

AFRICA CONFIDENTIAL

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Another Addis Ababa agreement?

Many are drawing parallels between Machakos and the 1972 Addis Ababa agreement which produced an 11-year truce but failed to resolve the root problems. Like the 1972 accord, Machakos limits its focus to north-south issues and fails to tackle the network of regional fissures.

NIGERIA

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Roll out the barrel

The latest effort to liberalise (and raise) fuel prices has united traders, trades unionists and state governors against President Obasanjo's new economic team. New Finance Minister Ngozi Okonjo-Iweala has to convince Nigerians that higher fuel prices in the short term would translate into more social investment – and most critically jobs in the longer term.

ALGERIA

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Split parties, stout leaders

At stake in the latest elite in-fighting is incumbent President Bouteflika's position as front-runner in next April's presidential elections. The Generals' candidate in the 1999 elections, Boutef faces a strong challenge from sacked Prime Minister Ali Benflis and two other establishment candidates.

NAMIBIA

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Presidential stakes

As long as he agrees to go quietly, the race to succeed President Nujoma as SWAPO's flagbearer is on and will culminate in the party's extraordinary congress next May.

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Congo-Kinshasa, Vatican & Togo

SUDAN

Peace in our time

Two very different visions of what peace means hold up Washington's planned announcement

Colin Powell was disappointed. The expected signing of a partial Sudan peace agreement during the United States Secretary of State's trip to Kenya was replaced by the two sides agreeing to agree later – possibly on wealth-sharing by 25 October. The National Islamic Front government and the Sudan People's Liberation Army/Movement were still far apart on the other main issues, power-sharing and the three 'marginalised areas' on the fringe of the south, said a source from the meetings. General Powell told the NIF that Sudan would stay on the US 'terrorist list' until it expelled Hamas and Islamic Jihad. The immediate Sudanese joke in Nairobi ran: If you sign, you get the White House. If you don't, you get Guantánamo Bay!

If war is the failure of politics, will the kind of politics that foster peace be allowed to succeed? The key lies in the nature of the two negotiating parties – and one weakness of the Machakos process, named after the town where the talks began, is precisely that it involves only two protagonists, apart from the mediators (see Addis Ababa Box).

The SPLA/M's roots grow out of southern anger at northern discrimination and at oppression by a series of governments, most genocidally by the NIF. The SPLA is also guilty of brutality and authoritarianism but in its aims, it probably represents a majority of southerners and, in free elections, would win more votes than the NIF can dream of. So even the most repressive of the SPLA's 666 or so commanders (senior officers) feel the pressure for democracy and human rights from the long voiceless southern population, belatedly encouraged by foreign non-governmental organisations and governments, notably that of the USA.

The NIF's non-negotiable aims

The name of Colonel **John Garang de Mabior**, the SPLA/M leader, is mentioned hopefully all over Khartoum, as it was in 1986 during the civilian *Intifada* (uprising) which overthrew the dictatorial President **Ja'afar Mohamed Nimeiri**. The NIF has tried to weaken the SPLA/M by insisting on a 'full political partnership' with the southerners it had previously treated with contempt.

'Doctor John', like most SPLA/M leaders, well understands the non-negotiable nature of the NIF's ultimate goals and reiterates that 'partnership' is limited to peace negotiations. His Movement's aims for southerners are differently non-negotiable: they don't depend on a rigid ideology like the NIF's or make claims beyond Sudan's borders, like the NIF's pretensions to international Islamist leadership.

The SPLA/M's claims for a 'New Sudan' are crumbling under the weight of southern opinion, including that of field commanders and civilian politicians. The Movement will give up most things in exchange for the NIF's signature to a southern self-determination referendum, say delegates at the latest talks in Naivasha. The NIF has signed up to such a referendum before, with both **Riek Machar Teny Dhurgon**'s former SPLA splinter group and the SPLA/M itself but never under non-African auspices.

The big question is whether this referendum will in fact happen after the 'pre-interim' and 'interim' periods that are due to commence after the final signing. Six and a half years is a long time in politics and the NIF is adept at long-term planning, as evidenced by its patient infiltration of political, economic, judicial and social structures in the decade before it seized power in 1989.

The SPLA/M is – theoretically at least – getting what it wants at the Kenya talks, which in letter and spirit go against the NIF's very essence. The ruling party is at the table for one reason only: survival. Those in the NIF who refused to sit down with what they call the '*kufar*' (unbelievers) and '*abeed*' (slaves) of the SPLA/M, and under infidel Western auspices, have yielded to the NIF's usual long-term thinking: that it is better to survive in order to protect the Islamist movement at home and abroad than to go down fighting. 'They don't want to lose their banks to the US hurricane', observed one northern leader. The NIF has pragmatically made unholy alliances since **Hassan Abdullah el Turabi** took it over (as the Muslim Brotherhood) in 1965. His long-time deputy, **Ali Osman Mohamed Taha**, is more purist but has not had much room for manoeuvre at Machakos, where he personally took over the NIF team early last month. The main reason is US pressure.

Since ceasefire negotiations in the Nuba Mountains in January 2002, the USA has leaned increasingly

Another Addis Ababa agreement?

Conflicting visions reign of what is really going on in the Machakos negotiations, with a large gap between Sudanese participants and many of the foreigners involved. Sudanese remember their history, of which most of the Westerners involved remain ignorant. In the West, the Sudanese civil war is often described as a conflict over religion and 'resources', which can be resolved by something like the 1972 Addis Ababa Agreement ending the first war, guaranteeing 'minority rights' and sharing oil revenues fairly. The southern opposition, though, sees the current war as the result of the failure of Addis Ababa.

That peace process had several strengths; the momentum for negotiation was mainly internal to the government of the day and the southern opposition. A broad spectrum of southern political opinion was represented at the talks, in both government and Anya Nya guerrilla delegations. Once the agreement was signed, there was evident good will and determination on both sides to implement and enforce the ceasefire.

The agreement's weaknesses ultimately outweighed its strengths. Excluded, the northern opposition maintained the agreement did not bind them; some worked to undermine it. For example, in 1980 the leader of the Muslim Brotherhood (later National Islamic Front), **Hassan el Turabi**, initiated the move in parliament to redraw the south's boundaries, transferring the oilfields to the north. (An NIF stalwart, Energy Minister **Awad Ahmed el Jaz**, repeated this month that 'most' oil lies in the north). The lack of representative structural support for the accord allowed the then President, **Ja'afar Nimeiri**, to regard it as a personal arrangement between himself and southern leaders, which could be and was rescinded when he saw fit.

