebook groups first started calling disaffected Algerians onto the streets, and before they forced President **Abdelaziz Bouteflika** and his clan to abandon the attempt to obtain a fifth term of office for the infirm *raïs*.

For Gaïd Salah, the 1 November celebrations signalled that solemn events marking the *Front de libération nationale's* (FLN) revolution could take place unmolested. It was also an indication that the presidential election

announced for 12 December can take place with a sufficient degree of order – even if the turnout will probably plumb new lows.

On 3 November, the authorities announced that five of the 23 largely unknown candidates who applied had qualified, defying the thousands who spilled onto the streets to say those elections should not go ahead. What one government source described as this 'acceptable establishment' line-up includes former prime ministers **Abdelmadjid Tebboune** and **Ali Benflis**, ex-Culture Minister and interim *Rassemblement national démocratique* (RND) leader **Azzedine Mihoubi**, former *Mouvement de la Société pour la Paix* (MSP) Tourism Minister **Abdelkader Bengrina** and the leader of the tiny *Front El Moustakbal* party, **Abdelaziz Belaïd**.

Both Tebboune and long-time human rights campaigner Benflis have enjoyed moments of popular acclaim – Benflis

when he tried to reform the moribund FLN and then stood up to Bouteflika in 2004 (AC Vol 44 No 10 & Vol 45 No 6); Tebboune when he was briefly premier in 2017, before he was sacked after a popular anti-corruption campaign threatened

presidential brother **Saïd Bouteflika** (AC Vol 58 No 17). But both men's participation now looks like support for the regime. Tebboune's candidacy may be linked to his long relationship with Gaïd Salah – which may also have lain

behind his 2017 assault on corruption linked to the Bouteflikas. His 'Mr Clean' reputation may still chime with some voters, but the fact that his son **Kamel** has been in prison since June 2018 after his implication in the notorious *El Bouchi* cocaine seizure won't help. The Tebboune's complain Kamel is a victim of the Bouteflika clan (AC Vol 59 No 14).

Mihoubi cuts an intriguing figure as an award-winning poet and author of at least ten novels who succeeded four-times premier **Ahmed Ouyahia** as RND leader. Mihoubi may try to distance himself from Ouyahia, who has been sentenced to 15 years in jail, but analysts say he was loyal to the Bouteflika clan right up to the last minute.

Bengrina's *el Binaa el Watani* party is a split from the Muslim Brotherhood-affiliated MSP, which for three decades has flitted between government and 'loyal opposition', creating small, opportunistic parties who play what an academic analyst called 'the army's games'. Created in 2013, *el Binaa* provided **Slimane Chenine** for the parliamentary speakership when **Abdelkader Bensalah** became interim president (AC Vol 60 No 17). *Belaïd's El Moustakbal* has enjoyed a low profile since its foundation in 2012 but has successfully integrated itself in official efforts to build dialogue post-Bouteflika.

If the election is held as planned, an all-time record low turnout is expected, although record ballot-stuffing is also likely. Efforts to promote dialogue with the opposition have failed to gain credibility, leaving a huge political vacuum. Gaïd Salah's strategy may be to maintain this vacuum for as long as possible, keeping *El Hirak* weak and diffuse by arresting hundreds.

More in hope than expectation, activists believe they can force an entry into government and then engineer an economic recovery based on the recovery of stolen billions, but with no leadership to speak of, there is little sign of what a *Hirak*-dominated government would do, apart from listen to the broadly socialist outlook of many members. Meanwhile, Prime Minister **Noureddine Bedoui's** interim government is struggling to cope with a deteriorating economy.

Business uncertainty as the corruption campaign continues leaves many of Algeria's very hierarchical companies headless and investors frightened off. In a 9 October economic update, the World Bank said the corruption crackdown has led to 'economic disruptions due to abrupt changes in management and supervision, as well as investment uncertainty'. Foreign reserves, whose preservation has long been a major

THE GENERALS' MOTORS

There may well be more to the government's restriction of imports than a desire to husband foreign currency reserves. Among the imports frozen in recent months are the completely knocked-down kits (CKDs) of cars imported for local assembly. This has reflected suspicions at deals done by 'oligarch' businessmen like **Ayoub Aissiou**, who was linked to the now imprisoned former premier **Ahmed Ouyahia**, and ex-President **Abdelaziz Bouteflika's** brother **Saïd** (AC Vol 60 No 13).

The automotive industry had seen increasing control by the Ministry of National Defence (MND), as well as by Bouteflika clan oligarchs aided by the Ministry of Industry when it was under **Abdeslam Bouchareb**, who is believed to be abroad and against whom an arrest warrant has been issued.

But now, Vice Minister of Defence and Army Chief of Staff Lieutenant General **Ahmed Gaïd Salah** has been muscling out Saïd Bouteflika's oligarch allies and is giving the military potentially even greater control over industry.

This policy is being pushed by officers who admire **Egypt's** President **Abdel Fattah el Sisi's** approach to promoting his army's extensive economic interests, as well as his authoritarianism.

Well before Bouteflika's fall the MND was growing its stake in the formal economy, with ambitions to become a substantial player in industries such as defence equipment and vehicle manufacturing. Gaïd Salah has been personally involved in the creation of specialist MND companies such as the *Entreprise de Développement de l'Industrie Automobile* (EDIV). He has also been involved in procurement and investment deals, including with **Qatar** and the **United Arab Emirates, Italy** and **Russia**.

This year, the MND launched a five-year strategy to expand these interests, including the assembly of heavy vehicles and engines with Mercedes Benz in a venture launched in 2012, and the Aïn Smara-based *Rheinmetall-Algérie* combat vehicles plant, developed by EDIV with Düsseldorf-based *Ferrostaal* and *Rheinmetall*.

Local critics point to a more occult side to these deals, overseen by the MND's director of military manufacturing Major General **Rachid Chouaki**, who answers directly to Gaïd Salah. Among MND deals now being questioned are the Rouïba and Tiaret-based *Société Algérienne pour la Production de Poids Lourds Mercedes-Benz SPA* heavy vehicles assembly ventures, and the **German** manufacturer's engine plant at Oued Hamimine in Constantine wilaya (province). Gaïd Salah cut the ribbon when the Tiaret plant opened in October 2014. Although Mercedes provides the kits, technology and marque, EDIV owns 34% of the venture. Rouïba-based state vehicles manufacturer SNVI has 17% and Abu Dhabi investment fund Aabar 49%. Aabar also holds 24.5% of *Rheinmetall-Algérie*, alongside EDIV (51%), *Ferrostaal* (19.5%) and technology partner *Rheinmetall* (5%). Another Rouïba-based venture, *Algerian Motors Services-Mercedes-Benz SPA* (AMS-MB), markets these vehicles – mainly to the MND, which co-owns AMS-MB with a Ministry of Industry company.

The car assembly oligarchs have been subjected to swift justice, something both the *El Hirak* protest movement and the current regime agree on. But a 22 October report on the Maghreb Intelligence website reported that the 'same doubtful practices' that ruined the public treasury are prevalent in the Algerian army's project to assemble Mercedes military vehicles. Allegations of malfeasance in the MND portfolio are unproven, but Gaïd Salah and other generals should watch out as the opposition presents even more reasons for them to give up power.

But for now, the empire is still expanding. MND companies are investing in arms and ammunition, textiles (already promoted by MND company *l'Etablissement d'habillement et de couchage*) and other manufacture, with a focus on building factories in the military's traditional Hauts Plateaux heartlands. In Aïn Arnat, Sétif wilaya, a helicopter assembly plant is planned with Italy's Leonardo. In March 2018 Chouaki told a meeting in parliament 'we are planning to build 40 factories and create 30,000 jobs... ten companies and 12 joint ventures will be created'. Relations with Russian defence companies include plans to assemble a range of anti-tank and other weapons which can be mounted on the Mercedes vehicles.

With Gaïd Salah's faction showing no sign of giving up power, these plans can be expected to gain momentum. ●

government priority, slumped to US\$68 billion at end-July, down from \$80bn at end-December 2018.

The depletion of reserves is pushing the government towards reducing imports and subsidies. Finance Minister **Mohamed Loukal** – one of the administration's more respected officials (but so was his predecessor **Karim Djoudi**, and that didn't protect him from facing the Supreme Court on corruption charges) – has presented a draft budget for 2020 that includes 7.77 trillion dinars (\$64bn) of public spending. Infrastructure projects are grinding to a halt after a period when higher oil prices fed into grandiose projects like the East-West Highway – an essential road but also an epic bribery machine. Local and Chinese officials were charged and the small fry who were imprisoned have now been

joined by more senior players.

Bankers looked up when Loukal announced that commercial borrowing abroad will now be considered for the first time since Bouteflika imposed a ban in 2005. Whether they like the risk is another matter. Business remains framed by *le pouvoir* and state interests. The business interests of Gaïd Salah, and his family and allies, are said to be fuelling his limpet-like determination to remain in power and make as few concessions to *El Hirak* as possible so as to maintain the old elite's grip on the economy (AC Vol 60 No 17).

Critical to the outcome of the stand-off between Gaïd Salah and *El Hirak* will be the movement's ability to maintain momentum and to provide a leadership that can hammer out a deal with *le pouvoir*. *Hirak* leaders who have emerged in public include **Karim**

Tabou and influential lawyer **Mostefa Bouchachi**. They used to belong to the leftist *Front des Forces Socialistes* (FFS), founded by the Kabyle icon, the late **Hocine Aït Ahmed**.

The military is believed to be split over whether or not to crush *El Hirak*. Possibly fearing Western reactions, the leadership has stayed its hand against marchers who have stuck by their slogan of '*Silmiya*' (passive resistance).

However, it has tried to sabotage *El Hirak*'s major weapon, social media. Serial cyber-attacks have been launched at **Sofiane Benyounes'** *Algérie Debout* (Stand Up Algeria) Facebook page. Major *Hirak* figures such as Tabou have also been imprisoned in a recent wave of arrests. Meanwhile, 'younger generation' parties like *Jil Jadid* (New Generation) and *Mouwatanana* try to speak for the *Hirak*. ●

TUNISIA

Coalition of the unwilling

Saïed's first challenge as president is forming a government from a parliament split among 21 parties

Parliamentary and presidential run-off elections in October have taken Tunisia into the unknown. Public disillusionment with the post-2011 political establishment resulted in very low turnouts, a president with no political experience and a parliament with an abundance of fractious parties that are making it hard to come up a working and sustainable government (AC Vol 60 No 19). With 21 parties in parliament – none with anything remotely near a majority and many with just one or two seats – plus 10 independents, the construction of a coalition is expected to take weeks. Indeed, there are fears that it may never happen and that there will have to be fresh elections.

Under the constitution, the new president, **Kaïs Saïed**, who ran as an independent, had to ask the head of the largest party, the Islamist and conservative *Ennahda* party, to try to form a government. If that does not happen within a month, he can extend it by a further month. After that he can ask someone else, possibly a technocrat around whom a sufficient number of parties could gather, to try. But if after four months no new government has emerged, he can dissolve parliament and call fresh elections without permission.

The possibility of that may yet persuade some parties, fearing that

they may lose seats in another contest, to join a coalition or give their backing to one from outside. But although there is a view that a coalition could emerge some time in January, the parliamentary arithmetic is not encouraging. At the very minimum it would have to consist of at least four or five parties – hardly a recipe for stability. But there are larger complications.

THREE GROUPINGS

The new assembly falls roughly into three groupings: Islamists; the *Qalb Tounes* (Heart of Tunisia) party of media magnate **Nabil Karoui**, who was trounced in the presidential elections by Saïed; and assorted centrists, leftists, and supporters of the former Ben Ali regime, all of them generally secularist.

However, while *Ennahda* came top of the poll with 52 seats, it and other Islamists, notably the more hardline *Karama* (Dignity) Alliance (21 seats), cannot muster a majority – 109 seats are needed for that. Meanwhile, some centrist parties have declared that they will have nothing to do with an *Ennahda*-led government and, while others may be willing to do a deal with it, they draw the line at including *Karama*. On the other hand, virtually all secularist parties, most prominently Democratic Current, which came third with 22 seats, have also refused to

have anything to do with Karoui's *Qalb Tounes* because of the corruption allegations levelled against him. These are yet to be heard in court (AC Vol 60 No 17). The chances of a coalition look difficult from the start.

A possible solution is a repeat of something akin to the outgoing coalition of *Ennahda* and the secularist *Tahya Tounes* party of Prime Minister **Youssef Chahed** (AC Vol 60 No 3). *Tahya Tounes* won just 14 seats in the elections but other secularist parties might decide to join it in a new government if it were led by either an *Ennahda* moderate or someone from a non-*Ennahda* background. It is unlikely to be Chahed himself, although he has remained in office for the time being in a caretaker capacity. A *Tahya Tounes* official has said that neither Chahed nor the party is looking to be in the next government, but he also said that it needed to be formed as soon as possible.

Government has to continue. At the very least a new finance law has to be voted on by parliament.

There are those in *Ennahda* who think that it is finally time for its veteran leader, **Rached Ghannouchi**, to become prime minister (AC Vol 60 No 16). At a meeting to assess the situation on 20 October, the party's governing council proposed him for the post, but left it to him to decide and gave him the choice, should he decline the proposal, to suggest someone else.

That may well happen. As the oldest member of the new parliament, he automatically became its acting speaker with the departure of the outgoing one, **Mohamed Ennaceur**, who himself became acting president on the death of President **Béji Caïd Essebsi** on 25 July. Now aged 78, Ghannouchi reportedly

would like to end his political career as parliament's full-time president rather than prime minister. He also knows that the chances of creating a coalition could be seriously damaged if he were to take the premiership. As the standard bearer of *Ennahda*, he is unacceptable to many secularists. A polished political player, he is reportedly thinking instead of suggesting a moderate from his party, such as **Zied Ladhari**, the 44-year-old lawyer who has been Minister of Development, Investment and International Cooperation in Chahed's outgoing administration.

There has even been talk of Ghannouchi reaching out to Karoui and his party by suggesting an independent such as **Fadhel Abdelkefi**, the former finance minister and an old friend of the media magnate. Despite its rejection of any deal with *Ennahda*, Qalb Tounes seems to be keeping the door open to such a possibility. In a statement it has said that it could participate in a coalition providing it agrees to its own political programme.

Another possibility is an *Ennahda*-minority government. Like *Tahya Tounes*, some of the other centrist parties have said that while they would not be part of an *Ennahda* coalition, having a new

government in place as soon as possible is of the utmost importance. They would not be part of it but would not block it.

But would such promises last long? The likelihood is that a coalition, whether led by *Ennahda*, by someone from another party or by a technocrat, would be assured of a very turbulent flight once it had taken off and would probably come crashing down at some point, possibly sooner rather than later.

The only thing that might prevent that is fear that new elections could further erode public support for the parties. Tunisian disillusionment with the country's post-revolution political establishment remains a powerful force, particularly among the young. The turnout for the parliamentary elections on 6 October was 41% compared to 69% in 2014. The presidential run-off a week later was slightly better at 55%. At polling stations in the capital, voters were far outnumbered by the attending mass of officials, security staff, observers and journalists. Many of those who did vote seemed to be over 40. Young voters were few in number, not just at the polling stations. The tell-tale mark of having voted – an inked finger to prevent voting twice – was seen on few young people in central Tunis on either

polling day. Many, though, could not vote even if they wanted to. University and college students registered at their home address but studying elsewhere in the country were required to vote in their home-towns. Demands for postal or electronic votes fell on deaf ears. Few voted as a result.

CLAIM TO FAME

As for President Saïed, he has the satisfaction of knowing that he won the presidential run-off by a landslide, taking 73% of the vote to Karoui's 27%. That may yet be his biggest claim to fame. Without a party in government or even in parliament, his role and influence are likely to be extremely limited despite his campaign hopes of being a motor for social change, notably decentralisation. A Tunisian president has little power; it is largely a symbolic post.

He may have some considerable influence if his obligatory choice of prime minister from the leading party in parliament fails to result in a coalition being formed after a month or two. He would then get to make his own choice for premier.

But even if it were to result in a government, there is no guarantee it would last. ●

GUINEA

Dancing the third-term tango

Condé appears prepared to crush massive opposition in order to secure a third term of office, regardless of the dangers to society

The idea that President **Alpha Condé** would get the required two-thirds parliamentary majority to change the constitution to allow him to seek a third term has always been far-fetched. That, his opponents say, explains his lack of urgency in calling legislative elections, which were due in 2018 but may now be held as late as October 2020. Most believe they would result in a hung parliament. Instead, the 81-year-old Condé wants to move straight to a referendum to change the constitution to allow him to stand again for the presidency.

Condé's third-term project has become increasingly controversial. Since 14 October mass demonstrations have swept through towns and cities across Guinea, including the capital. The security forces have put them down ruthlessly but the protestors are undeterred in spite of over 13 deaths so far: mass rallies against Condé's plans continue and show no sign of easing off.

The national coordinator of the *Front nationale pour la défense de la Constitution* (FNDC), **Abdourahamane Sano**, was arrested in mid-October and sentenced to one year in jail on charges of disturbing public order and security. A former agriculture minister in the short-lived junta of ex-captain **Moussa Dadis Camara**, Sano resigned after the 28 September 2009 stadium massacre (AC Vol 51 No 2).

Five of his allies, including **Alpha Soumah**, who has gained great popularity as a rap star under the name **Bill de Sam**, were sentenced to six months in jail. In the same week, the hugely popular reggae star-turned-politician **Elie Kamano** was sentenced to one year in jail, while the youth leader of the opposition *Union des forces républicaines* (UFR), **Badra Koné**, got three years. Like the FNDC, these men are opposed to Condé's third-term plan, although some voices contend that they are mere disgruntled former allies of

the president.

Meanwhile, Condé ploughs ahead as his lieutenants, such as government spokesman and transport minister **Aboubacar Sylla**, repeat the mantra that changing a constitution that was written during Guinea's 2009-10 transition from military to civilian rule is not illegal and has nothing to do with the president's third-term project (AC Vol 59 No 20).

Media spin aside, Condé is not without support at home and abroad, even though his ruling party, the *Rassemblement du peuple de Guinée*, has suffered a number of defections since the fog surrounding his third-term project began to clear. His loyalists include **Amadou Damaro Camara**, who leads the RPG's slim parliamentary majority and is an unquestioning and uncompromising supporter of the plan, even to the point of attacking the President's personal advisor, **Tibou Camara**, for being too conciliatory. Damaro Camara continually pushes the referendum as 'consulting the people'. On the more PR-friendly side, there is **Moustapha Naïte**, an internet entrepreneur who is doing his best to boost the government's popularity as an activist infrastructure minister, personally inspecting road works and ordering them to be re-done if they fail to meet the required standards.

Tibou Camara, a former journalist and information minister for the late President **Lansana Conté**, is part of a trio that rose to prominence during Conté's long and increasingly erratic and autocratic reign yet today find themselves in the inner circle of their late boss's most implacable opponent. Conté threw Condé in prison in 1998 when he challenged for the presidency and had him tortured. None of this matters today, as the current occupant of the presidential palace has called on the services of some of his predecessor's closest collaborators, led by **Kiridi Bangoura**, who can now boast of having served two presidents as their chief of staff, and the increasingly indispensable **Ibrahima Kassory Fofana**, who impressed Conté as a senior civil servant and became his finance minister. He was Condé's campaign director during his re-election bid and is now prime minister (AC Vol 59 No 11; AC Vol 60 No 8).

Critics say that Condé is also not only adopting his predecessor's staff, but his methods of repression, wondering at what became of the man who once claimed **Nelson Mandela** as his role model. A former sports minister in Condé's cabinet, **Siaka Barry**, went public last year saying that he felt the president should return to the socialist ideals he espoused before he gained power. Condé fought on the streets of Paris as a revolutionary student in the 'événements' of May 1968.

France has so far avoided any untoward comments. Condé's network

of old French friends includes former foreign minister **Bernard Kouchner** and the logistics baron **Vincent Bolloré**, who is on good terms with President **Emmanuel Macron**. The regional Economic Community of West African States is equally unlikely to be overtly critical; the president of the Ecowas Commission, the **Ivorian Jean-Claude Kassi Brou**, issued an extraordinarily bland statement on 21 October, calling for dialogue without mentioning either Condé's efforts to stay in power or condemning the excessive use of force by the security forces.

FIRM FRIENDS

Condé's relations with **Russia** are strong. It was then Russian ambassador to Guinea, **Alexandre Bregadze**, who publicly encouraged Condé to go ahead with his third-term bid (AC Vol 60 No 8). Bregadze now heads the vital Rusal bauxite and alumina operations in Guinea. Condé is also close to other influential 'third-termers': **Congo-Brazzaville's Denis Sassou-Nguesso** and **Rwanda's President Paul Kagame**.

Condé can also count on the crucial support – and money – of **China**. He managed the biggest boost in Guinea's bauxite production since independence by bringing in a Chinese-Singaporean-French consortium that founded the *Société Minière de Boké* (SMB) in 2014, which became the country's largest bauxite exporter within the space of three years. Guinea holds about one third of the world's bauxite reserves

and the government regards its development at breakneck speed as the key to economic success in other sectors (AC Vol 60 No 5).

The Russian and Chinese bauxite operations help provide the government with a war chest that has been used – and will be again – to fund the kind of slick and large-scale campaign that returned Condé to power in 2015. The President can also count on the support of Guinea's plutocrats, notably the construction tycoon **Kerfalla Person Camara** (KPC), founder and director of Guicopres, the mining businessman **Aboubacar Sampil**, whose involvement with the Sable mining debacle does not appear to have dented his friendship with the president and yet another holdover from the Conté era, the businessman **Mamadou Sylla** (AC Vol 57 No 10). More rent will also accrue from presidential involvement in the *Société Guinéenne du Patrimoine Minier* (Soguipami), the company created in 2011 to manage the state's participation in mining operations around the country, including its 10% share in SMB. As of April it has been run out of the president's office.

Condé seems intent on holding the referendum ahead not only of the legislative elections, but the presidential ones too, if need be. Many see a major threat to Guinea's stability in Condé's determination to stay on – apparently, as he said on the day the FNDC leaders received their jail sentences – until God decides his time is up. ●

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POINTERS

Ethiopia

ADDIS CALLING

■ The race is on to snap up the two new telecom licences Ethiopia plans to award by the end of March. **Kenyan** SafariCom is teaming up with parent group Vodacom, while other multinational mobile companies are preparing lobbying trips to Addis Ababa. The bids are likely to cluster around US\$1 billion per licence, while the same again will be needed for further investment by the winner.

So far, 22 companies have expressed interest, of which eight or nine will be shortlisted. Along with Safaricom-Vodacom, **France's** Orange, **South Africa's** MTN and Etisalat of the **United Arab Emirates** are likely to be chief contenders. Safaricom-Vodacom will want to draw on the cachet of its M-Pesa mobile banking services.

The government will also offer a minority stake in Ethio Telecom, an attempt to modernise a national operator that is stuck in the 1990s when it comes to services and capabilities (AC Vol 59 No 12). For now it remains the world's largest telecoms monopoly, with 44 million subscribers in a country of more than 108m people. China looks favourite for this stake.

The mobile companies are worried about Ethiopia's infamous red tape, shortage of foreign exchange and possible future devaluation of the birr. Foreign bidders also fear a protectionist move from the government aimed at boosting Ethio Telecom, which is currently struggling with debt, at the expense of competitiveness.

The regulator, the Ethiopian Communications Authority, will hold a meeting on 12 November in Addis Ababa to answer questions from interested companies and it is expected to finalise the regulatory framework for the licensing by 30 November.

Mali/Sahel

ISLAMIC STATE ONSLAUGHT

■ The death of at least 49 Malian soldiers in an attack on their base at Indélimane on 1 November confirms the continued potency of Islamic State in the Greater Sahara (ISGS) and the weakness of the armies of the Sahelian states (AC Vol 60 No 8).

Component factions in the *Jamaat Nusrat ul Islam wal Muslimin* (JNIM) alliance chaired by **Iyad Ag Ghaly** are the predominant jihadist actors across most of Mali. Possibly in order to offer some fillip to Malian morale after the attack at Indélimane, **French** Defence

Minister **Florence Parly** announced on 6 November that France's *Barkhane* force had killed the JNIM spiritual leader **Abou Abderrahman al Maghrebi** on 8-9 October.

Eastern Mali is largely the preserve of ISGS. Founded only two years previously, this faction surged to international attention after ambushing **United States** Special Forces operating with **Nigérien** troops at Tongo Tongo, just a few hours over the border from Indélimane, killing four of the Americans. The action also put ISGS on the map for jihadists in general, and Islamic State (IS) in particular.

Abou Walid al Sahraoui, previously a senior figure in the *Mouvement pour l'Unité et le Jihad en Afrique de l'Ouest* (MUJAO) and then **Mokhtar Belmokhtar's** *Al Mourabitounne*, pledged allegiance to IS in May 2015, making it the **Syrian/Iraqi** group's first Sahelian follower (AC Vol 56 No 24). But with only 100 fighters, it was not acknowledged as an official franchise holder until September 2016.

ISGS has not emulated the doctrinal ferocity of its senior partner, adapting itself to local conditions in order to encourage tolerance by the local population and aid recruitment, especially of Peuhl, or Fulani, youths.

Uganda

WATER CANNON FODDER

■ The assault on leading oppositionist **Kizza Besigye** by police on his way to a Forum for Democratic Change meeting on 4 November was the latest in a series of violent crackdowns on the opposition in Kampala. Besigye's car window was smashed and he was pepper-sprayed at close range. The images of the opposition leader being knocked over by a water cannon shocked many.

The incident came shortly after a dozen or so women students of Makerere University gathered to protest a 15% annual hike in fees on 22 October. During a series of night raids students were dragged out of halls, beaten and jailed. Strike leader **Siperia Sasiraabo** and Guild President **Julius Kateregga** were arrested and later released. Kateregga was warned to keep off campus and was arrested again as he went to address a Guild meeting on 4 November.

The media has hesitated to cover protests since April when the Uganda Broadcasting Commission accused broadcasters of breaching standards by covering marches and arrests of **Bobi Wine** and other opposition leaders. The events have largely been covered only on social media.

Officials have characterised the students as drug addicts and hired rioters but without success.

President **Yoweri Museveni** withdrew

soldiers from campus, replacing them with 2,000 police. Security minister General **Elly Tumwine** has warned that strikers will be beaten (AC Vol 56 No 2).

The last major act of defiance against Museveni's rule was Wine's planned Independence Day concert on 9 October, which was prevented when his home and the venue were surrounded by soldiers. His escape from his house and subsequent chase through the city on a *boda boda*, partly streamed on social media, energised many dissenters, oppositionists said.

Kenya

RUTO-RAILA (ROUND ONE)

■ The by-election campaigns for Kibra (previously Kibera), Kenya's largest slum, near downtown Nairobi, turned into a full-dress rehearsal of the political contest between Deputy President **William Ruto** and former opposition leader **Raila Odinga**. Both are expected to contest the presidency in 2022, and are campaigning vigorously for their party's candidate in the seat, respectively Jubilee's **McDonald Mariga**, a Luhya, and the Orange Democratic Movement's **Bernard 'Imran' Okoth**. Okoth's main claim to the seat, which was represented by Odinga for 20 years, is that it was occupied by his brother **Ken Okoth**, who died from cancer in July.

