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Kony's northern rebels expose the ruling army's faults but Operation Iron Fist fails to defeat them

If it was the last kick of a dying horse, it was a powerful one. At daybreak on 5 August, a group of Lord's Resistance Army rebels led by **Joseph Kony** attacked a refugee camp at Acol-Pii in northern Uganda, killed over 50 civilians and stole food, drugs and military equipment. The camp was guarded by the Ugandan People's Defence Force and administered by the United Nations High Commissioner for Refugees; the raid seemed designed to cause maximum political damage to President **Yoweri Kaguta Museveni**. Two days previously, he had donned military fatigues and announced he would be spending the next ten days in the north to oversee the next phase of Operation Iron Fist against the LRA.

For the Acholi people of northern Uganda, the main victim of Kony's attacks, Iron Fist has failed. In the previous week, the LRA had massacred more than 50 villagers in Mucwini, Kitgum, and abducted 100 children. Iron Fist started in February after Museveni made an extraordinary deal with **Sudan's** Lieutenant General **Omer Hassan Ahmed el Beshir**. The UPDF gained the right to hot pursuit of the LRA into Sudan, while Uganda promised to end military support for **John Garang de Mabior's** Sudan People's Liberation Army. The National Islamic Front regime has quartered and supplied Kony's rebels from their inception, in retaliation for Uganda's long-standing support for the SPLA (AC Vol 43 No 9).

Museveni has long been one of the region's sharpest critics of the Islamist regime in Khartoum. A month ago, he told an internal meeting of senior army officers that efforts by Sudan and **Egypt** to control the Nile Waters were one of the most serious long-term threats to Uganda's security. Museveni studied at the once radical University of Dar es Salaam, **Tanzania**, with John Garang and they became close friends. Museveni's hosting on 27 July of a face-to-face meeting between Garang and Omer was a prime piece of diplomatic theatre.

The war isn't working

The clever script hasn't much helped Ugandans or southern Sudanese. Kony's rebels seem as well equipped and coordinated as ever. The UPDF's forays into southern Sudan are a costly diversion from its core security role in northern Uganda. As the UPDF claimed it had surrounded a key group of LRA rebels in Sudan's Imatong Mountains, the LRA gave them the slip and crossed back into Uganda to kill more civilians. The Imatongs were billed as the LRA's Tora Bora: UPDF officers draw imaginative parallels between their pursuit of the LRA and the **United States'** pursuit of *Al Qaida* – a view encouraged by Washington designating the LRA a terrorist organisation.

Even if the LRA is dying (but there's little evidence of that) Iron Fist has been costly. Unconfirmed figures put UPDF casualties this year in the hundreds. Four captains, two majors and a lieutenant colonel have been killed since Iron Fist started in March. Nonsense, according to UPDF spokespeople; they say they have killed more than 300 rebels but refuse to admit UPDF casualties as policy. Whatever successes the UPDF may have had against LRA bases in Sudan, the rebels can still mount lethal counter-attacks.

Rumour and speculation flourish. Some say the UPDF's poor performance is deliberate: for example, they claim the UPDF had advance knowledge of the LRA's Mucwini massacre last month and did nothing. **Algeria's** military have been accused of dereliction of duty or complicity in civilian massacres officially blamed on Islamist rebels: the UPDF faces similar charges. Others believe Kony and the LRA are still teleguided by the NIF regime: the LRA seems equally at home massacring civilians in SPLA-held areas of Sudan or killing Acholi people in Kitgum.

Official UPDF reports claim Sudan government aircraft bombed Kony's bases at Nisitu and Ngangara on the Juba-Torit road last month, after a fire-fight between the LRA and Sudan government forces. Some Ugandan politicians claim, implausibly, that under the Museveni-Omer agreement, the UPDF would return any weapons captured from the LRA to their original suppliers, Khartoum.

Most agree that the war isn't working, few hold out hope for negotiations with Kony, even if Kampala would countenance them. Two years ago, Museveni offered the LRA amnesty and dialogue. Few rebels accepted. Kony's psychotic blend of fundamentalist Christianity and traditional belief doesn't brook compromise or challenges to his leadership. His claims to be fighting for the Ten Commandments and Acholi nationalism are hollow; the Acholi have suffered more than anyone from LRA violence.

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Soldiers of tomorrow

The Uganda People's Defence Force is under siege at home and abroad. Its mediation in **Sudan** looks even less credible than its attempts to dig its way out of its greedy and failing intervention in **Congo-Kinshasa**. **Joseph Kony's** rebels have again turned Acholiland into a killing field. Logically, these failures should be blamed on the ruling military triumvirate: UPDF Commander General **James Kazini**; sometime UPDF Commander in northern Uganda, Lieutenant Gen. **Salim Saleh**; and President **Yoweri Kaguta Museveni** himself.

The apex shows little sign of contrition. In last year's presidential election campaign, senior UPDF officers hinted they would 'veto' – that is, physically block – any candidate who didn't share their politics or wouldn't protect their interests. Museveni's main rival Colonel **Kizza Besigye** (now a political exile) enraged his erstwhile comrades by promising probes into military malfeasance.

So far the most important sign of movement is the appointment of civilians, **Amama Mbabazi** and **Ruth Nankabirwa**, as Minister and Deputy Minister of Defence; both are core National Resistance Movement loyalists. In theory, they should reassert the authority of a military appointments commission independent of army politics. Local Government Minister **Bidandi Ssali** also talks about the military becoming a 'public and professional' institution. The restructuring plan is still on the drawing board.

Some senior officers push a reformist line. Gen Kazini, under fire for his self-appointed pro-consul role in Kisangani and the UPDF's eclipse by the

Rwandan People's Army, has been talking about the army's constitutional responsibility to uphold the voter's choice in 2006 – although few think he will be in a command position by then. He is likely to take the blame for the UPDF's looting and failures in Congo, rewarded for going quietly with a state sinecure. The favourite to succeed Kazini is Brigadier **Arona Nyakairima**.

