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BLUE LINES

The abrupt end of development aid from the United States leaves governments across Africa facing funding shortfalls, particularly for healthcare. Washington spent US$8 billion in aid to Africa last year, most of which will be lost if the three-month freeze continues beyond April. Countries in the EU are also cutting back, while Japan and China say that they will not plug the funding gap.

Some leaders, like former Kenyan President Uhuru Kenyatta, have said that the end of USAID and thousands of expatriate jobs in the aid industry offers an opportunity for governments to end their aid dependency. That is true in theory. Yet it will mean higher taxes if health and education services are to continue as before. In Kenya, mass protests against a Finance Bill with new taxes to raise several billion dollars led to the storming of parliament last June. Many governments will be nervous of testing how much more their citizens can pay.

The alternative is deep cuts to healthcare, agriculture and education, the main budget lines funded by foreign aid. In South Africa and Kenya, health ministry officials have warned that hundreds of thousands of lives could be lost by 2030 if patients are unable to pay for anti-retroviral medicine. In Kenya, in a bid to account for lost US funding, the health authority has reclassified HIV/AIDS drugs so that they will no longer be subsidised.

AFRICA/AID

Western aid cuts reshape the geopolitical landscape

As western countries slash aid budgets, China, Turkey and the Gulf States step up the competition for soft power and commercial advantage

The 90-day freeze on almost all **United States** aid imposed on 20 January by President **Donald Trump**, together with swingeing cuts in assistance by other rich western economies, will have immediate socio-economic effects and may also drive radical political change in several developing economies as governments struggle to replace the funds and expertise (Dispatches 28/1/25).

Trump's decision to freeze most US aid spending – Washington spent over $8 billion in aid for Africa in 2024 – will hit the poorest countries hardest and has left healthcare systems across the continent trying to bridge vast funding gaps.

The shuttering of USAID could offer an opportunity for rival powers to increase their aid and reap the diplomatic benefits and influence that such soft power brings. Total aid budgets peaked at over US$230bn in 2023– that is likely to be a high-water mark. Equally important as the volume of aid will be its scope and intention. Countries such as **China**, **India**, **Saudi Arabia**, **South Korea**, **Qatar**, **Turkey** and the **United Arab Emirates** have been stepping up aid programmes but in ways that are far more targeted to their commercial and geopolitical interests. That is emerging as a new model for international aid programmes – both for the new class of aid-giving states and for those western economies that are continuing with their longer established aid programmes, albeit much reduced in scope and volume.

Sympathetic rhetoric has come from China and the European Union to developing economies – but neither are going to plug the aid gap left by the US. Officials in Brussels have said that they will, where possible, bring forward payments to partners facing cash flow crises.

The reality is that the Trump administration is taking to an extreme what other western countries, particularly in Europe, have been doing to their aid budgets.

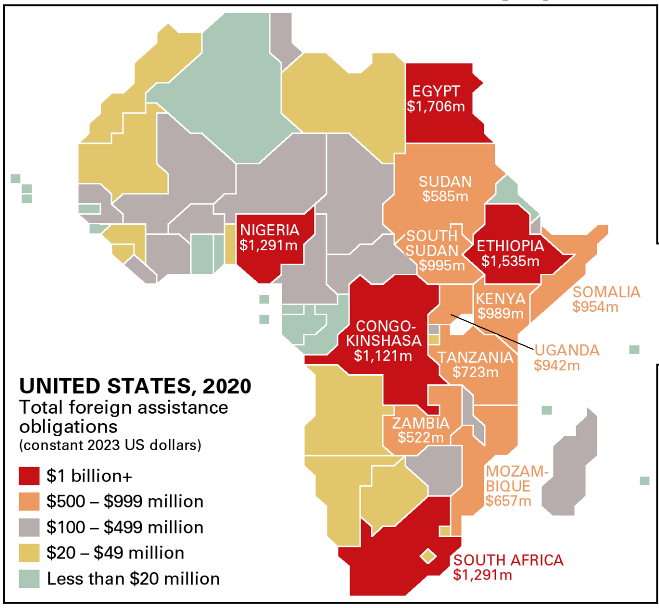
Germany, the second-largest Official Development Assistance (ODA) provider, has cut over €4.8bn ($5.3bn) of its core development and humanitarian assistance since 2022.

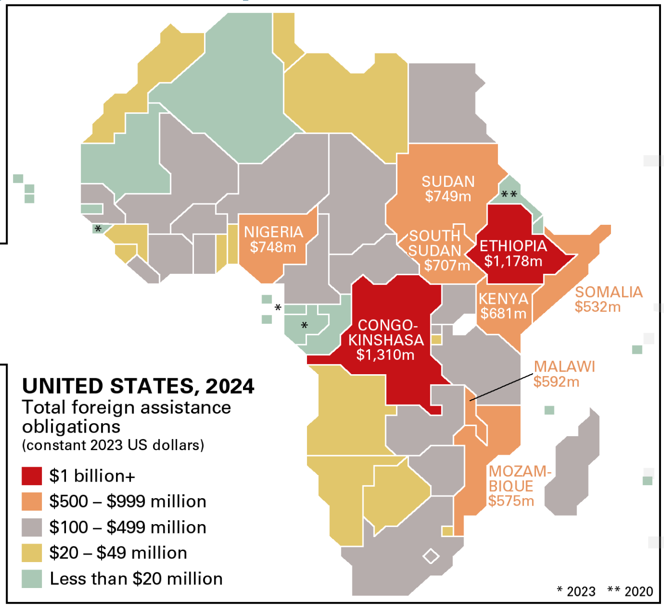
CUTS ALL ROUND

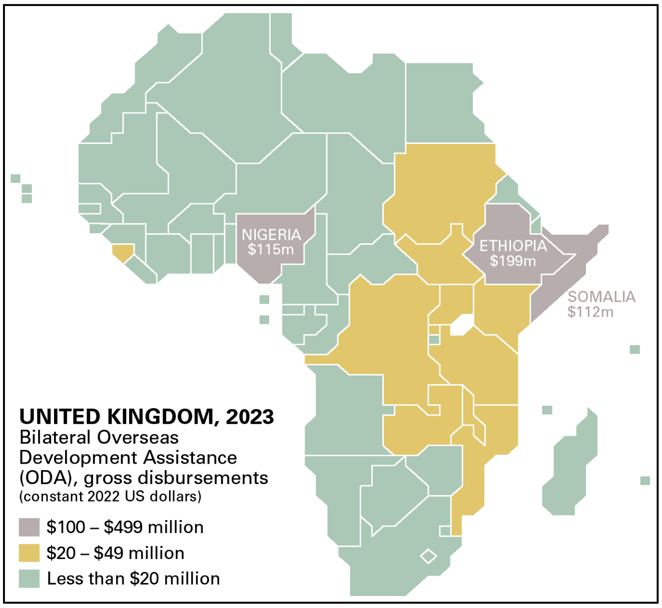
Similar deductions to 2024-2025 ODA budgets are being made by Europe's other main aid givers. **France** plans to cut over $1bn this year and **Britain** had budgeted to cut the aid budget from £15.3bn ($19.6bn) in 2023 to £13.3bn before Prime Minister **Keir Starmer** announced that the government's aid budget would be slashed from 0.5% of gross national income (GNI) to 0.3% by 2030 to help pay for major increases in defence spending. Starmer's move, which means that British aid in 2030 will have been more than cut in half since 2020, prompted the resignation of Development Minister **Anneliese Dodds** (Dispatches 1/11/22). And almost half of Britain's aid budget will be spent domestically, accommodating asylum seekers.

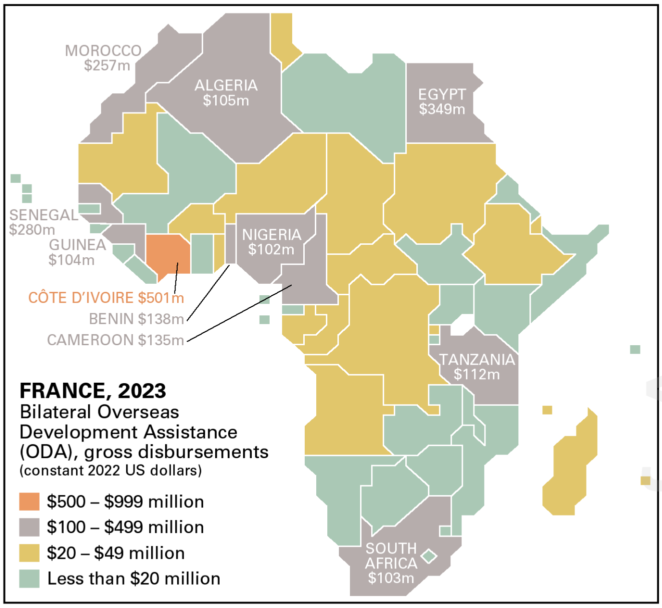
Others such as **Sweden** and the **Netherlands** are also planning cuts. The Netherlands in February set out plans to cut its annual development budget by

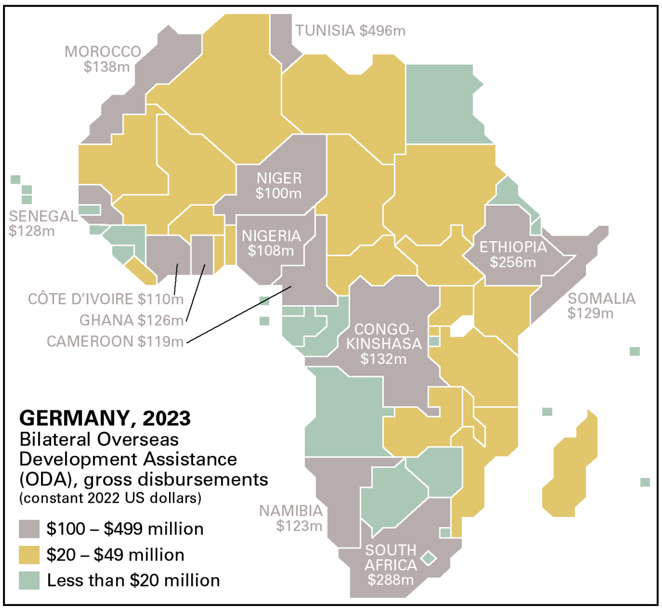
INTERNATIONAL AID: After the high point deep cuts are coming

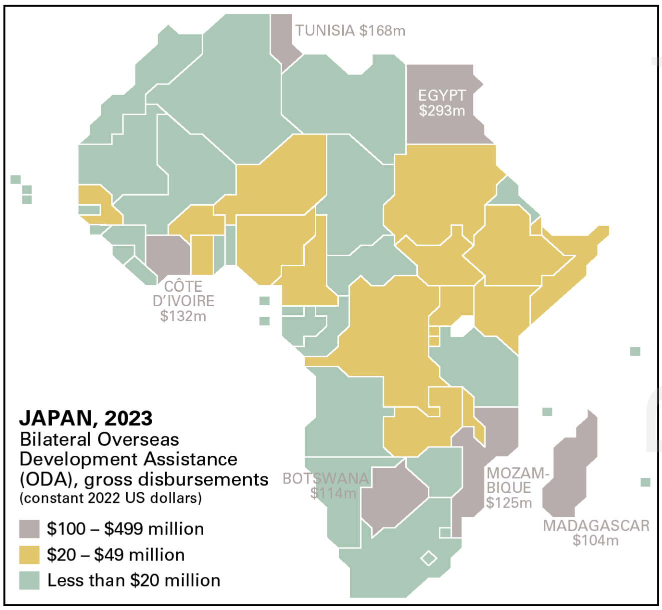












€2.4bn from 2027, reducing the total budget from €6.1bn to €3.8bn. This will cut **Dutch** aid spending as a percentage of GNI from 0.62% in 2024 to 0.44% by 2029. The conservative government in The Hague will make the deepest cuts to climate and gender equality programmes. Like the European Union's common budget, and a raft of national spending plans, the Dutch plan to increase aid spending on migration control, including potential agreements with individual countries on repatriation and returns.

'The consequences will be especially devastating for vulnerable people around the world,' says United Nations Secretary-General **António Guterres**, adding that the cuts will 'make the world less healthy, less safe, and less prosperous'.

When support from regional and international financial institutions and multilateral bodies such as the UN agencies is included, the US provides up to 26% of all aid to Africa. That includes multi-country initiatives such as the President's Emergency Plan for AIDS Relief (PEPFAR), the President's Malaria Initiative, Feed the Future, Power Africa and Prosper Africa. The latter programme was set up during Trump's first presidency and aimed at stimulating private sector investment in Africa by US businesses.

These cuts will leave African governments facing major budget holes for healthcare, agriculture and education spending. At $1.35bn, **Congo-Kinshasa** was the biggest single recipient of US aid last year: $866 million of that was in 'emergency response' funding, $427m of which was spent via the UN World Food Programme.