The accord created a Southern Regional Government with few economic powers and dependent on subventions from central government. The wording of the security arrangements was ambiguous: southern politicians thought it created a permanent southern army, central government saw it as a temporary arrangement leading to the dissolution and absorption of the guerrilla army. So, after an eleven-year truce, the Regional Government collapsed and fighting broke out again.

In contrast, the momentum for Machakos has been external. This may provide pressure for signing an agreement but may not ensure its implementation over the six-year 'interim' period.

Because broad political opinion was not represented in government or Sudan People's Liberation Army/Movement delegations, any resulting agreement may be repudiated by those excluded, just like Addis Ababa.

The newly personalised roles of Vice-President **Ali Osman Mohamed Taha** and the SPLA/M leader **John Garang** were hailed as breaking the deadlock. Yet the deal could be seen as yet another personal arrangement between leaders, not peoples or parties.

The security agreement appears to give the SPLA what it wants, a separate army for the six years before the self-determination referendum. However, if, as post-1972, all that force's resources come from a central command in Khartoum, the SPLA might find itself severely short of what it needs. The agreement's stability rests on the degree of economic and financial autonomy accorded to the interim Government of Southern Sudan.

Moreover, the current conflict is not one war but many. It has revealed a wider network of political and regional fissures, which have grown as fighting went on. When conflict started in 1983, the main issue was the south's grievance over the abrogation of Addis Ababa and the unconstitutional drift towards an Islamic state. Today, there is fighting not only in the south but in the Nuba Mountains, Southern Blue Nile, parts of the east and Darfur, too. All these regions share grievances, which are also specific and require different solutions. The government has persistently regarded the war and the negotiations as about 'the southern problem' rather than national issues. Southern Sudanese may be allowed a referendum on independence but northern Sudanese will not be allowed a choice on the Islamic state.

Political groups excluded from the peace talks have held various meetings but it is not clear whether they will lead to separate agreements between the government and individual opposition groups or to a comprehensive constitutional consultation. The government's highly successful strategy is to keep the northern and southern opposition divided.

on both sides. Last week, a US official reportedly told John Garang that, after **Afghanistan** and **Iraq**, Washington needed to get rid of the image of a government that 'shoots from the hip', insisting, 'We need an agreement'. Though there was no mid-October signing on the White House lawn as planned, it was made clear to both protagonists that, rain or shine, Powell was coming to Nairobi on 21 October – the much loved anniversary of Sudan's 1964 'October Revolution', when civilians overthrew General **Ibrahim Abboud**'s military regime.

The USA has pressured the NIF harder since it began to 'cooperate' in President **George W. Bush**'s 'war on terrorism'. We hear that Ali Osman, First Vice-President but *de facto* ruler, was warned that if he didn't sign up to peace, his security files might see the light of day. Ali Osman, a judge, has been vital to 14 years of 'Salvation Revolution'; he headed the Ministry of Social Planning (aka Ministry of Social Engineering or Ministry of Everything) from 1993, when it was responsible, *inter alia*, for non-governmental organisations and many security matters.

Some Washington insiders suggest that, while selected NIF individuals are US targets, US plans extend to attempting the regime's disintegration. If the plan is to promote this collapse, though, why not do so before embarking on a peace process that strengthens the party?

There have long been signs that the West hopes Machakos may bring down the NIF. Yet Western governments seeking commercial returns seem as happy to co-exist with a NIF they think is reforming as with **Saudi Arabia** and **Iran**. The NIF visibly copies Tehran's ostensibly reformist book (and has just signed a new security agreement with Iran

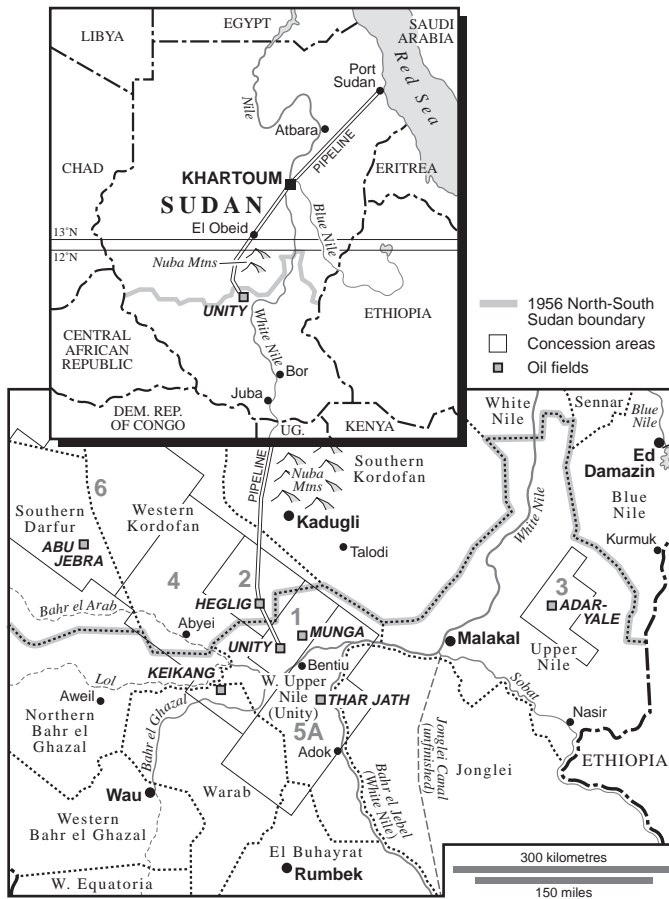
and is seeking arms from **Belarus**). 'Things are changing', a Sudanese official assured us last month. When *Africa Confidential* asked if this meant Sudanese could again participate in secular politics, the diplomat wheeled angrily: 'Don't put me on the defensive!'

Despite promises of political freedom, the NIF labels almost anything it chooses 'insulting Islam'. Recently, newspapers writing about the campaign against female genital mutilation (FGM or 'female circumcision'), a campaign Khartoum officially backs, were suspended for 'insult to Islam' – which can easily equate to apostasy (*rida*), which is punishable by death.

