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RWANDA

The fire this time

The 1994 genocide blighted Central Africa and its bloody legacy continues to undermine prospects for justice and regional stability

Five years after Rwanda's holocaust, in which some 800,000 Tutsi and moderate Hutu were slaughtered in 100 days, those blood-soaked events reverberate across central Africa and the international system that failed the victims of the genocide. An arc of conflict, sparked by the 1994 genocide, has been cut across Africa - from Rwanda, **Uganda** and **Burundi** in the east, through **Congo-Kinshasa** to **Angola** and **Congo-Brazzaville** in the west.

The international system's failures in 1994 have produced a rain-forest's worth of reports and some serious recommendations for reform. Almost everyone agrees that Rwanda's reconciliation would have been immeasurably helped if it possessed an effective and well-resourced judicial system and a stable economy. Instead, the political order remains fragile.

The International Criminal Tribunal for Rwanda in Arusha, **Tanzania**, with its counterpart for the former **Yugoslavia** in The Hague, is a shaky start for an international criminal justice system. Whatever the Arusha tribunal's symbolic importance, it took more than four years to bring the first alleged *genocidaire* to trial, for lack of investigators and technical support. Six judges, sitting in two groups of three, share a single courtroom without windows or air-conditioning.

Last year the judges heard the testimony of the United Nations force commander, **Canadian General Romeo Dallaire**, that the UN Security Council's order to withdraw UN forces in the midst of the genocide was an abdication of responsibility which cost hundreds of thousands of lives. Gen. Dallaire concluded that such an abdication should never be allowed to happen again. Rwandans are not persuaded that the international system would react very differently to another genocide tomorrow.

Exodus to Congo

The exodus of some two million Rwandans over the border, mainly to the then Zaïre, in July-August 1994, regionalised the Rwanda issue. About a million refugees settled along the Zaïre-Rwanda border, in camps nominally supervised by the UN High Commission for Refugees. In fact the camps were controlled by Hutu militiamen of the *Interahamwé* and their allies, and became bases for cross-border attacks against the Tutsi-led *Front Patriotique Rwandais* government in Rwanda.

In October 1996, after repeated requests to the UN to disband the camps, Rwandan and Ugandan troops stormed across the border to do the job themselves - just as Zaïre's own rebellion against the rule of the dying **Mobutu Sese Seko** was gathering steam. That rebellion brought President **Laurent-Désiré Kabila** to power, but failed to establish border security for Kampala and Kigali. Now, in the second Congo-Kinshasa conflict which started last August, Uganda and Rwanda are allied with the rebels from the *Rassemblement Congolais pour la Démocratie* against Kabila and his backers from **Angola**, **Chad**, **Namibia**, **Sudan** and **Zimbabwe**.

In London on 10 March, Rwanda's Vice-President and Defence Minister Gen. **Paul Kagame** told *Africa Confidential* that he had no doubt that the RCD and its allies were stronger and better coordinated than the pro-Kabila coalition: 'The RCD has not lost any ground and Kabila and his allies have not regained any.' He called for urgent talks with Angola's President **José Eduardo dos Santos** to avert an inferno in the east around Kinshasa: 'We are prepared to discuss this with Angola . . . after all we were allies two years ago'. Kagame categorically dismissed accusations that Rwandan or RCD troops were fighting alongside forces from **Jonas Savimbi's União Nacional para a Independência Total de Angola**: 'Why would we want to do that . . . we remember that UNITA has worked with the *Interahamwé* and the *genocidaires*'.

The Angolans, under pressure at home from UNITA, have this year reduced their forces in Congo from some six battalions to one battalion, mainly deployed in defensive positions in the western border zones. With the reported loss of 80 more Zimbabwean soldiers in the south-eastern Kabinda region of Congo, Luanda and Harare are likely to increase pressure on Kabila to negotiate an 'honourable ceasefire' (AC Vol 40 No 5).

Kagame says that his *Armée Patriotique Rwandaise* has driven most of the *Interahamwé* and their

allies away from the Congo-Rwanda border zone, but that their alliance with Kabila's *Forces Armées Congolaises* has given them new equipment, training and military bases. Just a week after fighters from *Palir* (*Peuple en Armes pour la Libération du Rwanda*) murdered four Britons, two Americans and four Ugandans in Uganda's Bwindi national park, Kagame called for tougher action against those (mainly European) groups which finance and coordinate the rebels' arms supplies: 'The UN security council resolution already exists against . . . supplying arms . . . to these groups. What remains is to bring to book those breaking the sanctions. The UN should ensure that groups or individual countries should be respecting such resolutions'.

Kagame gets a sympathetic hearing on the international stage (save for murmurings about the cost of the Congo intervention which doesn't show on official accounts), but political developments at home are more problematic. Questions are asked about just how 'transitional' the FPR government really is, after five years in office. And serious concerns are being raised at the large-scale 'villagisation programmes' planned for the north-west with some 600,000 people, overwhelmingly Hutu, moving into *Umudugudus*, specially constructed villages with shared amenities and tight security.

Kagame said there is no fixed schedule for democratisation, insisting that the issue is 'its quality and not its timetable.' He outlines a process reminiscent of Uganda's 'no party' system, culminating in competitive multi-party elections.

In the process, political scores are being settled and allegations bandied around. Prime Minister **Pierre Célestin Rwigema**, a long-time stalwart of the Hutu *Mouvement Démocratique Republicain* (MDR), has repudiated publicly allegations of involvement in the 1994 genocide. Rwigema, who took over the presidency of the MDR in July 1998, identifies himself as a reformist and progressive; but his party was associated with Hutu extremism, both in its earlier incarnation as MDR-*Parti pour l'Emancipation du Peuple Hutu* (*Parmehutu*) under the regime of **Grégoire Kayibanda**, and in the genocidal activities of MDR-*Pouvoir* in 1994.

