

## KENYA: THE MYSTERY BEHIND THE LAMU ATTACKS—TERRORISM OR POLITICS?

By Dr. Stephanie M. Burchard

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Residents protest after attacks in Kibaoni. (Source: AP.)

Dr. Stephanie M. Burchard is a Research Staff Member in the Africa Program at the Institute for Defense Analyses.

## ENHANCING TRANSPARENCY OR INCREASING ADMINISTRATIVE BURDENS: DODD-FRANK IN AFRICA

By Dr. Ashley Neese Bybee

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”) is best known as the U.S. Congress’s attempt to reform the U.S. financial system in response to the 2008 financial crisis. Sections 1502 and 1504, however, contain provisions that have implications for Africa. Designed to stop trade in conflict minerals and promote transparency in the extractive industries sector, this legislation is widely supported by watchdog groups and organizations that focus on public oversight of natural resources. The legislation also has its detractors, who argue that the provisions are having unintended and negative consequences on those communities the law was designed to protect, while putting administrative burdens on U.S. firms operating in the Africa’s extractive sectors. [more...](#)



A Congolese miner sifts through ground rocks to separate out the cassiterite, in the town of Nyabibwe, eastern Congo, a once bustling outpost fueled by artisanal cassiterite mining. (Source: AP Photo/Marc Hofer.)

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### About IDA

The Institute for Defense Analyses is a non-profit corporation operating in the public interest.

IDA’s three federally-funded research and development centers provide objective analyses of national security issues and related national challenges, particularly those requiring scientific and technical expertise.

IDA’s Africa team focuses on issues related to political, economic, and social stability and security on the continent.

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Residents protest after attacks in Kibaoni. (Source: AP.)

## Who is Responsible?

On June 15, two trucks full of masked assailants descended upon Mpeketoni. The assailants, who according to reports [spoke Somali and waved al-Shabaab flags](#), fired their AK-47s into crowds watching the World Cup, slit throats, and burned down large portions of the town. They attacked a bank, two hotels, and the police station. The siege lasted for more than 10 hours before the attackers absconded to a nearby forest. At least [48 people](#) were reported killed by the attackers. Majembeni, located just outside of Mpeketoni, was [attacked](#) a few nights later, and an additional eight to 15 were killed. One week later, an attack in neighboring [Witu](#) claimed the lives of five people.

Many believed the attacks bear some of the hallmarks of al-Shabaab, and, indeed, [the group did claim the attacks](#) to be retribution for the presence of Kenya Defense Forces (KDF) in Somalia. In a surprising twist, however, the government of Kenya stated that the attacks were not terrorist acts but rather an expression of ethnic violence orchestrated by local politicians. Because of the vagueness of the accusation, immediate speculation by the Kenyan press identified the opposition coalition [CORD](#) as the most likely “local politicians” being implicated. But several days later, the governor of Lamu, Issa Timamy, was arrested by the police. Timamy is a member of the opposition UDF, but not CORD. For a brief time before the 2013 election, the UDF found itself allied with Uhuru Kenyatta’s TNA [The National Alliance] until a dispute over who would run as president led to a falling out between Kenyatta and UDF leader Musalia Mudavadi.

Timamy is the only member of his party to win a gubernatorial seat. He defeated TNA candidate Fahim Twaha in the 2013 election, but [Twaha challenged Timamy’s win in court](#). A municipal court found that the election was marred by irregularities and called for a fresh election to be held in December 2013. On appeal, however, Timamy’s victory was upheld and the by-election canceled. Since then, Timamy, who is of the Banjuni ethnic group, has been accused of [ethnic favoritism](#) by his rivals, and members of the municipal county authority have [threatened in the past to impeach him](#). Timamy, [Mudavadi](#), and other [local leaders](#) have decried the arrest as baseless and politically motivated; they claim that the government will use his arrest as a pretense for taking over the county government. On June 30, a judge in Mombasa ordered Timamy [released](#) on bail from police custody.

## What’s at Stake?

These attacks all took place in Lamu County, located on the coast of Kenya, some 60 miles south of the border with Somalia. Lamu Old Town, located on the island right off the coast, is a historic city believed to be one of the oldest Swahili



settlements. It was a popular tourist destination until a [spate of kidnappings](#) believed to have been perpetrated by al-Shabaab in 2011 led to significant decreases in tourism.

Beyond its historic importance, Lamu figures prominently in the Kenyan government's plans for infrastructure development. It is the planned site of (1) a new airport, (2) a new seaport, billed as East Africa's largest, and (3) the endpoint of an oil pipeline connecting Kenya's neighbors to the Indian Ocean. These developments are components of [LAPSETT](#) [the Lamu Port, South Sudan, Ethiopia Transport Corridor]. A groundbreaking ceremony for the Lamu port was held in 2012, but financing arrangements for the port and other LAPSETT components are not yet fully in place. In addition, in mid-June [offshore deposits of oil](#) were discovered near Lamu.

To further complicate matters, land ownership has long been a source of contention along the coast. In Lamu, specifically, a settlement program in the 1960s and 1970s saw locals forcibly evicted and an estimated 10,000 Kikuyus given [preferential land allotments](#) at the behest of former president Jomo Kenyatta. More than 40 years later, there are lingering resentments over who are the rightful owners of these lands.

In sum, there is a lot at stake in Lamu, and a number of actors could benefit from the instability and chaos the recent attacks have brought. At the same time, insecurity is a particular vulnerability for this regime, which faces pressure from multiple sources, both international and domestic. On July 7, the CORD coalition and its leader Raila Odinga have planned a large rally and protest in Nairobi. Some observers are [concerned](#) over what exactly CORD has in store. Certainly, the government's handling of the twin issues of terrorism and insecurity will be on the agenda.

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A Congolese miner sifts through ground rocks to separate out the cassiterite, in the town of Nyabibwe, eastern Congo, a once bustling outpost fueled by artisanal cassiterite mining. (Source: AP Photo/Marc Hofer.)

## Section 1502, “Conflict minerals”

[Section 1502](#) requires companies registered with the U.S. Securities and Exchange Commission (SEC) to disclose whether their products contain conflict minerals. Specifically, cassiterite, columbite-tantalite, gold, and wolframite originating in the Democratic Republic of the Congo (DRC) and adjoining countries must be disclosed to the SEC. Where origins of minerals are not known, companies are required to describe what due diligence they have exercised on their supply chains to ensure they are not indirectly financing or benefiting armed groups in the DRC. Section 1502 is not an outright ban, the [theory](#) being that a value-chain verification process that “names and shames” guilty parties and the reputational risk associated with that will be enough to dissuade companies from obtaining their minerals in regions that warlords are known to control.

