

AFRICA CONFIDENTIAL

ANGOLA

2

How many UNITAs?

The deaths of Jonas Savimbi and António Dembo have left UNITA's military leadership under Paulo Lukamba 'Gato'. But he is not a unifying force: his hard line policies set him apart from more conciliatory voices such as Jaka Jamba and Abel Chivukuvuku.

ZIMBABWE

3

Election arithmetic

The presidential vote has become an election about Africa's future. Many Zimbabweans see it as the key test of political freedom and Southern Africans increasingly resent the economic damage Zimbabwe's crisis is causing them. The business interests and their military allies behind ZANU-PF are unlikely to give up without a struggle.

SUDAN

4

Oilfield, battlefield

The Khartoum government has launched a massive offensive in oil-rich Western Upper Nile. It aims to counter the opposition's new impetus after John Garang and Riek Machar joined forces. Canada's Talisman now faces a class action in New York accusing it of complicity in ethnic cleansing.

OIL AND GAS

6

African energy

The USA and its allies are boosting investment in African oil and gas to reduce their dependence on supplies from the potentially volatile Arabian Gulf. The top US Africa diplomat, Walter Kansteiner, says every fifth gallon in US petrol tanks will come from Africa by 2005.

POINTERS

8

Nigeria, North Africa, Guinea & France/Africa

ANGOLA

Death, not peace

After four decades of war, the killing of 'O Mais Velho' Jonas Savimbi makes peace possible but not certain

The government sent a message of reconciliation. After the death in combat of **Jonas Savimbi** in late February, President **José Eduardo dos Santos** said the army was working towards local truces, with a view to a general ceasefire. The aim, presumably, is to placate the foreign observers who want the government to focus on development rather than war – and perhaps to coax the remaining fighters of Savimbi's *União Nacional para a Independência Total de Angola* out of the bush and into Luanda politics. There is, the authorities tell them, 'nothing to be afraid of any more'. The necessary compromises could take time to achieve, though.

It is by no means clear who will lead UNITA's forces after Savimbi's death. The first post-Savimbi contender, **António Sebastião Dembo**, has just been killed in unexplained circumstances; some say by the government, others by UNITA rivals. Dembo has not been replaced by the harder line UNITA Secretary General, General **Paulo Lukamba 'Gato'**. Dos Santos has said it would be absurd for the army to declare a unilateral ceasefire. There are still reports of limited rebel attacks, though it is, as usual, rarely clear whether the attackers were UNITA fighters, renegade government soldiers or 'armed bandits', a vague but comprehensive term. Would-be peacemakers, such as **Dom Zacarias Kamuenho**, of the *Comité Inter-Eclesial para a Paz em Angola* (Inter-Church Committee for Peace in Angola, Coiepa), say they are deeply disappointed by Dos Santos' position.

Western governments had backed the government's hard line and recently encouraged the United Nations to sideline the growing church-led peace movement by making its own contacts with UNITA. Yet pressure is now being applied to make the Angolan government more imaginative, as stressed by the various **United States'** officials who met Dos Santos in Washington on 26-28 February. Dos Santos asked for an additional US\$400 million in post-conflict financing, a request met with some cynicism since, almost simultaneously, he was criticising the International Monetary Fund for 'incorrect' behaviour and acting like a policeman; he seemed to claim as a matter of national sovereignty his government's right to continue with its deeply corrupt oil-backed borrowing programme. Much new evidence indicates that billions of dollars have disappeared from state funds; **Chester Crocker**, the influential former Assistant Secretary of State for African Affairs, says Western governments will be paying far closer attention to Angola's economic management.

Few options for UNITA

Instead of a quick transition to peace, UNITA's soldiers could carry on the fight amid complex and detailed negotiations over ending the war. Personal pride will be important and matters have already been confused by widely publicised but possibly unfounded allegations that **Israel, Portugal** and other countries were involved in Savimbi's death.

Until then, the government had insisted peace could be achieved only through scrupulous application of the Protocol agreed in Lusaka in 1994. This really meant no negotiations: UNITA should simply hand in its weapons and participate in elections. Savimbi saw this as little more than surrender and wanted the agreement renegotiated. Shortly before his death, efforts were under way, with the Luanda government's permission, to establish contacts with UNITA officials through the UN and the churches.

The real point of these initiatives was to separate UNITA's remaining fighters from Savimbi, while preserving the government's insistence on peace through Lusaka. The mantra has not changed. Senior government members, from Foreign Minister **João Miranda** to the Secretary General of the *Movimento Popular de Libertação de Angola*, **João Lourenço**, to Dos Santos himself, have consistently repeated the message to the armed UNITA rebels: lay down your arms, come to Luanda and enter politics – and there will be no retribution.

UNITA's fighters have few options. The movement was already badly broken after months of a counter-insurgency strategy under Gen. **Armando da Cruz Neto**, Chief of Staff of the *Forças Armadas Angolanas* (FAA). Turning UNITA's 'Maoist' strategy on its head, parts of eastern Angola were forcibly emptied of their people. Poor villagers were often herded into helicopters and dumped in provincial

capitals such as Luena, for humanitarian agencies to take care of. The argument went that, deprived of the population upon which it relied for resources, UNITA would lose its ability to fight.

This was predictably controversial but apparently effective. Shortly before his death, defectors from Savimbi's own column spoke of the appalling deprivation and hunger in which UNITA officials had been living. Meanwhile, the FAA achieved other military successes. They killed UNITA's National Political Commissioner, Gen. **Galiano da Silva e Sousa 'Bula Matadi'**, and its former Chief of Staff, Brigadier **Ildio Paulo Sachiambo**; and they captured senior officers, including Gen. **Almeida Ezequiel Chissende 'Buffalo Bill'**, leader of UNITA's urban guerrilla unit. Dembo's wife, **Doris Chipenda**, was captured and had said prior to his death and possibly under duress that her husband's health had been very poor.

Savimbi tended to have potential challengers killed. Under UNITA's statutes, the vice-president takes over as interim leader in case of the leader's death; Dembo was retained as Vice-President since 1992, partly because he had proved himself a loyal and highly capable soldier, often near Uige in northern Angola.

Born in the Bacongo heartland in northern Angola and with an Mbundu father, Dembo was never able to win support in UNITA's Ovimbundu base and so was never a threat to Savimbi. It is the Ovimbundu who have formed the backbone of UNITA since Savimbi set it up in 1966 in Muangai, less than 100 kilometres from where he died. UNITA's second interim leader after Savimbi, Paulo Lukamba 'Gato' escaped the ambush that killed Savimbi and is now trying to consolidate. Other UNITA factions, including its officials abroad and those who remained in Luanda after the collapse of the Lusaka peace accord, had generally accepted Dembo's position. A new leader must be chosen by a party congress, which is by no means imminent.