President **Uhuru Kenyatta** has maintained a studious silence, repeating the mantra that he is concerned with development, not politics, even while his name is being evoked in support of the ODM candidate by Nairobi MP **Maina Kamanda** and Kirinyaga governor **Anne Waiguru**, both of whom say that since the March 2018 'handshake', the President favours an alliance with Odinga.

Kamanda and Waiguru have urged the small number of Kikuyu voters in Kibra to back Okoth, while three Kamba county governors – **Charity Ngilu**, **Kivutha Kibwana** and **Alfred Mutua** – addressed a predominantly Kamba audience at Kibra on 2 November praising Odinga and Okoth (AC Vol 60 No 19).

Meanwhile, the ethnic coalition of the National Super Alliance, of which the Luo in ODM once formed the core, is also disintegrating because Luhya leaders **Musalia Mudavadi** and his Amani National Congress and **Moses Simiyu Wetangula** of the Ford-Kenya party have fielded their own candidates. The Luhya constitute the second largest group of Kibra voters after the Luo (AC Vol 58 No 23).

Although peaceful so far, the campaigns have openly embraced ethnic mobilisation strategies, each side boasting of having the ethnic-coalition numbers that will enable them to clinch victory in the 2022 poll.

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BLUE LINES

Suddenly the stakes in Sudan have been raised – between the revolutionaries and the supporters of Omer el Beshir's ousted regime. For weeks, rumours have been swirling about an impending coup by die-hard Islamists in state security, militias and Beshir's National Congress Party, proscribed by General Abdel-Fattah Burhan's junta in April.

Initially, Islamist activists accepted a three-year transition. With their accumulated wealth and security networks, they were confident of winning an election. Times have changed.

First came a demand from the Forces for Freedom and Change that Beshir be handed over for trial at the International Criminal Court. That was followed on 5 November by a statement from Prime Minister Abdalla Hamdok's that 'no barrier' could stop that happening, prompting a threat from the People's Defence Forces, one of Beshir's militias, to burn the country should he be handed over. Alongside this, the newly appointed Prosecutor General has ordered the arrest of two leading Islamists charged with involvement in the 1989 coup that brought Beshir to power. The generals on the sovereign ruling council may not want to obstruct the extradition, even if they dislike the idea of a foreign trial. Many would find Beshir's exit convenient, unless he tried to implicate them in war crimes. His support among the junior officers and the ranks collapsed long ago. Against expectations, his extradition could unite factions within the military.

ZIMBABWE

Cashing in on the crisis

As the country faces the worst drought for 30 years and inflation at over 440%, politically connected oligarchs see opportunities

Days after regional leaders called for dialogue across the political divide to resolve Zimbabwe's deepening crisis, police broke up a crowd outside the headquarters of the main opposition Movement for Democratic Change (MDC) in Harare. Supporters had gathered there early on 20 November to hear party leader Nelson Chamisa. Police charged the crowd minutes after his arrival.

As economic conditions have deteriorated, exacerbated by the worst drought in 30 years and power cuts of 18 hours a day, civic activists and trade unionists are taking to the streets demanding political change. Doctors have been striking against insanitary conditions, drug shortages and derisory salaries for over two months.

Public sector workers, previously protected from the worst effects of economic mismanagement, have seen their wages crash in value along with the national currency relaunched in February.

Finance Minister Mthuli Ncube's budget statement on 14 November, with micro-changes in value added tax and income tax thresholds, had no direct effect on the economic free fall. He forecast that GDP growth would bounce back to 3% next year after contracting by 6.5% this year and the budget deficit would fall by 2.5% of GDP at the same time.

In fact, few Zimbabweans trust official statistics. But Ncube's biggest problem is not his own policy team, which has been negotiating with the International Monetary Fund and the World Bank for a debt restructuring deal and fresh funding,

but the government's sprawling network of state entities and off-budget spending. It is the deals that state officials have cut with politicised business operators that have led to vast revenue leakages over the past two years.

STATE OPACITY

State accountability is diminishing further still as rivalries grow in the political and security systems. A report that the government was buying emergency maize stocks at twice the world price in an opaque deal with suppliers in **Tanzania**, met with a routine denial (AC Vol 60 No 20). There was no investigation although international procurement organisations confirmed the deal was grossly over-priced.

Such actions cut the legs from under Ncube's reformers. After their meeting with IMF officials in Washington last month, hopes for an early deal to pay off Zimbabwe's international arrears have fallen as the local economic and political crises multiply.

The government stopped issuing data on inflation earlier in the year but officials have confirmed that prices are rising at an annualised rate of over 440%, nudging hyper-inflation. Last time that happened, in 2008-09, the government suspended the use of the national currency, the Zimbabwe dollar.

This time, it seems that the reintroduction of a national currency (known as the Real Time Gross Settlement dollar or Zim\$) in February and the ban on all foreign currencies in July have fuelled inflation. The Zim\$'s value has crashed to

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Z\$15=US\$1 now, against Z\$2.5=US\$1 when it was launched.

Reserve Bank of Zimbabwe (RBZ) governor **John Mangudya** insists the Zim\$ will strengthen, helped by the government's gradual release of foreign exchange into the market. Mangudya is also keeping a tight grip on the release of local banknotes and coins, which he thinks will bolster their trading value against the US dollar.

Yet the biggest blow to the stability of the Zim\$ are the sweetheart foreign currency deals that officials have cut with politically connected businesspeople. The most egregious of these was an arrangement with Sakunda, which controls a business empire importing fuel with **Dutch**-based **Trafigura** and financing state agriculture projects on opaque terms (see box).

Sakunda was allowed to redeem about two-thirds of its \$366m of government bonds at a highly preferential exchange rate, nine to ten times better than offered to other companies via the Reserve Bank. From this deal alone, the Bank had created about Zim\$2.3 billion of new money, which has led to a catastrophic weakening of the revived currency.

A bank official announced the suspension of Sakunda's local accounts after the story broke. But the censure was short-lived. A week later, Sakunda Chief Executive **Kudakwashe Tagwirei** was seen accompanying President **Emmerson Mnangagwa** to an international conference in Lyon, France.

There is much interest in the relationship between Mnangagwa and Tagwirei. Some see them as commercial collaborators, others as allies of convenience. For now, a business relationship with Tagwirei would be damaging for Mnangagwa.

Tagwirei was a close associate of then First Lady **Grace Mugabe** and **Simba Chikore**, son-in-law of **Robert Mugabe**, prior to the coup against the president in November 2017. The government courted Sakunda, who is said to have bankrolled Mnangagwa's successful outing to the World Economic

BUZZING AROUND A QUEEN BEE

It was an advisor on communications in the Ministry of Finance, **William Mutumanje**, also known as **Acie Lumumba**, who announced last year that sections of the government had been captured by a 'Queen Bee', an all-powerful oligarch with a network of top contacts in the state system. Among the political cognoscenti, **Kudakwashe Tagwirei** has earned the soubriquet Queen Bee (AC Vol 59 No 22).

After Mutumanje posted a video on social media explaining how this worked, he was promptly sacked. But it's widely believed in Harare that Mutumanje had been brought in by Finance Minister **Mthuli Ncube** to send a message to the elite that he couldn't control the crisis if businesspeople like Tagwirei had free rein with the economy.

Sakunda Holdings, the company Tagwirei owns with his wife, **Sandra Mpunga**, has investments in energy, agriculture, infrastructure development, mining and now healthcare.

Tagwirei has a 51% shareholding in **Trafigura Zimbabwe**, formerly known as **Sakunda Supplies**; the **Dutch**-based commodity trader **Trafigura** has 49% of the company and says it plays no role in the wider Sakunda empire. Tagwirei also has 51% in **Sakunda Petroleum**, which distributes fuel through Puma service stations across Zimbabwe. Puma, a unit of **Trafigura**, has a 49% stake in **Sakunda Petroleum**.

Before he sold Sakunda Energy to **Trafigura**, Tagwirei had launched a new fuel retail group, **Trek Petroleum**, the fastest growing fuel retailer in the country. Its joint owner is **Zunaid Moti**, a flamboyant and scandal-dogged **South African** businessman with whom Sakunda Holdings owns **Africa Chrome Fields**. Moti, once described Zimbabwe as 'Mnangagwa's investment'.

Salim Ahmed Bobat, a South African who is described online as financial director of the Moti Group, and **Omar Sheik Hoosein**, a Zimbabwean, were on the **Trek Petroleum** board of directors representing **Africa Chrome Fields** until recently. Another **Trek** board member who recently resigned is **Obey Chimuka**, once a director of **Sakunda Supplies**.

Currently, the **Trek** board consists of **Innocent Mugwisi**, Tagwirei's confidant, and **Ntutuko Everton Mlalazi**, an executive assistant to the CEO at **Sakunda Holdings**.

Chimuka has won several state tenders for big construction projects. His firm, **Fossil Contracting**, has created subsidiaries that are benefiting from contracts under **Mnangagwa's** **Command Agriculture** programme. After winning multiple road-building contracts, **Fossil** may be the biggest construction firm in the country. We hear that Tagwirei is a shareholder.

Justice Mayor Wadyajena, a Zimbabwe African National Union-Patriotic Front MP who calls Mnangagwa his 'mentor' and became a multi-millionaire moving petroleum products for Sakunda, claims that Tagwirei is a shareholder in **Fossil Agro**, another beneficiary of **Command Agriculture** contracts. **Fossil Agro** was embroiled in the row over Sakunda's redemption of government bonds at preferential exchange rates. **Fossil's** **Chimuka** recently took ownership of Mnangagwa's farm in Harare's **Tynwald** area, which he had owned since independence.

Tagwirei's brother-in-law, **Innocent Sibanda**, has also hit the jackpot. His company, **Maka Resources**, through a subsidiary, **Maka Irrigation**, is the lead contractor under the government's **Command Irrigation** programme. In September, Mnangagwa's cabinet appointed **Maka Resources** to put a total of 100,000 hectares of land under irrigation nationwide, setting up and rehabilitating irrigation infrastructure.

Aside from his business allies, Tagwirei has taken on a pharmaceutical firm dominating medical supplies to the national health service. The company, **Kedivine Ltd**, which trades as **Pendulum Pharmaceuticals**, is ostensibly run by **Nsandula Sinchuke**, a friend of Tagwirei's and the son of his pastor.

Sinchuke is a co-director with pharmacist **Penelope Tambama**, from the same church. The two are listed as equal shareholders in **Kedivine**. By themselves, neither has the financial muscle to run such a powerful company.

Incorporated in April 2018, **Kedivine** started operating in January. **Pendulum** is supplying almost all the drugs required by **National Pharmaceutical Company (Nat Pharm)** for public hospitals except those bought with donor funds, said an industry source. **Nat Pharm** was set up to provide cheap drugs for the country's poorest. ●

Forum at Davos in January 2018.

A strong believer in 'permanent interests, not permanent friends', Tagwirei has ties to a wide range of high-level political and security contacts. That means his commercial pre-eminence

could survive Mnangagwa's exit. One pundit said Tagwirei was a spider with his own web and is not dependent on Mnangagwa's network. Others say it is the other way around. When officials have tried to rein in Tagwirei – such as

freezing Sakunda's accounts – it usually backfires.

For example, Tagwirei's ties to **Tino Machakaire**, the owner of TinMac Motors and the new Deputy Minister of Youth, Sport, Arts and Recreation,

have proved useful to him. Tagwirei was supposed to appear before the Parliamentary Public Accounts Committee this week to respond to questions about the \$1bn of treasury bills that Sakunda received. Machakaire,

who is also an MP, orchestrated a walk-out by ZANU-PF MPs, which denied a quorum to **Tendai Biti**, the chair of the committee. Tagwirei had also failed to appear before the committee earlier in the month. ●

NAMIBIA SWAPO stumbles

A bad land reform record, a corruption scandal and electoral fraud claims will shake but not topple the ruling party in the polls

Namibia is in the grip of a crippling drought, but negative economic growth, blatant disregard for its election promises and persistent scandal will do little to prevent SWAPO's re-election in the presidential and parliamentary polls on 27 November. Not even the resignation of two top ministers in a US\$170 million bribery scandal is likely to affect the outcome.

A combination of natural and artificial disaster has the country in its grip. Some 700,000 Namibians, a third of the population, are on emergency food aid while 60,000 cattle have died. The Bank of Namibia is projecting a real GDP contraction of 1.7% this year, with lower diamond mining and weak consumer demand adding to the agricultural woes, and less than 1% growth is forecast for next year.

Meanwhile, the government has done little to follow up the national land conference of October 2018. The conference was intended to involve all interested parties in speeding up the land transfer process. But the resolutions remain unimplemented and rich foreigners continue to buy up lucrative commercial farmland for tourist and other developments with the government's blessing while the effort to redistribute land to small farmers stalls. The government has suspended its willing buyer, willing seller land reform programme, which has only resettled 20,000 Namibians in 20 years, and not replaced it with a new scheme.

Thirty years of incumbency and a fragmented opposition will almost certainly ensure that the SWAPO Party of Namibia wins the 27 November general election. The northern Ovambo/Kavango communities – 40% of the population – appear to remain solidly behind SWAPO, and the minority Damara, President **Hage Geingob's** own community, numbering some 150,000, are also largely behind it, even if Geingob is unlikely to take 87% of the vote as he did in 2014.

Geingob is showing little sign of his 78 years as he tours the country addressing rallies. He emphasises the SWAPO manifesto commitments to 'shared prosperity' and 'inclusive development' but neither the manifesto nor the government has made anything other than vague promises to deal with the country's social emergencies, such as the 900,000 Namibians who live in shanty towns, according to housing campaign groups. Geingob referred to the growth of informal settlements as a humanitarian emergency but concrete plans to deal with it are absent.

DEEP CUTS

SWAPO promises to restore public finances but some tough choices will have to be taken. Finance Minister **Calle Schlettwein** has managed in the past three years to halve Namibia's budget deficit as a proportion of GDP to an estimated 4.1% in the fiscal year 2019/20, but the public debt is continuing to rise and is projected to hit a record 53% by 2022/23. The International Monetary Fund and credit rating agencies are advocating deeper cuts in public spending, notably by reducing the cost of the large civil service, which employs over 80,000 people. But SWAPO has always avoided confrontation with the public sector unions who represent them.

Attendance at SWAPO election rallies has been poor, with a Kuisebmond rally addressed by Geingob attracting only 1,000 people, which led to a spat between the state-owned Namibian Broadcasting Corporation and SWAPO. SWAPO secretary for information and publicity **Hilma Nicanor** instructed NBC to rerun coverage of the event and 'use better footage', claiming that the broadcast had only shown a small and unrepresentative section of the crowd at the Kuisebmond Soccer Stadium in Walvis Bay.

While nobody believes that SWAPO can be unseated, there is more than

enough voter dissatisfaction to profit from. **Panduleni Itula** has until now been a relatively unknown SWAPO party member but he is standing for the presidency as an independent, the first time anyone without a party label has done so. So far, he is polling better than most of the other opposition party leaders in the race and in a clear sign his candidacy is rattling SWAPO, police fired tear gas and rubber bullets at a crowd of pro-Itula demonstrators who tried to block a main road to prevent Geingob's motorcade entering the towns of Oshakati and Ondangwa in Oshana region on 16 November.

Itula makes SWAPO and the opposition equally nervous. He is one of a new breed of politicians exploiting popular discontent both with the only party to rule since independence and with historic parties whose 'opposition' has achieved little.

Earlier this year **Angelina Immanuel**, a young teacher standing as an independent, ran the SWAPO candidate a close second in a by-election for the Ondangwa Urban constituency in the Oshana northern region, gaining 37% of the 3,800 votes cast.

McHenry Venaani, who heads the opposition centre-right Popular Democratic Movement (previously the Democratic Turnhalle Alliance), only polled 5% of the presidential vote in 2014 and is not expected to improve on that. The PDM only has five seats in parliament, against 77 for SWAPO (the total is 104). Venaani has run an aggressive campaign, but his support base is narrow: white Namibians, mixed race people, southern Nama and part of the Ovaherero communities.

LEFT FLANK

The wild card in the election is the Landless People's Movement, a grassroots radical land reform group that only registered as a political party earlier this year. It is closely aligned to the Affirmative Repositioning movement, which in mid-2015 forced Geingob to agree to accelerate the roll-out of serviced urban plots (which would help rehouse shanty dwellers) in response to a threat of mass occupations. LPM leader **Bernadus Swartbooi** was a SWAPO member and deputy land reform minister (2015-17) until he fell out with his superior, Land Reform Minister **Utoni Nujoma**, the eldest son of Namibia's first

President **Sam Nujoma**, and was sacked (AC Vol 60 No 14).

The LPM is outflanking the established left-wing parties, the Marxist-orientated South West African National Union (SWANU), which has one MP, and the Workers' Revolutionary Party (WRP), which has two. Also on the left there is the sister party of South Africa's Economic Freedom Fighters, the Namibian Economic Freedom Fighters, which has no MPs.

Swartbooi's campaign is scoring off SWAPO's failures on land reform, which the government blames on the constitutional requirement to pay fair compensation for nationalised private

property. The government says the full market price for farms is too high for land reform to go any faster.

Swartbooi promises that if the LPM won power, it would change the existing land ownership laws – and presumably the constitution too – so land could be expropriated at lower cost.

Even if the LPM only gains three or four MPs in the next parliament pressure will grow on SWAPO to implement the land conference resolutions, for example by banning new foreign ownership of commercial farmlands.

SWAPO's own MPs will change, with newer, younger faces selected at the SWAPO electoral college in September.

Namibia operates a parliamentary list system in general elections, like **South Africa**, meaning the party centre chooses all candidates. Geingob supporters gained most of the top positions on the list, meaning they will be elected even if SWAPO loses seats overall. Most pundits believe SWAPO will not lose its two-thirds majority in parliament. Also at the conference, Geingob's likely successor as SWAPO presidential candidate in 2024, the party's Vice-President and Foreign Minister **Netumbo Nandi-Ndaitwah**, topped the list, confirming she is in pole position to be Namibia's next – and first female – head of state. ●

GHANA

Hefty down payment for 2020

President Akufo-Addo's government wants to engineer a pre-election boom without the usual economic meltdown afterwards

With national elections a year away, Finance Minister **Ken Ofori-Atta** tried to combine political bullishness and banker's caution when he read the

2020 budget statement in parliament on 13 November. Although he was announcing a 21% boost in spending and talked about 'consolidating the gains for growth, jobs and prosperity

for all', Ofori-Atta heavily qualified the boosterism.

The government's room for manoeuvre is still constrained by under-target revenues and heavy debts from over-priced power contracts and opaque state procurement deals, said Ofori-Atta: '...the risk of external debt distress and overall public debt distress remains high over both the medium and long-term'.

Ofori-Atta says it has taken his team three years to work through the backlog of inherited debt and find ways to restructure. Until now the government

THE POLITICS OF LOW-TAX AND HIGH-SPEND

The ruling New Patriotic Party (NPP) styles itself as a pro-business, low-tax party that wants to boost Ghana's brave new entrepreneurs. That can clash with its social aspirations of financing a high-quality and free secondary education system and a comprehensive and heavily subsidised national health service.

The founder of Databank in Accra, Finance Minister **Ken Ofori-Atta**, pledged to abolish all 'nuisance taxes' on taking office in January 2017 as well as to cut taxes and other constraints on 'entrepreneurship'. Having inherited a debt burden of around 70% of the country's national income, Ofori-Atta resorted to financial engineering and stretching out maturities of some of the debt to cut the short-term servicing costs.

Initially sceptical about some of these plans, the International Monetary Fund has endorsed the government's strategy but warns of revenue problems. The Fund's latest assessment says the government's problems with its budget this year were due to 'lower than expected revenues, frontloading of spending on some flagship programmes and unexpected security outlays reflecting security challenges from the Sahel.' The shortfall in revenues up to September was caused partly by poor corporate income tax inflows and a lower than expected import tax take. Non-oil tax revenues should make up most of the government's revenues.

The IMF added some diplomatic advice to the government to avoid 'spending and financing operations outside the budget to enhance budget credibility and transparency.' Civic activists have been more direct, raising concerns about inherited as well as more recent over-priced contracts using opaque third-party structures which offer little benefit to the treasury.

Historically, many of these contracts were in the energy sector but now critics are demanding far more rigorous data about the costs and benefits of the US\$2 billion bauxite project with **China's** Sinohydro.

Oil revenues have been hit by softer than forecast prices this year. According to the central bank, the value of oil exports through to August outpaces the same period last year. It was running at around double the value of cocoa exports for the same period. Ofori-Atta warned that oil revenues from existing fields would continue to dip for the next three years. That would affect overall growth which would fall from a government-estimated 7% this year to an average of 5.7% until 2023. After that, oil output and revenues would trend upwards with the start of production at the Pecan field, operated by **Norway's** Aker.

Policymakers say the pact with **Côte d'Ivoire** to guarantee a reasonable price to their cocoa farmers and boost local processing operations should raise investments and revenues in the medium term. But both countries, which produce over 60% of the world's cocoa, are struggling to keep young workers from quitting the farms for the cities.

Over the next three years – with slowing oil production, a resumption of large-scale gold-mining and efforts to push up cocoa prices – the government will struggle to raise its tax revenues from their current level of just under 13% of GDP to 20%.

The government insists it will hit targets by 'efficiency and base-broadening' rather than new taxes. No tax revolution is in the offing from the NPP: its direct tax initiatives in the 2019 budget, with marginal rate and threshold changes, favoured individual taxpayers. That might reflect electoral politics for next year rather than the Finance Ministry's strategic choice. ●

has been paying about US\$450 million a year for electricity from Independent Power Producers that it doesn't use and is too expensive to export to neighbouring countries via the regional power pool.

There is at least another \$10 billion of inherited over-priced projects and contracts which the government has been trying to disentangle (AC Vol 60 No 21). At the same time, President **Nana Akufo-Addo** and the ruling New Patriotic Party (NPP) has to show that his government is the best custodian of the economy and can fund his ambitious education and health programmes (see box).

NO SPLURGE

Ofori-Atta has presided over a clean-up of the banking sector, doubling real GDP growth to around 7%, cuts in the fiscal deficit and inflation, and improved Ghana's trade balance (AC Vol 60 No 2). And he insists that fiscal limits will be respected next year: 'Despite the year being an election year, President Akufo-Addo and his government will ensure that the perennial excessive spending during such periods will not happen in 2020.'

The Fiscal Responsibility Act, passed last year, limits the budget deficit to a maximum of 5% of GDP and it would be embarrassing for the government if it was found to have breached that.

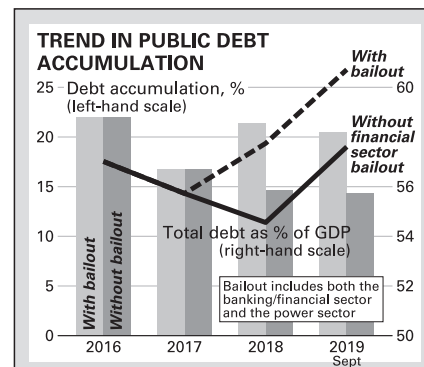
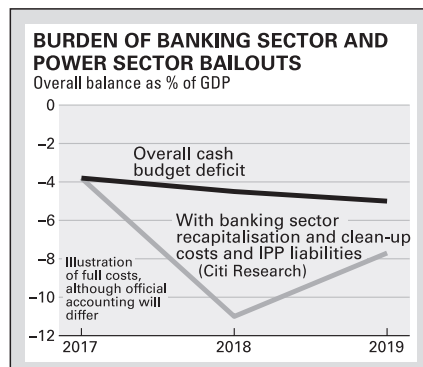
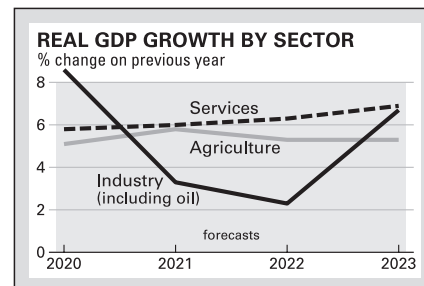
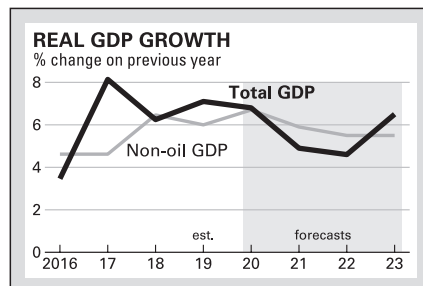
Razia Khan, Standard Chartered Bank's Regional Head of Economics, Africa, reckons Ghana's fiscal risks are 'relatively contained', following the government's spending cuts and boosts to revenue this year, when it risked overshooting its targets.

For **David Cowan**, Citi's Chief economist for Africa, the government has boxed itself in with the 5% limit of the Fiscal Responsibility Act. He argues that the 'one-off costs' of bailouts for the banking and power sector, spread over 2018-2019, would push the hypothetical cash budget deficit far beyond government targets.

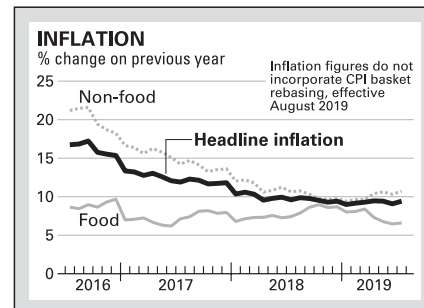
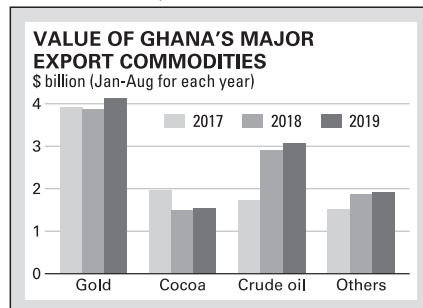
Ofori-Atta's fiscal policy review in July and IMF figures together imply aggregate costs for the restructuring of the power and banking sectors exceeding 30bn cedis (\$5.3bn) or close to 10% of GDP.

These estimates came before the latest regulatory actions such as the central bank's revocation of the licences of several finance houses and savings and loans companies (S&Ls) deemed insolvent. And then on 8 November, the Securities and Exchange Commission (SEC) revoked the licences of over 50 'distressed' asset management companies.

GHANA - GROWING STRONGLY BUT DEBTS RISE



Sources: Ghana Ministry of Finance; Citi Research estimates; Bank of Ghana; Ghana Statistical Service © africa-confidential.com 2019



These actions, according to the 2020 budget statement, could cost the government a further 3bn cedis (\$530m). To date, the costs of the bank reforms and bailouts are running at 16.4bn cedis (\$3bn) or about 5% of GDP, not including interest payments.

Given the weight of other priorities such as a breakdown in the power sector and urgent social programmes, some insiders question the need to push through the bank restructuring at this time. The sector was not, they insist, about to collapse.

DEBT BURDEN

Everyone agrees, if not always on the details, that Ghana's debt is far too heavy. The government calculates it at 60.5% of GDP as of this September and under 60% if the costs of the banking bailout are deducted. But the IMF estimates Ghana's debt/GDP ratio will exceed 63% this year and suggests the government might in future need to tighten interest rates (already running at 16%) to counter inflation and cut the deficit (AC Vol 59 No 24).