The NIF's refusal to change is centred on its version of *Sharia* (Islamic law). At the peace talks, it insists on northern Sudan remaining under *Sharia* and it walked out when mediators proposed, in the Nakuru draft final document, that Khartoum be exempt – the capital of a country with perhaps 25 per cent non-Muslims.

The NIF's insistence on holding on to the south and its oilfields could lead to renewed war. One mediator has warned that, since Machakos stipulates fostering national unity, the SPLA/M will break the agreement if it doesn't campaign hard for this. The NIF has rallied Arab governments to back the unity of what President **Omer Hassan Ahmed el Beshir** is particularly fond of calling an Arab and Muslim country. On 17 October, the final communiqué of the Organisation of Islamic Conference summit in Putrajaya, **Malaysia** – attended by a large Sudanese delegation under Lieutenant General Omer – spoke of 'hostile designs' on Sudan's unity.

Egypt leads the charge, including through the Arab League, headed



by ex-Foreign Minister **Amr Moussa**, a confidant of President **Hosni Mubarak**. On 15 October, Cairo's Foreign Minister, **Ahmed Maher**, told parliament that his government 'rejected the Machakos peace agreement' (the 2002 framework) and had 'refused to take part in these negotiations since their start because of the acceptance of southerners' right to self-determination'.

Yet southerners will never vote for a united Sudan under Islamic law. It is said around Khartoum that the NIF, knowing it can't win this debate by fair means, has earmarked US\$200 million 'to buy southerners' as part of its mainly clandestine attempts to divide and rule the south. Since the SPLM is supposed to share power in Khartoum, a compromise on the capital's legal status is still not ruled out, though the proposal for administrative 'strips' where *Sharia* is not in force looks a non-starter. In Washington, Gen. Powell reportedly told Garang it was 'impractical and unacceptable'.

The SPLA/M has insisted on a rotating national presidency (three years each). The government wants Garang to have the national vice-presidency and the southern presidency, triggering the old southern conundrum of 'big fish in small sea' or vice-versa. In the seemingly US-inspired tête-à-tête meetings between Ali Osman and Garang, Ali's first power-sharing demand was for the deputy premiership, with responsibility for security. As Garang repeats, security is a key issue. The NIF's numerous parallel security organs mostly operate separately and are conveniently deniable, with abuses attributed to rogue officers. Such parallel systems – others control the economy – will prevent the SPLA/M's eventual quota of politicians and civil servants from holding their quota of power.

Many southerners believe external governments will provide the necessary guarantees but that looks unlikely on the vast scale required. The United Nations has been unable to raise even half the funds

Back-door deals

A final peace deal would be followed, eventually, by the lifting of **United States'** sanctions and an international aid package. Meanwhile, say banking sources, the Khartoum government is considering raising loans secured against future oil production. That would provide cash while Sudan remains cut off from multilateral lending, which will not resume until it tackles its huge arrears to institutions such as the International Monetary Fund and African Development Bank. Oil-backed loans come without the conditions attached to multilateral money.

Sudan produces some 300,000 barrels per day (bpd) of crude and could reach 1,000,000 bpd within five years. A support group of bankers chaired by **Britain** has done preparatory work on tackling Sudan's US\$21 billion debt but can go no further without a peace accord.

Similar loans to **Angola** have drawn criticism because they lack transparency and because the IMF feels a big oil producer (Angola pumps 900,000 bpd) should be able to balance its budget without mortgaging future production. **Congo-Brazzaville** is also under pressure to halt such loans as a condition of a new IMF agreement. Sudan's entire economy lacks transparency though not necessarily cash, especially since many state companies were privatised into National Islamic Front hands.

Most oilfields are in the south but the oil travels north through a 1,600-kilometre pipeline to the Red Sea. If the south became independent, the north could levy pipeline transit fees, as **Cameroon** does with oil from **Chad's** new Doba fields. Its financial arrangements, involving World Bank oversight and support, are untried but touted as a model. Something similar might be proposed in Sudan.

Some Western investors, such as **Canada's** Talisman Energy and **Austria's** OMV, have pulled out of Sudan, partly under pressure from human rights lobbyists. State-controlled Asian firms are less sensitive.

Sweden's Lundin Petroleum sold its stake in block 5A, containing the Thar Jath field, to **Malaysia's** Petronas this year (but retains its share of block 5B). Petronas is major, with stakes in eight blocks. **India's** ONGC Videsh, the overseas arm of the state-owned Oil and Natural Gas Corporation, bought Talisman's 25 per cent of blocks 1, 2 and 4, and has acquired OMV's 26.125 per cent in block 5A and 24.5 per cent in block 5B. Small Western investors who did not mind the risk and the government's clearance of the people out of the areas are making a tidy profit by selling all or part of their holdings; Khartoum still gets its money.

Oil infrastructure investment, keenly promoted by the NIF regime, is gaining pace. During Indian President **Avul Pakir Jainulabdeen Abdul Kalam's** visit to Sudan on 20-22 October, ONGC Videsh expected to sign a \$500 mn. deal to upgrade and operate the Port Sudan refinery, plus a \$200 mn. contract to build and operate a 700-km. product pipeline between Khartoum and Port Sudan.

China National Petroleum Corporation operates blocks 3 and 7, where a big find was announced earlier this year (AC Vol 44 No 4), and has stakes in blocks 1, 2, 4 and 6. In August, it signed contracts to build a second pipeline to carry oil from the wells and to expand capacity at Khartoum refinery to 100,000 bpd from 58,000. Two Chinese companies are to build the controversial 1,250-megawatt Merowe dam, due for completion in 2008. A high-level delegation led by **Ibrahim Ahmed Omer** has just been to Beijing: reassurance about the peace process is likely to have been on the agenda. President **Omer el Beshir** and a senior ministerial team were doing the same at the Organisation of Islamic Conference meeting in Malaysia last week.

Potential oil investors this week must have been astonished, when they clicked on the Sudan government website, to find that a hacker had beaten them to it, turning the NIF's oil promotion into a bonanza of bestiality.

Monitoring minefield

A Joint Military Commission (JMC) of government and rebel forces supervises the ceasefire in the Nuba Mountains (AC Vol 43 No 10). On 10 October, the government contingent withdrew and the JMC suspended operations for four days. The Sudan People's Liberation Army/Movement had accused government forces of laying an anti-tank mine which, a week before, had killed eight workers from the local demining organisation Operation Save Innocent Lives; the SPLA said the mine must have been new, since it had built the road near Kauda only last year, after the ceasefire came into force. In both the Nuba Mountains and the south all mines, anti-personnel and anti-vehicle, are banned under ceasefire agreements.