Reactions to this new requirement have been mixed. In October 2011, the [United Nations Security Council](#) noted that since the law was enacted, fewer revenues from minerals extraction were being used to fund conflict, in part because companies aspiring to be Dodd-Frank-compliant were not purchasing minerals from the conflict-ridden regions. The watchdog group [Global Witness](#) has sought to debunk what it considers to be fear-mongering and misconceptions about the legislation, particularly the claim that it places a *de facto* embargo on minerals from the DRC. In May 2013, however, a [group of experts](#) reported that because there is no system to verify that the sources of minerals from the DRC are conflict-free, Dodd-Frank has effectively created an embargo on the DRC. One [leading expert](#) on the DRC has also cited negative economic consequences of the law in eastern Congo, where up to 2 million miners were out of work, and there has been little improvement in the security situation.

## Section 1504, “Disclosure of payments by resource extraction issuers”

[Section 1504](#) requires companies registered with the SEC to publicly report how much they pay foreign governments for access to oil, gas, and minerals projects. The requirement includes disclosure of [all payments](#), including taxes, royalties, fees (including license fees), production entitlements, bonuses, dividends, and payments for infrastructure improvements. Given that many African countries are highly dependent on exports from these sectors, the burdens of this reporting requirement for their business dealings are potentially significant.

Reactions to this provision have also been mixed. A major bone of contention has been [defining the threshold](#) above which these payments must be disclosed. After it was set at \$100,000, a coalition of industry groups brought a lawsuit against the SEC [alleging](#) that the rule would impose unnecessary costs on U.S. firms, putting them at a disadvantage to foreign competitors who do not have such requirements, such as China.



## Unnecessary Administrative Burdens?

Others argue that such a provision is unnecessary, given the many existing initiatives also designed to promote transparency in extractive industries, including the [Extractive Industry Transparency Initiatives](#) (EITI), [Publish What You Pay](#), the [Kimberly Process](#) for the certification of diamonds, [OECD Due Diligence Guidelines](#), and the [IMF Resource Revenue Transparency Guidelines](#). The main difference is that compliance with Dodd-Frank is mandatory for SEC-registered firms, unlike the other programs, which are voluntary.

In June 2013, the European Union (EU) followed suit and passed a [law](#) requiring the disclosure of payments made to governments by resource-extraction companies. Other similar laws include the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, and the OECD Anti-Bribery Convention. FCPA prohibits U.S. firms from paying foreign government officials to attract or retain business (i.e., it prohibits bribes). The [level of detailed information](#) required by Dodd-Frank, however, is far greater than what is required by the FCPA. The disclosure required by Dodd-Frank includes the type, currency, financial period, business segments, and specific project associated with a payment. Even if greater transparency is achieved, providing this level of detail will likely require a significant investment in a compliance program to include more data collection, even for companies that already have stringent compliance programs in place. As a result, a cottage industry in Dodd-Frank compliance appears to be forming, with [law](#) and [consulting](#) firms offering their [services](#) to companies in the extractive industries that may not have sufficient expertise in house.

## Looking Ahead

It remains to be seen how effective these provisions will be in terms of depriving Congolese warlords of revenues and promoting transparency in extractive sectors. As Dodd-Frank is implemented and enforced, it will be important to monitor its effectiveness in central Africa and reconcile any unintended consequences. It will also be important to watch how the law is affecting U.S. firms and whether reporting requirements are impeding their ability to operate in Africa.

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## THE SOMALI CHARCOAL INDUSTRY—STRANGE BEDFELLOWS

By George F. Ward

Recently, the United Nations Environmental Program (UNEP) and Interpol jointly released a [study](#) on the global environmental crime crisis. One of the report's noteworthy findings is that worldwide revenue from forest crime, such as illegal logging, dwarfs that from more widely publicized wildlife crimes, such as trade in rhino horn. Unregulated and illicit trade in charcoal is a major form of forest crime. The report estimates that the unregulated charcoal trade in Africa involves the loss of at least \$1.9 billion annually to African economies. Revenues from the charcoal trade flow in several directions, including to militias and terrorist groups. Revenues from the charcoal trade are the primary source of income for al-Shabaab, the Islamist terrorist group in Somalia. A look beneath the surface at the charcoal industry in Somalia reveals an unusual and disturbing intertwining of interests among several parties, including terrorists, Gulf-state business interests, and the Kenyan government and armed forces. [more...](#)



In this Thursday Dec. 5, 2013 photo, workers fill plastic bags with charcoal believed to be from Somalia at a charcoal trading facility in Sharjah, United Arab Emirates. Charcoal from Somalia is prized in Gulf nations: Made from acacia trees, it's slow burning and gives a sweet aroma to the region's beloved grilled meats and waterpipes. It is also banned by the United Nations, because its shipments rake in millions of dollars a year for al-Qaida-linked militants. (Source: AP Photo/Kamran Jebreili.)

Ambassador (ret.) George F. Ward is editor of IDA's Africa Watch and a Research Staff Member at the Institute for Defense Analyses. He is a former U.S. ambassador to the Republic of Namibia.

## COALITION CRISIS SPARKS COUP RUMORS IN LESOTHO

By Alexander Noyes

On June 10, 2014, the prime minister of Lesotho and leader of the All Basotho Convention (ABC), Tom Thabane, [suspended](#) parliament in an effort to avoid a no-confidence vote. Thabane took this action amid allegations by his coalition government partners that he was violating the terms of the coalition that was [formed](#) between the ABC, the Lesotho Congress for Democracy (LCD), and several other smaller parties after the May 2012 national elections, in which no party gained a majority. On June 20, in an apparent attempt to prevent a military coup, the South African government [voiced](#) concern regarding "unusual movements" of troops in the capital city of Maseru. Although no coup attempt has materialized, the political crisis reveals that Lesotho remains troubled by politicized civil-military relations and weak parties. [more...](#)



Lesotho and South Africa. Source: The World Factbook (CIA, 20 June 2014), <https://www.cia.gov/library/publications/the-world-factbook/geos/lt.html>.

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## Trade in Somali Charcoal

Charcoal is not only the primary cooking fuel in Somalia, as in much of sub-Saharan Africa, it is also [especially prized in the Gulf states](#) for its quality. Made largely from the wood of acacia trees, it is slow burning and aromatic, imparting a sweet aroma to the region's grilled meats. Somalia's charcoal exports to the Gulf have long been carried by a fleet of dhows and small freighters plying the route between Kismayo and Barawe in southern Somalia and ports in the Gulf region such as Khasab, Oman, and Sharjah, United Arab Emirates. The ships often arrive in the Somali ports loaded with sugar, which is exchanged for the charcoal. In February 2012, the United Nations Security Council, concerned that the charcoal trade had become a significant source of revenue for al-Shabaab, passed a [resolution banning that trade](#) and calling on all nations to enforce the ban. Somali governments since the 1970s have also [banned](#) the export of charcoal. Unfortunately, the bans often have been ignored.

