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BLUE LINES

The cost for Africa to counter the damage caused by the coronavirus pandemic, to engineer an economic bounce back and mitigate climate threats is rising, justifying the International Monetary Fund's warning of a two-speed global recovery.

The World Bank, while increasing its growth forecast for the region this year by 1% to 3.3%, reckons that African countries face a US$290 billion shortfall. Growth in those countries will lag behind other regions in part because of slow distribution of vaccines and vulnerability to new variants. African treasuries are struggling to bridge that gap with more borrowing and raising national corporate and indirect taxes.

Something of a boost may come from of the $650bn in Special Drawing Rights, the IMF's reserve curve, of which over $30bn will be distributed across African states, according to their shareholdings in the IMF. But little progress is reported on plans for a $100bn slice of the SDRs to be transferred to African economies as part of a global recovery effort.

The Group of 20's debt service suspension initiative will probably need to be extended, the Bank says. Some African finance ministers want it also to be widened to include commercial debts, provided there will be guarantees that this won't undermine market ratings. So far, these haven't been forthcoming.

AFRICAN GOVERNANCE

How shadow states threaten democracies

Two new reports investigate how political leaders are subverting constitutional rule and handing power to business cronies

Call them illiberal democracies, elective dictatorships or 'no-party' politics, the global tide of authoritarianism with constitutional characteristics has been welcomed, sometimes pioneered, by some governments in Africa.

Mobile telecommunications and broadband internet have ended state monopolies on information and have been taken up by activists. They have also pressured more governments to organise elections with a patina of credibility, or as a senior diplomat put it, to show that 'an election-like event has taken place'. In many ways, the pandemic and accompanying public health and financial crises have exacerbated these trends.

Academic researchers and activists describe two processes which thrive in this evolving landscape: 'Democracy Capture' and the rise of the 'Shadow State'. Both are the subject of two new research papers.* They show the different ways in which African political systems are being subverted to respond to a narrow set of private interests rather than the public will.

DEMOCRACY CAPTURE

Democracy Capture is the process through which the ruling party uses its influence to take over – or at least compromise – checks and balances. This is the classic form of democratic decline.

Using its control of the legislature, the government passes laws enabling it to bolster its authority while the president abuses appointment powers to remove independent judges and electoral commissioners and promote pliant allies in their place.

Democracy Capture doesn't just happen in countries where pluralism has long been under fire, such as **Uganda** and **Zimbabwe**. It is more pronounced in these states but the weakness of most many legislatures in Africa means that it is happening even in some of the continent's more open political systems.

Due to a combination of weak party structures, a tendency towards clientelist politics, and the fact that citizens value MPs' abilities to deliver development to the community more than scrutiny of new laws, parliaments rarely hold the executive to account.

Some National Assemblies have rejected government policy on critical issues. **Zambia's** parliament threw out President **Edgar Lungu's** 'Bill 10', which it was said would turn the country into a 'constitutional dictatorship'. That was perhaps a precursor of the opposition victory in August (AC Vol 62 Nos 16 & 17).

In other cases, Presidents have been able to marshal their own MPs and co-opt support from across party lines to pass laws that tighten their grip on power.

In **Benin**, the multi-party era began with the resounding defeat of authoritarian leader **Mathieu Kérékou** in 1991, allowing the emergence of one of the most competitive and free political systems on the continent.

After several peaceful transfers of power, Benin was rated by indices such as Freedom House as having high levels of civil liberties and political rights. Since

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then, the governments of President **Yayi Boni** and more recently, **Patrice Talon**, have rolled back such gains.

After coming to power in 2016, Talon used his business interests to establish patron-client ties with legislators, promoting personal allies who in many cases had little experience of politics. This gave Talon more control of the National Assembly and the judiciary, allowing him to change Article 132 of the Electoral Code, introducing tougher eligibility criteria for presidential candidates.

The new rules mean that anyone wishing to stand for president must secure the signature of at least 16 members of parliament or mayors. Talon then ensured that parties and candidates loyal to him won an overwhelming majority of legislative seats and mayoral positions, so that the opposition could not get the required number of signatures and was unable to contest the 2021 general election.

From a thriving multiparty system, Benin has been turned – in less than a decade – into a near one-party state.

SHADOW STATES

The term 'Shadow State' refers to the subterranean process that often accompanies Democracy Capture. It includes the network of unelected individuals that collude with senior politicians to shape policy in their own interests and block opposition parties from taking power.

When these networks are fully developed, Shadow State is a parallel form of governance. The façade of the formal or constitutional state is maintained to legitimate the system but real power lies elsewhere.

The networks that make up the Shadow State are broad and complex (see diagram). They can include: business people, civil servants, political fixers, judges, military and intelligence commanders, religious leaders, directors of the Central Bank and tax revenue agencies, foreign bankers,electoral commission officials, directors of parastatal companies, media owners and family networks

Usually, the president heads the Shadow State but family members, business people and generals may also wield great power.

Shapes and structures of Shadow States differ from country to country, reflecting particular historical and economic conditions.

Countries such as **Congo-Kinshasa** with vast reserves of natural resources develop Shadow States that are 'externalised'. That is closely tied to multinational companies and traders, foreign banks and international brokers.

In Congo-Kinshasa these networks overlap with organised crime and the smuggling of resources across borders. All that ensures that much of the revenue from copper, cobalt, diamonds, and oil never reaches the national treasury.

In **Zimbabwe**, where diamonds from the Marange fields in the East of the country have been exploited to benefit a small civil-military elite since the mid-2000s, the outcome has been catastrophic financially for the country.

What this meant in practical terms emerged when President **Robert Mugabe** had to form a coalition government with the opposition Movement for Democratic Change in the wake of the flawed 2008 general elections.

Zimbabwe's need for international financial assistance led to the MDC's **Tendai Biti** being appointed Finance Minister, from where he could track revenues flowing through the Treasury and those that were not.

Biti reported that diamond revenues had not made a meaningful contribution to state resources despite their volume and he concluded 'that there might be a parallel system of government somewhere in respect of where these revenues are going, since they are not coming to us'.

In Uganda, where the National Resistance Movement government came to power as the National Resistance Army in 1986, the security forces have been key to President **Yoweri Museveni's** grip on power. Today, authority is concentrated in the Museveni family – a quasi-monarchy including his half-brother **Salim Saleh**, his wife and Education Minister **Janet Kataha Museveni**, his only recognised son Lieutenant General **Muhoozi Kainerugaba**, and a kind of military aristocracy underpinning it.

Although Museveni shuffles the military figures around him to remove potential rivals and promote loyalists from the junior ranks, the cohort of privileged senior military officers across the state and society has been a constant in his three and half decade rule.

Although the constitution requires them to retire their military commissions before taking up civilian roles, generals have served as cabinet members.

The politicisation of the security forces was at its highest so far in Uganda's national election in January when Museveni's popular rival, the youthful musician turned political leader **Bobi Wine**, faced comprehensive repression and intimidation. His harassment included an incident in November 2020 in which soldiers fired into crowds of Wine supporters who were protesting against his arrest, killing scores of people.

As well as preventing Wine from campaigning properly, the military cordoned off his residence as President Museveni's victory was being announced, stopping him from contesting the flawed outcome.

It is in countries where politics have become heavily militarised along with the Shadow State system that the prospects are bleakest for free elections.

FIGHTING BACK

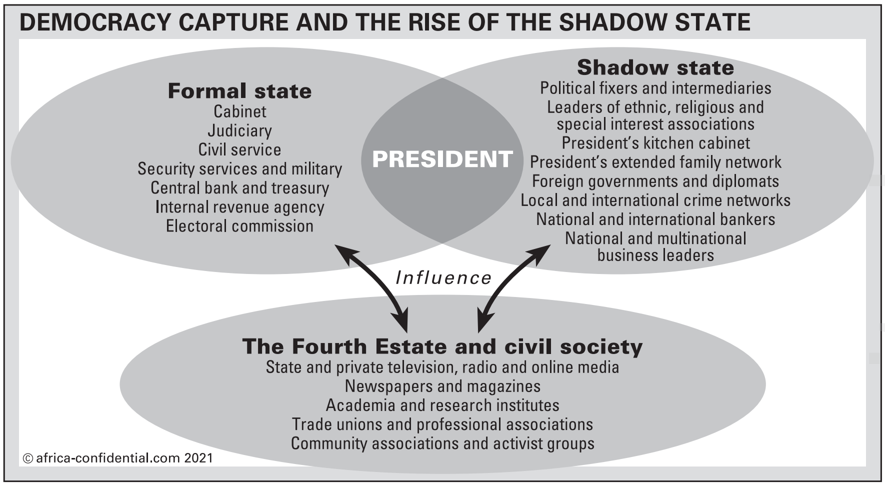
Democracy Capture strategies and Shadow States make national regeneration much harder because they involve taking over the institutions of law and order so they can protect themselves from investigation and prosecution. The system from which they benefit can be constantly reproduced.

In **Nigeria**, corrupt business people and politicians have spent tens of millions of dollars to suborn judges. According to former Supreme Court Justice, Justice **Kayode Eso**, this has led to the emergence of 'billionaire judges'. They now have a vested interest in continuing to subvert the law.

These research studies into cases of Democracy Capture and the Shadow State, necessarily highly selective, point to a far wider use of such strategies by governments under recent waves of authoritarianism.

Defenders of Shadow States often tie their critics up in lengthy and expensive court proceedings. Even if these cases are ultimately lost, the process exhausts defendants and consumes resources that could otherwise be invested in mobilizing citizens against repressive practices or grand corruption.

