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BLUE LINES

Whether the aims behind President Paul Kagame's closure of Gatuna (Ugandans call it Katuna), Rwanda's busiest border crossing with Uganda in February, were diplomatic, commercial or security, it seems to have failed on all counts. Although Kagame complained at length to diplomats and journalists about Ugandan President Yoweri Museveni's 'betrayal' and his government's alliance with oppositionists such as tobacco magnate Tribert Rujugiro Ayabatwa and former chief of staff of the Rwandan Army, General Kayumba Nyamwasa, Museveni has dismissed them as non-issues. Rujugiro and Nyamwasa are both linked to the Rwandan National Congress which wants to overthrow Kagame (see page 12).

Commercially, the border closure has hurt Rwanda far more than Uganda. It also disrupted regional trade routes from Kenya's Mombasa port through Uganda and into Burundi and Congo-Kinshasa. As current chairman of the East African Community and an avid backer of a pan-African free trade zone, Kagame's move disrupted the regional economy, as well as weakening his own country's economy.

On 10 June, Rwanda's announcement that it would reopen the border for 12 days looks like an admission of defeat. Kigali says it will still ban its nationals from crossing into Uganda to protect them from harassment by Museveni's security agents. But officials in Kampala insist this is to stop a growing number of Rwandan dissidents from seeking sanctuary.

SUDAN

Freedom under fire

As it tries to shoot down the democracy protests, the junta underplays the deepening splits in its own ranks

Such was the horror wreaked by the Rapid Support Forces' (RSF) massacre squad on 3 June that the tentative steps towards dialogue this week between the pro-democracy protesters and the junta have been greeted with some relief but low expectations in Khartoum.

The inability or unwillingness of soldiers in the Sudan Armed Forces to protect civilians against murderous attacks by the RSF militia and armed operatives from the National Intelligence and Security Services, has ended activists' hopes for an alliance with younger officers and their troops. It was the protection of those troops, some of whom exchanged fire with NISS operatives, that emboldened the activists to expand the sit in outside *Alqidah al Amaah*, the military headquarters in Khartoum, after 6 April.

However, there are continuing reports of schisms within the ruling Transitional Military Council, arrests, detentions or banishments of dissident junior officers. A security source in Khartoum tells us that when some soldiers heard of the RSF and NISS plans to attack civilians at the sit in, they were told to stay in the barracks and that no arms would be issued to them.

Some generals, either professional cadres or adherents to the now banned Islamist National Congress party, are said to see the deputy leader of the junta and RSF commander, **Mohammed Hamdan Dagalo**, known as 'Hemeti', as a useful figure in diverting attention from the army's own political plans. Their aim is to set up an authoritarian regime, with a civilian patina, modelled on President

Abdel Fattah el Sisi's in Egypt. They want to avoid an open election en route to that.

There is a common bond between the junta leader, General **Abdel Fattah Abdelrahman Burhan** and Hemeti (AC Vol 60 No 9). After running the regime's operations in Darfur in 2003 – Burhan was a regional army commander and Hemeti led the pro-regime *Janjaweed* militia – the two men jointly coordinated Sudan's dispatch of fighters to the **Yemen** war front, financed by **Saudi Arabia** and the **United Arab Emirates** (UAE). They both commanded units in Yemen, getting to know their Saudi and Emirati counterparts (AC Vol 60 No 8).

MILITARY MEANS

Apart from military ties, there are lucrative commercial deals. It is the RSF's control of gold mines in Darfur that has enabled it to build up substantial foreign exchange reserves. Business sources tell us that the militia has been exporting gold directly to Dubai, without paying any local taxes, and managing the foreign currency earnings, running into hundreds of millions of dollars, independently of the central bank.

This has established the RSF as a fully funded security entity alongside the army, with its controlling stakes in the military industrial complex, and NISS, with its network of wholly owned companies funding security and surveillance operations, as well as building the personal fortunes of its top echelon.

It is the financial, military and diplomatic backing from Riyadh and

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Abu Dhabi that is the most critical foreign support system for the junta. Before the massacre of 3 June, there were substantial deliveries of military hardware from the UAE across the Red Sea to Port Sudan. Emirati-made armed personnel carriers, driven by the RSF militia, are now a common sight in Khartoum.

Others say the schisms run far deeper and that the factionalised armed forces are one of deposed leader **Omer el Beshir's** most poisonous legacies. They see little prospect of more professional army officers bringing either the RSF militia, the armed intelligences services (with helicopters and tanks) under control. That doesn't rule out the possibility of a wider and more violent breakdown in the security system of which many outsiders have warned.

After **United States** officials warned Saudi Arabia and the UAE that their

unbridled backing for the junta's repression could trigger a national conflict for which they would be held responsible by Sudanese and the wider region, both issued unconvincing statements urging a return to dialogue.

A key figure is **Taha Osman Al Hussein**, Riyadh's Advisor on African Affairs, who flew into Khartoum on the last scheduled flight before the overthrow of el Beshir was announced on 11 April. Al Hussein, a former minister in the Presidency in Khartoum, broke with the Sudanese regime and took Saudi citizenship. Today he is a key intermediary between Hemeti, whom he knew well from the Darfur war, and Crown Prince **Mohammed bin Salman**.

In the wake of the 3 June massacre, the Gulf States' preferred strategy appears to be to stretch out the negotiations, making a few cosmetic concessions but leaving a joint force of the RSF and the NISS to run security in Khartoum and other towns and cities.

Their specific interests are: to keep Sudanese troops fighting in the Yemeni war; block any moves towards the political pluralism and democracy demanded by the protesters; to push back against **Iranian**, **Turkish** and **Qatari** interests in the country; and protect the massive Saudi and Emirati land holdings in Sudan, particularly the fertile Nile valley.

In some areas, particularly over

support for the RSF militia, there is tension between Egypt's interests and the Gulf States. Should rivalries between RSF fighters and the national army spin out of control in Sudan, Egypt's already overstretched military would be confronted with a new and unpredictable crisis on its southern borders. All in a state where some of el Sisi's Islamist foes have put down deep roots.

Despite scheduled visits of US Assistant Secretary of State for African Affairs **Tibor Nagy** and the return of **Ethiopia's** Prime Minister **Abiy Ahmed**, no date has been set for a resumption of negotiations over a transition to civil rule. And there is no sign that that the Transitional Military Council is prepared to accept an independent investigation into the murder of over 110 people, mass rapes and the wounding of over 600 on 3 June.

The incremental trade-off announced on 11 June by **Mahmoud Dirir**, the mediator appointed by Abiy, was that the junta would release all political prisoners and the Declaration for Freedom and Change Forces (DFCF) would suspend the civil disobedience has ratcheted down tension.

But this has changed none of the main political and security conditions, including security guarantees, the role and powers of civilians in a transitional authority, or indeed whether there will be a transition at all. ●

NIGERIA

Oando chief takes on his foes

The company's management is fighting the regulator's orders to quit amid threats of fresh investigations

A reckoning is due in the battle for Oando, one of the country's biggest independent oil companies, after the market regulator barred its CEO and his deputy from holding directorships in public companies. In its ruling of 31 May, the Securities and Exchange Commission in Abuja attempted to suspend the current management of the company and appoint a caretaker board. It added that it would refer the case to the Economic and Financial Crimes Commission.

But CEO **Adewale Tinubu** and his deputy **Omamofe Boyo** are appealing against the ruling in the Federal High Court in a case due to start on 14 June. The phrase 'no permanent friends, just permanent interests' is highly apposite in Lagos business circles.

Oando's woes are complicated by

the political overtones of big business dealings in the country. In this case, senior politicians in both the main parties may have something to gain if **Wale Tinubu** and his deputy are forced out of the company.

CEO **Wale** is from the Tinubu aristocratic dynasty which dates back to a repentant slave trade trader in the 19th century, **Efunroye Tinubu**. A square in the middle of the Lagos business district is named after her.

Although former Lagos governor **Bola Tinubu** is not a blood relative of **Wale's**, he identifies strongly with the clan. **Bola Tinubu**, a political godfather in south-west Nigeria as well as a contender in the 2023 presidential elections, has been lobbying for **Wale Tinubu** as the country's next oil minister.

