

# AFRICA CONFIDENTIAL

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Kigali's strongman, General Paul Kagame, has taken over as acting head of state after the resignation of President Bizimungu, putting new strains on Kigali's fragile ethnic coalition. Bizimungu's departure follows the appointments of a new prime minister, a new government and new parliamentary speakers this year.

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### Offshore, offside

#### In a private investigation, a soccer star says he's uncovered a multi-billion dollar debt trading fraud and calls on the government to act

The determination of President **Olusegun Obasanjo**'s government to probe the financial management of its military predecessors is to be tested by soccer star **John Fashanu**. He has launched a private investigation into a US\$6 billion Nigerian debt buy-back scheme, claiming it was 'riddled with corruption'. The scheme was run from the Central Bank of Nigeria between 1988 and 1993, while General **Ibrahim Babangida** was President.

On the face of it the scheme was a shrewd way of covertly buying back Nigeria's commercial debt at deep discounts. Babangida had pledged to reduce the debt substantially and did so. In 1992, Nigeria had agreed the terms for a 'Brady bond' deal - basically, an approved way of reducing the nominal value of debts that were never likely to be paid in full - which took some \$5.5bn. of commercial debt off the books. Fashanu, who is also the United Nations' Children's Fund special envoy in London, was found innocent in 1998, along with **Zimbabwean** goalkeeper **Bruce Grobelaar**, of charges that they fixed **British** soccer league matches. Fashanu told *Africa Confidential* that his investigators (whose report was sent this week to senior Nigerian officials) had established that the scheme was a smokescreen behind which hundreds of millions of dollars were diverted into **Swiss** and **Austrian** accounts. He claims that 'faceless men' had been trying to stop his anti-corruption investigations.

### Blowing the Gulf windfall

A report on the CBN's operations by Nigerian economist **Pius Okigbo**, submitted to the government in 1995, alleged that some \$12.4 bn. of government payments through CBN in 1988-93 weren't audited or adequately accounted for. The sum was part of the windfall from higher oil prices following the 1990-91 Gulf War. Some \$4.4 bn. had been earmarked for currency stabilisation and debt buy-backs but according to its operators, the 1988-93 scheme cost only \$2.5 bn. and there are no records of other buy-back or currency stabilisation operations in that period.

Attempts to investigate and recover any funds misappropriated from the 1988-93 buy-back would be delicate, involving detailed enquiries into big transactions under Babangida. Answering demands that Babangida should be personally probed by the government, Obasanjo says he has yet to see any conclusive evidence implicating his predecessor in fraud. The President needs to keep Babangida on side; he is still influential at home and abroad and, as a northern Muslim who still holds court in his mansion in Minna, has kept studiously silent about the *Sharia* (Islamic law) controversy (AC Vol 41 No 5).

The \$6 bn. buy-back operation was secret because Nigeria was breaking the rule that all types of debt must be treated equally. The scheme's kingpin, **Abdulkadir Ahmed**, Governor of the CBN, died of a brain tumour in the mid 1990s. The buy-back's complex structure involved a chain of front companies and offshore companies set up but not controlled by the government. The scheme was engineered by two **American** bankers, **Jeffrey Schmidt** and **Robert Minton**. Schmidt had worked for Shearson Lehman and got to know Babangida and Ahmed when he worked on a Nigerian-**Romanian** debt swap deal. He became particularly close to Babangida and converted to Islam; some regarded him as an unofficial presidential financial advisor.

Schmidt and Minton initially used a London-based company, Growth Management Limited (GML) to buy back Nigerian debt on the secondary market. The Nigerian government would pay funds into the *Österreichische Landesbank*, which would pass on the credits to GML. They worked closely with traders of 'exotic debt', such as **Bob Smith** of Turan Corporation in Boston, USA, an old partner of Minton's from a project in **Turkey**.

The Nigerian authorities feared that the close links with the London offices of the *Österreichische Landesbank* might help creditors uncover the secret buy-back deal and insisted that the companies running the buy-back be based in the USA. There, Minton and Schmidt established one company to buy the debt (Shamrock Financial) and another to warehouse it on Nigeria's behalf (Triolet). To finance the buy-back, funds would be sent from either the CBN or the Nigerian National Petroleum

Corporation to three banks: the Federal Reserve Bank of New York, Morgan Guaranty in New York or the Bank of International Settlements in Basle, Switzerland. In turn, they would route the funds through an offshore company, Greenland Holdings, incorporated in **Panama**.

Creditor banks at the time suspected Nigeria was buying back its own debt but did not know how. A member of the steering committee of Nigeria's creditors said: 'Some of us were happy to get rid of our Nigerian liabilities, partly because we were unsure about Nigeria's political future and partly because the Bank of England's new provisioning rules made it more expensive to hang on to it.' So fraught were Nigeria's debt-rescheduling negotiations at the time - involving tortuous dealings with the International Monetary Fund and the World Bank - that many commercial creditors didn't want to muddy the waters by demanding an investigation.

Minton, then Chairman of Shamrock Financial, says many of the banks were aware of the buy-back in 'general terms' and took full advantage of it. For example, Britain's Barclays Bank sold some \$300 mn. of Nigerian debt to the *Österreichische Landesbank* in late 1991. Minton strenuously denies there was any financial wrongdoing or that any funds were secretly channelled to Swiss or Austrian accounts. He said the late CBN Governor, Ahmed, was 'transparently honest' and there was almost no possibility of fraud. 'We kept the Nigerian authorities fully informed, with detailed reports submitted on a monthly basis accounting for all the funds received and disbursed... these reports are still with the Central Bank today, I believe.' He added that he and his partner, Schmidt, had notified the IMF and World Bank about the debt buy-back scheme and that they had given it tacit approval. 'It was a good deal for Nigeria... they bought their debt back at a heavy discount and avoided paying millions of dollars in interest.'