In some countries, such as **Tanzania** under the late **John Magufuli**, the fear of reprisals was so great that no researchers were willing to undertake the project. By extending influence over the media and the courts, Shadow State networks can control what is said about them, at least domestically. They can deny voters the information that they need in to make informed decisions.



Shadow States undermine accountability and transparency, as well as facilitating corruption. The insider deals negotiated with the business backers of authoritarian leaders worsen inequality by diverting state resources away from public services such as health and education. In turn, this deters productive investment and increases political risk.

In Uganda, President Museveni's government has been accused of issuing tax waivers to business allies in return for their financial support for the ruling party's election campaign.

The Ugandan branch of the Southern and Eastern African Trade, Information and Negotiations Institute estimates that in just one year (2017/18) these tax waivers cost more than $400 million. A subsequent parliamentary investigation concluded that in most cases there had been no legal or economic grounds for the waivers to be granted.

DRAG ON GROWTH

These politically charged business deals partly explain why the country's modest yet consistent economic growth over the past two decades has only marginally improved living standards. These are patterns are far from being specific to Africa: in many states such insider deals are undercutting state revenues and deterring productive investments. In **Brazil** and the **United States**, activists talk of the 'Deep State' which has become a catch-all term, almost deprived of meaning. In **Sudan**, 'Deep State' refers almost exclusively to the network of Islamist security agents, their operating structures and expansive financial networks, set up under the National Congress Party regime under **Omer Hassan Ahmed el-Beshir's** leadership

Financial pressures, exacerbated by the pandemic's hits on public health and wider growth trends, are focusing more attention on state revenues. These could trigger more confrontations between citizenry and governments. Such battles are already evident across North Africa, **South Africa**, Nigeria and **Ghana**.

African states such as Zimbabwe and Sudan under Beshir have become distinctive because of the breadth of institutions that have been captured. That partly explains the brutality of state repression and surveillance along with the leadership's ability to stay in power despite being directly responsible for mass impoverishment.

For Beshir and many of his associates that ended with the mass demonstrations and popular mobilisations across Sudan between December 2018 and April 2019.

Two lessons have followed those political changes. That determined and organised resistance can still face down the most ruthless and one of the best resourced security states on the continent. The second is that maintaining political discipline and pushing through reforms for a credible transition can be even more testing than ousting a well-armed authoritarian regime. ●

** The two new reports shine light on the resurgence of authoritarianism that many – but not all – African countries have experienced over the past five years.*

One looks at how ruling parties have captured democratic institutions such as the legislature and judiciary in Benin, Ghana, Kenya, Mozambique, and Nigeria. The other considers how supposedly accountable democratic institutions are infiltrated and undermined by shadowy national and transnational networks in Congo-Kinshasa, Uganda, Zambia, and Zimbabwe.

Both are available online at: www.democracyinafrica.org.

ZAMBIA

High expectations of HH

The new president is sending all the right signals but needs to move fast to avoid disappointing voters and investors

President **Hakainde Hichilema's** record of early appointments and dismissals shows he is making good on his promise of a new start for governance and the economy, Lusaka pundits say, after his landslide victory over the Patriotic Front (PF) party in the 12 August general election. Some of the more controversial public officials of the previous regime, such as Treasury Secretary **Fredson Yamba** and a host of other unpopular permanent secretaries, are gone, while respected professionals dismissed by President **Edgar Lungu**, such as former Central Bank Governor **Denny Kalyalya**, have been reinstated (AC Vol 61 No 17).

But there is a long way to go, Hichilema's well-wishers say, noting a conspicuous lack of women in the governing team, despite high-profile appointments such as that of **Nelly Mutti**, who was elected first female Speaker of parliament by MPs.

In another strong contrast in presidential style, Hichilema shunned the presidential Gulfstream G650 jet purchased by Lungu for a commercial flight when he travelled to the UN General Assembly in New York with his small team. To many, the jet was a monument to Lungu's extravagance and it may yet cost the country hundreds of millions of dollars (AC Vol 60 No 5). If, as rumoured, Hichilema sells the aircraft, it would be another popular move. Anger at the PF's extravagance helped fuel the massive switch of votes to Hichilema and his United Party for National Development (UPND).

It is a momentum Hichilema will need to maintain since he has promised to provide free education, create huge numbers of jobs and bring down the cost of living. Food price inflation reached over 30% before the election.

A PRESIDENT A DAY FOR BLAIR'S LIGHTNING TOUR

Former British Prime Minister **Tony Blair** made a flying visit on 29 September to meet **Zambian** President **Hakainde Hichilema** for his third meeting with an African head of state in as many days. He may even have met five presidents in four days.

On 27 September Blair flew in a top-of-the-range 16-seat Falcon 7X business jet chartered from Volkswagen Air Services, a subsidiary of the **German** car-maker, to Dakar, where he met President **Macky Sall** before flying on the 28th to Lilongwe, where he met President **Lazarus Chakwera**. Later that day he made the short hop to Lusaka.

After Lusaka Blair's jet may have touched down in Dodoma, the **Tanzanian** capital, according to the flight-tracking website Flightradar24.com, before it landed in Nairobi in the evening of the 29th. The plane flew on to Zanzibar on the 30th before reaching Abu Dhabi on the same day. On 5 October the plane flew to Doha, **Qatar**, but no details of Blair's movements after Lusaka were made public. A Tony Blair Institute for Global Change (TBI) spokesperson could not confirm Blair's travel arrangements to *Africa Confidential* for 'security reasons' and did not disclose who had paid for the jet.

A statement said, 'TBI and its in-country teams support leaders and governments with strategic advice and practical support to deliver reforms that can transform lives.' The TBI has programmes on Covid vaccines, health, agriculture and investment promotion in several countries, including **Senegal**, **Malawi** and **Kenya**, among others in Africa. It is 'exploring the possibility of working with the governments of...other African countries.'

Blair was met at Lusaka's airport by Foreign Minister **Stanley Kakubo**, who said the visit was a mark of confidence in the new administration although Blair does not represent any government. Insiders say State House aides were 'flattered' by Blair's trip.

The TBI has established 'delivery units' in several African countries and its website says the organisation has ongoing projects for public benefit in a variety of fields in **Guinea**, **Togo**, Kenya, **Ghana**, **Ethiopia** and **Côte d'Ivoire**.

Lusaka State House insiders say that there is no plan for a consultancy or other professional relationship with Blair. The meeting with Hichilema focused on how Blair might give strategic support to Zambia by 'networking', with Blair potentially introducing companies or foreign investors to Zambia that could be a boost for the economy, with no cost to the treasury, we hear. A statement said the men discussed 'democracy and economic development'. ●

Early though it is in Hichilema's term, mining investors are disappointed the government has not yet acted to make a plan to pay out the mines' VAT refunds, lower the royalty rate to what they call a 'global norm' of around 3% and make royalties deductible against corporation tax. Hichilema has strong neo-liberal credentials and has received backing from the Brenthurst Foundation, the southern African think-tank and lobbying organisation rooted in the South African Oppenheimer family's fortune (AC Vol 55 No 24). Many expect a strongly pro-business approach from the self-made businessman and former accountancy partner.

REVENUE FEAR

Mining investors argue that meeting their concerns will create a better business environment and so higher production, and thus revenue, at a time when copper prices are strong and predicted to keep rising. But Hichilema is believed to be concerned by the possibility of the predicted, probably short-term dip in revenue if he follows the suggested course.

The President openly declares he is putting the economy first, so his challenge is to deal with unsustainable debt and win International Monetary Fund support for a restorative programme while cutting public spending and maintaining the confidence of the electorate.

Zambia has been in sovereign default since missing a payment to its Eurobond holders in November 2020 (AC Vol 61 No 19). Restructuring will be a mammoth task, say finance sources. The previous government and public corporations contracted loans, many of them project-linked, on an enormous scale. Some defaults started as early as 2018. Massive liabilities such as **Chinese** loans to state energy company Zesco for the US$2 billion Kafue Lower Gorge hydropower project have been consistently left off the government's reporting of total Chinese debt (AC Vol 62 No 7).

The obscuring of Chinese loans in a category named 'other' in official economic tables has been recently highlighted by academics from the China Africa Research Initiative, which estimates total disbursed Chinese debt at $6.6bn – almost double the figure reported by the PF government.

Many disbursements were pork-barrel projects designed to win votes but all, say finance ministry sources, were overpriced, chaotically contracted and budgeted, and not consolidated in the accounts. The government bought a modern traffic surveillance system for over $220 million from Chinese lenders, *Africa Confidential* has learned.

Domestic debt also ballooned in election year, with an almost 40% increase in government securities issued by end-June in order to 'finance the budget', according to the Ministry of Finance's mid-year economic report. These securities represent an exercise in money-printing, with high-interest bonds securitising loans running into hundreds of millions of dollars from local branches of multinational banks including Absa and Stanbic to finance farm subsidies (AC Vo 62 No 12). Now, the government has little space to borrow more.

The report also reveals that domestic arrears climbed by almost 30% in just the first quarter, which it admits was largely because of road-building. Figures for fuel and electricity arrears are left blank. Finance ministry figures for December 2020 show fuel arrears at over $400m, suggesting that it chose not to disclose inconvenient figures in the mid-year report, say finance sources.

FREEZING FUNDS

Where there has been immediate and very public action is in the anti-corruption drive, with several high-profile PF ministers under investigation by the Drug Enforcement Commission, which also deals with money laundering. Hichilema has spoken pointedly of a rush among some individuals associated with the last government to move funds out of Zambia 'that are not theirs to move'.