President **Muhammadu Buhari**,

who controlled the oil portfolio in his first term alongside the deputy minister, **Emmanuel Ibe Kachikwu**, is due to announce a new cabinet for his second term in the coming weeks.

Buhari's relations with **Bola Tinubu**, one of the richest men in the country with a substantial property portfolio in Lagos, have been uneven, at best. But **Buhari** has racked up some political debts to **Bola Tinubu**. There is no doubt that **Bola Tinubu's** political organisation and aggressive campaigning, which prompted claims of violence and fraud from his opponents, helped deliver electoral victory for **Buhari** in Lagos state which has the highest number of registered voters in the country.

The chairman of Oando and the **Alake** of Egbaland, **Adedotun Aremu Gbadebo III**, has his own political antecedents. A retired army colonel, he was Principal Staff Officer to Brigadier **Tunde Idiagbon**, deputy to **Buhari** during his time as military leader from 1983 to 1985.

If **Bola Tinubu** and the **Alake** can be relied on to back the current management at Oando, they face a powerful foe in **Gabriel Volpi**, a major shareholder in the company and also a

former business associate of opposition presidential candidate, **Atiku Abubakar**.

Although Volpi's interests in Oando are commercial rather than political, his name is still linked with Abubakar's, mainly because of their common shareholding in Intels, the oil service and logistics company. In a dispute with Wale Tinubu and his deputy, Volpi's Ansbury Investment company was awarded \$680 million by the International Arbitration Court in London last year.

The fourth major figure in the drama, **Dahiru Mangal**, is the hardest to predict. Although he hails from Katsina, Buhari's state, he is said to be close to Abubakar. Mangal's personal gripe with Wale Tinubu has been settled but he's unlikely to turn down the chance to seize control of Oando should Volpi seek his support (AC Vol 59 No 16).

Whether Wale Tinubu retains control of Oando or not, the company's image has been shredded over the past five years. In its 31 May letter, the SEC accused Tinubu and Boyo of 'serious infractions'. It quoted from a forensic audit by Deloitte & Touche referring to 'false disclosures, market abuses, misstatements in financial statements and corporate governance lapses stemming from poor board oversight'.

Wale Tinubu's management team rejected the critique as 'unsubstantiated' and 'invalid' and said it hadn't seen the Deloitte & Touche report. However, Oando's own auditors, Ernest & Young raised concerns in April about the company's continued financial viability. Its main burden is the \$2.5 billion debt it took on when it bought some oil and gas assets in Nigeria from Conoco Phillips. The SEC letter added that: 'The purported sale of OEPL (Oando

THREE MEN IN AN OANDO BOAT

Adewale Jubril Tinubu, Chief Executive Office of Oando PLC

Tinubu trained as a lawyer in the UK and is close to **Bola Tinubu**, a former governor of Lagos State and now a chieftain of the governing All Progressives' Congress.

Adewale Tinubu led the charge to build Ocean and Oil, via its acquisition of state-owned Unipetrol in the government's privatisation drive in 2000 and subsequent acquisition of Agip, into the country's leading retail fuel supplier. Since then it has expanded operations into production and exploration. But Tinubu and Oando's fortunes were hit hard by the crash in oil prices in 2015 just as the company had taken on massive debt to fund ambitious expansion plans. He shares those problems with many of those running independent oil companies in Nigeria although Tinubu had a more international outlook than most. This latest battle with the SEC is the most serious crisis in his business career.

Gabriel Volpi, leading shareholder in Oando PLC

A Nigerian-Italian businessman with a colourful history and business interests in **Angola, Mozambique and South Africa** as well as Nigeria. He is also a shareholder in Orleans Invest, owners of Intels Logistics. Another leading shareholder in Intel is former vice president, **Atiku Abubakar**, a serial presidential contender. Volpi has a substantial shareholding in Oando and has been trying to seize control of the company from Wale Tinubu for the past five years.

Dahiru Mangal, leading shareholder in Oando PLC

A close friend of the late President **Umaru Musa Yar'Adua**, Mangal was said to be one of his main financial backers. He is also from Katsina State, home state of Yar'Adua and President **Muhammadu Buhari**. Mangal's relations with Buhari are ambiguous. His interests in cross-border trade – particularly importing rice and sugar from **Niger and Chad**, is said to have been badly hit by the Buhari government's ban on those imports and attempts to boost local production. Mangal owns Max Air, Persoil SA, an oil company in Niger and many fuel stations in **Burkina Faso** and Niger.

Over the years he has befriended Wale and Bola Tinubu and is a leading shareholder in Oando Plc. His network includes president of Niger Republic, **Mahamadou Issoufou**. Mangal wrote the petition that launched the Securities & Exchange Commission investigation into Oando. ●

Exploration & Production Company) enabled Oando Plc to report a profit instead of a loss, thereby misstating its Financial Statements in 2013 and 2014 and consequently misleading investors. This 'fictitious' profit reported in 2013,

enabled Oando Plc to declare dividends.'

Since the SEC's letter, two of Oando's non-executive directors have resigned. Hostilities started two years ago when Volpi and Mangal tried to get Tinubu and Boyo sacked from the board, petitioning

PARLIAMENT TOES THE LINE

On the eve of Nigeria's Democracy Day (June 12), its newly inaugurated National Assembly elected its principal officers without much ado or drama, unlike four years ago when some members of the ruling All Progressives Congress (APC) outwitted the party and the presidency.

This time, party favourites **Ahmed Lawan** and **Femi Gbajabiamila** were elected senate president and house of representatives' speaker respectively. With their deputies also vetted by the APC hierarchy, all is now set for a docile parliament that will in all likelihood do the bidding of the executive arm of government, unlike their predecessors.

Outgoing Senate President **Bukola Saraki** and Speaker **Yakubu Dogara**, who both crossed over to the opposition halfway into their tenure, were at constant loggerheads with the APC leadership and President **Muhammadu Buhari**, who tried but failed to remove them. Saraki failed in his bid for re-election but Dogara returns to take a seat on the bench (AC Vol 60 No 5).

Desperation for a more malleable parliament to pass government bills faster led to several failed plots to unseat Saraki, who survived Code of Conduct Bureau trials on asset declaration charges, and Dogara, even before they joined the People's Democratic Party. Last August, the State Security Service laid siege to the National Assembly complex, leading to Vice-President **Yomi Osinbajo** giving secret police chief **Lawal Musa Daura** the boot (AC Vol 59 No 16).

New speaker Gbajabiamila, a protégé of APC national leader **Bola Tinubu**, managed to stave off opposition to his election, including civil society lawsuits about his 2003 suspension from practising law by the Supreme Court of Georgia in the **United States**. As a young lawyer, he had won a \$25,000 injury settlement for his client but failed to remit the funds, travelling instead to Nigeria to use the money to fund his election as a federal lawmaker that same year. Gbajabiamila returned the money a few years ago.

Also elected was **Ovie Omo-Agege**, who made the headlines when he led thugs to steal the senate mace in April 2018. The new Deputy President of the senate was also reportedly convicted for forgery by a California court back in 1996. ●

SEC about the company's violations and manipulations of financial statements.

Last October, the Nigerian Stock Exchange suspended Oando's shares for five months, following a directive from the SEC which then launched its

forensic audit. Oando says that due process was not followed. Now months of legal argument could lie ahead as the protagonists battle it out in court.

The two men with most to gain, Volpi and Mangal, both with strong

associations with the opposition People's Democratic Party, could end up with joint control over a formidable range of upstream and downstream assets in the country's oil and gas sector (AC Vol 60 No 5). ●

CONGO-KINSHASA

Tshisekedi tries his luck

A test of the President's ability to challenge Kabila's influence is coming up over how the state mining company is run

President Félix Tshisekedi's decision to reappoint **Albert Yuma Mulimbi** – one of ex-President **Joseph Kabila's** closest allies – as head of Congo-Kinshasa's largest state-owned mining company has raised eyebrows as well as hackles.

For many, Yuma's continuation as the president of the Gécamines board after nine controversial years is proof of the enduring influence of Joseph Kabila, who was succeeded by former opposition leader Tshisekedi in January. **Martin Fayulu**, the rival opposition candidate who leaked voting data indicates was in reality the comfortable winner, is still calling – without much luck – for the Congolese to emulate the **Algerians** and **Sudanese** in rising up to defend democracy (AC Vol 60 No 6).