There is political tension around

attempts to cut the deficit, which have fallen more on growth-boosting capital spending than recurrent costs such as wages and interest payments. In 2020, capital spending is forecast to be just 10% of the overall budget and less than 20% of recurrent spending on wages and interest payments.

However, Ofori-Atta insists the government will push ahead on the big rail, road, dam and gas transport projects. He also guaranteed funding for the government's key initiatives, such as free secondary education and its one-district-one-factory plan which has promised a medium-to-large-scale factory in each of the 260 districts.

Yet after nearly three years in power, the government and its private sector partners have built factories in less than one quarter of the districts, according to Ofori-Atta's numbers. With mounting pressure to resolve the power crisis, complete the expensive banking reforms and find resources for the government's social programmes, it will be a busy election year for Ofori-Atta and his colleagues. ●

UGANDA

Unity or bust for 2021

The opposition is finding unity elusive while the President is already on the campaign trail ahead of the next elections

In the wake of the recent brutal attacks by security forces on protestors in Kampala, pundits ponder why the formidable mass movement of **Bobi Wine** and **Kizza Besigye's** Forum for Democratic Change (FDC) cannot join forces. Opposition leaders have announced their intention to unite behind a single candidate to contest the 2021 presidential elections, but it is easier said than done. Meanwhile, President **Yoweri Museveni** has had no new ideas about who should succeed him.

Besigye consistently polled about 30% of the vote in each of the four presidential elections in which he stood, and no other opposition candidate has ever scored more than 2%. **Robert Kyagulanyi**, aka Bobi Wine, stormed to victory in the Kyadondo East by-election in July 2017, even though the opposition FDC also stood in the poll, and has consistently defied the government by attracting thousands to anti-government protests (AC Vol 59 No 18).

While increasingly violent repression has been the government's answer, reforms to electoral law are now proposed which could further hamstring the opposition. Bobi Wine's unconventional People Power movement could be barred from uniting with Besigye's FDC, which is a registered political party.

Meanwhile, other proposed changes will constrain scrutiny at election time by prohibiting the use of mobile phones and cameras at polling stations. The devices allow election observers to capture polling data at the polling station, which can frustrate efforts to alter the results at tally centres and at the electoral commission.

DISUNITY

The opposition itself, however, finds unity hard to achieve, although all parties declare how important it is. Besigye has formed a cross-party platform, the People's Assembly, based on the FDC of which he was once president. **Norbert Mao**, Secretary-General of the opposition Democratic Party, created a similar body, the Democratic Party Forum, in an attempt to unite factions in his own party and form links with parties outside. He

has now declared his candidacy. Some senior dissident members of the DP joined Besigye's assembly.

The former army commander and retired Major-General, **Mugisha Muntu**, who left the ruling National Resistance Movement (NRM), is said to be contemplating standing. Muntu abruptly quit the FDC when he was voted out as party president in September 2018 and formed the Alliance for National Transformation.

None of the above can compete with Bobi Wine's short but impressive political record or his obvious mass appeal to Uganda's youth, some 70% of the population. People Power has supported by-election candidates from different parties to their advantage. To many of those tired of President Museveni's 33 years in power, an alliance between PP and Besigye could be unbeatable.

On the surface, plans for an alliance have been in train. Besigye and Bobi Wine have spent two years pledging to cooperate with one another without making the union official. Bobi Wine had repeatedly asked the FDC to make him its candidate at Kyadondo East, but he was rebuffed by then party president Muntu, supposedly because he hadn't been an FDC member for five years. The FDC put a candidate in the poll and was humiliated by the landslide in favour of the musician and performer turned politician.

Early in November, Besigye was asked on national TV why he could not unite with Bobi Wine, replying that they 'believe in different things'. Pundits in Kampala say that one of Besigye's problems is senior members of his party who fear losing out to other coalition members when Museveni eventually leaves office.

The FDC and Besigye are aggrieved at election victory in 2016 being stolen – as they believe firmly. Besigye could boycott the next election on the grounds that he won the last one. But he has also called for popular uprisings in response to fraud at the ballot box in the 20 years he has stood against the incumbent without success.

At the moment, nobody knows which direction he wants to take. If he boycotted, however, he would leave the field clear for Bobi Wine.

Bobi Wine's own strategy, while hoping that the FDC will support him, is to reproduce his by-election victory on a national scale and to build a national network so strong that the size of his vote is too large to be manipulated away by ballot-stuffing and other manoeuvres.

Senior FDC members are resistant, and even ridicule Bobi Wine's appeal for mass voter-registration. One FDC accusation on social media was that Bobi Wine was being tribalist by appealing for voter registration in the language of the largest ethnic group, the Baganda. This enraged PP supporters, many of whom are former FDC stalwarts. Besigye apologised immediately for the comment but ill-feeling remains at grassroots level, with Bobi Wine supporters accusing the veteran oppositionist of jealousy. More old-fashioned members of the opposition regard Bobi Wine as a 'queue-jumper'.

Bobi Wine is seen by many as a worthy inheritor of Besigye's record of opposition, but in State House, President Museveni has had endless trouble finding someone to succeed him. He fell out with politicians he once favoured, most spectacularly when former prime minister **Amama Mbabazi** tried to unseat Museveni from within the NRM. Mbabazi believed his old comrade had broken a gentleman's agreement to make way for him as the NRM presidential candidate in 2016 (AC Vol 55 No 18). When Mbabazi failed, he launched his own unsuccessful presidential bid (AC Vol 55 No 21).

MUHOOZI PROJECT

For most of this year the President has attempted to revive what was popularly known as the Muhoozi Project, the plan to install his son, **Muhoozi Kainerugaba**, in his place. The plan hit the headlines in 2013 when General **David Sejusa**, coordinator of the intelligence services, claimed that members of the elite opposed to the project were in line for elimination (AC Vol 55 No 11). As with other prominent politicians involved in the succession struggle, Sejusa lost his job and went into exile in the **United Kingdom** before reconciling with Museveni and returning home (AC Vol 56 No 2).

Military opposition to the Muhoozi Project is less pronounced now compared with six years ago. Kainerugaba has ticked all the military boxes, having received extensive training in the **United States** and the **UK**, and commanded troops in **Somalia**. This year he was promoted to the rank of Lieutenant General and until

recently was in charge of the Special Forces Command (SFC), the elite wing of the Uganda People's Defence Force and President Museveni's Praetorian guard.

However, efforts to endear Kainerugaba to the people have not gone well. He has appeared on television chat shows discussing family matters, attended public functions making large donations to cultural leaders, and officiated at celebrations of the achievement of Uganda's leading athletes and other high-achievers.

Yet he performs poorly in public, failing to animate before a live audience.

Joseph Kabuleeta, a blogger, called him 'dull and lifeless'. Kabuleeta's reward was to be abducted from a restaurant, stripped to his underwear and doused with water until he apologised on camera before being released after four days.

Kainerugaba has been in charge of major violence against the opposition, as well as the invasion of parliament when soldiers roughed up MPs during the debate on lifting the age-limit on presidential candidates in 2017 (AC Vol 58 No 21). SFC troops shot dead two opposition supporters and brutalised others during the by-elections in Jinja,

Bugiri and Arua last year.

Photos of SFC soldiers surrounding and caning journalists, and stamping on and applying pliers to arrested demonstrators lying in the back of pickups have done nothing for their, or Kainerugaba's, public standing.

RIDICULE

On social media, which the government is continually striving – with little luck – to control, Kainerugaba is often a figure of ridicule. That his father continues to try to offer him as a viable successor to himself is a measure, oppositionists say, of the political bankruptcy of both. ●

SOUTH AFRICA

The DA's race dilemma

The main opposition party is wracked by divisions over 'affirmative action' after its black leaders suddenly resign

The departure of both **Mmusi Maimane** as leader of the Democratic Alliance and **Herman Mashaba** as mayor of Johannesburg has sent shock waves through the main opposition party and started a soul-searching process set to culminate at its annual conference in April. Senior DA figures believe Maimane's leadership was a failure and repairs are urgently needed. On 17 November, Maimane's ally and deputy **John Steenhuisen** was picked to lead the party until a new leadership contest at the conference.

The split is between 'progressives' like Maimane and Mashaba, most of them black, who support affirmative action designed to correct the imbalances of the apartheid era and liberals, mainly white, who support social justice for the poor while maintaining a race-neutral policy. The latter argue that racial redress, such as through Black Economic Empowerment, fuels cronyism, does not work, and dilutes the liberal and multiracial principles on which the DA was founded.

The tension between the two groups has grown as the party struggles to reverse the worrying decline in its popular vote, which had grown consistently, peaking at 26% in the 2016 municipal elections, until it polled only 20.8% in the last general election, down from 22% in the previous national poll.

The DA lost mainly white voters, particularly Afrikaners who feel threatened by affirmative action, to the right-wing Freedom Front Plus (FF+), a throwback to the apartheid era, which promotes white interests along with the

rapidly growing Afrikaner lobby group Afriforum.

The intra-party tensions came to a head with the return to a leadership position of the veteran former party leader, **Helen Zille**, who is firmly in the liberal camp, at a meeting of the party's federal council last month. Maimane supporter **Athol Trollip** left the council when Zille defeated him in a vote for the chair of the key body. Others who also believed Maimane's time was up included the influential MP **Ghaleb Cachalia**.

COLONIALISM ROW

Zille, a renowned fighter against apartheid, ignited furious controversy two years ago when she was accused of condoning colonialism in a tweet. She wrote, 'For those claiming legacy of colonialism was ONLY negative, think of our independent judiciary, transport infrastructure, piped water etc.' Maimane reprimanded her and she faced disciplinary action in the party.

Steenhuisen was challenged by **Makashule Gana**, a member of the provincial legislature in Gauteng province who is relatively unknown nationally and is more radical than Maimane in his commitment to affirmative action. Makashule said those opposing redress of historical racial injustices were 'hypocritical'.

A third contender, the DA Western Cape leader **Bonginkosi Madikizela**, withdrew from the race in the run-up to the election because he would have split the vote of Zille sympathisers for Steenhuisen.

Although **Zille** supported Steenhuisen, she is backing the 30-year-old DA head of policy **Gwen Ngwenya**, who regained the post at the 16-17 November weekend meeting, as a prospective leader, *Africa Confidential* understands.

The two wings of the party are expected to do battle ahead of and during the national congress. One wants to double down on Maimane's approach and put black members front and centre of the party's policies in order to win votes, while the other insists that its best chances lie in sticking to liberal political principles of probity and fairness in opposition to the favouritism, corruption and poor governance record of the ANC.

RUGBY'S ROLE

An indication that attitudes towards race could be shifting was the tumultuous reception that awaited the victorious multiracial Springbok rugby team on its return from winning the World Cup in Tokyo where the country's first black captain, **Siya Kolisi**, turned the victory over England into more than a rugby game. The victory has united the country in a way not seen since the Springboks' **Nelson Mandela**-inspired victory over **New Zealand** in 1995 boosted the cause of multiracialism.

The Economic Freedom Fighters MP **Mbuyiseni Ndlozi** was shouted down in parliament when he accused the rugby team of being 'white-dominated' lackeys.

The veteran historian and commentator **RW Johnson**, who has been at the forefront of those urging the DA to return the party to liberal values, wrote, 'Under Maimane the DA was drifting towards destruction and a leadership clear-out was essential.'

Maimane came from the ranks of the ANC less than a decade ago, and was groomed for leadership by Zille before the two fell out over the race issue. While the DA has a significant black and mixed-race membership, it

has not wholly succeeded in shaking off its image as a white-dominated party, regardless of its exemplary record of resistance during the apartheid regime.

If the DA collapses, commentators agree, it will seriously damage South Africa's image. 'South Africa can ill afford the implosion of its political opposition which has been the most prominent check on the ruling ANC,' said political commentator **Eusebius McKaiser**.

The DA federal executive council, now headed by Zille, runs the party's day-to-day affairs but does not make policy, the responsibility of the party congress. Zille insists that she will 'stay in her lane' while declaring, 'We must challenge the idea that blackness is a proxy for disadvantage when it enables this fig-leaf for corruption and the kind of mess we are seeing in the state-owned enterprises.'

Zille said the first priorities were economic growth, skills development, job creation and promotion of the DA's values, the rule of law and establishing a capable state. Its clean image, tight organisation and efficiency are major factors in its appeal to voters disaffected by the ANC.

One of Maimane's last acts was to commission a three-person panel

led by the former party leader, **Tony Leon**, the former **British** Liberal-Democrat strategist and DA member **Ryan Coetzee**, and banker **Michiel le Roux** to review the DA's dismal 2019 election performance. The 30-page report detailed the failures and possible remedies for the party as it prepares for the local government elections in 2021.

The panel was scathing about Maimane's leadership, saying that while 'immensely talented', he could be 'indecisive, inconsistent and conflict-averse', and that this led to a lack of clarity about the party's vision, confusion on key issues and deep divisions in its national caucus. Maimane supporters, however, hit back by saying that this was largely Coetzee's own view, and he was effectively now 'running the party' and would be challenged.

DEEP SHOCK

Several senior DA members admitted to being deeply shocked and disappointed in Maimane's resignation. 'He never took some of us as black leaders into his confidence and he had assured us he will not resign, yet he did,' said one. He had informed party leaders he would only step down at the 2020 Congress, *Africa Confidential* was told.

Maimane is understood to be exploring founding a 'social-democratic

type' party, said a loyalist. 'Mmusi has no shortage of donors or party members that are willing to join him in the new project. He has just not decided what he wants yet,' a former Maimane aide said. 'He is spending time with his family and speaking to his inner circle like Herman Mashaba to decide the next move.'

The DA is likely to move its headquarters back to Cape Town, we hear. 'The Jo'burg HQ will close and they will most probably sell the building,' a senior DA insider said. Under Maimane the headquarters move to Johannesburg signalled the desire to increase black support and move out of the political homeland of Cape Town. This did not work out, however, and eventually led to Maimane's downfall.

Johnson believes that the DA will not necessarily perform worse in the 2021 local government elections than it did in the national poll in May this year. 'A great deal will depend on whether the party can pull back the Afrikaner voters that it is currently haemorrhaging,' he said.

In contrast, **Jon Cayzer**, a former speechwriter for Zille who now lives in the UK, says, 'I think in its heart of hearts the party has given up its aspiration to govern South Africa and feels it cannot break its electoral glass ceiling.' ●

UK/AFRICA

Brexit and a trade pipe-dream

Whatever happens in Britain's general election, the uncertainty over its trade policy, including ties with Africa, will continue next year

A win for the Conservatives in the election on 12 December would mean Britain's formal exit from the European Union early next year. That would be followed by years of trade negotiations between Britain and the rest of the world. But in the short-term there would be several interim arrangements, rolling over the terms of trade that Britain signed up to as a member of the EU.

Should some configuration of opposition parties win the election, Britain will try to reopen negotiations on a withdrawal deal from the EU or may decide to stay in the bloc. The only policy that would produce short-term clarity on Britain's trading relations would be a government decision to remain a member state of the EU.

Ever since Britain voted to leave the European Union in 2016, successive prime ministers – **Theresa May** and

now **Boris Johnson** – have promised expansive new trade deals with Africa. In private, Whitehall officials have long conceded this won't happen (AC Vol 59 No 17).

In the medium term, astute African trade negotiators could extract concessions as Britain faces a weakened position in a bigger and more competitive market.

First, Britain's economy is now growing at its slowest pace for a decade, held back by the multifarious effects of the Brexit vote as well as the indirect effects of the trade war between **China** and the **United States**.

Secondly, such are the arguments around Britain's attempts to leave the EU, the terms of the withdrawal agreement or whether it will happen at all, there is no clear policy on trade with Africa – beyond Britain wanting a bigger share of the continent's market

to compensate for potential losses in Europe and elsewhere.

Until now, the biggest concern for African exporters has been the threat of the Conservative government to walk out of the EU without an agreement and trade with the EU on World Trade Organisation terms. This 'cliff-edge' option, would cause chaos in the European trading system and reverberate in Africa.

NO-DEAL THREAT

Both African countries and British companies are still trying to mitigate the effects of a no-deal outcome. However, there seems to be less chance of Britain walking out without a deal following Prime Minister Johnson's acceptance of a slightly amended withdrawal agreement. Everything depends on who wins the election.

So long as Britain remains an EU member it is barred from negotiating new trade accords with third countries. Instead, it has spent much of the past three years trying to cut and paste the EU's existing trade arrangements with African states and regional blocs into British law as a stop-gap solution.

So far, only the pacts with the Southern African Customs Union and **Mozambique** (SACU+M), and

the Eastern and Southern African countries have been rolled over. On 26 October, British and Moroccan officials announced that the Association Agreement between Brussels and Rabat would be also rolled over.

Talks between Britain and Tunisia, Ghana, Kenya, Egypt, Côte d'Ivoire and Algeria are still ongoing, though Kenya's High Commissioner to London, **Manoah Esipisu**, says he expects a post-Brexit trade agreement to be finalised by the start of 2020.

'We have worked quite hard on ensuring there is no trade disruption,' said Botswana's Investment, Trade and Industry Minister **Bogolo Joy Kenewendo**, who chaired talks on the SACU+M accord. 'We have tried to cover all the bases.'

Trade between Britain and sub-Saharan Africa has grown by over 7% in the past 18 months. Exports to the UK account for about 4.8% of African exports. SACU+M covers trade worth some £10 billion (US\$13bn) a year.

If the Withdrawal Agreement is passed, Britain will enter a transition period during which it will stay in the EU single market until December 2020. Most officials in Brussels expect this deadline to be extended.

OVER-STRETCHED

Talks on new UK-Africa trade pacts could start in this period but the UK's Department for International Trade is over-stretched. Making much progress on new trade agreements with African countries before the transition period ends is unlikely.

Next January, London is to host a UK-Africa Investment Summit after a succession of similar grandiose events in Russia, Japan and China, and ahead of an ambitious Franco-African summit. The uncertainty over terms of trade with Africa could cast a shadow over the event but the organisers have already been awarded their marketing contracts.

There is also the ambitious pledge – made by Theresa May last year – that Britain plans to be the biggest single investor in Africa of the G7 countries. Britain has promised to double the current export credit finance for trade and investment with South Africa to £3.5bn.

Post-Brexit trade policy is a blank canvas. Several African blocs and big economies such as those of South Africa, Kenya and Nigeria criticise the EU's Economic Partnership Agreements (EPAs) with African regional blocs and expect Britain to offer better terms. But London remains in a holding pattern.

A White Paper published by the former Secretary for International Trade **Liam Fox** in late 2017 promised

THE AFRICAN BREXITEERS

The UK's 2010, 2015 and 2017 parliamentary intakes, saw a significant increase in the number of Conservative party MPs of African heritage. Most are staunch Eurosceptics, with the notable exception of **Sam Gyimah**, a British Ghanaian, who resigned as an Education secretary in Theresa May's government in November 2018 to campaign for a second referendum, and was expelled from the Tory party in September after voting to prevent a 'no-deal' Brexit. Gyimah is now standing as a Liberal Democrat in a central London seat. However, six of his former colleagues have quickly begun to climb the ministerial ranks.

Priti Patel: Ugandan Asian. Appointed as Home Secretary, Patel is now one of the most senior ministers in Boris Johnson's government. Patel was elected in 2010 as one of the A-list candidates established by then Prime Minister **David Cameron**, and quickly rose through the ranks despite being on the Thatcherite right of the party. Patel's career survived being sacked from May's cabinet as International Development Secretary in November 2017 after holding meetings with Israeli government officials, in which she allegedly mooted the possibility of giving UK aid funds to the Israel Defense Forces, without informing the Foreign Office.

Kwasi Kwarteng: Ghana. Educated at Eton College and Cambridge university, Kwarteng was a junior Brexit minister under May. Immediately promoted to Business Minister when Johnson took office, he has been earmarked as a future cabinet minister.

Bim Afolami: Nigeria. Also an Eton and Oxford alumnus, Afolami, who voted Remain in the 2016 referendum, was elected to the ultra-safe Hitchin and Harpenden seat in 2017. A party loyalist who backed May's Brexit deal, Afolami, currently a ministerial aide, could be in line for a junior ministerial post following December's election.

Kemi Badenoch: Nigeria. As a former banker and digital director of the Conservative-supporting *Spectator* magazine, Badenoch, who moved to the UK from Lagos at the age of 16, has impeccable high-Tory credentials. An MP since 2017, Johnson appointed her as a junior education minister in July.

James Cleverly: Sierra Leone. An ally of Johnson from his days as London Mayor, when Cleverly was a member of the London Assembly, he has quickly become one of the ministers most frequently put in front of the media to defend government policy. The former junior Brexit minister was appointed Chairman of the Conservative party when Johnson took office in July.

Suella Braverman: Kenya/Mauritius Indian. An arch Eurosceptic, Braverman was a junior minister in the Department for Exiting the EU in the May government – resigning in November 2018 in protest at May's Brexit deal – and chaired the European Research Group of Eurosceptic Conservative MPs. She is likely to be offered a return to the ministerial ranks if Johnson wins a majority. ●

the UK will continue to offer 'duty-free-quota-free access to the UK market' for countries classified as 'least developed' alongside a 'unilateral trade preference scheme' that could outflank the EPAs (AC Vol 58 No 23).

However, the trade bill based on that White Paper was scrapped when Prime Minister Johnson prorogued parliament in September. The government's latest trade bill includes just the rolling-over of EU trade agreements.

ROLLING OVER

These talks on roll-over deals offer some pointers on future EU-Africa trade. The SACU+M roll-over deal also extends the tariff-free quotas for unrefined and refined sugar, canned fruits and wine after South Africa took a tough line in the talks with UK officials.

We hear that Kenya wants higher quotas for its produce and cut flowers as part of the roll-over of Britain's trade agreement with the six-nation East

African Community.

Britain is said to favour removing rigid rules of origin on products; that would boost African exports to the UK in the future. The EU insists on a regime under which primary products are the major export, leaving little incentive for African exporters to process local commodities and minerals.

Like the European Commission, the UK has promised to provide technical assistance for the African Union team drawing up regulations for the African Continental Free Trade Area (AfCFTA).

Although British officials in Brussels talk of 'very close partnerships' with the EU on development and diplomacy in Africa, they have stayed away from the debate on the EU's next seven-year budget – known as the multi-annual financial framework – and the successor to the Cotonou Agreement between the EU and the African, Caribbean and Pacific community (AC Vol 59 No 21).

'There's the sense from member

states that Brexit changes the balance, in the role of the ACP and the EU's post-Cotonou relations,' says a Brussels insider. Others point out that Britain will join the likes of Russia, **India** and Japan in a crowded field of new and newish players in the African trade and investment market.

The prospect of Brexit being an opportunity to reinvigorate and rebrand Britain's relations with Africa, led by a

Prime Minister who once suggested that the 'best fate for Africa would be if the old colonial powers, or their citizens, scrambled once again in her direction', is likely to be received with scepticism.

Yet Africa's bigger economies and regional blocs could exert their greatest leverage in trade talks over the next two years. 'This is a matter for the United Kingdom and all we can say is, "Get on with it". Business does not like

uncertainty,' says Esipisu.

Yet, even if the Conservatives win the election with their 'Get Brexit done' slogan, Britain's extrication from the EU will be slow and contentious.

Some Whitehall officials predict at least another five years of tough trade negotiations with Europe and the US. As those play out, fresh trade deals with Africa are unlikely to be innovative or pulled together quickly. ●

ZAMBIA

Intrigue at State House

A coterie of colourful advisors around President Lungu is competing for influence and contracts

Tussles for supremacy among President **Edgar Lungu's** key advisors have claimed scalps in his ever-smaller inner circle. One of the most important was that of former journalist **Amos Chanda**, who was the President's spokesman for four years until his sudden exit from State House in June. On 15 November his fall from grace was confirmed when the Drug Enforcement Commission arrested him on suspicion of corruption in public office (AC Vol 56 No 18). No observer in Lusaka believes this could have occurred if he had remained in good odour with the President. As Chanda's star has waned, that of his great rival, **Kaizar Zulu**, has climbed ever higher, ending a long period out in the cold.

The machinations of Lungu's entourage are key, pundits say, to understanding how the presidency works, how businesses and investors are pressured for favours, how corruption is organised, and how spending is not all under the control of the finance ministry.

Zulu, who is regarded as the strategist for Lungu's last election campaign, has been less prominent of late owing to poor health, and last year his contract with State House was not renewed while Chanda's was. Although no direct accusations officially have been made against either man, business executives acknowledge that government procurement contracts are inflated at State House, and the proceeds are distributed there among those close to Lungu and to the ruling Patriotic Front.

Lungu believes – and has said publicly – that austerity should not apply to the presidency. He lives up to this by travelling frequently on his top-of-the-range new Gulfstream

G650 jet and caused outrage last year it was revealed he was building a \$4m mansion in **Swaziland**. His closest confidants also enjoy an opulent life of free luxury travel, parties, and steady stream of income from procurement contracts.

The government is trying to hold onto solvency by continual borrowing. The latest effort, we hear, is an attempt to borrow about \$200 million from Afreximbank.

Economists fear that the extravagance of the presidency is one reason newer and bigger loans are being sought.

State House has many ears, and voices too. Some of the latter claim that Zulu exploited Chanda's growing pride and arrogance to plot his fall and regain influence for himself. The local media has claimed that Chanda took money to influence the president to revise his decision to liquidate Konkola Copper Mines (KCM) and effectively expel Vedanta, which holds the controlling stake in the company (AC Vol 60 No 18). According to those reports, which both Chanda and Zulu have denied, the two men worked together on the scheme until Zulu betrayed Chanda to the President.

BAR BRAWL

Zulu cuts a more intimidating figure than the dapper Chanda and he has repeatedly been accused of brawling in Lusaka bars during drinking sessions. He was arrested in September 2015 after allegedly threatening **Enoch Kavindele Junior**, son of former Vice President **Enoch Kavindele**, during a drunken altercation. Kavindele later withdrew his criminal complaint and the case was dismissed. Local reports say the police often refuse to

take action against him, even though he has been accused of violence in other incidents.

Zulu was in State House working for President **Michael Sata** but his behaviour became too much of a public embarrassment and he was sacked. We understand the final straw for Sata was when Zulu interfered with Sata's decision on lucrative state fertiliser contracts in an effort to protect the monopoly of **Indian** businessman **Gulam Patel** against Sata's wishes.

Speculation about Zulu's influence under Lungu is all over the Zambian media. He has relied on inciting fear and his knowledge of others' involvement in illegal schemes to protect him, they say. At least two investigations by Zambia's Anti-Corruption Commission (ACC), have been quietly dropped and the files sealed. Local media has asked, 'is Mr Kaizar running State House?'

The ACC's investigations are labelled as 'ongoing' but insiders say nothing is happening. One investigation concerns Zulu's alleged involvement in the manipulation of a tender to supply digitisation services to the Road Transport Safety Authority, in which an alleged \$8m bribe was divided between Zulu and others including RTSA head **Zindaba Soko**. *Africa Confidential* understands that most of the \$80m contract price was paid out but the work was never carried out (AC Vol 59 No 25). Soko is now suspended from his public duties and being prosecuted for corruption during his role as RTSA chairman but Zulu remains unscathed. Zulu denies the allegation.