The authorities have been freezing these funds and expect to make a string of arrests, say insiders, with one of the highest profile so far being that of the provisional liquidator of Konkola Copper Mines, **Milingo Lungu**, who calls 'baseless' the allegations that he stole 110m kwacha ($6.5m) and obtained another $2.2m by false pretences.

These moves may help Hichilema's messaging but impatience is expected to grow quickly among Zambia's creditors if concrete measures to deal with the debt and credit-worthiness don't emerge soon. ●

NIGERIA

Transfer window still open

Ruling party apparatchiks are luring their opponents to defect as parties choose their presidential contenders

Fear of the unknown and super-charged ambition are driving record numbers of opposition party governors and other top officials to cross over to the ruling party. Many more are thinking about it, including former President **Goodluck Jonathan**.

Many of the high-profile defectors are state governors, transferring networks and state largesse to the ruling party. Others include **Femi Fani-Kayode**, a former aviation minister under Jonathan and a long-time critic of President **Muhammadu Buhari**. Fani-Kayode is also being prosecuted by the Economic and Financial Crimes Commission (EFCC).

Another former aviation minister, **Stella Oduah**, has also crossed to the ruling All Progressives' Congress (APC) from the opposition People's Democratic Party (PDP). She returned to the headlines on 4 October, when it emerged that she was the beneficial owner of six prime properties in north-west London according to the Pandora Papers leak.

Credit for the drive to win over PDP governors goes to the APC's temporary chairman and Yobe State governor **Lai Mala Buni**. An ally of Attorney General **Abubakar Malami**, Buni has pushed back at attempts, from within and beyond his party, to oust him. His foes say his holding of a party office while he is a state governor breaches the federal constitution.

Buni is certain to be replaced by the next APC national conference but seems assured of a senior party role after his partisan recruitment (AC Vol 62 No 16).

Under Buni's brief reign, since his abrasive predecessor **Adams Oshiomhole** was forced out, three PDP governors have defected: **Dave Umahi** (Ebonyi state), **Ben Ayade** (Cross River) and **Bello Matawalle** (Zamfara).

Buni says another three governors are in his sights: **Bala Mohammed** (Bauchi), **Ifeanyi Ugwuanyi** (Enugu) and Seyi Makinde (Oyo).

It all adds to the political murk and confusion in the two main parties amid tales of bags of cash being offered to hesitant officials. It is less than 18 months before the next national elections.

For the APC and the PDP, the first question is who they will pick for their presidential tickets. The second question is from what part of the country their contender hails.

A curious phenomenon is how partisan politics plays out in a vacuum. Its protagonists seem disconnected from the most pressing national issues. They have almost nothing to say about how the pandemic has devastated the public health system and the national economy or how to stop the jihadist and criminal attacks and abductions that have led to a telecommunications shutdown in several northern states.

SOUTHERN SELECTION

Both parties are preparing to pick candidates from the south, of which there are many. But that is not set in stone. Northern and southern factions are jockeying for control in both parties. One or both could spring surprises.

Some uncertainties could be resolved when the PDP holds its conference on 30-31 October. Ahead of it, Enugu state governor and head of the party's zoning committee Ugwuanyi announced that its next national chair would come from the northern states. According to party tradition, that means the party's presidential candidate would come from the south.

That is bad news for the PDP's top presidential contenders from the north, former Vice-President **Atiku Abubakar** from Adamawa State and Sokoto State governor **Aminu Tambuwal**.

With extensive investments in logistics and tech companies, Atiku is one of the country's wealthiest politicians.

Standing on the PDP ticket, he lost to Buhari in 2019. After Buhari, Atiku has more name recognition than any other politician in the north.

Three northern governors voted against the decision to pick a northern party chair. They were **Bala Mohammed** (Bauchi), **Ahmed Fintiri** (Adamawa) and **Darius Ishaku** (Taraba). As chairman of the northern governors' forum, Tambuwal had to abstain.

All the PDP's southern governors voted for the move. Two governors, **Nyesome Wike** of Rivers State and **Seyi Makinde** of Oyo, have a good chance of the getting the nomination (AC Vol 62 No 18).

Given the damage the battle for party offices is doing to its electoral chances, PDP activists hope the chairmanship will be decided at this month's conference. It will have to resolve the position of **Uche Secondus**, suspended as party chairman and embroiled in numerous legal battles.

Three veteran politicians are being proposed as possible chairs to succeed Secondus: ex-President of the Senate **Bukola Saraki**, who may still have presidential ambitions; ex-governor of Jigawa, **Sule Lamido**; and another former Senate president, **David Mark**.

At least one of them may have the authority to call the party's rival factions to order. Some party barons in the north say they may ignore Uguanyi's zoning decision, arguing the party should just pick the candidate most likely to beat the APC.

With a strong support base in the north and name recognition in the south, Atiku would be in a strong position. His chances would be enhanced if, as looks likely, the APC chooses a southern candidate. After Buhari, Atiku is the best-known politician in the north.

Since 2015, when Buhari, representing a carefully built national coalition, defeated President Jonathan, the country's political landscape has been remade. The PDP, with most of its support in the South-South and South-East zones, is becoming a regional party.

RUTHLESS

Despite initial prospects and multiple problems in government, the APC has built a credible national network and has ruthlessly consolidated its power. Both parties are shorn of ideology, although some Western spin doctors take up the notion that the APC is centre-left and the PDP centre-right during election campaigns.

The defections are mostly transactional, certainly not ideological. Some governors see a clearer path to re-election if they switch party and more access to federal resources. Others fear they will investigated by the EFCC.

Opposition chieftains like Governor Ishaku of Taraba in the north-east claim there's a conspiracy to empty the PDP by intimidating its governors. Ishaku was speaking after meeting the five remaining PDP governors in the north.

The pressure is probably more intense in the PDP's home bases in the south. Governor of Ebonyi, **Dave Umahi**, defected from the PDP to the APC last December to become the party's second governor in the south-east.

Umahi argues that he wants to align the region with the centre. His friends and foes interpret this as a long-range

WHAT HOPE FOR A THIRD FORCE PARTY?

Beyond the battle between the ruling All Progressives' Congress (APC) and the opposition People's Democratic Party, several independent presidential candidates are likely to emerge before national elections in 2023. That's not new in Nigeria.

What's different this time is the sense of national crisis and sharpening regional rivalries – together with the growing demographic weight of younger voters, many of whom speak of deep disillusion with the two main parties and their leaders.

Some of the independents could be technocrats in the mould of **Oby Ezekwesili**, ex-Vice-President of the World Bank and Bring Back our Girls campaigner, or **Kingsley Moghalu**, former deputy governor of the central bank, who both ran in 2019.

This time, the 'third choice' candidate could be backed by establishment politicians and disgruntled elements within the ranks of both parties or pushed to the fringes. One name emerging is **Akinwumi Adesina**, President of the African Development Bank (AfDB), who won recognition in Nigeria for his reforms as agriculture minister. His defeat of the campaign, backed by the **United States**, to unseat him at the Bank last year showed his political savvy and media skills.

A 'special purpose' party is under discussion. Former President **Olusegun Obasanjo** is a fan of Adesina's, as are a few other former generals. Obasanjo wants to shape the next elections, after reluctantly backing his former deputy **Atiku Abubakar** in a failed run in 2019.

Most of these independent initiatives are skewed towards urban voters, slightly less than half the electorate. If Adesina were persuaded to contest, his candidacy could be sold as the technocrat to revive a battered economy – he would then have to pair with an establishment politician from the north to boost the ticket.

He would also have to contend against an anointed Buhari successor in the APC. But as a former minister in a PDP government, Adesina would probably take more support from the opposition party.

A parallel initiative is being mooted by: **Attahiru Jega**, former chairman of the Independent National Electoral Commission; **Pat Utomi**, a founder of the Lagos Business School; and **Donald Duke**, former governor of Cross Rivers State.

Their plan is to weld the independent political groupings and their civil society allies into a more coherent political force. Jega and Utomi are respected professionals but have little political experience.

Moghalu has told *Africa Confidential* that he is running in 2023 as an Independent but is open to working with a new political platform if a common front can be formed.

A senior Nigerian officer based in Paris told Moghalu that he could become the '**Emmanuel Macron**' of Abuja, though few insiders think that is possible in the short term despite the growing sense of disaffection with the establishment. Yet, if the smaller parties can unite behind a strong candidate, they could disrupt the current duopoly. ●

bid for the presidency. He may also have decided to quit the party before the start of the national, ward and state congress seasons.

Cracks now abound in the deep structure that helped the PDP establish itself as one of the biggest political parties in Africa during 16 years in federal government and the defections point to defeat in 2023.

Election strategists counsel the PDP, in its weakened state, to field a candidate from the north in 2023. The rationale is that the party could attract millions of northern voters who had backed Buhari, the most popular politician in the three northern regions, but may object to the APC putting up a candidate from the south.

Its decision will be shaped by the rival regional blocks in the PDP, where, after the latest round of defections, the southern delegates will dominate at this month's conference. ●

GHANA

Anti-gay bill heads to house

The opposition is manipulating religious animosity against homosexuality to steal a march on the government

A bill seeking to criminalise LGBTQ+ sexual relationships is expected to come before Ghana's parliament soon after it reconvenes on 19 October. And although it's being used as a political ploy by the opposition, the governing New Patriotic Party (NPP) knows opposing the bill could lose it support among the country's religious groups (AC Vol 62 No 19).

The Promotion of Proper Human Sexual Rights and Ghanaian Family Values Bill was presented to parliament by eight MPs in June, with all but one of them belonging to the opposition National Democratic Congress (NDC).