While the JMC was suspended, all aid flights were banned. Malnutrition is rife and denial of humanitarian access is a powerful weapon. Furthermore, the government's pull-out sets a bad precedent for the future 'joint/integrated units' (JIUs) envisaged by September's accord on security issues.

The JMC, which pairs government and SPLA officers, is the model for policing in sensitive areas during the six-and-a-half-year interim after a full peace deal. A 20,000-strong JIU would replace government units in the south; 6,000 JIU troops would replace SPLA forces in Nuba and Southern Blue Nile; 3,000 joint troops would operate in Khartoum. Colonel **John Garang** says JIUs would form the nucleus of a future national army if the south voted for unity in a referendum.

The JMC is not always effective (or neutral) but it has at least deployed in the field, unlike the Verification and Monitoring Team (VMT) formed by the Inter-Governmental Authority for Development. Most VMT troops would be East African; they have not arrived, since Khartoum has denied visas to the **Eritrean** contingent.

The Civilian Protection Monitoring Team deployed by the **United States** (and widely criticised by humanitarian organisations) has faced similar frustrations; it is almost permanently grounded and unable to fulfill its prime purpose of investigating fighting by government-backed militias around the Upper Nile oilfields.

The SPLA insists on keeping its forces for the interim period because it trusts neither government nor international community to keep their long-term commitments. Deployment of JIUs and other monitoring mechanisms will need to be robust indeed to survive Khartoum's pressure if the interim is to be properly policed.

promised for relief in the south, let alone the peacekeepers Machakos stipulates and which the government has begun to say are not needed.

Many northerners, meanwhile, believe Machakos will bring down the NIF. They may be disappointed. The Chairman of the opposition umbrella, the National Democratic Alliance, **Mohamed Osman el Mirghani**, again stirred fears he might join in with the NIF by trying to send a representative of his Democratic Unionist Party, Gen. **Youssef Ahmed Youssef**, in the government delegation to Machakos, in addition to his delegates in the opposing NDA team in the corridors.

This month's release from house arrest of Hassan el Turabi was presented as part of the '*infatih*' (opening up), with the man who master-minded the present regime described as an 'Islamist opposition leader'. The government said this was part of the release of the 'political prisoners' it had previously denied holding, most of whom are still detained, mainly in Darfur. Amnesty International has started a 'Stop the torture in Sudan' campaign. El Turabi, who in 1995 accused Amnesty of being run by '**British** intelligence', attributed his release to pressure from human rights groups. Interestingly, the Islamic Human Rights Commission called him a 'prisoner of faith'.

Ali Osman's NIF faction, the National Congress, detained Turabi partly because of personal rivalry but mainly to prove its democratic

and anti-terrorist credentials with the West and Egypt, whose President Hosni personally blamed Turabi for the attempt on his life in **Ethiopia** in 1995 (AC Vol 37 No 8). Turabi has now been released to prove those same democratic credentials. The 'Sheikh' has always been recyclable: he was gaoled just before Gen. Nimeiri's overthrow despite being then a key advisor and gaoled again after the NIF's 1989 coup, a ploy he later publicly admitted.

The issues of human rights and accountability for past abuses are exercising the Sudanese opposition and overseas activists. Human Rights Watch wants rights to be included in the Machakos accord. The Rift Valley Institute wants slavery included (over 10,000 abducted people are still unaccounted for). The SPLA/M's **Samson Kwaje** said in London this year that there would be no Truth and Reconciliation Commission as 'neither side wants it'. At a September public meeting, UK Special Representative **Alan Fletcher Goulty** acknowledged there was an 'unpublished' agreement on human rights in the final draft Machakos agreement. Rights workers want a public discussion.

In the marginalised areas of Abyei, Nuba Mountains and Southern Blue Nile, there is anger at being dumped. Many other crucial subjects have still not been agreed upon, even in the ostensibly finalised security pact. They include the question of other armed forces, both NDA northerners and the NIF's southern proxy militias. These are the nooks and crannies which the NIF specialises in exploiting. And the actual causes of the war remain untackled.

NIGERIA

Roll out the barrel

Raising domestic oil prices is essential but seems impossible

The government's latest bid to liberalise (and inevitably raise) fuel prices has united traders, trades unionists and state governors against President **Olusegun Obasanjo**'s new economic team. The team needs political determination and negotiating skills that it has so far not shown. Leading the reform is new Finance Minister **Ngozi Okonjo-Iweala**, who is determined to end what the International Monetary Fund and World Bank regard as market-distorting state subsidies on fuel.

Nigeria is the world's sixth biggest crude oil producer and the only big producer which imports much of its refined fuel and other petroleum products (AC Vol 44 No 20). Hundreds of thousands of tonnes of refined products are bought from Europe and the Middle East, mainly because the government sets the prices of Nigeria's own refined products so low that traders profitably, if illegally, export them to neighbouring countries where prices are higher. This costs the Treasury millions of dollars in lost revenue. Meanwhile, Nigeria's four oil refineries, with the capacity to service all West Africa and beyond, limp along in dire need of rehabilitation or replacement.

On 1 October, fuel marketers were told by the Petroleum Products Prices Regulatory Agency (PPPRA) to stop selling fuel at the old fixed price of 34 naira per litre. The unions threatened to strike. State governors argued that fuel prices should be liberalised only when the fuel import market had been liberalised – which would end the dominance of the state-owned Nigerian National Petroleum Corporation. The government dropped the fuel price edict and rewarded the traders by cutting by one-third the volume of crude allocated to NNPC for domestic use.

The traders promised to restore the old N34 price but are still

accused of profiteering from the price confusion. Some claim to have arranged large import consignments, to meet Nigeria's domestic demand – although the government's attempted reforms are meant, in the longer term, to promote both fuel self-sufficiency and profitable exports of refined products. Okonjo-Iweala's plan to raise domestic fuel prices and promote exports could produce huge benefits for Nigeria. Yet Nigerians resent the short-term effects of higher prices, and do not believe those who tell them things must get worse before they get better, because things have been getting steadily worse for two decades.