The MDR leadership has ordered the arrest of two senior party members, and had four of its deputies expelled from the non-elected National Assembly on charges ranging from collaboration with the *Interahamwé* to blocking party reform. But Rwigema's reformist credentials have been strongly challenged by his former political ally, **Jacques Maniraguha**, a deputy and business magnate, who reacted to his expulsion from both party and parliament by repeating allegations that Rwigema distributed arms to the *Interahamwé* in Kigali in April 1994. The charges were originally made by **Amri Karekezi**, a local government official from the Biryogo district of Kigali, during his trial on genocide charges.

Allegations and collaboration

Maniraguha is not suspected of participation in the genocide. Former Foreign Minister **Anastase Gasana**, who was transferred to the President's office in the reshuffle of 8 February, heads the commission charged with reforming the party and has stayed above the fray. But two MDR deputies, **Jean-Baptiste Sebareme** and **Léonard Bizimana**, stand accused of active involvement in the events of 1994, and their MDR colleague **Eustache Nkerinka** has been accused of more recent collaboration with the *Interahamwé*. Already under arrest are **Bonaventure Ubalijoro** (replaced as MDR President by Rwigema in July last year) and **André Nkeramugaba**, both accused of involvement in anti-Tutsi pogroms in the 1960s and early 1970s.

Allegations against both men surfaced at the Saturday meetings convened by President **Pasteur Bizimungu**, which are meant to be 'brainstorming sessions', and 'consultative exercises', with soundings taken from different sections of civil society.

The MDR is the strongest political force outside the ruling FPR, but many genocide survivors see it as irredeemably tainted. Its current problems are relished by exiled former Prime Minister and MDR President **Faustin Twagiramungu**, whose *Forces de Résistance pour la Démocratie* accuses the FPR of including the MDR in government as a sop to a repressed Hutu majority. Twagiramungu argues that the transitional government's writ technically expires in July, five years after it took office.

Heavyweights out

The government reshuffle in February was the first in two years, and the new ministerial team is expected to serve for at least two years. Many ministers swapped portfolios, but there was no real purge. Three FPR heavyweights were removed from the cabinet: Minister of Education **Joseph Karemera**, Minister of Youth and Sports **Jacques Bihozagara** and Minister of Gender, Family and Social Affairs **Aloysia Inyumba**. Karemera was made ambassador to **South Africa**, Bihozagara was sent to Brussels and Inyumba is to head a newly-created commission. Sections of the Rwandan press portrayed this as a marginalisation of the old guard, with warnings about corruption and the creation of personal fiefdoms. Kagame said it was about balancing 'elements in the government' and ensuring that Kigali got its case across to the outside world.

The recall to Kigali as Foreign Minister of **Amri Sued**, an indifferent career diplomat with long years of service under President **Juvénal Habyarimana**, has been much criticised. In contrast, the new Minister of Justice, **Jean-de-Dieu Mucyu**, is a Tutsi and a genocide survivor, with a strong record as head of the Judicial Police. Mucyu's three Hutu predecessors since the genocide were all found wanting - the last, **Faustin Nteliyayo**, fled to the United States in January. Finance Minister **Donald Kaberuka**, a lucid and respected advocate of economic restructuring, has stayed on. However, **Marc Rugenera**, the new Minister of Commerce and Industry, has failed to impress; his appointment has led some Hutu exiles to comment that the FPR-led government appoints only ineffectual or compromised Hutu to ministerial portfolios.

While the government carries on as normal, the 70-strong National Assembly seems headed for stormier waters. FPR Secretary General **Charles Murigande** has given warning that many deputies face removal for corruption and incompetence. The Speaker, **Joseph Sebarenzi** of the minority *Parti Libéral* (PL), has complained about outside interference in the Assembly's workings.

Democratisation is tentatively beginning at the grassroots, amid much talk of 'accountability', 'decentralisation' and 'community participation'. Rwanda is divided into 12 prefectures, run by nominated prefets; 155 communes, run by nominated bourgmeisters; each commune has around 10 sectors of around 2,000-5,000 citizens; each sector contains several cells, or *Nyumba Kumi*.

On 29 March, Rwandans will vote for cell leaders, to form executive committees at sector level. Reform is supposed to move up from sector to prefecture to national at a pace dictated by the conduct of grassroots elections'. Rwandans were asked to line up behind their chosen candidate. Elections for women's representatives on the same committees went smoothly with, as Kagame says 'Bahutu voting for Batutsi and Batutsi voting for Bahutu'. A promising start to rebuilding after the 1994 nightmare perhaps, but still too slow for most Rwandans.

ZIMBABWE

Morgan's third way

Trades unionists are backing a new party to challenge ZANU-PF at next year's elections

The party is so new that it has not yet got a name, but its base is in the Zimbabwe Congress of Trade Unions and its leader is the ZCTU's charismatic Secretary General, **Morgan Tsvangirai**, backed by the movement's President, **Gibson Sibanda**. They aim to occupy the political space between President **Robert Mugabe**'s government and old-guard oppositionists such as **Ndabaningi Sithole**, Bishop **Abel Muzorewa**, and **Edgar Tekere**. The unionists have just a year to make an impact before next April's parliamentary elections.

Even government newspapers such as the *Sunday Mail* take Tsvangirai's challenge seriously, noting that he will be well placed to exploit popular discontent about the deteriorating economy. Inflation has hit a record 50 per cent, the government's Central Statistical Office said on 16 March, and is expected to stay at that level for several months due to higher food prices.