As well as criminalising LGBTQ+ sexual relationships, it would also outlaw LGBTQ+ associations and a wide range of other conduct, including advocacy on behalf of LGBTQ+ people.

Proponents of the bill attempt to justify its draconian provisions on the grounds of promoting Ghanaian cultural values, arguing in a memorandum that LGBTQ+ activities 'threaten the concept of family and the associated value systems that are central to the social structure of all ethnic groups in Ghana'.

The Human Rights Coalition – a grouping of 10 campaign groups, including Amnesty International's Ghana branch, the Ghana Center for Democratic Development (CDD-Ghana) and the Human Rights Advocacy Centre – has called on parliament's Constitutional, Legal and Parliamentary Affairs Committee to not recommend the bill for passage through parliament.

The bill, says the coalition, does not 'pass the high bar...for any law that seeks to interfere with a right guaranteed and deemed fundamental by the constitution'. **Akoto Ampaw**, who has acted as a lawyer for President **Nana Addo Dankwa Akufo-Addo**, similarly argues the bill violates 'almost all the fundamental rights' of the constitution. Ghana's constitution guarantees the right to privacy, and says that 'all persons shall be equal before the law'.

The anti-gay bill would go further than Ghana's current 1960 Criminal Offences Act, which forbids 'unnatural carnal knowledge', defined by Ghana's Supreme Court as anything other than the penetration of a woman's vagina by a man's penis. In a 2018 report, Human Rights Watch said that 'Despite the rare, if any, prosecutions under this provision... the criminalisation of adult consensual same-sex conduct contributes to a climate in which violence and discrimination against LGBT people is common.'

Under the UN Human Rights Council's 2017 review of Ghana's human rights record, the Ghanaian government promised to take 'the steps necessary to protect lesbian, gay, bisexual, transgender and intersex persons from violence and discrimination'.

RAIDS AND THREATS

In February this year, Ghana's security forces raided and shut down the Accra office of advocacy group LGBT+ Rights Ghana, days after traditional leaders in the area threatened to burn down the office. Foreign diplomats in the country had come under intense public criticism after some attended the opening of the office – which doubles as a community centre – in January 2021. Months later, **Samuel Nartey George**, the lead sponsor of the bill, threatened the **Australian** High Commissioner to Ghana, **Gregory Andrews**, with assault, for his ongoing advocacy for the rights of the LGBTQ+ community. George said on state radio: 'I warned him that I'll beat him in this town... If he decides not to behave like a diplomat, I will treat him like a non-diplomat.'

In May 2021, Ghanaian police in Ho, in the Volta region, launched a raid and arrested 21 people during a legal training workshop about how to document human rights violations against LGBTQ+ people. They were detained for 22 days, and released on bail after being charged with unlawful assembly. The case was later dismissed for lack of evidence of a crime.

In February 2021, President Akufo-Addo promised Christian leaders in Ghana that he would not allow same-sex marriage to be legalised during his term. 'It will never happen in my time as President,' he said at an Anglican ceremony in Ghana's Ashanti Region, a stronghold of his New Patriotic Party.

The bill has cross-party support, as well as the backing of religious groups, both Christian and Muslim. The Speaker of Ghana's parliament, **Alban Bagbin**, openly supported the bill in June. 'God willing it will be passed this year,' he said.

Takyiwaa Manuh, a legal academic specialised in gender issues, said that the bill 'is a diversionary tactic to win popularity. To make it seem that if government does not do this, it dislikes Christianity.'

The opposition NDC and the incumbent NPP have 137 seats each in Parliament. One independent MP, **Andrew Asiamah Amoako**, holds the balance of power but he promised after the 2020 elections to cooperate with the NPP (AC Vol 62 No 2). Given the widespread intolerance of LGBTQ+ people in Ghana, the NDC plans to make political capital of the bill ahead of elections in 2024.

As the bill has cross-party support, it will likely be passed by parliament but may not get the presidential assent it needs to be fully adopted into law. Such a development could allow the NDC to stir up both Christians and Muslims against the NPP.

Should the bill be approved by the executive, it would likely be challenged in court by civil society groups. **Kwasi Prempeh**, the head of CDD-Ghana, said: 'If it does get presidential assent, I am almost certain that it will be challenged judicially; possibly even beyond the shores of Ghana, in terms of the regional courts in Africa.' ●

MALI

Toxic relationship in the Sahel

Moscow's military support for Mali's junta is raising tensions with France, and risks opening up old wounds in the north

Russia has delivered four military helicopters to Mali's military regime, just as the country's latest public row with former colonial power **France** floods the Bamako and Paris media with angry rhetoric.

With the Kremlin-connected mercenary group Wagner already in advanced talks with Colonel **Assimi Goïta's** government in Mali, Russia could not have picked a more prickly moment to stir things up further with France, whose troops have been deployed against jihadists in the country since 2013 (AC Vol 62 No 19).

In a UN speech on 25 September, Malian Prime Minister **Choguel Kokalla Maïga** justified the recruitment of Russian fighters by saying that, in deciding to scale back its anti-Islamist *Opération Barkhane*, France had 'abandoned Mali in mid-flight'. Although French President **Emmanuel Macron** had held lengthy discussions with Sahel leaders – including Mali's then-President **Bah N'Daw** in January – the Malian Prime Minister claimed there had been no consultation over the decision (AC Vol 62 No 14).

Coming just hours after news of the 52nd death of a French soldier in the fight against Sahel jihadism, Maïga's remarks were dismissed by a furious Macron. 'What the Malian Prime Minister said is inadmissible, it's shameful. And it dishonours what is not even a government,' he said, adding that Mali's government 'has zero credibility'. Macron's incautious words led to accusations of neocolonial arrogance from Bamako media.

MOSCOW'S MOMENT

The heated diplomatic atmosphere creates favourable conditions for Moscow's new foray into the Sahel. And Russia is not the only actor keen to take advantage of strains in Mali's relations with Europe, the **United States** and regional body the Economic Community of West African States (Ecowas). **China** and **Turkey**, similarly unbothered by awkward governance and political issues, also seek to exploit such situations (see box).

However, just now Mali offers a particularly interesting prospect for Russian President **Vladimir Putin**: a chance to re-establish Russia as a significant player in a region where France, the European Union and the US have up to now exerted the most influence.

The opening has been created by Goïta's delicate position.

After coming to power in an August 2020 coup, the colonel was pressured by Ecowas into agreeing that he would return Mali to constitutional democracy within 18 months, culminating in February 2022 elections (AC Vol 62 No 11). But after staging a second putsch in May to formally install himself as head of state – and push aside interim President N'Daw – he has been having second thoughts about the timetable.

After weeks of speculation that he really wanted to extend the transition, this intention has now been made explicit, with Prime Minister Maïga last month saying the polls should be delayed by weeks or even months, to allow time for the necessary preparations. He also announced national consultations to set a revised timetable.

This delay is in direct contradiction to Ecowas's insistence at a 16 September summit that the February deadline be respected.

Despite the political tensions between Bamako and Paris, Malian

MAÏGA KEEPS HIS OPTIONS OPEN

Mali's interim prime minister, the veteran political warhorse **Choguel Kokalla Maïga**, has criticised **France** and the international community while playing down the controversy over the possible arrival in Mali of mercenaries belonging to **Russia's** Wagner Group.

'Is it necessary to recall that when France intervened in 2013, President **François Hollande** had clearly said that France's intervention had three objectives: destroy terrorism, install the authority of the state on the whole territory, apply the United Nations resolutions?' Maïga told *Africa Confidential* in New York where he was attending the UN General Assembly (AC Vol 54 No 8). He added that now, terrorism 'has metastasized', and occupies two-thirds of the country, saying the population is 'distraught, very critical of the Malian government and its partners, including France, and the Minusma' (*Mission multidimensionnelle intégrée des Nations unies pour la stabilisation au Mali*).

Asked about the influence of Russia's Wagner Group, he said that in the face of the current crisis, 'are we going to spend time wondering whether we should go with the Europeans, the Americans, the Chinese, the Russians? This question will come later.' He went on, 'For now, we must put out the fire that has often been started by our people. Those who accuse us today of being with the Chinese and the Russians are often those who started the fire. If they set the fire, they do not help us to put it out.' The last comment was seen by many as a dig at the Tuareg, who are held in contempt by many in the political elite.

Maïga also said, 'It takes a poor political culture to imagine that France should be chased out of Mali. France has its role to play, just like America, China or Russia.' Junta leader **Assimi Goïta** also promised when taking power to maintain all prior security agreements.

Maïga appeared to want to blame France while not burning Mali's bridges with it. He made analogy with illness, saying that Mali's sickness had greatly worsened since 2013 and that now it needed a new doctor or new treatment. Pressed on the question of the eventual elections, he repeated the junta's promise to honour the timetable but warned against 'date fetishism' which could lead to further unrest. ●

and French troops have continued joint operations against militant groups. And while planning to reduce troop numbers by about half by 2023, Paris still intends to keep 2,000 to 3,000 soldiers in the country's eastern 'tri-border region', where Mali, **Niger** and **Burkina Faso** meet. Under French plans, the UN, which has some 12,400 peacekeeping troops in the country, and the Malian army would be left to garrison the northern bases of Tessalit, Kidal and Timbuktu.

So, if French troops are remaining where they are most needed, what is Mali's motivation for the approach to Wagner?

Perhaps Bamako envisages that the Russian contractor could protect Mali's gold-mining operations. The gold mines are in the west and south, far from the main struggle against jihadist groups, but they could become vulnerable as the militants seek to extend their geographical reach. Last week brought a worrying development, with a first jihadist attack on a mining convoy, on the main Bamako-Kayes highway in the west.