The only foul play arose, Minton said, when security men abducted Schmidt from his Lagos hotel at midnight and accused him of funnelling all the country's foreign exchange abroad. They then demanded a cut and Schmidt told them to contact Governor Ahmed. Minton denies he and Schmidt made super-profits out of the buy-back. 'We did well, we made tens of millions of dollars... not hundreds of millions and certainly not billions.' Other bankers less closely involved insisted the scheme was legitimate. **Stefan Pinter**, Managing Director of GML, said: 'It was one of the most effective buy-backs I've seen and of great benefit to Nigeria'.

Minton says the investigations into the buy-back are being used as an opportunity by the Church of Scientology to discredit him. He says he has spent some \$4 mn. in the last five years defending the right of former scientologists to criticise the church and has been the target of a campaign of abuse. 'No one from the US or the Nigerian authorities has raised questions with me about the probity of the buy-back deal since it wound up in 1993,' Minton said.

If Nigeria acts on the Fashanu investigation, it will be the second Nigerian debt buy-back to come under public scrutiny by the Obasanjo government. The first was a \$1.5 bn. deal in 1995 to buy back part of Nigeria's debt to **Russia** for the still non-functioning Ajaokuta steel mill (AC Vol 41 No 3). Negotiations between Obasanjo's National Security Advisor, **Aliyu Mohammed Gusau**, and Gen. **Sani Abacha's** son **Mohammed** and business ally **Atiku Abubacar Bagudu**, broke down late last year over how much of the profit should be returned to the government, which is now suing them in London for reneging on an out-of-court settlement. Last August, the Swiss government froze accounts containing some \$700 mn. held in the name of the Abacha family.

## SENEGAL

### Tables turned

#### Swept to power amid demand for change, President Wade has high expectations to meet

Senegalese are still reeling from the change they have brought about. By voting out their President of 17 years, **Abdou Diouf**, they have steered the country into the unknown territory of *Sopi* (meaning 'change' in Wolof), the main slogan of **Abdoulaye Wade's** victorious campaign. How much change will actually happen is another matter, not least because Diouf's *Parti Socialiste*, which has ruled for the 40 years since Independence, still holds 93 of the 140 seats in the National Assembly.

President Wade was still forming his cabinet as we went to press. Then he wants to avoid *cohabitation* through the election of a new Assembly and, he hopes, a repeat of his own win. According to the constitution, legislative elections are held after the president has dissolved parliament, which he can do only if its members vote themselves out. The PS is unlikely to oblige. The alternative is a referendum, probably in May, asking whether the Assembly should be dissolved. If the answer is 'Yes', it would mean general elections in October or November. That would give Wade and his *Parti Démocratique Sénégalais* time to consolidate their position alongside the umbrella group now known as the '*Front pour l'Alternance*' (Fal), called before the poll '*Coalition 2000*' (AC Vol 41 No 5).

Welding together the disparate coalition won't be easy. PS campaign manager **Ousmane Tanor Dieng**, whom many blame for the party's defeat, described the then opposition as '*une alliance contre nature*', even before it was strengthened by the addition of **Moustapha Niasse's** *Alliance des Forces du Progrès*. It may not be against nature but it's certainly a marriage of convenience. Wade and his campaign director and number two, **Idrissa Seck**, want less state control and more privatisation. Wade's companions throughout the campaign, **Landing Savané** (*And-Jëf/Parti Africain pour la Démocratie et le Socialisme*) and **Abdoulaye Bathily** (*Ligue Démocratique-Mouvement pour le Parti du Travail*) come from the far left.

#### Niasse for premier

Niasse is a key figure in this respect; Wade promised him the premiership after he won 16.77 per cent in the first round of voting. Political Dakar is now debating the balance between Wade's PDS and Niasse's AFP. Niasse is well known and well liked but before he broke with Diouf, he was first a PS '*baron*', then United Nations Special Representative for the Great Lakes. His new party has no members of parliament and he needs some, especially since Wade intends to turn the presidential system into a parliamentary one, abolishing the Senate, which he considers an expensive luxury, and cutting the number of deputies in the lower chamber. He has promised to save money by cutting the number of ministers, too, and may try to clean out PS office-holders, as a move to fulfil his promises on cronyism and corruption. He has promised there will be no witch-hunt, though, especially against Diouf's family. Diouf returned the favour by freezing all ministers' funds and banning ministers from travelling abroad till after Wade's inauguration, due on 1 April.

The public's main concerns are food, housing and work. There is discontent in all areas, age-groups and occupations. Wade's young

supporters, desperate for jobs, may prove restive; Wade made firm election promises to do something about unemployment and within three days of his victory, he was in Geneva at the headquarters of the International Labour Organisation (ILO). He is at the same time trying to damp down expectations. Before the campaign, he visited the **United States** and said there would be an increase in American and European investment. However, he made many promises - a road here, a school there, a hospital somewhere else - without showing where the money would come from. His list included a new airport for Dakar, water for villages everywhere, modernised railways and a private television station.

Just before the second round of polling on 19 March, Niasse announced that one of his first steps as Premier would be a national financial and economic audit. This will not make happy reading. The economy has recently been growing at an average rate of 5 per cent a year but Senegal still comes 153rd of 174 in the UN Development Programme's human development league table. A mere 5 per cent of the population has 58 per cent of the nation's wealth - a main reason for Wade's win. The population is growing fast, while food production and industry tend to decline; the staple products are phosphates, fish and groundnuts, and it's hard to see how to produce much more of them. Manufacturing needs more investment; tourism looks set for growth. Apart from the beaches and constant sunshine, many visitors come to experience the music, art and literature which poet-president **Léopold Sédar Senghor** first put on the international map.

Wade is well known abroad, from his three previous runs for the presidency, his reputation as an economist and member of the French bar (Besançon) and now his comfortable 58.5 per cent of the vote and his partnership with respected ex-Foreign Minister Niasse. Cordiality now reigns: in response to Diouf's gracious handover of power, Wade asked his defeated rival to attend the Euro-African summit in Cairo next week in his place. All this, and the orderly poll, should encourage investors, domestic and foreign.