Luanda's power centres

The government's power centres often operate with autonomy from, and in competition with, each other. They include:

- The presidency at *Futungo de Belas*, whose shadowy figures have flourished on a system of extra-budgetary financing made possible by oil-backed loans and other mechanisms. In recent years, up to 40 per cent of annual state expenditure has by-passed the treasury. The President's men include Gen. **Helder Vieira Dias 'Kopelipa'**, military

Chief of Staff at the presidency; **José Leitão**, presidency Secretary General; Brig. **Fernando Garcia Miala**, boss of external security; **António Van Dunem**, Secretary of the Council of Ministers; **Aldemiro Vaz da Conceição**, the President's official spokesman. They lead parallel political structures which are accompanied by parallel economic structures; the powerful people involved are deeply disliked by many members of the ruling party and the army, who will influence the choice of its next presidential candidate – and favour a hardliner.

- The MPLA will probably produce the next president of Angola, now that Dos Santos has declared he will not run. Two hardliners stand out: Dos Santos prefers party Secretary General João Lourenço. **Fernando da Piedade Dias dos Santos 'Nando'** is less presidentially favoured but has a stronger power base as the feared Interior Minister; he is chief of the heavily armed police and linked to various business interests. MPLA moderates include **Marcolino Moco**, not particularly charismatic but Ovimbundu, which would significantly broaden the party's appeal if and when elections are held. Another leading moderate is party veteran **Lopo do Nascimento** who, like Moco, at present has no formal party job; he is favoured by some Western embassies for his credentials as a democrat, though his record as a manager in various government positions is less solid. A less known possible contender is the respected lawyer **Bornito da Souza**, head of the MPLA's parliamentary caucus.

Dos Santos says the elections can take place only in one or two years and only after peace has been definitively established. When they come, the process of choosing a new MPLA candidate will be crucial. Despite ugly outward appearances, the party for many years enjoyed a reasonable measure of internal democracy, with influence flowing from the grassroots upwards. This was squashed for the first time in December 1998, when the popular Lopo do Nascimento was excluded from the Central Committee, thanks to bent vote-counting organised by **Desiderio Costa**. Optimists hope that, post-Savimbi, internal democracy may re-assert itself and promote moderate candidates. As yet there are no signs that the faultlines between democrats and the hardliners wedded to extra-budgetary operations will turn into a real split.

- The army. The killing of Savimbi will have lifted FAA Chief of Staff Gen. Armando da Cruz Neto and depressed his predecessor, Gen. **João de Matos**, who declared just before he stepped down a year ago that the army had done everything it could and it was now up to the

How many UNITAs?

The most important of the post-**Jonas Savimbi** factions of the *União Nacional para a Independência Total de Angola* is the armed wing which was under **António Dembo**. It is not clear whether a unified command has yet crystallised but important survivors include the UNITA Secretary General, General **Paulo Lukamba 'Gato'**; the Chief of Staff, Gen. **Geraldo Abreu 'Kamorteiro'**; Gen. **Esteves 'Kamy' Pena**; and Gen. **Kamalata Numa**. Foreign Affairs spokesman **Alcides Sakala** is said to be very sick.

Several senior UNITA officials live abroad in semi-official capacities. United Nations' sanctions kept UNITA's heads down for some time but they have lately become more active, trying hard to bring the disjointed party back together again. The most important is the unofficial Paris-based Brigadier **Isaías Samakuva**, regarded as a principled and dignified UNITA stalwart, though not exactly charismatic or a real leadership contender. Others in this group are the Portugal representative, **Carlos Morgado**, once Savimbi's personal doctor; **Jardo Muekalia** in the United States; **João Vahekeny** in Switzerland; and **Azevedo Kangange** in Belgium. Plans to hold a Savimbi memorial in Brussels' impressive Meridien Hotel were switched to another venue a week after the UNITA leader's death; the Meridien is owned by the Franco-Belgian oil conglomerate TotalFinaElf.

UNITA-Renovada, led by **Eugénio Manuvakola** and including Tourism Minister **Jorge Valentim**, was formed in September 1998 and accepts

government money in exchange for pretending to be the 'real' UNITA. Some of its members sit in parliament. The group has little credibility with other factions but could help the government if it wants to engender further splits in the movement. Since Savimbi's death, Manuvakola has said he is willing to talk to armed UNITA. He is unlikely to get far.

Another group of UNITA officials is centred around the generally moderate members who also sit in parliament but have rejected *UNITA-Renovada*. The group is not exactly unified; its best known member is the charismatic and urbane **Abel Chivukuvuku**, who is popular with Western diplomats, but not considered to be a unifying candidate who might credibly lead UNITA in the near future; Vahekeny recently said Chivukuvuku 'does not represent UNITA'. Others in this group are the veterans **Jaka Jamba** and **Manuel Savihemba**, who has been in trouble with the ruling *Movimento Popular de Libertação de Angola* for some time because he was seen as close to Savimbi.

In all these groups, save *UNITA-Renovada*, there would seem to be a new unity of purpose; all declared themselves willing to accept the leadership of Dembo. And UNITA's professed ideal of representing poor Angolans could sit very well with a people exasperated with the corruption of the MPLA. But without Dembo, the old splits, with a little help from the MPLA, could re-emerge.

Good news for some

Jonas Savimbi's death was greeted with joy in **Namibia**, where the governing South West African People's Organisation has extremely close ties to the *Movimento Popular de Libertação de Angola* government. A ceasefire and an eventual resolution of Angola's civil war would stop the raids by *União Nacional para a Independência Total de Angola* groups across the border into Namibia's north-eastern Kavango Region. These have grown less frequent in the past six months but after sporadic killings and abductions at the end of last year, Windhoek reimposed a dusk-to-dawn curfew along the Okavango River border.

Well over half of the 9,000 troops – five infantry battalions, one combat support brigade – of the Namibian Defence Force are tied up on border protection. In addition, the 6,000-strong Special Field Force, ex-guerrillas of the People's Liberation Army of Namibia (PLAN), is deployed there and in Caprivi region, where its counter-insurgency sweeps since the abortive secessionist attack on Katima Mulilo in August 1999 have aroused repeated allegations of human rights abuses.

Border insecurity has claimed over 50 civilian lives and ruined the Kavango and Caprivi tourism industry. Hoping for a quick peace, the Foreign Affairs, Information and Broadcasting Minister, **Theo-Ben Gurirab**, called on the Luanda government to offer UNITA an immediate amnesty. His statement on 25 February, three days after the first reports of Savimbi's death, made plain Namibia's desire to end 'banditry' along the border.

politicians to solve the problems of the civil war. The FAA have generally been loyal to the President.