Jockeying for position alongside Nyakairima are a new generation of senior officers: Brigs. **Kale Kaihura**, **Ivan Koreta**, **Nakibus Lakara**, Cols. **Sula Semakula** and **Francis Okello**. After Kazini, Gen. Saleh is tipped for retirement: that shouldn't prove too onerous for the President's half-brother, an exponent of military business, although he will have to look after followers like Col. **Robert Rusoke**. Saleh may hover in the background as an informal consultant: he has brought back from the brink a few former dissidents such as Lt. Gen. **David Tinyefuza**. Provided nothing from his past comes back to haunt him, Saleh may carve out a role until 2006.

Saleh's diplomatic skills are needed in the intelligence corps, where there is almost open warfare between the Chieftaincy of Military Intelligence Director Col. **Noble Mayombo** (a former aide-de-camp to Museveni) and the Director of the Internal Security Organisation, Brig. **Henry Tumukunde**, another former Director of Military Intelligence. Tumukunde is suspected of dangerously liberal ideas about multi-party politics. The two intelligence chiefs agree on one point: Col. **Elly Kayanja**, a Museveni ultra-loyalist, should be watched closely.

Museveni's government is floundering for a response other than military counter-attack. Opposition politicians such as **Norman Mao** have long argued for a broader political approach: a better equipped, more professional government force in the north, alongside a sustained public investment programme run by a committed and honest leadership. Mao and many others think those elements are missing. The government's failure in the north presages wider political failures ahead and according to the constitution, Museveni must quit in 2006.

The failures go to the heart of the UPDF and its forerunner, the National Resistance Army. In the violent presidential election campaign of March 2001, Museveni promised to reform and professionalise the armed forces, which have been at the centre of politics since he seized power in 1986. The NRA was the first guerrilla army to oust an incumbent African regime rather than, as in **Angola**, **Mozambique** and **Zimbabwe**, a colonial one.

An old soldier's vision

Much was expected from the NRA. It was a 'new-era' army, with many graduates in its officer corps sharing Museveni's vision of radical social transformation. Sixteen years later, the UPDF officers and soldiers are discredited. At home, they have failed to protect fellow citizens from the LRA in the north or the Allied Democratic Forces in the west. Abroad, forays into Sudan have met with questionable success, while intervention in **Congo-Kinshasa** has been mired in corruption, looting and military humiliation in Kisangani by the *Armée Populaire Rwandaise*.

Museveni doggedly defends the reputation of 'his' army but accepts the need for reform. Can he do it? Professionalising the army means removing the soldier-politicians and building a command structure that takes orders from an accountable civilian authority. Most serving senior officers are or have been members of the national parliament or political commissars. They are used to making policy, certainly not to taking orders from politicians.

The biggest problem is the personalisation of power. Museveni

himself makes almost all senior military postings, occasionally in consultation with his half-brother **Caleb Akandwanhao**, usually known as **Salim Saleh**. That helps to explain the bizarre tale of Brigadier **Henry Tumukunde** and his sacking or resignation from the directorship of the Internal Security Organisation (AC Vol 43 No 15). Tumukunde has now bounced back in the same job, apparently with Museveni's blessing.

Personalisation goes beyond Museveni. Many UPDF operations seem to have been run outside the formal command structure. Each operation had a different command centre, leaving soldiers confused about who was in charge – Generals **Elly Tumwine**, **Jeje Odongo**, **Salim Saleh** or Museveni himself. Until now, Museveni has been unwilling to slacken the reins. He feared that relaxing control of the military would destroy his achievements after 1986: the ending of the bloody civil war, the return of security to much of the country and economic growth. The security problems have reappeared, though, despite the web of peace deals in Sudan and Congo-K. Some senior officers say this makes military reform more necessary than ever.

Since the mid-1990s, the UPDF has been pushed off course by a vainglorious foreign policy which it was expected to run. Military policy in the late 1980s was to promote popular militias under tight political control. In the early 1990s, most Banyarwanda went back to Rwanda and many Baganda left to go into business. This left the officer corps heavy with officers from the west (Museveni's home region) commanding foot-soldiers from the north, whose people suffer the brunt of Kony's operations.

There was talk of rebellion by the northern ranks who made up about 70 per cent of the UPDF by the mid-1990s, and wild and not-so-wild allegations about UPDF operations. Soldiers were blamed for murders and robberies that cost 20 lives in Kampala. **Kizza Besigye**, an UPDF ex-colonel now in the political opposition, blames the Kampala bombings on military intelligence operatives but fails to explain how the UPDF benefits from bombing its own capital. More substantive questions are asked about Major **Roland Kazooka Mutale's** Kalangala

Action Plan, a seemingly autonomous armed unit funded by the Presidency.

Reform would mean the end to such murky operations and a more meritocratic approach to structure. At present, smart graduates are directed to the intelligence corps, where they are less of a threat than they would be in charge of combat units. Museveni and his high command must cultivate a new generation of well trained professional officers to take over when he leaves.

Besigye claims he does not intend to go in 2006. Maybe he has a longer game plan and is awaiting developments in Congo or Sudan before radically changing the army. Whatever the public line on reform, many Ugandans believe the military will have a veto on Museveni's successor; certainly Museveni wants such a veto.

There are parallels with **Ghana**, where few believed Flight Lieutenant **Jerry Rawlings**, the military leader turned civilian president, would go quietly after two decades in power. Rawlings was as proprietorial about 'his' military as Museveni but he stood down, merely letting slip the odd tirade against his successor, **John Kufuor**. Rawlings's departure was easier because he had presided over eight years of difficult multi-party politics, a job he found far more tiresome than that of military dictator; his sense of loss was mitigated by relief. Museveni is pushed the other way, largely because he has not built the institutions needed for a peaceful succession. His stout opposition to multi-party politics, and growing dysfunctionality and corruption in the army, might urge him to hold on.