Yuma's leadership of Gécamines, today a mere husk of the company that produced more than 400,000 tonnes of copper per year in the Katanga region in its 1980s heyday, has been blighted by reports of mismanagement. Hundreds of millions of dollars of 'tax advances' have been sent from the miner to central bank-controlled accounts at commercial banks, rather than to tax authorities, after which the trail goes cold. Yuma says the payments have allowed the state to meet its urgent needs but there are suspicions that cash was diverted to slush funds controlled by Kabila. Yuma happens to also chair the central bank's audit committee.

The respected *Observatoire de la dépense publique* (Public Expenditure Observatory – ODP) pleaded with Tshisekedi to cancel the decision, arguing that the Gécamines boss 'has excelled in unprecedented financial scandal depriving the public treasury of enormous receipts'.

International mining companies such as Glencore, Barrick Gold and China Molybdenum were also eager to see the back of Yuma. They blame him for forcing through laws last year which hiked royalties, introduced new

taxes and removed a clause that would have protected them from complying with the fiscal changes until 2028. After many complaints and threats, the companies are paying the revised rates while declaring they haven't abandoned the possibility of launching arbitration proceedings if aspects of the law aren't softened (AC Vol 60 No 5).

The chief executives of Glencore and Barrick – **Ivan Glasenberg** and **Mark Bristow** – met Tshisekedi and his chief of staff **Vital Kamerhe** in Kinshasa to try to push for changes to the mining code.

Copper and cobalt producers are equally hostile to Yuma's crusade to renegotiate all of Gécamines' joint ventures. Last year, he successfully brought Glencore and Eurasian Resources Group to the table to discuss the former's Kamoto Copper Company (KCC) and the latter's Boss Mining. Yuma secured billions of dollars of forgiven intra-company debt and hundreds of millions in payments to Gécamines.

FUND RELATIONS

The International Monetary Fund will not be welcoming Yuma's stay either. The Fund cancelled a \$532 million loan programme midway through 2012 after the government failed to publish the terms of an asset sale by Gécamines and Kabila stopped it conducting its routine annual monitoring missions during his final three years in power. Tshisekedi says he wants to normalise relations with the IMF, but he revealed Gécamines' new board while the Fund's team was still in the country, which will not have encouraged the multilateral lender.

The IMF would like Congo-Kinshasa to 'consolidate various mining revenue streams into the Treasury', it said as its officials boarded the plane for Washington.

Tshisekedi's advisers intend for Yuma's post to be largely 'symbolic', as is the case for other presidents of

Congo-K's state-owned companies. Yuma accumulated immense control over Gécamines in 2014 when he emerged victorious from a boardroom battle with then-Director General **Ahmed Kalej Nkand**, who was sacked by Kabila. Nkand's replacement, **Jacques Kamenga Tshimuanga**, got the job on an interim basis and never had his predecessor's power. He was only Yuma's 'errand boy' for the past five years, one presidential advisor told *Africa Confidential*.

Gécamines' new Director General is **Sama Lukonde Kyenge**, a former sports minister under Kabila who is close to **Dany Banza**, one of the most influential Katangans in Tshisekedi's entourage, who has been named the President's 'roving ambassador'. Tshisekedi's team believes Yuma can be reined in by Lukonde and the other seven handpicked members of the board, marking an end to his freewheeling days.

Yuma couldn't be removed, say the President's people, because Tshisekedi had already rejected him as Kabila's first choice as prime minister. 'We don't want to humiliate our partners and Yuma counts a lot for Kabila,' one said. 'This is not a revolution.'

The head of government must come from the parliamentary majority, which is controlled by Kabila. While the ex-head of state's handpicked replacement performed dismally in the presidential contest, his *Front Commun pour le Congo* (FCC) secured hefty majorities in the National Assembly, Senate and the provincial assemblies. (Fayulu claims most successful parliamentarians were 'nominated' by the pliable agency that organised the polls rather than elected.) In the absence of much choice, Tshisekedi agreed to govern in coalition with the FCC and their respective teams are still negotiating the makeup of the next government.

There are therefore serious doubts Yuma will be curbed, especially as Lukonde is unversed in Gécamines' dark arts, but even if he is brought to heel it's unlikely Glasenberg and Bristow will get their way. Tshisekedi promised in March to retain Kabila's legislative reforms, and two presidential advisors confirmed as much to *Africa Confidential*. 'The mining code is popular and the companies are paying,' said one.

An equally embarrassing hangover from the Kabila years is **Dan Gertler**,

the Israeli billionaire who partnered with Glencore and ERG in their Congolese mines. The US Treasury sanctioned him in late 2017 for having used his friendship with Kabila to make a fortune through corrupt mining and oil deals. Some of Gertler's contentious transactions have involved Gécamines and therefore Yuma – such as the acquisition of a lucrative revenue stream originally due to the state miner from Glencore's KCC. Gertler's future in Congo-K seems unclear with his pal Kabila out of office and Tshisekedi's team appears uncertain how to deal with him (AC Vol 58 No 5). While radical action against Gertler is highly unlikely on account of his relationship with Kabila, one Tshisekedi ally said, 'his time as the King of Katanga is over'.

Tshisekedi insisted that the prime minister he was obliged to pick from the ranks of Kabila's FCC should be a technocrat untainted by corruption allegations during the former president's era. On 20 May he named septuagenarian university professor **Sylvestre Ilunga Ilunkamba** to the post but it is not an inspired choice if Ilunga's six-year tenure from 2013 as the Director General of the national railway the *Société Nationale des Chemins de Fer du Congo* (SNCC) is a fair guide.

The World Bank spent about \$400m in recent years on a disastrous project to revitalise the moribund parastatal, according to an independent audit published last month. The report concluded that the SNCC is bankrupt, suffers from 'poor management practices', and is even further from

'financial and operational' viability.

Ilunga confirmed his lack of authority last week when he admitted to the local media that he isn't involved in the talks which will select the administration he'll nominally lead. He's simply waiting to be presented with his ministers.

The furious reaction of the FCC to the announcement of Gécamines' new board indicates that Kabila's allies do see it as a threat, even though Yuma remains in place. The FCC is fuming that Tshisekedi's appointment of the new Gécamines directors was co-signed by outgoing Prime Minister **Bruno Tshibala** who had already handed in his resignation or Kamerhe (depending on whom one believes). They say he acted unconstitutionally in publishing the directive without the co-endorsement of the new prime minister. If Tshisekedi had waited for the investiture of Ilunga and the new government they would have had more influence over the composition of the board.

OVER-REACH

With Kabila's negotiators walking out of talks on the formation of the coalition government, Tshisekedi and Kabila – who are said to get on well personally – met on 9 June to smooth the way for talks to resume. But it's possible that Tshisekedi and his supporters are guilty of over-reach. Analysts are asking whether Lukonde and his team will really be able to control Yuma, whether they will be shouldered aside instead, or whether they will be co-opted. How

much muscle-flexing, given Kabila's domination of elected institutions and the military, can Tshisekedi indulge in before the FCC bites back, they ask.

Tshisekedi and Kamerhe have accepted that, controlling only 10% of parliament, they will have less than half of the ministerial posts. However, they balk at the demands of FCC hardliners such as **Jean-Pierre Kambila**, Kabila's former deputy chief of staff, who say they must settle for only 20% of the portfolios. The President will tolerate 30-40% of positions but the real fight will concern the big jobs such as finance, defence, justice and interior. Tshisekedi still believes he can obtain them all, one source says, although the FCC chief **Nehemie Mwilanya**, Kabila's ex-chief of staff, has different ideas.

'Nehemie and his band don't understand that the wind has changed', says a Tshisekedi confidant – probably over-optimistically.

The return of **Moïse Katumbi** to a hero's welcome in the mining city of Lubumbashi on 20 May after a three-year absence is also shaking up Congolese politics (AC Vol 60 No 11). The wealthy former governor of Katanga supported Tshisekedi during much of his exile but ended up backing Fayulu along with **Jean-Pierre Bemba**, a former vice-president and rebel leader.