South Sudan is likely to be the region's next biggest loser: $600m of the $726m Juba received last year was in emergency aid from the US, though it is unclear how much that will be affected since the Trump administration has stated that emergency food aid will be continued. However, civil society groups report that funding has already run out for programmes assisting refugees fleeing conflict in neighbouring **Sudan**.

In **Somalia**, meanwhile, the only state in the region that does not receive significant health or HIV funding, $368m of the $546m it received from the US in 2024 was in emergency response aid. Some of that could survive but it will lose $45.3m in US funding for agriculture and $17.5m for basic education.

Among the East African Community and Southern African Development Community states, cash for HIV/AIDS programmes typically accounts for over 50% of total aid.

Despite being one of the continent's wealthiest countries, **South Africa** received $323m in aid from the US, of which $220m was for HIV/AIDS and $43m for basic healthcare.

There are a few exceptions. **Malawi** received $237m from the Millennium Challenge Corporation for road infrastructure. Though the fate of the MCC, which focuses on infrastructure projects, is also unclear, **Nepal**, another MCC partner country, has reported that its payments from Washington, as part of a compact worth $500m, have been suspended. For Malawi, comparable losses would represent a major hit far outweighing the shock of losing the $85m for HIV/AIDS that it received last year.

The political consequences of the aid cuts and the potential loss of 'soft power' for rich countries are already starting to be seen. **Jakkie Cilliers**, founder of the Institute for Security Studies, a pan-African think-tank, warns the cuts will prompt an increase in anti-US sentiment across the continent.

They will also hurt African economies as part of a cascade effect of lost funding and jobs linked to USAID.

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The cuts will also offer a convenient excuse for many African governments cutting public services. In East Africa, the biggest regional recipient of US aid, **Kenya's** Social Health Authority has reclassified HIV/AIDs and TB drugs as 'pandemic' rather than 'chronic', meaning that patients will now have to pay for them. Funding for HIV/AIDS programmes was the biggest single item of US aid in 2024.

That has prompted anger and concern among patients' groups and civil society. However, Health Principal Secretary **Harry Kimtai** told the National Assembly in Nairobi at a hearing on 19 February that the government faces losses of Ksh30.9bn ($220m) for healthcare because of the US aid freeze (Dispatches, 3/3/25). The implication by Nairobi that reclassifying HIV/AIDS and TB drugs was not a choice but an imposition is at best a half-truth – but a sign that governments will be quick to blame Washington.

In South Africa, the head of the Desmond Tutu HIV Foundation, **Linda-Gail Bekker**, has warned that the USAID cuts could result in more than 500,000 deaths over the next decade from HIV/AIDS. President **Cyril Ramaphosa** has said that ministers are 'looking at various interventions to address the immediate needs and ensure the continuity of essential services'. ●

HORN OF AFRICA/UNITED STATES

US retreat opens door to Chinese and Russian influence

Trump's swingeing aid cuts will accelerate decline of US soft power in this heavily contested region

Washington's 90-day freeze on humanitarian and development programmes is escalating into a full-scale withdrawal undercutting United States' influence, especially in the Horn of Africa wracked by multiple conflicts and geopolitical rivalries. The immediate victims of the funding cuts are the 30 million people trapped in **Sudan's** civil war, the world's worst humanitarian crisis, with diminishing food stocks and little or no access to health care and medicines.

Poised to expand power and influence in the Horn are **Turkey** and **China**, already the most important trading partner and investor in **Ethiopia**, Sudan and **South Sudan**. Last month **Russia** signed an accord with the Sudan Armed Forces regime for a naval base in the Red Sea which could reshape security dynamics in the region, upsetting states such as the **United Arab Emirates** and **Saudi Arabia** aggressively pursuing their commercial and strategic interests in the greater Horn.

The 90-day pause in United States

Agency for International Development disbursements has morphed into the recall of all foreign-posted USAID staff and a plan to fold USAID into the State Department (Dispatches 28/1/25 & 3/3/25, AC Vol 66 No 4).

COST IN LIVES

The US has provided nearly US$2.5 billion to Sudan since 2023, with over $769 million in 2024, making it the most significant funder. Yet the UN reported a $900m funding shortfall last year – and that will widen dramatically after the cuts this year. Most US support has been allocated to life-saving efforts, primarily through the World Food Programme (WFP). Sudanese and international aid workers are warning that many will die during the 90-day review period.

In 2024, the US allocated over $1.2bn to Ethiopia, with more than half directed towards humanitarian relief. Political crises disrupting communities' ability to plant and harvest could have disastrous effects if aid is disrupted. Substantial funds were also targeted at healthcare, including $80m for basic health, $79m for maternal health and $42m for HIV/AIDS programmes.

The cuts could hit $600m in humanitarian support for South Sudan long championed by powerful Christian lobbies in the US. Even in **Eritrea**, Washington's long-standing regional critic, hundreds of thousands of dollars were channelled through WFP and other multilateral organisations in 2024.

US aid has also been backing development projects. In 2024, the US sent $473m to Somalia, primarily for humanitarian assistance but also for state-building efforts. USAID's Transition Initiatives for Stabilisation (TIS3), a $61.5m programme over five years, funds projects such as road construction and street lighting to foster stability and counter *Al Shabaab's* influence. Over $118m in US economic recovery programmes are on hold, affecting infrastructure development and long-term economic planning in Somalia.

AID VOID

Even with efficiency savings from bypassing US domestic food markets, no other country or coalition has yet to fill the void left by a US withdrawal but some countries, especially the Gulf States and Russia, are looking to ways to send aid payments to back their commercial and strategic projects.

In early February 2025, Sudanese Foreign Minister **Ali Yusuf Sharif** confirmed there were 'no obstacles' to establishing a Russian naval base on Sudan's Red Sea coast. Russia, with **Egypt**, Turkey and **Iran**, has supported the Sudan Armed Forces, while the United Arab Emirates has armed and financed the Rapid Support Forces via **Uganda**, **Libya** and **Chad** (AC Vol 65 No 15). China's already strong regional influence is likely to grow, particularly in Ethiopia and Sudan.

European states, facing fiscal pressures and focused on **Ukraine's** borders and reconstruction efforts, are unlikely to replace lost US funding.

Some in Somalia and Ethiopia hope US counterterrorism concerns may justify continued funding, for military efforts and 'hearts and minds' counterinsurgency strategies. The Pentagon has launched strikes against suspected Islamist militants but the US administration is likely to back broader non-lethal counterterrorism strategies aimed at the root causes of extremism.

Legal challenges to Trump's aid freeze have started. The Congressional Research Service says the president has no authority to unilaterally disband, suspend, or merge USAID without congressional approval. But the effects of the freeze are already being felt on the ground. Even if some US support resumes, delays and the loss of experienced staffers will mean a weaker and less coordinated and less effective aid system.

The folding of USAID in the State Department – a similar move was tried in **Britain**, **France** and Canada – will mean losing the specialised regional and technical knowledge of the agency's over 10,000 staffers and less efficient contracting and oversight procedures. USAID staffers have criticised the State Department's procedures as more bureaucratic and less technically effective. Similar critiques were levelled at the British government when it disbanded its widely respected Department of International Development (DFID) in 2020, losing much diplomatic influence in the process. ●

NIGERIA

Tinubu aims for Africa's top economy slot

Officials in Abuja hope the country's recalculated GDP can help recover its ranking and prove the government's harsh reforms are working

A full-throated public relations campaign is under way to show that President **Bola Tinubu's** reforms are bearing fruit after two troubling years with most Nigerians hit by a cost-of-living crisis and over 30 million suffering acute food insecurity. President Tinubu with his Finance Minister **Wale Edun** and Central Bank of Nigeria (CBN) Governor **Olayemi Cardoso** are pointing to a slew of better economic data and say that Nigeria is on course, helped by this year's rebasing of the country's gross domestic product, to retake its position as Africa's biggest economy.

In public, at least, top officials will not put a timeline on the recovery of Nigeria's lost economic glory. The original plan was that, powered by Tinubu's shock therapy such as floating the naira and abolishing fuel subsidies, the economy would spring back into life after eight years of **Muhammadu Buhari's** government – and would be growing at around 5% with foreign investment flooding in by the time that the GDP was rebased.

That hasn't happened. Instead, the naira went into free fall against the US dollar and pushed Nigeria's economy down the continental rankings. According to the IMF, Nigeria's GDP at current prices is US$194.96 billion, fourth in the continental rankings behind **Algeria** at $264.27bn, **Egypt** at $345.87bn, and **South Africa** at $418.05bn. In purchasing power parity terms, Nigeria's economy ranks second at $1.56 trillion behind Egypt at $2.37trn. But these statistics do little to make Nigerians feel better about the economy: their key measure is the purchasing power of the naira, which has fallen precipitately over the past two years.

That is the reality that National Bureau of Statistics (NBS) director **Semiu Adeyemi Adeniran** is trying to counter when he says domestic growth is rebounding, and the true level of inflation is significantly less than December's official figure of 34.8% – the highest in decades. CBN reports suggest that foreign exchange reserves have in the last year, even if notably dipping by some US$2bn since December to $39bn. They now cover more than nine months of imports and exceed Nigeria's scheduled 2025 debt service repayments several-fold.

The headline economic story is the

high-profile rebasing of both inflation and GDP – last done in 2009 and 2014 respectively. And it is just over two years since the NBS slashed the official unemployment rate from over 30%, considerably higher among Nigeria's youth, to just north of 5% in fourth quarter 2022 under new unemployment definitions supposedly closer to those of the UN's International Labour Organization (ILO).

According to IMF guidance on the frequency with which governments should rebase key statistics, Nigeria's rebasing is long overdue. These changes are projected to boost the official size of Nigeria's economy by up to 20%, almost level-pegging with Algeria.

The reduction of the CPI rate to 24.5% in January arises not from a sudden improvement in Nigeria's inflation environment. It is due instead to updating the 'base year' of inflation calculations (from 2009 to 2024), expanding the inflation basket to include many more products, and adjusting the designated weightings of consumption categories, purportedly to present a more accurate picture of domestic price changes.

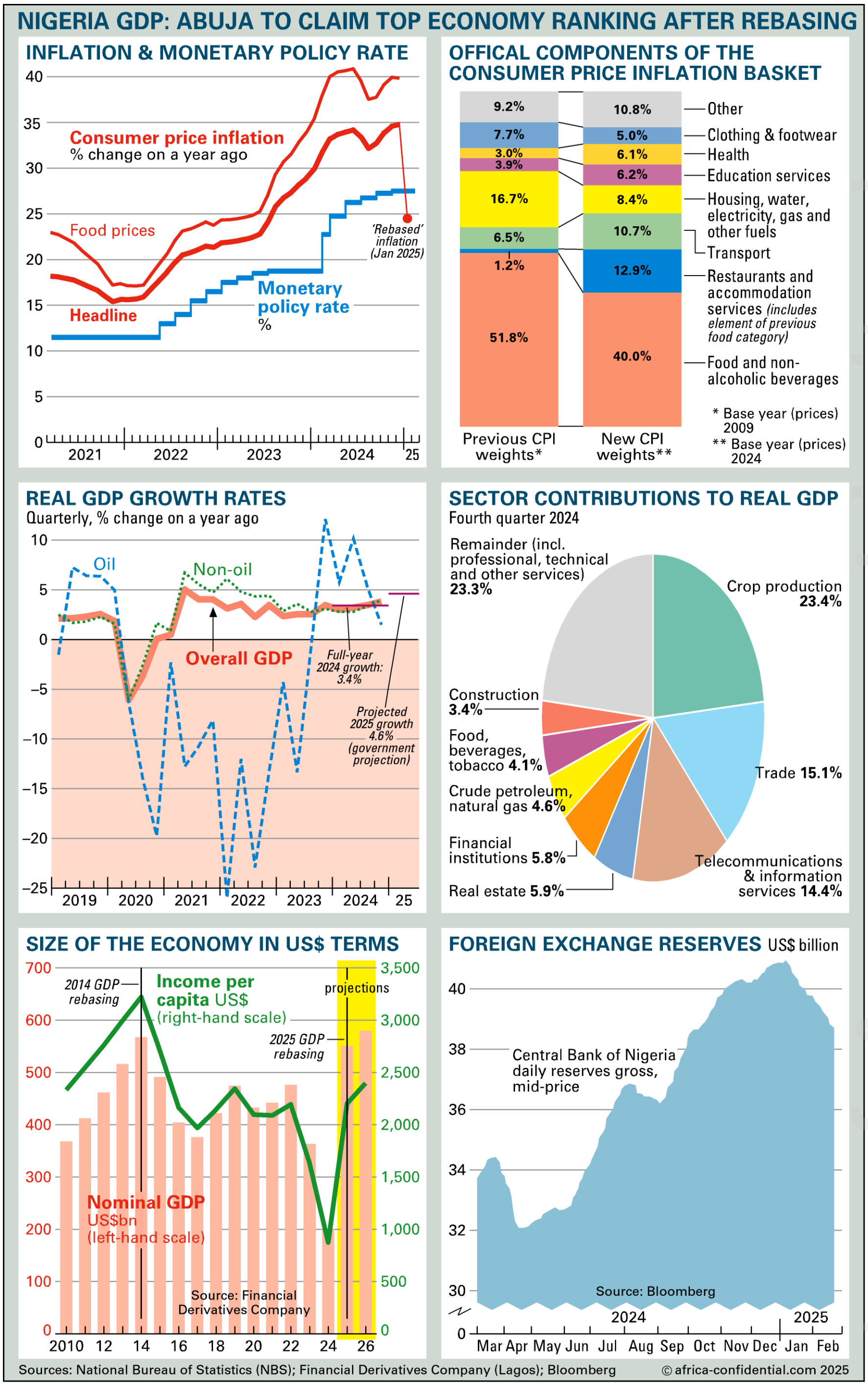
New, soon-to-be-published price indices for services, energy and farm produce are meant to give a more informative picture of Nigeria's inflation landscape. But, even with this shifting of the inflation goalposts, the federal government's target of 15% this year could be a stretch.