Zulu is often seen accompanying the President on state visits, even posting photos of himself aboard the presidential jet sipping champagne. His presence on a trip in June 2018 to **Kenya** caused particular outrage because Lungu brought aides with him in preference to government ministers.

Another key aide whose presence at Lungu's side during his public duties has become ubiquitous is his long-time friend, businessman **Valden Findlay**. Findlay is thought to enjoy high-level protection and has been accused of trafficking drugs in Zambia, an allegation that Findlay denies. He

was arrested in Hong Kong in 2009 for carrying an alleged false passport, but then-President **Rupiah Banda** intervened to have him returned to Zambia. Findlay denied the charges and the case never went to trial.

Findlay was recently named in the testimony in a US court of convicted drugs trafficker turned state witness **Vijay Goswami**, who confirmed his friendship with Findlay while testifying about the assassination of a drugs trafficker during a trial of members of a Kenyan crime family in July.

Findlay has denied knowing Goswami, but **Kaweche Kaunda**, a son of Zambia's first president, **Kenneth Kaunda**, told a local TV station in mid-September that he had been present when Goswami and Findlay met. He also described how Findlay had used his influence with Lungu to assist Goswami in relation to drugs charges in Kenya. Kaunda said that Goswami had initially asked him to speak to Kenyan President **Uhuru Kenyatta** but when he refused, Goswami told him 'Valden will sort it out' by asking Lungu to speak to Kenyatta.

Findlay has no official public or party role, but he has attracted notice after being photographed with Lungu during events such as the state visit to Swaziland in September 2017. Eyebrows were raised when Findlay appeared standing beside **Britain's Prince Harry** in a photo call organised by State House during the Prince's visit to Zambia last November.

More recently, Findlay's presence alongside Lungu in the first photos that emerged of the new presidential Gulfstream 650 jet's maiden flights with the presidential entourage has attracted criticism and questions (AC Vol 60 No 5). Former Information Minister **Chishimba Kambwili**, whose breakaway National Democratic Party (NDP) was de-registered on 26 August but who now appears to be reconciling with Lungu, alleged in September that Findlay has used the jet to smuggle drugs, prompting a defamation suit from Findlay. The case is ongoing.

According to ruling party insiders the former head of the Zambian Air Force, **Eric Chimese**, who was himself arrested by Zambia's DEC in February and is currently on bail, also said that the jet was being used to smuggle drugs. Chimese was suddenly dismissed as head of the ZAF last year.

PROTECTION

The controversy around Findlay is said by senior Zambian judicial sources to have attracted the attention of the US Drug Enforcement Administration, which asked Lusaka why it was the accuser Kambwili, not Findlay, who had been summoned to explain himself to the DEC. In response, the courts summoned both. Kambwili failed to appear, and Findlay's case was withdrawn before his scheduled appearance one day later, prompting more claims from civil society that Findlay enjoys state protection.

The fate of ministers can vary widely. Former Local Communities Minister **Emerine Kabanshi**, PF sources say, was made the fall guy when officials in her ministry were suspected of stealing cash payments intended for Zambia's poorest. If she had knowledge of the scam, PF insiders say, she would have been following orders from above (AC Vol 59 No 18).

Health Minister **Chitalu Chilufya**, on the other hand, remains firmly in place despite several scandals in the health ministry (AC Vol 59 No 8). Former Housing and Infrastructure Minister **Ronald Chitotela** also seems to be untouchable, having emerged with nothing worse than a reshuffle to the Ministry of Tourism after evidence was presented to court in two corruption trials that he laundered money through property purchases. The case was dismissed in July by Magistrate **David Simusamba**, a staunch PF loyalist. Chitotela also denies wrongdoing.

Many believe that new changes to fiscal management are intended to conceal money-trails. Parliamentary scrutiny of loan contracts will be quietly removed if proposals to change the constitution succeed and the cabinet may soon be able to order money to be printed without the approval of the Central Bank. Under the same proposals, limits on the number of cabinet ministers would end, as well as the number of elected and nominated MPs, which could be used to manipulate election results (AC Vol 60 No 14). ●

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POINTERS

Nigeria

OIL MAJORS TAX THREAT

■ The Nigerian government plans to raise an extra US\$1 billion next year in royalties from the oil majors as it struggles to fund a record budget and curb mounting debt (AC Vol 60 No 20). The industry warns that the new law governing deep-water oil could prompt massive divestment by multinationals.

The amendment to the Production Sharing Contracts (PSCs) sped through parliament, now under President **Muhammadu Buhari's** firm control.

Development of Nigeria's oil and gas largely shifted offshore from 1993 when the PSCs were changed to incentivise exploration in the then frontier deep-water blocks. The oil majors and their partners needed to pay no royalties on oil produced at depths of over 1000 metres – now nearly half of Nigeria's 2 million barrels a day. The PSCs also kept petroleum profit tax at a lower rate than for oil produced in the older blocks, which are mainly onshore or in shallow water and operate under joint ventures with the Nigerian National Petroleum Corporation. The oil majors got out of the joint ventures about the same time as the shift to deep water.

The amended PSCs will impose royalties on a scale determined by the oil price and will be reviewed every five years. Senate President **Ahmad Lawan** has promised that lawmakers will pass a petroleum industry bill next year that would protect business interests but gave no further details (AC Vol 60 No 12).

The foreign oil firms warn that the reform will damage investor confidence, reduce future offshore production by a quarter, cut \$55bn from investment projects and slice \$10bn off government revenue by 2030. Exxon-Mobil, Chevron and Total are planning to divest assets worth billions of dollars. The government still relies on petroleum for nearly all its tax and foreign exchange. The post-oil world could be coming to Nigeria sooner than it realises.

Guinea-Bissau

LATEST VAZ PLOT FAILS

■ President **José Mário Vaz's** latest attempt to dismiss a government, four weeks before the presidential elections, now due on 24 November, collapsed in ignominy after the Economic Community of West African States (ECOWAS) finally bared its teeth. Vaz used the death of a *Partido da Renovação Social* (PRS) activist on 26 October as a pretext to sack Prime Minister **Aristides Gomes**

and his government two days later.

More alarm bells then rang when Vaz appointed the controversial **Faustino Imbali** of the PRS as prime minister. Imbali was prime minister in 2001 and was later accused of embezzling funds. In 2009 he was associated with a coup attempt against the then government, and his appointment immediately prompted fears that he would postpone or cancel the elections.

The Imbali government lasted little more than a week. An extraordinary ECOWAS meeting on 8 November rejected Imbali's appointment and repeated that Vaz was only in office as interim president who needed Gomes's approval for any decision. Imbali promptly resigned.

Desperation is a likely motive for Vaz's latest manoeuvre. Vaz, who will stand in the election as an independent, has slim prospects of winning after four years of obstructionism. The most promising candidate is former Prime Minister and *Partido Africano para a Independência da Guiné e Cabo Verde* (PAIGC) leader **Domingos Simões Pereira**, who is running as a moderniser and is popular among educated urbanites (AC Vol 60 No 6). *Assembleia do Povo Unido – Partido Democrático da Guiné-Bissau* (APU-PDGB) leader **Nuno Nabian** is also running alongside former prime ministers **Carlos Gomes Júnior**, **Bacira Dja**, and **Umaro Sissoco Embaló** of the *Movimento para Alternância Democrática* (MADEM-G15), a Vaz ally. For months, Vaz, Nabian and Embaló have sought to discredit the electoral process, questioning the transparency and correctness of the electoral register.

Even if free and fair elections take place, Vaz has stated publicly that he would not accept a Pereira victory.

Mauritania

DÉMARCHES ET DÉTENTE

■ Détente is in the air as President **Mohamed Ould Ghazouani** has surprised many by opening up to the opposition. The head of the state-run *Télévision de la Mauritanie* (TVM) invited the anti-slavery campaigner and election runner-up **Biram Dah Abeid** – hitherto off-limits to official media – to take part in a programme on 13 November.

Abeid took full advantage, telling viewers that at a recent meeting with the President he demanded he lift bans on political parties and civil society groups, and stop using the judicial system against political opponents.

Yet the regime has not abandoned all its authoritarian reflexes: police recently arrested **Sinniya Mint Yar'Ahallah**, an activist in Abeid's *Initiative de Résurgence du Mouvement Abolitionniste* (IRA) who had criticised

Mauritania's record on slavery at a hearing of the African Commission on Human and Peoples' Rights in Banjul.

Ghazouani's strategy marks a contrast with the style of his ex-military strongman predecessor, **Mohamed Ould Abdelaziz** (AC Vol 60 No 13). The new President has received a string of opposition figures including **Mahmoud Ould Seyidi**, leader of the Islamist party Tawassoul – which is widely supported among urban youth but was the target of ferocious criticism by Ould Abdelaziz.

Ghazouani has fulfilled one of his campaign promises by creating the Agency for Social Protection, reporting directly to the presidency. It replaces two existing agencies covering welfare, school repairs and other measures to assist the *haratines* (descendants of slaves), but with a budget more than tripled to 2.9 billion ouguiya (€70 million).

Kenya

ASSAULT ON MOUNT KENYA

■ President **Uhuru Kenyatta** is trying to put an end to a simmering rebellion against his government in a region where discontent with him would be least expected – the Mount Kenya region, home to the Kikuyu, Embu and Meru people who gave him 97% of their votes in the 2017 general election. On 15 November, he convened a closed-door meeting of 4,000 regional leaders at the Sagana presidential lodge at the foot of the iconic mountain.

In a long, off-the-cuff speech in Kikuyu, Kenyatta sought to mollify his ethnic constituency about the goals of his new-found alliance with Orange Democratic Movement (ODM) leader **Raila Odinga**, the proposed constitutional changes by the Building Bridges Initiative (BBI), economic conditions in the Mount Kenya region, and his lukewarm relations with his deputy **William Ruto** (AC Vol 60 No 19).

He has not made an official tour of the regions since the elections, leading to complaints of neglect.

Although there was plenty of politeness in the meeting and a temporary truce between the pro-Odinga Kileweke and pro-Ruto Tanga Tanga factions, Kenyatta succeeded neither in appeasing his critics nor energising his supporters, reports said. It was a largely substance-free sermon on the need for love, unity and tolerance among his people. He promised to tour each Mount Kenya county to listen to grievances, repeated that it was time for 'development not politics', denied having parted politically with Ruto, and defended his pact with Odinga for having brought peace. He said he had not promised to support Raila for the presidency in 2022.

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BLUE LINES

Sudan's Prime Minister Abdalla Hamdok will probably come away empty-handed from his first trip to Washington DC since replacing the overthrown Omer el Beshir as Sudan's leader. Top of Hamdok's wish-list is that the United States end its economic sanctions against Sudan and remove its designation as a 'state sponsor of terrorism', which has been in place since 1993.

In an open letter to President Donald Trump, Sudanese intellectuals, politicians, business and civil society leaders compared the designation to 'using a sledgehammer to crack a nut'.

US officials have been gently encouraging thus far, but without giving any clear commitments. 'It's not flipping a light switch. It's a process,' Tibor Nagy, the administration's most senior Africa official, said last month. Nor is it something that the Trump administration can deliver by executive fiat; Congress would need to agree.

Yet patience is not a luxury that Hamdok's government can afford, and that explains why Hamdok has taken a tougher line, warning that without lifting sanctions his government risks collapsing, and Sudan breaking into multiple regional caliphates.

The designation makes Sudan a pariah state economically, as well as politically, ineligible for debt relief and financing from the IMF and World Bank. Hamdok will survive in short term but if the sanctions stay they will hold back his reforms and, perversely, strengthen the hands of the military.

NIGERIA

Hard economics meets political pageantry

Closing borders, President Buhari wants to boost local producers and stop the smugglers while most politicians look to the next election

Listening to the political class in Abuja, Lagos or Port Harcourt, you might be unaware that the country is locked in an epic battle over the direction of the national economy, still bumping along at its lowest growth rate for two decades.

This battle is the highest-stakes politics. President **Muhammadu Buhari** and his team insist they are facing down the vested interests that smuggle in cheap Asian rice and sneak out Nigeria's subsidised petrol to neighbouring states (AC Vol 60 No 20).

Closing down the contraband economy means, for now, routing all official trade through Nigeria's congested seaports and airports. It also flies in the face of the African Continental Free Trade Agreement, which Nigeria was one of the last countries to sign this year. It's due to come into force in July 2020.

Foreign Minister **Geoffrey Onyeama** and Finance Minister **Zainab Ahmed** are trying to smooth things over with the neighbouring states, badly hit by the shutdown, but there is no sign of a U-turn.

The next target of the campaign is the 'diesel mafia', which has grown rich by sabotaging the national power companies and importing over-priced generators and the fuel oil on which to run them. Success here, Abuja policy-makers say, will push capital from lucrative trading plays, based on access to cheap forex, to productive investment. But the smugglers are fighting back as they squeeze out higher profits from their wares; food prices are rising and market traders fear shortages ahead of the Christmas season.

In Abuja, the government – confident after two election victories for the ruling All Progressives Congress (APC) last month – is unmoved by the mounting political risks its strategy presents (AC Vol 60 No 6).

Central Bank governor **Godwin Emefiele**, the man who runs the economy, told bankers in Lagos on 29 November that the government's nationalist policies were just getting going (AC Vol 60 No 13). That means Nigeria's closure of all its land borders may continue well into 2020, while its multi-tier exchange rate system and block on forex allocations for non-essential imports would continue much longer (AC Vol 60 No 22).

PLOTTING AHEAD

Most of the top politicians keep away from difficult arguments about economic strategy, trying to avoid blame for calamitous consequences. For them, the main event is the presidential succession in 2023. On this they have been plotting ever since Buhari's second term began.

A day is a long time in Nigerian politics, so plenty is likely to happen in the next 42 months before Buhari heads for retirement in his country home in Katsina. Knives are sharpening and political formations are realigning. The working assumption is that Vice-President **Yemi Osinbajo** wants to run for the top job in 2023 and his opponents want to stop him early. That band is said to include Buhari's chief of staff **Abba Kyari** and the former governor of Lagos State **Bola Tinubu**, who

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masterminded Buhari's ascent to the presidency in 2015 and proposed that Osinbajo should be his running mate.

Political gossips imagine some grand plot between Kyari and Tinubu but given their sharp differences in style and substance, it seems unlikely that they could coalesce backing for a common candidate. For years, Tinubu, who doubles as the APC national leader, has harboured dreams of the presidency. That has dimmed his enthusiasm for Osinbajo, his erstwhile protégé. Former secretary to the government **Babachir Lawal** is said to favour Tinubu's plan. Pushed out of office after a scandal in Buhari's first term, Lawal retains the ear of the President and his inner caucus (AC Vol 59 No 3).

PROGRESSIVE

In the wings, people are talking about the governor of Ekiti State and chair of the Nigeria Governors' Forum, **Kayode Fayemi**. A former Tinubu ally, Fayemi espouses progressive and modernising politics after stints in academia and activism. He is also well-liked on both sides of the political divide. Party insiders say he was considered as a running mate to Buhari in the February elections. This was after Osinbajo had angered Buhari and Kyari by firing the head of the secret police last August while they were out of the country (AC Vol 59 No 16). Eventually, matters were smoothed over and Osinbajo stayed on the ticket.

According to precedent, but not a constitutional rule, the presidency will probably revert to the south in 2023. The south-west has produced every southern president, save for five years (2010-15) of **Goodluck Jonathan** from the south-south. Igbo politicians, from the south-east, lack a powerful block in the ruling APC.

Supporters of Fayemi say he may have to contend with another Buhari favourite, **Tunde Bakare**, in the south-west. A Lagos-based clergyman, Bakare is a fierce critic of politicians and unafraid to oppose some of the government's moves. Buhari (whose nickname is *Mai Gaskiya* – the honest one) likes Bakare's bluntness,

appointing him as his running mate in the 2011 elections.

Bakare has already prophesied that he will be Nigeria's next president and criticises Tinubu in sermons. One warns that 'Since democracy began some

people have been living larger than life, having jets here and there, a house in Bourdillon [an exclusive part of Lagos] and places at the expense of the public... you will not go without vomiting what you have stolen. Wait, and see.' ●

OPPOSITION IMPLODES

The opposition People's Democratic Party (PDP) has been boxed into a corner, its influence shrinking. Despite having won 13 of the 29 state elections in 2015, it lost the gubernatorial elections in Kogi and Bayelsa states in one weekend last month.

While First Lady **Aisha Buhari** and key All Progressives Congress (APC) figures such as Kaduna governor **Nasir el Rufai** were campaigning for incumbent governor **Yahaya Bello** to get a second term in Kogi, the PDP threw in **Seyi Makinde**, the neophyte Oyo governor and chair of the party's campaign council, to rally support for its candidate, **Musa Wada**. Despite a positive first six months in office, newcomer Makinde has little name recognition outside the south-west (AC Vol 60 No 4). **Aminu Tambuwal** and **Nyesom Wike**, PDP governors of Sokoto and Rivers states respectively who have an eye on their party's ticket in 2023, didn't help the campaign in Bayelsa.

Also missing was former Vice-President and PDP presidential candidate **Atiku Abubakar**, silent since losing his petition challenging Buhari's re-election at the Supreme Court in October (AC Vol 60 No 8).

Atiku, a perennial presidential contender, was sidelined in party primaries by then President **Olusegun Obasanjo** ahead of the 2003 elections. Atiku had stepped down in the Social Democratic Party primaries for the 1993 elections to eventual winner **Moshood Abiola**. If he stands in 2023, it will be three decades of contesting for the top job.

In Bayelsa, former president **Goodluck Jonathan** junked his PDP membership loyalties and threw his weight behind the ruling APC in the 16 November elections.

The PDP's outgoing Bayelsa governor **Henry Seriake Dickson**, lambasted for appointing so many relatives to government and nominating his cousin Senator **Douye Diri** as gubernatorial candidate, had to endure a storm of resignations just before the elections (AC Vol 60 no 18).

Diri lost heavily. The winner, junior petroleum minister **David Lyon**, a political godson of Petroleum Minister and former Bayelsa governor **Timipre Sylva**, braved eleventh-hour legal hurdles and a heavyweight challenger in ex-senator and minister **Heineken Lokpobiri** to snatch victory in the primaries.

The APC rookie organised a political marriage of convenience by winning the endorsement of ex-first lady **Patience Jonathan**. A key influence on her husband, Patience got the former president to side with Sylva and Lyon. While the jury is still out on whether Lyon and his new crew will improve on the performance of both his predecessor and his political godfather, local hostility towards Dickson is running high.

At federal level, the PDP's strength continues to dwindle. The National Assembly, now headed by two Buhari acolytes, seems keen on legally keeping any opposition from political parties, civil society and the general public to the barest minimum.

Under debate are two controversial bills that could muzzle dissent and endanger free speech, giving the security forces the power to shut down the internet without recourse to parliament.

One bill seeks to criminalise what it calls 'hate speech'. The other targets social media comments deemed 'likely to be prejudicial to national security' and 'those which may diminish public confidence'. Officially called the Protection from Internet Falsehood and Manipulation Bill, it reminds older Nigerians of the draconian Decree 4, which muzzled the press in 1984 when General Buhari headed a military government.

At least three journalists remain in police custody. New York-based **Omoyele Sowore**, mercurial publisher of the website Sahara Reporters and presidential aspirant in 2019, has been held since August on charges of treason, cyber-stalking and money-laundering, despite being granted bail twice.

Abiri Jones, publisher of the *Weekly Source*, was arrested in May on charges of terrorism and leading a Niger Delta militia. He was previously detained in 2016 for two years. In Cross River, run by a PDP governor sympathetic to Buhari, the publisher of the *Cross River Watch*, **Agba Jalingo**, was detained in August on similar charges. A number of domestic and foreign human rights groups have urged parliamentarians not to pass the social media bill into law, fearing even wider censorship. ●

KENYA

Building shaky bridges

The BBI report failed to deliver on the hype and looks set to produce more ethnic rivalry in the run-up to the 2022 elections

The much-hyped Building Bridges Initiative (BBI) report, commissioned by President **Uhuru Kenyatta** and his erstwhile rival, opposition leader **Raila Odinga** in March 2018, was launched on 27 November at Nairobi's Bomas Centre. Its previously confidential contents were presented to a large bipartisan audience by Professor **Patricia Kameri-Mbote** and **Collins Odote**, both respected scholars from the University of Nairobi. Its contents are underwhelming.

Apart from the proposal to reinstate the position of prime minister – who will be appointed by the president from among parliamentarians and be responsible to the president – and a cabinet partly appointed from ruling party MPs, the report proposed no fundamental constitutional changes that would have addressed the ethnic conflicts and disunity experienced since independence in 1963, and the periodic electoral violence that Kenya has experienced since the reintroduction of multiparty competitive politics in 1992.

BANAL

Much of what the BBI report recommended – like supporting the widely shared Kenyan aversion to corruption, and creating jobs for unemployed youth – was obvious, even banal (AC Vol 59 No 24). In the guise of reporting 'what Kenyans had told the task force', rather than any deep policy thinking, and the apparent desire to disappoint neither Uhuru or Odinga's core supporters, the report has not succeeded in addressing the nine challenges set for it by the two leaders in March 2018. Rather than bring ethnic unity, the report has produced more ethnic rivalry, many believe (AC Vol 60 No 19).

At the ceremony, President Kenyatta was in his element. Dressed in a colourful Hawaiian shirt, he clapped alternately on his knees and up in the air as the two scholars read out the summary of the report, turning occasionally to whisper to Odinga who was seated to his left, after which both would break out into laughter. Uhuru burst out laughing when the master of ceremonies, **Junet Mohammed** of

Odinga's Orange Democratic Movement (ODM) cracked a joke on the rivalries between the pro-Odinga Kieleweke and pro-Ruto Tanga Tanga factions of Uhuru's Jubilee party (AC Vol 60 No 15). This did not sit well with Deputy President **William Ruto**, seated on Kenyatta's right in a dark blue designer suit. Looking glum and periodically resting his jaw on his hand, he looked at the knowing smiles between Uhuru and Odinga with visible anxiety. The 'body language' exhibited by the three and what it meant for national politics started trending instantly in Kenya's frenzied social media, with many jokes about the country's top three leaders thrown in.

Uhuru gave a longwinded off-the-cuff speech on the sacrifices he had made to bring Odinga to negotiations, both drinking copious cups of tea to break the ice at the first meeting, and citing the recent Kibra by-election as an example of democracy and inter-ethnic peace. When it came for his turn to speak, however, Ruto surprised the audience by praising Uhuru and Odinga for the March 2018 'handshake', the subsequent political tranquillity in the country and the production of the BBI report 'which had unified the country' (AC Vol 59 No 14). Ruto now had reason to smile: although he had previously opposed the BBI report under the suspicion that it would recommend a **United Kingdom**-style parliamentary system of government, thereby undermining his quest for the presidency, he now spoke favourably of its recommendations and swore to support them.

DIGS

For his part, Odinga repeated Uhuru's mantra that the handshake and the BBI report were not part of a joint compact about the 2022 presidential election, but about bringing the country back to the united national path that it had lost soon after independence. He cited ethnic unity in **Tanzania** under **Julius Nyerere's** leadership as an example Kenya should copy. Fortunately for him, President **John Magufuli** of Tanzania, who never misses an opportunity to deride Kenyans for their 'tribal politics' had despatched his Foreign Minister

Palamagamba Kabudi to deliver the same message, something he did in perfect Swahili in a dig at Kenya's adulterated version of the language which Tanzanians frown on, as much as they scorn Kenya's 'tribalism'.

Although Kabudi was cheered, Kenyans soon reverted to their conflicts right there on the floor. Jubilee's Senate majority leader, **Kipchumba Murkomen**, tore into Mohammed for favouring ODM delegates and pro-Odinga speakers allied to the Tanga Tanga faction. A Kalenjin, like Ruto, he was loudly booed by the mainly-Luo ODM delegates. In fact, after the launch of the BBI was over, the delegates broke off to organise themselves into the ethnic and regional factions that BBI was expected to unite.

FREE-FOR-ALL

Over the weekend that followed, Kirinyaga governor **Anne Mumbi** (formerly Waiguru), an Uhuru confidante, organised an open rally near her home. It brought together the stridently anti-Ruto Minister for Interior **Fred Matiang'i** and his permanent secretary **Karanja Kibicho**, Mombasa governor **Ali Hassan Joho** and fiery anti-Ruto Nairobi MP **Maina Kamanda** in the guise of fundraising for a local school. It turned out to be a free-for-all against a Ruto presidency after the exit of Uhuru in 2022 (AC Vol 60 No 22). Three days later, on 3 December, Mumbi met Odinga at his Upper Hill office in Nairobi reportedly to put together a programme to realise the objectives of BBI via a referendum. Few doubt she could do this without Uhuru's say so.

SPLIT

Whatever its outcome, this will split Jubilee and the Kikuyu even further while Uhuru looks on helplessly, insisting they discuss development not politics (AC Vol 60 No 3). The day after the anti-Ruto Kirinyaga meeting, some 57 prominent politicians from Uhuru's Mount Kenya backyard (Kikuyu, Embu and Meru) met at Embu town and declared themselves in favour of adopting BBI as it is through a parliamentary resolution as advocated by Ruto, and denounced the referendum proposed by Odinga and ODM (AC Vol 60 No 23). On the day of Mumbi's meeting with Odinga, a majority of Rift Valley MPs (Kalenjin, Samburu and Turkana) announced that they would meet in Naivasha to prepare a response to BBI and a strategy for Ruto's presidential campaign for 2022. Rather than unify Kenyans, BBI has become a political lightning rod. ●

ETHIOPIA

States of expectation

Other nations are queuing up to stake their claims to self-government in the wake of the Sidama referendum result

Even before voting began in November's referendum on Ethiopia's tenth regional state, plans were advancing to form a Sidama branch of **Abiy Ahmed's** new ruling party, the Prosperity Party. The PP is the product of Abiy's rapid recasting of the Ethiopian Peoples' Revolutionary Democratic Front. All but one of the constituent regional parties in the EPRDF have been fused and renamed as the PP (AC Vol 60 No 19). The exception is the previously dominant Tigray People's Liberation Front (TPLF).

The referendum result was decisive. It was open to 'any eligible citizen' of Sidama Zone including the city of Hawassa. The electoral commission said 98.9% of registered voters cast their ballots, with 98.5% voting for Sidama statehood.

BREAK-UP

A draft regional constitution and strategic plan for Sidama state are in place but not yet finalised, Sidama Zone's administrator **Desta Ledamo** told *Africa Confidential*. The formation of Sidama will mean the break-up of the Southern Nations, Nationalities, and Peoples' Region (SNNPR). The

Sidama have long been agitating for their own state and the referendum result has let loose a cascade of demands for self-government by other nations in the region (AC Vol 53 No 17 & Vol 60 No 1).

The Southern Ethiopian People's Democratic Movement, the regional party of the SNNPR within the old EPRDF, will now dissolve and a Sidama section will exist within the PP. SEPDM and EPRDF politburo member **Tesfaye Beljige** says the SEPDM will be the 'role model' for the PP as a whole, because it embraced 21 separate political organisations. The region was a catch-all province, including many ethnicities.