SUDAN

Muddying Machakos

The gap widens between interpretations of last month's peace agreement

The Machakos Protocol, signed by the National Islamic Front government and the Sudan People's Liberation Army/Movement in **Kenya** on 20 July (AC Vol 43 No 15), does not mean what it seems to mean. With the next round due to open on 12 August for five weeks, the signatories are trying to persuade allies, real and potential, that their version is the true one. They disagree on basic principles.

The widest abyss is between interpretations of 'self-determination', on which a referendum in the south was agreed. SPLA/M leaders claim they are fighting for national unity but are trying to convince followers who appear to want independence that victory is in sight – in six and a half years' time, at the shortest. The NIF has to convince party doubters that it has not yielded to the infidel (southern or foreign) while persuading governments (mainly Arab, especially **Egyptian**) that Sudan's peace and unity are in danger unless they help. The NIF stresses clause 1.10 of the Protocol, 'to make unity an attractive option especially to the people of South Sudan'. It clearly plans to do everything possible to ensure southerners do not vote for independence, should referendum day ever dawn.

The NIF's lack of enthusiasm for the referendum illustrates the agreement's fundamental weakness. The one thing that might keep southerners voluntarily inside a united Sudan is the secular constitution Machakos rejects; the Protocol stipulates *Sharia* (Islamic constitutional, civil and criminal law) for the north. On 2 August, **Amin Hassan Omer**, Political Relations boss in **Ali Osman Mohamed Taha**'s ruling NIF faction, the National Congress (NC), said Christians in the north would be subject to *Sharia*. At least five million non-Muslims, most but not all southern, live in the north.

Across Sudan's wide political spectrum, there is outrage at what many perceive as the contempt of the leading Machakos facilitators, **Britain** and the **United States**, for democracy and human rights, north or south. The other opposition parties in the National Democratic Alliance (which includes the SPLA/M) gave Machakos an official, qualified, welcome but they're angry. It's a sign of NIF success that they seem to feel more pressured by Washington and Cairo than does the NIF, whose fear of another missile attack made Machakos possible.

In *Al Sharq al Awsat* of 6 August, **Mohamed el Hassan Ahmed** focused this depth of feeling. The veteran Sudanese journalist warned of the 'danger that threatens the unity of Sudan as the result of the government clutching at what was left of its slogans that are built on abuse of religion and its monopoly in determining the fate of Sudan although it represents a minority'; for the first time, he called openly for a secular state to save Sudan, doubly unexpected in a **Saudi Arabian** newspaper.

The Arab press has widely and sympathetically reported the NIF's search for Arab support, calling self-determination a 'US-Zionist conspiracy'. NC Secretary General **Ibrahim Ahmed Omer** assiduously courts Arab investment 'as a means to support the peace agreement... and Sudan's unity'. Arab media speculate about the threat to an Arab state; Egypt's *Al Wafd* suggested setting up a Sudan department in every Arab government to deal with it.

Cairo, Sudanese unity's biggest supporter, has revived the old concept of 'strategic depth' and the scare about the Nile waters; Egypt's dependence on the river is obvious, the ability or inclination of an independent southern Sudan to shut down its flow is not. NDA Secretary General **Pagan Amum** observed that the NIF's Islamism was more of a threat to Egypt than southern secession could ever be. One paper, *Al Jeel*, even denounced the 'unforgivable mistake' of President **Gamal Abdel Nasser** in giving Sudan the right of self-determination, called the Protocol a threat to Egyptian national security and SPLA leader **John Garang de Mabior** a 'Zionist separatist' and concluded: 'The solution is in our hand and it is easy. Re-occupy Sudan.' Some Egyptian officials might agree; their government deals with Sudan not through its Foreign Affairs Ministry but its General Security Organisation, which says privately that there will be no self-determination for the south and Egypt will do whatever it takes to protect its interests.

The opposition lacks credibility with interested Western governments because it is inactive and divided. Double talk on *Sharia* hasn't helped. The NIF, adept at tying outsiders into its web (AC Vol 43 No 9), is even better at dividing its Sudanese opponents: it plans to use the pre-referendum years to divide the south against itself.

A warning from the past

It's been done before. In 1983, President **Ja'afar Mohamed Nimeiri** divided the south into three, as advocated by his Equatorian Second Vice-President, General **Joseph Lagu**. Rebel attacks halted oil exploration; the SPLA was formed; Gen. Nimeiri then declared Islamic law (his Attorney General was **Hassan Abdullah el Turabi**); the government fuelled ethnic rivalries by manipulating politicians seeking power in a 'decentralised' south. The much lauded 1972 Addis Ababa Accord had ended the previous 17-year war and given the country eleven years of peace. It melted overnight.

Khartoum's skill at manipulating southern complexities makes a quick fix impossible. Yet the 'Troika' of **Norway**, the UK and USA are hurrying (towards a November deadline, apparently) to bypass the Inter-Governmental Authority on Development, which gives its name to the Machakos process. IGAD's Declaration of Principles was painstakingly elaborated over years and formally accepted by the SPLA, NDA and even, reluctantly, the NIF. Now Kenya, Britain and the

USA all privately claim authorship of a Protocol which takes the two main principles – separation of state and religion, and the south's right to a referendum on self-determination – and awards the SPLA a theoretical referendum and the NIF its Islamist state.

It is a wan and lop-sided process compared to earlier, Sudanese, talks, especially those of 1989. One of several previous drafts this year proposed 'self-administration' and 'religious tolerance'. Colonel Garang told President **Daniel arap Moi** this wasn't even worth discussing. Garang knows he is finished if he signs something he can't carry. He has less power now but the SPLA is stronger for it.

The NIF is buying time, does not intend to be contained and is helped because the Protocol was designed by outsiders not Sudanese. In 1989, the first substantial peace process looked about to bear fruit when the NIF coup sabotaged it.

Machakos has still divided the NIF but faultlines are obscured by its skill in portraying false divisions and disguising real ones. On the evening of 19 July, we hear, when talks stalled, NIF chief negotiator **Ghazi Salah el Din el Atabani** rang President **Omer Hassan Ahmed el Beshir** to say his team was being 'threatened' by mediators and they had to sign. However, we also hear the NIF had already decided to sign, so the telephone call could have been planned. The international Islamist movement needs the NIF in power in Khartoum and would accept a divided Sudan if it were unavoidable.