- Sonangol, the state oil company whose Chairman is **Manuel Vicente**. The Deputy Oil Minister, **Desiderio Costa**, is also highly influential in the oil business.

- Ascorp, the diamond monopoly, whose most important Angolan figure is **Noe Baltazar**, along with the Deputy Mining Minister, **Carlos Sumbula**.

- Outside businessmen, such as **Lev Leviev**, may be more influential than it would appear.

ZIMBABWE

Election arithmetic

Robert Mugabe's last stand is a key test of Africa's political resolve

The presidential vote on 10-11 March has become an election about Africa's future. For most Zimbabweans it is a key test of their political freedoms, won first in the Independence war of the 1970s and then in the struggle to build civil society and political pluralism. There is mass disaffection with the shrinking economy and rising joblessness, as much as with the collapse of the health and education services under President **Robert Gabriel Mugabe's** post-Independence government. For Southern Africans, Zimbabwe's political crisis is casting an unwelcome spotlight on the region's tensions, creating refugees and driving away capital. Unlike **Zambia** and **Madagascar**, a messy election in Zimbabwe can destabilise the whole region. After **South Africa**, Zimbabwe had the best industrial base and infrastructure in the region; it is key to Southern Africa's development.

For the rest of Africa, Zimbabwe is a painful symbol of thwarted political ambition and dashed hopes for development. Across the continent, Africans identify with the demand for land rights although they question Mugabe's arbitrary tactics. Equally they question the enthusiasm the West shows for sanctions against the Mugabe regime compared to its reluctance to sanction South Africa's apartheid regime.

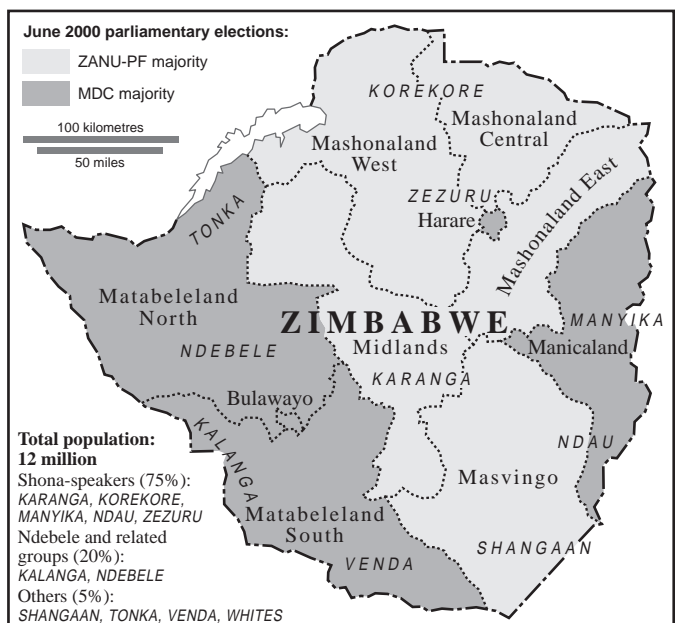
SWAPO fears that, without a ceasefire, UNITA will fragment, with splinter groups continuing to launch cross-border raids. Major General **Martin Shalli**, commanding NDF troops in the north-east, says border security operations, which have included 'hot pursuit' raids into Angola, will continue for the time being.

SWAPO's political links to the MPLA are intimate. PLAN guerrillas had to operate from south-west **Zambia** till **Portugal** withdrew from Angola in 1975. SWAPO then made a deal with UNITA which enabled PLAN to use UNITA's Ovimbundu Region in southern Angola as a base for attacks on **South Africa's** colonial forces in northern Namibia. Then UNITA made a military alliance with the old Pretoria regime, which helped it fight the MPLA. SWAPO stopped dealing with Savimbi and the alliance with the MPLA was cemented when SWAPO moved its exiled headquarters from Lusaka to Luanda in the late 1970s.

SWAPO's northern heartland, the most densely populated region of Namibia, would benefit greatly from peace. Cross-border trade is already substantial, both informally and by firms in the Namibian border town of Oshikango, which get tax concessions under Namibia's export processing zone regime. The government has recently begun to extend the railway northwards, starting with a 248 kilometre line from the present northern railhead at Tsumeb to Ondangwa. A second stage is intended to carry on to Oshakati and Oshikango, and ultimately to link with the Angolan railways.

Who wins the Zimbabwe elections will be critical for **Congo-Kinshasa**. The opposition Movement for Democratic Change's candidate, **Morgan Richard Dzingirai Tsvangirai**, is committed to the orderly withdrawal of Zimbabwean troops from Congo. That could critically weaken President **Joseph Kabila** who relies on Zimbabwean and **Angolan** troops for his security.

Also at stake are the myriad business relations that have built up on the back of Zimbabwe's military presence in Congo, such as Oryx Natural Resources' investment in *Sengamines* and **John Bredenkamp's** stake in the Kabankola Mining Company plus his managerial role in *Gécamines*. Whoever wins the vote, the relationships between Oryx Chief Executive **Thamer Al-Shanfari**, Bredenkamp and senior Zimbabwean politicians and soldiers such as **Emmerson Dambudzo Mnangagwa** and Lieutenant General **Vitalis Zvinavashe** will win more scrutiny. If Mugabe wins, Mnangagwa is likely to succeed him with the backing of the army and the intelligence services; Bredenkamp and Al-Shanfari will prosper. If Mugabe loses, they face a much more uncertain future, although we hear that Bredenkamp has been offering



funds, indirectly, to MDC luminaries. Hundreds of millions of dollars are riding on the Zimbabwe elections – investments and trade deals at home, in Congo and in South Africa. Few believe the senior military officers and their business associates will accept defeat, hence the frequent prediction that Tsvangirai will win the vote but lose the count.

All the opinion polls released this year show that voters prefer the opposition Movement for Democratic Change (AC Vol 42 No 23 and Vol 43 No 1). Polls taken by the **Helen Suzman** Foundation (which is vilified by the Zimbabwe government as an anti-Mugabe lobby) predict a crushing defeat for the ruling Zimbabwe African National Union-Patriotic Front. So does a poll purportedly conducted for the **United States** Central Intelligence Agency, which predicted a 75 per cent vote for the MDC's Morgan Tsvangirai. We hear that even the Zimbabwean government's own Central Intelligence Organisation polls predict electoral doom for ZANU-PF. That explains the ferocity of its tactics against MDC supporters: over 100 MDC supporters have been killed since the parliamentary elections in June 2000 and thousands beaten and injured.