The law forbids the use of trade union funds for party politics, nor can foreign donors' cash be used for that purpose. The ZCTU therefore said it was merely 'facilitating' the formation of the new party, explaining that Tsvangirai and Sibanda will leave their union jobs to take up party posts. Many ZCTU militants will follow their leaders, after the union movement holds a special congress in the next few months. The party was launched on 26-28 February at a Working People's Convention of ZCTU people and members of about 30 smaller civic groups, who united behind a resolution calling for a 'vigorous alternative political movement for change'. Tsvangirai aims to include farm workers, women's groups, professional associations and even sympathetic businesses, and there will be intense competition among aspiring candidates.

The ZCTU realises that on its own it will be hard pressed to win much more than the urban 20 per cent of the electorate. A survey it carried out after its successful two-day stay-away in March last year showed the need to bring in the smallholders or communal farmers, egged on by government handouts and promises of land resettlement, who are the political backbone of the ruling Zimbabwe African National Union-Patriotic Front. But the landless agricultural workers are more sceptical about government promises and would be likely to back the ZCTU's new party.

Before the February convention, Tsvangirai and Sibanda carried out consultations in 20 towns around the country, involving over 400 participants from the ZCTU, the civil servants' association, human rights organisations, the Council of Churches, residents' associations and even the police and Central Intelligence Organisation.

Delegates at the convention overwhelmingly backed the move into party politics, saying they wanted to do more than strike to show their opposition to the ZANU-PF government. Even if Tsvangirai, Sibanda and their colleagues formally leave the ZCTU to join the party, the union grouping will be cast as irredeemably oppositionist by ZANU-PF. As the political temperature rises ahead of next year's elections, some major confrontations loom, especially in the public sector unions whose previous strikes have been labelled insurrectionist by some government loyalists. There have been few takers for ZANU-PF's rival Zimbabwe Federation

of Trades Unions, set up by **Jeffrey Mutandare** in 1997 (AC Vol 39 No 6). Trade unions were central to Zimbabwe's nationalist movement; many veterans of the anti-colonial struggle such as **Joshua Nkomo**, **Jason Ziyapapa Moyo** and **Kenneth Manyonda** entered politics via the unions. ZCTU was founded by the President's younger brother, the late **Albert Mugabe**.

In the new movement Tsvangirai will take the lead, with Sibanda playing the moderating role. Not everyone is convinced. Critics, such as **Lupi Mushayakarara** of the Zimbabwe Institute of Freedom, say that Tsvangirai is just the 'flipside of Mugabe'. According to Mushayakarara 'both are populist and operate on the basis of trial and error'. Others say that Tsvangirai has a habit of shooting his mouth, and at 47, after 11 years at the helm of the ZCTU, he is impatient to move on and challenge Mugabe's government whose popularity has crashed since the economic collapse which began in November 1997.

ZANU-PF loyalists such as Justice Minister **Emmerson Mnangagwa**, who was Mugabe's intelligence chief in the late 1970s, say they welcome the new party's challenge and confidently expect to trounce it in next year's elections. Independent observers warn against under-estimating ZANU-PF's survival capacity: 'Even amidst economic depression, the ruling party still has huge patronage power in the towns and reservoirs of genuine popular support in the rural areas.'

'O' levels versus degrees

Tsvangirai appears as confident as his opponents. He told *Africa Confidential*: 'I have led the labour movement for more than 10 years, so I have no problem with leading a nation'. He quickly added: 'And it's not as if I will be leading alone.' He wants to be leader only if three conditions are met: that the government is all-inclusive; that decisions are made through collective effort; and that there is national integration. 'There is need to look at people's capabilities even if they are not members of your party because what you have to do is exploit to the maximum national talent that is available.' He also says collective responsibility will encourage collective ownership of decisions. 'We are divided not only along racial lines but also along ethnic lines. There is so much emphasis on regionalism and even villageism that people don't feel the national integrity.'

Though popular with the crowds, Tsvangirai was educated only to 'O' level standard, leaving school at about 16. If formal education, he says, '... were the yardstick, then we would be the best led country in the world, with the best run economy, the best run government, and the most respectable government because Mugabe has seven degrees.'

At least 16 political parties have been active in Zimbabwe during the last six months. Top of the list is ZANU-PF, in power since 1980 and holding all but two of the seats in the 150-member Parliament. The Reverend Ndabaningi Sithole's ZANU-Ndonga has one seat, and so does **Margaret Dongo**'s Zimbabwe Union of Democrats, which attracted some attention last year when it was formed, focusing on her outspokenness and irreverent tales about her former colleagues in the ruling party. Getting the popular Dongo on board will have to be a priority for Tsvangirai.

Of the remaining small parties, few have the capacity to make much difference in national politics:

- Bishop Muzorewa's United Party is a spent force and the Bishop is the only visible person. Much the same applies to Edgar Tekere's Zimbabwe Unity Movement.

- The long-established Democratic Party (originally a splinter of Tekere's ZUM) is led by **Wurayayi Zembe**, who was once regarded

as a firebrand but seems to have no back-up team.

● The National Democratic Union, in existence since the 1970s and led by **Mark Muchabaiwa**, surfaces only for elections and has been much criticised for its extravagant pre-poll promises.

● The Zimbabwe Congress Party of **Kenneth Mano**, a former Zimbabwe African People's Union (ZAPU) member, is noisy but ineffectual.

In Matebeleland, several parties have recently sought to capitalise on the atrocities committed by the **North Korean**-trained Fifth Brigade in the early 1980s and the subsequent lack of regional development:

● The Federal Party of Zimbabwe seeks a federal government with the different ethnic groups ruling themselves; now led by the little-known **Richard Ncube**, it was founded by Chief **Kayisa Ndiweni**, a respected traditional leader from the Ndebele Khumalo clan, who seems to have stepped out of politics.

● The Liberal Party of Zimbabwe is led by **Canaan Moyo**, who lives in London, and has some support in **South Africa**, where disgruntled former ZAPU members fled during the purge on 'dissidents'. Moyo's only claim to fame is that he is related to nationalist hero Jason Ziyapapa Moyo, who was assassinated in **Zambia**. Liberal rallies have never attracted more than 500 people in Bulawayo, the capital of Matebeleland.