A Vice-President of the Liberal International, Wade backs the modern trend towards globalisation, liberalisation and privatisation. He also speaks out boldly on his neighbours' problems. On 25 March, interviewed by *Le Monde*, he called on General **Robert Guéi** of **Côte d'Ivoire** to retire from the army and 'wait a little while' if he intended to stand for election, and to allow **Alassane Dramane Ouattara** back into political life. Neighbouring **Guinea** should amnesty the gaoled **Alpha Condé**, he said, and return to democracy. Senegal's elections would 'help change attitudes' in Africa, he thought. He had no objection to **French** bases in Senegal but would not allow Paris to use them to restore Ivorian ex-President **Henri Konan-Bédié**, though he had no objection to French troops restoring 'a democratically elected president' who had been overthrown.

### Bringing home the boys from Casamance

Senegal's own troops have been fighting their own war in the southern province of Casamance since 1982. One of Wade's main election pledges was to bring back the boys, implying a more diplomatic approach to neighbouring **Guinea Bissau**, which in the past has covertly supported the Casamance rebels. He promised that his first official foreign visit would be to Bissau where, encouragingly, the recent elections were also successful. In Ziguinchor, the Casamance capital, Wade defeated Diouf by 20,259 to 9,617 votes, suggesting that he might be well placed to negotiate.

Wade's broad electoral success was due both to the thirst for change and to his own political skills. His first domestic pilgrimage was to his *marabout*, **Serigne Saliou Mbacké**, in the *Mouride* capital, Touba - significant because the *Mouride* Islamic brotherhood had

backed the PS *en bloc* at previous elections. Another, very African, sign of reconciliation was his visit to Diouf's mother, **Adja Coumba Dème** in Louga, in the north. Different tactics may be needed to deal with **Djibo Laity Kâ**, now positioning himself as leader of the opposition. Djibo Kâ scored only 7.08 per cent in the first round, then told Diouf: '*Les yeux dans les yeux, je vous demande de partir*' ('I look you in the eye and ask you to leave'). Then he promptly changed sides and backed Diouf again. This split Djibo's *Union pour le Renouveau Démocratique*, didn't win Diouf the election and did little for Djibo's credibility.

Djibo and Niasse are both former PS barons and staunch rivals. The PS, once invincible and now crumbling, must reshape itself as a party of opposition. Djibo insists he remains outside the PS. He's still at odds with Tanor Dieng, who became party Secretary General in preference to Djibo in 1996 and was latterly also the grandly named Minister of State and Minister of Presidential Services and Affairs. Tanor refuses to resign; the feud persists.

Voters face the prospect of a referendum and elections with a confidence derived from the success of the presidential poll. In the second round on 19 March, people got up early and queued patiently in the morning heat, clutching their portable radios. The correspondents of private radio stations, over mobile telephones, described life at polling stations throughout the country - a great deterrent to fraud or irregularity.

Nevertheless, there were hiccups. A senior official in the Dakar suburbs blithely told *Africa Confidential* he would close his polling station when Wade's pile of votes reached nearly the same height as Diouf's. A few hours later, though, the celebrations had begun. Hundreds of people gathered in front of Wade's home - *Mbalax* music playing loudly - to greet their new President. Many stayed there all night. The elections restored political trust and hope: now concrete results will be needed to keep them alive.

## RWANDA

### Bizimungu bust-up

#### The ethnic coalition in Kigali looks dangerously fragile

An official of the ruling *Front Patriotique Rwandais* (FPR) described the resignation of President **Pasteur Bizimungu** as 'proof of a healthy democratic environment'. Vice-President and Defence Minister **Paul Kagame**, always the regime's strongman, is now the acting head of state, enlarging his own role amid what he calls 'the frailties of transition'. This year, Rwanda had already acquired a new prime minister, a new government and a new speaker of parliament. The official line is that this is a routine process of change and renewal, as transitional arrangements and personalities such as Bizimungu, outlive their usefulness.

The departure of Bizimungu, Rwanda's most senior Hutu, was signalled well in advance. Diplomats were carefully briefed about his lack of presidential qualities, autocratic management style, hostility to reform and personal corruption. Late last year, he asked to resign and retreated from public life for several weeks. The end supposedly came when he vetoed a new government, insisting that it include his friend and ally, **Patrick Mazimhaka**, the target of an embarrassing parliamentary anti-corruption probe. The FPR had already decided that Mazimhaka was expendable.

The Hutu figurehead was removed less than a month after the Hutu Prime Minister, **Pierre-Célestin Rwigema**, resigned at the end of

February, complaining that a combination of hostile press coverage (mostly in the state media) and parliamentary scrutiny had made his job impossible. Rwigema was associated with the 'Schoolgate' scandal, involving the apparent misappropriation of millions of dollars earmarked for education by the World Bank's soft-loan arm, the International Development Association. He was feuding with other members of his Hutu party, the *Mouvement Démocratique Rwandais* (MDR); he also faced inquiries in parliament about the dumping of toxic pesticide from Europe and allegations of commandeering cattle imported from **Germany**.

Since taking over from **Faustin Twagiramungu** in August 1995, Rwigema had been the target of a whispering campaign by MDR opponents hinted at his involvement in the events of 1994 (AC Vol 40 No 25) and accused him of anti-Tutsi activities as a student leader in the early 1970s. He has stayed on as MDR President, while Bizimungu remains a member but no longer Vice-President of the FPR.

The new Prime Minister, **Bernard Makuza**, has less baggage, although his father, **Anastase Makuza**, was strongly identified with the MDR's old-style Parméhutu wing (*Parti pour l'Emancipation du Peuple Hutu*) and served three times as a minister in the regime of **Grégoire Kayibanda**. Bernard was an adviser to Premier **Agathe Uwilingiyimana**, one of the first Hutu victims of the 1994 massacres, and his stints as Ambassador in **Burundi** and Germany kept him clear of the MDR's internal ructions. He was one of seven newcomers in an 18-strong cabinet named on 19 March. The political mix is much the same as before, the FPR taking the lion's share beside the smaller parties.

The ministers who stepped down included the Minister of Commerce, Industry and Tourism, **Marc Rugenera**, a Hutu moderate from the *Parti Social Démocrate* (PSD), who had served under President **Juvénal Habyarimana**; Foreign Minister **Augustin Yamuremye**; and Interior Minister Sheikh **Abdul Karim Harerimana**. As a senior Hutu member of the FPR, Harerimana remains a possible presidential candidate. So does **Désiré Nyandwi**, still Minister of Local Government and Social Affairs.