A poll released on 5 March, conducted by the University of Zimbabwe's Public Opinion Institute, again shows the MDC leading with 19.8 per cent for Tsvangirai and just 11.3 per cent for President Mugabe. Significantly, 60 per cent of those questioned refused to disclose who they would vote for although 87 per cent of all respondents said that they would vote and 90 per cent believed that the vote would be secret. Much of ZANU's intimidation has relied on threats to opposition voters. The MDC can draw only limited comfort from this poll as 60 per cent of respondents want to see a coalition government between the MDC and ZANU, the option being promoted discreetly by South African President **Thabo Mbeki**.

The opposition's electoral support soared in Zimbabwe's two votes in 2000: March's referendum on the constitution and June's parliamentary elections. ZANU lost the referendum when voters rejected its proposed constitutional reforms. For many people, it was a chance to vote against ZANU. Even within the ruling party, many accepted it was a protest vote though few were undiplomatic enough to say so at crisis meetings of the party's Politbureau afterwards.

At subsequent meetings of the Politbureau and the 250-strong Central Committee it was decided to step up the land occupations and use of war veterans/youth militias as election tactics. In the June 2000 parliamentary elections, ZANU faced its first serious challenge since Independence in 1980. Of the 120 elected seats, ZANU won 62 and the MDC, 57; the MDC challenged 30 of ZANU's wins in court without success. Neither the Commonwealth nor the European Union observers certified the elections as free and fair.

However, those elections showed new trends: the towns (about 35 per cent of voters) were almost overwhelmingly MDC as were the rural Matebeleland constituencies (see Map). ZANU held Mashonaland, Masvingo and Midlands. According to Target Research in Harare, the parties' support in the 2000 elections broke down as follows:

- Harare/Chitungwiza: 26 per cent ZANU, 72 per cent MDC;
- Bulawayo: 13 per cent ZANU, 83 per cent MDC;
- Mashonaland Central: 78 per cent ZANU, 20 per cent MDC;
- Mashonaland West: 59 per cent ZANU, 38 per cent MDC;
- Mashonaland East: 72 per cent ZANU, 25 per cent MDC;
- Midlands: 56 per cent ZANU, 42 per cent MDC;
- Masvingo: 58 per cent ZANU, 35 per cent MDC;
- Manicaland: 47 per cent ZANU, 48 per cent MDC;
- Matebeleland North: 21 per cent ZANU, 74 per cent MDC;
- Matebeleland South: 36 per cent ZANU, 60 per cent MDC.

The CIO and ZANU's Politbureau have kept the details of their

strategy very much under wraps but it is clear that the thrust is to push down general voter turnout in the MDC heartland of Matebeleland and step up targeted intimidation of MDC campaigners and supporters in more marginal areas such as Manicaland, Midlands and Masvingo. Generally, ZANU seems prepared to cede most towns where support for Mugabe is at rock-bottom.

President Mugabe's re-election command centre is headed by ZANU's Political Secretary **Elliot Manyika**, formerly a CIO agent. He is working alongside former CIO Chief and Security Minister Emmerson Mnangagwa, who is now Parliamentary Speaker, and Security Minister **Nicholas Goche**.

Another key tactic is to control information about the elections and limit the number of independent observers and monitors (monitors are accredited to report and correct infringements of the electoral law; observers are accredited only to report infringements). In the 2000 polls, the independent Zimbabwe Election Support Network trained some 20,000 independent election monitors and deployed about 16,000. Those election monitors were a critical source of information about rigging and violence.

However, January's General Laws Amendment Act specifically bars independent monitors from the presidential election. The only accredited monitors will be under the government's Electoral Supervisory Commission, which says it is training 22,000 new monitors to police the 5,400 polling stations. The ESC Chairman is **Sobusa Gula-Ndebele**, a former fighter with the Zimbabwe African National Liberation Army and ex-military intelligence officer. He was a member of the Chidyaisiku Commission of Inquiry into the War Victims' Compensation Fund – even though he had been awarded Z\$117,585 from the Fund. The election will be run by one of Mnangagwa's closest comrades from the days of the armed struggle.

SUDAN

Oilfield, battlefield

The opposition regroupes and threatens Khartoum's control of the oilfields

The National Islamic Front (or National Congress) government has mounted a massive air and ground offensive in oil-rich Western Upper Nile to counter the regrouping of opposition groups. In January a newly re-unified opposition attacked and forced **Sweden's** Lundin Oil to halt its seismic and drilling operations. Earlier that month, the Sudan People's Liberation Army of Colonel **John Garang de Mabior** had reconciled with the Sudan People's Democratic Front under Commander **Riek Machar Teny Dhurgon** (see Box).

For two years, Lundin, the main concession partner in Block 5a, worked without much hindrance because of what the SPDF now calls its 'period of cooperation' with Khartoum. The government gave the local SPDF commander, **Peter Paar Yak**, weapons with which to fight the local SPLA commander, **Peter Gadet**. Six months ago, Paar Yak and Gadet stopped fighting, thanks largely to mediation by **Taban Deng Gai**, previously Khartoum's Unity State Governor, who was Riek's emissary to Garang. Separately, Paar and Gadet led punishing attacks on government forces: Lundin pulled out on 22 January while insisting that its long-term plans remained unchanged.

Three days later, Khartoum sent a convoy of 200, mostly forced conscripts, to reinforce its garrison at Pultuni, the main protection for Lundin's rigs at Rier (also called Thar Jath). Gadet's soldiers ambushed the convoy and say they killed 198 government soldiers. One of the

'Making politics and war together'

The biggest successes of **John Garang's** four-day visit to **Britain** came not at his brief encounters with the government which had invited him for the first time but at his long meetings with Sudanese. Almost 1,000 of them, including scores of cheering northerners, greeted the Chairman and Commander-in-Chief of the Sudan People's Liberation Army/Movement at a four-hour gathering in a former London church. Beside Garang on the podium sat his old adversary **Riek Machar**, who served the National Islamic Front for ten years, being in government for four of those under its 'Peace from Within' programme.

Riek won less applause than others championing the 6 January unity agreement (AC Vol 43 Nos 1 & 2) between his (mainly Nuer) Sudan People's Democratic Front and the SPLA, an agreement that could become the true 'Peace from Within' the south badly needs. A spokesman for **Lam Akol Ajawin's** Southern Sudan Liberation Army (Shilluk) welcomed the Riek-Garang pact and offered to talk to the SPLA; Lam has grown critical of the government to which he belongs.