● ZAPU 2000 has a similar following and no clear leader; names that crop up include **Elliot Dube**, a former Bulawayo city councillor who was once elected deputy mayor on a ZANU-PF ticket, and **Cont Mhlanga**, a playwright with a Bulawayo theatre group.

Fighting for labour

Two parties claim to represent workers and call themselves the Zimbabwe Labour Party. One, formed two years ago, is led by **Alois Machokoto**, who was never actively involved in labour issues. The other Labour party, formed this February is headed by **David Matanganyidze** who has been charged with defrauding investors of more than Z\$20 million through a liquidated company called Access to Capital; he fled to the **United States** but came home to face trial. The case is continuing. Another brand-new party began as a non-governmental organisation aimed at promoting development projects; the Zimbabwe Integrated Programme (ZIP) is led by Professor **Heneri Dzinotyiwei**, a maths professor at the University of Zimbabwe and businessman.

The Conservative Alliance of Zimbabwe, an off-shoot of **Ian Smith's** Rhodesia Front, is now led by **Gerald Smith**. The Front for Popular Democracy is led by **Austin Chakaodza**, once a respected professor and ZANU-PF supporter, and brother of **Bornwell Chakaodza**, Editor of *The Herald*. The Zimbabwe People's Democratic Party is headed by **Isabel Madangure**. The National Progressive Alliance is led by **Canciwell Nziramasanga**, who has been in trouble with the law on several occasions. The Zimbabwe People's Convention was formed last year under a former student leader, **Obey Mudzingwa**, amid great expectations but failed to make its mark.

Although Tsvangirai says he will try to exploit national talent, he didn't manage it at the ZCTU. Most of the qualified technocrats he recruited in the early 1990s left in frustration, outnumbered by his cronies. But he may have learned that lesson. Business reaction too will be important. For now he's popular with local companies who see him as responsible although they question his economic theory (Tsvangirai insists on returning to price controls). But his main hope now must be to form alliances with other opposition groups and draw support from within ZANU-PF, several of whose

defectors stood as independent candidates after being rejected at the party's primary elections. For the last couple of years there has been speculation that Tsvangirai may be linked to disgruntled politicians within ZANU-PF, who could abandon ship if they feel it sinking.

FRANCE/AFRICA

Franc-zone to Euroland

Europe's new currency is raising some tricky issues in Francophone Africa

Africa's franc zone has become a euro zone without much fuss. But as France passes Africa's monetary baton to Europe's new central bank, some African governments worry about the longer term implications of the new order in Afro-European relations. With the European Commission in disarray on 16 March after the resignation of all its commissioners in response to an investigation uncovering multi-billion dollar frauds at the organisations' headquarters in Brussels, African officials expect a more introverted Europe to concentrate energies on resolving its own political and economic crises. Next year, the European Union is winding down the Lomé agreement on preferential trade arrangements to African, Caribbean and Pacific countries.

When the EU's common currency, the euro, was launched on new year's day, the value of the *Communauté Financière Africaine* franc, the currency of almost all France's former colonies in Africa, ceased to be fixed against the French franc and was instead pegged to the euro. A fixed rate of French franc 6.56 = euro1 became one of CFA656 = euro1. Only a few speculators had moved their money out of Africa's franc zone in the second half of 1998, fearing wrongly that the switch would be accompanied by a second devaluation. Rather than capital flight, the main fear in the CFA zone is that pegging the currency of the mainly commodity producing African countries to a newly launched euro, keen to prove itself on international money markets, could lumber the CFA countries with an uncompetitive exchange rate.

At the insistence of France the CFA was devalued in January 1994 (AC Vol 35 No 2) in the wake of the demise of Francophone Africa's doyen **Félix Houphouët-Boigny** and despite strong opposition from **Gabon's** President **Omar Bongo**. This time **Dominique Strauss-Kahn**, the French Finance minister, and President **Jacques Chirac** won agreement from the new European central bank to leave the rate unchanged, with the approval of African politicians and central bankers.

Changing pegs

The switch to the euro does not affect the treaties between France and the members of the two African regional central banks - *Banque Centrale des États de l'Afrique Occidentale* and *Banque des États de l'Afrique Centrale*. The treaties guarantee that CFA francs will be accepted at par by the French Treasury, where the two central banks must hold 65 per cent of their foreign exchange reserves. Henceforth France must inform the European Economic and Financial Committee before the CFA franc/euro peg is altered, and amendments to the treaties - including changes in membership of the two central banks or to the guaranteed convertibility - must be cleared in advance with the same committee and the European

Down with tariffs

The *Union Economique et Monétaire Ouest-Africaine* (UEMOA), the economic and monetary union of the eight West African states of the Franc Zone, is nine months away from a brave experiment in economic integration. From 1 January tariffs, with very few exceptions, will be abolished within the union and its borders will be open for trade, completing four years of steady tariff reductions under the UEMOA's Ouagadougou-based commission.

Policy wonks at Dakar's *Banque Centrale des Etats de l'Afrique de l'Ouest* worry about the link with the French franc/euro. Many economists believe that the CFA franc is again badly overvalued, as world commodity prices hit lows not seen in real terms since the mid-19th century. But devaluation is unlikely in the short term. While the 50 per cent devaluation in 1994 did more good than harm, governments are scared of raising the price of imports in capitals such as Abidjan and Dakar, where Côte d'Ivoire's **Henri Konan Bédié** and Senegal's veteran **Abdou Diouf** face awkward elections next year.

Heavyweights at the International Monetary Fund and World Bank, such as the Bank's **Jean-Louis Sarbib** and **Serge Michailof**, and the Fund's **Michael Hadjimichael**, are also against a rate cut now. Having helped sell the 1994 measure, along with French officials, to reluctant African governments it would be difficult for them to repeat the exercise five years on.

