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Everything is risky

President Kagame prepares for national elections while his exiled military opponents regroup in Congo-Kinshasa

'In our situation everything we do is risky...' General **Paul Kagame** told *Africa Confidential* on 9 December in Kigali as he explained plans to open up the country's politics ahead of national multi-party elections due in 2003. 'We inherited a very complex situation, we cannot hope for soft solutions.' Kagame's hard solution is to pack dozens of political and social reforms into two hectic years. His proclaimed reforms point to a national unity approach of the kind adopted by **South Africa**'s African National Congress and outgoing National Party in 1990: a power-sharing government liberalising Rwanda's authoritarian politics and writing a new constitution in the run-up to free elections. It is no coincidence that South Africa is the Kigali government's strongest African supporter.

Reality on the ground is different. Political currents are now a *mélange* of the options suggested by the **Ugandan** political scientist **Mahmood Mamdani**.* 1. **Israeli** strategy: to create a separate political community of Tutsi (some 14 per cent of Rwandans) beside another of Hutu. 2. **Zanzibar** strategy: to merge with a larger state and dissolve the two competing political identities (Arab and African in **Tanzania**; Hutu and Tutsi in Rwanda). 3. **South African** strategy: to attempt to forge an identity that transcends ethnic identity.

The overarching theme is the government's attempt to balance political liberalisation with the security imperative. On the face of it, the South African strategy is the only one that offers Kagame's *Front Patriotique Rwandais* much realistic chance of success and the country much chance of peace. However, the South African idea of negotiating with the most murderous of political opponents – and even offering them amnesty and forgiveness in exchange for a full confession – is unlikely to take root in post-genocide Rwanda.

Men in pink

The reform schedule started with 'no-party' local elections in March when most candidates close to the FPR triumphed. Then in October, almost 200,000 judges were elected to the *gacaca* (people's courts) to try the cases of more than 120,000 genocide suspects in gaol. Senior officials expect well over 60,000 suspects to be released or given short terms of community service. Already 'men in pink' (the uniform of those on community service) are common sights in Kigali and Butare.

The *gacaca* trials, according to the Chairwoman of the Unity and Reconciliation Commission, **Aloisea Inyumba**, will speed the return of exiles from **Congo-Kinshasa**. More than 70,000 have returned voluntarily to Rwanda and optimistic officials expect numbers to grow. The Kagame government is also launching a national programme to reform land tenure and education – critical issues when viewed through Rwanda's ethnic prism. Already, examination results in the north-west province of Gisenyi have received a sharp boost from the return from exile of many teachers, Inyumba said.

Most compelling politically will be government efforts to decentralise power and negotiate a new national constitution and rules for national elections in 2003 – all at the same time. The government sees this year's local elections as a major step towards political devolution; its opponents call them a cynical exercise in identifying grassroots cadres who would be reliable allies of the FPR. They argue that the FPR wants to entrench its power in rural localities before it's prepared to risk competitive parliamentary and presidential elections.

The two views are not totally contradictory. The government is serious about decentralisation – it has little choice. Ideologically, it sees the centralised monopoly of power – under colonial and Hutu regimes – as a root cause of the 1994 genocide. Kagame's problem is how to control the decentralisation of power. He told *Africa Confidential* that he would advocate keeping political parties out of local government; that the focus should be on the best way to deliver social and economic goods rather than setting up competing party cadres. Of course, this suits the FPR but it also suits some donor governments and the World Bank. 'If Kagame produces stable and accountable local government, then few will quibble about the lack of ideological debate', said one official.

At provincial and national government levels, Kagame and the FPR concedes that political party

Donor diplomacy

Donors heaped praise on Finance Minister **Donald Kaberuka's** Poverty Reduction Strategy Paper launched in Kigali late last month. The PRSP has to be designed and implemented before Rwanda qualifies for relief in the Heavily Indebted Poor Countries (HIPC) scheme. One donor official judged Kaberuka's plan as the best from any developing country so far.

PRSP Director **Vincent Karega** was much praised for ensuring that as many Rwandans as possible were consulted in the programme's design. Nevertheless, donors have so far balked at the US\$250 million price tag which Kaberuka attached to the programme. The International Monetary Fund, about to open negotiations with Kigali for a new three-year Poverty Reduction and Growth Facility, worries about a widening of the budget deficit in 2002. Under the previous agreement, the deficit was meant to go down; Kaberuka insists that high spending is exceptional and unavoidable.

His appetite for fresh borrowing also troubles the IMF, which doesn't want the current ratio between grants and loans to change much. Kaberuka says the Fund appears to want to discourage HIPC countries from borrowing from the World Bank. So the negotiations promise to be difficult. Yet Rwanda's macro-economic performance is strong enough - gross domestic product has grown by about 6 per cent this year - to ensure a deal next year.

Kigali's relations with the World Bank are good but bilateral relations are more problematic: at the donors' meeting in Kigali last month, **Belgium, France and Germany** sharply criticised Rwandan troops in **Congo-Kinshasa** (AC Vol 42 No 24). Rwanda's largest bilateral donor, **Britain**, along with **Sweden** and the European Commission, remain largely supportive though there's growing concern in the Swedish, UK and European parliaments about Rwanda's Congo operations. The latest report from the British All-Party Parliamentary Group on the Great Lakes breaks with the Foreign and Commonwealth Office line and doubts

Rwanda's security justification for its Congo activities. Despite this, the just started negotiations between Kigali and Britain's Department for International Development are likely to yield another substantial aid package in 2002-03.

Creative accounting by Kigali's ministries of Defence and Finance ensures that recorded military spending remains under 5 per cent of GDP. Unless they discover a massive discrepancy, donors have little leverage on this issue for now. However, last month's United Nations' report on resource exploitation in Congo-K calls for sanctions on several commodities and gives donors evidence to pressure all the belligerents in this multi-sided war. The report's call for further restrictions on trade between eastern Congo and its neighbours - business in the region has almost collapsed after a decade of war - looks problematic.