Fresh from facing down allegations of busting **Angolan** sanctions, **Joseph Mutaboba** has returned from the United Nations in New York to become Minister in the President's office. The new Foreign Minister, **André Mubaya**, a former Ambassador to **Libya**, is thought unlikely to have much influence. The new Interior Minister, **Théobald Rwaka Gakwaya**, worked on *Le Verdict*, a justice magazine published by the independent human rights *Ligue Rwandaise pour la Promotion et la Défense des Droits de l'Homme* (Liprodhom), which has cast a critical eye on the nation's genocide trials.

The swearing-in of the new government at the National Assembly on 20 March was overshadowed by a speech from Bizimungu denouncing parliamentary campaigns against individual ministers (Rwigema applauded loudly) and repeated violations of the constitution. Bizimungu also criticised the Assembly for forcing the resignation of its speaker, **Joseph Kabuye Sebarenzi**, who fled into exile in **Uganda** in January.

The fall of Sebarenzi, a Tutsi, was harder for the FPR to swallow than those of Rwigema and Bizimungu. Sebarenzi had a strong following among genocide survivors and diplomats and had been seen as a possible future presidential candidate. The FPR's line was that he had fallen out with colleagues in the minuscule *Parti Libéral* (PL) over a leadership bid and antagonised the National Assembly by his autocratic managerial style. A graver charge was that he had allied himself with royalists, distributing subversive recordings of poetry and music by a former soldier whose *nom de guerre* was '**Thomas Sankara**', calling for the restoration of exiled monarch **Kigeli V**. FPR

Secretary General **Charles Murigande** said Sebarenzi could have been tried for treason. The former Speaker protested his innocence and said his life had been threatened. In **Uganda**, President **Yoweri Museveni** irritated the FPR by confirming that Sebarenzi was in danger.

For months, there has been talk in Kigali of a 'King's Army', supposedly made up of army deserters. Kigeli has denied its existence but in the past he has called on soldiers to put their loyalty to him and Rwanda above that to the FPR. It is not clear whether the royalist threat has been fabricated by the FPR to justify moves against Tutsi, such as Sebarenzi, who have fallen from favour or whether the titular king has become the focus of interest for those, both Tutsi and Hutu, who are disenchanted with Kagame and his allies. At least four other Rwandans, including well known singer and soldier **Benjamin Rutabana**, were arrested in **Burundi** and **Tanzania** in February, amid hints of royalist connections.

Kagame tackled all these issues at a press conference on 4 March, when he played down talk of a crisis. Thirty-six hours later, the crisis talk began again after a presidential advisor, **Assiel Kabera**, was shot dead outside his house in the suburbs. Kabera, like Sebarenzi, was a Tutsi from the western Kibuye region, where he served as *Préfet* for four years; he too was abroad at the time of the genocide but had spoken out for the genocide survivors, fronting a Kibuye Solidarity association which antagonised other members of the government. Police sources quickly attributed his murder to a mafia-style family feud but his friends and relations hinted at a political execution. After his death, the check-points around Kigali increased, while state-run and independent human rights organisations called for a full, transparent enquiry.

If Kagame now takes on the title of president, as well as the powers of that office, it will be against a background of resignations, smear campaigns and subterfuge but the transition could be stabilised if he strikes up an easy partnership with Premier Makuza. As military chief, Kagame will also have to refocus on **Congo-Kinshasa**. There are hints of a new battle for Kisangani, where **Uganda** is accused of redeploying troops to bring back **Ernest Wamba dia Wamba**, the ousted leader of the *Rassemblement Congolais pour la Démocratie* (RCD), from his base in Bunia. However, we hear little from Kisangani to bear this out, yet.

Rwanda's war in North and South Kivu has brought nothing like the promised security dividends, the *Interahamwé* bands are still highly active and recent protests in Bukavu have highlighted the unpopularity of Rwanda's presence. This seems a big enough task for Kagame, who may now have to run the government as well.

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## UGANDA

### Other infernos

#### The government isn't winning and can't afford its wars in the west and north

The systematic killing and burning of more than 700 Ugandans by the leaders of a bogus Christian cult in mid-March generated some sympathy for President **Yoweri Kaguta Museveni**'s government. He ordered an enquiry into the killings, saying poverty and the HIV/AIDS epidemic may have encouraged people 'to look for answers in the realm of metaphysics because there is no answer in real life'. The inferno at Kanugu, in the south-west, and the discovery of more mass

graves in the area, painted a picture of desperation. Yet elsewhere in the country, the inferno of war also flares up intermittently and has been responsible for the killing or maiming of thousands of civilians.

Museveni's ambition to rebuild the state and reform its economy has survived its recent batterings. In Kampala on 22 and 23 March, donors strongly backed his anti-poverty strategy, pledging some US\$2.3-2.5 billion in assistance over the next three years. Yet the good work is undermined by continuing **Sudanese**-backed rebellions in the north and on the western borders, which affect about a third of Uganda's 20 million people. The donors carped about Museveni's 'non-politics', questioning the fairness of the mid-year constitutional referendum as well as the army's operations in north-east **Congo-Kinshasa**. Compared to the budget-breaking recidivists in **Zimbabwe** and **Kenya**, though, Uganda's financial discipline looks good: it is on the way up while they are on the way down. Corruption is getting worse in Uganda but is far less flagrant than in Harare or Nairobi or even in **Ghana**, where the World Bank cancelled a \$100 mn. loan this month because it smelt corruption (AC Vol 41 No 6).

### Security shillings

Museveni enjoys more goodwill than his erstwhile comrade General **Paul Kagame**, who has taken over **Rwanda's** presidency as its political crisis worsens. Uganda's broad-based political alliance and movement system looks much more durable than Rwanda's Tutsi minority elite. Nobody expects a Zimbabwean-style protest vote in Uganda's mid-year referendum, when voters will be asked to reject a return to multi-party politics. Yoweri Museveni's personal popularity endures and people have terrible memories of the strife that accompanied the last multi-party era.