## Enter the Kenyans

A report submitted to the United Nations Security Council on July 12, 2013, by the Security Council committee established to monitor the situation in Somalia provided [extensive documentation](#) on the involvement of the Kenya Defense Force (KDF) contingent of the African Union Mission in Somalia (AMISOM), Somali militias, and al-Shabaab in continuing violations of the UN and Somali bans. According to the report, when troops of the KDF and members of the allied Ras Kamboni militia entered the port of Kismayo in southern Somalia on September 28, 2012, they found some 4 million sacks of charcoal worth at least \$60–\$64 million. Comparable stockpiles existed in other Somali ports, including the al-Shabaab-controlled port at Barawe. KDF commanders almost immediately began pushing for the temporary lifting of the ban, ostensibly to provide for one-time export of the stockpiles.

In reality, the KDF demand was cover for maintaining the charcoal export business indefinitely. Despite the UN's refusal to lift its ban and the continuing opposition of the Somali government in Mogadishu, KDF leaders and Sheikh Ahmed Mohamed Islam "Madobe," leader of the Ras Kamboni militia, took the unilateral decision to begin the export of charcoal from Kismayo. The UN Monitoring Group was able to determine that at least 1.5 million sacks of charcoal worth \$20–\$26 million were exported from Kismayo in November and December 2012. In addition, large quantities of charcoal were transferred by land to the al-Shabaab-controlled port of Barawe. The exports were taxed by both the Ras Kamboni militia and al-Shabaab. The exported stocks were immediately replaced by new production from al-Shabaab-controlled areas of southern Somalia, where a forested area was leveled. All told, the Monitoring Group estimated that the rate of charcoal exports rose beginning in November 2012 to a rate of 24 million sacks annually, with a market value of \$360–\$384



In this Thursday Dec. 5, 2013 photo, workers fill plastic bags with charcoal believed to be from Somalia at a charcoal trading facility in Sharjah, United Arab Emirates. Charcoal from Somalia is prized in Gulf nations: Made from acacia trees, it's slow burning and gives a sweet aroma to the region's beloved grilled meats and waterpipes. It is also banned by the United Nations, because its shipments rake in millions of dollars a year for al-Qaida-linked militants. (Source: AP Photo/Kamran Jebreili.)

million. This represented an [increase of around 140 percent](#) over the previous year. The new level of production would require 10.5 million acacia trees annually, implying the deforestation of 676 square miles and, as previously reported by Ashley Bybee in [Africa Watch](#), severe humanitarian implications for local communities.

## Strange Bedfellows

According to the recent [UNEP/Interpol report](#), the Somali charcoal export trade has not in the meantime diminished. Al-Shabaab earns somewhere between \$38 million and \$56 million annually from charcoal exports from Kismayo and Barawe. In addition, the group collects “taxes” from charcoal traders at roadblocks and checkpoints. At one roadblock alone, al-Shabaab is reported to have collected \$8–\$18 million annually.

The Ras Kamboni militia, which is currently allied with the KDF, was formerly associated with al-Shabaab. Like al-Shabaab, the Ras Kamboni militia shares in the income from charcoal exports and collects “taxes” at checkpoints and roadblocks. In Kismayo, the “Juba Business Committee” is dominated by Ras Kamboni. The members of the committee traded charcoal when al-Shabaab controlled the city and have continued since the KDF took over.

The consequence of these connections is a seamless network for the production and export of charcoal. The [UN Monitoring Group](#) noted the lack of any significant security incidents along routes on which checkpoints were variously controlled by al-Shabaab, Ras Kamboni, the Somali National Army, and the KDF. In human terms, the charcoal market is dominated by a small number of professional traders, around 70 in number, who are based in Kismayo, the Kenyan border town of Garissa, and Nairobi. These individuals act as brokers for larger traders based mainly in the United Arab Emirates. All the Somalia-Kenya based traders deal with al-Shabaab in one way or another, and some are representatives of that organization. Some of the principals in the charcoal trade in the UAE are also directly linked with al-Shabaab.

## Conclusion

This look into the mechanics of the Somali charcoal trade illustrates the complexity of the conflict in Somalia. Kenya, although formally a participant in AMISOM, which operates in support of the Somali national government, is also complicit in support of trade that provides income to al-Shabaab, its military opponent both inside Somalia and, increasingly, at home in Kenya. Since the charcoal trade is al-Shabaab's [primary income](#), it is not an exaggeration to posit that a portion of the resources used to carry out terror attacks in Nairobi and in Mombasa and other locations along the Kenyan coast is being generated with the acquiescence or even the cooperation of the KDF and Kenyan business interests. While al-Shabaab vows to continue its attacks on civilian targets inside Kenya as long as the KDF remains in Somalia, the self-interests of Kenyans inside the government, military, and business establishment will tend to prolong that deployment.

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Lesotho and South Africa. Source: The World Factbook (CIA, 20 June 2014), <https://www.cia.gov/library/publications/the-world-factbook/geos/lt.html>.

Lesotho is a small, landlocked country of 2 million that is surrounded entirely by South Africa. It is a parliamentary constitutional monarchy headed by the king, with a national legislature [consisting](#) of a 120-member national assembly and a 33-member senate. The country has an extended history of weak political parties and [frequent](#) floor crossings, particularly surrounding elections. It has also experienced pervasive military involvement in politics, with three successful [coups](#), in 1986, 1991, and 1994, and a mutiny in 1998 that led to intervention by South Africa and Botswana under the auspices of the Southern African Development Community (SADC). That said, since the late 1990s, [scholars](#) have noted Lesotho’s marked progress in building democratic institutions, establishing civilian control of the security sector, and reforming the military into a professional force.

Before elections in May 2012, former Prime Minister Pakalitha Mosisili [defected](#) from his party, the LCD, which had been in power for 15 years, and formed the Democratic Congress (DC). Although Mosisili’s party won a plurality of votes, no party was able to gain a majority, and the DC was left out of the current coalition, which came into office on June 8, 2012. After two fragile years in power, the coalition partners had a falling-out, [reportedly](#) because Thabane was acting unilaterally, refusing to consult other parties on key government appointments. While the parties were attempting to resolve their differences through mediation by the Christian Council of Lesotho, Thabane suspended government for nine months, with the blessing of the king. On June 12, 2014, Deputy Prime Minister and leader of the LCD Mothetjoa Metsing [announced](#) that his party would subsequently pull out of the coalition: “We have decided that we can no longer endure the humiliation that the Honorable Dr. Thabane is inflicting upon the LCD by his unilateral and undemocratic conduct. . . .”