Garang, who is also Commander-in-Chief of the National Democratic Alliance forces, talked at length about the peace negotiations but was more vibrant when calling on his audience to strengthen the NDA and bring about the 'New Sudan'. The audience erupted to 'The NIF is trying to do the unthinkable. They are trying to present themselves as the alternative to themselves. They must not be allowed to get away with this!'

Many Sudanese, north and south, claim this is also a description of the SPLA's widely condemned agreement with **Hassan Abdullah el Turabi's** Popular National Congress. The PNC says it has an 'alliance' with the SPLA: 'It's not an alliance, it's a dialogue!', Garang told *Africa Confidential*.

More convincingly, the SPLA boasts a fresh unity pact, signed in **Eritrea** on 1 March, merging the (mainly northern) Sudan Alliance Forces and their civilian wing, the Sudan National Alliance (SNA), with the SPLA; SAF's Brigadier General **Abdel Aziz Khalid Osman** pleased southerners and northerners alike by bowing to Garang as military commander of both forces. Relations between SAF's several thousand troops and the SPLA's several tens of thousands have sometimes been fraught on the eastern front. Now, many northerners welcome the merger as a sign that the New (secular) Sudan is possible. Insiders said that NDA Chairman **Mohamed Osman el Mirghani** (not a secularist though he has signed up to a secular constitution) was 'shocked'.

The London visit's other reconciliation came in an all-night marathon between the SPLA delegation and two southern veterans and rivals, **Bona Malwal Madut Ring**, once President **Ja'afar Nimeiri's** Culture and Information Minister, and **Aldo Ajou Deng**, once **El Sadig el Mahdi's** Deputy Prime Minister. 'We stayed up all night but it was worth it!' Garang told AC. The mediation and monitoring committee for the pact, chaired by another veteran, **Gordon Muortat**, includes Gen. **Joseph Lagu**, once Anya Nya leader and for nearly a decade after 1989, the NIF's Roving Ambassador. Several former southern sceptics, including Aldo Ajou (now SPLA Human Rights Representative) told us they detected real change in the SPLA. The grassroots (and, less importantly, the USA) are pressing for reconciliation.

There is also progress in human rights and, to a lesser extent, in democratisation. The SPLM Secretary General, Commander **James Wani Igga**, said that military affairs had dominated 'at the beginning'. He told *Africa Confidential*: 'Before you have a meeting under a tree, you have to clear a place to sit'.

In a fairly treeless Whitehall, Garang met Foreign Secretary **Jack Straw** and Overseas Development Secretary **Clare Short**. 'The model I've been trying to sell', he told us, 'is that of overlapping confederal northern and southern states'. This is a compromise, he went on: he still wanted a New Sudan. Straw said: 'I urged them to work with all the factions in Sudan to find a way of ending the conflict...'; his Special Representative, **Alan Gouly** (AC Vol 43 No 4), said the challenge was to turn 'war-weariness... into a desire to make peace.' Over 500 of the southern elite have signed a petition to UK Premier **Tony Blair** alleging that Gouly was 'biased in favour of the current regime'. Aldo said: 'I hope Gouly will be able to find some neutral ground; I think he could'.

The SPLA, though, gives the impression it's on a roll and its reconciliation with former rivals is more likely to achieve military success than peace. Garang told his 2 March meeting, 'I would advise the UK and the European Union... with some friendly advice for their companies: if they don't withdraw, we'll close down those oilfields'.

● Ministerial recycling led to unfortunate errors in AC Vol 43 No 4: **Ghazi Salah el Din el Atabani** is no longer the Culture and Information Minister and is now Peace Advisor, while **Nafi'e Ali Nafi'e** is not Peace Advisor but Minister for Local Government. **Mahdi Ibrahim**, another possible successor to **Ali Osman**, is now Minister for Culture and Information.

two survivors, **Ali Musa**, an engineering student of 22, said that they had been ordered to control the road between Lundin's (formerly Chevron's) headquarters at Rub Kona and its wells at Rier.

Gadet told *Africa Confidential* that the SPLA now controls the road, once used both by Lundin and by south-bound government troops. 'All the forces of the SPLA are watching this road. We are shooting any cars we see. Southerners are getting together, making politics and war together. Southerners are very happy. The government is angry.' The result is a new government drive to clear the road, especially its southern half where, during the 'period of cooperation' with Paar, some civilians had managed to live in relative peace.

Last month, Nuer from Western Upper Nile met in Koch to cement their reconciliation under the People-to-People Peace process of the New Sudan Council of Churches. Meanwhile, NIF Antonov bombers, helicopter gunships and ground forces were attacking villages between Duar, mid-way down the oil road, to Rier at its southern end. Displaced people said the gunships came three times a day and that soldiers then burned the villages. Infants were snatched from their mothers' arms.

Relief workers believe 75,000 civilians may have been displaced into the swamps or forests, or further south towards Rumbek, Yirol and Tonj. Meanwhile, General **Paulino Matip's** NIF-armed Nuer militia has rounded up southerners, given them a few weeks' training and thrown them into battle against the SPLA. **James Lily Kuol**,

Commissioner of the garrison town of Mayom, defected to the SPLA last month after nine of his Nuer clan were killed in Khartoum while resisting conscription. He named Matip's officers involved in the round-ups as **James Gatwiel**, **Goi Fan**, **Thiep Gatluak**, **Chap Tan** and **Kerubino Ruei Tap**.

Khartoum's oilfield offensive passed unremarked – if not unnoticed – by the 'international community' until its new gunships attacked Bieh village on 20 February, while the United Nations World Food Programme was delivering food. At least 24 people were killed and dozens wounded. Survivors said one gunship hovered overhead while the other, so low that the crowd could see the pilot's and gunner's faces, attacked women and children waiting for food, first with rockets, then with machine-guns. Photographs confirm rockets were used, possibly rocket propelled grenades (RPGs).

UN and USA condemn, Britain concerned

The attack was the second of its kind in eleven days. The WFP, which had, as agreed, notified Khartoum of the planned food distribution, denounced a 'deliberate and intolerable . . . affront to human life and humanitarian work'. The **United States** said that it was part of a 'pattern of senseless and brutal attacks by the government against innocent civilians' and the US government suspended talks with the NIF about peace. **Britain**, which has supported its companies' oil

investments, expressed 'concern'.

After four days, Khartoum's Defence Ministry said it would ensure coordination between the various bodies in the area to prevent a recurrence of such incidents', implying the slaughter was caused by a mere lack of coordination. 'Technical error' was the excuse when six rockets were unleashed on 9 February over Akuem (Upper Nile, not Bahr el Ghazal, AC Vol 43 No 4), killing two children. There have been hundreds more documented, unprovoked, attacks on civilians.