A favourite of journalists and UN investigators, colombo-tantalite (coltan) was Rwanda's main export earner this year, earning some \$44 mn. Kigali insists this all comes from domestic production; others say as much as half really comes from eastern Congo. The story won't be repeated in 2002; prices have plummeted since July, mainly due to increased production in **Australia** and **Canada**. Traders in Bukavu currently sell coltan for around \$8 a pound, compared to \$80/lb in late 2000.

So tea and coffee will be Rwanda's export mainstays in 2002. Long-term prices for both look dismal but the development of non-traditional export earnings is some way off. Rwanda will need to meet its financing gap for some years ahead. Maintaining donor goodwill needs progress in helping to implement the Lusaka peace accord in the Congo. Much more than Kigali would like, its financial flows will be tied to the tortuous negotiations between Congo's fractious political groupings, due to restart in January 2002 in **South Africa**.

competition will reign. But how freely? Critics such as the International Crisis Group** charge that political pluralism is being swamped by the government's 'consensual democracy', in which all competing parties must pledge allegiance to the tenets of national unity and reconciliation. Behind that imperative lies the FPR's unchallenged control of the military and security apparatus.

An early challenge to consensual democracy was former President **Pasteur Bizimungu's** attempts earlier this year to organise his own *Parti Démocratique pour le Renouveau*, which met official disapprobation for being an ethnic (pro-Hutu) party. Bizimungu's case shows the ambiguities along the road to liberalisation. Officials deny he is under house arrest as we reported earlier this year. One foreign journalist interviewed Bizimungu in his house this month without official interference; another journalist found his way blocked by local police.

Bizimungu's politics seem ambivalent; he is a Hutu married to a Tutsi and had campaigned hard for the rights of genocide survivors. He told the Paris weekly *Jeune Afrique* in April that restricting political rights in Rwanda again could provoke an explosion. Depending on your stance, that was either a warning or a threat. Government officials, who note Bizimungu's frequent appearances at social events since his resignation from the presidency, see it as a challenge.

An analytical gulf separates Bizimungu and Kagame. The FPR's starting point is that political pluralism is impossible without a consensus on national unity and the banning of ethnic politics. Kagame insists the real debate must be about how Rwandans are ruled, not who rules them. For the FPR's intellectuals, an ideological argument about which policies can best cut poverty is the nub of politics. For the more than 90 per cent of Rwandans who are poor smallholder farmers, though, simplistic ethnic arguments about who, rather than what, is to blame for their grinding poverty have a tragic appeal.

Breaking that political mould and getting information to rural

people, of whom over 60 per cent are illiterate, is the challenge facing the FPR. Critics arguing for untrammelled political competition in Rwanda will be disappointed. For now, the issue is whether the Kagame government is taking enough steps towards political liberalisation for Rwandans to take its talk of democracy seriously.

So far the answer is, 'yes'. The government is moving forwards not backwards but the progress is halting and dependent on the security situation outside. If the *Armée de Libération du Rwanda* (Alir), which includes perpetrators of the genocide and their allies, tries to invade the north-west from its Congo bases again, it could reverse much of the political progress made.

Next year's political agenda looks improbably ambitious, more so because Kigali's war against genocide isn't over. The groups that planned and sponsored the mass killing in 1994 still operate across the border in Congo - either as adjuncts to Kinshasa's own *Forces Armées Congolaises* or in Alir. Kagame's regime was boosted by the **United States'** naming of Alir and the **Burundian** rebel militias - the *Forces pour le Défense de la Démocratie* - as terrorist organisations. That helps Kigali's operations in Congo against Alir and its allies, after a year in which Kigali has come under growing attack.

Much sympathy for Rwanda since the 1994 genocide has evaporated. In the region, most countries regard Kigali as a key player behind the Congo war, more interested in political aggrandisement and mineral looting than in securing its borders. It is now at odds with - and risks war with - its former close ally, **Uganda** (AC Vol 42 No 23). South Africa's Foreign Minister **Nkosazana Dlamini-Zuma** has made it her ethical mission to back the Kigali regime's strategy as Pretoria sends peacekeeping troops to Burundi (AC Vol 42 No 23). How far Kigali is able to rebuild its African alliances will depend critically on the success of its new political opening.

* *When victims become killers* by Mahmood Mamdani (James Currey, 2001).

** *Consensual democracy in post-genocide Rwanda* (ICG, Brussels, October 2001).

GHANA

No shine on gold

Tough times and free markets are an uneasy match for Kufuor

On winning the election a year ago, President **John Kufuor** promised Ghana a 'golden age of business.' His commitment to market economics is being sorely tested. **Jerry John Rawlings**, the outgoing President, paid lip-service to the private sector during his 19-year rule but bequeathed a bad hand to Kufuor. **Yaw Osafo Maafo**, the Finance Minister, and **Kwesi Nduom**, the Planning Minister, have spent most of the year fighting fires lit by the previous government. Audits of public institutions and enterprises still throw up nasty surprises. The state-owned Tema Oil Refinery added nearly US\$300 million to domestic debt in 2000.

The Rawlings era ended with the economy at its lowest for a decade, brought down by dire terms of trade and *fin de régime* mismanagement. By the end of 2000, the budget deficit was running at a record 8.5 per cent of gross domestic product. Growth had slumped to 1 per cent, inflation was running above 40 per cent and the value of the cedi fell by nearly 50 per cent against the dollar. International reserves were

enough to cover only seven months' imports.

Kufuor's team quickly converted short-term domestic loans, which had doubled to \$1.25 billion in Rawlings's last six months, to medium-term ones. Next month, Ghana is set to win debt relief under the Heavily Indebted Poor Countries initiative, saving some \$170 mn. per year on its current \$6 bn. external debt. Yet world prices for the main commodity exports, cocoa and gold, remain doggedly low. Foreign investment has fallen to a trickle since the mining boom of the mid-1990s. Many private firms are saddled with heavy foreign exchange losses from the collapse of the cedi, creating debts that, along with interest rates still close to 40 per cent, deter local and foreign investors.