In the midst of this uncertainty, SADC [launched](#) an initiative headed by Namibian President Hifikepunye Pohamba to mediate between the coalition parties and resolve the political crisis. South Africa also publicly communicated [concern](#) regarding the crisis and suspension of parliament. Given Lesotho’s small size and geographic location, South Africa has [historically](#) played a major role in the internal affairs of Lesotho, both politically and militarily. In addition, South Africa has strategic [water](#) resources in Lesotho—in South Africa’s 1998 intervention, [securing](#) the Katse Dam took priority over quelling unrest in the capital. South Africa’s recent statement also brought attention to an underreported (at the time) dimension of the current crisis: the role of the military. “The South African government has further noted with grave concern the unusual movements of the Lesotho Defence Force [LDF] Units in the capital, Maseru,” [read](#) the press release. Going further, South Africa [asserted](#) that it “will not tolerate any unconstitutional change of government in the region and Continent.”

According to a recent [report](#) from the Institute for Security Studies by Peter Fabricius, the “unusual movements” of the LDF resulted from an inter-service rivalry between the police and the army. [Reportedly](#), a police investigation into an attempted bomb attack on the homes of Thabane and the police commissioner in January 2014 revealed that eight military officers were behind the plot. Arrest warrants were issued, but Lieutenant General Tlali Kamoli, the LDF chief, blocked attempts to apprehend the suspects. Kamoli, appointed by former Prime Minister Mosisili, also reportedly has refused to salute the head of government. Fabricius [suggests](#) that Thabane grew to fear Kamoli to the extent that the prime minister requested help from South Africa to prevent a military coup.

While the coalition partners [announced](#) on June 21 they would resolve their differences and remain together through elections in 2017, a compromise agreement was [rejected](#) on July 4 on the grounds that it was too favorable to the LCD. Despite ostensible progress on democratic consolidation and security sector reform in Lesotho over the past decade and a half, the most recent crisis has revealed the persistence of weak parties, unstable civil-military relations, and dangerous rivalries between the police and the army. Regardless of the outcome of the present crisis, any lasting resolution to Lesotho’s political instability must include the strengthening of political parties and efforts to further depoliticize the country’s security sector. Shifting some oversight responsibilities to parliament and enforcing the 1995 defense [policy](#) outlining the apolitical nature of the LDF would be good first steps.

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## EBOLA OUTBREAK IN WEST AFRICA: MISTRUST, TRADITIONAL CUSTOMS, AND MISCONCEPTIONS FUEL THE FIRE

By Dr. Ashley Neese Bybee

In February 2014, Ebola [broke out](#) in Guinea's southeastern region of Nzerekore. By March, the virus had spread to [Liberia](#) and [Sierra Leone](#). As of July 12, the World Health Organization (WHO) [reported](#) 964 cases of the disease in West Africa, including 603 deaths, making this outbreak the [worst in history](#). With a death rate of approximately [60 percent](#), however, this particular strain of Ebola is not as deadly as those that have afflicted the Democratic Republic of the Congo (DRC) or Gabon, where death rates were closer to 90 percent. A number of factors unique to the Guinea-Liberia-Sierra Leone sub-region have facilitated this contagion: the proximity of the outbreak to urban centers, mistrust of public and foreign health workers, and traditional customs that bring people into direct contact with infected individuals. [more...](#)



March 28, 2014—Health care workers from Médecins Sans Frontières (Doctors without Borders) prepare isolation and treatment areas for their Ebola, hemorrhagic fever operations, in Gueckedou, Guinea. (Source: AP Photo/Kjell Gunnar Beraas, MSF, File.)

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## WOMEN AND BOKO HARAM: TARGETS AND OPERATIVES?

By Dr. Stephanie M. Burchard

The arrest of three women in early July for allegedly attempting to [recruit other women](#) into the ranks of Boko Haram suggests that women may be taking a more active role in the group's operations. From an ideological perspective, it seems unlikely that Boko Haram would enlist women to engage in direct terrorist acts: the group espouses traditional roles for women and prohibits them from receiving education. Nonetheless, Boko Haram's tactics have evolved significantly since it formed in the early 2000s, and the incorporation of women operatives may represent another adaptation by the group in its violent campaign against the Nigerian state. At the very least, the relationship between Boko Haram and women needs to be better understood because women now seem to be an integral part of the group's current strategy. [more...](#)



Protesters over kidnapping of Chibok girls hold vigil in Abuja, Nigeria in May 2014. (Source: AP)

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By Dr. Ashley Neese Bybee

In February 2014, Ebola [broke out](#) in Guinea's southeastern region of Nzerekore. By March, the virus had spread to [Liberia](#) and [Sierra Leone](#). As of July 12, the World Health Organization (WHO) [reported](#) 964 cases of the disease in West Africa, including 603 deaths, making this outbreak the [worst in history](#). With a death rate of approximately [60 percent](#), however, this particular strain of Ebola is not as deadly as those that have afflicted the Democratic Republic of the Congo (DRC) or Gabon, where death rates were closer to 90 percent. A number of factors unique to the Guinea-Liberia-Sierra Leone sub-region have facilitated this contagion: the proximity of the outbreak to urban centers, mistrust of public and foreign health workers, and traditional customs that bring people into direct contact with infected individuals.



March 28, 2014—Health care workers from Médecins Sans Frontières (Doctors without Borders) prepare isolation and treatment areas for their Ebola, hemorrhagic fever operations, in Gueckedou, Guinea. (Source: AP Photo/Kjell Gunnar Beraas, MSF, File.)

## This Ebola Strain

The Ebola strain currently afflicting West Africa is new and [believed](#) to be linked to human consumption of fruit bats carrying the virus. It has an incubation period of [two to three weeks](#), during which time an infected individual it is not yet contagious. [Transmission](#) is primarily through direct contact with bodily fluids of infected people, making family members of victims and health workers the [most vulnerable](#) to infection.

[The strain itself is not the deadliest](#), it is not particularly contagious, it doesn't disperse easily through the air, it doesn't live long on surfaces, and people don't typically spread it until they are already sick. Nevertheless, a host of other factors contribute to the rapid spread of the disease, the outbreak of which is the worst on record.

## Factors Contributing to the Rapid Spread of Ebola in Guinea, Liberia, and Sierra Leone

First, the [location](#) of this outbreak has facilitated its rapid spread. Unlike the sites of previous outbreaks, which were in remote regions of the DRC or Gabon, the [densely populated and relatively well-connected](#) subregion of Guinea, Liberia, and Sierra Leone has made [containment difficult](#). The first recorded outbreak was near [Gueckedou](#) in Guinea, which is not only a busy urban neighborhood but also a major trading hub near the borders with Sierra Leone and Liberia. This location has made isolating the virus practically impossible. To make matters worse, during the initial days of the outbreak, many rural dwellers [brought their infected family members](#) to cities in search of better medical care, unknowingly exposing urban populations to Ebola.