The change to the southern region is not wholly welcomed. SEPDM leaders initially complained vehemently about the sparse detail on the new set-up and the little time allowed to deliberate on it, local sources say.

The SEPDM has since announced a 'unanimous' acceptance of the merger, as have the former EPRDF members, the Oromo Democratic Party and Amhara Democratic Party.

Officials involved in the transition from the SNNPR to Sidama said that property will be transferred to the

new state and members of the SNNPR Council will be drafted in to form a new Sidama Council during the transition. Legislation is being devised to deal with dispute resolution, transfers of property, land, and taxation. The aim is also to create a legal framework for the protection of minorities.

WOLAITA FEARS

The SNNPR is being divided into two blocs, while 11 further ethnically based statehood claims are pending. Wolaita people fear discrimination as well as an impact on resource sharing in Hawassa (AC Vol 60 No 12). Wolaita Zone wants a statehood referendum to be held in the manner of the Sidama referendum.

Tekle Borena, the chairman of the Wolaita People's Democratic Front, says his party will support the self-declaration of a Wolaita state if no structure for a referendum is agreed by mid-December (AC Vol 60 No 1). Abiy held 'fruitful' talks with Wolaita elders and community members on 1 December, presumably in an attempt to defuse tension.

Ex-premier **Hailemariam Desalegn**, who is Wolaita and hails from the SNNPR, has also been at work behind the scenes, holding discussions with local administrators and representatives of the youth movement *Wolaita Yelagga Qaatta*, which supports peaceful campaigning for Wolaita statehood.

TWO STATES

The government's stance on the other demands for statehood, which it has not responded to, is indicated in the recommendations of a 320-page confidential study commissioned by the now defunct SEPDM and completed in July. The main recommendation was that two states be formed out of the old SNNPR so long as ethnic tensions over resources could be resolved. Another recommendation in the report, which was unpublicised, suggested the creation of three to five new states – but no more in case violence should result. These states should be formed in one of the presumed two blocs carved out of the SNNPR. It is assumed that Sidama would form the other new bloc.

Two old Sidama members of the SEPDM remain in regional government, despite the nomination of post-holders to a new administration and a new structure. That SEPDM politburo member, **Abraham Marshalo**, and **Aklilu Lema**, an SEPDM central committee member, are staying on appears to be a measure of the sensitivity of the transition to a new state.

If SNNPR administrators are unable to implement the study's recommendations because of unrest,



the study recommended that the federal government declare a state of emergency. Key security officials linked to the SEPDM include Ethiopia's domestic intelligence chief **Asefa Abiyu** (an ethnic Hadiya and central committee

member), state minister at the Ministry of Peace **Zeynu Jemal** (a Silte who is also on the central committee), and defence intelligence head Major-General **Asrat Denoro** (a Keficho). Other command posts from which

administration would be run have been created covering large swathes of Ethiopia, including: the east (HQ Dire Dawa), north-east (Kemise), north-west (Gondar), south (Bule Hora), west (Asossa), and south-west (Mizan). ●

LIBYA

Trump talks peace

The US is trying to force a ceasefire in order to stem Russia's growing influence as Haftar claims to be poised to take Tripoli

The attempt by eastern-based General **Khalifa Haftar** and his Libyan National Army to seize Tripoli is now into its ninth month but is still unaccomplished (AC Vol 60 No 16). In October, however, after the long stalemate on the city's southern front line, the LNA started to make some advances. Amid a barrage of missile and air strikes, it managed to take new positions, edging towards central Tripoli.

But in the following month, despite having achieved control of the skies over Tripoli, the LNA advance slowed. It was regrouping and bringing in reinforcements in preparation for a final attack, inside sources said. All that the commanders on the ground were waiting for was the order from Haftar to advance. Tripoli would then fall quickly, they said, confidently repeating a claim they had made innumerable times.

Away from the misery of Tripoli, where over 200 civilians and several thousand fighters on both sides have been killed, and as many as 200,000 people have had to abandon their homes, foreign governments have been trying either to stop the conflict or stoke it by supplying arms, equipment and even money for mercenaries. **Turkey** and **Qatar** support the besieged but internationally recognised Government of National Accord (GNA) in Tripoli, while **Egypt**, the **United Arab Emirates** and **Saudi Arabia** back Haftar (AC Vol 60 No 16).

BERLIN BID

In September, **Germany** announced it would host a summit in Berlin intended to end international meddling and force all the Libyan players back to the negotiating table. The summit remains a work in progress despite the support of the UN, as well as **France**, **Italy** and the **United Kingdom**, but the prospect of it being held at all this year is dwindling. If it does occur, it will probably be overtaken by events.

This is because Washington, though it supports the summit in principle, is now ploughing a rather different furrow on Libya.

Ever since **Donald Trump's** arrival in the White House, Washington's response to the Libyan crisis has been minimal, other than missile strikes by the **United States Africa Command** (Africom) on *Da'ish* fighters and other terrorists, mainly in the south. But in the past few weeks the US has suddenly re-engaged and is now actively working to bring the conflict to an end (AC Vol 60 No 20).

Victoria Coates, deputy national security advisor for Middle East and North African affairs at the National Security Council, has held a rapid series of meetings with the head of the GNA, **Faiez el Serraj**, its Interior Minister **Fathi Bashagha**, and then General Haftar on 24 November. She also met **Aref Ali Nayed**, a former Libyan ambassador to the UAE who supports Haftar. Haftar and the head of the Tobruk-based House of Representatives, **Aguila Saleh Issa**, reportedly want Nayed to become prime minister of a reunited Libya. It was he who helped arrange the encounter between Coates and Haftar.

Ultimately, the US objective is the same as that of the Berlin conference: dialogue resulting in a Libyan solution to the crisis. But Washington wants to get there quicker, without the intermediary stage of forcing the combatants' foreign backers to stop supplying arms. It wants an immediate end to the Tripoli offensive and peace negotiations, particularly between Haftar and Misurata, Libya's third largest city, which has provided much of the strength of the resistance to Haftar's offensive, and specifically between Haftar and Bashagha, who is currently Misurata's most powerful son.

The reason for the US policy change is **Russia**. The presence of Russian mercenaries fighting on the front line round Tripoli alongside the

LNA has raised anxiety in Washington that a Haftar victory could result in Libya returning to Moscow's sphere of influence.

The Russian fighters are ex-soldiers employed by the Wagner Group, the paramilitary security company whose boss, **Yevgeny Prigozhin**, is close to President **Vladimir Putin**. It has most notably been involved in military operations in **Ukraine** and **Syria**. Most of those now in Libya are said to be snipers. Numbers are unknown with some probably exaggerated reports going up to 1,500. They have had an effect, however. Haftar's offensive has suffered from a ban by several tribes in the east on their members taking part. The Russian contribution is said to be the main reason for the LNA's advances in October.

In a statement on 14 November in which it called on the LNA to end its offensive on Tripoli, the State Department spoke of 'Russia's attempts to exploit the conflict against the will of the Libyan people'. A week later, US Secretary of State **Mike Pompeo** held talks with UAE Foreign Minister **Abdullah bin Zayed bin Sultan Al Nahyan** on the issue, and the same day the State Department's Assistant Secretary for Near Eastern Affairs, **David Schenker**, said that Russian military interference threatened Libya's peace, security and stability. He said that it was not just Wagner forces that were being deployed but Russian regulars as well, 'in significant numbers'. In the talks with Haftar himself, the Americans stressed their opposition to his links with the Russians while demanding a halt to the Tripoli offensive.

Yet Russian involvement with Haftar is neither new nor unknown in Washington. Following his much-publicised welcome aboard a Russian aircraft carrier in January 2017, Haftar has paid several visits to Moscow, sometimes in secret, to discuss support for his forces. Russian technicians have been repairing and rehabilitating military equipment that Russia channelled to **Moammar el Gaddafi's** regime. Russia has also printed and supplied the parallel Central Bank of Libya, based in Benghazi and loyal to Haftar, with billions' worth of dinar banknotes.

But it is the Russian military

presence and their apparent success that has whipped up worry across the US political spectrum, although Moscow has denied that it has troops there by claiming that Wagner forces are not part of the Russian armed forces' order of battle.

Such is the level of concern about Russian intentions that the Libya Stabilisation Act was introduced into the US House of Representatives on 11 October. If passed it will sanction anyone who supports Russian military intervention in Libya. The US could make life very difficult for Haftar if he refuses to play ball with them. He is a dual US-Libyan citizen and has property and family in the US.

It is not yet clear what he will do. On 20 November, four days before he met Coates and was told that the offensive must stop – the same day as the German ambassador to Libya had flown to Tobruk to whip up support for the Berlin summit among members of Libya's House of Representatives, even

while a fourth preparatory meeting for the summit was taking place in Berlin – the LNA put out a statement rejecting political dialogue until it captures the capital and, as it put it, 'eliminates the terrorists' there.

It may be significant that Haftar gave no order to attack in Tripoli before he met Coates. He may not have wanted to antagonise the US before hearing what they had to say. That may still be so.

GIVE AND TAKE

Washington wants Tripoli to give something too. When Coates met Interior Minister Bashagha and Foreign Minister **Mohamed Taha Siala** on 16 November in Washington she made it clear the Islamists had to be taken in hand. Bashagha, who tried and failed to clip the militias' wings in the late summer of 2018, has taken his cue and on 26 November he ordered the arrest of **Emad Faraj Mansour al Shagaabi**, an Islamist militant from

Benghazi. It remains to be seen how many more warrants will be issued. Dealing with the militias in Tripoli will be more difficult, though. The GNA depends on them for its defence and security. The militias would turn on it if it tried to arrest their members or disarm them.

As the Americans refocus on Libya and step up the pressure for a deal between Haftar and Misurata, the Berlin track has suffered another blow. In Istanbul on 27 November, President **Recep Tayyip Erdogan** and **Serraj**, accompanied by both Bashagha and Siala, agreed a deal which opens the door to fresh deliveries of military hardware, expertise and possibly even boots on the ground – precisely what the Berlin summit is supposed to stop.

It illustrates the limitations of a peace process when none of the foreign states involved are ready to abandon their Libyan allies. The US initiative, in danger though it is, looks like the only potentially viable option. ●

SOUTH AFRICA

Grasping the Eskom nettle

A new CEO has come to the electricity utility, but the government is still picking its battles carefully and change remains gradual

Finance Minister **Tito Mboweni** described national power utility Eskom as 'South Africa's biggest economic risk' next to low growth. The gigantic utility is an albatross around the African National Congress's neck, endangering all economic prospects and intimidating all planners (AC Vol 60 No 22).

Many saw the appointment as CEO of the little-known **André de Ruyter** on 18 November after months of delays as a sign that the government was finally ready to take on the thorny problems. But insiders say that one reason De Ruyter was selected is that he is expected to be more 'compliant' to political demands than **Andy Calitz**, one of the three names mooted earlier. Said one veteran analyst, 'The word is that De Ruyter will do the job the way **Cyril Ramaphosa** and **Pravin Gordhan** want it done – to preserve the ANC – rather than the way it should be done, to rescue the country.'

Like many observers, the IMF has placed the utility at the heart of the economic crisis, reporting in its gloomy analysis on 25 November, 'Eskom, which represents an immediate threat to the fiscus, needs to speedily pursue

savings in coal procurement and employee attrition; align wages with productivity; and collect arrears. Tariff regulations should be reviewed to make tariffs more predictable.'

Eskom's debt is equivalent to roughly one quarter of the country's entire sovereign debt. It played a major part in the decision of Moody's ratings agency to cut the outlook for the sovereign debt from stable to negative last month. A credit rating downgrade would seriously affect investment levels and have a significant impact on South Africa's banking sector and the cost of debt, not just for the government but also for banks, state-owned enterprises and infrastructure projects relying on government-backed payments.

In the electricity sector, Eskom is reliant on government guarantees to control the cost of its debt. A downgrade would also have an impact on the cost of power from new privately developed power plants, the independent power producers (IPPs). The Integrated Resource Plan (IRP), which guides the procurement of new power plants, approved by the cabinet in October, foresees 2 gigawatts of solar and 3.2GW of wind power coming online

in 2022-23, suggesting a procurement process in the next year or so.

Bhavtik Vallabhjee, Head of Power, Utilities and Infrastructure at ABSA bank – a major funder of IPPs in South Africa – told *Africa Confidential* that 'from a funding perspective, a change in the [sovereign] rating would have an impact on our pricing but I don't think it would result in appetite ceasing completely for funding these projects'.

COST-DRIVERS

The utility and wider power sector have always been a political minefield. Cheap power and labour are central to the profitability of mining in South Africa while the coal-fired power plants are a major consumer of domestic coal (AC Vol 60 No 20). Eskom's long history of being used as a vehicle for patronage did not end with apartheid. Over the past decade Eskom has been battered by a failed and hugely expensive new-build programme (which continues to sap resources), being looted and losing a wealth of experienced staff. Successive governments have failed to rein in the utility or reform the sector to bring in investment and control costs (AC Vol 49 No 4 & Vol 56 No 7).

The latest estimates put Eskom's debt at 441 billion rand (US\$29.7bn), up from R255bn in 2014. The company made a net loss after tax of R20.7bn in the 2019 financial year. The government has had to promise R128bn cash over the next three years just to keep it afloat. Tariffs have risen 500% since 2007, squeezing marginal mines and industry out of business (AC Vol 55 No 25).

The scale of the governance challenges that have plagued Eskom is gradually emerging. The utility has heard more than 1,000 disciplinary cases relating to breaches of procurement process since a new board was appointed in January 2018, with 116 employees leaving the company as a result, including 18 executives and senior managers, while 1,980 Eskom officials have been found not to have declared business interests and 131 officials are alleged to have engaged in business with Eskom worth a combined R5.7bn.

WHERE NOW?

President Ramaphosa has looked for advice from outside Eskom since he succeeded **Jacob Zuma** in February 2018. The new Eskom board has been influential in putting in place a nine-point generation recovery plan, new governance processes and drafting a turnaround strategy. A Ministerial Technical Task Team made a series of recommendations, including adopting the nine-point plan to improve operational performance. In December 2018, Ramaphosa also appointed an Eskom Sustainability Task Team which reviewed the turnaround strategy and made proposals on the future of the utility and resolution of its debt challenges.

The appointment of political heavyweight **Jeff Radebe** as his first Energy Minister was seen as an important signal that Ramaphosa was taking the issues in the sector seriously. Radebe was instrumental in pushing Eskom to sign long-awaited contracts with IPPs in April 2018 with combined capacity of 2.2GW, which had been languishing since 2015. The utility is still resisting accepting revisions to timelines for the 100MW Redstone concentrated solar power project.

Gwede Mantashe is widely seen as having been appointed Energy Minister in May to manage the political tensions around reform of Eskom and the wider power sector. The former chair of the South African Communist Party and former Secretary-General of the African National Congress, Mantashe was also active in the National Union of Mineworkers – which was founded by Ramaphosa – in the 1980s.

Managing relations with the unions will be critical for the government to drive through its reform programme and it has been careful to engage organised labour early on. Zuma was highly effective in exploiting the concerns of the left to further his agenda, and his acolytes and successors continue to do so.

This has become particularly evident in a narrative that has taken popular hold – encouraged by Zuma-linked factions – that state-owned coal and nuclear power and the South African jobs they support are being undermined by expensive foreign-owned renewable energy (AC Vol 60 Nos 5 & 16). Mantashe and the government have been at pains to counter this narrative. Speaking in London in September, Mantashe said ‘we must not position renewable energy against other forms of energy’.

The government took its time agreeing its plans for the energy mix in the IRP with the National Economic Development and Labour Council, delaying the process by several months. Political manoeuvring had prevented an update since the document was first published in 2010. Mantashe said that ‘Nedlac is a model which works for us. It takes us a long time to reach a decision but it shortens implementation.’

The process resulted in a limited amount of coal and nuclear power being shoehorned into the IRP, which experts still see as a compromise. The current plan foresees 750 MW of new coal in 2023 and another 750 MW in 2027, as well as the extension of Koeberg nuclear power plant’s design life in 2024 and the possibility of a new nuclear procurement programme delivering power after 2030, the later limit of the IRP.

The government is emphasising its commitment to a ‘just transition’, a concept gaining traction across the world, particularly in relation to coal. ‘There are huge deposits of coal and we must find a way of using that coal for as long as we can, while also reducing our carbon emissions,’ Mantashe said. There has been speculation that a pipeline bringing gas to Mpumalanga could help mitigate job losses in the province as coal-fired power plants shut, although observers are sceptical of the project’s viability. Solar power has also been proposed as an option for the region.

FRUSTRATION

Yet many stakeholders are becoming frustrated by slow progress on politically sensitive issues. In August last year, Eskom took the politically easy path of agreeing to wage increases of 7.5% in 2018 and 7% in both 2019 and 2020, despite its perilous financial situation. Indeed, on 20 November, Minister for Public Enterprises Gordhan said the government would intervene if jobs were threatened at the utility. This will make it much more difficult for the utility to reduce costs.

Although the utility will be unbundled into three new entities relating to generation, transmission

and distribution, mention of private participation in the future subsidiary companies was notably absent from the ‘Roadmap for Eskom in a Reformed Electricity Supply Industry’ report, which was published last month. Speaking in London, Mantashe said the ‘debate is open’, adding that ‘what is an issue is whether we should treat privatisation as a magic bullet... we are hoping to discuss equity partners and sharing schemes to improve the capacity of the state-owned enterprises.’ The fight over private participation may come once the unbundling process is further along.

‘The unions have come out with strong public statements resisting the unbundling, but the first step of the transmission system and market operator is unlikely to result in job losses and doesn’t involve any privatisation,’ University of Cape Town professor and Eskom Sustainability Task Team member **Anton Eberhard** told *Africa Confidential* (AC Vol 60 No 18).

ROADMAP

One Eskom board member told us that the government should be applauded for having got as far as it has with the break-up of Eskom and its commitment to reform the market. The roadmap states that an interim board and chief executive should be appointed for a functionally separated transmission company in Q1 2020. Full functional separation of transmission is expected in Q4 2020, with generation and distribution following in Q2 2021. Legal separation into distinct subsidiaries is scheduled for Q4 2021 for transmission and H2 2022 for generation and distribution.

The transmission unit will play a key role in the new sector, operating an internal trading system which is expected to evolve over time to an open market, allowing the trading of power between generators, including Eskom as well as IPPs, and distributors. This could be reinforced by the passage of the Independent System and Market Operator Bill, which has been on the cards for more than a decade. Mantashe said that the government is currently considering passing the bill.

‘[The new transmission company] will be good for competition in generation procurement and contracting going forward. The appointment of a separate board will also be important as they will have the incentive to make the unbundling of transmission a reality,’ Eberhard said. ‘Once there is progress in transmission, we’ll see work starting on distribution unbundling and the big issues in generation will need to be resolved.’

Many controversial issues remain to be addressed. Progress on reducing coal and wage bills has been limited. Municipalities owe Eskom a combined R17.6bn and are owed as much as ten times that amount by their own customers. Added to that are issues with tariff regulation, where the government wants the regulator to grant higher tariffs to Eskom but is worried about the effect this will have on businesses and customers leaving the grid to generate their own power. It has also not yet been decided how Eskom's debt will be resolved.

IPPs are also bitter after the government announced it would renegotiate tariffs for renewable energy projects which are already operating but were selected in the more expensive early procurement rounds, with many feeling like easy targets for the government (AC Vol 55 No 25). However, there is some goodwill in the industry, helped by the fact that South Africa's commercial banks are major lenders to both the renewable energy IPPs and to Eskom. The IPP Office has drawn up a proposal for how the process – which will be voluntary

– will work and this was circulated among private stakeholders before being submitted to the Department of Mineral Resources and Energy.

While these reforms have been broadly welcomed in the industry, the devil will be in the detail. The level of required adherence to the IRP – which is already causing problems for the promising off-grid industry – the role of Eskom as single buyer or otherwise, and the direction of regulation and tariff policy will have an enormous impact on the shape of the industry, meaning a lot is still to play for. ●

GUINEA/LIBERIA

Iron back on track

A mining rights sale linked to railways sets off an iron rush of sorts and promises to open up the sub-region

The granting of the much-coveted multi-billion-dollar Simandou South iron ore concession in Guinea to a **Chinese-backed consortium** promises to shake up regional mining industry dynamics and the political power plays behind them.

SMB-Winning – a joint venture comprising the *Société Minière de Boké* (SMB), Guinea's biggest bauxite mining consortium, and the Chinese-owned, **Singapore-based Winning Shipping** – won the concession on 13 November. It was previously held by the **Brazilian** mining giant Vale and the **Israeli** billionaire diamond magnate **Beny Steinmetz's** mining company BSGR.

The deal, worth US\$3 billion, cements China's influence in Guinea (AC Vol 60 No 22). SMB-Winning is committing to construct President **Alpha Condé's** longed-for Trans-Guinean railway line, connecting the

Simandou deposit to Guinea's Atlantic ports near Conakry.

Condé is pushing ahead with plans to change Guinea's constitution so he can stand for a third term when his mandate is up next year – a move that has prompted thousands to take to the streets in Conakry in deadly protests (AC Vol 60 No 8). Many will see the decision to grant Simandou to a Chinese-backed joint venture as a political move which will bolster Condé's chances of remaining in office.

SMB already has a strong foothold in Guinea. The consortium, made up of the aluminium producer Shandong Weiqiao, the Yantai Port Group and the Guinean infrastructure group UMS, won a bid to build the country's first refinery of alumina – the base material used to make aluminium – in 2018.

Condé has long hoped to reap the financial rewards of an in-country refinery. This, coupled with SMB's \$1.2bn commitment to construct a railway line from its operations in Boké to its new bauxite mines in Boffa, will have been a prime factor in Condé's decision to grant the concession to the consortium: the Trans-Guinean railway is of central importance to his mandate (see box).

MISSING LINK

Development of the Trans-Guinean line – which will cost an estimated \$20bn – has long been the deal-breaking missing link in the Simandou venture. The success of SMB's venture will rest on its ability to forge a deal with Rio Tinto and its fellow Chinese aluminium giant, Aluminum Corporation of China Limited (Chalco),

which hold the two northern blocks of the Simandou concession. Rio Tinto has remained tight-lipped about the SMB deal to date but knows that the Condé government will not look kindly upon any attempts made by it or Chalco to impede development of the rail project.

SMB saw off an undisclosed number of rivals for the lucrative blocks, including the **Australian** Fortescue Metals Group. FMG's founder, **Andrew Forrest**, elevated FMG from a small outfit to the 'third force' of Australia's Pilbara iron ore region after Rio Tinto and BHP Billiton. He collaborated with Emirati **Sheikh Ahmed Bin Dalmook Juma Al Maktoum**, a member of the ruling family of Dubai and founder of the diversified conglomerate, Africa Middle East Resource Investment (Ameri Group), to develop iron ore interests in Pilbara through the joint venture Fortescue Maktoum.

Al Maktoum, who has numerous interests in energy and extractives, is one of the driving forces behind the growth of Emirates Airlines. In July he signed an MoU on behalf of Fortescue Maktoum with **Liberia**, witnessed by Forrest, to redevelop the railway line that runs from ArcelorMittal's iron ore mine in the south of the country to the port of Buchanan.

Liberian President **George Weah's** office posted 15 minutes of live coverage of Forrest's arrival in July. Forrest, bizarrely, attempted to distance himself from the attention, saying his visit to Liberia was for 'personal reasons' and that he was looking to set up charitable works in the country.

Many commentators viewed the two men's trip to Liberia as laying the groundwork for a route to market through Liberia for Guinean ore mined at Simandou. Rumours of Forrest's interest in taking on BSGR's cancelled Simandou stake proved true in September when FMG and Al Maktoum signed another MoU with the government of Guinea confirming that FMG would bid for the multibillion-



dollar deposit.

Guinea has a long-standing relationship with the ruling families of the Emirates. Mubadala, a sovereign investment fund owned by the Abu Dhabi government, joined forces with the *Compagnie des bauxites de Guinée* (CBG) in 2012 to strike a long-term bauxite supply deal, following former **British** Prime Minister **Tony Blair's** brokerage of a relationship between Guinea and Mubadala, for which Blair acted as an advisor on business matters (AC Vol 53 No 12).

Whether Fortescue Maktoum has retained an interest in the region after losing out to SMB-Winning remains to be seen.

VALE BENY

SMB-Winning's Simandou South deal comes just six months after BSGR settled a long-running dispute with Guinea and agreed to relinquish the concession (AC Vol 60 No 5). However, the settlement deal has yet to be signed off fully by BSGR's administrators and could get caught up in a separate legal action between BSGR and Vale, the world's biggest producer of iron ore.

BSGR's acquisition of the Simandou concession from the former Guinean President **Lansana Conté** became the subject of several international criminal investigations after BSGR's founder Steinmetz was accused of obtaining the licence through corruption and bribery.

Steinmetz and two associates are to stand trial in **Switzerland** for allegedly bribing Guinean officials to win the Simandou licence. Swiss prosecutors announced in August that they are seeking sentences of two to ten years for the trio. Steinmetz is a resident of Switzerland and a number of his companies are based there. Both he and BSGR have strenuously denied any wrongdoing.

Regardless of the criminal cases, Steinmetz remains in Guinea through his stake in the Zogota iron ore mine. This is now held by Niron Metals, a UK-based private company led by the former Conservative Party treasurer and former Xstrata chief executive Sir **Mick Davis**.

BIDDING

The bidding process for Simandou is cloudy, despite protestations by Guinea's Mining Minister, **Abdoulaye Magassouba**, that the tender would be 'competitive and transparent'.

Firms wanting to bid for Simandou South had to pay \$300,000 to gain access to the tender documents, a move that went against the ministry's assertions of transparency. It published no list of bidders.

ROLLING STOCK GATHERING MOSS

With an estimated price tag in the tens of billions of dollars, the Trans-Guinean rail project has been the sticking point in any development of the Simandou concession to date.

The rail line's proposed 650-kilometre route, linking the iron ore-rich regions of south-western Guinea to the country's Atlantic ports, will traverse virgin rainforest and several mountain ranges.

Guinea has always insisted that Simandou's output be exported through Guinean ports, looking to iron ore miners to back this huge infrastructure project, which would provide an arterial rail route through the country for the first time since the Conakry-Kankan line fell into disrepair after independence from **France** in 1958. The French left Guinea over a two-year period, taking everything they could with them in a warning to other Francophone African countries eyeing independence.

The caveat of construction of this railway line – which the Guinean government would like to be open to all miners operating along the route and also possibly to passenger trains – has left the present holders of the Simandou concession, Rio Tinto and Aluminum Corporation of China Limited (Chalco), hesitating over the matter for years (AC Vol 57 No 22). A plan for a third-party consortium to build the line was drawn up but no work began.

Where the offer by the *Société Minière de Boké* differs from that of the Western iron ore majors is that it has already committed to building a railway line from its core operations in the Boké Region to its new mines in Boffa Prefecture. However, the \$1.2 billion infrastructure project is yet to get under way. The future of both this particular line and the whole Trans-Guinean venture will depend on how and when the various miners involved in the projects decide to work with each other.