The government has stabilised the cedi, cut inflation to about 27 per cent and stemmed the haemorrhage of public finances. Yet even after huge, unpopular increases in electricity and fuel prices, it won't hit its modest target of 4 per cent growth this year. Business leaders want the government to do more than follow International Monetary Fund and World Bank recovery programmes. They are afraid that severe fiscal constraints, imposed by the inherited balance-of-payments crisis, could tip the country further into decline, raising social tension and undermining democratic gains.

Next year's HIPC agreement should trigger more aid. Some business people fear, however, that the government may get bogged down in 'well-meaning inertia'. In the next few weeks, Kufuor's handling of the state's 'golden share' in the mining giant Ashanti Goldfields will test his commitment to market-oriented policies. The market regards the

Going private against the grain

Ghana's privatisation efforts have so far done little more than cut the public payroll. State assets were often sold at cut price to politically connected companies operating under few regulatory constraints. Public services stayed bad or got worse.

Communications Minister **Felix Owusu-Agyapong** this month ended an exclusive technical and consultancy agreement with *Telekom Malaysia* (TM, AC Vol 42 No 11), which in 1996 paid US\$38 million for 30 per cent of Ghana Telecom, giving it a near-monopoly in fixed telephone lines. GT's much smaller rival Westel, jointly owned by Western Wireless International and the Ghana National Petroleum Corporation (GNPC), is nearly bankrupt. In September, Westel owed the state regulator, the National Communications Authority, \$70.5 mn. for non-performance.

At its incorporation in 1996, Westel contracted to provide 50,000 telephone lines and 100 payphones within three years; it has provided 3,000 lines and 66 working payphones. Its Managing Director, **Prince Kofi Kludjeson**, is embroiled in legal action with his foreign partners. TM had hoped to buy an additional 15 per cent of GT for \$50 mn. but its relations with President **John Kufuor**'s government are sour. Owusu-Agyapong refused to endorse a proposed \$106 mn. loan to GT from the World Bank's International Finance Corporation, for fear it would be used mainly to cover GT's \$60 mn. debts.

Four years ago, TM presented itself as a 'strategic investor' but its Managing Director, Dato **Abdul Mallek Mohamed**, now says that injection of foreign capital was not a condition of purchase. TM has management control, appoints four of GT's seven-member board and inherited 150 billion cedis (\$20.7 mn.) of GT's assets. The National Communications Authority says TM owes a penalty of \$64.2 mn. for failing to expand the phone network by 400,000 lines, as in the contract.

Two of Ghana's three mobile phone providers, Westel and Mobitel, are in danger of losing their licences soon for non-performance. New licences will be issued for fixed-line and mobile phone operators in February. Among the front-runners to take over from TM in a new joint venture with GT are international giants Siemens and Vodafone. A more radical option would be to invite bids for a rival network, perhaps using the Volta River Authority's existing fibre-optic cables; parts of that network already carry programmes from Metro-TV, which hopes to extend it in time for the World Cup football matches in May.

Another Malaysian venture under fire is the Gama Film Company, which in 1995 bought 70 per cent of the state-owned Ghana Film Industry Corporation (GFIC). At \$1.4 mn., the assets are regarded as having been grossly undervalued and Gama has failed to develop two of its four franchises for radio stations and cable television networks. The other 30 per cent of GFIC is said to have been acquired by Winmet, a Ghanaian company owned by **Edward Addo**, a close associate of the last government's security chief and Information Minister, **Kofi Totobi-Quakyi**.

In October, the former First Lady, **Nana Konadu Agyeman Rawlings**, was given extended airtime on Gama's TV3 station, to defend herself and her 31st December Women's Movement against charges of benefiting improperly from government funds.

The sale of the Ghana Water Company Limited (GWCL) would be supported by aid worth £10 mn. (\$14.29 mn.) from **Britain**, plus World Bank loans, but is resisted by all three opposition parties in parliament, backed by 'civil society' groups in the Coalition Against Privatisation. CAP spokesmen say they also want to keep in the public sector companies involved in oil refining, power supply, banking, diamonds and the railways. The government had planned to sell them all off by the end of 2003.

Supporters of the sale point out that, as the poor people in the rural areas get no piped water, the current system merely subsidises town-dwellers. The CAP says that around half of GWCL's 4,200 workers face redundancy and that water is a human right; one Accra non-governmental organisation claims that two of the nine short-listed foreign water companies, Saur International and *Suez/Lyonnaise des Eaux*, together with their **French** parent company, Bouygues, have acquired bad reputations elsewhere. **United States** companies on the shortlist, alongside some powerful British rivals, include Halliburton, formerly headed by the US ex-Secretary of State for Defense and current Vice-President, **Dick Cheney**.

Forced to defend his water plans, President Kufuor said that the companies must inject new funds but that this did not constitute privatisation and the Public Utilities Regulatory Commission would defend consumer interests. Apart from pacifying the activists, Kufuor needs to show that his government will not use the sell-off as a source of political patronage and party funding – the sins of which **Jerry Rawlings** and his party stand accused.

golden share, which gives the government a veto on policies, as anachronistic, a licence for the state to continue interfering in a company it privatised in 1994. **Sam Jonah**, Ashanti's Chief Executive, argues that continuous meddling by the Rawlings government prevented the company from joining the big league when it was ready and scuppered efforts to diversify into platinum when the gold price kept on downwards.

Ashanti's flotation meant that Lonmin, the mining rump of the shrunken Lonrho conglomerate, held 33 per cent, 47 per cent was held by international and local investors and the state kept 20 per cent, including the golden share. Until 1999, the company's worldwide success and expansion across Africa was a source of national pride. Then the price of gold briefly and unexpectedly rose, just when Ashanti's price-hedgers had (in effect) placed a bet that it would drop. The counter-parties called in payment on the margins and the firm's share price in New York crashed from \$25 to just over \$2. It remains at around \$3, despite sound results in each of the last six quarters.

Jonah, and others, argue that Ashanti's value will not rise until the government sheds its golden share. The company could then seek a merger (it is rumoured to be talking to Gold Fields, once of **South Africa**) from a position of strength. So far, Kufuor's government seems committed to keeping its golden share. Financial analysts suggest it could break the company, as the main obstacle to a deal currently under negotiation to restructure over five years a \$250 mn. convertible bond which falls due in 2003. If the bondholders then claim cash, rather than take equity in the company, Ashanti could face another disastrous liquidity crisis in the run-up to the 2004 elections.