Attracting more attention is the rebasing of GDP, which is set to increase the official size of Nigeria's economy significantly. But it will not repeat the near-doubling, to over $500bn, in 2014, when it became Africa's largest economy, and the services sector's share of the economy increased considerably at the expense of agriculture and industry.

Nigeria's rebased GDP should boost the official contributions of key sectors including ICT and real estate. And it might include a large slice of Nigeria's considerable informal economy – which could protect the economic share of agriculture as other sectors ascend.

Whether the GDP rebasing exercise will raise confidence in official statistics is more debatable. Already critics question the government's choice of a 2019 'base year', purportedly to avoid the distortionary impact of the Covid-19 pandemic. It is unclear the extent to which the rebased, higher GDP will extend beyond appearances to better informed central bank policymaking, increased investor confidence, and improved international perceptions of the naira and the wider economy.

Higher official GDP inevitably feeds into other economic indicators such as:



per capita incomes (higher); the national debt-to-GDP ratio (lower); revenue and tax generation-to-GDP ratios (lower); expenditure ratios (lower); and budget deficit (lower, as per cent of GDP) in a country whose federal budget remains small in relation to its economy.

Some changes may partially balance out in assessments of Nigeria's debt sustainability and economic progress. Analysts may interpret improvements in key economic indicators with suspicion. Investors and markets will closely scrutinise the data on of Nigeria's officially larger economy against the government's claims of successful economic reforms.

According to oil regulator the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), production is approaching 1.7 million b/d including condensates compared with output in March 2024 of 1.44 million b/d. Economists treat official Nigerian statistics with caution, much like the projections and targets of the federal government's N54.99trn ($36.66bn) 2025 budget, signed by Tinubu at the end of February.

The just-released NBS growth numbers, of 3.84% real GDP growth for fourth quarter 2024, pull up the economy's overall expansion last year to 3.4% and suggest that the budget's

RETHINK ON DATA TALLIES WITH REGIONAL REVIEW

At a broader level, Nigeria's latest rebasing exercise coincides with other Africa-wide, initiatives to revise key metrics thought to undermine perceptions of the continent's economies, deter investment, increase financing costs (particularly externally), and undermine national finances.

An example is the soon-to-be-launched African Credit Rating Agency (AfCRA), announced at last month's African Union summit, to address 'biased assessments' that AU and UN Development Programme (UNDP) analysis suggests may have cost the continent's economies US$75 billion in lost opportunities (AC Vol 66 No 4).

The African Development Bank (AfDB), firmly behind AfCRA, also backs calls for revisions in GDP calculation methodology, likewise to reduce perceived anti-Africa bias and undervaluation of key continental resources. **China** last year indicated its support for such a move, although the broader G20 audience to which this issue should be pushed during **South Africa's** presidency of the group could prove more sceptical.

GDP and inflation rebasing should not directly affect Nigeria's oil exports and thus revenues, at a time when significant boosting in non-oil revenues is required to reduce fiscal dependence on a sector that – even prior to this year's rebasing – officially contributes only around 5% of GDP.

But, as Nigeria oil output recovers towards its Organisation of Petroleum Exporting Countries' target , scepticism persists over whether the gap between that and the 2025 budget target of 2.06 million b/d crude oil can be narrowed almost entirely by boosting cap-escaping 'condensates'. And hence whether Nigeria will need to push for an increase in its OPEC cap at a time of great geopolitical uncertainty, just over a year after **Angola** departed OPEC on 1 January 2024 largely due to its thwarted oil production ambitions.

With the 650,000 barrel a day Dangote refinery at Lekki, Lagos State, increasing its capacity utilisation faster than expected, it may be that Nigeria can boost domestic production considerably without unduly increasing its crude oil exports.

Nigeria's tangible economic output and performance will continue to matter more than revisions in its measurement. ●

2025 growth assumption of 4.6% is not far removed from reality. Improved services sector growth, exceeding 5%, countered the impact of sub-2% agricultural growth, and oil sector, manufacturing and industry sector expansion of 2% or less.

Nigeria has improved revenue but the budget's 2025 deficit target (3.9% of GDP) is likely to be exceeded much as last year's was. Higher spending risks undermining fiscal consolidation and putting the national debt ratio on an upwards path again. The impact of improved, or worsened, indicators on policy-making is critical: such as whether lower debt and fiscal deficit ratios reduce fiscal discipline and encourage more borrowing; whether improved numbers will reduce the pressure on government to address the struggles of the poor; and whether the post-rebasing hit to revenue-to-GDP ratio will provide greater political space for doubling Nigeria's 7.5% VAT rate in the coming years, or accelerating anticipated tax changes. ●

GHANA

Changing course after an oil spill

The new government has made a U-turn on the oil field battle between Italy's Eni and former political favourite Springfield

On 25 February, Energy Minister **John Jinapor** cancelled a directive by the previous New Patriotic Party government which sought to unitise two adjacent oil fields: one operated by **Italy's** Eni, and another by Springfield, a Ghanaian start-up. Springfield is owned by **Kevin Okyere**, a businessman with close links to the former NPP government.

Jinapor's decision follows years of bitter dispute between Eni, Springfield and the government of Ghana, whose legal team is led by former Attorney-General **Godfred Dame**, after former Energy Minister **Matthew Opoku Prempeh** issued the unitisation directive to the two companies.

Bright Simons, Vice President of the Accra-based IMANI Africa, said withdrawing the unitisation directive has saved Ghana further embarrassment. He pointed out that Eni had invested over $6 billion in its oilfield, part-guaranteed by the World Bank and the Ghanaian government.

In contrast, Springfield's field had seen less than $100 million of investment by the time the order to merge the two fields came. 'Merging these two very different fields and giving 55% to Springfield would not only have amounted to a forced transfer of wealth from one private business to another, it would also have short-changed Ghana as the country's own stake would also have been diluted to Springfield's benefit,' said Simons.

Eni holds the licence to the Offshore Cape Three Points (OCTP) Block in the Tano/Cape Three Points basin and has been producing Sankofa oil from the Cenomanian channel reservoirs since May 2017.

Springfield, on the other hand, holds the licence to the WCTP 'Block 2' adjoining the OCTP Block. Springfield discovered oil in the 'Afina–1' well in November 2019. At the time of Opoku Prempeh's October 2020 unitisation directive, Springfield had not appraised the 'Afina-1' discovery, meaning that Afina could not technically be described as a field (AC Vol 62 No 19).

Springfield, however, concluded that its discovery is in the same Cenomanian channel reservoir as Eni's 'Sankofa'. Eni did not confirm this position at the time of the unitisation directive. The Ghana National Petroleum Corporation (GNPC), Springfield's partner in the WCTP 2 block, independently concluded that Springfield's position was correct, prompting Prempeh to issue a directive to Eni and Springfield to exchange data to establish the structural extent and distribution of petroleum between their respective contract areas and prepare a Unit Operating Agreement (UUOA) for his review and approval.

Eni believed the minister's directive was unlawful and sought judicial intervention at the superior courts in Ghana without success. The firm then initiated arbitration at the International Court of Arbitration in London.

Ghanaian think-tanks IMANI Africa and the Africa Centre for Energy Policy (ACEP) warned the NPP government that its actions were against the country's interest.

Last July, then Attorney-General Godfred Dame claimed victory over Eni after the international arbitration tribunal ruled that Ghana had the sovereign right to unitise adjacent oil licences where the data showed a single reservoir and dismissed Eni $915m claim for damages and compensation.

But the tribunal also ruled that efforts by the energy ministry and courts to force through a unitisation deal were in breach of the Petroleum Agreement. It said that the Ministry had relied on reports that had not established a 'straddling accumulation' between the two licences, proving that the discoveries in the two licences were effectively part of a single oil and gas field. It said that if the unitisation directive were to be enforced, a damages claim could be revived.

As Eni noted, the energy ministry's plans for Offshore Cape Three Points (OCTP), which has proven oil and gas reserves equivalent to 770 million barrels, and Springfield's adjacent Afina discovery, were 'wrong and unlawful', as were the Ghanaian judges that had tried to enforce the directives.

The original award of the Offshore Cape Three Points licence to ENI under President **John Mahama's** first administration in January 2015 had attracted some controversy, with critics arguing that the terms were disproportionately generous to Eni (AC Vol 59 No 10). President **Nana Addo Dankwa Akufo-Addo**, who defeated Mahama in 2016, pledged to review the deal – but now stands accused of heading a government that tried to engineer a unitisation deal between Eni and Springfield without following international best practice, proper data or indeed Ghanaian law.

ENI, which is partnering with international commodity traders Vitol, says it remains committed to Ghana and to the OCTP project but its operations in the country have been on hold because of the dispute. But it is also developing a much larger discovery in neighbouring **Côte d'Ivoire**. And we hear that Eni is looking seriously at a huge deepwater prospect in **Nigeria**, where an Italian court in 2021 cleared it of charges of corruption relating to the acquisition of an exploration licence.

The fight between Eni and Springfield, with its political backing, may have further damaged Ghana's reputation for oil and gas investment. Oil production has flatlined in Ghana, with controversies over how Tullow has operated the main Jubilee field and the departure of Aker and others. ●

GHANA

Mahama's government goes private

The new government mulls privatising its electricity and water companies as well as prisons

Cruising to power on promise-packed manifesto, **John Dramani Mahama** has made several radical moves in his first two months in office, but his plan to sell off the Electricity Company of Ghana (ECG) could cut across more vested interests than most of the policy shifts.

So far, Mahama has reduced the size of government and started prosecuting former government officials for corruption. His cost-cutting measures – such as scaling down the state-funded annual independence celebration and cancelling contracts for presidential portraits – have won plaudits from business as well as civic groups and activists (AC Vol 65 No 25 & 66 No 1).

Yet the financial crisis Mahama and the National Democratic Congress (NDC) inherited from former President **Nana Addo Dankwa Akufo-Addo** and the New Patriotic Party (NPP) could take years to resolve.

At the heart of the persistent power outages (*dumsor*) that frustrated the manufacturing sector and residential consumers under the NPP government is a financial crisis that consumes the ECG and its procurement plans. **Benjamin Boakye**, Executive Director of the Africa Centre for Energy Policy (ACEP), said that consolidation of judgment debts, Independent Power Producers (IPP) debt, gas supply debt and interest payments on debt to foreign banks has compounded the energy crisis. Voters and companies are calling on Mahama to address the power outages and settle a debt of US$2.4 billion owed to independent power producers, excluding the $1.5bn owed to Sunon Asogli Power Ghana Ltd.

Recent complaints from IPPs over unpaid debts, which led to the Sunon Asogli Power Plant shutdown, highlight the situation's gravity. Companies say the government has to address these payments to safeguard the sector's viability.

When Finance Minister **Cassiel Ato Forson** presents the 2025 budget on 11 March, fiscal measures to reduce debt, create jobs and cut taxes, such as the betting tax, Covid-19 levy, and the electronic transactions levy, will top the agenda. Holding nearly two-thirds of parliamentary seats, the NDC will back the budget by a wide margin.

CHANGE IN POWER

A day after his inauguration, Mahama told a World Bank delegation that he plans to privatise the ECG to address the recurrent power failures. 'If we don't fix the Electricity Company of Ghana, we will continue to have a major problem with our whole power value chain.' He spoke of 'privatising the last point of electricity distribution' and said he had asked the World Bank to provide the expertise on the plan.

The NDC began introducing private participation in ECG's operations before it lost the 2016 election. The NPP's efforts also failed with the 2019 Power Distribution Services (PDS) debacle, where the private consortium appointed to manage ECG's operations faltered (AC Vol 60 No 21). The government lost $190 million in aid from the **United States** over its failed ECG reform plans. In a country losing an estimated $1bn annually to power outages, this money could have facilitated reform in a sector generating 65% from fossil fuels, 34.1% from hydro and only 0.6% from solar.

The government imposed hefty tariff increases in recent years but inefficiencies and commercial losses undermined the sustainability of the power sector, according to ACEP, which reported that persistent financial inefficiencies and mounting debts in the sector accumulate around $1bn annually.