Museveni believes that multi-party politics cannot work without economic prosperity. That is at least less controversial than his security strategy. Old rebellions rumble on in the north and new ones spring up in the west. His intervention in Congo-K has not noticeably weakened the rebels along the borders with Congo or Sudan. The European Union calls the Congo intervention Uganda's 'single most pressing problem'. This year, the defence vote was 177 bn. Ugandan shillings (\$110 mn.), about 30 per cent of the national budget. Kampala has made donors a barely credible promise to cut defence spending to 2 per cent of gross domestic product.

Uganda's forces claim to have beaten back a Sudanese infantry brigade which was supplying and supporting a Ugandan rebel movement, the Allied Democratic Forces, but other ADF units still hit and run across the Ruwenzori Mountains. The ADF started its campaign in western Uganda, Museveni's political heartland, in 1996. Last December, its operations displaced about 70,000 people in the western district of Bundibugyo, bringing the total displaced by rebellion in western Uganda to some 150,000.

The Uganda People's Defence Force says around 60 civilians have been killed in recent encounters with the ADF, whose spokesperson, **Rogers Kabanda** (speaking to private newspapers by mobile telephone) accuses the UPDF of using civilians as human shields. Officially, some 20 UPDF soldiers have been killed fighting the ADF since December. Western Uganda, with its spectacular game-parks, could be a big earner from tourism. Provisional statistics from the Tourism Ministry show that in 1999, the parks had only 30,000 tourists, down from 95,000 in 1997. The Tourism Minister, Brigadier **Moses Ali**, says the parks' revenue slipped to about \$50 mn., from \$195 mn. in 1995. Cocoa farmers, threatened by the ADF, sell their crops as fast as they can at heavy discounts.

The ADF, under its field commander Lieutenant **Henry Matovu**, operates in the western districts of Bundibugyo, Kasese and Fort

Portal. Since December, it seems to have been coordinating with the Lord's Resistance Army, which barely exists outside the northern districts of Gulu and Kitgum. The Chief of Military Intelligence, Colonel **Henry Tumukunde**, recently gave warning that the rebellions could last another 30 years.

The National Islamic Front regime in Khartoum helps train and arm the ADF and LRA. Uganda similarly helps Col. **John Garang de Mabior's** Sudan People's Liberation Army. The two countries severed diplomatic relations in April 1995 after a brutal LRA attack left over 250 people dead in Atiak, Gulu District. Last December, Museveni and Sudanese President **Omer Hassan Ahmed el Beshir** signed a peace agreement in Nairobi, under the auspices of ex-**United States** President **Jimmy Carter** (and behind-the-scenes pressure from **Nigerian** President **Olusegun Obasanjo's** envoy, ex-President **Ibrahim Babangida**). The peace accord stipulated that each side would stop supporting rebels against the other, return all prisoners of war and offer amnesty to all fighters laying down their arms. If this held, the two governments were to exchange ambassadors last month. But the fighting went on.

A few hours after this agreement, the ADF attacked Katojo Prison in Kabarole and got away with 365 prisoners, including some suspected rebels held on treason charges. Then they raided military barracks in Bundibugyo, killing a dozen soldiers. In December, more than 200 LRA rebels entered Uganda from Sudan. In January, Uganda released 72 Sudanese prisoners of war, captured in the district of Kitgum in April 1997. Sudan, though, has handed over only 21 Ugandans, including four children abducted by the LRA. The United Nations Children's Fund estimates that 10-15,000 children were abducted from northern Uganda between 1995 and 1999.

### 'No illusions on Sudan'

There were reports that, after talks with Carter and US State Department officials, LRA leader **Joseph Kony** had been persuaded to move to a country outside the region. Yet on 14 March, Kampala received a taped message from Kony rejecting the amnesty and demanding direct talks with Museveni, which are unlikely to happen. Museveni distrusts both Kony and Khartoum, saying he has 'no illusions' about the NIF regime but is prepared to implement Uganda's side of the agreement. Support for the SPLA runs high in Kampala; **Eric Kategaya**, the First Deputy Prime Minister and Foreign Minister (and security buff), told a parliamentary committee that Uganda could not abandon its moral support for the SPLA.

The government has offered a blanket amnesty to rebels and treason suspects awaiting trial in gaol. So far, very few have responded, and Museveni doubts whether many rebels will turn themselves in. The government's failure to beat the northern rebels and protect civilians confirms the suspicion that it is southern-dominated and uninterested in helping the north. It is widely believed that some army officers exploit the war to earn extra cash through supply contracts and much of the \$300 mn. allocated to the Northern Uganda Reconstruction Programme (NURP) has been mismanaged or embezzled.

Northern critics, such as **Nobert Mao**, Member of Parliament for Gulu Municipality, say that neither the government's military nor its political efforts are diminishing rebel operations or the north's deep-rooted problems. And it's not just the north that is getting frustrated with the government's lack of progress in dealing with these rebellions. Fighting wars on three fronts - the north, the west and deep into Congo-Kinshasa - is taking its toll on President Museveni's political credibility, not to mention the country's still meagre exchequer.

## ETHIOPIA

# The blame game

## The ruling party exploits popular pro-war sentiment in its election campaign

It's still no war, no peace, along the Ethiopian-Eritrean border, as each side loads onto the other the blame for the lack of progress. Last year, Ethiopia bore the blame for blocking the intricate peace process, by demanding clarification of the Technical Arrangements, a section of the Organisation of African Unity's mediation process. This year, it looks as if Ethiopia is managing to shift the burden of intransigence back onto Eritrea.

Mediation was supposed to be in three stages. The first was the Framework Agreement put forward in November 1998. Ethiopia accepted it immediately, Eritrea did so in February 1999, after Ethiopia had recaptured the town of Badme. In July, both sides accepted the second stage, the Modalities of Agreement. The third stage, the Technical Arrangements for the Modalities, was put to both sides last August. Eritrea accepted, while reserving certain rights to compensation. Ethiopia refused, complaining that the Technical Arrangements didn't allow a full return to the *status quo ante* of 6 May 1998, before Eritrean troops took over areas previously run by Ethiopia. The return to the situation of 6 May has become the refrain of the mediation: the problem is getting both sides to agree on how.