The potential recruitment of Wagner also appears to be an attempt to reassert the Malian government's public standing, after France chose to shift the headquarters of its Sahel operations from the **Chadian** capital Ndjamena to Niamey in Niger, rather than Bamako.

As he procrastinates over the transition timetable, Goïta may also see Wagner's men as potential bodyguards to shield the regime from any further putsch, should he extend his stay in power.

The most incendiary potential move for Russian mercenaries would be the one implied by Maïga's complaints about the French withdrawal from the far north: deployment against militant groups in that region.

TUAREG TENSIONS

Given the outlook of Bamako nationalistic circles, which all too easily elides into intolerance of northern Tuareg aspirations, this could trigger confrontation with the former Tuareg separatists of the *Coordination des Mouvements de l'Azawad*. Such a development risks derailing the fitful implementation of the Algiers peace accord struck with the CMA in 2015. The risks are real: southern Mali hardliners always viewed the French as too tolerant of the Tuareg, while the CMA has already warned it would respond by taking up arms.

Fears of such a spiral of violence explain the tough messages from Ecowas and Paris, where Armed Forces Minister **Florence Parly** has warned that the deployment of Wagner would be 'incompatible' with the continued presence of France and other international military partners. ●

TURKEY AND CHINA MAINTAIN STRONG PRESENCE

By contrast with the putative **Russian** military role in Mali, the **Turkish** and **Chinese** overtures to West Africa's more isolated leaders over recent years have been on both the economic and security fronts.

Turkish Foreign Minister **Mevlüt Cavuşoğlu** was one of the first foreign dignitaries to meet the Malian putschists after they seized power in Bamako in August 2020. And in September this year, President **Recep Tayyip Erdogan** spoke with Mali's President, Colonel **Assimi Goïta**, by phone, proposing cooperation across a range of areas – including military expertise on fighting terrorism.

But Erdogan also stressed the importance of restoring constitutional government, a stance broadly in line with the formal Ecowas and European position, even if he refrained from using the word 'democracy'.

It is in Guinea where the Turks and the Chinese have a more delicate path to navigate, because they were both overt economic backers of the now deposed Condé, at a time when Western actors were taking a more distant line.

But it seems unlikely they will be made to pay for this past supportive stance. Guinea military chief Lieutenant-Colonel **Mamady Doumbouya** – who took power in a coup last month – has repeatedly stressed his wish to retain foreign investors' confidence, and the Chinese are the principal potential developers of the giant Simandou iron ore project (AC Vol 62 No 18). Turkish trade and investment across a range of sectors will also surely be much welcome in Conakry.

Initially Erdogan condemned Doumbouya's 5 September coup. But he is a realist and is surely adapting to the new Guinean reality as rapidly as the rest of the international community. ●

SOUTH AFRICA

Mining magnates hail ruling

The High Court curbs ministerial powers to enforce black empowerment targets as companies pledge to boost investment

A landmark High Court ruling curtailing ministerial powers on mine ownership is set to end three years of policy uncertainty. Looking at growing production across the continent, South African mining companies say the move will boost national investment.

The 21 September judgement has been hailed by mining magnates as a breakthrough for an industry battered by strikes and tough labour laws. The mine owners said the 2018 revised mining charter would have cost millions in investment and tens of thousands of jobs (AC Vol 60 No 3).

Once a world leader in mining, South Africa has dropped to sixth in the world by earnings. Its gold industry has collapsed to a fifth of its former output, depressed by decaying equipment, outdated technology and falling research and development, especially for deep mining. About 70% of its gold mines have become unprofitable, analysts say.

South Africa remains the world's biggest producer of platinum group metals and other strategic minerals and its overall mineral reserves remain in the big league.

The ruling was in response to an appeal against the 2018 mining charter brought by the Mining Council of South Africa in early 2019. The original charter was published in 2004.

Companies focused their appeal on the requirement in the 2018 Charter that companies must have 26% black ownership – and new applicants 30%. It was presented as law in the long-delayed Minerals and Petroleum Development Act (MPRDA) (AC Vol 57 No 9 & Vol 56 No 6).

But the court found that the charter was a policy instrument and did not constitute a law. The Act did not empower the minister of mineral resources to make law and changes to the charter's empowerment targets would be unlawful, it ruled.

The court also found that a company which had once met the black empowerment requirements could not be required to do so again once it had been sold or its empowerment partner had cashed in its share.

'Once empowered, always empowered,' was the finding of the judicial review. The government had previously interpreted the charter in a way that required companies that were sold to another owner to top up their black empowerment quota to the levels stipulated in perpetuity at considerable cost and risk to new investors.

APPEAL PLANNED

Gwede Mantashe, Minister of Mineral Resources and Energy, said the court finding was 'not a train smash' and insisted that the mining charter would remain a central regulatory instrument for 'achieving the dream of transformation'.

Despite his past ownership of mining interests and links with the top companies, President **Cyril Ramaphosa** says the government will appeal the judgement. It has little political choice given the ruling's implications for its key goal of increasing black ownership in the mining industry.

Mining lawyers say the judgement was sound and is unlikely to be overturned in a higher court. It may prompt the government to find other ways to promote black ownership and transfer of skills and technology.

A lawyer advising mining companies said it was an opportunity for the government and the mining industry to build successful public-private partnerships as had been done during the Covid-19 pandemic.

The judgement acknowledged the minister's frustration at not achieving the objectives of the MPRDA. It noted that his department had failed to provide mining companies with security of tenure and to convert old order mining rights into new ones and make the necessary regulations.

Companies fear an appeal would risk losing the opportunity for a rapprochement with government and cause further delays.

Mining operations have been disrupted by rolling blackouts imposed by the ailing power utility Eskom. Mining companies want to ensure a reliable power supply, improving their green credentials as coal is phased out in favour of renewable energy.

Roger Baxter, chief executive of the Mining Council of South Africa, told a webinar convened by the Presidential panel on Climate Change that the mining industry was set to spend US$2.7 billion (R40bn) on building power plants which would produce 2,000 megawatts of power and contribute to the national grid.

That would be a game-changer said Baxter, noting that mining companies paid tens of billions of rands in taxes each year. How much of a game-changer would depend on whether the new plants produced renewable energy. The Mining Council's work with the Presidential panel reflects the government's closer ties with business under Ramaphosa. ●

KENYA/EAST AFRICA

Rivalry holds back the region

Regional trade has largely recovered from the pandemic, but is still hampered by political battles

East Africa's economy grew the fastest of all Africa's regions before the pandemic. Growth was predicted at 5.1% for 2020 pre-Covid – largely driven by strong spending on infrastructure and rising domestic demand – but came to an abrupt halt in the middle of last year as the pandemic took hold. So too did trade between countries in the region. However, the six-nation East African Community, say economic analysts, is one of the most integrated regions on the continent.

The United Nations Economic Commission for Africa (UNECA) said in a recent report that imports of all EAC Partner States had recovered to pre-pandemic levels by the second half of 2020.

In June, the region's finance ministers set out ambitious economic plans to bounce back from the pandemic, replete with grand promises of growth and deficit reduction (AC Vol 62 No 13).

Yet, despite the upbeat assessments, intra-regional trade is still at low levels, and is set back by long-term political and economic rivalries.

In **Kenya**, the region's largest economy, an economic survey presented by Treasury Secretary **Ukur Yatani** reported a 0.3% drop in the country's economic performance in 2020. Meanwhile, rising costs in energy and transportation are expected to drive higher inflation rates this year.

Tourism saw a 43.9% hit in income but picked up in the 4th quarter of 2020. The manufacturing and financial sectors also declined, albeit less steeply (the financial sector fell by 5.6%).

Price increases look set to wipe out much, if not all, of the effects of economic growth across the EAC. The region's inflation was still the highest in the continent in 2020, at 14.2%, and is set to rise to between 17.3% and 18% by the end of the year. Meanwhile, the region's fiscal deficit in 2020 will be between -6.1% of GDP and -6.8%.

LONG COVID

Other lingering effects of the pandemic remain. Testing drivers at the borders' entry and exit points resulted in long queues, extending up to 50 kilometres in Busia, at the border between Kenya and **Uganda**. This has prompted a near-40% collapse in informal cross-border trade, covering small-scale businesses and farmers.

Kenya and Uganda recorded drops in imports of 33% and 31% respectively.

UNECA has urged the EAC countries to focus on supporting 'technological innovations to address the bottlenecks that have arisen during the crisis along the Northern and Central Corridor', the transport network in the region that is connected to the ports of Mombasa and Dar es Salaam, respectively. It points to the Regional Electronic Cargo and Driver Tracking System, key to issuing the EAC Covid-19 digital certificates, as an example to follow.

Similarly, Kenyan banks' expansion within the region – most recently KCB and Equity into **Congo–Kinshasa** and **Ethiopia** – and telecom giant Safaricom's entry into Ethiopia are positive news for economic integration.

But the picture is decidedly mixed.

Already sour trade relations with its neighbours have been aggravated by Nairobi's attempts at solo agreements with the **United Kingdom**, **United States** and the European Union, seen as undercutting the African Continental Free Trade Area (AfCFTA) and the EAC's single market (AC Vol 62 No 5).

A trade stalemate with Uganda remains unbroken. Kenyan officials maintain that the third Covid-19 wave that hit Uganda prevents them visiting the country to verify concerns over rules of origin and has led to delays in abolishing milk levies. Analysts say, however, that the levies are a means to curb Uganda's dairy exports, which trebled in value between 2015 and 2019. The tariff wars have extended to a ban on maize imports from Uganda, U-turns on a provisional agreement on sugar export allowances from Uganda, and the imposition of a duty on Kenyan exports of fruit juice. With **Rwanda's** main border shut since 2019 and an increase in milk import prices in **Tanzania**, milk producers believe that prices will rise.