Those around Tshisekedi worry less about Katumbi pushing Fayulu's claim and more about him pushing his own bid for the presidency in 2023. 'He's already campaigning,' one said. Tshisekedi and Kabila have a shared interest in squashing it. ●

CONGO-KINSHASA

Missing you already

The grand old man of Congolese politics gets a state send-off, and the funeral offers a chance for political manoeuvres

Two years and four months after the old man passed away, the body of veteran Congolese politician **Étienne Tshisekedi** finally returned from Brussels to Congo-Kinshasa on 30 May. Thousands lined the streets as Tshisekedi's coffin was driven from N'Djili airport into Kinshasa, and thousands more filled the capital's *Stade des Martyrs*, where the coffin lay in state on 31 May and 1 June under an elaborate awning featuring a 10-metre, gold-coloured forearm and hand, two long fingers raised in a victory salute.

The late Tshisekedi has been awarded the rank of 'grand cordon'

in the National Order of National Heroes, joining the likes of **Augustin Katumba Mwanke**, **Yerodia Abdoulaye Ndombasi** and **Antoine Gizenga**. So far, only **Laurent Désiré Kabila** and **Patrice-Émery Lumumba** have been designated as national heroes, but presidential spokespeople have been briefing, perhaps optimistically, that Tshisekedi may yet also be given this honour.

Tshisekedi's official state funeral on 1 June was notable for who was there – and who was not. Six heads of state attended, including **Rwandan** President **Paul Kagame**, **Angolan** President **João**

Lourenço and **Congo-Brazzaville** President **Denis Sassou Nguesso**, which was five more than attended the inauguration of Tshisekedi's son, **Félix Tshisekedi**, as President in January. Intriguingly, Sassou was the only one among them invited back afterwards to Félix Tshisekedi's private residence in N'Sele, outside the capital, for a much smaller ceremony for his father's burial on the evening of 1 June.

NO-SHOWS

Among the main no-shows at the funeral was former President **Joseph Kabila**, who sent his brother **Zoé Kabila**, the new governor of Tanganyika province, to represent the family. Also missing was **Moïse Katumbi**, who returned to Belgium earlier in the month after his plane was allegedly twice refused permission to land in Goma, intended as the next leg of a planned tour of the country (AC Vol 60 No 11). Katumbi has not given up on his tour yet, though. On 10 June, Katumbi's 'cabinet' published

the programme for his safari, which will take in eight towns and cities.

Another absentee was **Martin Fayulu**, the man who the evidence suggests won the presidential poll last December (AC Vol 60 No 1). A Fayulu spokesperson later blamed his absence on 'security and protocol', apparently alluding to opposition to Fayulu playing a role in proceedings from the funeral's steering committee.

That committee also snubbed the *Église du Christ au Congo* (ECC), which groups together a large number of Protestant churches and is reckoned to be the second-largest denomination in Congo-K after the Roman Catholic church. Étienne Tshisekedi was a devout Catholic but the President periodically attends a church that is a member of the ECC. Fayulu has been seeking to win the ECC's support for his claim to the presidency, which he continues to press, and met with the ECC's senior representative **André Bokundoa-Bo-Likabe** in late February. Eager not to alienate the ECC, we hear, the President also met with Bokundoa-Bo-Likabe on 11 June.

Addressing students in Kinshasa on

6 June, Fayulu said he would be at the airport to welcome back **Jean-Pierre Bemba**, who is currently scheduled to return for his own grand tour on 23 June. Fayulu said Bemba's *Mouvement de libération du Congo* (MLC) party was still talking to him but that Katumbi's *Ensemble* coalition was no longer doing so. Katumbi's decision to recognise Tshisekedi's presidency and to position himself as the 'republican' opposition has put him on course for a split with Fayulu. Bemba has thus far remained silent on the issue.

So far, the Congolese authorities have mostly let Fayulu continue to press his case, though in late April he was accused of 'inspiring hatred and genocide' against Luba people (Tshisekedi is a Luba), and was formally requested to go to Kinshasa's inspector of police on 6 May to answer to the charge. There were rising tensions in the capital in the days approaching the date, and a promise from Fayulu's militants that they would accompany their man to the police in numbers. Finally, just before the deadline, the inspector's request to Fayulu was indefinitely suspended.

The police have, however, taken

a firm stance against militants of Tshisekedi's *Union pour la Démocratie et le Progrès Social*, who on 10 June gathered to attempt to storm the National Assembly in Kinshasa. The militants said they wanted to protest the blocking tactics of *Front Commun pour le Congo* (FCC) MPs, which they claim are preventing Tshisekedi from deploying UDPS loyalists to positions in state-owned enterprises. UPDS activists gathered outside the Haut Katanga provincial assembly in Lubumbashi on the same day, burning tyres, calling for Kabila's arrest and demanding, as Fayulu does, that Tshisekedi 'divorce' Kabila.

Having ceded majorities in the National Assembly and the provincial assemblies, and almost all the provincial governorships to Kabila's FCC, with all the money and employment opportunities that come with them, Tshisekedi needs to deliver some patronage from elsewhere to the UDPS. If Tshisekedi is unable even to do that in the state-owned enterprises, which have traditionally been a presidential fief, the days of his base remaining loyal could be numbered. ●

SOMALIA

Washington stirs the UN pot

State Department choices prompt a resurgence of anti-US sentiment as oil goes up for grabs

The nomination on 30 May of the **United States** diplomat **James Swan** as the UN Secretary-General's Special Representative in Somalia has deepened divisions within the country's political class, amid accusations that Washington forced through his selection to protect US influence over oil-rich ground.

Swan, a veteran US State Department career officer who served as ambassador in **Djibouti**, Somalia and **Congo-Kinshasa** during **Barack Obama's** presidency, has been pushed forward by **Donald Yamamoto**, the current US ambassador in Mogadishu and a mentor of Swan's, diplomats and UN insiders told *Africa Confidential*. Yamamoto also served under Presidents **George W. Bush** and **Bill Clinton**, including stints as ambassador to **Djibouti** and **Ethiopia**.

Yamamoto has developed political alliances on one side of the political fence in South West State, which may hold some of the richest oil deposits of all the acreage that the Mogadishu

government showcased, albeit unsuccessfully, at a London licensing roadshow in February. The state also hosts Baledogle Airfield, an important and expanding base for US military operations against *Al Shabaab* (AC Vol 59 No 22). British officials have appealed to Yamamoto to share the ex-Soviet military base of Baledogle, which has a 3.2 kilometre runway, but the request has been rebuffed, security sources say.

Late last year Baidoa, the capital of South West State, was the centre of a brutal political dispute after federal government forces violently suppressed protests following Ethiopian troops' arrest of **Mukhtar Robow Ali 'Abu Mansur'** (Rahanweyn/Leysan clan), an *Al Shabaab* founder and long-time Baidoa area commander until his defection to the government in 2017 (AC Vol 60 No 2). Robow was tipped to win the state's presidential election until Federal President **Mohamed Abdullah Mohamed 'Farmajo'** ordered Ethiopian troops to detain

him and ensure victory for **Abdiaziz Hassan Mohamed 'Lafta Gareen'** (Rahanweyn/Xarin). Lafta Gareen's mother belongs to the same clan as Farmajo (Darod/Marehan). Appalled at Farmajo's high-handedness, the **United Kingdom** and **Germany** suspended their security sector assistance. The US government, meanwhile, bankrolled the state election and then deepened its relationship with Lafta Gareen.

DIPLOMATIC CASUALTY

One of the main casualties of the Robow affair was the UN's top representative at the time, **Nicholas Haysom**. The **South African** was not alone in seeing Robow as a potential bridge to *Al Shabaab*, or at least as a politician who could counteract its appeal. Many believed UN Secretary-General **António Guterres** did not do enough to defend Haysom against Farmajo's ire.

David Concar, the UK ambassador to Somalia, was believed to be close to Robow. Despite the presence of many Islamists, even Salafists, in mainstream politics and the current government, rapprochement with former *Shabaab* leaders remains anathema to Farmajo and controversial in general. The prominent British-Somali journalist **Rageh Omaar**, international affairs editor of Britain's *ITV News*, condemned Concar's meeting last year with Robow.