Second, efforts to contain the outbreak are being frustrated by the reluctance or refusal of family members to take infected persons to designated clinics. This problem stems from the widespread [mistrust of public health workers](#). Dressed in high-tech protective clothing that sometimes alarms patients and their families, these workers administer clinics from which the majority of entering patients do not leave alive. Some patients have [discharged](#) themselves from clinics, thereby increasing the risk of infection to the public. Many think the disease is the result of [witchcraft](#) and therefore cannot be treated by man. In some cases, family members have "freed" relatives from health clinics, [claiming](#) that they needed traditional healings instead of western medicine. In Sierra Leone, locals [burned down a treatment center](#) over fears that the medicines given to victims were actually causing the disease. In Guinea's southeastern Forest Region, villagers have [prevented medical workers](#) from entering their towns by blocking roads and destroying bridges.



After some of its workers were violently threatened by a group of men who believed foreigners had brought the disease, the [Red Cross no longer operates](#) in that region. In one Liberian town, health workers were [chased away](#) by locals wielding knives and throwing stones. In an effort to counter these actions, Liberia and Sierra Leone [have criminalized](#) the concealment of infected individuals.

Third, the traditional custom of washing the bodies of deceased family members before burial is unnecessarily exposing people to the virus. But allowing foreign medical workers to dispose of bodies in mass graves without bestowing traditional honors is [difficult to accept](#). In [one case](#) in Sierra Leone, police had to use tear gas to disperse crowds of family members that demanded the bodies of their sick relatives for customary burials.

## The international Community Responds

Low literacy rates and poor education systems make it difficult to educate West African populations on matters of public health. Unconventional means used by some activists to raise awareness include teaching [songs](#) that contain information on how to prevent infection and transmission. The United Nations Children's Fund (UNICEF) is delivering [culturally sensitive awareness messages](#) via text messages and radio.

Countries in the region have adopted measures to prevent the entry of the virus into their territories. [Mauritania](#) has closed most border crossings on the Senegal River; [Saudi Arabia](#) has suspended the issuance of visas to Muslim pilgrims from Guinea and Liberia; and [Morocco](#) has imposed mandatory health checks at various entry points, particularly the regional transportation hub of the Casablanca airport.

## Looking Ahead

[History](#) shows us that Ebola tends to recur once there has been an outbreak in a region. If properly studied and analyzed, this latest outbreak may offer opportunities for international health experts and local authorities to devise a long-term plan to control future outbreaks. A recent emergency [conference](#) in Accra convening health authorities from across the region was designed to formulate a regional, or at least common, approach to fighting the disease. The [strategy](#) will encompass better surveillance to detect Ebola cases, enhanced cross-border collaboration, closer cooperation with the WHO, greater resources dedicated to emergency response, and improved engagement with local communities. Based on lessons currently being learned from this outbreak, it appears that improved engagement with local communities will be the most important to containing its spread.

Having an effective communication and public education campaign at the ready—one that diplomatically debunks rumors and misconceptions while emphasizing the importance of treatment and containment—is imperative. Given the common cultural aversion to outsiders, this message may be best delivered by local elders, traditional leaders, and others who have the trust of local communities.

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# WOMEN AND BOKO HARAM: TARGETS AND OPERATIVES?

By Dr. Stephanie M. Burchard

The arrest of three women in early July for allegedly attempting to [recruit other women](#) into the ranks of Boko Haram suggests that women may be taking a more active role in the group's operations. From an ideological perspective, it seems unlikely that Boko Haram would enlist women to engage in direct terrorist acts: the group espouses traditional roles for women and prohibits them from receiving education. Nonetheless, Boko Haram's tactics have evolved significantly since it formed in the early 2000s, and the incorporation of women operatives may represent another adaptation by the group in its violent campaign against the Nigerian state. At the very least, the relationship between Boko Haram and women needs to be better understood because women now seem to be an integral part of the group's current strategy.



Protesters over kidnapping of Chibok girls hold vigil in Abuja, Nigeria in May 2014. (Source: AP)

## Women as Targets

The kidnapping of more than 270 schoolgirls from a boarding school in Chibok in April 2014 captivated the world's attention due to the audacity and barbarism of the attack, which was even [decried](#) by al Qaeda in the Arabian Peninsula. Shortly after the attack, Boko Haram leader Abubakar Shekau released a video in which he threatened to [sell the girls into slavery](#), with some interpreting this to mean sexual slavery. The fate of the girls is still in question. It is believed that Boko Haram intends to use the girls as leverage in its negotiations with the government over the release of its currently imprisoned members, but it is unclear what the group ultimately plans to do with the girls.

Boko Haram had previously focused its attacks on security installations and various soft targets, including churches and the UN headquarters in Abuja. In 2012, however, Shekau issued his first threat to target women and children specifically as [retaliation](#) for the kidnapping and imprisonment of wives and children of Boko Haram members. In 2013, Boko Haram began a spate of kidnappings that culminated in the Chibok attack.

## Why Target Women?

Attacks against women command the immediate attention of domestic and international audiences. The Chibok attack has been a persistent thorn in the side for President Goodluck Jonathan and has paid dividends to Boko Haram in terms of discrediting the Jonathan regime ahead of elections scheduled for February 2015. From a financial perspective, women can be used as sources of domestic labor and could be married off to members of the group. They could also be sold or ransomed to help finance the group. The downside is that attacks such as these severely undermine any [latent support](#) Boko Haram might enjoy from local populations.

## Women as Operatives?

Since 2013, there have been a handful of unsuccessful attacks [attempted by women](#) in Nigeria. Most recently, in June a [female suicide bomber](#) prematurely detonated an improvised explosive device outside a military barracks in Gombe state, killing herself and a soldier. The bomb was concealed under her hijab. The arrest of three women on charges of recruitment less than a month later suggests that women are becoming an important feature of Boko Haram's overall strategy. One of the women, Hasfat Bako, is believed to have [coordinated payments](#) for other operatives. Bako's late husband, Usman, was a member of Boko Haram killed in a [shoot-out with authorities](#). A man who was arrested in conjunction with Bako was reportedly using his involvement in the [Civilian Joint Task Force](#), a vigilante group, as a cover. (See May 1, 2014, Africa Watch for more on [vigilante groups in Nigeria](#).)