The 2024 *National Energy Statistical Bulletin* by Ghana's Energy Commission shows ECG's technical and commercial annual distribution losses ranged between 26.6% and 30.6% in the years 2020 to 2023.

Some of ECG's most delinquent debtors are government departments. The company is to continue its aggressive debt recovery in 2025. But some officials claim that government debt is no more than 10%.

Some of the ECG's losses can be attributed to the cedi's depreciation against the US dollar and illegal connections in both industrial and residential sectors. ECG loses almost $0.40 on every $1 of power purchased.

The industrial sector consumes the most electricity, followed by residential and service providers. To achieve financial sustainability in Ghana's energy utilities, the NPP government initiated the Energy Sector Recovery Programme in May 2019. This outlined the policies and actions required for recovery. In April 2020, the ESRP introduced the Cash Waterfall Mechanism (CWM), to ensure transparent, equitable and timely payment of all revenues billed and collected by ECG across the sector.

But analysts at ACEP say that the implementation of the CWM was hindered by under-recoveries and the ECG's weak compliance. That stopped other entities making key investments and recovering capital costs.

PricewaterhouseCoopers (PwC) was contracted by the Ministry of Energy to validate ECG's electricity sales in terms of kilowatt-hours and the amount billed and collected for the 2024 financial year. Its report reveals that ECG under-declared 5.3bn cedis ($318m). The audit found that while ECG's accounts showed revenue collections of 15.8bn cedis in 2024, it declared only 10.4bn cedis to the CWM, effectively hiding 5.3bn cedis from official records.

A similar audit by PwC covering October to December 2023 showed ECG failed to make payments to CWM beneficiaries by the 22nd of every month, contrary to CWM guidelines. The report also noted that ECG operates 84 bank accounts across 20 different banks.

CEP's Boakye said, 'ECG's operations across 20 banks could have triggered a full-scale banking crisis without the audit intervention. The banks were providing overdrafts to ECG based on the promise of a billion cedi monthly cash flow.'

PwC recommended that ECG operate a single collections account with a bank that has an extensive branch network nationwide to avoid the need for multiple accounts and to boost accountability. Yet some experts and activists strongly oppose privatisation.

#FixTheCountry convener **Oliver Barker-Vormawor** said privatisation won't resolve issues such as revenue loss and illegal connections. Under a more accountable system, legal subscribers might face higher tariffs to cover the losses, hitting working class Ghanaians and making essential utilities less accessible.

The privatisation plan under discussion is for the government to retain ownership of ECG but to contract a private operator under a concession arrangement. The private operator would develop, operate and maintain the energy distribution networks.

Energy Minister-designate **John Jinapor** told the Appointments Committee of Parliament in January that he has outlined a six-month timeline to establish a comprehensive framework for private participation in the operations of the ECG. 'My target is to push for six months, but I do not want to stampede the committee… within this year, we should complete the framework,' he said.

His ministry will form a seven-member committee, comprising technical experts, legal minds, financial analysts, industry players and a consumer representative, to determine whether a concession model or full privatisation would be more suitable for the ECG.

REFORM MINDED

Other state sell-offs are in the works. In January, Minister-designate for Works, Housing and Water Resources **Kenneth Adjei** told parliament he is discussing a possible privatisation of the Ghana Water Company. Interior Minister-designate **Muntaka Mubarak** also told Parliament of the NDC government's plans to explore public private partnerships to decongest Ghana's over-crowded prisons.

Mahama has also set up a Constitutional Review Committee (AC Vol 65 No 25). It will be chaired by **Kwasi Prempeh**, a respected constitutional law scholar and Executive Director of the Center for Democratic Development. **Rainer Akumperigeya,** a law lecturer at the Ghana Institute of Management and Public Administration, serves as secretary. Other members include retired Supreme Court Justice **Sophia Adinyira**; **Godwin Djokoto**, a private lawyer; former Electoral Commission Chair **Charlotte Osei**; Ashesi University lecturer **Esi Ansah**; communications professor and former Ghana Broadcasting Corporation Director **Kwame Karikari**; and STAR-Ghana Foundation Executive Director **Ibrahim-Tanko Amidu**. Activists see the inclusion of non-partisan individuals and non-lawyers as a sign of commitment to serious reform. Similar attempts by former presidents **John Mills** and Akufo-Addo failed due to lack of consensus on the key amendments. ●

SOUTH AFRICA

Tax and spend row opens new schism

Published online 3 March

The Government of National Unity's credibility is on the line as finance minister Godongwana prepares an amended budget

When Finance Minister **Enoch Godongwana** told the cabinet on 19 February of his plan to raise value added tax to 17% from 15% just hours before he was due to read the budget in parliament, he handed a rare gift to the centre-right Democratic Alliance.

DA leader **John Steenhuisen**, whose party is the second biggest after the African National Congress in the 10-party Government of National Unity (GNU), rejected the tax plan, forcing Godongwana to delay his budget, now due on 12 March. Steenhuisen's party was also able to claim glory for stopping a generalised tax rise as well as reminding ANC politicians that they had to consult others after losing their parliamentary majority last year (AC Vol 65 No 13).

The ANC was blamed for the budget delay farrago following a spate of policy actions – on public health insurance, education and land reform – which were pushed through despite opposition from its DA coalition partners. But the ANC could not do that with a budget, a vital credibility test for the GNU. On the coalition's rule of 'sufficient consensus', the ANC (which won 40.1% of the votes in last year's election) needs to win over the DA (which won 21.8%) (AC Vol 65 No 12).

The delay highlighted divides as much within the ANC as in the GNU, which has asserted itself on public finance issues for the first time. That raised questions over the budget-making process, and whether they can reach consensus on an amended finance law by 12 March.

Government critics and opposition MPs argue that Godongwana should have read his budget plan to parliament as scheduled, opening a debate on the limited options facing the treasury as it tries to cut the deficit: raise taxes, cut state spending, borrow more or boost economic growth. Instead, negotiations for the next version of the budget have gone back into closed committee rooms.

The budget that Godongwana planned for 19 February relied on the

VAT hike to finance more spending to halt the erosion of frontline education and healthcare services as well as pay for civil servants' salary hikes and more spending on infrastructure. This 'tax and spend' approach broke with the pattern of across-the-board spending cuts on which the Treasury has relied for more than a decade to cap South Africa's spiralling public debts.

Godongwana had shared the broad outlines of his plan with the cabinet two weeks before the budget. But it was only when cabinet met at nine in the morning ahead of his budget speech on 19 February that it learned of the size of the VAT hike.

Some ANC cabinet members, including justice minister **Mmamoloko Kubayi** and electricity and energy minister **Kgosientsho Ramokgopa** led the charge against the tax hike, with the DA and several smaller GNU parties chiming in.

The outcome of the cabinet meeting might have been different had President **Cyril Ramaphosa** been chairing it. At the beginning of the month he had set out the GNU's economic plans (AC Vol 66 No 4). But the presidential jet had been grounded due to a crack in the windscreen as it was due to take off from Pretoria's Waterkloof air base. So Ramaphosa and his team had to catch a later commercial flight to Cape Town.

Instead, the cabinet meeting was chaired by deputy president **Paul Mashatile**, who is far less enthusiastic about the GNU than Ramaphosa and may have sided with opponents of the VAT hikes. Neither does Mashatile, still the favoured presidential successor, have Ramaphosa's ability nor his inclination to negotiate a consensus within the GNU.

Ramaphosa was on board with the finance minister's plans; most other ministers and officials were kept in the dark. The concerns of **Ashor Sarupen**, deputy finance minister and DA MP, appear to have been ignored.

VAT has been such an unpopular tax that it has been raised only once in the last 30 years. Godongwana badly misjudged the public mood and lacked a political strategy to build support for the budget.

He may have reckoned the finance minister is legally entitled to fund the budget in whatever way adds up and is not required to win cabinet, much less parliamentary, approval for tax measures. That may have worked in an ANC government but not in a coalition.

TAXING QUESTIONS

All parties agree on the need for fiscal consolidation – to stabilise the national debt, which has risen to 75% this year from around 20% on the eve of the 2008-09 global financial crisis. Debt service is now taking over a fifth of South Africa's tax revenues.

But the parties differ on how to consolidate. The Treasury insists that it can't risk more borrowing because markets would penalise it by charging higher rates. It argues that VAT is the only tax that would raise enough to fund the R173 billion (US$7.4bn) of extra spending that Godongwana has earmarked for the next three years.

Personal income tax in South Africa draws on a narrow base of higher income earners; recent rate increases have yielded less than forecast. The widely respected Revenue Service Commissioner **Edward Kieswetter** has warned that further income tax hikes risk driving more people to avoid tax and move their businesses abroad.

Income tax has risen sharply over the past two decades and is much higher than the average in the Organisation of Economic Cooperation and Development member states (OECD). South Africa's VAT rate is lower than the European Union average of 20% but still higher than the 10% rate in **Australia** and **South Korea** and 7.5% rate in **Nigeria**.

Under Godongwana, the Treasury wants to shift SA's tax structure to what it sees as a pro-growth model. But its plans have worsened tensions relations between disciplinarians in the Treasury and the rest of government and ANC.

The DA resolutely opposes a VAT increase or any other tax increases, calling instead of bolder reforms at boosting growth. It also argues that South Africa could borrow more from the World Bank on concessional terms to finance critical projects.

Its leader Steenhuisen used the budget delay to push for a couple spending reviews: a three-month review of programmes and projects that can be cancelled or reduced, followed by a more comprehensive review aiming to redefine priorities for state spending. But all those measures would take time. DA are to yet to explain how they would find the R60bn that Godongwana's VAT hike would have raised in the 2025/26 fiscal year.

Several cabinet members called for a wealth tax. Some left-wing economists argue this could raise substantial sums. But an independent tax committee chaired by judge **Dennis Davis** concluded it would be difficult to raise more than R5bn, given the tax base of high-net worth individuals in South Africa is small and highly mobile.

An alternative is for Godongwana to drop the extra spending that he proposed. Then cabinet ministers who opposed the VAT hike will face the financial consequences: sharp cuts in their budgets for health, education, defence and infrastructure. This will mean some hard bargaining behind closed doors ahead of the 12 March deadline: with the Treasury and Ramaphosa facing a rare united front – of the DA, the ANC and its trade union affiliates – all opposing the tax hikes.

Unlike the **United States**, South Africa doesn't 'shut down' if there is no budget: the legislation allows government departments to keep spending and taxing. Market response to the debacle has been remarkably sanguine, with the rand and bond yields initially taking a hit on news of the budget delay but later recovering.

That the GNU is flexing its muscles has been taken as a positive not only by the GNU partners, but also at this stage by market players and rating agencies such as Moody's.

They still expect compromise on an amended budget by 12 March. If that doesn't happen, they warn it would hit investor confidence and dent the credibility of the budget process. And in the country more widely, a failure to come up with a credible compromise could badly hit approval of the GNU which had been rising since its formation last year (AC Vol 66 No 1).●

CHAD/FRANCE

French troops bid a hasty adieu

The departure ends an era amid mounting challenges to President Mahamat with a deepening social crisis and overspill from Sudan's war

On 31 January, a quiet ceremony took place at the Sergeant Adji Kossei air base in Ndjamena to mark the complete departure of all French troops from Chad, after nearly six decades of presence under different names and mandates (AC Vol 66 Nos 1 & 2). The lack of public reaction in Chad and France was puzzling. In France, attention was focused on whether the new prime minister could pass a long-awaited budget by persuading the Socialist Party not to participate in a vote of no confidence. In Ndjamena, a failed attempt the week before to gather a large crowd to celebrate complete independence went largely unnoticed.

Ndjamenans are overwhelmed by daily problems such as unreliable electricity, fuel shortages and inflation. They feel the hopelessness of a political system that is both unwilling and unable to reform itself. At this stage, the presence or absence of French troops does not change their predicament. Opponents and civil society activists are more ambivalent. Some argue that although France has always helped the Déby family in dealing with armed opponents, it has also tried with debatable results to reduce coercion and arbitrary violence.

It took barely two months for the French troops to quit their bases in Faya, Abéché, and Ndjamena. When President **Mahamat Idriss Déby Itno 'Kaka'** announced his decision on 28 November, the deadline was initially set for late May (Dispatches 4/12/25). However, this six-month period was cut short after rumours of a French-backed coup, spread by pro-Moscow activists, circulated around the presidency. With minimal cross-checking, these rumours quickly became 'alternative facts' within the presidency.

French official attitudes towards Ndjamena are in flux. The French military, having lost personnel in fighting for Chad's ruling class, feels humiliated. Both they and President **Emmanuel Macron** want retribution for the way their exit was decided and announced. **Senegal** took the same decision but followed due process. In contrast, Chad had no plan, just a presidential outburst followed by the cheers of courtiers. As a military officer told *Africa Confidential*, 'Today Burhan can bomb Ndjamena because the so-called elite Chadian forces have no radars and aircraft to even observe **Sudanese** planes attacking the capital city.'