A well-researched cross-border inflation index has been developed by the statistics tracking agency Afristat, in Bamako, Mali, now operating for over a year. Previously, zone inflation figures were unreliable, although the Franc Zone secretariat's estimates of 3 per cent average UEMOA inflation in 1997 are broadly accepted.

UEMOA policies have been driven by the poor smaller economies of the Sahel, where reformers realised early that a financial crunch would come at the turn of the century, thanks to the American-style free market rules of the World Trade Organisation, and the decline in European aid.

Behind the process has been Mali's Finance Minister **Soumaïla Cissé**, in the job since 1993 and widely credited with saving his economy from complete ruin after more than two decades of pillage under dictator **Moussa Traoré**. Cissé's boss, President **Alpha Oumar Konaré**, a dedicated pan-Africanist, is the region's leading advocate of integration. Burkina Faso's strongman **Blaise Compaoré** is more concerned with maintaining his influence after 2000, having managed to get the UEMOA commission installed in Ouagadougou, to offset the influence of Dakar and of Abidjan (where the Finance Minister, **N'Goran Niamien**, is struggling to keep domestic expenditure within the tight limits of

the IMF's Enhanced Structural Adjustment Facility.

Another personal force behind the 2000 drive is Senegal's Prime Minister **Mamadou Lamine Loum**, previously Economy and Finance Minister, who has no charisma but the reputation of a visionary technocrat. Benin's Finance Minister, **Abdoulaye Bio Tchané**, laments that his economy, like Niger's, is grossly distorted by smuggling operations with its giant neighbour Nigeria; he too regards integration as the only way for Francophone West Africa.

The key government convergence criteria are enforceable in law by the UEMOA's Commissioner, Senegal's **Moussa Touré**. In 1997, the last year for which full data are available, targets were hit, with public-sector salary bills held to half of overall expenditure, and primary budget balances positive to the tune of a minimum CFA fr15 billion (US\$25.7 million). Privately, UEMOA officials say targets were met last year as well, although the 1999 commodities slump could cause havoc.

More uncertainty came with the mass resignation on 16 March of the entire European Commission, including the Commissioner for relations with the African, Caribbean and Pacific economies, **João de Deus Pinheiro**. He believes that the UEMOA countries must hang together, and his officials claim that his backing is crucial for the integration project.

French sceptics, including **Béatrice Hibou** of the influential *Centre d'Etudes et de Recherches Internationales* in Paris, counter that the books are cooked in more than one UEMOA economy, and that latent protectionism will render zero tariffs practically unenforceable. Sentiment is downbeat among French businesses in the *Comité des Investisseurs en Afrique*, and the prospect of a Nigerian economic recovery under President **Olusegun Obasanjo** may attract French investment away from the zone.

French academics, including **François Gaulme**, Editor of *Afrique Contemporaine*, question the relationship between UEMOA's economic leader, Côte d'Ivoire, and neighbouring Ghana. They argue that genuine regional integration depends on Ghana's adoption of the CFA franc and UEMOA membership but such ideas can be ruled out for the foreseeable future.

President **Jerry Rawlings**, welcoming French and British Foreign Ministers **Hubert Védrine** and **Robin Cook** to Accra on 10 March, deplored the 'Anglo/Franco' divide in West Africa, but both Rawlings and opposition presidential flagbearer in next year's elections **John Kuffour** see the franc zone as neo-colonial. Guinea, too, is unlikely to abandon its cautious independence under new Prime Minister **Lamine Sidibé**, whose mostly unchanged economic ministers will carry on the policies of his technocratic predecessor, **Sidia Touré**.

Commission, both of which must consult the European Central Bank.

The fixed parities are likely to come under pressure given the wide range of rates of inflation and productivity growth in the different member countries. The CFA zone's peg is complex, with 14 countries and two central banks involved on the African side, while 11 very different economies share the euro. Although the African economies have only a marginal impact on the euro zone economies, except France's.

The official line in the zone and in France is that there is no need to revise the treaties or alter the peg. The Deputy Governor of BCEAO, **Boukary Adji**, argues that the status quo maintains

monetary stability and that there's no exchange rate risk on exports and imports with members of Euroland, which make up more than half of the zone's external trade. The Governor, **Charles Konan Banny**, said before the switch that the zone was the fastest growing sub-region in the world in 1998, with sufficient foreign exchange reserves to cover seven months' imports.

Yet the euro itself has already been fluctuating, and the CFA franc countries are slowly losing the competitive edge they won from the 1994 devaluation (which was less for BEAC countries, much of whose external trade is in oil, so reckoned in US dollars). Inflation in the CFA zone is currently about 4 per cent, compared with less than 2 per cent in Euroland, while productivity growth in

the CFA zone is much lower. But, unlike their rival commodity producers of palm-oil, rubber and coffee in East Asia, CFA zone producers cannot devalue to keep their exports competitive.

At present most CFA countries are dependent on primary commodity exports. Many of the zone's initial attempts at state-sponsored industrialisation have foundered as governments have liberalised their economies. Only the bigger economies, such as **Côte d'Ivoire** and **Cameroon**, have the urban labour and infrastructure necessary to attract industrial investment. Côte d'Ivoire has recently won investments in processing equipment to add value to export crops, notably cocoa.

Without substantial foreign investment, the high growth rates cited by Konan Banny cannot be sustained. To maintain growth at 5 per cent a year, the World Bank reckons investment should be running at some 25 per cent of gross domestic product. The BCEAO and BEAC areas have growth at 5 per cent, but investment rates of less than 20 per cent. A lower exchange rate would help to make manufacturing projects viable.