Women suicide bombers are an infrequent but [not unheard of](#) occurrence—from 1985 to 2006, [225 women committed suicide attacks](#) around the world. Female terrorists are more frequently found in separatist or far-leftist movements, as opposed to Islamic fundamentalist movements, which tend to advocate more traditional roles for women. But Boko Haram is a uniquely Nigerian phenomenon and has adapted its strategies frequently in response to its environment. While still claiming to be aligned with the larger Islamist movements, Boko Haram is only loosely affiliated with al Qaeda, and the extent of the financial and logistical support Boko Haram receives from outside organizations is unknown. Moreover, the group does not appear to be bound by the “norms” of combat to which a fundamentalist group cast in the mold of al Qaeda is expected to adhere.

The Chibok attack demonstrates that Boko Haram is not a static movement—its strategy is evolving—and there is no strict code of conduct for insurrection. If the group were to believe that a [significant tactical advantage](#) could be gained by the continued recruitment of women and the utilization of women operatives, attacks such as what took place in Gombe state could become more common.

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## FRANCE IN AFRICA—SETTING UP FOR THE LONG HAUL

By George F. Ward

During his three-day visit to the Ivory Coast, Niger, and Chad from July 17 to 19, 2014, French President François Hollande reinforced relationships that will support the next phase in France's campaign against Islamic terrorism in the sub-Saharan region of the continent. An indefinite commitment of around 3,000 French military personnel to the fight against Islamic militants was probably not what Hollande had in mind when he came into office [pledging to transform](#) his country's relations with Africa. Nevertheless, that is what the French president promised during his visit. France has set out to establish a regional bulwark against the terrorist threats that it sees emanating from Libya and Nigeria. The restructuring by the Hollande government of the French military presence in northwest Africa is a step in the direction of achieving this goal. [more...](#)



French President François Hollande is given a pineapple by well-wishers in Abidjan, Ivory Coast, Thursday, July 17, 2014. The French president had begun a three-day trip through West Africa, with stops in Ivory Coast, Niger, and Chad. (Source: AP Photo/Sevi Herve Gbekide.)

Ambassador (ret.) George F. Ward is editor of IDA's Africa Watch and a Research Staff Member at the Institute for Defense Analyses. He is a former U.S. ambassador to the Republic of Namibia.

## PROGRESS TOWARD NEW PEACE AGREEMENT AHEAD OF ELECTIONS IN MOZAMBIQUE

By Alexander Noyes

On July 16, 2014, *Africa Confidential* [reported](#) that a peace deal in Mozambique had been agreed to "in principle" between RENAMO (Resistência Nacional Moçambicana), the long-standing but slumping opposition party led by Afonso Dhlakama, and the ruling FRELIMO (Frente de Libertação de Moçambique) party. In March, FRELIMO [nominated](#) Defense Minister Filipe Nyusi, a close ally of current President Armando Guebuza, as its presidential candidate for elections scheduled for October of this year. Although a final agreement on a new peace deal has not yet been confirmed by other sources, there are signs of significant [progress](#) toward an accord. While these developments bode well for prospects of peaceful elections in October, they also are likely to further cement FRELIMO's hold on power. [more...](#)



A woman displays her hands to an election official to show that she has not previously voted, during municipal elections held in the city of Maputo, Mozambique, last November. (Source: AP Photo/Ferhat Momade.)

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### About IDA

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IDA's three federally-funded research and development centers provide objective analyses of national security issues and related national challenges, particularly those requiring scientific and technical expertise.

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French President François Hollande is given a pineapple by well-wishers in Abidjan, Ivory Coast, Thursday, July 17, 2014. The French president had begun a three-day trip through West Africa, with stops in Ivory Coast, Niger, and Chad. (Source: AP Photo/Sevi Herve Gbekide.)

## The New Security Architecture

The new French security architecture, which was announced just before Hollande's visit and solidified during the trip, will enable France to respond more effectively to multiple threats. The effort is named "[Operation Barkhan](#)," after a crescent-shaped dune in the desert. As announced by French Minister of Defense Jean-Yves le Drian, the operation will be implemented in partnership with five countries—Mauritania, Mali, Burkina Faso, Niger, and Chad. The last will host Operation Barkhan's headquarters. One thousand of the operation's 3,000 French troops will remain in northern Mali. The French operation in Mali, "Serval," will be closed out, with President Hollande, perhaps hyperbolically, stating that its mission has been "[perfectly accomplished](#)." In addition to ground forces, [Operation Barkhan](#) will have at its disposal fixed- and rotary-winged aircraft and unmanned aerial vehicles (UAVs). Chad and Niger will host fighter aircraft, and Niger will have UAVs as well.

## France's Military Presence in Africa

France has long maintained sizable military deployments in its former African colonies. Over time, these commitments came to be seen as symbols of the French way of doing business in Africa, known as *françafrique*. They were resented by many Africans and were a burden on the French treasury. It was in the interest of both France and Africa to wind them down. In 2008, Hollande's predecessor, Nicolas Sarkozy, [declared](#) in Cape Town: "France would not indefinitely maintain armed forces in Africa." By then, French plans to close bases and reduce forces, leaving only a foothold in Djibouti, were under way. This process came to a sudden halt in January 2013, when Islamic fundamentalist militias broke out of their safe haven in northern Mali and threatened that country's capital.

France's swift intervention with 4,000 troops saved the day, blunting the fundamentalists' advance and subsequently breaking their hold on the population centers of northern Mali. Soon after its initial successes in Mali, France began seeking a way out. Hollande came close to declaring victory in [his speech](#) in Bamako, Mali's capital, on September 19, 2013: "We have won this war; we have chased out the terrorists; we have secured the north ...." Despite Hollande's assertion, Al-Qaeda in the Islamic Maghreb (AQIM) and other groups, albeit reduced in numbers and military potential, remained in the northern part of Mali. Under the circumstances, France was able to reduce but not eliminate its military presence in Mali.

## Mali—A Problem, but Also a Symptom

France's problem in disengaging in Mali has at least three salient aspects. First, as Laurent De Castelli points out in a [recent article](#), the forces of AQIM were defeated, but the seed of a future resurgence survived. The smuggling and trafficking activities of AQIM and other Islamist groups have helped them penetrate deeply into the society and culture of northern

Mali, in several cases forming alliances with Tuareg groups. In some cases, these alliances have been strengthened by “familial solidarities”—Islamist leaders taking wives from Tuareg tribes. Constant pressure by French ground and air forces has been needed to prevent an Islamist resurgence.

Second, hoped-for alternatives to the French presence have not emerged. The United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) had reached [less than three-quarters](#) of its planned troop strength more than one year after its authorization by the UN Security Council. In terms of military potential, MINUSMA can garrison towns and cities, but lacks the mobility and aviation capabilities needed to operate in the deserts and mountains of northern Mali. Likewise, the Malian army, after some marginal improvements, demonstrated its lack of capability when it [lost 50 soldiers](#) in an engagement with Tuareg rebels at Kidal on May 17, 2014.