Haysom's two predecessors, **Nicholas Kay** and **Michael Keating**,

are both British. During their tenure between 2013 and 2018, London was the penholder on Somalia at the UN Security Council as the UK government invested heavily in its development.

Yamamoto has attempted to cultivate close contacts with Prime Minister **Hassan Ali Khaire** and with officials in the Ministry of Petroleum and Mineral Resources, notably the Minister, **Abdirashid Mohamed Ahmed**. The ministry has been partly responsible for developing Somalia's controversial petroleum bill, which was passed into law and is described as unconstitutional by many Somalis occupying positions of power in federal member states. Khaire was once an executive at Soma Oil and Gas, the British company chaired by British Conservative party grandee Lord **Michael Howard** and which in 2013 gained licences to prospect 60,000 square kilometres of acreage.

At the same time, Yamamoto has exacerbated divisions on a number of other fronts. With his opposition to Robow, he has alienated the Leysan sub-clan in Baidoa. By being perceived to have allied US diplomatic interests to Bantus he has incurred the ire of the largest clan, the Hawiye, who perceive their important sub-clans in Lower Shabelle, the Abgal and Habr Gidir, to be under threat. In neighbouring Jubaland, where elections are due in August, the majority Ogaden and Marehan clans see Yamamoto forging an alliance with the minority Bantu and Bimal against them. Diplomatic sources say meanwhile that Farmajo is pushing his favoured candidate, Aviation Minister **Mohamed Abdullahi Salad Omar**, to take on Jubaland President **Ahmed Mohamed Islaan 'Madobe'** in the elections.

Yamamoto was one of the key backers of last month's talks between the federal government and the states

in the Puntland capital, Garowe. He pressured Farmajo and Khaire to attend the meeting just as tensions between Mogadishu and the states were reaching fever pitch, Somali and UN officials told *Africa Confidential*. Predictably, the talks collapsed, with Puntland and Galmudug formally cutting ties with the Mogadishu government by the end of the month. Jubaland issued a statement of blame but stopped short of closing the door on relations.

SOURING MOOD

Amid the meltdown, the five-month delay to replace Haysom took a toll on political stability in Somalia, and on the standing of the UN. The collapse of the Garowe talks also left a bad taste in the mouth of Farmajo and Khaire, who see Yamamoto's alliances in South West State and with individuals in the Petroleum Ministry as no guarantee that he will also protect Mogadishu's interests. With the mood souring against him, overall Somali opposition to Swan's nomination appeared to be gathering pace, just as within the UN system resentment was building against the Somali government, and with it an ill-judged call for punitive measures and a show of strength against Mogadishu.

In the initial stages of recruiting Haysom's replacement, the field of candidates was crowded with ill-qualified national diplomats with no knowledge of Somalia or the UN. Central to the race were candidates from three countries: the US, **Canada** and, to a lesser extent, **Turkey**. By early last month, it looked as if an alternative candidate from Canada – **Jarat Chopra**, with decades of UN and Somalia experience – also had the backing of a number of member states, including Somalia.

The week after the Garowe

meeting, however, the US intervened aggressively, pressuring Guterres in New York and the Somali President and Prime Minister in Mogadishu, we hear from diplomatic sources. Regional governments, including **Kenya**, appealed to the Secretary General, warning against the implications of appointing a US national to lead the UN in Somalia.

Nairobi is also nervous after the leak of a document from Somalia's Petroleum Ministry showed that five oil blocks it aims to license to bidders may in fact be in Kenyan waters. We hear that US diplomats have also been promoting the idea of deploying the Ethiopian and **Eritrean** military to Jubaland to replace Kenyan forces who, despite being present since 2011, have failed to adequately take on *Al Shabaab* (AC Vol 60 Nos 4 & 10).

As premature leaks of Swan's appointment spread through Somali-speaking Voice of America journalists, interest groups began to react. Robow's political party issued a press release warning that Swan would not be welcome in South West State. The Hawiye elders in Benadir published a statement warning against the appointment, evoking the last time the Hawiye confronted a US-led United Nations, in the Black Hawk Down era of the early 1990s.

By the third week of May and after the Garowe debacle, the Somali government attempted to delay Swan's appointment process by calling for consultations, only to hear that he had already been chosen, against their wishes. In early June, the federal government issued a statement welcoming the Security Council's renewal of the mandate for the African Union Mission in Somalia (AMISOM), but remaining silent about the new UN Special Representative. ●

SENEGAL/OIL

An oily threat to Sall

Hotly-denied suggestions that officials were paid for awarding oil concessions are causing trouble for the President

Ever since BBC television's *Panorama* current affairs programme revealed apparent evidence that controversial **British-based Australian/Romanian** businessman **Vasily Frank Timis** made massive payments to President **Macky Sall's** brother **Aliou Sall**, the political scene in Senegal has been in turmoil. The programme

alleged that Timis's Senegal company Petro-Timis's employment of Aliou Sall was likely to have influenced the award of the St. Louis Profond and Cayar Profond offshore oil blocks to Petro-Timis. They have now been sold off to BP and Kosmos Energy in a bonanza payday for Timis.

Although all the parties deny any

wrongdoing, *Africa Confidential* can reveal an earlier finding by an official Senegalese investigation which queried Timis's relationships at the top level in Dakar but was suppressed.

In 2014, ex-President **Abdoulaye Wade** accused President Sall's brother of 'owning 30% of Senegal's oil' with Timis, and *Africa Confidential* then reported that the deal was under scrutiny by the **United States** Federal Bureau of Investigation (AC Vol 56 No 18). We also reported news of high-stakes negotiations by the US oil company Kosmos Energy and Britain's BP with Timis to gain control of the gas fields, which are now known to be vast and could well transform the Senegalese economy (AC Vol 58 Nos 7 & 10).

Yet, any evidence was lacking until the BBC's *Panorama* revealed secret accounts detailing payments from Timis to Aliou Sall of \$250,000 plus a salary of \$25,000 a month. The BBC says that BP will pay Kosmos and Timis, in return for their 30% stake in the gas fields, up to \$10 billion over 40 years.

All of the parties involved deny any wrongdoing. Aliou Sall says he is suing for libel, while Timis's lawyers in London, Schillings, have described the BBC's allegations as 'entirely false' and defended Timis's handling of an oil concession that 'now has the potential to generate many billions of dollars revenue for the people of Senegal and provide gas to generate power which can be supplied across the whole of West Africa, to the benefit of many millions more people'. President Sall was contacted but had not replied as *Africa Confidential* went to press.

The Senegalese public, primed by a drip of allegations and opposition claims about corruption in the oil sector, thinks differently, however, and the President is facing the most serious challenge to his credibility in either his first or second term of office, which only began in February.

A new group of opposition organisations called the Conference of Leaders called for the public prosecutor in Dakar to bring the allegations to Senegal's High Court, demanding a full investigation.

EARLIER CONCERNS

Africa Confidential has seen a 2012 report – secret until now – that President Sall commissioned to probe Timis's activities before he came to office. The report told the new President that Petro-Tim should never have been awarded the gas fields in the first place. The report by the *Inspection Générale d'Etat* (IGE) found that Petro-Tim did not even exist at the time it was allocated the concessions and recommended that its licence be cancelled.

Insiders believe that President Wade's energy minister and son **Karim Wade** made the original deals with Timis for exploring the offshore blocks, and that when Wade lost office, Timis had to make new deals with President Sall and his brother. This could help explain why the IGE report was never published. One of its chief findings was that Petro-Tim, a Cayman Islands company, was only incorporated two days after the concessions were granted.

The IGE report also warned that Petro-Tim clearly did not have the capital to fund the drilling programme it had signed up to. The report added that Petro-Tim paid \$1.5 million in signing bonuses to Senegal's state oil

company Petrosen, which Tullow, the UK-Irish oil firm also then in talks with the Senegalese government over the concessions, refused to pay.

Senegal's 1998 oil law was designed to attract investors into extensive exploration – no significant gas or oil discoveries had yet been made – and it prohibited the payment of signature bonuses. This would make the payments to Petrosen illegal. There was no investigation or prosecution.