In June – weeks after Guinea announced it was re-tendering Simandou South – press reports emerged that after a long hiatus Rio Tinto had started looking again into development plans for Simandou. The world's number-two iron ore miner rehired consultants to look at how ore could be exported from the Simandou North concession it holds jointly with the **Chinese** aluminium giant Chalco. ●

Active interests in Guinea's mining sector held by directors of the British third-party law firm Phanar Legal, brought in to oversee the tender, have also muddled the waters. Phanar director **Philip Rogers**, leading on the deal, was briefly a director of Guinea Bauxite Corporation, a development company run by the **Russian** businessman **Alexander Zotov** which held an active concession. Rogers resigned his directorship of GBC in May, shortly before the Simandou tender was announced.

Across the border in Liberia, one of the mining industry's most colourful characters has staked a claim in a former BHP Billiton project. High Power Exploration (HPX), a US investment company run by the billionaire financier **Robert Friedland**, announced in September that it had secured approval from the government of Guinea to buy the 95% stake in the Mount Nimba project previously held by BHP Billiton, US group Newmont Goldcorp and Orano, the **French** nuclear power group.

It is understood that BHP, Newmont and Orano will receive payment for their stakes once the mine is up and running. No headline figure for the deal was announced but market sources say they expect that Friedland paid 'hardly anything' for the concession itself.

HPX said initially it plans to bring

a starter mine of 1-5 million tonnes annually into production, with a view to increasing output to at least 20m tonnes.

Industry sources in London told *Africa Confidential* that ArcelorMittal's interest in its iron ore business was waning, with its iron ore mines in Liberia, **Canada** and Brazil largely understood to be up for grabs if the right offer comes along. Figures of between \$1bn and \$2bn for the whole business have been heard on the market.

ArcelorMittal did not respond to requests for comment on the potential sale of its iron ore business.

It is not clear whether ArcelorMittal intends to use the Liberian rail asset as a bargaining chip in its iron ore sale negotiations. The Mount Nimba mine acquisition could be a strategic move for Friedland if he is looking to take a larger stake in iron ore projects in the region. One challenge facing Mount Nimba's development is the Nimba flanks project, previously owned by Sable Mining, the company set up by **Andrew Groves** and the former England cricketer **Phil Edmonds**.

Following a bribery and corruption scandal related to alleged graft in Guinea, Sable Mining changed its name to Consolidated Growth Holdings (AC Vol 59 No 4). The Nimba flanks project is now owned by Zali Mining, formerly

West Africa Exploration. **Aboubacar Sampil**, Groves's Guinean business partner and close friend of Condé's son, **Alpha Mohammed Condé**, held a 20% stake in West Africa Exploration; it is not known who owns Zali. The company owns a quarry which lies on the route on which a spur connecting the Nimba mine to the Buchanan rail line would need to be built. This has been described as a 'spoiler' designed to force developers of the line to buy them out.

If ArcelorMittal is looking to sell its Liberian assets, any access issues to Port Buchanan and the Liberian iron ore rail line could hinder opportunities. And any procrastination by ArcelorMittal with regard to opening up its Liberia

infrastructure assets to other companies could be down to leaving the path clear for potential buyers, rather than keeping capacity open for any further development it plans for itself.

The key question of whether President Condé will budge on the question of allowing Simandou iron ore to be transported through Liberia by a Western company may now be moot, given his decision to grant Simandou South to a company with a track record of developing rail projects in Guinea. But the financing for the largest multi-use rail project the sub-region has ever seen remains a challenge. Fortescue Metals Group's establishment of an infrastructure agreement with Liberia ahead of its official bid for Simandou

blocks 1 and 2 suggests that foundations are being laid for a concerted effort finally to secure an export route for all iron ore from the sub-region through Buchanan.

A London-based broker noted that wild swings in the price of iron ore continue to undermine the possibility of the Trans-Guinean line taking off. 'Who will build the Trans-Guinean? No idea. No one, probably. Rio/Vale/BHP don't want it but don't want anyone else to have it. The Chinese want ownership, and the iron ore, but don't want to build it either, really. Iron ore is so volatile, you just can't ever commit big numbers. You're a billionaire one day and broke the next. Hence I think it will never get built.' ●

EU/AFRICA/MOROCCO

Seeking special status

The Von der Leyen trip to Addis is intended to signal the opening of a new chapter in EU relations with Africa

The consensus in Brussels is that **Ursula von der Leyen's** European Commission is likely to prioritise EU-Africa relations far more than her predecessors. On 6 December, the new Commission President will make her first foreign trip to **Ethiopia** to meet Prime Minister **Abiy Ahmed** and the head of state, President **Sahle-Work Zewde**, the only woman currently holding such a position in Africa, as well as **Moussa Faki Mahamat**, the chair of the African Union Commission.

The challenge for von der Leyen's team will be to put meat on the bones of the so-called 'partnership of equals' between the two continents promised by her predecessor **Jean-Claude Juncker** (AC Vol 59 No 19).

The main building blocks will be finalising the successor to the Cotonou Agreement, which expires next March, the myriad financial instruments that can facilitate more EU investment in Africa, and the slower process of revamping EU-Africa trade relations.

Unsurprisingly, the EU/Africa Business Summit in Marrakech on 28-29 November was long on good intentions but short on any concrete commitments. The organisers were not helped by timing. Lengthy delays caused by the European Parliament rejecting three of her nominees – and a row over whether the Commission could take office without a formal UK nominee – ensured that von der Leyen's new European Commission only took

office last week (AC 60 No 19).

'The Commission might be about to change but what will not change is Africa being at the top of EU agenda,' said **Joanna Drake**, deputy director general in the Commission's environment department.

'The word "equality" has been used a lot and I agree – maybe the point of departure was not equal,' conceded Drake.

The big question is what Europe can offer on trade and cash for infrastructure investment.

The Commission says that it is on target to deliver €44 billion of private investment, as promised by Juncker's External Investment Plan. But most of that is leveraged money. The mantra is about 'using scarce public money very wisely', says a Commission official. That is likely to continue in the next seven-year EU budget, known as the multi-annual financial framework. The MFF proposed by the Commission would increase EU spending in sub-Saharan Africa by 23%, from €26.1bn to €32bn, but the blueprint, which national leaders will finalise this spring, will see the EU spend even more than this on migration control and management of Europe's borders.

Meanwhile, EU officials have skirted around the trade elephant in the room. Although EU officials are always at pains to point out that Europe is still the largest trade partner in goods and services in Africa, that glosses over

the fact that 70% of Africa's exports to Europe are in raw materials, while Africa imports most of its manufactured goods. Politicians and business leaders say this is the result of trade agreements that prevent them from building up domestic processing industries, where most of the 'value-added' in trade lies, and impose tight restrictions on freedom of workers. The result is that most of the Economic Partnership Agreements negotiated between the European Commission and African regional blocs remain unratified.

'In the past, we were saying that European countries were only in Africa to exploit our resources, now they are taking human resources because of the lack of African markets and integration,' said **Said Ibrahim**, CEO of Casablanca Finance City.

Trade officials from **Morocco** and **Egypt** say privately that their trade deals with Brussels are 'terrible', and result in a hefty trade deficit with the EU, and are demanding that their own trade agreements are re-opened. Similar frustrations have also prompted Morocco's trade minister to demand the re-opening of Rabat's free trade agreement with **Turkey**.

DIFFERENTIATION

'What we are seeing is a change of mentality. The continent is committing to working together,' said **Ibrahima Guimba-Saidou**, Special Advisor to **Niger's** President.

But despite the public talk of co-operation the signs are that differentiation is going to be the name of the game. The post-Cotonou accord is going to be between the African, Caribbean and Pacific (ACP) community – much to the chagrin of the African Union which wants a continent-to-continent agreement which the EU has promised, albeit as a long-term goal.

Nor is it clear how a regional 'protocol' between the EU and African Union, which has been promised, will work in practice (AC Vol 59 No 21).

Meanwhile, the North African countries, which are not part of the ACP and, unlike their sub-Saharan African neighbours, can access funds from the EU's European Neighbourhood Policy, believe that they have more leverage with European leaders still worried about stemming the flow of migration from sub-Saharan Africa.

In November, African officials from the UN Development Programme warned Von der Leyen's Commission team and the European Parliament that migratory flows from Africa would continue. 'The question is: what are you [Europe] going to do about it?' said one UNDP official.

The Commission is more receptive to that sentiment than it was three or four years ago, but several member states, including Hungary, say that any post-Cotonou agreement must make financial support conditional on repatriation of migrants.

MOROCCAN 'BRIDGE'

Morocco, in particular, has its own agenda as part of its strategy of marketing itself as a 'bridge' or 'gateway' to the African continent. Having parked questions over the disputed status of Western Sahara – which led to two European Court of Justice rulings that existing EU-Morocco trade deals could not cover products from the territory

– and secured new agriculture and fisheries agreements with Brussels, at the EU-Morocco Association Council in June, Morocco secured the promise of an ambitious new trade and political pact with Brussels – potentially including visa free travel (AC Vol 59 No 3 and Vol 60 No 14).

'The partnership between the EU and Morocco is on the right path now,' a senior official in Rabat told *Africa Confidential*, adding that the question of Western Sahara had 'poisoned' relations.

'We have always had this privileged or strong relationship but I don't believe that in the minds of Europeans it was a strategic relationship. Now we can focus on the partnership,' the diplomat added.

Officials in Rabat believe that the migration crisis and the threat of terrorism from the Sahel has prompted new European interest in them and the wider Maghreb region, and have complemented that with a sustained diplomatic effort over several years in and around the EU institutions. Stung by the indifferent reaction of some EU member states to the ECJ rulings, Rabat has focused more energy on European countries who, unlike Spain and France, were not traditional allies.

On 30 November, Rabat signed a partnership memorandum with Berlin worth €571 million between 2020 and 2022. Part of the G20's 'Compact with Africa', the programme facilitates access to financing, and helps implement

pro-business reforms. At the start of November, Foreign Minister Nasser Bourita signed an agreement with Italy to combat terrorism, international crime and illegal migration.

AID DOWN

If migration control is still Europe's priority and trade is Africa's, aid has been pushed down the agenda in both continents, though the EU continues to trumpet its status as the world's largest single aid donor.

'Aid supports development but it never develops anyone,' a senior UNDP Africa official told *Africa Confidential*. 'Aid creates a mindset – that mindset change on the African side needs to happen, and there are signs of a more – if not equal – then more respectful partnership.'

In Marrakech, the talk was of an Africa-specific version of the EU Cohesion Policy which has directed billions of euros towards infrastructure investment in the bloc's poorest regions, though that would involve investment that is far beyond what the EU can offer.

The obvious offer from Brussels would be to replace the widely disliked Economic Partnership Agreements, and Association Agreements, with more generous trade deals, and a legal pathways regime for African migrants. Both will be tough for von der Leyen's team to sell, but until these imbalances are addressed any talk of 'equal partnership' will continue to ring hollow. ●

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POINTERS

South Africa

KZN PLOTS

■ Opponents of President **Cyril Ramaphosa** in the African National Congress's biggest province intend to start a fightback at the National General Council in 2020 with a vote of no confidence in him, insiders say. A faction in the KwaZulu-Natal party, where loyalists to ex-President **Jacob Zuma** wield considerable power and have perhaps the most to lose from restrictions on patronage, intends to move the motion from the conference floor, *Africa Confidential* understands (AC Vol 60 No 21). The NGC is only a mid-year policy review and not an elective conference, but the Ramaphosa camp is not taking the threat lightly and is lobbying in the province already.

Ethekweni's former mayor, **Zandile Gumede**, a close ally of Zuma, is leading the charge. However, ANC KZN chair **Sihle Zikalala** is loyal to Ramaphosa, meaning the move is unlikely to succeed.

The recent arrest in Cape Town on corruption charges of the former State Security Minister and current chairperson of Parliament's Home Affairs committee, **Bongani Bongo**, has caused panic in the Zuma camp (AC Vol 60 No 11). The party's Integrity Commission has asked for Bongo to be removed from all senior positions. Bongo claims Public Enterprises Minister **Pravin Gordhan** is behind the arrest. The Zuma faction unofficial leader and ANC Secretary-General, **Ace Magashule**, has attacked the call for Bongo to stand down (AC Vol 60 No 13). The ANC Veterans' League also backed Bongo. The Zuma faction is understood to be placing their hopes in **David Mabuza**, deputy president of the ANC and South Africa, to take over from Ramaphosa, and then for **Nkosazana Dlamini-Zuma**, former African Union chair and Zuma's ex-wife, to take over from Mabuza.

Zambia

THE DEFAULT IS MINE

■ Zambia has defaulted again on its €97 million (US\$107m) loan from **Italian** bank Intesa San Paolo for the purchase of two C27J twin-engined military transport aircraft from Italy's Leonardo. The loan was agreed in June 2018 shortly after then Minister of Finance **Margaret Mwanakatwe** pledged to curb additional borrowing to prevent an imminent debt crisis. Zambia defaulted on its first payment on the loan due in May this year, eventually paying on 3 June. A further €6.2m was

due on 30 October. The Italian bank has issued five requests for payment, according to documentation seen by *Africa Confidential*, but no payment had been made by the time we went to press. Zambia also owes a penalty of €23,000 in default interest, which is running at 2% a week.

Lusaka's aircraft buying spree also included the Gulfstream G650 business jet used by President **Edgar Lungu** and an order for five Sukhoi airliners, which was reduced to one \$50m VIP version. **Russia** cancelled the order on 28 October after Zambia failed to make its second payment. The down-payment, taken from Treasury funds, is unlikely to be repaid.

Finance Minister **Bwalya Ng'andu** recently wrote to several lenders to stop them disbursing funds, part of an effort to get debts under control, *Africa Confidential* has learned (AC Vol 60 No 15). But lenders objected and the disbursements had to go ahead. Without a significant windfall, it is likely Zambia will default on its Eurobonds next year. We understand Zambia is now considering restructuring the bonds.

A clumsy attempt to obtain such a windfall by ordering the liquidation of mining company Konkola Copper Mines and the sale of the asset has left Zambia with hefty costs for the resultant court case brought by KCM's major shareholder Vedanta and the mine (AC Vol 60 No 18).

Zambia is also trying to repay **South Africa's** state power utility Eskom \$40m in order to secure a deal for emergency power, after Eskom refused because of unpaid debts.

Mozambique

OFF THE HOOK

■ The first of the criminal trials in connection with Mozambique's \$2bn 'tuna bonds' hidden loans scandal has ended with the surprise acquittal of **Lebanese** salesman **Jean Boustani** at a New York federal court on 2 December. Boustani, who was working for Privinvest and admitted making multi-million dollar payments to Mozambican officials, was acquitted of wire fraud, securities fraud and money-laundering. The verdict shocked **United States** Department of Justice prosecutors, we hear.

Star prosecution witness **Andrew Pearce**, the Credit Suisse banker who admitted his guilt in a plea bargain on 19 July to wire fraud conspiracy and receiving tens of millions of dollars 'knowing they were the proceeds of illegal activity', testified that Boustani and Privinvest CEO Iskandar Safa secured lucrative maritime deals with bribes and kickbacks funded by debt bought by US investors (AC Vol 60 No 16 & 21).

The jury foreman later told reporters the panel did not see sufficient connection between the alleged crimes and the US, and so acquitted Boustani on that basis. The prosecution claimed that Boustani was the architect of a corrupt and non-viable scheme that led Mozambique to default on its repayments, and was therefore responsible for defrauding US investors. Boustani insisted that the schemes were viable.

Boustani's lawyers said he had no direct contact with the US investors, and had attempted to get the case dismissed on grounds of jurisdiction. This was rejected by the judge. Commentators believed that six weeks for such a complex trial was not enough.

Mozambique had hoped for a conviction that they could use to strengthen their own commercial fraud case against Safa, filed with the **British** courts in July.

Guinea Bissau

REVENGE OF THE REJECTS

■ One of two prime ministers fired by President **José Mário Vaz** will replace him as Guinea Bissau's president in a run-off on 29 December. **Domingo Simões Pereira**, leader of the *Partido Africano da Independência da Guiné e Cabo Verde* (PAIGC), is in pole position after taking 40% of the vote. His challenger will be **Umaro Sissoco Embaló**, leader of the second-largest party, the *Movimento para a Alternância Democrática – Grupo 15* (MADEM – G15), who got 28%.

A civil engineer, Pereira is firmly in the reform camp; he has been credited with revamping the PAIGC. His support comes mostly from the coastal areas, particularly the capital, where he did very well. Sissoco studied international relations and has a background in military intelligence but is also an anti-reformist and has a habit of playing up regional and religious differences, prompting accusations that he is an Islamist, which he denies (AC Vol 58 No 9).

Vaz may have lost badly, taking a mere 13%, but he still commands support that both remaining contestants will need, particularly in the coastal region of Cacheu. Vaz will never support Pereira, with whom he has a long-standing enmity but it is unclear whether Sissoco, another prime minister he sacked, will be any more palatable (AC Vol 56 No 18). A second and more likely kingmaker, is **Nuno Gomes Nabiam**, who also polled 13% by picking up the vote of the *Partido de Renovação Social* (PRS) and is reported to be talking to both Pereira and Sissoco.

Senegal will be looking on closely. Dakar has a history of interference in its smaller neighbour's affairs but has so far remained silent.

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BLUE LINES

The arrival of South Africa's former President Thabo Mbeki in Harare this week for talks with Zimbabwe's leading political figures points to the depth of the country's crisis. Strikes and protests are set to intensify, despite a violent crackdown by President Emmerson Mnangagwa's government.

We understand that Mbeki has been asked by President Cyril Ramaphosa to offer his country's help in mediating between Mnangagwa and his opponents. No one took seriously Mnangagwa's claims that his meeting with Mbeki was just a discussion about combating Western sanctions. Mbeki's mission was to urge Zimbabweans to give 'mediation a chance', said Stergomena Tax, Executive Secretary of the Southern African Development Community.

Mbeki also met opposition leader Nelson Chamisa, but oppositionists are wary of a rerun of the power-sharing deal that Mbeki brokered after disputed elections in 2008 which strengthened the ZANU-PF government.

Activists have responded by forming the National Convergence Platform, a coalition of civil society groups, trade unions, professional associations and religious groups. It wants to build consensus for a plan to rebuild the education and health services and relaunch the economy, according to its spokesman, Reverend Kenneth Mtata. Insiders say the group could also back opposition parties in negotiations for a government of national unity.

CONGO-KINSHASA

Pouring cold water on the mega dam

Behind closed doors, the fight over the scale of the Inga dam could be edging towards resolution

Félix Tshisekedi's arrival in the presidential palace has brought new complications to Inga III, the gargantuan planned hydroelectric dam on the Congo River, but may yet give the long-delayed project a refreshed sense of direction.

The president, who assumed office in January, has a different vision for the scheme than that supported by officials he inherited from his predecessor, **Joseph Kabila**, and the two sides are battling it out (AC Vol 60 No 3). Former opposition leader Tshisekedi is governing Congo-Kinshasa in partnership with Kabila after the latter's allies won thumping majorities in both chambers of parliament. The former head of state, who now lives quietly on his ranch outside Kinshasa, has installed loyalists in key ministries such as finance, mines and defence, constraining Tshisekedi's ability to act independently (AC Vol 60 Nos 6 & 19).

Despite being blessed with immense hydroelectric potential, Congo-K suffers from crippling energy shortages. Only around 10% of the population of about 80 million is connected to the national grid, while the mining sector – the country's sole source of export earnings – is forced to rely on expensive auxiliary power sources such as diesel-run generators and electricity imports from **Zambia**.

Two dams built more than three decades ago – Inga I and II – still provide most of the country's power. Successive presidents have dreamed of Inga III, to be constructed on the same stretch of the Congo River near the city of Matadi, as not

just the antidote to Congo-K's problems but a plentiful source of electricity to the African continent.

True believers say the next plant will be the first in an enormous complex to be known as Grand Inga and will generate more than 40,000 megawatts upon completion. Sceptics, of which there are many, predict that Inga III will never become a reality.

PARTNERS

Despite launching Inga III more than a decade ago, it was only in the last three months of Kabila's 18 years in power that commercial developers of the project were finally appointed (AC Vol 54 No 14). In October last year, **Bruno Kapandji**, the director of the *Agence pour le Développement et la Promotion du Projet Grand Inga* (ADPI), signed an accord with **Chinese** and **Spanish** consortiums who agreed to finance technical and environmental studies before building and operating an 11,000 MW facility at a cost of nearly US\$18 billion.

Originally rivals competing for Inga III, the Chinese group, led by China Three Gorges Corporation, and the Spanish, comprising *Actividades de Construcción y Servicios* (ACS) and AEE Power Holdings, were ordered by Kapandji in 2017 to work together on a joint bid – to the irritation of both (AC Vol 58 No 14). The shotgun marriage partners submitted a joint proposal last November assuming that Kabila's handpicked successor **Emmanuel Ramazani Shadary** would win December's election and swiftly move to award them

NIGERIA	3	FRANCE/SAHEL	6	SOUTH SUDAN	7	MOROCCO	8	GABON	10
Not yet, Generalissimo		In search of allies		Peace deal wheelspin		Activist King vs the activists		LIBYA	12
The lack of trust over civil rights reflects the country's deepening security crisis		France is holding the line against the jihadis as casualties increase and hostility grows		There is little sign that the impasse can be broken despite a new US gambit		The government is split as M6 becomes more hands-on as a ruler and in business		ALGERIA	12
								BENIN	12
								ANGOLA	12

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a concession contract (AC Vol 60 No 3).

But Shadary, a former interior minister under European Union sanctions, performed so dismally that neither Kabila nor the heavily compromised electoral commission felt able to proclaim him the winner. Instead, the outgoing president struck a deal to make Tshisekedi president in order to exclude the true victor, **Martin Fayulu**, who was backed by some of Kabila's fiercest enemies.

The alliance between Tshisekedi and Kabila got off to a slow start with the men unable to agree on the composition of a power-sharing government until August, during which time Inga III was at a standstill. The Chinese and Spanish companies, not knowing where the new leader stood on the joint bid, grew nervous and frustrated.

While Tshisekedi hasn't (yet) replaced Kabila's appointees at ADPI, he has instructed the department to report to **Michel Eboma Ablavi**, the president's chief advisor on mining and energy.

DEVELOPER FEARS

Chinese and Spanish fears grew shortly before the new government was revealed when Eboma hosted an energy conference in Matadi. There, **Maximilien Munga**, a senior energy ministry official held in high regard by Congo-K's multilateral and bilateral donors, insisted that the country should return to a previous design of Inga III which will generate 4,800 MW (AC Vol 54 No 13 & Vol 55 No 7).

Munga argued that the African Development Bank had already financed comprehensive studies for the smaller version which could be built faster and cheaper. Even under the most optimistic scenarios, the larger facility won't be finished until the end of the next decade. Tshisekedi expressed his support for Munga's view during his first address to parliament on 13 December. But he left an opening to Kabila and ADPI by saying the capacity could be enlarged to 11,000 MW in two later phases. Another supporter is **Akinwumi Adesina**, head of the AfDB, who has a close rapport with Congo-K's new leader. 'The 4,800 MW business plan is

already done and paid for,' Adesina told Bloomberg last month. 'People need electricity today, not in 10 years.'

Kenyan opposition leader **Raila Odinga**, the African Union's first High Representative for Infrastructure Development, will also play a role. He was close to Tshisekedi's father, **Etienne**, who was a thorn in the side of every Congolese president from the 1980s until his death in 2017, and now enjoys good relations with Tshisekedi fils. Odinga is likely to swing the AU behind Tshisekedi's preferred trajectory for Inga III.

The shift in thinking is a gut-punch for Inga III's Chinese and Spanish co-developers, who don't believe a 4,800 MW plant would be economically viable and lobbied hard to bring Kapandji around to their view. The October 2018 accord was their big breakthrough – or so they thought. The version of Inga III being sold to potential investors by the two consortiums envisages only 2,500-3,000 MW being distributed within Congo-K itself, much of which would be allocated to the energy-hungry mines and processing plants operated by the likes of Glencore and China Molybdenum. Most of the power would be sold to South Africa and others, such as Angola.

South Africa agreed to buy 2,500 MW in 2013, which would then have been more than half of the available power, and last December told Kapandji it was willing to double that commitment under certain conditions. Last month, Angola also expressed an interest in acquiring up to 5,000 MW from Inga III. Having worked so hard to persuade Kapandji, the South Africans and the Angolans of the virtues of the expanded facility, the Chinese and Spanish efforts may have been for nothing if Tshisekedi forges ahead with a scaled back project – especially if he discards them in favour of new developers.

So profound is the absence of coordination between the presidency and the government that both conceptions of Inga III are being promoted at the same time by their various supporters. Tshisekedi's recent affirmation of the vision he supports may not be the last, even though it is now official national policy.

The President's lack of enthusiasm for their design is not the only obstacle facing the Chinese and Spanish co-developers. Not least is the question of where the \$18bn would come from – a huge investment in a country where the government struggles to raise \$5bn annually to support its meagre public expenditure. Some 80% of the bigger Inga III would have been financed through debt, according to documents



prepared by the partners last year, which foresaw international finance institutions, including the AfDB, export-credit agencies and commercial banks being the funders.

The Spanish companies had hoped that Kabila's departure would persuade the World Bank to return to the fold and boost international confidence in the project. The Bank pulled \$73m in funding for Inga III studies in 2016 after the former president set up ADPI under his direct control, breaking lending rules. The Bank hasn't changed its mind, however. This leaves Tshisekedi putting a lot of faith in the ability of the AfDB to help raise enough money.

Further rifts exist within the Sino-Spanish partnership and between them and the ADPI. The Chinese and Spanish companies never wanted to work together and their differing corporate cultures have clashed. China Three Gorges wrote to Kapandji in September to complain about ACS and AEE, stating they wouldn't agree with the Chinese on key aspects of the project. China Three Gorges 'remains ready to actively cooperate with the Congolese party to develop Inga III' but didn't see the point in meeting again with the Spanish, it said.

CONTRACTOR SPOOKED

The position of ACS, one of the largest construction companies in the world, appears ambiguous. Spooked by Congo-K's reputation for corruption as well as allegations that Inga III will cause environmental damage, ACS began to tell certain shareholders a year ago that it was withdrawing from the project, we hear. However, senior ACS managers have apparently participated in meetings in the course of this year with the Chinese companies and ADPI. *Africa Confidential* understands that there is a tussle going on at ACS between a risk-averse board of directors and more gung-ho engineers on the ground. If the former comes out on top, as one would expect, it will be a major setback for the

Spanish consortium.

Even if, somehow, the 11,000 MW iteration triumphs and the consortia remain aligned, a scrap is brewing with ADPI over the allocation of power from the plant. The country's civil society organisations have long scorned both schemes, mostly because of their improbable scale. A coalition of 41 groups asked Tshisekedi in November to pause Inga III. Among the 'enormous risks' cited were the lack of preparations for resettling more than 37,000 people, environmental damage caused by altering the riverbed and indebting the country for years to come.

ADPI has dismissed the criticisms as embittered and erroneous but is sensitive to claims that ordinary Congolese won't benefit enough from hosting such a monumental project. The agency counters that 6,000 MW (double the 3,000 MW proposed by the co-developers) will be allocated to Congo-K – to be split between the mines, other industry and domestic consumers. ADPI claims the domestic portion isn't up for negotiation but it remains to be seen if

the Chinese and Spanish will be willing to be so exposed to a population with such weak purchasing power and to the effectively bankrupt state power utility, the *Société nationale d'électricité* (SNEL).