By the end of February, French troops and many French 'security consultants and trainers' left the country just as the recently opened USAID office in Ndjamena was closing due to Department of Government Efficiency edicts (Dispatches 28/1/25). Observers say these decisions by the French military will result in the loss of hundreds of jobs and contracts for workers and enterprises.

PALACE INCIDENT

A minor security incident on 8 January tested the Chadian President's optimistic security assessment. About 20 people tried to force their way into the presidential palace in the evening, resulting in nearly all being shot dead. The *Agence Nationale de la Sécurité de l'État* and Military Intelligence took over the investigation.

At least two explanations have been offered, though neither has hard evidence. One suggests that drunk workers got into a brawl with soldiers at the presidency and fought their way inside, not realising they would face death. Another theory connects this attack with a killing in January 2024 in the Ndjamena neighbourhood where the attackers lived. It might be linked to an attempt by several military officers to mobilise the frustration of some southern Chadians, although most of those killed belonged to the same ethnic group as the current Prime Minister, **Alla-Maye Halina**.

The then Minister of Foreign Affairs **Abderaman Koulamallah** appeared on TV and social networks with a gun on his belt trying to reassure people that everything was in order. People wondered why the civilian '*griot national*' (he once declared that Mahamat Kaka was half-God) had a weapon and why he was the one addressing the attack on the presidency instead of the Minister of Internal Security or a senior military officer.

The incident revealed the failure of the 'elite forces' responsible for securing the presidency. It took them over an hour to subdue around 20 people armed only with sticks and a few machetes. The excessive use of bullets and the lack of discipline in the presidential guard's response tarnished the previously strong reputation of Chad's armed forces. Following the failure of Operation Haskanite, it further demonstrates how military expertise can quickly dissipate, even among the best Chadian troops (AC Vol 66 No 1).

All this overshadowed the parliamentary elections on 29 December. The presidential party, *Mouvement Patriotique du Salut* (MPS), secured an absolute majority with 124 seats out of 188, while allied parties gained an additional 52 seats, leaving the opposition in limbo – to no one's surprise.

The opposition declared the elections a democratic regression, reminiscent of the era of Idriss Déby Itno. To conclude the transition, senatorial elections should still take place after Ramadan. Chadians don't expect better governance; many say that the old system is back but led by younger and less experienced faces. Mahamat Kaka accepted the position of MPS honorary president, a role contrary to the Constitution, proving that the regime does not care about its legality.

Many politicised Chadians see Mahamat Kaka's behaviour as a sign of his regime's fragility. He attempts to present himself as equal to his father or even more powerful, but his inner circle lacks maturity and political talent. They rely on coercion and co-option to counter the opposition. After announcing the parliamentary election results, the prime minister stepped down, only to be reappointed 15 minutes later.

Many supporters believed he would not be considered twice, and that the President would select someone with genuine political experience, not just protocol expertise. Yet this did not happen, as the president seems happy to rule alone, with ministers making few decisions on their portfolios.

The new cabinet appears to be a caricature compared to the era of Déby père. It includes four Zaghawa and five Goranes in important positions, reflecting the marginalisation of most Chadians. **United Arab Emirates** money linked to Sudan and Exxon Mobil's payment of its oil exploitation rights (about US$108 million) allowed President Kaka to end 2024 by paying the civil servants on time and repaying much of the internal debt. We hear that some of the remaining money was invested opaquely in property in **Morocco**. Many question how the public finances can survive such shadowy and incompetent management.

The IMF no longer publishes detailed reports on Chad's economy and doesn't lend it money. But activists are calling for an objective analysis of how resources are accumulated and spent. The fast-growing political repression supports the arguments of those who insist that only armed opposition can effect change. ●

CHAD/SUDAN/UNITED ARAB EMIRATES

Mahamat's UAE ties could unravel

As General Burhan and the SAF gain ground, President Mahamat and his allies will face growing pressure at home and in Darfur

All eyes are on Sudan, especially now that the military dynamics are shifting in eastern and central areas in favour of Sudan Armed Forces (SAF) commander General **Abdel Fattah al Burhan** (AC Vol 64 No 4 & Vol 66 No 1). Chad's President **Mahamat Idriss Déby Itno 'Kaka'**, continues to play into the hands of the United Arab Emirates, supporting the Rapid Support Forces led by Gen **Mohamed Hamdan Dagalo 'Hemeti'** (AC Vol 65 No 15). New military equipment is reaching the RSF through southern **Libya** rather than eastern Chad. However, fuel, food and some ammunition still come from Chad.

The current state of the armed groups is as follows: Burhan may wish to settle scores with Kaka if he can reclaim most of the territory lost in eastern and central Sudan. Darfur, however, will pose a greater challenge for Burhan. Should Hemeti lose the war, existing armed groups in Libya, along with a possible gathering of former RSF fighters, may lead the armed opposition to Kaka. They will all need Burhan's support in terms of sanctuaries, equipment, and funding.

The *Front pour l'Alternance et la Concorde au Tchad*, led by **Mahamat Mahdi Ali**, has never recovered from its victory in 2021, which resulted in the killing of Kaka's father, then-President **Idriss Déby Itno** (AC Vol 62 No 9). The group's leader refused to join the transition and has since suffered many defections among the leadership. Today, FACT operates in southern Libya but lacks the resources to recruit effectively. It must keep a low profile due to the relatively good relations between Gen **Khalifa Haftar** and Kaka, facilitated by **Russian** and **Emirati** mediation.

Other Chadian groups operate mostly in southern Libya, such as the one led by **Sallay Abdelkarimi Habré** – a nephew of former President **Hissène Habré**. However, it is unclear whether they are interested in joining the fray for Ndjamena. They have business opportunities and could engage with various interests in Darfur and Chad, but they do not currently perceive any political grievance.

Among Hemeti's field commanders are many cadres of the Chadian armed opposition of the 2000s who refused to join the transition. Some are skilled military leaders but lack the ability to articulate political discourse and would need to work within a team. A notable example was **Musse Hamadi Ibet**, formerly a leader of the UFDD-*Fondamentale*, who played a major role as an RSF commander in the takeover of Khartoum but was killed by a drone in January. His troops are now located in northern **Central African Republic** and involved in gold trade.

Others can function as leaders but lack the support of their own tribal groups. **Mahamat Nour Abdel Kerim**, a well-known Tama leader from the 2000s, joined **Idriss Déby** after Libyan leader **Moammar el Gadaffi** mediated. He is known and trusted by Burhan, **Salah Gosh** (a former top Sudanese official and ex-Director of the National Intelligence and Security Service), and the Sudan's Military Intelligence. However, they are aware that the Tama, including his own family, are unwilling to follow him in a war against Kaka.

These examples illustrate that while the return to Chad of many RSF fighters is the most likely outcome, the ability to organise them into one or several armed groups is more problematic than many opponents believe in Ndjamena.

If Hemeti wins El Fasher and Darfur, it will force the Zaghawa fighters to make difficult decisions. Some may choose to return to Chad, where life might be easier under Kaka. Others may seek revenge but will rely on Burhan's support. To oust Kaka, they will need to ally with other non-Zaghawa armed groups, as the Chadian regime is trying to control the border and freeze the circulation of heavy weapons and armed pick-up trucks (known as 'technicals') not under its control.

Kaka will face challenges for the support he provided to Hemeti and the vast amount of money he made from the death of his fellow Zaghawa in El Fasher. Time may play in his favour. The success of the SAF's campaign to defend El Fasher and expand its control in Khartoum will be critical to developments in Chad. The upcoming rainy season and financial support from the UAE could give Kaka the time needed to counter any armed challenges to his rule. ●

SOMALIA

IS may claw back big losses in Puntland

Garowe claims victory over Da'ish but the jihadists are firmly established and can support operations across the region

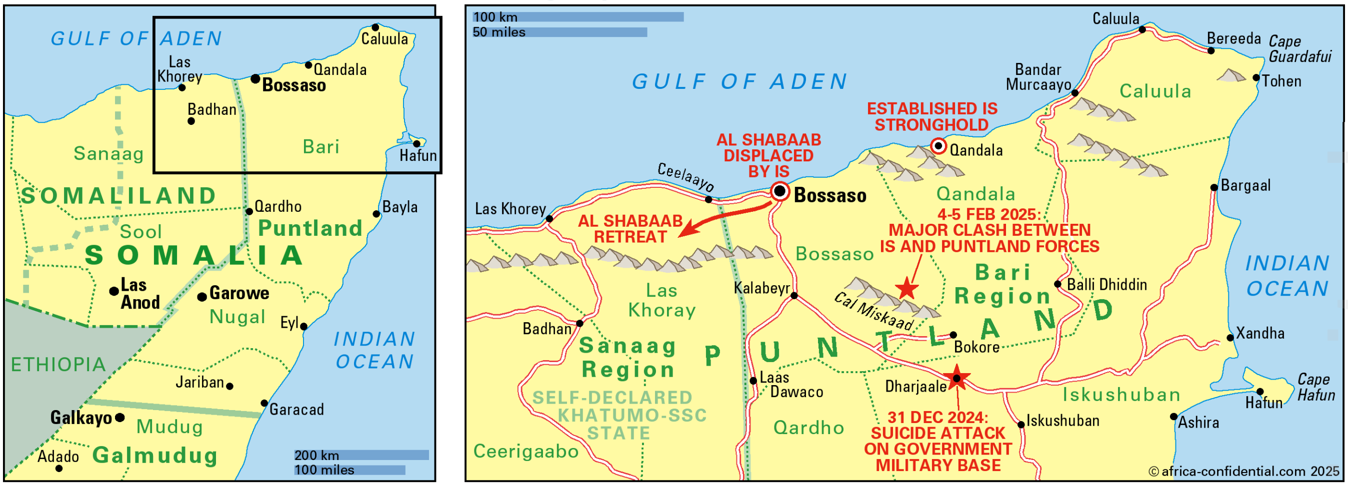
After nearly two months of hard fighting, the Puntland authorities have announced they expect their campaign against Islamic State in Somalia to conclude successfully. The Islamic State (IS or *Da'ish*) affiliate has battled to establish a foothold on the southern coast of the Red Sea in over ten years of furious fighting against regional governments, **United States** Special Forces and its chief militant Islamist rival, *Al Shabaab*.

ISIS's latest defeat may not be as long-lasting as its enemies hope and it could recoup its losses before the year is out. ISIS has been propagandising about Africa as a destination for jihad for over four years, especially since the beginning of this year. It likens Hijra (migration) to Africa in general, and Somalia in particular, to the journey the early Muslims took when they abandoned their tribes to join the Prophet **Mohammed**.

Last year over two-thirds of ISIS's global attacks were in Africa. While the Somali branch of ISIS has not received as much media attention as the Islamic State in the Greater Sahara or the franchises in eastern **Congo-Kinshasa** and **Mozambique**, its trajectory has been unique.

After ISIS was established in Somalia in October 2015, its leader,

INSURGENCY IN SOMALIA: Islamic State regroups after the battle for Bossaso



Sheikh **Abdiqadir Mumin**, formerly a member of *Al Shabaab's* leadership, lost most of his supporters in battle with the *Al Qaida* affiliate (AC Vol 57 No 2). The survivors fled to the homeland of his clan, the Majerteen/Ali Saleban, near the port of Qandala (AC Vol 57 No 23 & AC Vol 59 No 15). It took nearly three years for the group to be officially recognized by ISIS central leadership in July 2018.

Initially, many viewed this group as insignificant compared to *Al Shabaab*, primarily because it was confined to a poverty-stricken area east of Bossaso and recruited among the Ali Saleban.

Since then, however, it has transformed itself into a much larger organisation, and after numbering around 400 for years, current estimates suggest it had about 2,000 fighters at the end of last year (AC Vol 65 No 14).

IS has been building and funding African branches through a special office, *Al Karrar*, which can transfer funds from Qandala across Africa using networks in the east and south of the continent.

The killing of **Bilal al Sudani**, aka **Suhayl Salim Abdel Rahman**, by US Navy Seals in January 2023 indicated that Washington no longer sees IS's Somali branch as just a local extremist group but as key to developing IS activities in Africa (AC Vol 64 No 3).

ISIS recruits beyond its original base by appealing to members of Red Sea coastal clans, such as the Dishishle and Sawaqon, which have ties to the Ali Saleban. They also attract disillusioned members of *Al Shabaab* and foreign fighters who have crossed over from **Yemen** to wage jihad in Somalia or elsewhere in Africa.

The suicide attack on a major government military base in Dharjaale on 31 December demonstrated the trend. It was carried out by fighters from countries as diverse as **Saudi Arabia**, **Libya**, Yemen, **Tunisia**, **Morocco**, **Ethiopia** and **Tanzania**.

As last year progressed the regional government of Puntland was more worried by IS than by *Al Shabaab* in Bossaso after the former expelled the latter from the port. *Al Shabaab* supporters had to retreat to the mountains on the Somaliland border. With full control of the lucrative coastal city, IS collected significant amounts of money from local businesspeople and traders while keeping government security forces at bay.