The new Finance Minister must convince Nigerians of the benefits and soften the blow of higher fuel prices (and subsequent inflation) by persuading international institutions to step up lending for social programmes. Her credibility, and Obasanjo's, are at stake. The IMF says it understands Abuja's decision not to seek an official Fund programme and pursue its home-grown reforms instead. It will not encourage lending, though, until it sees a clearer direction in economic policy, compared to the previous drift. The fuel price battle is a key indicator. The IMF's Africa Director, **Abdoulaye Bio-Tchané**, a former Finance Minister of **Benin**, knows well how smuggled Nigerian fuel undermines legitimate fuel traders in the surrounding countries.

Okonjo-Iweala also aims to maintain price and exchange rate stability, to control government spending, to ease pressure on domestic credit and to help private businesses expand. There is huge scope for growth in agriculture (only 40 per cent of potentially arable land is farmed), small business, solid minerals and manufacturing, she told *Africa Confidential* at the IMF-World Bank meeting in Dubai last month. She thinks support for reforms must be won by boosting investment in grassroots services.

Recruiting credibility

Obasanjo has recruited **Oby Ezekwesili**, a founder of the international anti-corruption lobby Transparency International, as a senior advisor to invigorate the anti-corruption drive. Privatisation is to be selective. Okonjo-Iweala would rather see a few projects succeed than watch an over-ambitious programme fall at bureaucratic hurdles. The state-owned fuel refineries, starting with the Port Harcourt plant, are due to be sold soon, says **Mallam Nasir El-Rufai**, Minister for the Federal Capital Territory and former privatisation chief.

The Finance Minister knows how few people trust the government's handling of oil earnings and has promised to implement the new **British**-promoted Extractive Industries Transparency Initiative, which would compel foreign corporations to publicise their financial and other relations with governments. However, she insists on Nigerian ownership of the reform programme: 'People will know that we are doing this ourselves,' she told *Africa Confidential*, 'after we have implemented the reforms, then the Fund will see what we have done.'

Nigeria's foreign image as the country with the most imaginative confidence tricksters is disastrous. In his first term, Obasanjo pleaded for debt reduction under the Heavily Indebted Poor Countries scheme but several Western governments were against extending HIPC to a country with vast oil resources. Other countries have better claims; a political breakdown in Nigeria would be less dangerous than more chaos in central Europe or the Middle East.

Anyway, donors are reluctant to help a country where economic reform moves slowly and which has been slow to repay its debts to Western government creditors in the Paris Club. Occasional payments arrive from Abuja but they aren't enough to impress, says a senior export credit official. Better debt management and action on oil accounting are essential if Okonjo-Iweala is to persuade World Bank President **James Wolfensohn** to convert goodwill for Nigeria into

No end to the affair

Allegations by Federal Capital Territory Minister **Nassir el-Rufai** that two senators had solicited a 54 million naira (US\$420,000) bribe for approving his appointment are set to cause more trouble for President **Olusegun Obasanjo's** government.

The two accused, deputy Senate President **Ibrahim Mantu** (Plateau State) and deputy Senate majority leader **Jonathan Zwingina** (Adamawa), were cleared of wrongdoing on 9 October by the Senate's Ethics, Privileges and Public Petitions Committee chaired by Senator **Olorunimbe Mamora** but few believe the matter will rest there. Oddly, Mantu and Zwingina have now dropped their threat to sue El-Rufai for making the allegations public.

El-Rufai's supporters say the committee's verdict reflects the interests of the Senate hierarchy plus those of Obasanjo and his Vice-President, **Atiku Abubakar**, with whom he is increasingly at odds. Initially, each wanted to use the scandal to weaken the other.

Obasanjo was told the Vice-President had paid the N54 mn. towards the alleged bribe and disclosure of this would undermine him. Atiku says Zwingina was paid N54 mn. from a Habib Bank account which he controls but it was 'to settle constituency business' in Adamawa, not to approve El-Rufai's appointment at the confirmation hearings. Moreover, Atiku suggested further probing might uncover Mantu's well resourced efforts to persuade fellow Senators to drop impeachment proceedings against Obasanjo last year.

Obasanjo had hoped for a more compliant Senate after the allegations surfaced and were widely believed. Some senators hope for promotion if senior officials are forced to resign because of the bribe allegations; some hope for preferment by keeping quiet and some may genuinely want to clean up the system. We hear that at least 25 ministers nominated in April were asked for bribes.

Journalists are now investigating other claims that payments for confirmation were also demanded from Aviation Minister **Isa Yaguda** and Minister of Power **Liyel Imoke** in meetings with Mantu and Zwingina, and Senate President **Adolphus Wabara**. No one is accusing Wabara of wrongdoing but his rivals from the south-east are eyeing his position greedily. If he is forced out, those tipped to replace him include **Azuta Mbata**, **Godwin Ararume**, **Ama Iwagwu** and **Ken Nnamani**.

concrete assistance. The Fund and Bank were disappointed by President Obasanjo's first term and want to see results now, after which they could help persuade Paris Club members to agree more generous debt treatment.

Brady bonds and promissory notes

Rescheduling agreements with the **United States**, covering US\$924 million of obligations, with **Japan** (\$3.6 billion) and **Denmark** (\$367 mn.) slightly ease the debt burden. The head of Nigeria's debt management office, **Arin Arikawe**, has said the government may seek to convert \$2.5 bn. of its old Brady bond and promissory note debt into a more liquid \$1.6 bn. new Eurobond. To attract buyers, that would have to be backed with transparency about government finances and a record of economic performance and reform.

Fragile foreign business confidence got a lift when **South African Airways** said it would take a stake in a new national carrier to replace Nigeria Airways; two other companies are negotiating for stakes. The success of Nigeria's liquified natural gas in raising international finance and export credit for the expansion of its huge export plant has demonstrated that well managed Nigerian projects can command foreign credibility. Unless Okonjo-Iweala's reforms hit home, it will remain a rare exception.

ALGERIA

Split parties, stout leaders

President Bouteflika looks vulnerable ahead of the elections as politicians fall out

The elite is at war again, this time with each other. At stake in the power-struggle, a particularly vicious and unprincipled one even by Algeria's standards, is incumbent President **Abdelaziz Bouteflika's** position as front-runner in the presidential election next April. Boutef, the generals' candidate in the 1999 election, faces a strong challenge from sacked Prime Minister **Ali Benflis** plus two other establishment figures. This time the generals, including the Chief of Staff, Lieutenant General **Mohammed Lamari**, say the army will stay 'neutral'. At the least, the generals will share their political largesse more widely.