Tullow has been held up to the Senegalese public as something of a villain by Sall's supporters. During the recent presidential election campaign, pro-Sall propagandists falsely accused Tullow of offering opposition presidential candidate **Ousmane Sonko** cash in exchange for oil concessions in the event of his election (AC Vol 60 No 4). After the BBC broadcast its revelations, defenders of the President accused Tullow of being behind the story, and of creating 'fake news'.

BROTHERS UNDER FIRE

This is not the first time Aliou Sall's association with Timis has caused embarrassment for the presidency. After reports emerged in 2016 accusing Aliou Sall of taking payments from Timis, he resigned from Petro-Tim, but kept his job as mayor of the Dakar suburb of Guédiawaye.

Sall added that his brother had ratified Petro-Tim's concession 'as part of the continuity of the state' and that he was ready to respond to any commission of inquiry or international tribunal that requested it. Regarding allegations over a \$25,000 a month salary he received for his role at PetroTim, Sall said: 'Like any worker, I have negotiated a firm contract, but my salary is not illegal or unusual in the oil and gas sector. Some of my colleagues were receiving much more than I was.'

Reports emerged in Dakar on Sunday suggesting that President Sall, who has so far remained tight-lipped about the BBC's allegations, is under pressure to remove his brother from the head of the state-run savings deposit bank he heads, the CDC, and relieve him of his mayoral duties.

President Sall's background as a geological engineer, and his time as special adviser for energy and mines to President Wade and as director-general of Petrosen, will make it difficult for him to shrug off renewed criticism over the initial deal signed with Petro-Tim and say he was not aware of the potential value of the deal.

Former opposition candidate Sonko, who wrote a book about the controversy surrounding Senegal's nascent energy boom in 2016, said: 'At the time, I

hadn't got the information that the BBC has... We knew there was a conflict of interest, now we know what was behind it. Timis should never have existed in Senegalese oil.'

The allegations have prompted a flurry of comments from other members of the Dakar elite named in connection with the business, including millionaire architect and former presidential candidate **Pierre Goudiaby Atépa**, who introduced Timis to Aliou Sall in **China** when Sall was a diplomat there (AC Vol 59 No 23). Speaking to local press from Paris, Atépa defended Aliou Sall, calling him an 'excellent commercial agent' and said that he had not received 'a cent' from Timis.

The high-profile nature of the Petro-Tim controversy in Dakar and its dominance of headlines throughout Sall's Presidency raise questions about the rigour of BP's compliance regime.

BP claims that it conducted 'extensive and appropriate due diligence' before deciding to do business with Kosmos and Timis.

BP said that the \$9-12bn which the BBC said the major could pay Timis in royalties for the Senegal gas fields was 'exaggerated beyond the realm of reality', adding that any payments would come out of BP's share of the investment, and not at Senegal's expense.

US oil company Kosmos has been in the firing line for the methods it uses to gain access to lucrative assets in West Africa in the past. In 2010, Ghanaian and US authorities opened an investigation into how Texas-based Kosmos and its local partner EO secured control of the Jubilee oil field, Africa's biggest offshore oil project (AC Vol 50 No 21). After five years, the investigations were dropped, with Kosmos and their partners claiming their innocence.

Kosmos said in a statement that it 'strongly refutes any implication that it acted improperly in the acquisition of interests in Senegal.' Regarding allegations that Kosmos made a cash loan to Timis, the US oil firm said that it entered into a credit line with Timis Corporation for the 'sole purpose of funding exploration costs'.

No money changed hands between Kosmos and Timis. They pro-rated costs in exchange for his 30% share in the operations. This is the holding which Timis used as collateral against an iron-ore off-take deal in **Sierra Leone** with trader Gerald Metals (AC Vol 57 No 24).

TIMIS THE PIONEER

Within African resources circles, Timis is widely known for his failed Sierra Leonean mining ventures African Minerals and Regal Petroleum. In

2009, Timis's Greece-focused oil exploration firm Regal Petroleum was fined £600,000 by the London Stock Exchange's junior market AIM for failing to inform investors that drilling results from its well revealed an absence of oil. Shareholders in Regal lost millions.

After the collapse of Regal, Timis

built up his West African empire, with operations at one point in Liberia, Sierra Leone, Côte d'Ivoire, Senegal and Burkina Faso. After the collapse of African Minerals in 2014 and the stripping of the mining licence at Tambao in Burkina Faso, Timis focused his energies on his increasingly lucrative

Senegal operations. Most recently Timis moved into the virtual mining space and made headlines in the UK for emerging as the largest shareholder of Bitcoin mining venture, Argo Blockchain.

This article was developed with the support of the Money Trail project (www.money-trail.org). ●

ETHIOPIA Seeds of instruction

Premier Abiy Ahmed's focus on a democratic transition faces heavy challenges as the ruling coalition struggles to rein in conflict

With preparations for landmark elections less than a year away and behind schedule, with the country trapped in a security crisis and an ethnic group threatening to declare the federation's first new regional state, Ethiopia's Prime Minister **Abiy Ahmed** has a lot on his plate.

But still he has found the time to plant tree seedlings, discuss his pet project to beautify Addis Ababa's riversides, visit a children's cancer hospital, and encourage schoolchildren (AC Vol 60 No 5). 'He advised the students to undertake the examinations in a relaxed and focused manner,' the ruling-party-linked Fana Broadcasting Corporation reported in a series of dispatches by one of Ethiopia's newly liberated media.

To be fair to Abiy, he also took a trip in late May to the West Guji Zone of Oromia, where officials have been busy corralling ethnic Gedeo into returning to their homes after about 700,000 were chased out by their Guji neighbours last year. A recent campaign resulted in more than one million internally displaced Ethiopians going home, not long after the news that the 2.9 million Ethiopians uprooted by conflict in 2018 represent the highest figure for internal refugees anywhere in the world. Aid officials complain that the rushed government response – after months of ignoring the problem – seemed more focused on presentation than rehabilitation.

CAUSE FOR CONCERN

It is the presentational focus of Abiy's otherwise promising premiership that is causing concern in many quarters. He has set inspiring democratic objectives that will take years to reach, if Ethiopia can get there at all. With the course set for the Promised Land, the powerful leader seems more comfortable acting as civic educator than Prime Minister.

'Drawing a distinction between

"moral of duty" versus "moral of aspiration", he emphasised that maintaining the rule of law cannot only be based on the former but through investments in nurturing moral of aspiration,' Fana gnomically reported after Abiy lectured Ethiopian judges. 'He concluded the discussion session by planting seedlings together with members of the justice sector and calling upon them to spend the upcoming rainy season cleaning, cleansing and planting.'

Meanwhile, the seeds of Ethiopia's political crisis planted decades ago are germinating.

There is stiff competition for the title but the primary challenge is arguably the rise over the past year of the National Movement of Amhara (NaMA), which says that community lost out when the federation was carved into ethno-regional units in the early 1990s, primarily at the behest of the Tigray People's Liberation Front (TPLF). That means the Amhara want 'their' land back, which is causing friction with neighbouring groups, notably Tigrayans and Gumuz (AC Vol 60 No 3). Although the former dispute has only simmered this year, the latter recently exploded. Perhaps as many as 200 Gumuz were killed in Jawi Woreda of the Amhara Region in early May when villages were razed. That looked like retaliation for the killings of several Amharas in the Metekel Zone of Benishangul-Gumuz, a neighbouring district to which NaMA and elements of Amhara's ruling party lay claim.

NaMA activists blamed Oromo agitators for the Jawi carnage but there was no evidence to back that up. The group rejects claims that the Amhara were a repressed minority in Ethiopia's imperial era and casts Amhara local minorities as victims of discrimination instead.

But it was in an Oromo enclave of Amhara that more worrying events took

place in early April. Unruly Amhara police seem to have intervened in a local dispute in the Oromia Zone of Amhara where they met stiff resistance from local militiamen. The ensuing violence, which killed dozens, spread into the adjacent North Shewa Zone.

Meanwhile, in Oromia itself, progress was made in Addis Ababa in late May as the recently formed Oromo Liberation Front (OLF) leader **Dawud Ibsa** confirmed that he no longer commanded an armed force. However, that is primarily because his commanders have disowned him and vowed to continue armed struggle without him.