In response, Puntland President **Said Abdullahi Deni** decided to fight and he accordingly sent a battalion to the Iskushuban district. This was the force that faced the complex suicide attack at Dharjaale on 31 December, resulting in the loss of around 60 soldiers, according local people (18 according to the Puntland government).

OFFENSIVE

This battle triggered a massive offensive beginning in early January aimed at eradicating IS's presence in the Je'el Valley, in the Cal Miskaad mountains.

In January IS fighters yielded ground rather than defend territory but they lost heavily in a major clash on 4-5 February in the Cal Miskaad mountains. Both sides claimed victory, but it soon became evident that they both took major losses – about 100 fighters dead and many more wounded on the IS side alone, it is estimated. Ambushes and skirmishes fell off in the period that followed.

IS needed to regroup after those severe losses while Puntland troops faced challenges due to the widespread use of landmines; they could no longer use 'technicals' (armed pick-up trucks) effectively and had to put boots on the ground, moving cautiously.

This offensive was not solely military. US intelligence has helped the Puntland authorities crack down on IS's financial infrastructure with considerable effect, we hear (AC Vol 64 No 3). It is too early to evaluate the success of these efforts, which also targeted Al Shabaab in late 2022. Al Shabaab managed to adapt its revenue-collection methods by extorting local businesspeople more directly and two-and-a-half years later it is difficult to say whether Al Shabaab's finances have recovered or not.

The Puntland government is also trying to control the inflow of foreigners to IS ranks. Bossaso is a booming port and a transit point for many foreigners trying to cross the Red Sea to reach Western countries as immigrants or political refugees. About 6,000 migrants have been arrested and sent back to Ethiopia although it is unclear if this makes any difference to IS recruitment.

The federal government in Mogadishu claimed to have participated in Puntland's offensive against ISIS, but there is no evidence of this. The Pentagon's US Africa Command may have eliminated important IS leaders in air strikes, which would have required Mogadishu's approval.

But no Mogadishu Special Forces, such as Danab or Gorgor, were involved. It's possible that the National Intelligence and Security Agency (NISA) provided intelligence, but no financial support or military equipment appears to have been provided by Mogadishu.

Puntland authorities also did not use their own Dervish troops; instead, they relied heavily on the Puntland Maritime Police Force, which was established in 2010 as an anti-piracy unit operating in the Gulf of Aden, the Red Sea, and the Indian Ocean, and is trained and funded by the **United Arab Emirates**.

The UAE organised the training of the contingent involved in the anti-IS offensive at a large compound where around 100 foreign mercenaries, both white and black, were based. Some media have mentioned the Wagner Group in a training role, but there is no substantial evidence to support this claim yet.

But the UAE did provide drones which operated out of Bossaso airport, although it is not known how many times they were used against IS fighters, although at least three strikes have been confirmed. ●

CAMEROON

Anglophone separatists' campaign reaches bloody stalemate

Published online 5 March

Schisms among the Anglophones and brutal repression by President Biya's forces are blocking the separatists

Eight years of gruesome clashes between Anglophone separatists and government troops have brought a Federal Republic of Ambazonia in the North-West and South-West provinces, which some Anglophones call Southern Cameroons, no closer. This is where most English-speakers, who comprise about one quarter of the population, French-speakers making up about 60%, are concentrated. Nor has the government shown any prospect of quelling the insurgency by force as the violence escalates.

In a recent confrontation typical of the conflict, separatists shot dead a paramilitary gendarme on 13 January, and on 20 February a senior commander of the armed separatists, **Christopher Funwi**, was captured by security forces in Bamenda, capital of North-West Province, according to local media. The government also claims to have killed a group of 30 separatist fighters on 18 January in what would be a significant reverse if true. They also claim to have captured **Fidelis Quinick Tendongnkeng**, another rebel leader.

About 1,530 government troops have been killed since the conflict started in late 2016 out of about 6,500 deaths overall, according to the International Crisis Group, while over 540,000 have been displaced and 73,000 refugees are now in **Nigeria**. The rebels claim the casualty figure is far higher.

REVERSES

The separatist campaign has rumbled along at a relatively low level but now stands at a critical juncture since the arrest of one of its key leaders, **Lucas Ayaba Cho**, still nominally head of the Ambazonia Defence Forces (ADF), the armed wing of the Ambazonia Governing Council, one of the main separatist factions. **Norwegian** prosecutors arrested him in September in Norway on suspicion of inciting crimes against humanity.

Norway claims jurisdiction over crimes against humanity and Oslo prosecutors will decide independently of the Cameroon government how to proceed against him. **Finland** acted similarly when it prosecuted alleged **Liberian** war criminals in 2021 (AC Vol 62 No 11).

Sympathy for Cho, 52, has been lacking in places normally sympathetic to liberation movements because ADF tactics increasingly rely on kidnapping, murder and intimidation of civilians accused of collaboration with the government of President **Paul Biya**. Earlier, the rebels were able to raise funds among Anglophones enthusiastic about the cause and angry at oppression by the Francophone governmental structure, but now they depend more on extortion at roadblocks and the 'liberation tax', which aims to polarise the public.

Rebels issue those who pay the tax with a receipt, so that if they are found without it at a later date, they incur the anger of the rebels, but if government forces find the receipt, they will inflict their anger on what they assume is a supporter of the insurgency.

As a result of such tactics, in certain areas once regarded as rebel strongholds there have even been publc mass protests against the insurgents. Another effect, according to experts with the Armed Conflict Location and Event Data (ACLED) think tank, is to ethnicise the conflict as fighters define their role as the control of ever-shrinking local areas, rather than their contribution to the overall aims of the organisation. They then concentrate on the ethnicity of the people in that particular area.

On the other hand, the government forces operate brutal and indiscriminate policies, burning villages and houses, detaining without trial, summary execution, and rape and torture on a nationwide scale, confident there are no consequences.

President Biya entered his 93rd year on 13 February ailing, and with dwindling popularity, having manipulated several elections to stay in power. Yet he still has a firm grip on security forces, who can prevent the separatists gaining an advantage because they are divided and offer little credible alternative to the status quo. Against them, the government employs the latest counter-insurgency technology and techniques.

Cameroon's pre-eminent counter-terrorist unit, the *Brigade d'intervention Rapide* (BIR) is trained by **Israel**, with which Biya has long been a firm ally, having restored diplomatic relations in 1986. Divisions in the Anglophone movement are chronic. **Capo Daniel**, an ex-spokesman of the ADF, left the organisation shortly before Cho's arrest, calling for a ceasefire and peaceful negotiations with the majority Francophone-led government in Yaoundé.

The first leaders of the ADF were captured in 2019. The first 'president' of Ambazonia was Sisiku (Chief) **Julius Ayuk Tabe**, who led a faction opposed to the ADF and since 2022 rivals have claimed the leadership of 'interim governments' which remain unresolved, divided between supporters of peaceful change versus armed action, and within both wings.

Ayuk Tabe and nine close collaborators were rendered back to Cameroon from their base in Nigeria and sentenced to lengthy terms by a military court in 2019 accused of terrorism, treason and secession, although they are allowed to organise from inside prison as well as conduct interviews with media organisations. Prospects of an Anglophone secession have never been taken seriously, but English-speakers have long been discriminated against and taken as second-class citizens, from which this conflict originated (AC Vol 54 No 19).

PROVOCATIVE REPRESSION

In 2016 the Biya government embarked on measures that almost seemed designed to provoke a violent reaction, insisting court proceedings should be conducted in French, starving the English-language part of the education system of resources, and jailing prominent Anglophone clergy. It was frequently warned that such tactics could backfire (AC Vol 58 No 11).

The insurgency began with typical 'war of the flea' guerrilla tactics in 2017 as fighters ambushed government troops to capture weapons and attack ever-larger government units. The

WHO'S WHO IN AMBAZONIA

Sisiku Julius Ayuk Tabe

He remains an important figure despite being imprisoned in the notorious Kondengui prison since his conviction on terrorism charges in 2019, after the **United States**- and **British**-trained computer engineer was arrested in 2018 by **Nigerian** and **Cameroonian** Special Forces and flown to Cameroon's capital, Yaoundé. Following Tabe's imprisonment, thousands of people left the English-speaking regions, fearing an escalation in violence following the separatists' call for 'Ghost-Towns' to paralyse activities there. The economy and other activities in the Anglophone regions have since become stagnant.

Lucas Ayaba Cho

Hailing from the North-West region, Cho is the former Secretary-General of the Southern Cameroons Youth League (SCYL) and served as leader of Ambazonia Governing Council (AGovC).

Capo Daniel

In his forties, **Emmanuel Ngong** – better known by his pseudonym Capo Daniel – is an Ambazonian separatist and political activist from North-West Region. He served as member of the Ambazonia Governing Council and deputy commander of the Ambazonia Defence Forces (ADF) until 2023.

Capo Daniel was one of the most radical voices in the galaxy of English-speaking separatists, claiming the uncompromising armed struggle against the government forces in Yaounde. Now in exile in Europe the former spokesperson of the ADF has called for an end to hostilities since May 2023, no longer demanding independence, but regional autonomy for the two Anglophone regions.

He now calls 'on our forces to keep their weapons only for self-defence until negotiations with Yaoundé take place,' he said. ●

first signs of unrest were met with an intensification of the repression. The Interim Government of Ambazonia, the first incarnation of the separatist movement, split into several factions with no single strand dominating the others even now.

Conventional wisdom has it that the separatists are now isolated by their necessity to use gangster methods to raise funds, which diminish their support. Their operations have also been adversely affected by the decision of neighbouring countries, Nigeria especially, to prevent resupply from over the border, although this is still the main supply route. The government has taken some steps to isolate the extremist separatists by offering compromise to moderates but not as many as pundits believe are possible.

There have been high hopes for President Biya's 'Major National Dialogue' in September 2019, when minor grants of greater autonomy, provincial legislatures and other measures were proposed for the two main Anglophone provinces. But the compromise measures have little prospect of success while the population is trapped between fierce retribution against 'collaborators' on one side and scorched earth tactics against 'terrorism' on the other.

The National Commission for the Promotion of Bilingualism and Multiculturalism (NCPBM) of 2017 was intended to heal the historic breach between the language groups but seems to have had little effect.

The government continues to view the issue as a security problem, but more peaceful initiatives sometimes have an effect, such as a programme called Reconstruction and Development of the North West and South West Regions (PPRD-NW/SW), which was instituted to reconstruct devastated parts of those provinces, some in collaboration with international donors. Reports are ambivalent about the success of the initiatives, but Prime Minister **Joseph Dion Ngute** has attached his personal reputation to the programme's success.

Disunity has plagued Ambazonia militants, especially since new infighting broke out in September 2022 with rival groups killing each other's members. 'Rivalry among fighters has greatly weakened the separatists' struggle to create Ambazonia,' said Capo Daniel, the ADF representatives. 'The infighting between Ambazonia fighters has been a drawback in our liberation struggle. It has reduced enthusiasm from our citizens. We have seen tribalist groups interfering with the movement of forces of nationalist groups across areas where they control. Such incidents have led to bloodshed,' Daniel said.

About 750,000 people have fled the country into neighbouring Nigeria and French-speaking parts of Cameroon, according to the United Nations. Meanwhile, thousands of people suspected of supporting the revolt have been detained and many are awaiting trial and suffer torture and arbitrary execution.

The prospects for peace are not good. Violence is becoming more rooted in local areas, according to ACLED analysis, where the imperative for the rebel group leaders is territorial control, rather than adherence to national aims. This makes negotiation logistically difficult and when extreme violence is involved, politically impossible. Last year was the most violent year of the conflict so far. ●

LIBYA

Corruption and power struggles plague recovery plan

Published online 26 February

Militia leaders and their political allies continue to siphon oil revenues, overriding timid reform attempts

Oil production, the lifeblood of Libya's economy, is nearing 1.4 million barrels a day; a substantial hike but still 200,000 b/d below target. Political manoeuvring and rampant corruption in the industry are hindering a broader recovery, inflicting hardship on citizens across the country. Despite serial development plans and international trade agreements, the country's political institutions remain fractured between the misnamed Government of National Unity (GNU) in Tripoli and the House of Representatives in Benghazi and closed to outsiders (AC Vol 65 No 19 & Dispatches 3/9/2024).

The detention of **Fathi ben Zahia**, Chair of the Management Committee at Waha Oil Company, by the Libyan Attorney General's Office on several charges, including a 770m dinar (US$154m) contract fraud, suggested to some that the Tripoli government is beginning to address corruption in the oil industry. More sceptical voices claim the move was largely performative and politically convenient.

It's certainly good press for the Libyan National Oil Corporation's (NOC) temporary chair, **Masoud Suleiman**, who stepped into the position last January when the previous chair, **Farhat Bengdara**, resigned citing health issues. Some say he was pushed out (AC Vol 64 No 2 & Vol 63 No 16).