Privately, the NIF blamed the Bieh massacre on a 'rogue commander' and said it would centralise air operations under a general. However, since oil began flowing in 1999, its policy has been to clear out civilians – just as, in the south, Nuba Mountains and southern Blue Nile, it has for years used 'ethnic cleansing' to deprive the armed opposition of civilian support, to 'Islamise' the surviving population and to resettle northern incomers. Hence the importance of the Social Affairs Ministry, once headed by NIF number two **Ali Osman Mohamed Taha**, now Vice-President.

The government and the foreign oil companies deny Sudanese are displaced because of oil. Dramatic evidence to the contrary has been filed in the US District Court for the Southern District of New York, in a class action brought last year by some southerners against **Canada's** Talisman Energy. (On 25 February, the Sudan government was added as a second defendant.) Lawyers have produced a document sent by Khartoum's Petroleum Security Service to its local office in Heglig, headquarters of the Greater Nile Petroleum Operating Company and of Talisman. This document states that 'in accordance with directives of His Excellency the Minister of Energy and Mining and fulfilling the request of the Canadian company... the armed forces will conduct cleaning up operations in all villages from Heglig to Pariang', in Ruweng County. The document is dated 7 May 1999. Two days later, government forces unleashed a two-month offensive, after which Ruweng County's population is believed to have fallen by half.

Africa Confidential has discovered the Ruweng operation continues, nearly three years later. A government offensive in October-November displaced 80,000 more unarmed civilians from the edge of Talisman's exploration area. Villages including Bal and Jukobar, immediately east of the Munga and Umm Segura oilfields, were attacked and burned, then mined to prevent resettlement. Displaced people said it was because the government wanted 'to put up lights' – the lights that illuminate the oilfields.

OIL AND GAS

African energy

Western concerns about instability in the Middle East send oil companies south

The **United States** and its allies have discovered Africa again. After 11 September, and with the Middle East on the boil, African oil and gas encourage Western powers to believe they need not depend on the potentially volatile Arabian (Persian) Gulf. The new mantra of the US Assistant Secretary of State for African Affairs, **Walter Kansteiner III**, is that every fifth gallon in US gas tanks will come from Africa by 2005. It helps Kansteiner talk up the importance of his job but also reflects strategic thinking.

Africa's western seaboard already exports more oil to the USA than **Saudi Arabia**. The US National Intelligence Council, a think-tank associated with the Central Intelligence Agency, expects Africa to be providing 25 per cent of US oil imports by 2015, compared to about 15 per cent now. Oil drilling equipment is a main US export to Africa

and oil is the largest US import from Africa.

New discoveries are rapidly increasing Africa's known reserves and most of the new oil comes safely from the deep sea-bed, away from conflicts on land and much closer than the Gulf to US markets. Oil multinationals and Western importers – plus, as in **Angola**, a few politically connected officials – profit largely from the growth. Little of the oil bonanza trickles down to the poor.

In **Sudan**, government oil receipts pay for weapons to kill civilians. **Canada's** Talisman Energy Incorporated faces mounting protests against its share in 'blood oil' and for its cooperation with the National Islamic Front regime's policy of forcibly clearing southern and Nuba villages to ensure 'security' for oil projects (see Feature).

Oil has brought social and environmental devastation to the Niger Delta. **Anglo-Dutch** Shell fought a propaganda campaign to defend its cooperation in **Nigeria** with the late General **Sani Abacha's** military regime and lost the fight when Abacha executed the campaigning writer **Ken Saro-Wiwa** and eight others. Publicly, Shell dissociated itself from the executions; privately, some Shell officials concurred with Abacha's views on Saro-Wiwa and the infighting among his Ogoni people.

Some energy projects promote regional cooperation. With the important exception of the Bakassi Peninsula dispute between Nigeria and **Cameroon** (now with the International Court of Justice in the Hague), diplomatic efforts to sort out maritime borders in the Gulf of Guinea have been fairly successful. A seminar in Washington on 25 January discussed proposals for a new relationship with Gulf of Guinea producers, exchanging oil for development. Entitled 'African Oil: A Priority for US National Security and African Development' and organised by the Institute for Advanced Strategic and Political Studies, the Washington office of an **Israeli** think-tank, it brought Kansteiner together with the ambassadors of **Algeria**, Cameroon, **Congo-Brazzaville** and Nigeria.

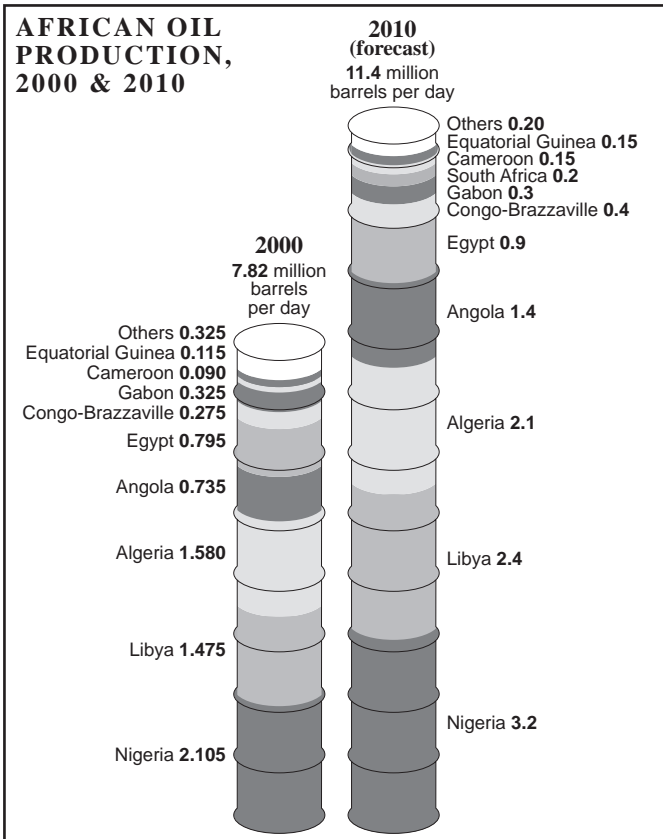
The meeting's organiser, **Paul Michael Wihbey**, believes that, instead of exchanging cheap oil for security guarantees, the importing nations could offer support for development and regional security. The plan's advocates have a threatening vision of states with burgeoning populations, dwindling oil revenues and economies without non-oil activity to sustain them – in fact, something very similar to Nigeria.

Who needs OPEC?

Nigeria is the only West African state in the Organisation of Petroleum Exporting Countries, whose hold on the market is loosening with the rise of non-member producers such as Angola and **Russia**. The oil majors dream of breaking the cartel's power but dare not say so for fear of annoying Saudi, the biggest and by far the cheapest producer. Last year's brief panic over power distribution in California, though nothing to do with imports, strengthened the case for using natural gas in power generation and boosted the prospects for gas in Algeria, Angola and Nigeria.