The 1994 devaluation, and the accompanying economic and financial reforms, reversed the zone's decline but exchange rates have to stay competitive. One option would be for the CFA franc to move within regularly adjusted bands in relation to the euro: this 'crawling peg' formula would require periodic intervention by the French (and European) monetary authorities, and has already created problems in, for example, **Mexico** and **Brazil**. It would maintain convertibility but require a rewriting of the French treaties with the two central banks.

From Abidjan to Libreville

A competitive exchange rate for one CFA country could be an overvalued rate for another. At one extreme is **Gabon**, the only country in the zone that the World Bank calls a middle-income country. As such, it pays commercial rates for most of its borrowing so its debt service bill is proportionately higher. It is too small to create viable industries, and imports a lot. This explains why Gabon's free-spending and apparently ailing President Bongo opposes further changes. Bongo doesn't worry much about competitiveness - more than 95 per cent of Gabon's exports are crude oil cargoes sold for dollars.

At the other end is Côte d'Ivoire which welcomed the devaluation, and has seen its economy grow since by an annual average of 6 per cent. Until 1994 it was classified as middle-income; since then much of its debt has been cancelled by the Paris and London clubs of creditors. Thanks to vigorous French lobbying, Côte d'Ivoire is in line to qualify for further relief in 2001 under the Highly Indebted Poor Countries (HIPC) initiative, provided that it keeps to the International Monetary Fund rules. Devaluation has lifted its manufacturing sector, both in commodity processing and in import substitution. Its agricultural exporters have profited because their costs (labour, inputs and credit), unlike those of the oil companies, are mostly in CFA francs.

Between Gabon and Côte d'Ivoire lie the other 12 members of the zone on the African mainland. None seriously considers establishing a national currency, which can be hard to defend when the level of reserves depends on fluctuating commodity prices. Zone membership brings monetary and fiscal discipline; a standard formula prevents governments borrowing from BCEAO/BEAC to cover deficits.

Because the two banks both issue currency and have separate treaties with France, it would be feasible to have two arrangements. BEAC would not welcome any change to the status quo. **Chad** is

currently scheduled to start oil production in 2001, which would leave the **Central African Republic** the only one of the six members which doesn't export oil (although oil prices have fallen by more than 50 per cent). But the BCEAO, particularly Côte d'Ivoire, could benefit from exchange-rate flexibility.

Quick changes are unlikely. Both in France and in the African capitals, the euro link is working better than expected. Before 1994 the government in Paris resisted all IMF/World Bank calls for a devaluation, and changed tack only when alarmed by the rising cost to its Treasury of budget and balance-of-payments support for the zone's ailing economies. Officials consoled themselves that they had preserved a fixed exchange rate for the CFA franc.

Africa is now less important to French exporters and investors. Only a few companies (notably Bouygues, Bolloré, Elf Aquitaine and *Électricité de France*) are very interested. Only 1 per cent of French offshore investment is in the CFA zone, compared with 52 per cent for the EU. Sentimental ties have faded, especially since the death of Houphouët-Boigny in December 1993, and of some old French agents who remembered the days of General **Charles de Gaulle**.

Nonetheless, the zone's performance since the 1994 devaluation has boosted a traditional market for French goods and services. In 1997 France enjoyed healthy trade surpluses of \$1.0 billion and \$400 million with BCEAO and BEAC countries respectively; the cost in budgetary aid has shrunk, and the zone reinforces France's claim to world-power status. France has no motive to weaken its commitment to the zone; but a slowdown in growth rates and a failure to attract much foreign investment could change the African partners' minds.

ZAMBIA

Mining the depths

Delay on privatisation has cost the country dear, and it isn't over yet

The deal to sell off the state's best copper-mines must be tied up by the end of March, or Zambia is in effect out of business. For now, the economy is ticking over thanks to a loan of US\$70 million, approved by the International Monetary Fund on the strength of a memorandum of understanding for the sale of the mines. But a memorandum is not a contract, and the deal is not yet closed.

The proposed purchaser, **South Africa's** Anglo American Corporation, through its subsidiary Zambia Copper Investments (ZCI), has struck an extremely hard bargain offering just \$90 mn. for 80 per cent of Konkola, Nchanga and Nkana mines (AC Vol 40 No 3). Some in Lusaka believe Anglo's bargaining brinkmanship can partly be attributed to the conglomerate's pique at having its original privatisation plans rejected by the Zambian government (acting on advice from the World Bank and private consultants). Anglo, particularly its *eminence grise* **Harry Oppenheimer**, has wanted to take the lead role in the unbundling and privatisation of Zambia Consolidated Copper Mines (which had been forged out of a collection of mines mostly owned by Anglo and in which President **Kenneth Kaunda's** government took a 60 per cent stake in 1982).

Having procrastinated and argued for seven years while the world copper market collapsed, President **Frederick Chiluba's** government now believes it has no option but to accept Anglo's offer. Last May the rival Kafue consortium's \$1.1 billion bid for

94 per cent of ZCCM's Nchanga and Nkana had comprised a cash payment of \$131 mn.; the assumption of \$35 mn. of long-term debt; copper and cobalt price agreements totalling \$150 mn.; initial working capital investments of \$76 mn.; and a five-year capital investment programme totalling \$708 mn.

One of Anglo's conditions for closing the sale is that, by 31 March, it must find 'a substantial mining partner' to share the risks and improve the techniques of a difficult operation. East Asia's economic troubles, and the spread around the world of fibre-optic cables instead of traditional metal ones, have brought the world price of copper down to only 61 cents a pound and falling. Zambia's share of that declining market has slipped also: in the mid-1970's it was the fourth biggest producer in the world; now it is the 12th.