The arrest and subsequent investigation of Waha chairman Ben Zahia may lead to further scapegoating of Bengdara but could make Suleiman the frontrunner to become the NOC's permanent chair. Bengdara and Ben Zahia may not be squeaky clean, but they are far from being the top players in the Libya's oil-fired kleptocracy. Those posts are occupied by the militia leaders and their more discreet civilian allies in Tripolitania and Cyrenaica.

Libya's corruption index has worsened by five points, making it the eighth most corrupt country according to Berlin-based Transparency International. This places it behind **North Korea** and **Nicaragua**. Governance experts say the best measure is to compare Libya with itself: corruption has escalated over the past three years.

Following Ben Zahia's arrest, the head of the Oil Workers' Union, **Salem el Rumaih**, called for a thorough and transparent investigation. The union wants all the company's contracts to be scrutinised. It demanded on social media to join the committees reviewing these contracts and expenditures.

The union wants contracting policies in oil companies reviewed to boost financial accountability. And it demanded a stronger role called for the Audit Bureau and regulatory bodies to prevent future violation.

Rumaih and his union have also accused the clan loyal to General **Khalifa Haftar** in Benghazi of trying to lock down the oil sector, claiming they had stolen over 30% of oil production. The union called on the Oil Crescent Movement to organise protests, but none have materialised yet.

The oil fields and their security are overseen by rival militia leaders, stretching along the coastline from the western borders to Benghazi in the east. With few oil refineries, crude oil remains the country's major export. The NOC boasts that it boosted production to 1.4m b/d. But industry sources say most of this is due to the reopening of the Sharara oil field, one of the largest in the country.

UNPAID SALARIES

Libya's finances hit a new crisis point in November when salaries were delayed for 2.3m public sector workers due to pauses in dollar transfers from the NOC to the Libyan Central Bank. The Libyan Audit Bureau has found that government's fuel subsidy programme costs $7 billion a year, the second biggest in Africa after **Nigeria**, but the revenue recouped from the oil sales to the public amounted to less than $100m a year. And this extravagant subsidy system fails to prevent frequent fuel shortages around the country.

After the detention of the chair of the Waha oil company, we hear that **Musab el Zubaida**, Chair of Akakus (operating the Sharara oil field), has submitted his resignation. Resignations are rare in Libya; they usually follow a shove.

Board member **Ahmed el Hassi**, who oversees engineering projects, IT and communications, has been suggested as a suitable successor. Zubaida's planned exit follows the NOC's praise for Akakus's record production in January after protestors, partially shut down production in August with the claimed support of Haftar's Libyan National Army.

Zubaida's appointment in his forties to such a senior position was met with scepticism. He is close to Tripolitanian militia heavyweight **Abdel Ghani el Kikli** (aka **Ghneiwa**), head of Tripoli's largest militia, the Support and Stability Apparatus (SSA), recognised by the Tripoli government. To burnish its political credentials and with no sense of irony, the SSA organised a scientific conference entitled 'Anti-Corruption to Strengthen Stability' in November.

This model, where militia leaders place 'their men' at the top, can facilitate the distribution of the company's wealth through preferential contracts or salaries by hiring 'their people'.

Libya is struggling to meet its production target of 1.6m b/d which is also the quota assigned by the Organization of the Petroleum Exporting Countries. But the NOC continues to insist the country is on track to raise output to 2m b/d. On paper, this could depress oil prices in the region. Yet the OPEC Secretary General, **Haitham al Ghais** says that should Libya reach 2m b/d, by 2028, it wouldn't pose a problem.

Corruption still hampers higher output. Industry leaders are mulling plans for new technology but there is little incentive to invest in oil extraction. With hefty profits siphoned off by militia leaders and their political cyphers, there is little cash for infrastructure repairs and maintenance, let alone ramping up production. Foreign companies say they can manage the corruption unless a new civil war breaks out. But they see little incentive for serious investment in a territory with the biggest oil reserves in Africa. ●

KENYA/SUDAN/UAE

Hemeti struggles to launch in Nairobi, again

Published online 21 February

As its ties strengthen with the United Arab Emirates, President Ruto's government is helping Sudan's RSF militia

Kenyan diplomats and the Sudan Armed Forces (SAF) under General **Abdel Fattah al Burhan** have waded into a new diplomatic row over plans by his rival General **Mohamed Hamdan Dagalo 'Hemeti'** and the Rapid Support Forces (RSF) to use Nairobi as base to launch a parallel government in Sudan (AC Vol 66 No 4).

Hemeti's plans, bankrolled by his business partners and top officials in United Arab Emirates, have raised fears that Sudan will be partitioned after almost two years of devastating war. Under such a scheme, the RSF would control the lion's share of Sudan's gold production, most of which is being flown to Dubai.

The growing influence of Islamists, including loyalists to the National Islamic Front/National Congress Party regime ousted in 2019, on the SAF has sounded alarm bells with UAE President **Mohammed bin Zayed al Nahayan** (MBZ) who sees groups linked to *Al Ikhwan al Muslimun* (Muslim Brothers) as an existential threat to the region. Gen Burhan's attempts to distance himself from NIF/NCP and Islamist militants have failed to convince

Sudanese activists and diplomats.

With the full permission of President **William Ruto's** government, the RSF and allied civilian groups landed in Nairobi on 17 February. Led by Hemeti's brother, RSF deputy commander **Abdel Rahim Hamdan Dagalo**, they organised meetings at the Kenyatta International Convention Centre in Nairobi, briefing officials and journalists about their plans for a 'government of peace' and unity, as well as a secular constitution'.

Invitations were sent out purporting to come from the Sudan Founding Alliance, to attend press conferences on 19 and 20 February: the word was that the RSF would announce the formation of a provisional government in the west of Sudan.

But Abdel Rahim's message has been confused. Some RSF sources claim they want to open a dialogue with the SAF to work out a roadmap for the country's future. The thwarted arrangements and conflicting messages repeat an attempt this month to organise a press conference in Nairobi. Then the RSF brought together about 100 journalists and diplomats at the Radisson Blu hotel in Upper Hill, then abruptly cancelled it. The shut down was ordered by Kenyan officials following pressure from **United States** President **Joe Biden's** administration (AC Vol 66 No 2). It seems the RSF calculates that the new US administration under President **Donald Trump** is unconcerned about its operations.

Kenya had no ulterior motives in hosting the RSF, insisted foreign minister **Musalia Mudavadi** on Wednesday. 'The RSF's and Sudanese civilian groups' tabling of a roadmap and proposed leadership in Nairobi is compatible with Kenya's role in peace negotiation,' said Mudavadi.

But the SAF's Gen Burhan, railed against Kenya's actions as 'tantamount to an act of hostility,' and recalled its ambassador from Nairobi. SAF officials say Kenya has confirmed that Hemeti has 'unrestricted access' to senior officials in President William Ruto's government.

Thanking Kenya for hosting them, RSF officials announced on 18 February that they 'have now developed a draft constitution, supported by all stakeholders, which outlines a transitional government for Sudan'.

Mudavadi pointed out that the Sudanese armed groups and civil movements have previously met in Juba, as well as Addis Ababa. Nairobi has also been the hub for regional dissidents. The *Alliance Fleuve Congo*, the civilian wing of the **Rwandan**-backed M23 militia **Congo-Kinshasa**, was launched by its leader **Corneille Nangaa** in Nairobi in 2023, infuriating Congo-Kinshasa's President **Félix Tshisekedi**.

South Sudan's transitional government has held mediation talks with opposition groupings in Nairobi for years. But these were suspended for a month by Ruto on on 20 February (AC Vol 65 No 18).

For now, it's unclear why the Ruto government has decided to pick sides so openly in Sudan's fratricidal war. The most obvious explanation is pressure from the UAE to accommodate Hemeti and his militia. In return, Ruto is trying to finalise a US$1.5 billion loan with the UAE and raise more finance to extend Kenya's Standard Gauge Railway, which **China** will no longer support (Dispatches 21/1/25). ●

KENYA/UNITED STATES

Why Washington's aid freeze could cost tens of thousands of lives and livelihoods

3 March

Almost 40,000 people working on HIV-AIDS prevention have been put on unpaid leave and free drugs treatment stopped

The follow-on effects of the United States' foreign aid freeze are set to include patients with HIV/AIDs and tuberculosis in Kenya. Those patients will now have to pay for their drugs under the Kenyan government's new rules.

Kenya's new Social Health Authority has classified conditions such as HIV-AIDS and tuberculosis as 'pandemic' rather than 'chronic'. That means that patients with them do not get full health insurance coverage.

The move is a cost-cutting measure which officials say has been driven by US President **Donald Trump's** suspension of foreign aid (Dispatches 28/1/25) for an initial 90 days but could morph into a permanent shutdown. Kenya received US$850 million in aid from the US, with almost half that amount going to on critical health programmes.

Tens of thousands of Kenyan and foreign aid workers have been put on unpaid leave – pending news from Washington DC. Although the US Trump administration signed a waiver allowing for 'urgent life-saving HIV treatment services' under the US President's Emergency Plan for AIDS Relief, or PEPFAR, to continue, several African countries have had delays with re-starting treatment programmes that had been shut down. About 4,000 workers on HIV-AIDS prevention projects have restarted work but another 35,000 are still on enforced leave.

More broadly, the 90-day freeze on almost all US aid imposed on 20 January by Trump's executive order has left healthcare systems across Africa trying to bridge vast funding gaps.

Kenya's Health Principal Secretary **Harry Kimtai** told the National Assembly in Nairobi at a hearing on 19 February that the government faces losses of Ksh30.9 billion ($220m) for healthcare because of the US aid freeze.

Kenya's healthcare system was already facing multiple crises after the botched transfer of responsibilities from the now defunct national health insurance fund to the SHA. That had triggered a row between the government and insurance firms on liabilities, leaving thousands of patients out of pocket (AC Vol 65 No 22).

The Ministry of Health estimates that 1.3m Kenyans are living with HIV. The ministry has also forecast that if HIV/AIDS drugs are not available for free the infection rate will increase by as much as 60,000 per year, and it could also mean more than 23,000 deaths from TB annually. Most of the victims will have HIV/AIDS.

Kimtai has stated that the government is looking to find alternative donor funding for malaria and TB programmes and will invest in domestic pharmaceutical production, though the latter is a long-term project, and it involves difficult intellectual property negotiations with the leading international drug companies.

ETHIOPIA/SOMALIA

Abiy and Hassan Sheikh turn down the rancour

3 March

The face-to-face meeting in the Somali capital follows mediation in Turkey in December

When Ethiopia's Prime Minister **Abiy Ahmed** was greeted on the tarmac at Mogadishu airport by President **Hassan Sheikh Mohamud** on 27 February, hopes were raised of a normalisation of relations after the two leaders fell out a year ago over the status of Somaliland. The streets of Mogadishu were festooned with banners depicting Abiy against the background of the Ethiopian flag.

After spending most of 2024 in dispute over Abiy's Memorandum of Understanding with Somaliland, offering it diplomatic recognition in exchange for a port in the Gulf of Aden, Abiy and Hassan Sheikh agreed to resolve the dispute at a summit mediated by **Turkey** in December (Dispatches 17/12/24).

The talks in Mogadishu were the first round of 'technical discussions' aiming at agreeing on commercial arrangements to give Ethiopia 'reliable, secure and sustainable access to and from the sea.'

In another sign of warmer relations between Addis Ababa and Mogadishu, Ethiopia is to provide 2,500 troops in the new African Union Support and Stabilisation Mission in Somalia (AUSSOM) tasked with combatting Islamic insurgents in Somalia. Prior to the December rapprochement, Hassan Sheikh's government had insisted that Ethiopian armed forces would not be welcome (Dispatches 12/11/24).

The main loser here is likely to be **Burundi**, whose troops are set to leave Somalia following a disagreement on the size of its deployment. The missions, mainly financed by western governments, have been a major source of foreign exchange for Burundi (Dispatches 7/1/25).

The deployment includes soldiers, police and civilian support staff, according to Somali and AU officials. Under an agreement struck by diplomats last week, the remainder of the 11,900 strong AUSSOM force will be comprised of 4,500 soldiers from **Uganda**, 1,520 from **Djibouti**, 1,410 from Kenya and 1,091 from **Egypt**, according to African Union officials.

SENEGAL

Could the Diomaye Faye-Sonko government win a historic peace in Casamance?

3 March

Settling the four-decade conflict in the south of the country would boost confidence in the government after nearly a year in power

A peace agreement brokered by **Guinea-Bissau's** President **Umaro Sissoco Embalo** should move Senegal closer to ending Africa's longest-running separatist conflict despite one of the main rebel groups not being party to the deal.

The agreement with the *Mouvement des Forces Démocratiques de Casamance* (MFDC), which has fought a mostly low-level independence war for the southern region of Casamance, which borders **Gambia**, has lasted over 40 years. The separatists' cause was primarily driven by ethnic grievances and the economic neglect of Casamance by successive governments in Dakar.