Other protection measures continue to be fought over. A Kenyan ban on maize imports containing high levels of mycotoxins in March was quickly lifted after traders and neighbouring countries complained. However, weeks later Kenya imposed strict conditions on importers to curb maize imports with high levels of cancer-causing aflatoxins.

Meanwhile, Uganda's trial delivery in July of petroleum products over Lake Victoria from the Tanzanian town of Mwanza could jeopardise business at the port of Mombasa, which is already facing competition from ports in Dar es Salaam and Tanga. The revival of the Uganda Railway Corporation ends 16 years of inactivity and potentially ends the reliance on Kenya for petroleum imports. Uganda's imports currently amount to about three-quarters of transit cargo at Kenya's Mombasa port.

TRADE TIES

President **Samia Suluhu Hassan's** attempts to boost economic ties with Tanzania's neighbours also point to increasing regional integration. A May visit to Kenya saw an agreement to transport liquefied petroleum gas from the Kenyan port of Mombasa to the economic capital Dar es salaam.

Data from Uganda and Kenya's central banks suggests that Tanzania has replaced Kenya as Uganda's main source of imports. And the value of Tanzania's exports to Kenya is, for the first time, now higher than its imports from Kenya.

Tanzania's newly constructed Kabwe port, connecting it to an airport and rail links from Congo-K's Kalemie port to the mining centre and hub in Lubumbashi, is set to boost cross-border trade with Congo-K and **Burundi**.

Meanwhile, as a cold war between Ugandan President **Yoweri Museveni** and Rwanda's **Paul Kagame** continues, both sides are seeking to strengthen trade ties with their neighbours. Museveni signed two infrastructure deals with Burundi to build new roads through Tanzania to reconnect Uganda with Burundi, and another with Congo-K, also on a road-building project (AC Dispatches).

In June, Congo-K's President **Félix Tshisekedi**, who hopes to bring Congo-K into the EAC, met Kagame in Goma to sign three agreements on cooperation on investment, taxation and tax evasion, as well as a memorandum on gold-mining. ●

UGANDA

Regime blames MPs for killings

After police failed to trace the assassins who killed 26 people in Masaka, the government declares it was two opposition MPs

No sooner had **Muhammad Ssegirinya** and **Allan Ssewanyana**, MPs belonging to **Bobi Wine's** National Unity Platform (NUP), been released on bail on murder charges on 29 September than they were re-arrested. The NUP, which denies any connection to the murders, is boycotting parliament until its detained MPs and supporters are released. The party says the government cannot cope with the wave of killings and is trying to shift the blame to the opposition.

On their re-arrest the MPs had another charge of murder added to their indictment. They were remanded in custody and are due to appear in court again on 13 October.

Ssegirinya, who represents the Kampala constituency of Kawempe North, says that the security forces are conspiring with the ruling National Resistance Movement candidate he defeated at the general election to frame him so as to make him vacate his seat.

President **Yoweri Museveni** has kept tension high by criticising the judge's original decision to grant bail to one of the MPs, calling it a 'provocation'. He even threatened to push for the scrapping of the bail provision for persons accused of capital offences.

Pundits say that the President is content for political turmoil to continue at its current high pitch because he cannot accept the massive increase in parliamentary representation for the

NUP, even if it is no direct threat to the government. Detention without trial has increased before and since January's election and many NUP activists remain unaccounted for (AC Vol 62 No 11).

The MPs are defended by lawyer **Erias Lukwago**, a major opposition figure who recently left the Democratic Party for the Forum for Democratic Change (FDC), and is the mayor of Kampala. The other lawyer representing the MPs, **Shamim Malende**, the NUP MP for Kampala District, has told journalists that court had granted the MPs bail because they required specialised medical treatment. Their condition has since worsened because of torture, Malende claimed.

The two MPs had been summoned by police to Masaka, some 150 kilometres south of Kampala, and interrogated for two days before being taken to a court in the same area and charged with two cases of murder and another of attempted murder.

Cynics in the capital say that Museveni decided to kill two birds with one stone in the wake of growing public frustration with the inability of the government to deal with machete-wielding assassins in Masaka who killed 26 people and injured 14 others in July and August by blaming the NUP for it. The assailants, who first dropped leaflets warning of the impending attacks, would arrive at targeted homes or waylay their victims, mostly elderly people, and attack them machetes, often at night.

Police posted pictures of their special deployment to the region on social media, attracting the scorn of NUP MP **Mathias Mpuuga**, the official Leader of the Opposition, whose constituency is in the Masaka area. He complained on Twitter that police preferred to pose with new motorcycles and uniforms on Facebook when the day before, less than two kilometres away, the killers struck again.

Mpuuga is leading the NUP boycott of parliament. **Charles Peter Mayiga**, the Prime Minister of Buganda Kingdom, the home of Uganda's largest ethnic group, also expressed disappointment over the security agencies failure to swiftly put an end to the killings. The two MPs were arrested two days after that statement.

'BAD JOKE'

Claiming the motive behind the murders was to spread fear and hatred towards the government, the police, backing earlier claims by Information Minister **Chris Baryomunsi**, blamed politicians for the killings. Bobi Wine said, 'When the president recently said that the opposition was behind the killings, we thought it was a bad joke. But when the police summoned our MPs, we realised that the regime's plan to involve the leaders of the NUP in the murders was at work.'

Since first challenging the general election results as fraudulent in the supreme court and then dropping the suit, Bobi Wine and his party have mostly focused on pushing the government to release scores of its supporters who were arrested before, during, and after the elections. Ssegirinya had only recently been released after being arrested for calling for the release of the detainees.

Stakes are high. At one level, critics including Bobi Wine have said that the killings have exposed the hollowness of President Museveni's claims that the entire country enjoys peace and security under his rule. 'At best, the regime is as clueless about these murders as we are,' Wine told the press. 'At worst, it exploited them for political capital by giving citizens false assurances that it had netted the suspects behind them when in fact it either had not or had shielded some of them.'

Similar killings hit the area in 2016 and 2018, forcing then Inspector General of Police, General **Kale Kayihura** to flood the area with officers. In a 2019 televised address, President Museveni said that he had wiped out the gangs behind these killings. He repeated the same claims earlier this year following an assassination attempt against Gen **Katumba Wamala** (AC Vol 62 No 12).

Masaka is part of Buganda, where President Museveni launched a guerrilla war that brought him to power in 1986 and where he held political sway until the last general election, when the NUP took 56 of the 58 seats in the region. Opposition sources are convinced that blaming the NUP for the killings is a desperate attempt by Museveni's supporters to roll back the political tide.

They point to the government's attempt during the 2001 elections to link the FDC's **Kizza Besigye** to a new violent rebel group called the People's Redemption Army, and falsely claim that it was the 'armed wing' of the FDC (AC Vol 46 No 3). ●

TANZANIA

Placing faith in future coal

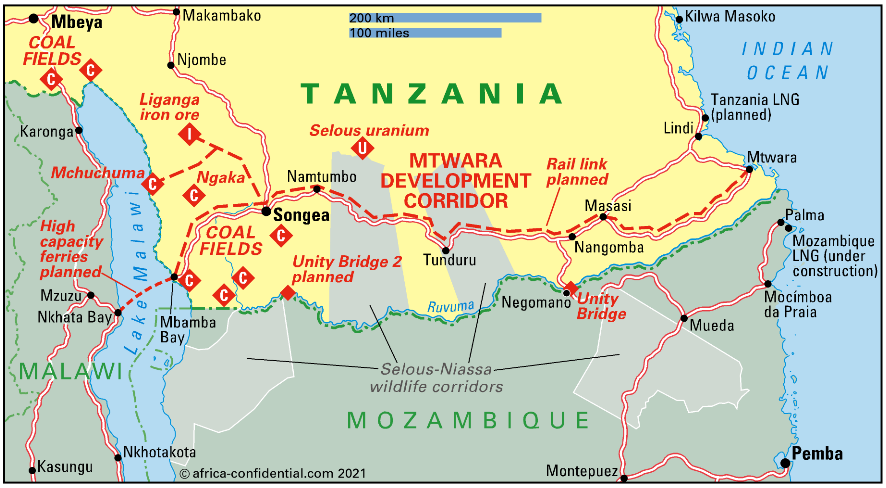
Although the government has signed up to multiple climate change commitments, coal-mining is set to grow

A slew of major projects backed by **Chinese** official finance ran into the sand during the presidency of **John Magufuli**, and President **Samia Suluhu Hassan** has been trying to put them back on track (Dispatches 9/7/21). One of the biggest is the much-delayed Mchuchuma-Liganga coal-to-steel project, which includes thermal coal for electricity. Under current plans, coal's contribution to national electricity generation is set to rise from zero, where it stands now, to more than 25% over 20 years.

This obvious clash with greenhouse gas reduction goals is even starker after President **Xi Jinping's** pledge to the UN General Assembly on 20 September to build no more coal power plants outside China, in an important prelude to the COP26 climate summit in Glasgow. Nevertheless, the East African coal market is booming.

In 2011, China's Sichuan Hongda Group signed a US$3 billion deal with the National Development Corporation (NDC) for an integrated coal mine and 600-megawatt power station at Mchuchuma, near Makete in south-west Tanzania, to run an iron and steel mill in Liganga, and sell the surplus power to the national grid. President Samia voiced impatience about lack of progress in June. Sichuan's local affiliate, Tanzania China International Mineral Resource Ltd (TCIMR), blamed bureaucracy for the delays but it now looks as though President Xi's promise with will deliver the coup de grâce (AC Vol 60 No 18).