Skies in crisis

Ghana Airways, the state-owned national carrier, faces its own crisis. It has built up debts of \$135 mn. and the government seems to want to revive it, using the state's scarce resources. Similar problems confront the state-owned Ghana Commercial Bank, which became a reservoir for extra-budgetary spending by the previous government. Ministers who campaigned as economic reformers are deeply uncomfortable. The Ashanti region, heartland of Kufuor's New Patriotic Party and (some would say) of Ghana's pushiest businessmen, sees its gold-mines as a national heirloom. Losing control of the company could be politically disastrous. And all Ghanaians identify with Ghana Airways, which has sustained its irrepressibly friendly service amid eccentric schedules and an astronomic corporate debt.

Kufuor likes to build consensus and fights shy of confronting public opinion. Members of his party know the crucial role played by the media – in particular by private radio stations such as Joy FM – in undermining the previous government and limiting electoral fraud by aggressive reporting during the 2000 elections. The airwaves are heating up again. Many Ghanaians remain nostalgic for the socialist principles of the independence leader, **Kwame Nkrumah**, and believe that over two decades, the World Bank has imposed too much liberalisation, not too little. The result is a country and people highly indebted, more vulnerable to the vagaries of world markets and almost as poor as before.

Victor Selormey, the portly Deputy Finance Minister in the Rawlings government, was sentenced to eight years in prison on 8 December for diverting \$1.3 mn. of public money. However, as cases drag on through the courts, bad policies are being blamed as widely as corruption for the economic collapse under Jerry Rawlings. Many of the recent investors in Ghana have been from south-east Asia, where high corruption often accompanies high economic growth and nationalist sentiment.

Popular pressure is mounting on Kufuor to turn on the government

taps again, to ease hardship and develop a more specifically Ghanaian kind of growth. World Bank and IMF-schooled economists in Accra warn that opening up public spending will shake the currency and send interest rates spiraling again. Kufuor is six foot five inches tall (or 192.5 centimetres) and known as the 'gentle giant'. He will be urged next year to show a little more economic gentleness. The thought of this could send potential investors scurrying elsewhere.

MOROCCO

Honeymoon over

The government isn't working; palace and parties will fight for the political initiative

Next year the King will marry an old friend, **Salma Bennani**, a commoner and an engineer in Guemassa, the mining arm of the conglomerate ONA. That should raise the ratings of **Mohammed VI**, 36 years old and known to many as 'M6'. Yet he cannot relax on his throne. Moroccans face general elections next October and are disillusioned with the ruling *Union Socialiste des Forces Populaires*. The USFP's main partner in government, *Istiqlal* (Independence), is jockeying for power.

The '*gouvernement d'alternance*', the country's first attempt at multi-partyism, has successfully implemented few policies and is widely criticised for inactivity. The only people satisfied with it seem to be its ministers. The USFP has not yet named a new leader to replace the ageing, ailing Premier **Abderrahmane el Youssoufi**. A leftist group led by prominent trades unionist **Noubir Amaoui** has formed the first of possibly several USFP breakaways. The nationalist *Istiqlal* will field more candidates than the USFP; it concentrates on electioneering while the other parties bicker over the form of the ballot and its leader, **Abbas el Fassi**, tries to look like a premier-in-waiting.

Many of the electors canvassed by *Africa Confidential* were casting around for new or alternative parties. The Islamist entryist *Parti de Justice et de Développement* (PJD) hopes to pick up 10-20 per cent of the vote; smaller parties looking for seats include a pro-business party founded by **Abderrahim Lahjouji**, former leader of the employers' federation, the *Confédération Générale des Entrepreneurs Marocains*. Yet none of the rivals has the USFP's weight and big urban vote.

The biggest question is whether either the USFP or *Istiqlal* can win enough seats to head a government without the other. The centre-right opposition remains weak and seems less likely to threaten the USFP-*Istiqlal* bloc than to produce opportunist junior coalition partners, such as the veteran **Ahmed Osman's** *Rassemblement National des Indépendants* (RNI) in the Youssoufi government.

While politicians bicker, their constituents – from the Casablanca business class to peasants desperate after years of drought – are sombre. The Finance, Economy and Tourism Minister, **Fathallah Oualalou**, is a USFP economics professor with a low-key public persona, who increasingly fancies himself as the next prime minister. He says the economy was still growing by 3.5 per cent in 2000-01 but accepts that annual growth of at least 5 per cent is needed to reverse the trend to increasing poverty. He has promised that there will be no pre-election spending spree and looks like keeping his word. Many reforms are blocked; tourism has dropped since the 11 September atrocity and another poor harvest beckons.

The government and the economy were substantially reformed in the late King **Hassan II's** last years. Many Moroccans worry that bad habits may return. There was a typically damaging dispute when the

head of the Paris office of *Royal Air Maroc* (which, like most national flag-carriers, is in trouble) tried to stay on there, though the airline's new Chairperson, **Mohammed Berrada** (a former Finance Minister and Ambassador to **France**) wanted to move him but was eventually forced to climb down. Politicians are trying to cut the powers of the respected telecommunications regulator, **Mostepha Terrab**, thus threatening to undermine business confidence and create new conflict with the International Monetary Fund and World Bank. There are rumblings (played down for now by all sides) that the cash-strapped government would like to renegotiate its association agreement with the European Union.

The palace fiddles

Critics say the inexperienced M6 has good ideas, such as his anti-poverty campaign and educational reforms, but does not carry them through. Policy-making advisors are prone to bickering among themselves; implementation may depend on whether their stock is rising or falling within the Palace. Powerful figures such as the Secretary of State for the Interior, **Fouad Ali el Himma**, the Director of the King's office, **Mohamed Rachdi Chraïbi**, and the Economic Advisor, **André Azoulay**, can be up one day and down the next. Less constructive hangers-on bring the royal family bad publicity.