Bossed by the infidels

The NIF has to deal with the perception in the party that it has been ordered around by non-Muslim foreigners. Some Troika members certainly think they can push the SPLA/M around and are widely perceived by Sudanese north and south to favour the NIF, which has oil. Western governments claim engagement with the NIF gives them leverage. It is hard to see what this consists of and the NIF needs political backing more than money. The European Union (which has political sanctions against **Zimbabwe** but not Sudan) has already decided to restore funding and a country strategy paper is being discussed; development aid should be worth 383 million Euros (US\$380 mn.) initially. The International Monetary Fund talks of 'poverty reduction'. Britain, neck and neck with **Germany** in the contract race, says it backs debt cancellation if Machakos goes ahead. Washington is distracted by **Iraq**.

If talks do break down in this round, two new ambassadors absent from the early stages will pick up the pieces. The US Assistant Secretary of State for African Affairs, **Walter Kansteiner III**, has the ear of US President **George W. Bush**, but 'Dubya' overruled him to appoint a Chief Operating Officer for the Machakos process. **Michael Ranneberger**, former Ambassador to **Mali**, was welcomed by human rights activists. The NIF again bombed civilians in Upper Nile after signing Machakos. Meanwhile, **William Charters Patey** starts as UK Ambassador to Khartoum next month. A Scots Arabist, he has worked in the **United Arab Emirates**, **Libya** and **Saudi Arabia** (as deputy Ambassador).

As we went to press, Danforth's return trip to Machakos included Cairo, Khartoum and Nairobi but not southern Sudan, another US gaffe. The NDA was meeting in Asmara, **Eritrea**, to debate Machakos, while Britain quietly told it that it might be included in negotiations after all. On his way back from a trip to London (where he and Humanitarian Affairs Commissioner **Sulaf el Din Salih Mohamed Tahir** got on well in Whitehall, we gather), Ali Osman met NDA chief **Mohamed Osman el Mirghani** in Cairo. Ali Osman told *Maulana* Khartoum wanted to revive both talks with the NDA and the Joint Egyptian-Libyan Initiative. NDA sources see this as a bid to sabotage the Machakos Protocol. Muddier and muddier.

BURKINA FASO

Blaise wins again

Both the President and the opposition seem to be aiming for respectability

President **Blaise Compaoré** has a remarkable ability to cause tremendous trouble for his neighbours and still come up smelling of roses. Despite all his years of support for **Liberian** President **Charles Taylor**, the Liberian opposition turned out in force for talks in Ouagadougou last month. On the domestic front, the opposition has ended its political boycott and drastically reduced the ruling party's majority in parliament.

With the crisis sparked by the killing of journalist **Norbert Zongo** in 1998 much calmed, Compaoré can start preparing to run for a third term in 2005. Though he has not yet made his intentions clear, amendments to the electoral law passed in 2000 limiting presidents to two five-year terms do not apply to him. In 2010, he will be 59 and ideally suited for a new career on the international stage. The 5 May election results gave the opposition hope that he might retire sooner than expected but they might be wrong.

The 'land of upright men' (which is what 'Burkina Faso' means) has lost its gloss. The investigation into Zongo's death drags on. United Nations reports have detailed Compaoré's role in arms and diamond dealing, and his support for Taylor and **Sierra Leone's** former rebels. Free elections and a more discreet foreign policy are lowering the pressure and easing a return to business as usual. **France** has supported Compaoré whatever his misdemeanours and welcomed him on an official visit in October, his first since before Zongo's murder.

The government formed on 11 June included no opposition members. Another broad-based government seemed unnecessary now that opposition parties are adequately represented in parliament. **Hermann Yaméogo** is positioning himself as leader of the opposition, turning down the presidency of parliament in favour of **Marlène Zebango**, Vice-President of his *Alliance pour la Démocratie et la Fédération-Rassemblement Démocratique Africain*. Now that his father, **Maurice Yaméogo**, Burkina's first President who was deposed in a 1966 coup, has been rehabilitated and his family has got back his confiscated property, the son is well placed. His ADF-RDA has 17 members of parliament and controls Koudougou, the third biggest town and the home of the murdered Zongo.

Killers still at large

Zongo was found dead in his burnt-out car in December 1998 (AC Vol 40 No 20). He had been investigating the business dealings of President Compaoré's younger brother, **François Compaoré**, and in particular, the torture and killing in January 1998 of François' chauffeur, **David Ouédraogo**. An independent commission of inquiry later identified six 'serious suspects'. One of them, Warrant Officer **Marcel Kafando**, has been in gaol since February 2001, accused of murder and arson; he is in poor health and human rights organisations fear he could die in prison, as did another of the six suspects in January 2001. The government says the inquiry is a matter for the courts, though the new ministerial team includes a Ministry for the Promotion of Human Rights, headed by law professor **Monique Ilboudo**.

The row over Zongo's death invigorated the opposition, which has grown bolder and better organised. The May elections reduced the parliamentary majority of the ruling *Congrès pour la Démocratie et le*

Progrès (CDP) to 57 of the 111 seats, from 101 in the previous parliament. The biggest opposition party, Yaméogo's ADF-RDA, won 17 seats compared to four in the previous parliament; the *Parti pour la Démocratie et le Progrès-Parti Socialiste*, led by veteran politician and historian **Joseph Ki-Zerbo**, has ten instead of six. Opposition politicians say Compaoré told the CDP's regional barons not to campaign too hard in opposition strongholds.