US INTEREST

Appearing on the horizon is the United States, which has exceedingly warm ties with Tshisekedi, in stark contrast to the animosity that characterised relations with Kabila. In keeping with President **Donald Trump's** combative policy towards President **Xi Jinping's** government, the US State and Energy Departments have been tentatively dipping their toes into Inga III, seemingly pondering if they can loosen China's grip on the project.

Africa Confidential understands, however, that the US won't formally welcome a high-level Inga III delegation from the presidency and government to Washington DC until Congo-K has implemented certain regulatory benchmarks. The appetite of US companies for getting involved in such an ambitious development in a country

with Congo-K's track record is doubtful.

Progress is minimal in the meantime and Tshisekedi's pledge to bring electricity to at least 30% of the population by the end of his term in 2023 looks increasingly unlikely. Instead of wasting so much energy on a time- and capital-consuming prestige project like Inga III, many – including the World Bank – would prefer the president to focus on smaller hydro plants and solar power.

Local and foreign entrepreneurs have already jumped at the opportunity. Earlier this year, two prominent Congolese businessmen, **Yves Kabongo** and **Eric Monga**, signed separate deals with China's Power Construction Corp to build hydroelectric plants of 900 MW and 150 MW respectively to serve the country's southeastern mines. In the east, British solar company BBOXX is providing off-grid power to tens of thousands of homes.

Thinking small may yet turn out to be the best option for the country but whether its leaders and donors can agree is something else entirely. ●

NIGERIA

Not yet, Generalissimo

The lack of trust between government and activists over civil rights reflects the country's deepening security crisis

It was **Muhammadu Buhari's** military credentials that persuaded many Nigerians to trust him on security issues in 2015, at a time when insurgents had taken over more than 20 local government areas in the north-east, gangs of kidnappers were terrorising communities across the country and the senior ranks of the security services were mired in corruption.

Almost five years into Buhari's presidency, the security threats have changed and multiplied. By the end of 2016, the military claimed to have driven the insurgents out of their bases in the north-east. Yet, strengthened by its regional ties to Islamist fighters in **Mali**, **Niger** and **Burkina Faso**, an insurgent force known as Islamic State West Africa Province (ISWAP) is escalating the war, more narrowly targeting government officials, military personnel and economic assets (AC Vol 60 Nos 11 & 17).

Over the same period, clashes between farmers and herders, especially in the north central region, over land and access to water have intensified,

sometimes exacerbated by opportunist politicians (AC Vol 60 No 16). And the kidnapping gangs have grown more audacious and innovative.

It is only in the Niger Delta where the government can report an unambiguous improvement in security since a string of lethal attacks on pipelines and rigs shut down hundreds of thousands of barrels of oil production in 2016. A main reason for the success in the Delta is a political deal, however tenuous, between the main protagonists (AC Vol 57 Nos 12 & 16).

TERROR VIDEOS

The latest videos flashing around social media platforms in Nigeria get to the nub of the security crisis. First came footage on 8 December, purportedly from ISWAP, the regional affiliate of IS or *Da'ish*, showing some of its fighters, all wearing black hoods, shooting dead two soldiers and a policeman.

At first there was little official response. Then more claims emerged. It was reported that the three men had been captured at a fake army checkpoint mounted by terrorists

wearing army uniforms.

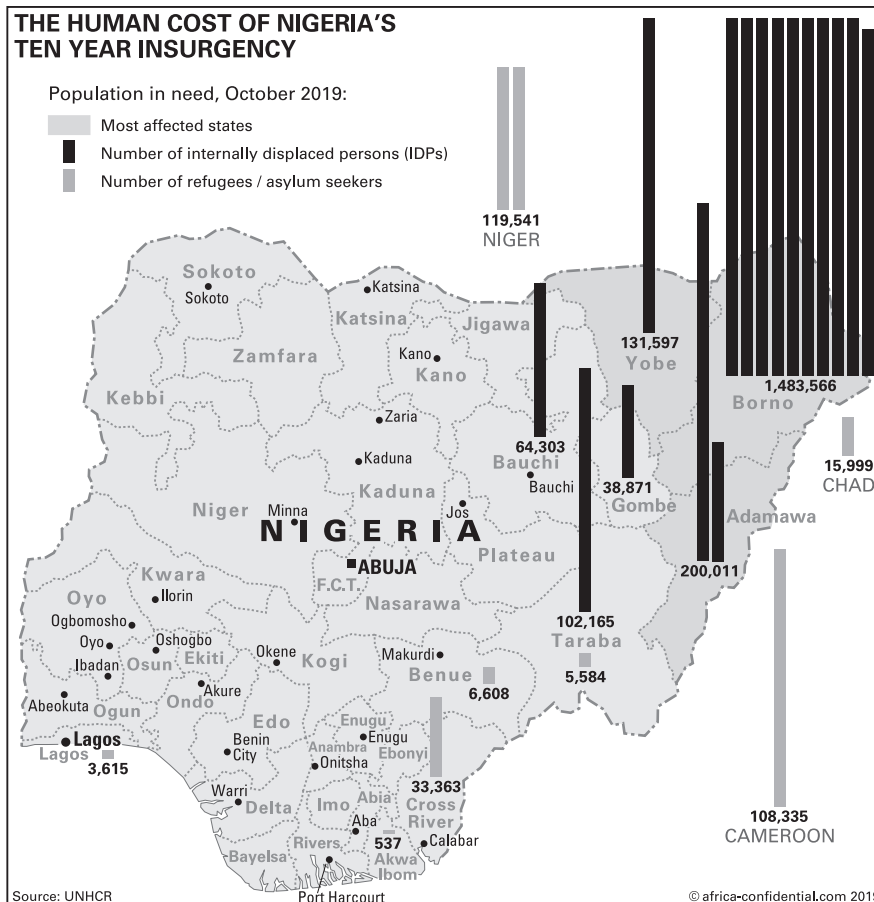
Three days later, army spokesman Colonel **Sagor Musa** said the video was a fake, produced by the Indigenous People of Biafra, a group demanding the secession of south-east Nigeria, designed to spread alarm and disunity. IPOB activists shot back a denial, challenging the army to hire forensic experts to prove the video was a fake, and accusing it of trying to cover up its failures against the insurgents in the north-east in a war that has dragged on for a decade.

Nnamdi Obasi of the International Crisis Group says the video was released by *Amaq*, the propaganda arm of the Islamic State in Iraq and Syria (ISIS). Then on 13 December, ISWAP released a video of the execution of four of five aid workers they had captured in July.

The fifth aid worker, and only female, was spared but is now a slave to the group, according to **Ahmad Salkida**, a journalist with close contacts with the group, who said it accused the government of not negotiating in 'good faith' with it.

That was followed on 14 December by footage claiming to show 11 civilians who were kidnapped on the Damaratu to Maiduguri road, Borno state. The captives were filmed calling on President Buhari to rescue them.

Local experts say this was a plea for the government to resume paying ransoms for the release of kidnap victims. Security sources claim that officials stopped making ransom



government in the media as well as on the battlefield. This has heightened as ISWAP has consolidated control over areas in the north-east, collecting taxes, providing basic health care, imposing its own brand of 'Islamic justice', shutting down cattle-rustling and forcibly controlling food prices.

ISWAP has tried to win over communities, honing its propaganda attacks against the government's military campaign which has seen mass arrests of young men in areas plagued by insurgents.

It also wanted to differentiate its operations from those of **Abubakar Shekau's Jama'atu Ahlus Sunna Lidda'awati wal-Jihad (JAS)**, originally known as *Boko Haram*, which had launched indiscriminate attacks on mosques, churches and marketplaces, often using women or children as suicide bombers.

FURIOUS

Even mild criticism of the government's counter-insurgency tactics has prompted furious responses. Earlier this year, soldiers raided the Abuja, Lagos and Maiduguri offices of *Daily Trust*, after it ran a front-page story about troops preparing to take back two military bases that ISWAP had invaded.

A social media bill meant to criminalise whatever is judged as 'likely to be prejudicial to national security' or 'may diminish public confidence' in the government is being debated in the federal parliament. Civic activists have condemned the proposed laws, fearing they could criminalise reporting of the conflict, even publication of military casualties (AC Vol 60 No 24).

There has been a wave of international criticism of the government's handling of the insurgency. Yet independent reporting from the conflict areas is risky and difficult. Those Nigerian journalists who are embedded with government forces are expected to be demonstrably loyal.

Relations between the government and international agencies have deteriorated sharply, with officials complaining about UN reports on local conditions. In September, Human Rights Watch reported that thousands of children are still being held for suspected involvement with *Boko Haram* in inhumane conditions in prisons in Maiduguri, birthplace of the insurgency.

At a grand ceremony in Abuja on 4 December, President Buhari praised the new National Security Strategy as a 'comprehensive' response to multiple threats, emphasising the importance of 'overall human security', meaning living conditions in the poorest areas of the country.

payments to ISWAP earlier this year. Since then, the group has stepped up its execution of captives.

The other video roiling the government was of a raid by armed officers from the Department of State Security on the Federal High Court in Abuja on 6 December where judge **Ijeoma Ojukwu** had ordered the release from custody within 24 hours of activist and failed presidential candidate **Omoyele Sowore**, and his co-defendant **Olawale Bakare**.

The officers' mission was to re-arrest the two men on charges of treason and fomenting civil unrest, for calling for a revolution in Nigeria. Leaving aside scepticism about Sowore's political credentials, many Nigerians saw the DSS raid on the court as showing the government's contempt for the rule of law. Such operations also risk backfiring as the government tries to regain popular support for its battle with insurgents in the northern states.

Publisher of the **United States**-based *Sahara Reporters*, an investigative news website, Sowore has won strong support from US politicians such as Senator **Cory Booker**, a candidate for the Democratic presidential nomination.

The Punch, a Lagos daily, announced it would preface any reference to President Buhari with Major-General, his rank when he was military head of

state from 1983-85. And it would refer to the government as 'a regime'.

Other critical commentators such as **Jibrin Ibrahim**, chair of the West African Civil Society Forum, described 'a significant decline in the respect for human rights and the rule of law by this administration'. But he argued current conditions don't equate to the era of military dictatorship: 'Judges are issuing bold orders, elected people are exercising executive and legislative powers... human rights violations are increasing but we have a democratic order that we can use to protect the rights of our people.'

Amnesty International calculates that the Buhari government has flouted over 40 court orders since 2015. *Premium Times*, an authoritative online publication, reports that there have been at least 61 attacks on or cases of harassment against journalists this year.

UNDER-REPORTING

This climate seems to have reinforced the under-reporting of the insurgency in the north-east and its changing tactics. In January 2019, the government called for restraint in reporting the conflict after Information Minister **Lai Mohammed** had asked newspaper proprietors to be more 'patriotic'.

There was official concern that the insurgents were out-manoeuvring the

But his characterisation of the government's work in 'completely ending insurgency in the north-east and laying the foundation of sustainable peace and development... and also addressing conflicts between farmers and herders' sounded at odds with the harsh realities on the ground.

The Buhari Plan for Rebuilding the North-East was launched in January 2017 but its social and economic initiatives have come under sporadic attack from ever-more determined insurgents. That is clear from the more than 2 million people chased from their homes (see map, AC Vol 60 No 11).

The insurgents are also using more mobile and flexible tactics. Although the government scaled up counter-insurgency operations after Buhari came to power in mid-2015, both ISWAP and JAS fighters focused on disrupting government operations, anything to undermine state legitimacy.

Given that security experts estimated at the beginning of the year that ISWAP has 3,500-5,000 fighters, and JAS has some 1,500-2,000, their tactics for disruption have been extraordinarily effective. Regional intelligence experts are examining the ties between ISWAP and other IS affiliates in the region and conclude the group has been building up its military force across the Sahel and into northern Nigeria at an exponential rate.

Some researchers reckon that ISWAP could now field as many as 20,000 fighters, some with more powerful weaponry such as rocket-propelled grenade launchers. The group has been far more effective than JAS at intelligence gathering and infiltrating state institutions.

UNCOORDINATED

General **Babagana Monguno**, National Security Advisor, had spoken at length on the need for better coordination between the armed forces, overlapping security agencies and vigilante groups such as the Civilian Joint Task Force in Borno State.

Lack of accountability across the services, unstated at the launch of the National Security Strategy, has undermined the security forces' effectiveness. Problems include the politicisation of policy via security votes and opaque budgets, as well as rampant procurement fraud and racketeering by rogue officers.

Now that the army has taken on security duties in 32 of the country's 36 states, the police force – under-equipped and under-staffed and with its own corruption problems – has been further marginalised.

In large areas of the north-east

ALL THE PRESIDENT'S SECURITY MEN

The tenures of the four service chiefs, which have been repeatedly extended, expire this month after the latest extension in June. Our sources suggest their terms could be extended again, although the four have each spent more than 35 years in military service (AC Vol 60 No 11).

CHIEF OF DEFENCE STAFF, MAJOR GENERAL ABAYOMI GABRIEL OLONISAKIN

Olonisakin's career began in 1973 at the Nigerian Military School in Zaria, Kaduna state. He was admitted into the Nigerian Defence Academy in 1979 and commissioned as a Second Lieutenant. He has a degree in Electrical and Electronic Engineering from Obafemi Awolowo University in Ile-Ife, Osun state. He served in the UN's peacekeeping force in **Angola**. Until his appointment as Chief of Defence Staff, Olonisakin was Head of the Nigerian Army Training and Doctrine Command, Minna, Niger State.

CHIEF OF AIR STAFF, AIR MARSHAL SADIQUE BABA ABUBAKAR

Abubakar has diploma in Public Administration and degrees in Political Science and Strategic Studies. In 1979, he joined the Nigerian Air Force as a member of the Cadet Military Training Course (CMTC 5). Abubakar rose through the ranks, being variously appointed as Commander, NAF Station, Maiduguri, Commanding Officer, 207 Wing, Group Operation Officer, 97 Special Operation Group, Chief of Standards and Evaluation, Nigerian Air Force Headquarters, Chief of Defence Communications and Air Officer Commanding, NAF Training Command.

CHIEF OF NAVAL STAFF, REAR ADMIRAL IBOK-ETE EKWE IBAS

Ibas was educated in the Cross River state capital Calabar. In 1979, he joined the Nigerian Defence Academy. He attended the National Defence College, Islamabad, **Pakistan** and holds a Master's Degree in Defence and Strategic Studies from Quaid-I-Azam University, Islamabad. His previous appointments include: Naval Provost Marshal, Chief Staff Officer, Naval Training Command, and Chief of Administration, Naval Headquarters. He also served in peacekeeping operations in **Liberia**.

CHIEF OF ARMY STAFF, LIEUTENANT GENERAL TUKUR YUSUF BURATAI

Buratai, who hails from Biu in the north-eastern state of Borno, was schooled in both his home state and the nearby Yobe state, giving him a grounding in the terrain on which the insurgents are currently fighting. He has a degree in History from the University of Maiduguri and another in Philosophy from the **Bangladesh** University of Professionals, Dhaka. Before serving as the Chief of Army Staff in July 2015, Buratai was Commander of the Multinational Joint Task Force with its headquarters in Ndjamena, **Chad**.

DIRECTOR GENERAL OF THE DEPARTMENT OF STATE SECURITY, YUSUF BICHI

Kano-born Bichi was appointed Director General of the Department of State Security in September 2018, replacing **Matthew Seiyefa**, from the South-South, who had been appointed by Vice-President **Yemi Osinbajo** while President **Muhammadu Buhari** was on leave in London. Osinbajo's sacking of **Lawal Daura**, a Buhari appointee, for his role in the DSS sealing off parliament, created tensions in the executive that are still playing out. Bichi completed a degree in Political Science from the Ahmadu Bello University, Zaria in 1980. He also attended training at the National Defence College in Abuja, which qualifies for the 'Fellow War College' award.

An intelligence veteran, Bichi started in the security division of the Cabinet Office, Kano. Subsequent positions included Director, National Assembly Liaison (National War College), Director at National Headquarters in the Directorate of Security Enforcement, and at the Directorate of Operations, Directorate of Intelligence.

DG OF NATIONAL INTELLIGENCE AGENCY, AHMED RUFAI ABUBAKAR

Abubakar hails from Kofar Durbi in Katsina, the President's home state. Up until his appointment as Director General of NIA, he served the President as Senior Special Assistant on International Relations. He had also previously held the position of Senior Advisor at the Multinational Joint Task Force.

Abubakar, who has a degree in French Language and Literature and an MA in Francophone Maghreb Literature from Bayero University, Kano, has worked as a lecturer and as a Director at the United Nations in Peace Support Operations, Mediation Process, Preventive Diplomacy and Good Governance office. He has also worked at Nigeria's Embassy in Rabat, **Morocco** and for the African Union Peace Mission in Darfur, **Sudan**. ●

where the military have cleared out the insurgents, the police have been unable to provide basic security, at least not outside the cities and bigger towns. So, the military has both to pursue an asymmetric war with the insurgents and continue to secure liberated areas.

Dealing with those problems on the ground has been taking priority over the security strategy's loftier aims of a 'multi-sector approach', much of which is the rebuilding of education and healthcare services. The reality is that the army, despite its force strength of about 180,000, is critically over-stretched.

There's little clarity about the military's foreign partnerships. It accuses Western governments of hiding behind human rights concerns to block critically needed arms deliveries. Some expensive kit that has been approved is yet to arrive.

Russia and China impose no such strictures on arms sales. It was thought that much of the US\$1 billion security vote promised by Buhari in the wake of this year's election would be spent on new equipment and training.

Other new partnerships, with **India** and **Pakistan**, are yet to yield results.

A military source claims that Islamabad is selling a fleet of JF-17 jet fighters, jointly made by Pakistan and China, to Abuja.

In 2017, hundreds of soldiers in an elite force established three years earlier were trained in Tarbela, Pakistan, by Islamabad's counter-terrorism unit, which has experience in the country's north-west region and in **Afghanistan**. Since then the Nigeiran force has captured some towns in Borno state but are said to remain short on firepower. Perhaps, they too will benefit for the billion-dollar fund. ●

FRANCE/SAHEL

In search of allies

France is holding the line against the jihadis as casualties increase and hostility to its mission grows, and political backing for it shrinks

On 15 December, the heads of state of **Mauritania**, **Chad**, **Burkina Faso**, **Mali** and **Niger** – the members of the G5 military coalition – gathered in Niamey to mourn the deaths of 71 Nigerien soldiers killed in an attack on their forward base at Inates, on the Malian border, by jihadist commander **Adnan Abu Walid al-Sahraoui's** Islamic State in the Greater Sahara. It was the bloodiest attack by the jihadis in recent years and confirmed their freedom of action in the border regions of Mali, Niger and Burkina Faso (AC Vol 59 No 25).

The assembled heads of state – **Mahamadou Issoufou** of Niger, **Roch Marc Christian Kaboré** of Burkina Faso (currently the G5 Executive President), **Ibrahim Boubacar Keïta** of Mali, **Idriss Déby Itno** of Chad and **Mohamed Cheikh el Ghazouani** of Mauritania pleaded for more allies in the fight against terrorism. Interestingly, the final communiqué did not mention France and reiterated the wish to bring the G5 Force under a UN Chapter VII regime, which could turn it into a regional peace-enforcing, as opposed to peace-keeping, force. This would provide it with a more solid *raison d'être*: Moroccan security expert **Abdelhak Bassou** described the G5 as 'badly equipped, barely trained and most of all without a doctrine'.

After Niamey, the G5 presidents were due to attend a summit in the French town of Pau at the invitation of France's President **Emmanuel Macron** but the deadly attack in Niger caused its postponement. Aware of

the increasing unpopularity of France in the region and the spread of anti-French sentiment, Macron wanted the presidents to re-affirm their need for the French military mission *Opération Barkhane*. The theme of the postponed summit (it will now take place on 13 January) is 're-evaluation' of *Barkhane*. The presidents deplored Macron's lack of 'tact' in demanding they 'provide clarity' about the desirability of French troops' presence on their territory. Macron made his call only nine days after 13 French service personnel were killed in an accidental mid-air collision of two helicopters during an operation in Mali. It was the worst loss sustained by *Opération Barkhane* yet.

The notion that France is bent on 'recolonising' the Sahel has spread, especially on social media. The streets of Ouagadougou, Niamey and Bamako host regular anti-French demonstrations and the deaths of French personnel are celebrated on social media. Pau may also have been put off because some local public opinion was portraying the presidents as being 'summoned' by Macron.

LOSING BATTLES

France is losing two battles: the one on the ground and the one for the hearts and minds of people who are unconvinced that the former colonial power is there to protect them. It is also facing opposition at home, with the wisdom of sending French soldiers to war in the Sahel increasingly questioned. France is also being challenged by Russia.

In the wake of the Russia-Africa

summit in Sochi in October, Mali's defence minister **Ibrahim Dahirou Demebele** announced an agreement with Moscow involving the technical maintenance of two Mi-35 transport/attack helicopters **Russia** delivered in 2017, pilot training and other – unspecified – forms of military assistance. The presence of the ostensibly private military outfit Wagner is being noticed in Bamako but nobody quite knows what its role will be.

None of this tackles the actual problem. The Mauritanian Brigadier-General **Mohamed Znagui Sid'Ahmed Ely**, working as a security expert at the G5 in Nouakchott, has a stern warning: armed groups are getting better and bolder and if the current advance is not stopped 'a motorway of crime will open up, from Tripoli to the Gulf of Guinea', linking clandestine gold miners, drug traffickers and people-smugglers in the Sahel with pirates off the West African Atlantic coast. The only country blocking that advance at present is a greatly weakened Burkina Faso (AC Vol 60 No 21). He specifically calls for surveillance drones to provide intelligence that can help stop that advance.

AMENDS

France is trying to make amends with its Sahel partners over Macron's apparent lack of diplomacy: two days before the Niamey summit the French Defence Chief of Staff **François Lecointre** was in Niamey to talk to Issoufou. He has ruled out ending *Opération Barkhane*. But France is also – and once again – turning to its fellow Europeans for support. They are responding sluggishly; the contours of what is called *Operation Takouba* are being discussed in a number of European defence ministries (including, reportedly, those of **Denmark** and the **United Kingdom**). France has also appealed to NATO. Many local politicians blame NATO for creating the Sahel crisis by toppling **Libya's Moammar el Gaddafi** without

having a plan for what would replace him. At the NATO summit in Watford in early December, the Alliance's Secretary-General **Jens Stoltenberg** told Macron that he would consider a request for help in the Sahel.

On 16 December the French and British defence ministries issued press releases about the joint tour of Mali, Niger and Chad of the two chiefs of staff of the French and British air forces the previous weekend. The three Boeing

Chinook twin-engined helicopter transports assigned to *Barkhane* by the UK in April last year have seen their role increase in importance since the crash on 25 November of the two French helicopters. ●

SOUTH SUDAN

Peace deal wheelspin

Another extension prevents the peace deal from collapsing but there is little sign that the impasse can be broken despite a new US gambit

The latest peace deal is on life support despite the two leaders agreeing to form a unity government by February. Opposition leader **Riek Machar Teny Dhurgon** had refused to return to Juba by the 12 November deadline to form a unity government, and be installed as first Vice-President. This is the second such delay to the original May deadline, and the chances are high that another will follow, if the peace deal survives at all.

In the run-up to both of the past two deadlines, President **Salva Kiir Mayardit** has threatened to form a government without Riek. This would send South Sudan back to the 2016 scenario, when Salva appointed **Taban Deng Gai**, once Riek's chief negotiator, in Riek's place after the first 2015 peace deal collapsed (AC Vol 57 No 16). With Riek exiled in **South Africa**, the conflict raged for another two years until the next peace deal was signed. Salva is likely to repeat these threats in February, ahead of the new deadline (AC Vol 59 No 22).

The outstanding issues are disputes over how the country is divided into states and how to create a new army. During the war, Salva divided the internal administration from 10 original states at independence to 32 states. In so doing, he redrew the maps to favour his own Dinka people, including the oil fields within Dinka-controlled states. Hardliners say that they will not trust elites from other ethnic groups, fearing they could well use local wealth-sharing to amass a political nest egg to later fund rebellion, as Taban did as long-time governor of the oil-rich Unity state.

Meanwhile, the parties have failed to unify any troops, despite an original, ambitious deadline to assemble, train, unify, and deploy a new army by May 2018. Salva has repeatedly promised to pay for the process, but has instead only released a trickle of funds. The opposition has used the exercise to fill out registration forms with demobilised

fighters, inflated military ranks, and new recruits, lessening the prospects of the unification ever occurring. The fighters who did assemble in the designated cantonment sites found barren landscapes with no shelter or food; many since have returned whence they came, awaiting summons for transport to a training site, should the messy integration process ever occur.

There is little hope among either South Sudanese or outside diplomats that Salva and Riek will ever be able to work together, even though that is what the peace deal requires (AC Vol 60 No 8). This is primarily because both still consider each other bitter political rivals; Riek plans on using the transitional period to mobilise an election campaign against Salva. The peace deal holds simply because the two chiefs have largely ceased to fight each other on the ground, even if they remain deadlocked on how to move forward. Meanwhile, diplomats frustrated with the process are loath to pull the plug on it because it has at least reduced violence.

HELD HOSTAGE

At the heart of the impasse is the fact that external pressure is the only thing holding the accord together. Riek is still able to hold the international community hostage to his interests. He is too weak to force Salva to grant concessions on his own, partly because it is the international community, rather than Salva, which fears Riek's only real card: the threat of more violence. Salva, meanwhile, also sees himself as negotiating primarily with the international community, not Riek, since Salva agreed to the peace deal primarily to ward off greater external sanctions and pressure (AC Vol 59 No 6). This means external guarantors would be required to hold the peace deal together if Salva and Riek don't strike a direct settlement themselves.

Both sides are now further apart

than before after a display of botched diplomacy almost as dysfunctional as the peace deal itself.

David Shearer, head of the United Nations Mission in South Sudan, called in early October for the unity government to be formed and for negotiations to continue over the contentious issues. Juba took that, understandably, as a sign that it could hold tight to the status quo and let the international community pressure Riek to return.

FAUX PAS

The UN Security Council visit to Juba in October added to the confusion. The delegation, led by the US and South Africa, met Salva privately, but not Riek, before a public meeting with both. Riek, aggrieved, then used the forum to demand more time – unsurprisingly, since he had made the same demand to diplomats privately for weeks. Riek, who increasingly alienates most foreign diplomats he meets, also warned that forcing him to return to Juba would break the ceasefire – which is probably true, given that many of Riek's commanders have told him this directly.

United States Ambassador to the UN **Kelly Craft** took Riek's remarks to be a threat of violence, and she later told people in private that Riek was 'crazy'. Her public remarks were more measured, but the media quickly jumped on her comment that she was 'disappointed' in Riek and 'encouraged' by Salva, buoying Juba's morale. By the end of the visit, a November government looked even less likely than before, and the two sides even further apart.

The train-wreck left in the wake of the Security Council visit required an emergency meeting of envoys working on South Sudan in Djibouti to clean up the mess. Given the deadlock in the Intergovernmental Authority on Development (IGAD) at the time over which country would succeed Ethiopia as its chair, which prevented a heads of state summit, the envoys called on **Uganda** and **Sudan**, the two countries that brokered the 2018 accord, to find a way forward.