M6 has clearly improved human rights, with compensation (sometimes in six-figure dollar amounts) for hundreds of victims of his father's 'years of lead' (*années de plomb*). However, the recent imprisonment of **Ali Lamrabet**, a magazine editor who published a report – denied by the Palace – about the alleged sale of Hassan's Skhirat Palace, indicated the limits on the discussion of royal matters. Some French official analysts claim that M6 is under mortal threat from the Islamist underground. French President **Jacques Chirac** likes to think of himself as the young monarch's mentor and key ally and this may overstate Mohammed's immediate problem.

The monarch places great trust in Casablanca industrialist **Driss Jettou**, who reorganised and rationalised the royal domains after Hassan's death. In September, M6 sacked **Ahmed el Midaoui**, who had been Interior Minister since 1999, and appointed Jettou, who had only just become head of the country's biggest industrial company, the *Office Chérifien des Phosphates* (OCP). This was one element of 'dé-Basrisation', the restructuring of the Interior Ministry networks which had grown into one giant fief under Hassan's key minister, **Driss Basri**. To overhaul the corrupt and inefficient local government, M6 has appointed some well-known technocrats as *walis* (regional governors), telling them to overhaul their rotten boroughs within two years. Casablanca has been taken over by the energetic **Driss Benhima**. Yet the new brooms, seeking to sweep clean in the King's name, are confronted by disreputable local political machines – and the new *walis* have strong instructions but no new formal powers.

Other respected technocrats recruited to beef up the Palace team include the former Public Works Minister, **Abdelaziz Meziane Belkfikih**, to head the Mohammed VI Foundation, which supports education and other social reforms. In security issues, the army will take an even bigger role, notably the Inspector General of the *Forces Armées Royales*, General **Abdelhak Khadiri**.

The *cognoscenti* criticise the king for dabbling with dossiers and lacking focus. The criticism has come from within the Palace itself, notably from his intellectual cousin **Moulay Hicham**, who makes his points through newspapers, including *Le Monde Diplomatique* of Paris – and from the business class, discouraged because it sees hard-won transparency under threat.

Outside the system, Islamists are organising. The legal PJD may get a significant protest vote but is not widely popular. More challenging,

especially on university campuses and in poorer neighbourhoods, is Sheikh **Abdelsalem Yassine**'s *Al Adl wal Ihsane*, given a younger public face by the ageing leader's media-friendly daughter, **Nadia Yassine**. Islamist sympathies in the Moroccan diaspora came under scrutiny after the indictment in the **United States** of a Moroccan-born Frenchman, **Zacarias Moussaoui**, the only indicted person held in connection with the 11 September conspiracy. It might look to the Rabat authorities like a good time to crack down on *Al Adl wal Ihsane*.

Even the late King's old opponents can get nostalgic about his steady hand on power. Mohammed's recent well publicised visits to the Western Sahara were meant to ensure business as usual. Morocco has no intention of pulling out of the disputed territory, as was underlined in October when America's Kerr-McGee and Franco-Belgian company TotalFinaElf signed up for permits to explore for oil off the Saharan coast (AC Vol 42 No 21). The Polisario Front liberation movement saw this as confirming its fears about the 'third way' for the Sahara, put forward by the United Nations earlier this year. The UN proposed a referendum in four or five years; meanwhile, Morocco would retain sovereignty while the Saharans would get autonomous local government. This was pushed by France and the USA but Polisario, backed by **Algeria**, thinks it is meant to stop the 'Saharan Arab Democratic Republic' from ever gaining full independence. Once again, there are plans to run the Paris-Dakar rally (a motorised French media circus) across the Sahara and Polisario is threatening to end the ceasefire that began in 1991.

Thinking Moroccan nationalists fear that M6 may dabble with Saharan politics without achieving anything. If Polisario were allowed to return to the territory and mobilise its support, it just might win a referendum in favour of independence. Basri knew how to deliver an election while his master, Hassan, delivered a political deal. Their successors may not be so skilled in the political black arts. Failure in the Sahara, through a referendum victory for Polisario, would definitely switch off the King's support.

SOUTH AFRICA/AIDS

Helpless about AIDS

The High Court's AIDS judgment looks good for health, bad for the constitution

The Pretoria High Court ruled on 14 December that the government must supply nevirapine, an anti-retroviral drug, to mothers infected with the human immuno-deficiency virus (HIV). The judgment set the judiciary on a collision course with the government, with the African National Congress and with President **Thabo Mbeki**, who has long opposed the policy advocated by the Court. On 19 December the government said it would appeal against the ruling. Mbeki's is the only government in the world that has refused to make nevirapine available through its public health system on safety grounds. Other African governments lack the funds but none reject the drug on principle. **Joel Netshitenzhe**, head of the Government Communication and Information Service, spoke for Mbeki's inner circle when he said: 'If there is a fear that the courts are the ones that are deciding on state policies rather than the government of the people, then this issue will have to be aired thoroughly.'

Judge **Chris Botha** ordered the government to report back to the court by 31 March 2002 on how it would implement a nationwide, comprehensive plan to prevent the transmission by mothers to children of HIV. 'A countrywide MTCT [mother-to-child-transmission]

prevention programme is an ineluctable obligation of the state', he declared. The programme should include voluntary counselling, testing and the provision of formula feed to replace breast-milk. He did not say how the government should find the necessary funds. Boehringer-Ingelheim, which manufactures the drug, has offered the government five years' worth of free supplies; nevertheless, the cost of diagnosis and distribution would be huge.

The lawsuit followed five years of lobbying by AIDS activists, led by the Treatment Action Campaign (TAC). Some 70,000 HIV-infected babies are born in South Africa each year. Most scientists accept that giving the mother one tablet of nevirapine at the start of labour and the baby one dose of nevirapine syrup within 72 hours of birth might prevent half of these infections.

Netshitenzhe and other allies of Mbeki fear that the Pretoria ruling sets a dangerous precedent. The judge has clearly ruled against government policy and has also prescribed a new policy for the government to implement within a set timeframe. This is the second big victory for South Africa's AIDS activists this year; the first was the July case which they won against pharmaceutical companies for the right to access anti-retroviral and other AIDS (acquired immunodeficiency syndrome) drugs at discounted prices.