The mediators now are **Ahmed Ouyahia**, representing the OAU Chairperson, **Algerian President Abdelaziz Bouteflika**, plus **Anthony Lake**, Special Envoy of **United States President Bill Clinton**. In early March, they stated blandly that 'consensus was reached over some of the provisions, while others require additional mediation...'. This concealed concessions to Ethiopia's complaints about the Arrangements; they propose setting up a neutral body to verify the areas from which both sides are to withdraw, with findings binding on both sides.

They also stipulate that parties be free to set up their own type of administration in such areas, which means they could involve armed militias; and instead of a United Nations' peacekeeping force, there should be an OAU observer mission, as the Framework Agreement originally specified. Ethiopia maintains that this makes the Arrangements 'more or less' consistent with the Framework Agreement and Modalities.

Eritrea quickly showed it disapproved of the proposed changes. President **Issayas Afewerki** has been scathing in private, we hear, and Foreign Minister **Haile Woldetensae** said it showed Ethiopia was preparing for war. A Foreign Ministry statement emphasised that the OAU public documents had always made clear the arrangements were not open to amendment, so the OAU should now open them to discussion by both sides.

Eritrea claims the mediators have now moved from being honest brokers to partisans. According to one Eritrean commentator, Professor **Tekie Fessehazion**, Ethiopian inflexibility has paid off, entirely due to 'a lethal mix of the OAU's legendary incompetence and their partners' terminal arrogance'. The OAU hoped that proximity talks in Algiers might bridge the new gap but these were unexpectedly postponed 24 hours before they were due to start on 25 March. No official reason was given but OAU sources indicated it followed an Eritrean demand for clarification of the reasons for the talks, which had queried whether they were meant to discuss Ethiopia's 'rejection'

of the Technical Arrangements or their shortcomings. Haile Woldetensae again insisted that Eritrea had accepted the principle of the talks.

Tipping the balance towards Ethiopia helps its ruling Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) to establish its nationalist credentials in the run-up to May's federal and regional state (*killil*) elections. The war may be popular but its costs are horrendous; military spending doubled in 1998-99 and has more than doubled again in the last nine months. The government put a 10 per cent surtax on most imports last year and has now restricted foreign currency. It still relies on volunteer recruits but many farmers flee into the bush to escape being 'volunteered' or arrested for failing to contribute their sons. On top of that, a severe drought has left some eight million people hungry; in February and March, bush fires devastated tens of thousands of hectares in the south, including some coffee-growing areas.

## Bureaucracy and corruption are voting issues

These are the EPRDF's second elections and the war is an issue only when the government is blamed for not winning it. There's been no serious fighting since last June but both sides have received substantial new weaponry. Election issues include calls for the privatisation of land and of government-owned development enterprises, for fairer tax collection, and for changes in tax and trade regulations. In addition to unemployment and ethnic grievances, the most obvious issue is bureaucratic incompetence along with corruption in the courts and the central and regional bureaucracies. The EPRDF says it is overhauling the judiciary and the bureaucracy, though not all voters are convinced.

The government marked its campaign against corruption on 14 March by sentencing former Prime Minister and Defence Minister **Tamrat Layne** to 18 years in gaol for 'misuse of power and corruption'. The charges included taking US\$16 mn. from **Saudi-Ethiopian tycoon Mohamed Hussein el Amoudi**. The court was told Tamrat, then Premier, had put the money in 'his foreign bank account' after El Amoudi had lent it to the government. El Amoudi heads Midroc company, has huge investments in, *inter alia*, **Sweden**, is a major shareholder in WorldSpace satellite company and is now considered Ethiopia's biggest investor. He paid for the national millennial celebrations and owns the Addis Ababa Sheraton, which has consequently taken over from the Hilton as meeting place for the high-powered, real and aspiring.

The National Electoral Board (NEB) says it expects to register 35 mn. voters, up from 19 mn. in 1995. Seventeen opposition parties should take part but everyone knows the winner will be the EPRDF, composed of the (dominant) Tigray People's Liberation Front, Amhara National Democratic Movement, Oromo People's Democratic Organisation and Southern Ethiopian People's Democratic Front. It is far better organised and financed than any other party and its federal government controls radio and television, the two daily newspapers and the main printing presses. One radio station, *Radio Fana*, and one news agency, *Walta*, are not state-owned but belong to the EPRDF. There are only a dozen independent publications; one, the *Reporter* (in Amharic and English) is believed, apparently wrongly, to be EPRDF, largely because its Editor, **Amare Aregawi**, was once on the TPLF Central Committee.

International observers thought the 1995 elections were by no means free and fair, so this time, the government will accept no observer missions (though it says it will accept monitoring of voting procedures by the OAU or local UN staff, as well as embassies.) Some rules have been improved. The timetable for registration, nominations and campaigning is longer but civil servants can stand without resigning.

## Silencing the critics

The All Amhara People's Organisation, which claims to be a national party, cannot campaign without local offices. Nearly two years ago, it formally asked Premier **Meles Zenawi** for leave to reopen 14 offices, closed in 1993-94. Last year, the National Electoral Board replied, telling AAPO that it had circulated regional state governments to allow the reopening of 11 branch offices. None of the regional governments have done so. AAPO supporters find that EPRDF officials or local government officers reject endorsement signatures or tear up documents on spurious or flimsy grounds. In Bahr Dar, Amhara State, several supporters were arrested in February and three pro-AAPO newspapers were banned.

The Southern Ethiopian Peoples' Democratic Coalition claims local officials have prevented it from distributing its programme, arbitrarily detained members and intimidated sympathisers. The strongest complaints come from Hadiya zone, home of party leader **Beyene Petros**, where 16 candidates were reportedly detained in November and eight more last month, together with 150 party supporters arrested after trouble at a pro-government rally. Also in February, 50 Hadiya farmers were arrested for failing to pay government agencies for fertiliser. SEPDC says all those detained were party members and that the arrests came after Beyene's successful visit. The NEB rejected claims that the arrests were political.