Bouteflika sacked Benflis in May after the Premier had overhauled the former ruling party, the *Front de Libération Nationale*, and started building a rival power base to the presidency (AC Vol 44 No 10). In July, the FLN organised a rare party congress and elected a pro-Benflis Central Committee, thanks to some efficient stage-managing by allies of Benflis. Since then, the Boutef and Benflis factions have battled it out in the FLN, even literally fighting for control of party buildings.

Boutef versus Benflis

Foreign Minister **Abdelaziz Belkhadem**, from the FLN's Arab/Islamist wing, is mobilising for Bouteflika with *groupes de redressement* (cells in provincial and national party structures) to counter the pro-Benflis cadres who are capitalising on their victories at the party congress.

Benflis' refusal to leave the stage has persuaded many Algerians that he could win the presidency. This encourages others previously daunted by Boutef's pre-eminence. Possible contenders now include: ex-Premier (until 1991) **Mouloud Hamrouche**; ex-Foreign Minister **Ahmed Taleb Ibrahim**; and leading 'legalised' Islamist politician, Sheikh **Abdallah Djaballah**, who leads *El Islah* (National Reform Movement) and has built on his Skikda regional power base to make his party the third largest in the *Assemblée Populaire Nationale*. We hear Hamrouche talks to everyone from the established Kabyle parties, the *Front des Forces Socialistes* (FFS) and *Rassemblement pour la Culture et la Démocratie* (RCD), and senior Defence officials.

The other main establishment party, the *Rassemblement National Démocratique*, may break ranks with Bouteflika. The RND, which sprang out of the pro-army 'eradicationist' tendency at the peak of the regime's struggle against radical Islamists, has waned since the FLN returned to political ascendancy. Yet as Boutef appointed RND leader **Ahmed Ouyahia** to replace Benflis as Premier, it seems it might be revived as a major force attacking its pro-regime rivals in the FLN.

Ouyahia is ambitious but unpopular, remembered for massive job cuts during a previous spell as Premier. His rival Benflis, who opposed opening the oil and gas sector to private investors, is close to trades unions such as the *Union Générale de Travailleurs Algériens* (UGTA) and its astute leader, **Abdelmajid Sidi Saïd**. Another skillful operator, Ouyahia is believed to have cut a deal with Bouteflika under which the incumbent gets RND support in 2004 for backing an Ouyahia candidacy in 2009. Such is the pressure on Boutef that such deals could fall apart because Ouyahia wants to leave his options open. A senior RND official and ex-Finance Minister, **Abdelkrim Harchaoui**, suggested the party might field its own candidate (probably

Ouyahia) next year.

Other contenders see prospects for advancement if the election is tightly contested – which seems likely unless Bouteflika can cut a new deal with the generals. As Algeria's grandees fall out, journalists enthusiastically report, with help from the in-fighting factions, claims of corruption and power abuses by Boutef's family and political circle, such as Energy and Mines Minister **Chakib Khelil** (AC Vol 44 No 5). Some cover the collapse of **Abdelmoumen Rafik Khalifa's** business empire (AC Vol 44 No 7) and others report dubious land deals.

Variations on an Islamist theme

El Islah leader Djaballah could strengthen his position sharply following the death of his old rival, Sheikh **Mahfoud Nahnah**, leader of the *Mouvement de la Société pour la Paix*. A split vote between Bouteflika and Benflis will also help *El Islah*, which has done better in recent polls (AC Vol 43 Nos 14 & 11).

However, Djaballah faces competition for the Islamist vote from the smaller legal parties and even from Bouteflika, who is trying to strike a more populist stance to appease the Arab/Islamist tendencies. Bouteflika is taking a new tack towards *Wafa*, the non-recognised party led by Ahmed Taleb Ibrahim, a senior regime politician who comes from the traditional Islamic reform wing of the old FLN. Taleb's father, Sheikh **Bechir Ibrahim**, was Sheikh **Ibrahim Ben Badis'** close associate during the 1930s in creating the Islamic reform movement, key in the Independence movement. Taleb styles himself as an Islamist-leaning establishment candidate able to win over those who backed the now banned *Front Islamique du Salut* in 1992.

Wafa's headquarters in Algiers were sealed in November 2000, underlining Taleb's estrangement from Bouteflika. Last month, the building reopened and there are signs *Wafa* will be authorised by Interior Minister **Nourredine 'Yazid' Zerhouni**, allowing Taleb to stand and perhaps to divide the Islamist vote. This requires the assent of the military establishment – which includes factions sympathetic to Arab/Islamist tendencies – and anti-Islamist 'eradicationists'. Taleb must convince them his candidacy isn't a ruse to return the FIS to politics.

FIS leaders **Abbasi Madani** and **Ali Belhadj** were released in July after twelve years in gaol. Belhadj has been evading the police as he tours the mosques of Algiers; many think he'll be back in gaol soon. Madani promised not to resume politics at home and so waited until he was in **Malaysia** last month before telling journalists about his plan to bring peace to Algeria.

The elite in-fighting may cause Bouteflika's defeat (for now he remains favourite to win in April 2004) and might see the election of an Islamist such as Djaballah. Many of the generals who have dominated Algerian politics for decades may tolerate that but they will not accept the return of the FIS or accommodation with other underground Islamist groups – now reportedly down to a few hundred men – who continue to make Algeria a violent place.

NAMIBIA

Presidential stakes

In the race to succeed Sam Nujoma, Foreign Affairs Minister Hamutenya is far out in front

Contenders for the presidency are stepping up their campaigns following the announcement that the governing South West Africa People's Organisation will hold an extraordinary party congress in May. President **Sam Nujoma** is expected to stay as party leader until 2007

but will make way for a new presidential candidate to fight the elections due by the end of 2004.

Barring a political earthquake, whoever gets the party's nomination will be Namibia's next president. The leading contender to be SWAPO's flagbearer is 64 year old Foreign Minister **Hidipo Hamutenya** (AC Vol 44 No 6). Hamutenya is an astute tactician from the Kwanyama, the largest sub-group of the country's largest ethnic group, the northern Oshivambo. His supporters dominate politics, holding key positions in the party's women's and youth organisations, and in parastatals and trades unions.