At present, most of the gas associated with oil production is burned wastefully away. For twenty years and more Nigeria, which urgently needs more electricity, has been promising to use associated gas rather than flaring it off. The process is far more complex, though, than pumping oil several kilometres out to sea into tankers bound for the USA.

Arabian oil is still far cheaper to produce than any other. Costs are at level-pegging in the Gulf of Mexico and the Gulf of Guinea, where the explorers find more oil the deeper they drill. An oil price above US\$30 per barrel would probably hit consumption and wreck the oil companies' profits; but fat profits are sustainable for oil in the expected \$20 bracket.



Few African governments or state-owned oil companies can raise the capital to invest heavily in oil projects. They get their return from foreign companies by taxes, levies and, mainly, production-sharing agreements. The recent African strategy is to develop oil and gas in joint ventures with multinational firms. Angolan state oil company Sonangol has established oil service subsidiaries (using foreign partners and technology) to reduce the work going to foreign contractors. **Equatorial Guinea**, now an established producer, has renegotiated some of its early contracts to increase the government's share.

Questions of governance

Like it or not, oil companies become entangled in the politics of countries where they are the main source of income. In Equatorial Guinea, for example, they see oil wealth invested in Hollywood, where President **Teodoro Obiang Nguema Mbasogo's** son **Teodorin Nguema Obiang** is moving ahead in show-business, including constructing a studio and elite hotel (AC Vol 42 No 13). He was recalled to Malabo by his father last year but has now returned, his funds replenished, to pursue musical interests.

Angolan President **José Eduardo dos Santos** was accompanied by oil officials when he visited the USA for talks with President **George W. Bush** on 26 February. He complained that the International Monetary Fund, before lending more money, insisted on seeing details of his oil accounting. The USA complained about Angolan corruption and reckoned the IMF had a right to an oil audit since at least 40 per cent of the Luanda government's oil receipts are channelled through extra-budgetary accounts.

Optimists hope the **Chad-Cameroon** pipeline scheme, a controversial project closely monitored by the World Bank, could provide a model for oversight of other resource exploitation projects. Critics deplore the scheme's probable social and environmental effects, and doubt whether Chad's government will really use oil revenues for development. There was a row when, before all the oversight bodies had been set up, \$15 million of a \$25 mn. signature bonus was swiftly

allocated outside budget processes and \$4.5 mn. of that was spent on arms. The signature bonus was not strictly covered by the auditing and oversight provisions but the row enabled the World Bank to apply pressure and the rest of the money was duly vetted.

Construction of the **Chad-Cameroon** project, led by ExxonMobil, is going ahead on schedule. Capacity-building and local content are taking longer. The International Advisory Group (IAG), set up to monitor the project is worried at the implications of so large a development in a country whose institutions are still fragile. Government engineers, teachers and other civil servants are leaving for work on the pipeline, which creates local activities (including child prostitution) but will leave almost no local jobs behind it once completed. New service roads will transform the rural economy, already tangled by conflicts between farmers and herders. The project agreement provided for a Chadian oversight body, but it still has no operating budget.

Nigerian President **Olusegun Obasanjo** has led a diplomatic push to clarify maritime borders in the Gulf of Guinea. This should bring diplomatic advantages beyond the oil issue, by establishing Nigeria as the main power among the region's smaller states. Oil diplomacy also benefits Colonel **Moammar el Gadaffi**, whose tentative opening of the **Libyan** oil and gas industry has won him partial rehabilitation in Europe (although, to the oil majors' frustration, the US Congress insists on maintaining sanctions). He has brokered peace efforts in Chad and **Central African Republic**, and the chance of acceptability in Western drawing rooms may yet persuade him to drop **Liberian** President **Charles Taylor**.

Regional projects sound fine but can prove problematic. A West African gas pipeline from Nigeria to **Benin, Togo, Ghana** and eventually **Côte d'Ivoire**, has been pushed by ChevronTexaco. However, the market is small and environmental concerns are great. Ghana cannot at present afford to buy the eventual product and the project is suspect there because of its association with **Tsatsu Tsikata**, former Chief Executive of the Ghana National Petroleum Corporation, who resigned on the eve of the presidential election and now faces charges of causing the GNPC 'grave financial loss'.

Nigeria's latest dream is of a trans-Sahara pipeline to Algeria's Mediterranean coast, carrying gas to Europe. Algeria likes the scheme because it would strengthen its position as the Mediterranean gas hub and earn fat fees. Work is going ahead on a gas line from **Mozambique** to **South Africa**, countries with close political and economic relationships. Maputo is the closest port to Johannesburg and Mozambique's Pande and Temane gas fields offer South Africa the chance to diversify out of coal. In Southern Africa at least, oil and gas could prove a unifying force.

Visit our website at: www.africa-confidential.com

Published fortnightly (25 issues per year) by Africa Confidential, at 73 Farringdon Road, London EC1M 3JQ, England.
Tel: +44 20-7831 3511. Fax: +44 20-7831 6778.

Copyright reserved. Edited by **Patrick Smith**. Deputy: **Gillian Lusk**. Administration: **Clare Tauben**.

Annual subscriptions including postage, cheques payable to Africa Confidential in advance:

Institutions: Africa £312 – UK/Europe £347 – USA \$874 – ROW £452
Corporates: Africa 404 – UK/Europe £425 – USA \$985 – ROW £531
Students (with proof): Africa/UK/Europe/ROW £87 or USA \$125

All prices may be paid in equivalent convertible currency. We accept American Express, Diner's Club, Mastercard and Visa credit cards.

Subscription enquiries to: Africa Confidential, PO Box 805, Oxford OX4 1FH England. Tel: 44 (0)1865 244083 and Fax: 44 (0)1865 381381
Printed in England by Duncan Print and Packaging Ltd, Herts, UK.

ISSN 0044-6483

Pointers

NIGERIA

Blitzing the banks

In its attempt to clean up the banks, the Central Bank of Nigeria risks sparking a crisis. It wants to deter banks and multinationals from dealing on the parallel market and blames them for the naira's fall against the US dollar. President **Olusegun Obasanjo** wants a stronger currency: it wins votes.

The CBN fired off 21 letters this week to banks suspected of trading illegally, accusing some of 'round tripping' between the official (\$1 = N116.1) and parallel markets (\$1 = N139) rates. The letter warned of penalties sometimes far in excess of the banks' shareholder funds.