ELECTION HOPE

Abiy's plan is for an international-standard election next year to re-legitimise a government that has been buffeted by years of protests and internal wrangling. This would, theoretically, allow it to reassert control over security and progress with its reform agenda, eventually including the constitution. However, Ethiopia's structural problems are too deep for a mere election to solve. The crisis Abiy inherited has worsened partly because of his disdain for the ruling coalition he leads, and which has governed the country by hook or by crook since 1991, the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF).

That squabbling front is in disarray and so the multinational federation it built is coming apart at the seams. After last year's humiliation, the TPLF has marginalised itself, content to pull up the drawbridge and snipe at Abiy's sermons. One result is that the **Eritrean** peace process appears to have stalled (AC Vol 59 No 14). Abiy's stated de-ethnicising scheme is to convert the EPRDF into a national party, rather than an alliance of four regional organisations, including adding ruling elites from five non-EPRDF-run regions. Alternatively, the Front may split as the TPLF balks at these plans. Abiy could then try to cobble together a more liberal national coalition from the fragments. However, one major problem is time, or the lack of it.

Fanfare greeted the appointment of the former political prisoner **Birtukan Mideksa**, a nemesis of the late Prime

Minister **Meles Zenawi**, as the head of Ethiopia's electoral board in November, but donors are less enamoured of its achievements since. It is still in the process of appointing a board, meaning that it has made no important decisions, including whether to accept foreign funds from partners queuing up to support the election. With less than 10 months to the polls, delay looks inevitable – but there will be more drama first.

As a post-TPLF spring dawned in Ethiopia last year, the Ethiopian elite revved up their activities. Some jetted back from the immense Ethiopian diaspora in Washington DC to Addis to proclaim the imminent death of ethnic federalism, OLF leaders trooped back triumphantly from Asmara hotels to Addis hotels, Guji Oromo turned on

Gedeo, and next door, the Sidama Zone's leaders revitalised a long-held demand for their own regional state to be carved out of the Southern Nations, Ethiopia's multi-ethnic 'museum of people'.

Although the Southern Nations administration received the request a year ago, there is no sign of a referendum. This has enraged Sidama activists, who say their constitutional rights are being ignored, as they were neglected when they were included in Southern Nations back in 1995 rather than being given their own state.

Consequently, the four-million-strong Sidamas are set on unilaterally declaring a new regional state around 18 July, a year after the referendum request. That means there may well be intercommunal conflict in Awassa, the multi-ethnic Southern Nations

capital that Sidamas claim as their own. Meanwhile, the Wolaytas' demands for their own region are mounting up, followed by at least five other southern communities. They will be emboldened by any Sidama progress towards statehood.

Publicly, there is no clear federal, regional or EPRDF policy on the matter. That means either it is drifting towards chaos, or that leaders plan federal intervention if matters get out of control. Some Tigrayan commentators suggest the disorder is deliberate: if burgeoning ethno-nationalism threatens to tear the EPRDF apart and rip up its multinational federation, what better excuse for Addis Ababa to step in and put matters right? Regardless, whether devious or distracted, Abiy will be busy. ●

SOUTH AFRICA

A tale of two ANCs

The ruling party at war with itself searches for answers to a looming recession, spiralling unemployment and failing parastatals

Two wings of the African National Congress – the constitutional and the rent-seeking – are engulfed in a civil war which could turn the country's economy into a pariah shunned by all foreign investment by year-end. 'You can no longer talk about the ANC as one coherent body,' said one exasperated liberal economist after the party announced that it would recommend extending the mandate of the SA Reserve Bank, the central bank, to include developmental needs rather than confine itself to combating inflation.

The proposal, which has been discussed at various ANC executive meetings since December last year, is ANC policy but has not been adopted by the government because of what it would cost and the damage it could do to foreign investment.

The proposal that it should be implemented along with quantitative easing measures was issued in the name of the ANC on 3 June, following a meeting of the National Executive Committee (NEC), by party Secretary-General **Ace Magashule**, who has been linked to corruption while Premier of Free State province (AC Vol 60 No 11).

Some observers see the proposals as harbingers of nationalisation of the central bank and the introduction of prescribed assets, which would force

companies to invest in government development projects. Far from resolving the ANC's factional differences, the general election results have sharpened them. President **Cyril Ramaphosa's** supporters and the opposition Democratic Alliance are urging him to take public statements on the economy away from ANC headquarters into the Presidency.

The ANC statement came hours after the shock disclosure that South Africa's GDP contracted by 3.2% in the first quarter of the year, bringing recession a step closer and ensuring that growth for the year will come in well below 1%, possibly as low as 0.5%, some economists say.

Ramaphosa was slow to repudiate the statement released by Magashule, who is the second most powerful ANC official and has repeatedly undermined Ramaphosa's leadership by putting his own interpretation on party statements, even when they run counter to government policy, according to insiders. Analysts sympathetic to the President say he must take command of economic statements in order to prevent them becoming the property of the left and frightening investors.

Ramaphosa left South Africa on 10 June for the start of the 12-day conference of the International Labour Organisation in Geneva with an entourage of 50, making it one of the

largest delegations. He will return on 20 June to deliver his first state of the nation speech since the 8 May poll. But nobody is expecting any breakthroughs.

He is expected to announce the framework of a short-term bail-out for the electricity utility, Eskom, which is facing debt of \$25 billion. South African Airways is in meltdown following the 2 June resignation of its CEO **Vuyani Jarana**, who leaked the news he was stepping down and announced that he would leave the SAA Board.

Magashule's statement referred to 'quantity [sic] easing' and a tweet in his name, which directly contradicted Ramaphosa's subsequent denial, was later deleted.

BANK WARNINGS

The repudiation of the statement came after investment bankers issued dire warnings when the double-shock came of the fall in growth and Magashule's statement about the Reserve Bank. One key banker who was in Cape Town when the news broke told *Africa Confidential*, 'We told the President that he could forget about any new investment unless certainty around the status of the Reserve Bank was restored.' Other prominent business people joined the chorus.

By the time Ramaphosa denied that the government was planning to nationalise or extend the mandate of the Reserve Bank, the already ailing rand had fallen 4%, making it the weakest emerging market currency, while some economists warned of a looming economic catastrophe.

Earlier denials by Finance Minister **Tito Mboweni** and Public Enterprise Minister **Pravin Gordhan**, who has led the government campaign against state capture and corruption, failed to arrest

the sliding rand. What was once known as 'Ramaphoria' – the feeling of relief which came with the fall of President Zuma – has evaporated and the reformist leader is battling to control a ruling party the core of which is far more about patronage and rent-seeking than most have been willing to admit (AC Vol 59 Nos 6 & 22).

Morale among the business elite and the wealthy is at a post-apartheid low; money leaving the country is accelerating, financial experts say. The only factor preventing an all-out exodus of institutional money is that Moody's, the only one of three agencies that has not downgraded the country to junk status, still believes Ramaphosa's reform initiatives can end corruption and revive the economy.

This is a minority view. At present, the indicators are all going in the wrong direction: if there is negative growth again next quarter, the country will fall back into a recession.

Growth for the year had been downgraded from 0.9 to 0.7% by most economists, youth unemployment is pushing over 50% and the currency is weak and losing value. Three of the country's most important state-owned enterprises – Eskom, Transnet, and SAA – are on the edge of bankruptcy and bail-outs are becoming more difficult and exorbitantly expensive, financial experts say. There is increasing talk among analysts and business of the possibility of a bail-out by the International Monetary Fund (IMF).

On the upside, Ramaphosa has managed to eliminate a large number of rent-seekers from his cabinet and from state institutions, but there have not yet been any prosecutions of key suspects, which will be crucial to changing perceptions.

Ramaphosa has overwhelming support in his cabinet for rooting out corruption, implementing investor-friendly policies and raising investment abroad but his support among the top six ANC officials and in the 110-member NEC is less sure, and open to manipulation by the likes of Magashule (AC Vol 60 No 10).

Although Magashule has denied changing or adding to the long and lugubrious ANC statement to include the reference to the Reserve Bank, AC was told by insiders that an earlier draft had no such references. 'Magashule has handed Ramaphosa a loaded revolver,' wrote veteran columnist **Max du Preez**. 'He needs to pull the trigger.'