Much of the de-escalation of the conflict was achieved during **Macky Sall's** presidency, who promised investment in Casamance and decentralised some administrative powers (AC Vol 56 No 15). Those measures, and a series of counter insurgency operations by the Senegalese army in 2021 and 2022 led to a partial peace deal in May 2023 with the MFDC faction led by **Caesar Badiatte**, which saw several hundred MFDC fighters lay down their arms.

The peace deal is a particular boon for Prime Minister **Ousmane Sonko**, who was mayor of Ziguinchor, the main city in Casamance, before his friend and protégé **Bassirou Diomaye Faye** was elected president last year.

Sonko has frequently played on his family roots in Casamance, and the region swung behind his and Faye's *Patriotes africains du Sénégal pour le travail, l'éthique et la fraternité* (Pastef) party last year, helping propel them to victory in presidential and parliamentary polls (AC Vol 65 No 7).

Still outside the agreement is the *Front Nord* faction led by **Salif Sadio**, but his forces have been much diminished and number less than a hundred fighters (AC Vol 62 No 4).

CONGO-KINSHASA

Tshisekedi inks lobbying deal to bag minerals deal with Trump

25 February

Kinshasa enlists Washington advisors to gain US support for military and diplomatic engagement as M23 escalates war in eastern Congo

President **Félix Tshisekedi** is offering the **United States** access to Congo-Kinshasa's critical minerals as a bargaining chip to get Washington's support to force out M23 and **Rwanda** from eastern Congo-Kinshasa.

Kinshasa has hired US lobbyists on a year-long contract worth US$1.4 million with a mandate to deliver 'strategic engagements to advance defense security and critical mineral diplomacy with the United States government', according to a filing on 20 February under the Foreign Agents Registration Act.

The contract is with **Aaron Poynton**, a US businessman who was tasked by Kinshasa last June with organising a roundtable for US and Congolese business and political leaders (Dispatches 19/6/24).

Tshisekedi's government had increased its engagement in Washington prior to **Donald Trump's** election in November. Last April, state mining company Gécamines signed a one-year contract worth $925,000 with Mercury, a K Street lobby shop in Washington DC (AC Vol 65 No 10).

But Trump has made it clear – particularly in his demand that **Ukraine** sign an agreement granting the US access to a purported $500 billion in rare earths as part of a peace deal to end **Russia's** invasion – that he will be overtly transactional.

Access to minerals has been one of the side stories of M23's incursions in the Kivus. A United Nations expert report found that minerals were being smuggled from M23-controlled sites into Rwanda and then sold.

Tshisekedi has described the European Union's cash-for-minerals deal with Rwanda as 'an absolute scandal,' and accused Brussels of being 'complicit in the theft and looting of

Congo'. In an interview with the *New York Times* on 24 February, Tshisekedi claimed that the Trump administration has already shown interest in a strategic minerals deal.

Such a prospect could attract more US funding for the $6bn Lobito corridor project linking Angola's biggest port with the copper mines in **Zambia**, and eventually Congo-K.

Backers of the schemes had been concerned that the new US administration would be reluctant to back Lobito as it had become emblematic of ex-President **Joe Biden's** Africa strategy. Until now it was unclear how US companies would be able to use Lobito to gain more access to Congo-K's critical minerals.

UNITED STATES/AFRICA

AGOA no longer?

25 February

Washington has shifted focus, leaving 33 African states uncertain about future trade prospects but creating an opportunity for China

The African Growth and Opportunity Act (AGOA), which offers tariff and quota-free United States trade for 33 African states, looks set to follow the United States Agency for International Development (USAID) into the dustbin of history.

Many Republicans had argued that AGOA should be retained to provide African states with a reliable trade alternative to **China**. Last September, China announced that it would offer preferential trade terms to all low-income African countries.

Ahead of November's US general elections, there was a broad bipartisan majority in Congress for AGOA to be extended ahead of its expiry in September. Some analysts expected that countries like **Uganda**, which lost their AGOA access during **Joe Biden's** presidency after the passing of an anti-homosexuality law, would regain access (Dispatches 16/4/24). However, four Republican Congressmen have called for **South Africa** to lose AGOA access, citing its new expropriation of land bill (AC Vol 66 No 1).

President **Donald Trump's** 'America First Trade Policy' executive order, issued on 20 January, just hours after he took office, tasked the US Trade Representative, the Treasury department, and the Commerce department with reviewing all US trade deals by 1 April.

Although Trump has promised to impose tariffs on the BRICS group, which now includes **Egypt** and **Ethiopia** along with South Africa, African states are not his main priority in a trade war that has seen him either impose, or threaten to impose, tariffs on **Canada**, **Mexico**, China and the European Union.

While AGOA is largely an exercise in goodwill – the US$9.7 billion worth of imports to the US in 2023 under AGOA is a tiny percentage of the $3.9 trillion of global US imports – the dismantling of USAID has left many African states facing budget shortfalls, particularly in education and health. This suggests to many African governments that Trump is not interested in soft power or traditional diplomacy (Dispatches 28/1/25).

RWANDA/EU

Suspending defence cash, Brussels edges towards sanctions

25 February

Under growing pressure, European foreign ministers review Kigali's minerals agreement

The European Union moved closer to sanctioning Rwanda on 24 February after the bloc's foreign ministers agreed to suspend defence cooperation with Kigali and put the controversial agreement on minerals access 'under review'.

The EU, particularly the European Commission, has faced criticism from several member states and civil society groups for its reluctance to impose sanctions on Rwanda, following the capture of Goma and Bukavu in Kivu-Nord and Kivu-Sud in **Congo-Kinshasa** by the M23 militia group and the Rwandan army (AC Vol 66 No 4). Many have concluded that President **Paul Kagame's** status as a valuable EU ally on development, minerals access and regional peacekeeping is the main reason for the reticence.

Suspending military cooperation could mean Rwanda losing €20 million a month in funding for a peacekeeping mission in Cabo Delgado, which the EU has funded for several years. However, it is development aid and the mineral agreement that would hurt the most.

Days after the Commission said that suspending the minerals deal could be 'self-defeating', the European Parliament agreed a strongly worded resolution demanding the suspension of aid and the minerals pact.

Rwanda received around US$1 billion in donor aid last year, with **Germany** and **Belgium** already having suspended their contributions. Meanwhile, the minerals agreement is worth up to €750m in EU investment to improve traceability and mining sustainability in exchange for access to minerals such as tin, tungsten and gold (AC Vol 66 No 3).

Most EU governments are in favour of suspending the Memorandum of Understanding, but diplomats say that the EU Commission is deeply divided. Improving access to critical minerals needed to power the EU's 'green transition' is one of the Commission's main priorities. Ministers have discussed which procedures they could use to compel the Commission to suspend the minerals agreement.

As *Africa Confidential* went to press, the EU had not added individuals to its sanctions list. Last week, the **United States** Treasury sanctioned Rwanda's minister for regional integration, **James Kabarebe**, under its Global Magnitsky Act. Kabarebe 'orchestrated' the Rwandan army's support for M23 and was responsible for managing Rwanda and M23's generation of revenue from the Congo-Kinshasa's mineral resources, said the US Treasury. ●

POINTERS

Kenya

THE ANTI-RUTO ALLIANCE

Rarely do rival politicians celebrate new competition. Yet the launch of the People's Liberation Party (PLP), the new party led by **Martha Karua** – **Raila Odinga's** running mate in the 2022 presidential elections – brought together the great and the good of Kenya's opposition (Dispatches 16/5/22).

Karua remains a respected figure and has expressed her desire to run for president in 2027. That seems far-fetched given the competition within her own party. And she is rebranding a party that failed to win a single National Assembly seat in the 2022 elections.

Karua is a member of the Anyone But Ruto (ABR) party, whose leaders, with the exception of former Interior Cabinet Secretary, **Fred Matiang'i**, were all in attendance at the PLP launch in Nairobi on 27 February.

These include former Deputy President **Rigathi Gachagua**, Wiper party leader **Kalonzo Musyoka** and Democratic Action Party of Kenya leader, **Eugene Wamalwa**. They have appointed Karua as the convener of the group. All the ABR kingpins want to run for president in 2027 but say they will put aside their own ambitions to back one candidate to take on Ruto in 2027.

Matiang'i, who was represented at the PLP event, has the support of the Jubilee Party, founded by former President **Uhuru Kenyatta** and Ruto, but which was reduced to a mere 28 National Assembly seats in 2022. The two big and potentially decisive questions facing the ABR movement are whether they can co-opt the main players in the Generation Z protest movement which proved so successful in mobilising public support, organising and raising money last June, and whether Orange Democratic Movement leader Odinga will join them.

Liberia

RICE AND RACKETEERING

President **Joseph Boakai** continues to splash the cash on lobbyists in Washington, DC. But this time he has agreed to pay more than US$500,000 to a former **United States** lawmaker convicted of corruption. Boakai's government already has BGR Group, an established pro-Republican firm which has secured a series of new contracts with foreign governments since President **Donald Trump's** election last November, on retainer for $210,000 a year (AC Vol 66 No 3).

Its new agreement with Blackwood International Strategic Advisors focuses on securing US investment for its rice sector. According to the contract filed under the US State Department's Foreign Agents Registration Act, Blackwood's consulting and strategic advisory services will be 'designed to help strengthen Liberia's strategic ties with the United States, advise on reforming the rice import and distribution sector, and assist in securing foreign aid and technical collaborations'.

The Boakai government has sought to ramp up rice production in a bid to increase self-sufficiency and has secured funding from **France** and the European Investment Bank.

The contract between Blackwood and President Boakai's Delivery Unit, will be overseen by **Varfin Donzo**, the head of the PDU and is worth $540,000 a year for two years. One of Blackwood's co-principals is **Chaka Fattah**, who has been tasked by Liberia to advise on a 'plan to legislatively enhance Liberia's access to rice via the Food for Progress Public Law'.

A former Philadelphia Congressman for the Democratic Party, Fattah's political career ended when he was indicted and convicted on 23 counts of racketeering, fraud, and other corruption charges in 2016. He served three years of a 10-year prison sentence and was released in 2020.

TUGGAR DRIVES NIGERIA'S STRATEGIC AUTONOMY

The appointment of **Yusuf Maitama Tuggar** as President **Bola Tinubu's** Foreign Minister in May 2023 was one of the more imaginative cabinet choices (AC Vol 64 No 16). A former journalist and ambassador to **Germany**, Tuggar's priority is to rebuild Nigeria's fraying relations across the continent.

His first regional test was leading the Economic Community of West African States (Ecowas) – currently chaired by Tinubu – in persuading the juntas in **Niger**, **Burkina Faso** and **Mali** to commit to a return to civil rule. The Ecowas strategy hasn't worked and the three juntas formally quit Ecowas last year. The stand-off continues but Ecowas has softened its stance, and officials in its Abuja headquarters believe time is on their side.

Tuggar is in high demand on the international circuit: a keynote speaker at a conference on the Sahel at **Britain's** Wilton Park on 3 March and then at London's Chatham House the following day. In an essay published on 7 January, 'Foreign Policy and the Path to Peace in a Dangerous Neighbourhood', he added a fifth component – strategic autonomy – to the four cornerstone principles of Nigerian foreign policy: democracy, development, demography, and diaspora. The term is by no means new. Others, such as the European Union, have talked of promoting their defence, automotive and technology industries as part of pursuing their own form of 'strategic autonomy'. In the essay, Tuggar insisted that 'those who suggest Nigeria does not have a foreign policy or those who agitate for a shift away from an afro-centric policy are wrong; either ... ill-informed, or deliberately disingenuous'.

At the Council on Foreign Relations in New York at the fringes of the UN General Assembly last September, Tuggsr conceded there has been a 'failure on our part to explain Nigeria to other countries'. This signals a broader engagement in foreign policy by Abuja and a more plurilateral approach to foreign relations, marking a shift in Nigeria's long-standing stance of non-alignment. It was one of the few African countries to condemn outright **Russia's** invasion of **Ukraine** in 2022.

And Tinubu's close ties with **France**, including a state visit to Paris last November, may be part of Tuggar's 'strategic autonomy' doctrine but also has regional implications. The strengthening of Paris-Abuja ties has further antagonised Niger, whose leader General **Abdourahamane Tiani** has accused France of paying Nigeria to set up terrorist centres in border states (Dispatches 31/12/24).

At the same time, Tuggar and Nigeria's mission to the UN led the campaign to get the western-dominated Organisation of Economic Cooperation and Development (OECD) to cede control over negotiations to reform international tax rules to the UN General Assembly (AC Vol 66 No 2). On 4 March Tuggar told *Africa Confidential* that the latest challenges to the multilateral system would complicate efforts for stronger tax regimes and a crackdown on the more than US$100 billion a year illicit financial flows and transfer pricing schemes.

Having served as ambassador in Berlin for six years, the Foreign Ministry is Tuggar's first ministerial post. A significant diplomatic achievement in Germany was securing the repatriation of 22 of the Benin bronzes to Nigeria. His ministerial team was strengthened in October by the appointment of former ambassador to **Spain**, **Bianca Ojukwu**, another respected diplomat, as Minister of State Foreign Affairs Minister (AC Vol 65 No 22). ●