National treasure hunt

Zambia has chosen the worst moment to put its national treasures on the market. Indecision during the past two years over the sale of the mines by President Chiluba's government has cost the country some \$1.5 bn. in direct revenues (from a higher sale price, continuing ZCCM losses, lack of new investment and donor funds), plus some \$200 mn. of indirect costs (continuing losses and redundancies in the mining supply companies, lower tax revenues and withdrawal of non-mining investments). If Anglo, after completing its investigation of the mines and their accounts, fails to find an acceptable partner, Zambia's position could worsen further.

It was Finance Minister **Edith Nawakwi** who persuaded the cabinet and the Chairman of ZCCM's negotiating team, **Francis Kaunda** (who has seemed in no hurry to strike a deal with any of the bidders), to cut their losses and go for a quick deal with Anglo.

Nawakwi took the Finance portfolio after her predecessor, **Ronald Penza**, was dropped from the cabinet on 20 March 1998. Later that year, on 6 November, Penza was murdered by armed robbers, the government says, but local police shot dead the alleged culprits before they could be tried and nothing was stolen from Penza's opulent home. Instead we hear that Penza had crossed some of the powerful business interests that have been running the highly lucrative supply of weapons and fuel across to the border to **Jonas Savimbi's** *União Nacional para a Independência Total de Angola*. There are plenty of other problems on the copperbelt:

- The first sizable mine to be privatised was Roan Antelope, bought by Binani. Roan is now heavily in debt, kept afloat by ZCCM whose losses are thereby increased. Some 6,000 jobs are at risk. First Quantum, the company that came second when Binani was the successful bidder, has done well by recovering metal from mine tailings at Bwana Mkubwa, and might make a fresh offer for Roan.

- **America's** Cyprus Amax had encouraging results from its earlier drilling at Kansanshi but is now understood to have suspended operations. It paid \$28 mn. for the mine two years ago.

- Reunion Mining postponed the signing ceremony for the purchase of Mufulira, ostensibly because they had failed to get consent from the London Stock Exchange. Even before the postponement there had been a lot of renegotiating downwards.

- **China's** State Mining Corporation which paid \$20 mn. for Chambishi mine seems barely to have started work.

- No movement is visible on the sale of ZCCM's Ndola Lime to Socomat, a firm understood to be linked to President Chiluba. If the delays continue the plant might be sold instead to the underbidder, Premier Portland Cement. We hear Anglo has said

that if Ndola's prices are too high it will import from South Africa or set up a rival plant. Chilanga Cement is also thinking about starting up on the copperbelt.

There are some encouraging stories too:

- At Chambishi cobalt plant Avmin is successfully processing concentrate, both from its own mine-dumps at Nkana and from other companies on a toll basis. Since almost half of Zambia's valuable cobalt (mined along with copper) is sold as concentrate, Avmin's plant has room for expansion.

- At Chibuluma mine, the new Chibuluma PLC (belonging to Crew of **Canada** and Genbel and Metorex of South Africa) has cut the labour force, and its tight operation seems to be making money even at today's low prices.

- **Switzerland's** *Société Générale de Surveillance* plans to set up a laboratory on the copperbelt for sample preparation and analysis; it should improve efficiency now that various companies do specialist work for each other on a toll basis.

- As the mines, and ZCCM itself, trim their labour-forces, redundancy pay may give the retail sector a temporary boost; Barclays is reported to have released to ZCCM some 30 bn. kwacha (about US\$13 mn.) of World Bank money for redundancy payments.

Privatisation remains unpopular, in the unions, in parliament, in the press and in polite society. Zambians are not keen on competition, mass redundancies, foreign ownership and white (especially South African) managers. Incomers have often made things worse through tactlessness and failure to keep workers and the general public informed. Anglo has been careful to recruit to their 'due diligence' and policing teams some old copperbelt hands who know the local ways; a major challenge for **Nap Mayer**, who will run the new operation if Anglo's bid goes through, will be to restore morale. Anglo proved smart in their dealings with the African National Congress in South Africa, and will need those skills again amid Zambia's fractious politics.

With the copper privatisation saga drawing to a close, the latest budget involved much friendly talk about business but little real help for it. The best news has come from the sky in the form of plentiful rain - although peasant farmers have been short of fertiliser. National elections - and the economic distortions that usually accompany them - are not due until October 2001, so more than a year of relative stability should lie ahead.

If after seven years of negotiations, the Anglo deal is safely finalised at the end of April, and if copper holds its price or even rises, the Chiluba government hopes it will be able to go to the polls with claims that it has managed to reverse Zambia's economic decline - even if it did its fair share to cause the collapse.

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Pointers

FRANCE/BITAIN

Une autre entente II

The *entente cordiale* on Africa between London and Paris is warming up after Foreign Secretary **Robin Cook** and his French counterpart **Hubert Védrine**'s double act in Accra and Abidjan on 10-11 March. While the stated goals - 'clearer procedures for working together' - are modest, the visit had a symbolic importance in conflict-racked Africa. Cook and Védrine, who have worked closely together on Kosovo, believe there is diplomatic value in cooperating in Africa (AC Vol 40 No 2).

They are the two European powers with most at stake - in citizens living there and in investment - in Africa. The Cook-Védrine axis can help push Africa initiatives through the European Commission while Africanist officials on both sides of the Channel argue that Franco-British cooperation on Africa enhances bilateral cooperation on other European Union business.

Head of the Foreign & Commonwealth Office's Africa Department **Ann Grant** and her opposite number **Jean-Didier Roisin** are working to develop coordinated policies based on the St. Malo principles such as debt relief, good governance and human rights. But lower down the respective bureaucracies, reservations and old rivalries abound. Some *Quai d'Orsay* officials insist that France must be the senior partner, while others believe the cooperation strategy will increase the influence of outsiders, such as academics, on policy.