SEPDC now claims several hundred supporters have been detained and at least four killed. Last month, it met government officials to discuss the Hadiya situation and it was agreed an investigative committee be set up. The party says things have got worse since. It has again written to Meles, complaining that a Rapid Deployment Force security unit in the area 'clearly acted against opposition party members'.

The Ethiopian Democratic Union Party claims over 40 supporters were

arrested while canvassing for signatures in Amhara; the NEB says only 18 people were arrested, all on civil or criminal charges. EDUP says 14 of its candidates in Gojjam or Tigray have been detained and beaten up; police sources say arrests were made for 'acts of public disorder' and it's a coincidence that those held are EDUP candidates. EDUP claims several of its offices have been closed in Amhara and Tigray. Its head, **Ras Mengesha Seyoum**, is a direct descendant of the last Tigrayan emperor, **Yohannes IV** (1872-1889) and is forbidden to enter Tigray.

In Gambella Region, dozens of members of the largely Nuer Gambella Peoples' Democratic Congress have been arrested. One group of 25, including at least two candidates, was accused of supporting the Oromo Liberation Front or of inciting students to demonstrate for the use of the Nuer language in schools. Others were accused of collecting arms along with endorsement signatures, which they deny. In October, a dozen GPDC members were arrested, three government officials dismissed for collecting endorsement signatures and others accused of handing out GPDC publicity material. The GPDC claims over 50 members are in gaol. The nine-person committee set up to oversee the elections in the region comprises nine members of the ruling Gambella People's Democratic Front, which is pro-EPRDF.

In its first, acerbic, report on the electoral process on 10 March, the Ethiopian Human Rights Council (EHRCO) noted major problems, particularly in the registration of opposition candidates and voters. It claimed opposition parties had faced 'threats, transfers or dismissals from jobs, confiscation or loss of property, detentions and forced disappearances, gun-shot wounds, extra-judicial killings and other illegal actions...' notably in the Southern, Oromia and Dire Dawa regions and Addis Ababa.

Pro-government and opposition parties attend some public meetings. On 13 March, the Ethiopian Free Press Journalists' Association was legalised, after seven years' campaigning (and lobbying by embassy officials), during which several members died and many fled abroad. Eight journalists are still gaoled and some 45 await trial on bail.

The electoral process seems likely to be much as before. Few opposition supporters believe they can make an impact against the EPRDF and voters are understandably apathetic. Opposition parties wanted a neutral NEB, state media services available to all, impartiality of the civil service and security forces, international observers and freedom for candidates to travel and hold meetings. Yet in many areas, the NEB has failed to show up to register electors, effectively disenfranchising opposition voters. Pressure from the EPRDF and regional governments varies from the absurd to the serious. Opposition meetings are often impossible, since the necessary permits are granted only hours before the due time. The use of official buildings is often refused. With two months to go, there is strong evidence that the polls will not be fair. Opposition parties, especially in the Tigray, Amhara, Southern and Gambella regions, have seen their candidates and supporters regularly harassed, intimidated and arrested (See Box).

Two opposition parties, the All Amhara People's Organisation and the Southern Ethiopian Peoples' Democratic Coalition say the government has tried to split them. AAPO's acting head, **Kegnazmatch Neqatibeb Bekele**, who is much criticised and well over 80, has refused to hold a congress to elect a new leader since charismatic leader Professor **Asrat Woldeyes** died last May. The government has astutely released two leading AAPO members after nearly five years in detention; they promptly joined the *Kegnazmatch's* critics. The AAPO's external sections have publicly disowned the leadership and many supporters at home have joined the new Ethiopian Democratic Party. The SEPDC has similar problems. In November, some dissident committee members wrote to the NEB saying party chief **Beyene Petros** had been replaced. He quickly denied it but the NEB

ruled in his favour only in February, hampering the party's campaign for three months.

In the capital, the EPRDF is contesting all 161 seats, while AAPO and EDP are putting up 44 and 43 candidates respectively. Eleven other parties also have a few candidates and there are 114 independents, many of them (as in 1995) alleged to be EPRDF stooges. Addis Ababa, originally a region, has since 1997 been a city council and one with immense problems. A Chamber of Commerce conference early in March sharply criticised the city bureaucracy. It estimated the city's population at over 2.6 mn., with 40 per cent unemployment, more than 310,000 homeless and displaced people, 40,000 children living on the streets, more than 50,000 disabled people, significant drug usage and a near-epidemic of HIV/AIDS. There should be plenty of room to change some Council members but the opposition's ambitions are limited to campaigning to free the city from its dependence on the office of the Prime Minister, who has the power to dismiss the Council at any time.

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# Pointers

## ZIMBABWE/CONGO-K

### Bye bye Billy

The ousting of Zimbabwean magnate **Billy Rautenbach** as Chief Executive of Congo-Kinshasa's Gécamines and the breaking up of his Congo-based Central Mining Group is part of a bigger business row between Kinshasa and Harare. It's bad news for Rautenbach, who left Congo for Harare on 28 March, and his backers in the Zimbabwe government, such as Justice Minister **Emmerson Mnangagwa** (AC Vol 41 No 6). Rautenbach has hired **Swiss**-based lawyers to challenge his dismissal.

Several of Rautenbach's Zimbabwean employees were arrested, we hear, after they tore down notices in Gécamines headquarters announcing the firing of Rautenbach and break-up of CMG (a joint venture between his Ridgepoint Company in which some ministers of President **Laurent-Désiré Kabila's** government had a stake and Gécamines). Zimbabwean state interests were also represented in the arrangement. The break-up comes at a bad time for the ruling Zimbabwe African National Unity-Patriotic Front which is desperately trying to raise cash through its business arm, ZIDCO Holdings, for the upcoming elections.

Pushing Rautenbach out also allows **Belgian** interests a chance to return to Gécamines following the visit of Foreign Minister **Louis Michel** to Kinshasa last month. The Brussels government this month offered a state-backed loan to help finance Gécamines' US\$100 million 'Big Hill' zinc and cobalt tailings project at Lubumbashi and *Banque Belgoise*, one of Gécamines' (and Rautenbach's) biggest creditors, is also offering to advise on a major restructuring plan for Gécamines.