Third, Hollande is aware that the Islamist threat to the subregion will not be eliminated as long as Libya offers a sanctuary to AQIM and other groups. The French President emphasized this aspect during his trip, when [he said](#), “There are threats, notably from Libya. Military hardware has accumulated there, and without a doubt, terrorists are seeking refuge there.” Thus, the situation in Mali is a problem in itself, but also a symptom of a larger threat.

### **The Nigerian Connection**

Another powerful rationale for France’s regional approach to combating extremism is the increasing realization that this conflict has more than one front line. In addition to the Libyan sanctuary, AQIM, and associated groups in the north, the region must contend with Boko Haram, a uniquely Nigerian extremist organization that is now taking actions and forging alliances across national boundaries. France’s interests are directly at stake because Niger, the source of yellow cake uranium that provides [25 percent of France’s electricity](#), is sandwiched between Mali and Nigeria.

National interest was therefore doubtless a major factor in President Hollande’s convening of the [Paris Summit for Security in Nigeria](#) in the wake of the kidnapping of the Chibok girls by Boko Haram. The May 17 meeting produced little concrete action, but it did achieve agreement that Boko Haram is a regional threat that demands regional cooperation. At the summit, President Hollande [made this point](#) directly: “Boko Haram is a major threat for all of western Africa and now central Africa with proven links to AQIM and other terrorist organizations.”

### **Conclusion**

France is leading the way in constructing a bulwark against terrorism in West Africa. It is thereby protecting its national interests in a key region of the continent. One hopes that “Operation Barkhan” will prove effective not just as a French operation, but also in attracting the cooperation of the United States, Britain, and others.

The French strategy is bold and not without risks. Niger and Chad, the two countries most crucial in terms of basing arrangements, are currently stable, but each has a long history of political and military turbulence. Maintaining the coalition supporting Operation Barkhan and its basing and access arrangements will be challenging, requiring constant attention and skilled management by France.

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A woman displays her hands to an election official to show that she has not previously voted, during municipal elections held in the city of Maputo, Mozambique, last November. (Source: AP Photo/Ferhat Momade.)

FRELIMO and RENAMO fought a decades-long civil war that ended in 1992, but renewed clashes between RENAMO and the government in recent years have [threatened](#) the peace. As highlighted in the October 24, 2013, [edition](#) of *Africa Watch*, Mozambique has experienced a spike in political violence over the past two years between RENAMO and the government. Under the increasingly hardline leadership of Dhlakama, RENAMO fighters—who were never disarmed and demobilized after the war and [reportedly](#) number under 1,000—have clashed repeatedly with government forces. These skirmishes have led to [dozens](#) of deaths and [fears](#) of a relapse into civil war. This violence has also alarmed international companies operating in the country—as evidenced by Rio Tinto’s [suspension](#) of coal exports last July, which threatens to curtail Mozambique’s surging economic growth (the economy is currently forecasted to [grow](#) by 8.3 percent this year).

RENAMO remains the second largest political bloc in parliament, but its support has dropped significantly since the 1990s. RENAMO’s grievances against the government revolve broadly around a lack of access to state-based patronage networks and its failure to benefit from Mozambique’s rapid economic growth, which has been fueled by natural resource exploitation. Last year, Dhlakama [protested](#) that RENAMO “remains purely and simply excluded from the use of the riches that are the fruit of the peace which it helped to win and maintain during the past 20 years.” RENAMO’s specific grievances include unjust electoral laws that favor FRELIMO and a lack of high-level integration of RENAMO war veterans into the military.

Dhlakama’s recalcitrance, violent tactics, and boycotting of local elections in November 2013 have had a significant impact on the political landscape in Mozambique. RENAMO’s slumping popularity and disengagement from the political process gave political space and life to an [alternative](#) opposition party, the MDM [Movimento Democrático de Moçambique]. [Formed by Daviz Simango in 2009](#), the MDM performed well in last year’s municipal elections, [winning](#) in three of the country’s four largest cities and polling above 40 percent in Maputo, the capital.

After a number of unsuccessful rounds of negotiations between the government and RENAMO over the past year, recent breakthroughs have been made on a number of fronts. In February, an agreement was [secured](#) on reshaping the composition of the electoral commission. According to *Africa Confidential*, the July peace deal—which benefited from the presence of international observers from South Africa, Botswana, Namibia, Zimbabwe, Kenya, Italy, Portugal, and the United States—[includes](#) provisions for disarming and reintegrating RENAMO fighters into civilian life and into the military, as well as for the political neutrality of both the armed forces and the state as a whole. It is not clear whether the deal will provide RENAMO with access to state patronage resources or whether Dhlakama will be given a formal title.

It appears MDM's rise in popularity, FRELIMO's electoral maneuvering, and RENAMO's change of [tactics](#) away from election boycotts have all contributed to this recent progress on a deal between FRELIMO and RENAMO in the lead-up to elections. Because a split of the opposition vote between the MDM and RENAMO would benefit FRELIMO, the ruling party has been more willing to concede to RENAMO demands during negotiations and [reportedly wanted](#) Dhlakama and RENAMO to reengage and run in upcoming polls to divide the opposition vote. This strategy, of course, would not be possible if Dhlakama and RENAMO had decided against changing their hardline tactics and reversing their self-imposed exile from electoral politics. Progress toward a peace deal in Mozambique decreases the risk of electoral violence in October. That said, barring a unity coalition between the MDM and RENAMO, which seems [unlikely](#), an agreement is also likely to help the ruling party maintain and consolidate its political power.

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## ISLAMIC FINANCE GAINING MOMENTUM IN AFRICA

By Dr. Ashley Neese Bybee

In recent years, several northern African and sub-Saharan African countries have announced plans to develop their Islamic financial sectors to attract a new class of wealthy investors. Although Islamic banks and financial institutions exist in some African countries, more governments are now looking to offer investment opportunities for investors who wish to respect Sharia, which forbids interest-bearing products. Among these products, sukuk—the Islamic equivalent of bonds—appear to be gaining momentum in North Africa as well as in some sub-Saharan countries. [more...](#)

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## ZANZIBAR: A POWER SHARING SUCCESS STORY?

By Alexander Noyes

Power-sharing accords, or governments of national unity (GNUs), have been used in Africa to resolve a variety of civil conflicts, with more than [one-third](#) of the countries adopting some form of GNU. Most recently, both [South Sudan](#) and the [Central African Republic](#) have experimented with the approach over the past year and a half. Although popular among regional and international mediators, the mixed record of GNUs in Africa, such as the cases of Angola and Zimbabwe, have led many academics to be [critical](#) of power-sharing, citing its questionable effectiveness, [elite-driven](#) character, lack of accountability, and negative consequences for democratization. According to [two](#) recent [studies](#), Zanzibar's recent experience with a unity government may provide a more optimistic power-sharing story, suggesting that—under certain conditions—power-sharing can be effective, at least in the near term. [more...](#)



One of the supporters of ruling party Chama Cha Mapinduzi (CCM) wears a flag of Amani Karume, as Tanzanian President Benjamin Mkapa addresses them during his farewell visit to the island on October 28, 2005, during an election rally in Zanzibar. (Source: AP Photo/Karel Prinsloo.)