Ugandan President **Yoweri Museveni** and Sudan's General **Abdel Fattah Abdelrahman Burhan**, head of its Sovereign Council, brought Salva and Riek together in the final week and brokered the new 100-day extension.

Burhan strongly backed Riek during the meeting, and Museveni backed Salva. The UN Security Council helped break the deadlock, as it flipped positions from New York, calling for the peace deal to be fully implemented and dropping its demand for a unity government on 12 November. Riek wielded the new Security Council statement during the meeting with Museveni and Burhan to argue for an extension. Salva, according to insiders, felt blindsided, having been convinced that the international community would pressure Riek to return.

Following the latest postponement, Washington temporarily recalled its ambassador to Juba, **Thomas Hushek**, while hinting that it will begin executing a Plan B that would push the two leaders aside. But insiders are convinced that Washington is bluffing and lacks any backup option besides a campaign of public pressure. The **Donald Trump** administration's newfound interest in the peace deal also puzzles America's allies, since the US had largely disengaged from the peace process.

US Assistant Secretary of State

for African Affairs **Tibor Nagy** has repeatedly resisted re-appointing a special envoy to South Sudan to engage with the regional peace process, leaving the US on the fringes. While other countries sent their envoys or envoys' lieutenants to the October meeting in **Djibouti**, the US sent an official from its Djibouti embassy with no knowledge of South Sudan. America's Troika allies, the **United Kingdom** and **Norway**, jet around the region trying to save the ceasefire even as Washington ambushes them with new pronouncements from across the pond. ●

MOROCCO

Activist King vs the activists

The government is split between Islamist and secular factions as M6 becomes more hands-on as a ruler and in business

Huge real-estate developments continue to employ dozens of cranes all over Morocco's commercial hub, Casablanca, the administrative capital, Rabat, and a revived Tangier. Tangier is receiving an influx of Moroccan weekenders on the newly completed high-speed train link (TGV) from the twin capitals. But unless even more money than is thought lies hidden behind the official figures, Morocco is not booming. Businesses complain of huge payments from state institutions being in arrears, which feed into private-sector payment shortfalls. Government departments complain that they lack cash to provide basic services, let alone invest. Glittering projects driven by King **Mohammed VI** (M6), such as the TGV or Tanger-Med port, point to a competitive economy being modernised. But they have also contributed to a build-up of external debt. Morocco has just returned to the international capital market to raise a €1 billion Eurobond, its first in three years. Domestic debt is rising, too, adding to pressures on households.

Complaints about rising prices and falling living standards fed into protests which started as a social media phenomenon in April 2018 under the hashtag #boycott. Prominent members of the political and business elite came under fire and there were boycotts of **Aziz Akhannouch's** Afriquiya petrol stations, **Meriem Bensalah-Chaqroun's** **Ouelmès** mineral water and Danone yoghurt (AC Vol 59 No 17). The boycott had a marked impact on the groups' earnings.

Though it has since waned, the

boycott is instructive of modern life in Morocco. Many abroad interpreted it as a return of the *Mouvement du 20 février* that emerged during the 2011 'Arab Spring', which spurred constitutional changes that placed the *Islamist Parti de la justice et du développement* (PJD) at the helm of government ever since. Yet the boycott's origins and actors are more complex.

Recent research by **Christian Harbulot's** think-tank, *École de Pensée sur la Guerre Économique* (EPGE), and the Paris-based digital research company IDS Partners shows the two most active Arab Spring Facebook pages – Kifaa7 and Moul Chekara – had close links to and probably financing from Islamist networks. Even the idea wasn't new: the former PJD leader **Abdelilah Benkirane**, Prime Minister from November 2011 to March 2017, called for a boycott of Danone products even while PM, to protest against apparently rising prices.

The EPGE/IDS interpretation points to elements involved in the boycott. Other sources say Islamists – PJD militants, but also members of the unrecognised *Al-Adl wal Ihsane* ('Justice and Charity') – probably had a few 'far left' allies from *20 février*, some of them wealthy.

As petroleum products magnate Akhannouch is also Minister for Agriculture and Fisheries the highly personalised boycott is implicitly anti-government, as with the other magnates (AC Vol 58 Nos 2 & 25). The Holmarcom group, which owns Ouelmès, is controlled by Bensalah-Chaqroun's brother **Mohammed Hassan Bensalah**,

seen as a leading business ally of M6. Bensalah-Chaqroun herself was once a leader of the *Confédération générale des entreprises du Maroc* (CGEM) employers' federation.

The energetic Akhannouch has been positioning the *Rassemblement national des indépendants* (RNI) as a potential party of government for the 2021 elections. Like other ministers appointed either as members of coalition parties or directly by M6 – such as **Abdelouafi Laftit** (Interior) and **Nasser Bourita** (Foreign Affairs and International Co-operation) – Akhannouch seems involved in a never-ending tussle with the PJD, descending into shouting matches around the cabinet table.

Benkirane's successor as Prime Minister, **Saad Eddine el Othmani**, is generally seen as conciliatory, but sources say the workmanlike Othmani is deeply frustrated by how little space there is to act. Feistier PJD leaders are in open opposition to 'colleagues'.

HANDS-ON ROLE

Supposedly rising above all this, but deeply involved again in day-to-day politics, is the Palace. M6 spends considerable time abroad, in Paris and sub-Saharan Africa, but the king has nevertheless adopted an increasingly hands-on role, firing and appointing unelected ministers and officials and directing policy. In the latest attempt to create a framework for Morocco to create accelerated and sustained growth while tackling social cleavages and service delivery shortfalls, he is moving a respected former Interior Minister, **Chakib Benmoussa**, from the Paris embassy to chair a much-anticipated special commission to find a 'new model of development' – by next June (AC Vol 60 No 2).

Othmani seems sometimes dazzled by his unexpected proximity to the monarchy, but others are less impressed. Benkirane lost his job in 2017 after he held a rally in Rabat that brought together 80,000 people. 'That signed

his death warrant – “they” couldn’t live with someone who was rivalling the king in popularity,’ a close observer with connections across politics told *Africa Confidential*. ‘They’ are the *Makhzen* (ruling establishment), gathered around the king. Leading players include the political counsellor **Fouad Ali el Hima** and Private Secretary **Mohammed Mounir el Majidi**, who is enmeshed in M6’s business dealings (AC Vol 56 No 6). The *Makhzen* and their political allies have waged a persistent, low-level war against the PJD, arguing that Morocco needs a stern hand to give the country a long-term strategy and the best-qualified senior officials.

Many in the PJD’s ranks are admittedly less well qualified and may seem less talented than their opponents. But, as the close observer says, ‘They have been given a chance to govern at a formal level, and then not a chance to govern at the informal level around which Morocco turns. The *Makhzen* has never really tried to work with the PJD, never tried to work out a way of working together to push the country ahead. It cost Benkirane his job and will continue to paralyse politics.’

PJD POLL DIP

In the post-2011 configuration the government is chosen by a prime minister drawn from the party with the largest vote – the PJD, which won 107 of parliament’s 395 seats in 2011 and 125 seats in 2016. Analysts believe the PJD will poll lower in 2021, but not by enough to lose its first place to the RNI or a slowly reviving nationalist *Parti de l’Istiqlal* (Independence Party; AC Vol 58 No 21). The PJD’s supposed main challenger last time, the *Parti de l’authenticité et de la modernité* (PAM), founded by the king’s former Private Secretary **Fouad Ali el Himma** in 2008, has long lost credibility in all but a few regions. Without nationwide vote-rigging – which no one expects – the PJD will win again in 2021, setting up yet another uncomfortable cohabitation.

The ultra-radical challenge to the monarchy’s existence posed by Islamic State (*Da’ish*) and other jihadist groups seems diminished. An intense police effort has whittled down its ranks, although the anti-terrorist squad continues to mop up cells, many based in deprived towns – especially in the north – but also in the satellite towns that are quickly growing up around Casablanca and other big cities. These attract the lower-middle-class and working-class families who have been priced out of their old neighbourhoods as cities have gentrified. The bedrock of the PJD vote, these areas are also a Salafist recruiting ground.

While the jihadist challenge is far from over, the majority Islamist resistance at grass-roots level is playing a long game, focused on promoting a conservative social agenda and opposition to neoliberal economics, cronyism and the *Makhzen*’s political games. *Al-Adl wal Ihsane* remains active if less prominent than when its founder, **Sheikh Abdessalam Yassine**, was alive (AC Vol 52 No 25). More radical members of the PJD will continue to vote for the party of government, but want faster social and political change. Benkirane’s house in the Orangers quarter of Rabat has emerged as a vibrant salon, though he has limited his public appearances. Receiving PJD youth groups at his home in late November, Benkirane expressed mystification at the sacking in Othmani’s last reshuffle of the former

government spokesman and Minister for Parliamentary Relations **Mustapha el Khalfi** – by implication attacking his own PJD successor.

That reshuffle, in early October, disappointed those looking for greater change, but consolidated the hold of ‘technocrat’ ministers directly appointed by M6 or affiliated to the RNI and other parties seen as close to the Palace. Rising stars include the Economy and Finance Minister, **Mohammed Benchaâboun**, and the recently appointed Tourism Minister, **Nadia Fettah Alaoui**. She gave the ‘Othmani II’ government a photogenic technocrat in an important job – tourism being a big employer and source of hard currency. Fettah came from the powerful Saham Finances group, founded by **Moulay Hafid Elalamy**, who (wearing an RNI hat) has

DEVOLUTION BOGGED DOWN

Four years after launching ‘Advanced regionalisation’ – the latest in a series of plans to promote administrative and economic decentralisation going back 30 years – government officials concede that it has failed to spread wealth beyond the Casablanca-Marrakech-Rabat beltway. Regionalisation evolved as a means of incorporating the disputed Western Sahara into the kingdom. It gained new momentum after the grassroots *Hirak al Shaabi* (‘Popular Movement’) protest movement emerged in 2017 in Al Hoceima and the impoverished north (AC Vol 58 No 12).

The authorities are aware that public discontent over poor public services and economic opportunities persist. ‘Freeing the energies of Moroccans’ is the mantra of officials in Rabat, who are aware that with annual economic growth at just over 4% the government’s target of \$10,000 of GDP per capita is little more than a pipedream. The malfunctioning Competition Council – a state office whose latest reform last year was intended to make it better equipped to deal with economic policy – estimates that 80,000 new jobs need to be created each year, a fourfold increase on the current numbers. Overcoming this is the key role of King **Mohammed VI** (M6)’s latest new body to re-engineer the economy and society, the *Commission spéciale sur le modèle de développement* chaired by **Chakib Benmoussa** (see main article).

‘We need to recreate confidence and trust. Because of these [economic] inequalities becoming more visible people have lost trust in the system,’ says one senior official. The line is that ‘advanced regionalisation’ is ‘a strategic choice for Morocco’, and one in which M6 is particularly invested.

‘The problem is that we haven’t made a lot of progress. Maybe we deserve 2 out of 10 – although the laws are in place and things are happening on the ground,’ confessed the official.

Four years after the regionalisation initiative’s launch, the legal framework may be in place but there is no agreement on the competencies that should be devolved.

Meanwhile, after sending regional leaders away to produce regional development plans central government ministries were surprised when they back with hugely ambitious, but unfunded, investment plans.

Nor is there agreement on how to collect local taxes and allocate revenues. There are no cities that have enough to be self-sufficient. Devolution has not worked. ‘There is still no real politics in the regions,’ says one official in Rabat.

Privately, government sources blame the political parties, particularly the *Parti de la Justice et du Développement*, for being passive and leaving major policy development to M6. That ties in well with the king’s own frustration with the PJD, even though the party is still expected to win elections in 2021.

In Rabat officialdom believes that there aren’t enough capable civil servants available in the regions to enable central government to hand power to them. They blame the main political parties for this.

For now, it is hard to see how the logjam will be broken. ‘Decentralisation and deconcentration is happening slowly but only in some of our ministries,’ concedes another official, adding that without both, regional policy will stay stuck. ●

been Minister of Industry, Trade and New Technologies since 2013. In 2018, she oversaw the sale of Saham to **South Africa's** Sanlam group.

The PJD team and its supporters do not mix with such exalted – and globalising – company. A few PJD officials, such as Energy Minister **Aziz Rabbah**, have taken on a technocratic image. Several have found themselves stuck in portfolios focusing on malfunctioning public services. The PJD's allies abroad are diminishing. **Qatar** is less keen to back a Muslim Brotherhood-inspired party in a fellow monarchy. Tense relations between the party's great inspiration, **Turkish** President **Recep Tayyip Erdogan**, and Morocco were reflected in Elalamy's recent criticism of Istanbul for building a huge bilateral trade surplus by maintaining an unfair exchange rate and other alleged abuses.

In this context a pro-Makhzen/anti-PJD alliance might sweep the board, but, as usual, the parties are fighting among themselves and, indeed, others within their own ranks. Akhannouch and Elalamy are backing rival candidates for the vacant CGEM job. While the PAM is seemingly in terminal decline, there are even rumours that some of its leaders are trying to do a deal with their sworn enemy, the PJD, to get a turn at the lucrative government table.

VOTER FEARS

These battles leave many ordinary Moroccan voters and business groups fearing for the future. From pulling back after 2011, the *Makhzen* now seems fully involved in political and business affairs. Informed sources agree that M6 himself has the last word in much of this, and even close advisors are reluctant to counter him.

But the king's health remains a question about which little is known, stoking rumours about Moroccans' favourite source of gossip, the royal family. The regular outings of 16-year-old Crown Prince **Moulay el Hassan bin Mohammed al Alaoui** – for example, meeting the Macrons at the funeral for French President **Jacques Chirac** – suggest an accelerated education before ascending to the throne.

M6 is moving in his preferred social circles – typified by jolly photos with the Azaitar brothers, three **German-Moroccan** boxers now comfortably installed in Rabat – and living a billionaire lifestyle. However, there is speculation that his ex-wife Princess **Lalla Salma** may be partly rehabilitated to help the royal children better confront challenges to come; but that only adds to speculation about the king's health (AC Vol 60 No 17). ●

GABON

The son also rises

The man standing in for the President looked like he might be settling in, so the ruling clan swept him away and has appointed a dauphin

With the installation of his son **Noureddin Bongo-Valentin** as the 'general coordinator of presidential affairs', recuperating stroke victim President **Ali Bongo Ondimba** – or those acting for him – has reasserted the Bongo clan's hold on power. Whether or not the ground is being prepared for a quasi-dynastic succession – as opposition and media critics claim – the appointment has put decision-making firmly back in the hands of the Bongo family.

The President's half-brother **Frédéric** seems to be out of the loop, having been dispatched to **South Africa** to serve as defence attaché at the Gabon embassy. As chief of intelligence, Frédéric was an important member of the inner circle that ran the country in the months following Ali's stroke during a visit to **Saudi Arabia** in October 2018.

Far more precipitous has been the fall of **Brice Laccruche Alihanga**, *directeur de cabinet* for the President until 7 November. Suddenly demoted to Minister for Monitoring Human Development, he survived less than a month in this second-rank role before being dismissed in a further reshuffle, announced by Prime Minister **Julien Nkoghé Békalé** on social media on 2 December. His arrest in an 'anti-corruption' purge followed the same

evening. Arresting rivals on corruption charges is a traditional tactic of the ruling clan (AC Vol 55 No 18).

The main beneficiary – perhaps the architect – of this overhaul is **Noureddin**, who was presented formally to traditional leaders in the Bongos' political heartland, Haut-Ogooué Province, last month. Also present was the new *directeur de cabinet* at the presidency, **Théophile Ogandaga**. An efficient technocrat and loyalist, Ogandaga is typical of the pool of senior officials entrusted with keeping the wheels of government turning while not aspiring to political roles.

Ogandaga's low-key style will certainly mark a change from that of the 39-year-old **Laccruche Alihanga**, who until recently had been touring the country, supposedly to represent Ali during his treatment in London. But the high-profile visits to one provincial capital after another stirred speculation that this Franco-Gabonese former bank manager might have presidential ambitions of his own, particularly because he also formed his own political movement, the *Association des jeunes émergents volontaires* (AJEV).

Laccruche Alihanga's activities stirred resentment among other members of the political class, despite his repeated insistence he remained

personally committed to Gabon.

His ascent was almost as rapid as his more recent, dramatic *chute*. He was the humble leader of a pro-Bongo youth movement during the troubled presidential election of 2016 (AC Vol 58 No 4 & Vol 57 No 18). But in August 2017 he was hand-picked by the head of state to lead his office, succeeding Ali's old friend and ally, **Maixent Accrombessi**.

Fourteen months later **Laccruche Alihanga's** position became vastly more important when President Bongo fell ill and the inner coterie took over the running of the country. This was made possible by a ruling from the Constitutional Court chief, **Marie-Madeleine Mborantsuo**, to the effect that the President was just 'temporarily' incapacitated. Thus, the President's cabal avoided the necessity of holding an election.

ALI'S RETURN

A handful of mutinous soldiers seized national television stations for a few hours on 7 January 2019 prompting the slowly recovering Ali Bongo to return fleetingly but symbolically to Libreville from treatment in Morocco to attend the swearing-in of a new government. Increasingly prolonged sojourns back home followed, illustrated at first with photographs of the President meeting ministers and foreign dignitaries and, eventually, occasional public appearances. On 5 October he told a crowd of supporters at the Nzenz-Ayong Stadium in Libreville: 'I am here and I shall always be here.'

Moving though Ali's assertion of return to everyday life after a period of severe illness may have been for his loyalists, these first public remarks in

almost a year gave no clue as to the progress of his recovery.

Informed international sources believed that the President remains frail. The task of sustaining the ruling family's public presence, especially during his absences for treatment in Rabat and London, has often fallen to his wife, **Sylvia Bongo Ondimba** – who keeps up a flow of tweets on social, educational, sporting and wildlife affairs.

CLIMATE CHANGE

Meanwhile, the government machine has sought to show that it remains fully effective by reversing the tough conditions it imposed on the hydrocarbons sector in 2014, improving the climate for foreign oil companies. It also moved to reassure foreign investors by resolving its dispute with **France's** Veolia, whose stake in the national power and water utility *Société d'eau et d'énergie du Gabon* (SEEG) was nationalised on President Bongo's orders in February 2018.

These changes are within the portfolios of the ministers who were active in Laccruche Alihanga's AJEV and have now been sacked: **Noël Mboumba** (Petrol and Hydrocarbons), **Tony Ondo Mba** (Water and Energy) and **Roger Owono Mba** (Economy and Finance).

Laccruche Alihanga was not only keeping government ticking over but actively taking initiatives, something else that displeased the ruling clan. His

demotion signalled that they had taken power back in-house. Many of Laccruche Alihanga's associates were arrested, supposedly for corruption, including his brother **Grégory**, Mayor of Akanda, an upscale suburb of Libreville, and **Ike Ngouoni**, a presidential spokesman seen as his right-hand man.

Back are figures sidelined during the Laccruche Alihanga ascendancy. **Vincent de Paul Massassa** took over Petrol and Hydrocarbons, while **Pascal Houangni Ambouroué** assumed responsibility for Water and Energy. **Lambert Noël Matha**, who served 21 years as Interior Minister but was sacked in October, has regained his old portfolio.

Noureddin, not yet 30, faces a steep learning curve in rulership. Educated at Eton, the School of Oriental and African Studies in London and the London School of Economics, he has steered clear of public life up to now.

Unlike his father, who came to the presidency in 2009 after a stint in government, Noureddin focused on business. He was among senior managers of the Gabonese arm of Olam International, the global agribusiness conglomerate. The Asian-owned business group has spread its tentacles rapidly across agribusiness, logistics and now port activity in Gabon, and is thought to be the country's largest private-sector enterprise (AC Vol 58 No 9). It is at Olam that Noureddin was a colleague of Ogandaga. He then founded his own group, Shanah

Investments, and a Libreville restaurant chain, Mayena Foods.

It is President Bongo's eldest child – **Malika**, his only daughter – who has dabbled in politics, winning a seat in the National Assembly in 2018 for the family fiefdom, Bongoville, in Haut-Ogooué. But there were clues to Noureddin's longer-term intention to assume a more public role in his engagement with charities and his support for local start-ups. He was also said to be close to Laccruche Alihanga.

GATEKEEPER

Since his father fell ill, Noureddin – like the First Lady – has reportedly been one of the few people to see regular medical bulletins on the President's progress. He will now work alongside him. In his new role, announced on 5 December, he will be supported by his own cabinet, a private office of officials and advisors, as he 'assists the President in all matters of state and ensures that all his decisions are strictly carried out'.

The role of gatekeeper and trusted advisor may be a training ground for a presidential run when Ali Bongo completes his term in 2023, opposition groups say. **Alexandre Barro Chambrier**, leader of the *Rassemblement pour la patrie et la modernité* (RPM), argues that Laccruche Alihanga was supposed to pave the way but 'blew up en route'. Now, he says, the ruling family has installed Noureddin, 'a novice without any experience or proven abilities'. ●

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POINTERS

Libya

ANOTHER DAY OF RECKONING

■ For a few hours on 12 December and then the following day, there was panic and eager expectation across Libya as the civil war between the internationally-recognised Government of National Accord (GNA) based in Tripoli and Libyan National Army (LNA) of eastern-based General **Khalifa Haftar** had reached a watershed moment. Eight months after the general had launched what was supposed to be a blitzkrieg to take the capital, Haftar announced on television that 'zero hour' had arrived for the final assault on the city. 'Today, we announce the decisive battle and the advancement towards the heart of the capital to set it free ... advance now our heroes.'

The video went viral. Reports quickly spread on social media on 13 December that the LNA was moving towards central Tripoli and that members of the GNA had fled.

Then, silence. In fact, there was no major LNA advance. There were fewer frontline clashes than normal that day. From Doha, where the GNA head had gone to confer with his closest allies, **Qatar and Turkey, Faiez el Serraj** accused Haftar of 'delusional fantasies' (AC Vol 60 No 14 & 16).

This was not the first time that Haftar had declared 'zero hour' for Tripoli (AC Vol 60 No 8). Some believe the video was recorded in July, the last time he made the 'zero hour' threat, and was broadcast on 12 December as a quick response to Turkey's offer two days earlier to send troops to fight the LNA.

Haftar has a record of such announcements. In February 2014 he famously announced a coup d'état on TV, and that his forces were in control of Tripoli – which they were not (AC Vol 55 No 11).

Algeria

FIRST AMONG UNEQUALS

■ The gap between **Abdelmadjid Tebboune** and his rivals in the 12 December presidential election was sufficient to give the 73-year-old a big win, with 58.14% of the vote, according to electoral commission figures.

But the numbers also showed over 60% of voters abstaining – a record even by the modest standards of participation achieved after three decades of multi-party politics. The winner took only 4.94 million votes from a registered electorate of 24.47 million. Independent observers say turnout in Algiers, Kabylie and other opposition bastions was extremely low.

After Tebboune caused some embarrassment by saying 'whatever came into his head' on the stump, according to a member of his team, some senior officers started looking for other candidates. This helped drive interim *Rassemblement national démocratique* (RND) leader **Azzedine Mihoubi** up the candidates' pecking order (AC Vol 60 No 22). Sources said top brass were also concerned about Tebboune's status as the father of **Khaled Tebboune**, who has been detained since mid-2018 for his alleged involvement in the El Bouchi cocaine affair (AC Vol 59 No 14).

Tebboune's links with army chief of staff Lieutenant-General **Ahmed Gaïd Salah** garnered *El Hirak* derision, but he has a residual 'Mr Clean' reputation gained during his brief spell as PM in 2017. Mihoubi came fourth of five with a humiliating 7.3% of the vote.

Tebboune adopted a conciliatory tone at his first press conference, 'holding out his hand' to El Hirak. He will have to prove that what in 2017 seemed like a bold anti-corruption campaign targeting the Bouteflika clan wasn't just evidence of Gaïd Salah driving elite infighting to a new level, which eventually drove **Abdelaziz Bouteflika** from office (AC Vol 58 No 17). As Tebboune spoke, tens of thousands marched marking El Hirak's 43rd week – with violence in Oran boding ill for the future.

Benin

TALONS ON DISPLAY

■ Although final details of a controversial constitutional reform are yet to be confirmed, President **Patrice Talon** has maintained a hardline stance on controversial constitutional reforms and rebuffed an effort by his predecessor **Thomas Boni Yayi** to find compromise.

The former head of state was accompanied by a delegation from the Economic Community of West African States (ECOWAS) who met Talon to urge a rethink of tough new conditions for presidential nominations. It also proposes a ban on any individual serving more than two presidential terms – a measure seemingly specifically aimed at Boni Yayi, who has served two terms and may have been contemplating a comeback.

The constitutional package introduced some progressive measures, such as abolishing the death penalty and creating an independent state auditor.

But the panel charged with drafting the reforms had also proposed early legislative elections to make up for Talon's exclusion of opposition parties from last April's polls. The government rejected this.

The issue that has most united opponents of the reforms is the

requirement that candidates for the presidency obtain nomination signatures from elected holders of public office. The panel said that all 30,000 local councillors should qualify but there is concern it may be limited to members of parliament, all 83 of whom are Talon loyalists.

Benin is vulnerable to external pressure. Despite agreement with Nigeria on deploying joint frontier patrols, Abuja is maintaining its ban on cross-border trade until the end of January, at least, causing severe pain to the Benin economy; meanwhile, the African Union-backed African Court on Human and People's Rights has imposed a CFA40 billion fine (US\$68 million) on Benin over its mistreatment of the business tycoon and Talon opponent **Sébastien Ajavon**.

Talon is in pugnacious mood, having just expelled the EU ambassador, **Oliver Nette**, for allegedly having meetings with the opposition, a normal part of his job.

Angola

THE SINS OF THE FATHER

■ **José Filomeno dos Santos**, aka **Zenu**, is on trial in Luanda accused of illegally taking US\$500 million out of the country during his time as head of *Fundo Soberano de Angola* (FSA), Angola's sovereign wealth fund. He's the first member of the Dos Santos family to be put on trial for financial crimes, two years after ex-President **Jose Eduardo dos Santos** left office. The trial is viewed as part of President **João Lourenço's** purge from positions of influence of relatives and allies of his predecessor.

With Zenu in the dock on charges of money-laundering and embezzlement is former central bank governor **Valter Filipe da Silva** and two other men (AC Vol 59 No 9). Their defence is that they were acting under the explicit orders of then President Dos Santos and so committed no crime. On 18 December Valtor Filipe claimed in court that the current central bank governor, **José da Lima Massano**, lied to the prosecutor about the legality of the transfer. No attempt, he also said, was made to conceal it.

Zenu, who was first arrested in September last year, has apparently dismissed his lawyer, saying he could not afford one, and now has one appointed by the court. On the first day of the trial, he walked home from the courthouse, in what some say was an attempt to elicit public sympathy. That is unlikely to succeed, given his prior reputation for living the high life (AC Vol 58 No 22).

There is speculation that Zenu's father has offered to testify because he has lifetime immunity from prosecution.

The trial, we hear, has done little to quell public impatience at the lack of tangible improvement to governance from Lourenço's anti-corruption drive.