Because the main opposition groups refused to fight the 1998 presidential election, only **Ram Ouédraogo** of the *Verts du Burkina* and **Frédéric Guirma** of the *Front de Refus RDA* stood against Compaoré. Only the ADF and the *Parti Africain de l'Indépendance* contested the 2000 municipal elections, largely because of the Zongo affair. The only significant opposition now unrepresented in parliament consists of a few faithful followers of the late **Thomas Sankara**, the President tortured and killed by Compaoré's troops in 1987. *Sankaristes* who failed to get elected included **Norbert Tiendrébogo** and the Regional Integration Minister in the previous government, **Nayabtigungu Congo-Kaboré**, of the *Mouvement pour la Tolérance et le Progrès*. The new Assembly may turn into a forum for real debate, if the opposition can learn how to oppose while observing the democratic rules. Privately, senior government politicians say they welcome the prospect of a more 'responsible' opposition.

Charles who?

Abroad, Compaoré seems to be distancing himself from Liberia's Taylor and on 8-11 July, Burkina hosted a meeting of Liberian opposition movements, chaired by former President **Amos Sawyer** and attended by rebels of the Liberians United for Reconciliation and Democracy (LURD). Taylor's government did not attend.

The Ouagadougou meeting produced a declaration calling for an immediate ceasefire between government and LURD forces; deployment of an international monitoring force; disarmament and demobilisation of government and rebel troops; restructuring and retraining of military and paramilitary forces; a mechanism to manage peace-building and the democratic process; and new elections.

Burkina's new government has plenty more to do. The tension that followed Zongo's death has dissipated somewhat but trades unions are becoming more strident; their leaders met Prime Minister **Ernest Yonli** on 13 July but went ahead with a one-day strike on 18 July. Talks are scheduled for the second week of September to discuss the unions' demands, which include a 25 per cent rise in salaries and pensions, a 30 per cent cut in income tax and a halt to privatisation.

These are unlikely to be met, though the economy looks brighter. Gross domestic product grew by 5.7 per cent in 2001, after 2.2 per cent in 2000, when the rainfall was low and large numbers of Burkinabè migrant workers fled homeward from xenophobia in **Côte d'Ivoire**. Remittances from expatriate workers fell to 35 billion CFA francs (US\$52 million) in 2000, from CFAfr 50-60 bn. in previous years.

Burkina gets little foreign investment but successful bids for aid are supported by government promises of poverty reduction and better basic services. Last year, the World Bank approved a \$45 mn. Poverty Reduction Support Credit, making Burkina the third country to benefit from this new instrument to back strong policy and reform programmes.

For 2002, growth was expected to be about the same as last year's but this year's rainfall has so far been poor. Most people live by farming, with cotton the main export and a vital source of foreign currency. In 2000, the cotton crop, hit by parasites and poor rainfall, was only 275,000 tonnes; in 2001, it rose to 376,000 tn. and was expected to rise further in 2002. Too much still depends on the rain and on the stability of Côte d'Ivoire, a key market for farm products and, above all, for the labour that Burkina Faso cannot employ at home.

SOUTHERN AFRICA

Political famine

Government corruption and greedy traders are adding to the horrors of the famine

Malawi's Poverty Alleviation Minister **Leonard Mangulama** is the first political casualty of Southern Africa's food crisis. Mangulama, who was Minister of Agriculture when President **Bakili Muluzi's** government sold its grain stocks last year, resigned on 6 August. Malawi's Anti-Corruption Bureau says Mangulama has a case to answer – and blames several politicians, some near the top of the hierarchy, for the sale last September of 160,000 tonnes of strategic grain stocks. At the same time, aid agencies were warning of a catastrophic drought.

Last year's sale forced the government to borrow US\$30 million to cover the shortfall. But the government paid for the interest charges on the loan from **South Africa's** ABSA Bank by sharply increasing local resale prices – in some cases by as much as five times their previous level.

Initially, the government blamed the International Monetary Fund for advising it to sell the strategic grain reserve to raise finance to service other private sector loans. But IMF officials say a food security consultant hired by the European Union recommended that the government sell 107,000 tonnes of its 167,000 tonnes reserve, leaving an emergency buffer. Whatever the truth, both sides underestimated the seriousness of the looming drought: Malawi now faces a food deficit of 600,000 tonnes. And the government's subsequent actions made matters worse.

Greed amid the hunger

Far from trying to control prices, some government officials sought to profit from the shortages. Politicians with connections at the Agricultural Development and Marketing Corporation (Admarc), and the National Food Reserve Agency bought the grain at fixed official prices, held on to it until the shortages began to bite and then resold it at huge mark-ups. The Deputy Director of the Anti-Corruption Bureau, **Victor Banda**, said his agency was investigating officials who may have abused their office and could be charged with criminal negligence at least.

Opposition politicians and advocacy groups want tougher action still. The Catholic Commission for Justice and Peace in Malawi released a list of those who purchased maize when the strategic reserve was sold last year: the list includes several prominent local business people and politicians, and some of the purchasers are thought to have sold at a profit when the drought started.

Political agitation is set to increase as the food crisis worsens and the government tries to avoid responsibility. Macro-economic progress such as halving the inflation rate to 20 per cent will be pushed off course by the food crisis and the high cost of government borrowing. Last month Muluzi failed to win support to change the constitution and stand for a third term; his public standing has diminished as opponents and EU officials charge his government with corruption. Reports that Muluzi has done nothing to rein in officials trying to profit from the drought has further weakened his government – two years ahead of his constitutional retirement date.

Zimbabwe's food crisis has been worsened by similar food rackets. But President **Robert Mugabe's** government has been a little more

astute in trying to blame those outside government for the crisis. Their favourite case goes back to the 1992 drought when **Renson Gasela**, General Manager of the Grain Marketing Board, was charged with corruption. He was accused of receiving a truck from Cargo Carriers after awarding them a tender to transport maize during the drought. Gasela is now Agriculture Spokesman for the opposition Movement for Democratic Change. The charges against him were eventually withdrawn after a 15 month legal battle.

But the government is keen to use the case to distract attention from its own corrupt officials and inept handling of the food crisis. Commodity traders talk excitedly about the 'Manica Connection' which appears to control the bulk of maize delivered to the Grain Marketing Board. The group knows the dates when grain ships are due to dock in Beira, **Mozambique**, and is able to organise road transport to Beira. The Manica Connection is so called because both the Chairman of the Grain Marketing Board, **Enock Kamushinda**, and Minister of Agriculture, **Joseph Made**, are from Manica Province.