Along with the **Brazilian** and **Indian** governments' policies, this helped promote a resolution at the World Trade Organisation summit in Doha, **Qatar**, in November endorsing the cheaper AIDS drug policy; it also endorses poor countries' rights to manufacture generic versions of patented AIDS drugs. AIDS activists have become a powerful political force in South Africa. Now other groups, such as those demanding faster land redistribution or more commitment to women's rights, are talking to AIDS groups about how to use the courts in their campaigns.

Government versus judges

That threat exercised officials in SA's Health Department when they decided to appeal against the ruling. Minister **Manto Tshabalala-Msimang** will lead the charge for government. Otherwise, her Ministry would have had to report to the High Court by 31 March and state what they were doing to implement its judgment. Eight of the country's nine provinces face the same challenge. The exception, Western Cape, was until recently controlled by the opposition and is the least affected province; it has been setting up prevention schemes since 1999, so the campaigners did not sue it. The Health Department's lawyer, **Marumo Moerane**, said the courts aren't equipped to deal with budgets or logistical and infrastructural problems. The Department's Director General, Dr. **Ayanda Ntsaluba**, merely said: 'Obviously we will look at elements which can be challenged'.

The decision on whether to appeal will be made by Mbeki himself and may be his biggest challenge since he took office in 1999. It goes to the heart of the separation of powers between executive and judiciary, and of the government's control of its own spending. If he challenges the court, the government will look callous and lose support; if he accepts the ruling, he encourages AIDS activists to step up the campaign and other activists to go for similar victories in court.

Mbeki moved into the centre of the AIDS controversy after surfing the internet in search of dissident views. One such website, calling itself 'The VirusMyth', says it speaks for 'A growing group of scientists (who) think the AIDS virus and AIDS is not contagious'; it now urges: 'Support President Mbeki to find the truth about "AIDS"'. The advocates of that view, mostly **American**, are supported by a controversial Afrikaner journalist, **Rian Malan**, but by few others.

Last year, Mbeki said he was withdrawing from the AIDS controversy. His government has not changed its policy, though, and

runs only 18 AIDS pilot projects. The ANC National Executive Committee has again endorsed Mbeki's views. Those who disagree with him include (*sotto voce*) a few cabinet ministers and ANC leaders; this month, ex-President **Nelson Mandela** said it was the duty of African leaders to spearhead AIDS campaigns, as pioneered by Presidents **Yoweri Kaguta Museveni** of **Uganda**, **Abdoulaye Wade** of **Senegal** and **Festus Mogae** of **Botswana**.

ANC rebels who call for the use of anti-retrovirals to protect children include its Women's League and a member of parliament, **Ruth Bhengu**, whose daughter is HIV-positive. The Parliamentary Joint Standing Committee on the Quality of Life and Status of Women, with an ANC majority and chaired by the party's **Pregs Govender**, strongly recommends anti-retrovirals to prevent transmission to children and infection following rape. Gauteng Province (which includes Johannesburg) has made nevirapine available well beyond the two pilot sites of the government plan.

The ANC's alliance partners, the Congress of SA Trade Unions (Cosatu) and the SA Communist Party (SACP), disagree with Mbeki and advise the government not to challenge the judgment. The SA Municipal Workers' Union wants a national MTCT programme and affordable or free anti-retrovirals to all those with HIV/AIDS, claiming that could be paid for by cancelling the plan to import US\$6 billion-worth of arms.

The victorious TAC's General Secretary, **Mark Heywood**, called Judge Botha's judgment very significant but 'All it does is give us hope and confidence to address other aspects of the problem'. The group demands a national treatment plan and in October, will hold a national gathering of doctors, scientists, nurses and activists, plus trades union leaders, church people and government officials. The Democratic Alliance, the Inkatha Freedom Party and the ANC's new ally, the New National Party, have either welcomed the judgment or urged Mbeki not to appeal against it.

In 2000, Mbeki's musings about HIV/AIDS in Africa made the disease a political issue. He appointed a Presidential AIDS Advisory Panel, salted with dissidents who question the very existence of HIV, or whether it causes AIDS and whether anti-retroviral drugs are more toxic than AIDS itself. In August 2001, he wrote to the Health Minister quoting figures from a 1995 United Nations World Health Organisation report which said 'external causes' (including accidents, murder and suicide) were the largest single reason for premature deaths in South Africa. He questioned SA's HIV/AIDS statistics, health and social spending priorities, and the research emphasis at state medical institutes.

In October, the Medical Research Council issued its own report, based on rigorous analysis of up-to-date information. Since the WHO report, the death-rate had soared. AIDS causes about a quarter of all deaths and 40 per cent of deaths in adults aged 15-49. By 2010, unless a cure or accessible treatment is made available, it will kill between five and seven million South Africans. Government officials described the MRC's devastating report as, at best, work-in-progress.

The ANC Today Briefing of 30 November acknowledged that the government's strategy should be based on the 'assumption' that HIV causes AIDS but questioned the data and warned of the 'willful encouragement of hysteria'. It noted 'disputes' over whether an infective agent exists, whether it is the main cause of immune suppression and the differing transmission patterns in rich and poor countries – the dissidents' familiar debating points. Senior ANC members are reluctant to embarrass the government (although one is said to have spoken of 'Thabo's more than eccentric views on AIDS'). The Human Rights Commission had been expected to give evidence supporting the right of pregnant women to anti-retrovirals but withdrew, allegedly under government pressure.

The HIV prevalence, measured by the annual survey of pregnant women attending public sector clinics, increased from less than one per cent in 1990 to 24.5 per cent in 2000. In other words, the onset of the disaster coincided with South Africa's delicate transition to democracy and the epidemic moved silently through the population while politicians were engaged on what seemed more urgent issues. In the 1980s, most victims were white homosexuals, whose problems seemed marginal to politicians of all races. When it began to menace black African families, mentioning it seemed to suggest racist sexual stereotypes – and at Fort Hare in October this year, Mbeki berated those who saw Africans as 'promiscuous carriers of germs, unique in the world, they proclaim that our continent is doomed to an inevitable mortal end because of our unconquerable devotion to the sin of lust.'