**George Forrest**, who replaced Rautenbach as Chairman of Gécamines last December, carries some sway with the Belgian government; his New Lachausse factory in Liège manufactures cartridge casings and grenades. Forrest is also well known in Kinshasa: he was a partner of Gécamines during **Mobutu Sese Seko's** era. It now seems that Kabila prefers the Belgian plan to keep Gécamines as one giant corporation, unlike the Rautenbach/Zimbabwe plan to split it into autonomous profit centres.

Mnangagwa insists that Kinshasa-Harare business relations can be fixed, though. Other Zimbabwean officials say Kabila can't risk a break as Mbuji Mayi would fall to rebels within days if Zimbabwe ended military support.

Harare's business hopes in Kinshasa are now focused on a bid by Oryx-Zimcon (a joint-venture between **Omani** businessman **Tamer al Shanfari** and the Zimbabwe Defence Force) for Senga Senga, the biggest diamond mine in Africa. In turn, Oryx-Zimcon are in alliance with **South African**-based **Adonis Pouroulis'**

Petra-diamonds, which has a stake in the partly state-owned Alexcor diamond mining company, currently plagued by security problems. This line-up worries traditionalist companies such as Belgium's *Union Minière* and South Africa's De Beers, which have an indirect stake in Congo's largest diamond producer, *Minière de Bakwanga*, and fear they are being edged out.

## LIBERIA/SIERRA LEONE

### Radio silence

President **Charles Taylor's** 15 March order closing down two independent radio stations - **Swiss**-funded Star Radio and the Catholic-run Radio Veritas - may be linked to embarrassing reports emerging about the training of Revolutionary United Front fighters at Gbatata base in Kakata about 50 kilometres north of Monrovia. The reports, which Sierra Leone Deputy Defence Minister **Sam Hinga Norman** corroborates, say some 1,500 fighters are being trained in units controlled by self-styled RUF General **Sam 'Maskita' Bockarie**, **Eddie Kanneh**, and Taylor's son, **Chucky**, in preparation for a new assault on diamond mines in Sierra Leone's Tonga field.

Such training would be a gross violation of last July's Lomé peace accord which Taylor endorsed by turning up at the signing ceremony. RUF fighters in Sierra Leone claim there has been a major rift between Taylor and RUF leader Corporal **Foday Sankoh** about the militia's future and division of diamond earnings. Sankoh's faction, including spokesman **Eldred Collins**, want Bockarie exiled from the region but Taylor wants to integrate Bockarie's troops with his Liberian forces. Apart from the Tonga fields mission, Taylor may also find Bockarie's troops useful to help police Liberia's borders which are coming under renewed threat.

## CHAD

### Togoïmi's tactics

President **Idriss Déby** is deeply worried about ex-Defence Minister **Youssouf Togoïmi's** rebellion in the Tibesti (AC Vol 41 No 7). Travel, even for officials, is impossible north of Faya-Largeau. The **French** Embassy has stepped up security and the **United States'** mission asks its citizens to report regularly. Déby's critics include veteran politician **Delwa Kassiré Koumakoyé**, **Djibrine Assali** of the *Union des Syndicats du Tchad*, non-parliamentary opposition figurehead **Albert Pahimi Padacké** and politico-military veteran **Lol Mahamat Choua**.

Three ministers, suspected of disloyal thoughts, are said to have had their telephones tapped and the new Communications Minister, **Moumine Togoï Hamidi**, requires 'patriotism' from journalists; Moumine is part of a 19 March

reshuffle, whose main victim was **Bichara Chérif Daoussa**, demoted from Finance to Public Works and tipped for the sack. Déby wants scapegoats for last year's pullout by Elf and Shell from the Doba Basin oil project, now being re-examined by a **Malaysian**-led consortium.

There is much nocturnal activity around Ndjamená's military airport - surprisingly, given the poor state of Chad's airforce and France's public refusal to airlift casualties from the hard-pressed Tibesti divisions. Someone is flying in casualties from the north to the main military hospital, though. Déby has accused Paris of 'dumping us in this situation' and relies on his usual backers, linked to the northern Beltine area and his own Zakawa clan. He also gets help from **Libya**, **Sudan** and reportedly **Congo-Kinshasa**.

All this baffled the European Union parliamentarians who visited Ndjamená on 23-26 March to discuss the oil project. Tension is palpable in the capital; several hundred soldiers have gone to their villages in western Sudan; there are rumours of links between Togoïmi's forces, breakaway units of the Southern **Cameroons** National Council and highway robbers in **Central African Republic**. Armed robbers in normally calm Ndjamená are dealt with by the army with prompt brutality.

## SOMALIA

### Warlords at the gate

More questions face **Djibouti's** proposed Somalia peace conference: nearly all Somalia's main political organisations have now come out against the gathering, scheduled for 20 April (AC Vol 41 No 6). The latest opponent is Puntland, in the north-east, whose government formally withdrew its support on 23 March. Puntland and its allies in the **Ethiopian**-backed Somali Peace Alliance are annoyed that Djibouti is trying to pick the delegates without their advice, while accepting the views of exiles. Puntland claims Djibouti wants to create new political and clan groups which undermine the existing administrations.

Leaders of the other main grouping of factions, **Hussein Aydeed's** **Egyptian**- and **Libyan**-backed Somali National Alliance, also reject the conference. But Aydeed may be falling out with Colonel **Moammar el Gadaffi**. Libya's Ambassador to Djibouti denied claims in the pro-Aydeed newspaper *Ayaamaha* that Tripoli opposed the Djibouti meeting. The paper had said Libya wanted 'to set up a government' including Aydeed and Puntland's **Abdullahi Yussef** and would pay Djibouti's expenses to cancel the conference.

Somaliland's Hargeisa government had already rejected Djibouti's conference, despite Gadaffi's urging. President **Mohamed Ibrahim Egal** has closed Somaliland's border with Djibouti to stop civic groups going to the meeting.