Hamutenya is also wooing the Herero minority in the centre and east, who have traditionally supported SWAPO's main political rival, the DTA (ex-Democratic Turnhalle Alliance), partly to counter claims that he is a Kwanyama supremacist. Among Hamutenya's campaign team are: Trade and Industry Minister **Jesaya Nyamu**, from the second largest Oshivambo sub-group, the Ndonga; Women's Affairs Minister **Netumbo Nandi-Ndaitwah** and Deputy Foreign Affairs Minister **Kaire Mbuende**, from the pro-SWAPO Mbanderu-Herero, who is tipped for prime minister under Hamutenya. Other key supporters include SWAPO Women's Council Secretary **Unise Lipinge**, also Kwanyama, while leading the team are senior officials of the state-owned Namibia Broadcasting Corporation, such as Board Chairperson **Uazuva Kaumbi**, a Herero, and Director General **Jerry Munyama**, a Kwanyama.

Bob Vezera Kandetu, former Permanent Secretary at the Information Ministry, has resigned as Dean of Students at the University of Namibia to concentrate on Hamutenya's campaign, where he is lobbying for support from his fellow Herero. The strategy includes a rapprochement with the DTA; Kandetu has been negotiating with DTA President **Katuutire Kaura**, who chairs the party's Herero-dominated National Unity Democratic Organisation (NUDO), for a working agreement or even a coalition with SWAPO. Kaura is married to Kaire Mbuende's sister. Kandetu is tipped as Information and Broadcasting Minister under Hamutenya, Kaumbi as his deputy.

Hamutenya, the main contender

Hamutenya's campaigners are confident of seeing off any other contenders for the SWAPO presidential ticket. They include Prime Minister **Theo-Ben Gurirab**, 65, a Damara from western Namibia and SWAPO Vice-President and Lands, Resettlement and Rehabilitation Minister **Hifikepunye Pohamba**. Hamutenya's supporters control the party machinery; Gurirab and Pohamba lack substantial support bases in the party. Gurirab was regarded as an effective Foreign Minister but has failed to shine as Prime Minister, the post he took when Nujoma dismissed previous incumbent **Hage Geingob** in August 2002. Gurirab's best chance of winning would be to strike a deal with Agriculture Minister **Helmut Angula**, who with Nyamu, is the most prominent Ndonga in the cabinet.

Pohamba, 68, lacks charisma but he's extremely close to Nujoma. Although Nujoma forced through Pohamba's election as SWAPO Vice-President at last year's congress (mainly to head off a challenge from Geingob's leadership ambitions) he lacks much support in the party. We hear Pohamba has backing from SWAPO Secretary General **Ngarikutuke Tjiriange**, a Herero who along with Pohamba was a veteran of SWAPO's exiled leadership in the Independence struggle; the deputy Secretary General **John Pandeni**, from the Mbalantu sub-group of the Oshivambo; and the National Assembly (lower house) speaker, **Mose Tjitendero**, another Herero.

Although Nujoma has yet to name his preferred successor, he would probably back Pohamba. If Nujoma-loyalists in the cabinet throw their support behind the SWAPO Vice-President, it could yet tip the

balance against Hamutenya. Such ministers include: Finance Minister **Saara Kaukongelwa-Amathila**, like Nujoma a member of the small Ngandjera sub-group of the Oshivambo; Fisheries and Marine Resources Minister **Abraham Iyambo**, from the Kwambi sub-group of the Oshivambo; Deputy Minister of Trade and Industry **Bernard Esau** and Deputy Minister of Justice **Alpheus Naruseb**.

Geingob is out of the succession race after his resignation this year as a SWAPO member of parliament. He has moved to Washington to take over as Executive Secretary of the Global Coalition for Africa. His supporters have been left leaderless and they are likely to support any candidate favoured by Nujoma. Geingob's backers include Mines and Energy Minister **Nicky Iyambo**, Nujoma's personal physician, Environment and Tourism Minister **Philimon Malima**, both Ndonga.

If Nujoma doesn't go quietly, all bets are off. While he insists he will stand down, some ultra-loyalists and northern traditional leaders want him to stay for their own interests. Others see him as the only politician who could stop Hamutenya and the risk of ethnic in-fighting in SWAPO. Some believe Nujoma is determined to be the first occupant of the lavish new State House, under construction by **Chinese** and **North Korean** firms in the Auasblie suburb of Windhoek. The cost of the project has soared to over N\$500 million (US\$70 mn.) and it's unlikely to be completed before his present term of office ends in March 2005.

A realignment of the opposition parties may be underway following a split in the DTA. In the short term, this will weaken the opposition and make it easier for SWAPO to consolidate its grip at the next elections. At present, the DTA has seven MPs, which in coalition with the small United Democratic Front (two MPs), enabled it to call itself the official opposition after the last elections in 1999. This was despite the Congress of Democrats (CoD), also with seven MPs, winning slightly more votes than the DTA.

Now Herero Paramount Chief and NUDO President **Kuaima Riruako** has resigned as a DTA MP and from the party itself; he aims to register NUDO as a separate party, claiming the DTA leadership has failed to promote Herero interests. Nujoma has granted recognition to just a few Herero chiefs – who are traditionally anti-SWAPO apart from the Mbanderu-Herero – and plans to campaign for a federal state, an almost certainly doomed enterprise. Kaura vehemently opposes NUDO's withdrawal from the DTA and at a mid-October meeting in Otjinene, Riruako was forced to agree to the matter being discussed at a NUDO congress at the end of November. Nevertheless, the ructions within NUDO could cause a melt-down in the DTA as the Herero are its biggest supporters. White voters may also desert the party now that **Henk Mudge**, the son of former DTA President **Dirk Mudge**, has pulled the all-white Republican Party out of the DTA.

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Pointers

CONGO-KINSHASA

Cutting-edgediplomacy

President **Joseph Kabila**'s planned meeting with **United States** President **George Bush** on 5 November is a personal triumph for **Israeli** diamond trader and Congo's ambassador at large **Dan Gertler** who, along with his business partner **Chaim Leibovitz**, has been cultivating White House contacts for several months. Kabila has met Bush twice before, but this time he is scheduled to get more than an hour in the Oval Office and will stay in Blair House opposite the White House. US officials say the Congo peace deal is at a delicate stage and Kabila needs encouragement.