Driven by the vision of an African Renaissance, the President found alternative explanations. Perhaps he found it easier to deny that there was an epidemic or to blame it on poverty, a legacy of the apartheid past. It has had repercussions in an increasingly tough financial climate. **Jeffrey Sachs**, Director of the Center for International Development at Harvard and a hard-headed campaigner for the world's poor, says international investors are 'dumb-struck' at the government's inadequate response.

SOUTH AFRICA

Dicing with death

The prosecution has bungled the trial of a seedy medical spy

Wouter Basson, known as Dr. Death, was the former apartheid regime's leading chemical weapons specialist. He headed Project Coast, developing and testing chemical weapons, and is now charged with mass murder using deadly toxins and with diverting millions of rand into his private accounts. He seems likely to walk free when his marathon trial ends early next year, weakening the state's attempts to bring to book apartheid officials who did not face up to Archbishop **Desmond Tutu's** Truth and Reconciliation Commission.

The prosecution is led by Deputy National Director of Public Prosecutions **Anton Ackermann**. Late last month, he told the court that the Judge, **Willie Hartsenbergh**, had decided 18 months ago that Basson was not guilty. The accused has admitted working with chemical weapons experts in **Libya, Germany and Russia**. In February 2000, he was charged with murder and grand corruption, granted bail and continued working as a medical doctor in Pretoria.

The proceedings in the Pretoria High Court were sometimes farcical and produced the first-ever suggestion by an SA prosecutor that the judge withdraw because he was biased and had prejudged the state's case. The prosecutor refused to discuss the character of state witnesses, as he believed the judge had decided they were not credible.

Basson has told of exotic weapons and foreign spies but the main case is that he is a fraudster who used his contacts to enrich himself. Hartsenbergh has been sceptical about the charges of grand corruption. Many of the murder charges concern operations in neighbouring countries, hard to substantiate under SA law. Six conspiracy charges were dropped at the outset as they referred to crimes allegedly committed abroad.

Hartsenbergh stripped out a further 15 charges of murder, attempted murder and fraud, including involvement in the poisoning of 200 **Namibian** activists as part of a medical experiment. During the trial, the charge sheet has been whittled down from 76 to 46 charges of

murder, fraud, conspiracy and possession of drugs.

Basson's lawyers insist none of the charges have been proven, though the state called almost 200 prosecution witnesses. The accused was the only witness for the defence; he spent two months in the witness box, shrugging off all charges and denying that he had worked with state-sponsored assassins or had poisoned opponents of apartheid.

Initially, Basson was charged with involvement in a deal for the drug ecstasy. He refuted it, claiming he was an unwitting accomplice. Charged with diverting funds from the SA Defence Force, he said the deals had been negotiated with Libyan, Russian and East German financial principals, and approved by the SADF chief, the late General **Kat Liebenberg**.

Several months were spent examining Basson's Libyan connections. The state has no record of his visits to Libya until after 1992 but he claims to have visited it from 1988 onwards and that Libyan agents helped Pretoria develop its chemical weapons programme (although Colonel **Moammar el Gadaffi** has long expressed support for the African National Congress). The defence story was that both Liebenberg and another dead man, **Nicol Nieuwoudt**, then Surgeon General, knew that Libyans, East Germans and Russians, through a network of front organisations, had helped to procure materials for Pretoria's biological and chemical weapons. These mysterious foreign connections explained the transfer of some 46 million rand (then about US\$15 mn.) of state funds into two property groups, WPW and Wisdom, of which Basson was the beneficial owner.

The doctor asserted that government money flowed secretly through some 100 companies worldwide, money from which he was to pay his foreign collaborators handsomely, collecting military secrets in exchange. He set up the network when, posing as a private arms dealer in 1984, he met an international group of biological and chemical warfare experts. Later, Libyan, Russian and East German agents asked him to launder cash. Basson insists he ran the network with his superiors' approval, for the financial benefit of the SADF.

In October, the state applied to call some of Basson's alleged foreign principals as witnesses. The judge refused the application: he doubted whether any of the proposed witnesses would admit to having worked with the apartheid regime, adding that Basson's paymasters in the SADF had clearly ordered him to build a network of foreign collaborators. State witnesses contradicted almost all Basson's claims. They accused him of running a personal business empire financed by the state and using Project Coast to carry out political assassinations in collaboration with military intelligence officers. Arrested in a drugs raid in 1997 after he had slipped government minders, he still kept on working as a cardiologist. We hear Western officials have advised the ANC government to gaol Basson or otherwise dispose of him.

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Pointers

MOZAMBIQUE

Murder again

The race for the presidency is on. President **Joaquim Chissano**, 62, has decided it's time to retire. He has been President since 1986 and almost lost in 1999 to **Afonso Dhlakama** of the *Resistência Nacional Moçambicana* (Renamo, AC Vol 42 No 8). Next June, a congress of the governing *Frente de Libertação Moçambicana* will pick Chissano's successor. One of Frelimo's two main factions is led by **Armando Guebuza** (58), once Interior Minister and the army's Political Commissar, now a prosperous businessman with ambitions to run the country.

The other faction, Chissano's, wants to skip a generation to Agriculture Minister **Helder Muteia**, 41. The wild card is **Graça Machel**, widow of President **Samora Machel** and wife of **South African** ex-President **Nelson Mandela**. She has spent two years building a reputation in Mozambique and could be a compromise candidate. A compromise being punted by some of the old guard is parliamentary Speaker **Eduardo Mulêmbwé**. Seen as arrogant and lacking charisma, he enjoys the good life and doesn't easily rock boats.

Fear of several ghosts will influence the decision. Recent banking scandals involve two murders, the loss of over US\$400 million and the collapse of two banks. People close to Chissano are said to be implicated and investigations have so far been blocked. Chissano may want to be sure that the presidential candidate will protect people close to him. Muteia lacks strong allies in the military and security, so they would be expected to keep him in check.