Tanzania has enough coal to keep the country's cement and other industrial plants running for decades, with plenty to spare for export, but they have only become economic recently thanks to improved road infrastructure and growing demand from local industry, such as cement, ceramics, textiles, and gypsum. The government sought investors to help grow the industry, which had struggled in the 1980s under ineffective State Mining Corporation (STAMICO) control. Coal production, although hit temporarily by Covid-19, almost tripled between 2014 and 2019,



officially reaching over 700,000 tonnes, not including considerable informal and unrecorded production.

Until recently, most of the growth has been from Tancoal Energy's Ngaka coalfield in Mbinga District. Tancoal was created in 2008 as a joint venture between Intra Energy Tanzania Limited (IETL), a subsidiary of Intra Energy Corporation of **Australia** (70%) and the NDC (30%). It claims to be East Africa's principal coal supplier. **Kenya**, **Rwanda** and **Uganda** account for a third of Tancoal's sales.

NATIONALIST

High transport costs made it uncompetitive with cheaper coal from **South Africa** so, in 2017, President Magufuli banned South African coal imports, much to Tancoal's glee and the cement industry's dismay. Coal shortages and higher prices hit cement producers hard, and at least one Kenyan-owned factory closed down permanently.

Most outraged at the sudden move was **Nigerian** billionaire **Aliko Dangote**, who had opened a large cement plant in Mtwara on government promises of cheap power (AC Vol 58 No 1). When he complained about the import ban, President Magufuli offered him a coal mine, and Tancoal duly handed him a licence to exploit a 10 square-kilometre concession.

The import ban helped lift Tancoal's 2019 reported sales to about 800,000 tonnes, much higher than the official figures, and it has plans to expand into the **Zambian** and **Congo-Kinshasa** markets for copper and cement.

It is local, not foreign investors who stand to benefit most from this economic nationalism. Despite Tancoal's apparent success, Intra Energy plans to divest and go into gold-mining in **Mozambique**. Intra blamed the Tanzanian government and tax authorities for 'arbitrary and unfair…imposts' and accused the NDC of wanting to increase its stake in the company despite not making 'any meaningful contribution'.

Intra says its liabilities exceed assets by $19 million, and there is a 'material uncertainty' as to whether it can continue 'as a going concern'. Neither Intra nor the NDC provide any information on the size of their investments or the value of their concessions, or debt status. The opacity surrounding the company and the substantial rents created by banning coal imports may conceal a multitude of sins.

Yet Tancoal can expect growing competition. An Arusha-based company claims to have a bigger turnover than Tancoal, and growing markets throughout the region, including Mozambique. As road and rail links are improved across the East African region, and if 'non-tariff' trade barriers are kept under control, Tanzanian coal mining could expand dramatically, meaning more export earnings and tax revenue for the exchequer. There are plans to improve road transport along the 'Mtwara Development Corridor' that links southern Tanzania with Mozambique, Zambia and **Malawi**, including a recently approved $116m African Development Bank loan to upgrade 160 kilometres of road.

CLIMATE CONFLICT

Tanzania's planners appear to see no conflict with the fight against climate change. The government has committed to expanding renewable energy production in line with the 2015 Paris Agreement to reduce greenhouse gas emissions.

In her speech to the UN General Assembly on 22 September, President Samia flagged the threat posed by climate change and called on developed countries to deliver on the $100bn climate finance commitment to facilitate the implementation of the Paris Agreement.

But Tanzania's long-term Power Sector Master Plan foresees coal-fired plants accounting for over a quarter of the power mix by 2044, up from zero currently. Both hydropower and gas are forecast to decline by a third in relative terms, from about 90% to 60% of the total, with renewables accounting for less than 10%.

President Xi's commitment to stop coal investment is not unprecedented. The Industrial and Commercial Bank of China (ICBC), the country's biggest, has cancelled coal-fired power project finance in Zimbabwe and Kenya after sustained environmental protests. Smaller foreign investors and local companies have no such scruples and are likely to step into the breach. Tanzania's coal industry is expanding rapidly under the climate radar, driven largely by low-profile local investors who are not constrained by a strict regulatory framework or climate activists monitoring their social and environmental impact and carbon footprint.

Tancoal and other market players, including new entrants, will continue to fuel the region's growing coal market. Since surface mining is technically simple and relatively cheap, it is likely that local investors will continue to be the main beneficiaries.

Tanzania is richly endowed with fossil fuels and minerals of all kinds, the exploitation of which may be gathering speed in spite of the bureaucracy and rent-seeking that have held up serious investments for years – as well as mining laws that reflect extreme resource nationalism. Things may be changing under President Samia. Australian company Peak Resources has been waiting for years for a special mining licence to develop its $200m rare earth project in Ngualla, Songwe Region. The cabinet finally granted the SML in July.

Specialist mining media rank Tanzania as the most highly taxed and least desirable mining jurisdiction for foreign investors in the world. Minerals are Tanzania's main foreign exchange earner, and this could increase if President Samia's pro-foreign investment policy succeeds. However, she will need to overcome immense administrative obstacles, as well as a growing chorus of objections to the most environmentally damaging and 'climate-hostile' extractive investments (AC Vol 61 No 3). ●

PANDORA PAPERS

Offshore accounts probe

Dispatches 4/10/21

Tax losses and illicit financial flows are growing a decade after an AU report calculated they were costing Africa $60 billion a year

The leak of documents known as the Pandora Papers and published on 3 October showed that 35 current and former heads of state, three in Africa, along with over 330 public officials are affiliated with companies that use offshore tax havens. It comes as national treasuries around the world face a revenue crunch as they chart recoveries after the first phase of the pandemic.

The Pandora Papers, published by the International Consortium of Investigative Journalists, gathered almost three terabytes of data on secret accounts in 38 jurisdictions including British Virgin Islands, Seychelles, Hong Kong and Belize as well as trusts set up in South Dakota and Florida in the **United States**.

These reports of politicians' and state officials' financial arrangements aimed at avoiding, if not evading, the demands of their countries' revenue services come midway through the season of global summits: the UN General Assembly, the annual meetings of the International Monetary Fund (IMF) and World Bank, the Group of 20 in **Italy**, and the UN Climate talks COP26 in Scotland.

The common messages of those meetings are of widening inequities between developed and developing economies, worsened by the pandemic and climate change. Reports of widespread collusion by officials across the world with tax haven schemes, especially in the US and territories linked to **Britain** (both governments pledged to cut illicit financial flows) will reinforce concerns about the weaknesses of international financial regulation.

In May, the Organisation of Economic Cooperation and Development (OECD) launched its Tax Transparency in Africa programme, which 34 member states of the African Union have joined. The programme aims to expand the Exchange of Information accords on tax between African and other states. **Nigeria**, **Ghana**, **Mauritius**, and **South Africa** have signed up, with **Kenya** and **Morocco** due to follow next year.

African heads of states named in the Pandora Papers include Kenya's **Uhuru Kenyatta**, **Congo-Brazzaville's Dénis Sassou-Nguesso** and **Gabon's Ali Ben Bongo**. It also includes **Uganda's** Security Minister, a former prime minister of **Mozambique**, a senior official in **Zimbabwe's** ruling party and nine officials in Nigeria including a former state governor. ●

TUNISIA

First woman premier appointed

Dispatches 4/10/21

Tensions have lowered with the appointment of Naijla Romdhane as prime minister, but the underlying crisis is deepening

By naming **Naijla Bouden Romdhane** as Tunisia's first female Prime Minister on 29 September, President **Kaïs Saïed** has briefly changed the political conversation but disclosed little about future policies. The country's economic crisis is worsening and talks with the International Monetary Fund (IMF) about a bail-out are on hold.

A former professor of geology, Romdhane will have far less power than previous prime ministers following the announcement by the President's office last week that Saïed intends to rule by decree.

It added that he will form a committee to draft amendments to the 2014 constitution and establish 'a true democracy in which the people are truly sovereign'. The measures will allow Saïed to present 'legislative texts' by decree, appoint the cabinet and set policy and basic decisions without interference.

In the meantime, Parliament will remain suspended, as will members' immunity from prosecution.

So far, Saïed's moves have been popular but the powerful trade unions and political parties are starting to coordinate against him. The Islamist party *Ennahda*, still the largest in parliament, has again accused Saïed of mounting a coup against the constitution.

Four political parties – *Attayar, Al*

Jouhmouri, *Akef* and *Ettakatol* – said in a joint statement that 'the president has lost his legitimacy by violating the constitution… and he will be responsible for all the possible repercussions of this dangerous step.' Ennahda has hired the expensive **United States** and **United Kingdom** PR and political consultancy Burston Marsteller to help its fightback. It has had BCW, a subsidiary of the PR giant WPP Group, on retainer for several years, but the current strategy does not appear to extend much beyond waiting for President Saïed's popularity to drop. That may be indicative of the malaise that has seen *Ennahda* lose support at successive elections and the public anger at all party politicians. ●

WHO

Tedros tipped for second term

Dispatches 4/10/21

After accusing him of backing Tigray's resistance, Ethiopia's federal government declined to support its candidate at the WHO

Tedros Adhanom Ghebreyesus looks set for a second term as Director-General of the World Health Organization after the German government endorsed his candidacy. We hear that no other candidate came forward before the deadline on 23 September.