Arrangements for the Kabila visit follow closed door meetings between Gertler, Leibovitz and US National Security Council Director for Africa, **Jendayi Frazer**, this year. These private meetings irritated Frazer's colleagues in the State Department (sometimes at odds with the White House-based NSC) who questioned their utility. 'Why does the US administration need a go-between to Congo's President?' one asked. State Department officials complained they had been excluded from arrangements for the Kabila trip.

Mixing their diplomatic efforts with business, Gertler and Leibovitz are the prime movers behind Emaxon, a **Panama**-registered entity which signed an exclusive marketing deal with Congo's state diamond company, *Minière de Bakwanga* (MIBA) in April. Gertler as General Director of International Diamond Industries (IDI) negotiated a similar exclusive marketing deal with MIBA in 2000 under the late President **Laurent-Désiré Kabila**, who abrogated it after accusing IDI of breaking its commitments.

The Emaxon deal was kept secret, even from the new Mines Minister **Eugene Diomi Ndongala** who represents the non-armed opposition in the power-sharing government in Kinshasa. Minister Ndongala condemned the deal, insisting it contravenes the government's commitments on accountability and must be renegotiated. Vice-President **Jean Pierre Bemba** says he too should have been consulted.

The row over Emaxon started in August with the news that Deputy Mines Minister **Nkulu Kitungu** had signed export papers for MIBA's July diamond production, the first consignment under the Emaxon deal, without consulting Ndongala. Industry sources claim MIBA's July production was under-valued by about US\$500,000. The government's own *Centre d'Evaluation, d'Expertise et de Certification* (CEEC) valued the 517,775.7 carats in the July

shipment at US\$7.8 million (\$15 a carat), international valuers WVV (who advise the CEEC) put it at \$7.5 mn. (\$14.50 a carat) – but Emaxon paid \$7.33 mn. (\$14.15 a carat). MIBA's two previous shipments for May and June averaged more than \$16 a carat: this means it could be losing more than \$1 mn. a month under the new arrangement.

One of MIBA's main creditors said that **Augustine Katumba Mwanke**, Secretary General to the Kinshasa government, had instructed MIBA's *President Administrateur Délégué*, **Gustave Luabeye Tshitala**, and MIBA's Director of General Services, **Michel Haubert**, to sign the Emaxon agreement explaining that the 'discount' on the shipments would fund the credit line offered by Emaxon.

The appointment of **Neil Haddock**, an employee of London-based diamond brokers I. Hennig, as MIBA's valuer (determining the sale price to Emaxon) has also sparked interest given that I. Hennig bought the first shipment of MIBA diamonds sold under the Emaxon deal in August. Much of I. Hennig's business is broking diamonds for the De Beers conglomerate which recently expressed an interest in new operations in Congo.

VATICAN

Conclave expectations

The chances that the next Pope could be an African may have been overplayed by some of the international media but, in the view of some close Vatican-watchers, the continent's obvious front-runner, Cardinal **Francis Arinze** of **Nigeria**, might yet emerge as a compromise candidate, especially in the event of deadlock in choosing a successor to the ageing **John Paul II** (Karol Wojtyła). If the conclave of cardinals wants to choose a successor in the mould of John Paul himself, Arinze would indeed be well placed. At 70, he is a traditionalist, fiercely opposed to contraception, abortion, homosexuality and divorce.

Despite Africa's importance as a source of faithful for the Roman Catholic church, it provides only 19 of 190 cardinals. Most are already in their 70s or 80s. The only younger men, i.e. below 70, are **South Africa's Wilfred Fox Napier**, Archbishop of Durban; **Ghana's Peter Kodwo Appiah Turkson**, Abp. of Cape Coast; **Nigeria's Anthony Olubunmi Okogie**, Abp. of Lagos; and **Sudan's Gabriel Zubeir Wako**, Abp. of Khartoum. The last three have only just been appointed, receiving their titles on 21 October, and are very much outsiders in the running for the papacy. They will, however, provide new blood and a sense of the political changes in Africa.

Archbishops Turkson and Zubeir are their countries' first cardinals. In Ghana, it probably helps the Church's cause that President **John**

Kufuor is Catholic. There could also be significance in having a Sudanese cardinal at a time of potential change in that country. Known as a man of principle and courage, Gabriel Zubeir (a Balanda from Wau area) has survived serious confrontations with President **Omer el Beshir** and his regime. In the course of a multi-faith gathering in Khartoum, Zubeir was dismayed by Cardinal Arinze's friendliness towards National Islamic Front leader **Hassan el Turabi** and, we hear, wrote to Rome to express his concern.

TOGO

Lomé abstention

Togo was a **German** colony, then a **French** one. The two former masters now disagree about Togo's dubious democracy and its 35-year President, **Gnassingbé Eyadéma**, 65. European aid was suspended after the presidential election in June 2003, held amid fraud and violence (AC Vol 44 No 11). Then, in October, the (powerless) Joint Parliamentary Assembly of the European Union and the African, Caribbean and Pacific states called on the EU to restart humanitarian aid.

The ACP group claimed the election had been roughly democratic, so EU sanctions were no longer justified. French delegates, led by **Michel-Ange Scarbonchi** and **Fodé Sylla** of the United European Left, accused the European Commission of double standards – of tolerating electoral fraud elsewhere. French General **Philippe Morillon** of the European People's Party favoured restarting aid, on condition that December's local and senatorial elections are properly run, as Togo's Prime Minister, **Koffo Sama**, promised at a human rights meeting in Brussels on 30 September.

Germany's parliamentarians insisted on tighter provisions. The EPP's **Konrad Schwaiger** said the coming elections must include all parties and be free and fair. Togo's main opposition parties refuse to take part under present conditions, as **Yawovi Agboyibo** of the *Convention d'Action pour le Renouveau* explained to the EU-ACP meeting in Rome. The exiled **Gilchrist Olympio** of the *Union des Forces de Changement*, who was prevented from standing in the June election, told the European Parliament about repression against his party's activists. The home of his Vice-President, **Sessi Blewoussi-Kekpedou**, was burned down on 11 September and police have harassed UFC Secretary General **Jean-Pierre Fabre**.

Unless the opposition parties accept the December polls, Berlin will certainly block any resumption of European aid. Last December, Eyadéma had the constitution modified to allow himself to stand for a third term and to reduce the minimum age for presidential candidates, allowing his son **Faure** (36) to stand in future. German democrats don't like that.