NIGERIA

Home made, world class

Igbo entrepreneurs make lots of money and might make more but for the Feds

The Igbo people of south-east Nigeria took a terrible battering in the civil war of the 1960s, and the region's businesses were almost all destroyed. The recent achievements of eastern entrepreneurs in building up and sustaining, against the odds, viable small and medium-scale industries have gone unnoticed outside the region. Most recent literature on the Nigerian economy fails to mention that shoemakers in the market town of Aba produce up to 50 million pairs a year, which pound pavements from Dakar to Kinshasa via Lagos.

Lesser but impressive quantities of shirts are made. As for suits, the tailors of Aba and Onitsha serve a nation-wide market of bankers, insurance brokers and businessmen who (bar the odd meandering seam) look the part at well under half the price of imported garments. Designer labels are also on the rack, for those who don't mind trainers by Addidos or suits by Amani; never mind the spelling, feel the price.

A few local manufacturers, like Presidential Tailors in Aba, are well enough established to carry their own labels without prejudice. Their clients in the diaspora may order up suit supplies for a year's investment banking in New York. Trading ties with **Taiwan** and **Japan**, stretching back to the 1950s, have fostered in Nnewi, Anambra state, a thriving motor parts manufacturing industry central to that trade for much of West and Central Africa. Perhaps half Nigeria's toilet paper is produced by Star Paper Mill on Aba's outskirts from waste paper and documents shredded at the headquarters of multinationals, including oil majors, collected and recycled as 'Star' loo-rolls. The business was started by the late enterprise legend **Nnana Kalu**, in the '70s.

Kalu's son, **Robert**, is widening the product range with the east's best equipped printing press, opened to coincide with the run-up to the elections of 2003. Overnight the firm cornered the production of political posters, and is ready to package exports, if they are ready for international markets. The overheated political climate offers other manufacturing opportunities. Anecdotes suggest that small-scale production of handguns is booming this year in Onitsha, Anambra state, a town where intense competition and the copying of Western goods to meet Igbo orders from the Far East has kept prices down.

Manufacturers list several reasons why, despite the scope and scale

of their activities, outsiders have mostly ignored the east's potential as a motor for private sector growth. The area has largely been left to its own devices since the Igbo attempt to secede as 'Biafra' was quashed by federal forces in 1970, at the cost of a million lives. Neighbouring minority groups in the Niger Delta, as well as Nigeria's two biggest peoples, the Yoruba and the Hausa, still tend to look doubtfully at the Igbo capacity for industry, suspecting the group's clannish tendencies of hiding a wider agenda.

The dilapidation of roads, power, electricity and telecoms is as advanced in the east as anywhere in Nigeria. A prolonged crime wave has put off most expatriates, including donors. Ingenious inhabitants of Owerri, the backwater capital of Imo State, invented the 'advance fee fraud', a financial confidence trick known as a '419', after a clause in the criminal code. The wheeze is to tempt gullible foreigners to invest in non-existent scams, and some estimates suggest that 419s are now Nigeria's second biggest hard currency earner, after oil and before cocoa. Most eastern manufacturing activity is 'informal', outside the banking system, largely beyond the reach of the federal taxman, and far from the grasp of Central Bank and International Monetary Fund statisticians. Significant imports and exports tend to be smuggled out, so do not show up in the trade statistics. Companies that have broken into the big time and the formal sector prefer not to advertise their success, for fear of competition from multinationals, and jealousy and extortion from their neighbours.

Harnessing energy

A creative United Nations bureaucrat, **Kandeh Yumkella**, a former minister in **Valentine Strasser's** military government in **Sierra Leone**, represents the UN Industrial Development Organisation in Nigeria. He recognises the potential in Aba, Onitsha and other south-eastern towns for export-led growth, and is pioneering a project to improve quality among shoemakers, furniture makers, tailors and others. This would involve, for example, putting the tanneries of the northern region in touch with the south-east's leather-workers, exploiting industry 'clusters' in towns by pooling machinery, and training in book-keeping for the markets where traders and producers meet.

The aim is to harness this energy, bring it into the formal economy, to improve local manufacturers' prospects in global as well as regional markets, and to widen their access to credit. Many local manufacturers argue that they have survived 20 years of a depreciating naira only by working outside the formal economy. Unregulated, they can keep margins tight enough to compete with imported second-hand clothes and shoes dumped from Europe, by dodging customs duties and taxes.

Today Nigeria's formal sector manufacturing industry is officially said to operate at just 35 per cent of capacity. Some of the eastern entrepreneurs do far better than that. In the early 1980s some thought themselves on the brink of achieving south-east Asian style economic growth. Manufacturing industries had sprung up across the region, not only in market centres like Aba and Onitsha but also in smaller towns like Nnewi and many others with their own specialities. The big trading and transport families, which had lost their businesses outside the east during the war, sought security by investing at home.

The trend set by these investors tempted some 419 profiteers to plough their dubious gains into new productive businesses. An agro-processing plant built by one notorious crook with ambitions to go straight was completed just as the law caught up with him, and its carcass stands outside Owerri, Imo State. But the range of industries, from meat processing to metal and plastics works, to breweries and biscuit makers, is not what it was. Like the rest of Nigeria, the east's productive sector has been hit by the depreciating naira, which has forced up the cost of imported materials. They also complain of

Eastward Ho!

Igbo politics are boiling with preparations for next year's general elections. Since the dream of an independent Biafra was crushed in 1970, many Igbo have felt marginalised, and say that President **Olusegun Obasanjo**, a south-western Yoruba for whom their region voted in 1999, has kept them on the fringe. Although the nation's third highest office, the presidency of the Senate, is held by **Pius Anyim**, an Igbo, they complain of being excluded from power, and ignored in the federal budget. They also think the next president should be one of theirs.