Berlin's nomination of Tedros resolves a tricky diplomatic problem on how to formalise his candidacy. A former health and foreign minister in **Ethiopia**, Tedros has been disowned by Prime Minister **Abiy Ahmed's** government in Addis Ababa. It had accused him of supporting the Tigrayan People's Liberation Front. Tedros hails from Tigray where the TPLF been fighting federal troops since last November.

The WHO's rules require a candidate to be nominated by at least one government, but not necessarily its home government.

Tedros has the support of several African nations, including **Kenya**, but they did not nominate him for fear of antagonising Abiy.

Tedros has battled to persuade wealthy nations, and the European Union, to share Covid vaccines with developing countries but with limited success. Just 3.6% of Africa's eligible population has been inoculated. The WHO's aim was for 10% of Africans to be vaccinated by the end of September.

Covax, the international body set up to coordinate vaccine delivery, is expected to fall nearly 30% short of its previous goal of delivering 2 billion Covid vaccine doses this year.

Tedros has also backed the campaign led by **South Africa** and **India**, but opposed by the EU, for patent waivers on Covid vaccines to allow developing countries to mass produce their own. Some Republican politicians in the **United States** were lobbying against Tedros's reappointment over his support for a patents waiver. They also accused him of failing to press **China** harder on access for WHO investigators at the outset of the pandemic but failed to win enough support or to produce a viable candidate to challenge him. ●

AIRLINES

On the runway again

Dispatches 4/10/21

Two of Africa's biggest airlines are relaunching this month with longer-term plans to merge their operations

Once African airline giants, massive financial losses and failed government rescue attempts have left Kenya Airways and South African Airways on life support. But both have set out their plans to resume operations in the wake of the Covid pandemic.

Kenya's national carrier last made a profit in 2012. Hit by the pandemic, it resumed domestic flights in July 2020 and international ones a month later. It announced on 23 September discounted ticket prices of up to 30% to most of its destinations as it seeks to boost revenue.

With discussions on the carrier's fate in the final stages following a parliamentary vote in mid-2019 calling for it to be nationalised, its suspension on the Nairobi Stock Exchange (NSE) was extended for a further nine months from April 2021.

However, there are some positive signs for the African airline industry which both flag carriers hope to cash in on.

Despite carrying just 2% of global cargo, African airlines' demand saw the strongest performance in June, recording a 35% increase according to the International Air Transport Association's air cargo market analysis.

Kenya Airways also signed an agreement with **Congo-Kinshasa's** flag carrier Congo Airways in April to lease them two Embraer E190 jets to boost the latter's domestic operations.

Nationalisation could exempt Kenya Airways from paying taxes on engines, maintenance, and fuel. However, Kenya's high risk of debt distress and a recent IMF loan with fiscal consolidation conditions limiting spending has prompted the Treasury to play down the prospects of nationalisation or another state bailout.

Another strategy being discussed is a cooperation or merger agreement with SAA, which was hit by mismanagement as well as the pandemic.

On 23 September SAA flew its first flight from Johannesburg to Cape Town after 17 months in administration. The airline is one of several state-owned enterprises receiving controversial massive government subsidies. Losses of R26.9bn ($1.8bn) from 2007 to 2019 and the subsequent infusion of government bailouts saw the airline shed routes even before Covid struck.

With initial planned flights to Accra, Kinshasa, Harare, Lusaka, and Maputo, SAA has emerged from bankruptcy after slashing hundreds of jobs with the promise of more investor funds. The government will own 49% of the new airline, while the Takatso Consortium – comprised of Global Aviation and Harith General Partners – will take 51%. ●

POINTERS

Pandora papers

SHOW US THE MONEY

The huge 'Pandora Papers' leak spearheaded by the International Consortium of Investigative Journalists provides intriguing new details of the wealth of some of Africa's most powerful and controversial politicians. These include **Congo-Brazzaville's Denis Sassou-Nguesso**, **Kenya's Uhuru Kenyatta** and **Gabon's Ali Ben Bongo**. That they have enriched themselves and their families is well known in each country, but the Pandora Papers helps explain how.

The naming of Kenyatta, and the reminder that his family is the wealthiest in Kenya, is helpful for would-be presidential candidates **Raila Odinga** and **William Ruto**, both of whom have acquired vast wealth, largely unexplained, via their political careers (AC Vol 62 Nos 14 & No 18). The family of former President **Daniel arap Moi** was, curiously, not mentioned in the Pandora Papers beyond the fact that the Mois and the Kenyattas shared the same consultants, from the private wealth division of Swiss bank UBP.

Nearly 50 politicians and public officials from 18 African countries had connections to offshore entities, according to the leaked documents.

Some of Africa's big business players also feature in the leaks, including **Israeli Beny Steinmetz** – handed a five-year jail sentence for corruption by a **Swiss** court in January – and **Zimbabwean Billy Rautenbach**, both of whom boast close links to governments across the continent (AC Vol 61 No 5 & Vol 62 No 3).

The new details will help explain how Rautenbach hid his wealth while under sanctions from the **United States** and Europe. Meanwhile, **Brazilian** mining company Vale – chasing Steinmetz for payment of a US$2 billion arbitration award – may have found the new information useful for its case. Neither Steinmetz nor Rautenbach have commented on the Pandora Papers.

IMF/World Bank

FRATERNAL LINKS FRAYING

When 16 African finance ministers, including treasury chiefs from **Egypt**, **Ethiopia** and **Nigeria**, signed an open letter praising **Kristalina Georgieva's** leadership of the International Monetary Fund, they were taking her side in what has become an institutional and personal battle with her counterpart at the World Bank, **David Malpass**.

At issue is the World Bank's commissioning of an investigation by law firm Wilmer Hale into its annual 'Doing Business' index which rates countries on their compliance with corporate needs. Wilmer Hale's report suggests, but adduces no definitive evidence, that there were improprieties in the rankings of **China**, **Saudi Arabia** and **Azerbaijan** in the 2018 and 2020 indexes.

The report targets Georgieva's role, then managing director of the World Bank, with claims that she pressured officials to maintain China's ranking. It insinuates that there was a quid pro quo: the Bank wanted China to support a capital increase so it would soft-pedal on the business rating.

But the head of the unit running 'Doing Business', **Shanta Devarajan** (former Vice-President for Africa at the Bank) rejects entirely the suggestion of interference by Georgieva's office.

Devarajan complained that Wilmer Hale's investigators omitted vital details of his account in their final report. Georgieva left the Bank in 2019 to become Managing Director of the IMF, distinguishing herself there by presiding over rapid disbursements of credits to developing economies in the early phases of the pandemic and then advocating for the issue of over US$650 billion worth of Special Drawing Rights, the IMF's reserve currency. That boosted liquidity at a crisis point for many developing economies.

On publishing the Wilmer Hale report, Malpass commented that it spoke for itself. It may do, but in ways that he didn't expect. Although the report contains innuendo about Georgieva, it has nothing to say about Malpass's influence over Saudi Arabia's 'Doing Business' ratings, which jumped 30 points on his watch in 2020. A year earlier, Malpass was one of the first high-profile international figures to visit Riyadh and praise the regime's economic management in the wake of the murder of **Jamal Khashoggi** in Saudi Arabia's consulate in Istanbul.

Namibia/Botswana

PROBE INTO SHOOTINGS OF 'POACHERS'

Botswana has formally registered an inquest through the courts to investigate the shootings of three Namibians and a **Zambian** by its army along a river border with Namibia last November.

The four were shot on suspicion of being poachers on the Botswana side of the Chobe River in a national park, sparking anger from Namibians who accuse Botswana of being heavy-handed in its anti-poaching operations and killing innocent fishermen.

The Namibians are up in arms about the Botswana army's shoot-to-kill policy, which they say has claimed 37 of their countrymen's lives in the past few years. But Botswana is standing firm on its anti-poaching drive, as it seeks to protect its wildlife and tourism industry.

The hearings, which will see 22 witnesses being called, six of them from Namibia, could be explosive, and potentially force President **Mokgweetsi Masisi** and his Namibian counterpart **Hage Geingob** to shift stances.

Geingob has been under pressure to act on the matter after being accused of appearing not to care for the lives of his countrymen. An inquest outcome that places fault on the Botswana army, on the other hand, could force a policy shift by Masisi on the shoot-to-kill policy that was made popular under former President **Ian Khama**.

Guinea

MINES MINISTRY CONTENDERS

One month into the coup that removed President **Alpha Condé** from power, Guinea's new military leader Colonel **Mamady Doumbouya** is keeping everyone guessing as to how a new government will look. Awaiting the appointment of a government, Doumbouya – who was formally sworn in as President on 1 October – has kept ministries ticking over by leaving them in the charge of their top civil servants, the secretaries-general.

The mining sector in particular would dearly like to know who will replace **Abdoulaye Magassouba**, who oversaw the biggest expansion of Guinea's bauxite sector since independence in 1958. His Secretary-General, **Saadou Nimaga**, looks the strongest candidate for the job.

Nimaga has been Secretary-General at the mines ministry since 2016 and worked as a legal advisor to several mining ministers for the previous eight years. Having survived three presidents, and being intimately familiar with the mining sector's numerous contracts, conventions and laws, he looks excellently qualified.

Nimaga has been leading the weekly virtual consultations that take place every Wednesday under one constantly recurring theme: continuity. This tallies well with Doumbouya's own message of continuity that he has been sending repeatedly, to reassure investors worried about contract reviews that tend to follow a change of government in Guinea.

Other names have been circulating, notably that of former mines minister **Ahmed Kanté**, currently running his own bauxite operation, and **Mamady Fofana**, who heads Soguipami, the company that runs the Guinean State's participation in mining operations.