Africanist academics, such as **Jean Copans**, and director of the *Centre d'Etudes et de Recherches Internationales* **Jean-François Bayart** and heavyweights from Bordeaux's *Centre d'Etude d'Afrique Noire*, were scathing about Africa policy under late President **François Mitterrand** and remain suspicious of **Jacques Chirac**'s Gaullist line. They say the Elysée is still sabotaging reforms which threaten Chirac's relations with 'dinosaurs' such as **Gnassingbé Eyadéma** of Togo and **Gabon's Omar Bongo**.

But Védrine sees bilateral cooperation as a way of undercutting the residual Gaullist hardliners in the administration. The new *Direction Générale de la Coopération et du Développement*, the most recent move in rationalising France's thicket of cooperation outlets, is now under the control of the *Quai d'Orsay* and is staffed predominantly by career reformers and officials. They continue to talk of 'distancing ourselves' from the *réseau*-based practices of the past. The confirmation in February of career Middle Eastern specialist **Jean de Glinasty** as Ambassador to Dakar is a further step in this direction.

Others are now convinced that what remains of *Coopération* is doomed, even in its present

attenuated form. They predict that the *Fonds d'Aide et de Coopération*, France's principal funding window for the *pays du champ*, will not last much longer: Quai and finance ministry mandarins want such flows strictly under their control henceforth. Cooperation Secretary **Charles Josselin**, himself in favour of thoroughgoing reform, has less room for manoeuvre than ever.

CONGO-BRAZZAVILLE

Look in The Mirror

Who sent sent a putschist's shopping list of arms and mercenaries, purportedly drawn up by ousted Congo-Brazzaville President **Pascal Lissouba** to a mass circulation London tabloid, the *Daily Mirror*? The claimed target of the plot, President **Dénis Sassou-Nguesso**, has since asked the British Foreign Office about the report. Sassou is currently fighting off two opposition militias - the *Zoulous* (loyal to Lissouba) and the *Ninjas* (loyal to former mayor of Brazzaville and Lissouba ally **Bernard Kolélas**).

In the same week Sassou sent a private memorandum to Pretoria's Foreign Ministry, naming a group of Congolese putschists allegedly linked to Lissouba and Kolélas and operating out of **South Africa**. Lissouba insists that the arms shopping list sent to **Belgian** arms suppliers, Labayfar, was for President **Laurent-Désiré Kabila** in Kinshasa. Instead he had been ordering food, clothing and medicines for his followers in Congo. Under **Britain's** new Criminal Justice Act it is an offence to conspire in Britain to do something in a third country if it is an offence in that country. After the *Mirror* story, Lissouba met with Foreign Office officials who warned him of the new rules and he protested his innocence. However, Labayfar chairman **André Lafosse**, unlike Lissouba, is now threatening to sue the *Mirror*.

But such cross denials don't explain why the story was leaked. Some in Lissouba's circle suspect that local political enemies of British Foreign Secretary **Robin Cook** deliberately chose the *Daily Mirror*, once regarded as a house paper for the ruling Labour Party, to create trouble. Under fire for getting early unauthorised access to reports from the independent cross-party Parliamentary Foreign Affairs Committee and for his handling of the Sandline - Arms to **Sierra Leone** fiasco, Cook has plenty of enemies in his own party.

Another possibility is commercial rivalry. Under pressure militarily, President Sassou has been frustrated by **France's** Elf Aquitaine's reluctance to make advance payments (which are needed to finance weapons and mercenaries) against future oil production. He has threatened to audit Elf's operations in Congo during the past five years which would cover both his own period of rule and that of Lissouba. More significant commercially, Sassou has been sounding out some British and **American** oil

companies about their interest in Congo-Brazzaville's ultra deep oil exploration blocks (which are close to **Angola's** highly prospective oil structures currently raising almost US\$1 billion in exploration advances). Angola's President **José Eduardo dos Santos** has also weighed in on Sassou's behalf, asking Elf to treat his regional military ally with 'more flexibility'. Should Sassou consider offering Congo's oil exploration blocks more widely, he may be keen to find out about *les Anglo-Saxons'* attitudes to his rival Lissouba. Sassou and his wife, dinner guests at President **Jacques Chirac's** Elysée Palace, have until now been firmly wedded to *la Francophonie*.

A third explanation is that the report may be the work of some nefarious British or French civil servants unimpressed by the above mentioned *entente cordiale* between London and Paris. Or finally it might just be that the *Daily Mirror's* 3 million readers have at last developed a keen interest in the internecine politics of oil-rich Francophone African states.

SIERRA LEONE

Leaving for Lomé

Foreign pressure is growing for President **Ahmad Tejan Kabbah** to start substantive negotiations with the Revolutionary United Front. Even Kabbah's closest backers question his grip over the mainly SLPP (Sierra Leone People's Party) cabinet - let alone his ability to reunite and stabilise the country, after the RUF's new year massacres in Freetown. The probable venue for the talks is Lomé where **Togolese** President **Gnassingbé Eyadéma**, as current Chairman of the Economic Community for West African States (Ecowas), would preside.

Getting Kabbah to concede that negotiations with the RUF are essential has required the concerted weight of **Nigerian, Ghanaian, British** and **American** delegations, who have indicated that continued security support from Ecowas peace-keeping forces (Ecomog) and UN monitors would be contingent on an early start to the talks. Agreeing on logistics, particularly the status of detained and condemned RUF leader Corporal **Foday Sankoh**, has taken weeks of detailed discussions.

Talks continue about how Sankoh can be transported to the RUF commanders without compromising the security of government or rebels. We hear Washington has offered to provide a plane to airlift Sankoh to his commanders in the field, and then fly them together to the talks in Lomé. Doubts are growing about how much influence Sankoh, whose recent radio broadcasts have sounded somewhat ethereal, will have on the commanders. Some in Monrovia suggest that the **Sam 'Mosquito' Bockarie** wing, backed by President **Charles Taylor**, sees Sankoh as little more than a useful pawn in the negotiating game.