Igbo Christians were killed in their hundreds in the religious violence of 2000, after Islamic (*Sharia*) criminal law was imposed in Kaduna State. In Aba and elsewhere Igbo retaliated by massacring hundreds of fleeing Hausa Muslims at roadblocks. The Igbo closed ranks in the face of violence, but not for the elections. Their politicians are split at every level of government. At least five would-be presidential candidates are emerging:

- **Alex Ekwueme**, Vice-President in the Second Republic.
- **Chuba Okadigbo**, the former Senate President who was impeached in 2000 for alleged embezzlement, sees himself as a contender.
- Biafra's **Chukwuemeka Ojukwu** has been pitching for support.
- **Emeka Anyaoku**, formerly Commonwealth Secretary General, has been approached.
- **Ike Nwachukwu**, a retired general and senator, is interested.

The region shows little loyalty to or interest in national political movements, including Obasanjo's ruling People's Democratic Party. Attempts in May to forge a pact between the minority groups of the oil-producing Niger Delta and the Igbo of the east are unravelling. Decentralisation is promoted by the All Progressive Grand Alliance, which demands a sovereign national conference.

At state level, incumbent governors confront opponents covertly backed by the presidency and other political actors at federal level, with some new

contenders opposing both camps. In Anambra State, factions backed by **Emeka Offor**, boss of Chrome Energy and business fixer for Vice-President **Atiku Abubakar**, are fighting the incumbent Governor, **Chinwoke Mbadinuju**. In Enugu, Governor **Chimaroke Nnamani** faces the factions of **Jim Nwobodo**, Senator and former Governor of Anambra. In Ebonyi, Governor **Sam Egwu** is opposed by Pius Anyim's faction. In Abia State the young Igbo nationalist Governor **Orji Uzo Kalu**, an arch-opponent of Obasanjo, seems the safest incumbent.

The political field is dominated by veterans like **Evan Enwerem**, **Emmanuel Iwanyuawu**, Jim Nwobodo, **Arthur Nzeribe** and Ojukwu. In Imo State candidates of a new type are demanding more productive and less corrupt government. **Clement Nwankwo**, a prominent civil rights activist, aims for the House of Representatives. **Amah Iwuagwu**, a Harvard-trained economist, wants to oust Evan Enwerem as a PDP candidate for the Senate. **Chris Ugwu**, Chairman of the Manufacturers Association of Nigeria, is in the running for Imo State Governor. Such candidates are supported by militant graduates through the New Found Forum, which says it is self-financing and aims to get younger people into politics and educate the electorate. As they prepare to compete with seasoned vote buyers and ballot stuffers, progressive candidates are winning sympathy from Igboland's dominant Catholic Church which, under the outspoken Archbishop of Owerri, **Anthony Obinna**, says it will finance thousands of election monitors.

The civil war of the 1960s removed the Igbo from their central position in national government, and largely destroyed their economy. Now the south-east is growing anew, and its self-made men want to re-establish the Igbo at the heart of Nigerian politics by building up their economic muscle. With the Hausa-led north largely hostile to Obasanjo, and no credible Yoruba challenger from the south-west, the east could swing the vote if Igbo politicians and money-men got their act together.

sudden liberalisation, overnight falls in import duties, and steadily rising overheads as the cost of credit soars and infrastructure collapses. Running private generators can raise costs by 30 per cent.

The surviving bigger businesses are mostly family run, often by the second generation that has received a Western business education. The **Uzodike** family in Nnewi, with one scion from Harvard Business School, started Cutix Cable, an electrical cable and switching company now quoted on the Lagos Stock Exchange.

Presidential Tailors negotiated major credits to expand and acquire machinery at a critical moment in the late 1970s and early '80s, when interest rates were low. Rates consistently above 25 per cent put bank loans beyond the reach of most new operators, and prevent established family firms from maintaining and replacing machinery. Under pressure from the new President of the Manufacturers' Association of Nigeria, **Chris Ugwu** (an eastern self-made millionaire, whose factories bottle spring water and manufacture toothbrushes), President **Olusegun Obasanjo**'s government has started trying to stimulate smaller-scale industries.

A fund, established by creaming off ten per cent of pre-tax income at the banks, has raised \$50-60 mn., which is supposed to go towards supporting cut-price credit for small and medium enterprises. But manufacturers insist that what they really need is better infrastructure, more power, improved roads and telephones (for which someone would have to pay taxes). Today's successes seem to be either in the sector's lower tier, where a culture of thrift and industry keeps margins tight, or in companies like Star Paper Mill that were already exploiting local raw materials, and enjoyed economies of scale.

Take the shoemakers, with an estimated 50,000 in Aba alone. Typically, the owner of an outfit employs five to ten people and takes

N40,000 in profit a month – over ten times the income of two-thirds of Nigerians. When criminal gangs became a threat, the Aba shoemakers formed and financed the Bakassi Boys, a vigilante group now taking the role of the police in at least two eastern states (AC Vol 41 No 21).

Such producers benefit from a symbiotic relationship with the many Igbo traders who control the trade in motor parts from Abidjan down to Kinshasa, and can be found in every west and central African country. This offers manufacturers a trading network with which the most modern and creative marketers would struggle to compete.

Given the right climate, this relationship could give eastern Nigeria Africa's best chance of home-grown industrialisation. But Igboland's entrepreneurs blame the politically besieged federal government for undermining, not cultivating, this field of economic development.

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Pointers

GHANA

Too good

The government has raised eyebrows by contracting a \$1 billion, low-interest loan from a group calling itself the International Finance Consortium (not to be confused with the International Finance Corporation, the private-sector lending arm of the World Bank).

It's a scam, claims the opposition, pointing to the loan conditions, which include a sovereign guarantee of repayment and a transaction fee of 3.5 per cent. Parliament approved the first tranche of \$350 million on 12 July, the last day of the session. While the ruling New Patriotic Party whipped all its 102 members into line for the vote, the main opposition National Democratic Congress opposed it en bloc and has cried foul ever since.