Disclosure of banks' involvement in the parallel market will have a knock-on effect. Stockbrokers are watching closely; they'll sell the usually lucrative bank stocks if it looks as if the CBN move will hit profits. Some 16 of the 21 banks named are said to be major and include Diamond Bank, FSB and Liberty Merchant Bank.

Bankers warned that the proposed penalties would sink the financial system. A recently visiting International Monetary Fund team recommended that about half the 100 or so banks should be closed. Last month the CBN revoked Savannah Bank's operating licence; it suspended First City Monument Bank from the foreign exchange market last year; smaller banks are also being squeezed.

Nigeria's biggest bank, First Bank, looks vulnerable too. It financed a \$111.7 million (about twice its annual profits) non-refundable downpayment for a controlling stake in state telephone company Nitel but Investors International (London) Ltd. (IIL, the consortium it was operating for) has failed to come up with the rest. First Bank's merchant banking affiliate is accused by other banks of dealing on the parallel market in the late 1990s. This could embarrass CBN Governor **Joseph Sanusi**, who was then First Bank's Chief Executive.

Most banks use the parallel market: bankers say about half of forex transactions go through it, either in cash through *bureaux de change* and currency dealers or in offshore bank transfers. It's not only smugglers who benefit. Many oil majors and gas companies work the parallel market. Global scrutiny of offshore transfers has tightened since 11 September as national banking regulators crack down.

● Ahead of next year's elections, Finance Minister **Adamu Ciroma** said that Abuja no longer sought an IMF deal: Nigeria 'does not want to continue with arrangements where only narrowly defined macroeconomic targets come into play'. The stand-by agreement expired in 2001. Few believed a government under electoral pressure would meet IMF targets. Fund officials worried that their compromises with the government would further damage IMF credibility. Expect more public spending, plus higher inflation and interest rates.

NORTH AFRICA

Branch office

The European Commission is contemplating yet another development bank, this time to boost the integration of North Africa's economies into the European-Mediterranean market – a target far from achievement. The idea is strongly backed by the Commission's President, **Romano Prodi** of Italy, and by the European Union's presidency, at present in the hands of Spain. Under it, Europe would promise more money to its neighbours across the Mediterranean, create new jobs for EU officials and open contract opportunities for companies; northern Europeans tend to see it as a way of favouring Spain and Italy.

The Luxembourg-based European Investment Bank (EIB) already funnels some loans to big (and a few smaller) business projects in the region. The EIB's President, former Belgian Finance Minister **Philippe Maystadt**, would prefer any new Mediterranean funding unit to be a low-cost EIB affiliate. EIB Vice-President **Wolfgang Roth** and German Finance Minister **Hans Eichel** want nothing more ambitious than a new loan facility. Nobody has explained how a new institution would fit in with the World Bank and the African Development Bank; the ADB, whose President is **Omar Kabbaj** from Morocco, has kept business turning over largely by loans to North Africa.

A similar idea, also proposed by Spain, was floated in the early 1990s, before the EU launched its Euro-Med initiative in Barcelona in 1995. But money allocated, notably the E5.3 billion (\$4.6 bn.) set aside for the EU's existing Meda programmes, is often not spent, because suitable projects are scarce or bureaucracy is strong. Brussels hopes to speed things up by devolving powers to its regional delegations. Paperwork for an E120 million structural adjustment loan, for water projects, will be processed at the Rabat delegation's new offices, under **Sean Doyle**.

The critics want more transparency. Tunisia has been keenest on, and best at exploiting, the Euro-Med zone. But EU diplomats there worry about 'governance issues' – human-rights and corruption. They are uncomfortable about the prominent business activities of certain notables, including the family of first lady **Leila Ben Ali**.

Egypt's government has, for once, acted against corruption. On 28 February a state security court sentenced **Mohieddin el Gharib**, an ex-Finance Minister, and **Ali Taha**, an ex-head of the customs authority, to long prison terms for helping companies avoid customs duties. Governments say they need extra help because their take from the customs diminishes as they lower tariffs under Euro-Med accords.

GUINEA

Money for mercs?

The French immigration authorities have created a huge row in Guinea, by deporting there a group of 18 Liberians who gave evidence last year in

the trial of Guinean opposition leader **Alpha Condé**. The men then claimed that Condé had recruited them for an invasion of Guinea. Now they are demanding money from the Guinea government. According to a leaked letter to the Security Minister, **Amadou Camara** (signed by the State Prosecutor, **Mohamed Sylla**, and by President **Lansana Conté's** aide-de-camp, Commandant **Mamadouba Soumah**), the government arranged after the trial that the witnesses should be resettled in Ireland; the plan failed when the 18 were detained in France.

The letter complains of the young people's greed. 'For their food and lodging costs, they are each paid 5,000 Guinean francs (US\$2.50) per day. Each of the witnesses was offered a lump sum of GF5 million to look after themselves. They reacted negatively and demanded \$10,000 each to free the state of its obligations to them.' One is known as General **Langassa**. Another, **Konty Kamara**, claimed to have fought in Liberia's civil wars, and to have been asked by Condé to recruit Mandingo comrades.

Sékou Koureissy Condé, who was Security Minister when Condé was arrested in December 1998, says the arrest was arranged by others including Amadou Camara, Commandant Soumah, Prime Minister **Lamine Sidimé**, former Justice Minister **Zogbélemou Togba**, and a tough woman gendarmerie officer, **Manou Cissé**.

Condé was arrested on the eve of the presidential election as he tried to cross into Côte d'Ivoire. He denied the charge that he had recruited several thousand mercenaries to overthrow the Conté government. In May 2001 he was granted a presidential pardon and released, since when he has been in France for medical treatment. Colleagues say he is getting better but is still not allowed to take part in politics and is not expected to contest the 2003 presidential elections. In November Conté pushed through a referendum in a bid to become yet another third-term ruler.

FRANCE/AFRICA

The other Tanzanite

France's first military exercise in English-speaking Africa, Tanzanite III on 11-22 February, got top marks in public, while its sponsors carried on bickering about what to 'do' about Africa. The closing fly-over and parachute drop showed that the Southern African Development Community, plus Kenya and Madagascar, can cooperate militarily with overseas comrades – and with each other. British and United States' observers remained sceptical. One called the exercise, centred upon Tanga, 'pure theatre'. French officers argue that you have to start somewhere.

Publicly, African junior officers were positive. Privately, few thought it possible that officers from Congo-Kinshasa and Malawi could coordinate a cross-border peacekeeping force with zero logistics. All logistics were French. Some African soldiers turned up without sidearms and some obtuse units nearly got a tongue-lashing. However, diplomacy was on the agenda and Paris, having organised the display, kept quiet.