Both factions fear Graça's increasingly bold statements about the murder of her first husband in 1986. It is widely believed in Maputo that Machel was killed by South African agents, tipped off by senior Frelimo figures to prevent him cracking down on corruption. Members of both factions are said to have been involved or to have known what was going on. If Graça were to stand, she would be asked to stop talking about the murder. So far, she has said she knows who was involved but she has pointedly refused to name any suspects.

FRANCE/AFRICA

Oil slick

Legal sources in Paris say the long, venomous investigations into oil company Elf-Aquitaine will be buried before May's presidential election. Elf, merged in 1998-9 with Franco-Belgian giant TotalFina, used to be a furtive arm of French policy in Africa, with special links to, among others, **Congo-Brazzaville's** President **Denis Sassou Nguesso**.

Gaullist right-wingers say the chief investigating judge in the Elf affair, **Renaud van Ruymbeke**, is biased to the left. Complaining of character assassination, he promises to complete investigations by the end of January. That will be hard: he is still starting searches, questioning new witnesses and only now taking evidence from **Alfred Sirven**, said to have run Elf's financial web in the 1980s and '90s, alongside its *Monsieur Afrique*, **André Tarallo**. Sirven was extradited with difficulty from the **Philippines** early this year and for months refused to speak to investigators.

The related 'Angolagate' case is also losing steam. Its key player, **Pierre Falcone** (AC Vol 42 No 5), did a year in gaol as a suspect and was let out on 3 December. He and his co-suspect, ex-presidential son **Jean-Christophe Mitterrand** (who spent but a few days in clink), now give every available journalist stories about alleged political machinations.

The original leading judges in the Elf case, **Eva Joly** and **Laurence Vichnievsky**, are said to want to move out of the spotlight that Joly attracted by getting former Foreign Minister **Roland Dumas** gaoled and by publishing her memoirs. Since the *rentrée* in September, Elysée Palace sources have been briefing that judges with 'an African agenda' also have a domestic political one - and one that suits Premier **Lionel Jospin**, the Socialist and leading contender for **Jacques Chirac's** presidency. Meanwhile, Jospin's advisors are scared of an electoral backlash.

As President, Jospin could pull the carpet from under the feet of some of France's old friends in Africa. Among those named in a recent human-rights suit in Belgium against Sassou Nguesso (long term friend of Chirac) was TotalFinaElf. The case now appears stuck in the system. Chirac's other old oil-rich ally, **Gabon's Omar Bongo**, has survived a series of Elf-related scandals in the French courts and the **United States** Senate. Bongo has just rigged another parliamentary election and is in no hurry to retire no matter who wins the key to the Elysée Palace next April.

NIGERIA

Octopus at work

Opus Dei, a secretive organisation favoured by Pope **John-Paul II**, hopes to sign up more followers in Africa, where only 1,500 of its 80,000 members are estimated to live. Its founder, Monsignor **José Maria Escrivá de Balaguer**, was born 100 years ago on 9 January 1902 and is to be canonised: the Opus (known to some of its detractors as the *Santa Mafia*) will be celebrating.

Once accused of dominating the late **Spanish** General **Francisco Franco's** fascist dictatorship, Opus Dei is now concentrating on Nigeria. One of its newest leaders, ordained by its own bishop, Mgr. **Javier Echevarria**, in Rome on 6 October, is Father **Innocent Okwudilichukwu** from Ndiokpalaeze, in heavily Catholic Iboland.

In the Lagos daily 'This Day' last March, **Eugene Abgoifo Ohu** picked Escrivá as his 'Man

of the 20th Century'. Opus has always liked elites and one base is the Irawo University Centre, 'a private residence hall of the University of Ibadan'. The society is also keen on the prestigious Lagos Business School, with 2,000 students.

The LBS Chairman is Chief **Olu I. Akinkugbe** and its Board includes such luminaries as Minister of Defence Lieutenant General **Theophilus Danjuma**; Diamond Bank Chairman **Pascal G. Dozie**; Chief **C. Ikechi Ezech**, deputy Chairman of John Holt Ltd.; and Chief **Ernest AO Shonekan**, former head of UAC of Nigeria. A swathe of multinationals supports the School. Opus is also active in the Institute for Industrial Technology of Lagos, also backed by multinationals, headed by **Darlington Agholor**.

In **Kenya**, Opus founded Strathmore College in 1991, in Nairobi's suburb of Madaraka. There, with financial support from **Italy** and the European Union (where Opus has friends in the Commission), about 2,200 people study accounting, business management and computing. The computer systems manager is **Joseph Sevilla** from Spain. For the past six years, Opus has also run missions in **South Africa** and **Uganda**.

KENYA

Too much terror

President **Daniel arap Moi's** loyal support for the **United States' war** against terror is hitting local difficulties. On 19 December Defence Minister **Julius Sunkuli** denied that his government would offer the USA or **Britain** use of military bases to attack *Al Qaida* targets in neighbouring **Somalia**.

On 10 December UK Defence Minister **Geoff Hoon** met President Moi to discuss renewing the military cooperation agreement which allows British troops to use valuable training bases in Kenya. We hear that the agreement will be renewed despite Moi's concern about his increasingly difficult relationship with Whitehall. Nairobi and London both insist that Hoon did not discuss launching military operations against neighbouring countries from Kenya, although regional issues 'were tackled generally'.

In 1992 Moi happily let US troops use Kenya to launch their ill-fated operation 'Restore Hope', which ended in the death of 18 US troops. Moi had hoped to trade his military cooperation for US support in the International Monetary Fund and World Bank, which had halted aid. For a while, this tempered the outspoken criticism of US Ambassador **Smith Hempstone**.

This time, Moi wants US help to unblock IMF and Bank funds but he has to watch Somali and Muslim sensitivities. Though less than 10 per cent of Kenyans are ethnic Somalis, they are a formidable force - particularly in Nairobi's Eastleigh suburb and North-East Province. Last month North-East Commissioner **Mahamoud Ali Saleh** said Kenya might respond militarily to incursions from Somalia. Kenyan Somalis traditionally support Moi's Kenya African National Union; Moi doesn't want to change that in the run-up to the succession next year.