BATTLE LINES

The battle lines in the party are now clearly drawn. Supporting Ramaphosa's reforms are: Gordhan and Mboweni; ANC economic policy head **Enoch Godongwana**; Reserve Bank Governor **Lesetja Kganyago**; and former Public Protector **Thuli Madonsela**.

Lined up against Ramaphosa with Magashule are: Deputy President **David Mabuza**; former Premier of North West province **Supra Mahumapelo**; former President **Jacob Zuma**; and

the current Public Protector **Busisiwe Mkhwebane**, a Zuma-appointed advocate who formerly worked in intelligence.

Mkhwebane is leading a revived and formerly discredited investigation into Gordhan about his role in a so-called 'rogue unit' within the tax collector, the South African Revenue Service (AC Vol 58 No 19).

And she has also announced an investigation into whether Ramaphosa benefited from a \$33,000 loan from a company that allegedly paid back-handers to government officials to further their cause. Ramaphosa said he was not aware of the payment into his campaign fund and has taken steps to repay the full amount.

Several of Mkhwebane's findings have been overturned by the courts and some were described by lawyers as 'bizarre'. There have been widespread calls for her resignation or removal from office.

Dube Tshidi, former CEO of the Financial Services Board who has sent Mkhwebane's finding on the FSB for review, accused her of 'gross incompetence and negligence'.

Madonsela, her internationally celebrated predecessor, went public for the first time on 9 June to repudiate Mkhwebane's claim that she was merely using the same strategy as Madonsela in her investigations of Gordhan and Ramaphosa, the two leaders of the fight against state capture and graft exposed by Madonsela. ●

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POINTERS

Mauritania

UNCHANGING OF THE GUARD

■ **Mohamed Ould Cheikh el Ghazouani** has reason to be confident as he approaches presidential elections on 22 June. An ally of retiring President **Mohamed Ould Abdel Aziz**, the Defence Minister has the state and the ruling *Union pour la République's* formidable electoral machine behind him. A relative newcomer to politics, Ghazouani is short on charisma but the UPR will almost certainly deliver him overwhelming victory in the first round. In the unlikely event that he cannot clear 50%, a second round will take place on 6 July.

Unlike the last presidential race in 2014, the major opposition forces will put up candidates, having last year abandoned their long-standing boycott to participate in legislative, regional and municipal polls (AC Vol 59 No 17).

Opposition parties could have secured more gains with better co-ordination last year, and that mistake is being repeated again. There's been no prospect of a single opposition standard-bearer since anti-slavery campaigner **Biram Ould Dah Abeid** announced that he would stand regardless of what others did.

The secular 'soft left' is represented by **Mohamed Ould Maouloud**, leader of the *Union des forces du progrès* (UFP) and joint candidate of the *Coalition des forces du changement démocratique alliance*. He has attacked a deal for the state-owned *Société Nationale Industrielle et Minière de Mauritanie* (SNIM) to allow the **Australian** mining firm BCM to take an 80% stake in a new iron ore mine, a scheme the government says will create 700 jobs.

Tavassoul is not running its own candidate and is backing the inoffensive former Prime Minister, **Sidi Mohamed Ould Boubacar**, perhaps a sign that the Islamist party is heeding Abdel Aziz's warnings last year not to overstep the mark in pushing political Islamism.

Abeid, Maouloud and Ould Boubacar are serious contenders, but will all be competing for the same pool of urban youth votes.

Côte d'Ivoire/Ghana

COCOANOMICS

■ Côte d'Ivoire and Ghana are threatening to suspend the sale of cocoa beans to the open market for the 2020/21 crop season in a bid to secure higher prices for their farmers. The two countries produce 65% of world cocoa output; the Ivorians contributing about

two-thirds of the total and Ghana's high-quality crop fetching a premium. But high supplies in 2016 led to a sharp decline in income. From a spot price high of over \$3,100 per tonne in mid-2016, cocoa fell to \$2,080 in 2018. It has been trading at around \$2,400 this year.

Last year, the two countries endorsed a 'strategic partnership agreement' to respond to increasingly unsustainable cocoa economics, and have mooted a floor price of \$2,600. Ghana continues to pay producers 7,600 cedis (\$1,400) per tonne for the 2017/18 and 2018/19 seasons, citing farmer welfare.

In March, both countries refused to consent to International Organization for Standardization requirements on sustainable and traceable cocoa. A declaration said the ISO terms would inflate costs, make farmers vulnerable to takeover by third-party investors and impede production.

In April the IMF advised the Ghanaian government to cut its producer price, provoking a cool response from officials, farmers and social justice campaigners.

It's unclear whether the move to 'go OPEC' will win the support of other cocoa-producing countries, especially those in Latin America, and the tough stance is sure to meet resistance in Western countries where some of cocoa's biggest markets lie.

Malawi

CHAOS HELPS MUTHARIKA

■ Malawi's defeated oppositionists are taking different attitudes to May's disputed presidential polls, and that appears to be playing into newly re-elected President **Peter Mutharika's** hands (AC Vol 60 No 11).

Malawi Congress Party leader **Lazarus Chakwera** has filed a petition for the partial recount, citing inflation of voter figures and results sheets altered with. The MCP leader has also led public demonstrations by his supporters, causing chaotic scenes in Lilongwe.

Former Vice-President **Saulos Chilima** and his United Transformation Movement (UTM), meanwhile, have filed for nullification of the results, alleging a series of errors by the Malawi Electoral Commission.

Both parties appear to be going through the motions. Lawyers for both say there is little hard evidence to back up the claims. Senior UTM officials accept that they filed the petition to be seen as doing something, while the MCP tactic is to force civil disobedience in the hope of forcing a recount or rerun. The parties show no sign of being willing to work together. Chilima officials say they have rejected requests for support from Chakwera, while Chilima has condemned the violence of Chakwera's supporters.

Claims and counter-claims abound. Mutharika has accused Chakwera of fomenting violence, while Chilima has accused the President's aides of running a 'crooked system of rigging'. Intelligence insiders claim Chilima's team sought to hack the DPP's digital system (AC Vol 60 No 9).

Congo-Kinshasa/Rwanda

ENEMIES WITHOUT, AND WITHIN

■ UN peacekeepers and other security sources confirm that units from at least two battalions of the Rwanda Defence Force have taken positions inside Congo-Kinshasa, to hunt down groups of Rwandan rebels. The troops have been spotted by local sources in the Virunga Park in North Kivu province, with reports of others crossing over into neighbouring South Kivu, near the tri-border area with **Burundi**, as late as 30 May.

Congolese securocrats say the move is blessed by Congo-K's president **Félix Tshisekedi**, who discussed the neutralisation of armed groups in Congo-K at meetings in Kinshasa with presidents **Paul Kagame** of Rwanda and **Angola's João Lourenço** on 31 May.

Rwandan authorities have been applying pressure on Tshisekedi to attack two Rwandan Hutu groups (the *Forces démocratiques de libération du Rwanda* and the *Congrès National de la Résistance pour la Démocratie*) that have increased their movements between the two provinces this year (AC Vol 60 No 6). Rwanda says these groups are backed by both Burundi and **Uganda**.

Kigali's seasoned director of external intelligence, **Anaclet Kalibata**, has visited Kinshasa several times in recent months to warn Tshisekedi of the consequences of not dismantling a Tutsi-led rebel group in the high plateau of South Kivu that is enmeshed with local *Banyamulenge* Tutsi militia and also allegedly allied to Bujumbura and Kampala. Diplomats say **France** has urged the UN to support the RDF operations, but the UN's cautious top representative in Congo-K, **Leila Zerrougui** demurred (AC Vol 59 No 23).

The presence of RDF troops is an emotive issue in Congo-K, which has fought several Rwandan-backed rebellions since 1997 but also integrated many former Rwandaphone rebels into the Congolese army. Many Rwandaphone officers were also involved in the massacres in 2016 and 2017 in Tshisekedi's native Kasai region.

Ugandan President **Yoweri Museveni** is said to be irked at the move just weeks after diplomats said Tshisekedi had opened discussions with Kampala about allowing the Ugandan People's Defence Force (UPDF) entry into the Beni sector of North Kivu to take on Ugandan rebels, the Allied Defence Forces.