World Bank Country Director **Peter Harrold**, privately furious at not having been consulted, urged caution. 'I've never seen anything like this,' he said. 'I desperately hope it is what it appears to be.'

The NPP says the agreement satisfies two key conditions of the IMF and World Bank's Heavily Indebted Poor Countries debt relief initiative. The loan must have a significant element of concessionality (the interest rate is 2.5 per cent, with a three-year grace period and 25-year repayment period); the funds must be used strictly for the purposes for which they were acquired.

Senior Minister **J.H. Mensah** is the main architect of the government's strategy. The money will be spent mainly on roads (\$100 mn.), energy (\$75 mn.), and urban and rural water supply (\$90 mn.); procurement contracts will be managed by the UN Office of Project Services.

The government is giving few details of the deal due to be signed next week. A first tranche would be released immediately, with two more in 2003 and 2004. Finance Minister **Yaw Osafo-Maafa** and **Paul Acquah**, Governor of the Bank of Ghana, assured parliament that a due diligence report on the consortium had been completed by Dun and Bradstreet, but did not make it public. Supporters of the deal say that Ghana's HIPC status means banks are reluctant to make commercial loans.

New-Jersey-based **German** businessman **Horst Schneider** leads negotiations for the consortium. Schneider is CEO of Chemac Inc., an industrial cleaning equipment company. IFC boasts office addresses on Manhattan's Fifth Avenue and in the **Bahamas**. Schneider says he is fronting the transactions because the four **South Africans** on the board, the apparent source of the money, 'want to stay in the background'.

CAR/LIBYA

Patassé's pals

President **Ange-Félix Patassé** has become even more dependent on the protection of Libya and its Bangui garrison, as last month's arrest of Finance Minister **Eric Sorongopé-Zoumanji** on corruption charges provokes continued rumblings in the ruling *Mouvement pour la Libération du Peuple Centrafricain* (MLPC).

Loyalist hacks were shaken by the 8 July detention and sacking of Sorongopé, a signal that Patassé's technocratic Prime Minister **Martin Ziguélé** is slowly winning the battle for influence. Ziguélé's trump card is the prospect of an eventual new accord with the International Monetary Fund and World Bank that could open the way for debt relief – provided they see a financial clean-up. With Libyan troops assuring his hold on power, Patassé finally felt confident enough to back Ziguélé's drive for progress on this delicate issue and sacrifice of Sorongopé – a personal friend of the President who owed his cabinet job to his status as an MLPC baron and did not impress donors, unlike the Premier.

Now Sorongopé and a dozen alleged accomplices are in detention, accused of embezzling hundreds of millions of CFA francs from state coffers. The crackdown has humiliated the MLPC and opened up fissures within the party, but Patassé's new financial toughness has impressed some elements of the opposition and the drive against corruption at the top may dissuade civil servants from striking over pay arrears.

But the fact that some presidential chums remain at liberty, despite a flurry of allegations, has not gone unnoticed by a sceptical public. Patassé has backed reformist government clean-up campaigns before, only to let them peter out as short-term political considerations prevailed, but perhaps the extra psychological and military security provided by his new Libyan praetorian guard will ensure a longer life for the present crackdown.

EGYPT

No go NGO

As Egypt's government celebrated the 50th anniversary of the coup that toppled King **Farouk** and brought **Gamal Abdel Nasser** to power, a state security court handed seven years in gaol to an Egyptian/**American** civil society activist, **Saadeddin Ibrahim**.

The sentence, on 30 July, was condemned by the European Union and the USA, uneasy about their ally's human rights and governance record. Emergency laws have applied in all but eight of the Republic's years; having apparently beaten the Islamist *Gamaa al Islamiya*, the authorities

keep the laws for the 'war on terrorism'.

Foreign Minister **Ahmed Maher** said the matter 'should not be politicised'. Ibrahim's 'crime' was to receive funds from the European Commission for his now closed Ibn Khaldoun Centre for Development Studies and the Hoda Association (League of Egyptian Women Voters) to monitor parliamentary elections; he was also accused of defaming Egypt in a report on Muslim-Coptic Christian relations. An appeal is expected.

The authorities are nervous about public anger over **Israel's** conduct in Palestine, and America's threatened strike on **Iraq**. Prisons are filling with everyone from gays to supporters of the banned Muslim Brotherhood.

Ibrahim's allies see the sentence as a warning to advocacy groups and their foreign backers. President **Hosni Mubarak** (73) is in his fourth six-year presidential term, and keen to hold on. There is no vice-president, and potential successors are sidelined: former Foreign Minister **Amr Moussa** to the Chair of the League of Arab States, the ex-chief of the Air Force, General **Ahmed Shafik**, to the Civil Aviation Administration.

Possible military contenders are Defence Minister **Mohammad Hussein Tantawi** and intelligence chief **Omar Suleiman**. Mubarak's fast-rising youngest son **Gamal** is tipped to join **Syria's Bashar al Assad** as a hereditary president; he claims that elections to the ruling National Democratic Party are conducted in a democratic manner. Gamal would be Egypt's first civilian president, though this is not the sort of transition campaigners like Ibrahim dream of.

MADAGASCAR

In need

The African Union has refused President **Marc Ravalomanana** recognition until legislative elections are held – ostensibly to confirm that the public really backs his presidency – but the players with the cash are already solidly behind him.

Seventeen governments and 19 international organisations turned up in Paris on 26 July to pledge US\$2.3 billion in aid over four years. Donors visiting the capital have been impressed by the calibre of new ministers, many of them coaxed home from well-paid jobs abroad. The President's business background is evident in his imposition of performance contracts on ministers, though his decision to more than triple their salaries to the equivalent of \$3,500 a month as an anti-corruption measure has attracted criticism.

Among the governments at the Paris donor meeting were **Mauritius**, an interested neighbour, and **Senegal**, which had attempted to broker a peaceful outcome to the dispute over the presidency. Along with **Burkina Faso**, they are among the rare African states to have recognised Ravalomanana.