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## Background

Sharia, Islamic religious law, prohibits the practice of collecting interest and stipulates that financial transactions must relate to a [tangible economic activity](#). This effectively prohibits investment in traditional bonds and other interest-bearing financial products. Sukuk securities, however, are Sharia-compliant financial certificates through which investors share in the profits of the asset or activity being financed. They are most often used by Muslim investors to finance infrastructure projects, which are clearly considered a tangible economic activity.

Historically, sukuk issuers have hailed from Southeast Asia ([Malaysia and Indonesia](#)) and some [Gulf States](#). Until very recently, only [Sudan](#), [Gambia](#), and [Osun state in Nigeria](#) issued sukuk in Africa. As of the time of this writing, however, Senegal is about to conclude its [inaugural sukuk issuance](#). [South Africa](#) appears to be the next country likely to follow suit, having announced its plan to issue sukuk later this year. [Egypt, Kenya, Morocco, Tunisia, and Uganda](#) are in various phases of completing the necessary legal and regulatory frameworks and have stated their intention to issue sukuk in the near future.

## Why Issue Sukuk?

Global Islamic financial assets are estimated to be approximately [\\$1.3 trillion](#), with a growth rate of at least 20 percent. Issuing sukuk would allow African nations to tap into this capital by attracting a new class of wealthy Middle Eastern investors whose faith dictates that they invest in only Sharia-compliant products. In issuing sukuk, African nations could provide one way to [fund](#) the approximately [\\$90 billion](#) per year of needed infrastructure improvements that currently exist throughout Africa. Sukuk could also help to offset fiscal and [current account deficits](#) that are [present](#) in many African countries. It would also allow Islamic banks and financial institutions to [improve their liquidity](#). In the case of [Morocco](#), the ruling Justice and Development Party—a moderate Islamist party that came to power in 2011 following the economic turmoil in Europe—has placed great emphasis on attracting Middle Eastern investors and plans to [issue sukuk](#) as one way to appeal to them. For investors, sukuk issuances in Africa provide a means to diversify their portfolios geographically while adhering to Sharia. It also increases the [range of credit exposure](#) that they might carry.

## Challenges to Overcome

The experiences of countries with more mature Islamic financial markets offer some valuable lessons for African countries looking to do the same. First, if sukuk are to become a viable financing option for development projects in Africa, countries will need to ensure that they have [appropriate financial infrastructures](#) in place to handle the complexities and nuances associated with Islamic finance. Through its Banks and Other Financial Institutions Act, [Nigeria](#) has already established various rules and regulations relating to Islamic banking and set up a national Sharia advisory board to ensure all Islamic financial activity adheres to Sharia. Second, if prospective investors are to be attracted, it is essential to ensure sukuk receive the same treatment from tax and regulatory perspectives as traditional bonds. South Africa has [amended its Taxation Law](#) to ensure sukuk returns are taxed in a similar manner as equivalent interest-bearing financial products. Third, governments need to ensure that there are a sufficient number of qualified personnel with experience in Islamic finance to handle these transactions. The [central banks](#) of Nigeria, Tanzania, and Uganda have already sent personnel to the UAE and Malaysia to train and build expertise in the field of Islamic banking. Finally, to be most effective, Islamic financial products must be attractive to [all investors](#), not just



Muslims. In [Malaysia](#), where Islamic financial products account for one-quarter of banking assets and enjoy strong government support, the sector has attracted a significant pool of non-Muslim customers.

### Looking Ahead

It is logical for Africa to become the new frontier for Islamic banking, given [projections](#) that its Muslim population, which currently stands at approximately 240 million, will grow by nearly 60 percent in the next 20 years. [Standard and Poors](#) has reported a favorable outlook for sukuk financing in the coming years, especially in [Africa](#), where huge infrastructure needs, coupled with the rise of moderate [Islamist parties](#) in North Africa, such as the [Justice and Development Party in Morocco](#) or [Ennahda in Tunisia](#), have put the development of Islamic finance on their governments' agendas.

If African capital markets are in their infancy, Islamic finance is only embryonic. It appears, however, that governments are recognizing the need to develop this financial alternative, including providing Sharia-compliant opportunities for wealthy Middle Eastern investors. Moreover, it is encouraging that Africans are responding to development needs and demographic shifts with innovative tools to accommodate both. Foreign partners ought to commend this initiative and assist with the legal, regulatory, and political challenges that lie ahead.

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# ZANZIBAR: A POWER SHARING SUCCESS STORY?

By Alexander Noyes

Power-sharing accords, or governments of national unity (GNUs), have been used in Africa to resolve a variety of civil conflicts, with more than [one-third](#) of the countries adopting some form of GNU. Most recently, both [South Sudan](#) and the [Central African Republic](#) have experimented with the approach over the past year and a half. Although popular among regional and international mediators, the mixed record of GNUs in Africa, such as the cases of Angola and Zimbabwe, have led many academics to be [critical](#) of power-sharing, citing its questionable effectiveness, [elite-driven](#) character, lack of accountability, and negative consequences for democratization. According to [two](#) recent [studies](#), Zanzibar's recent experience with a unity government may provide a more optimistic power-sharing story, suggesting that—under certain conditions—power-sharing can be effective, at least in the near term.



One of the supporters of ruling party Chama Cha Mapinduzi (CCM) wears a flag of Amani Karume, as Tanzanian President Benjamin Mkapa addresses them during his farewell visit to the island on October 28, 2005, during an election rally in Zanzibar. (Source: AP Photo/Karel Prinsloo.)

Zanzibar is a semi-autonomous island region of Tanzania, consisting mainly of the two islands of Unguja and Pemba. Nearly two decades of political polarization between the ruling Chama Cha Mapinduzi (CCM) party and the Civic United Front (CUF), the main opposition party, followed the introduction of multiparty politics in [1992](#). Elections in 1995, 2000, and 2005 featured varying levels of violence, intimidation, and allegations of vote rigging levied by the opposition, along with several failed [attempts](#) at post-election power-sharing and reconciliation in 1999 and 2001. Building on a failed [third](#) attempt for a deal between the two parties in 2007–8, the leaders of CCM and CUF—Amani Abeid Karume and Seif Shariff Hamad—in November 2009 finally agreed in principle to form a power-sharing government, regardless of the outcome of upcoming elections.

A bill formalizing the accord was pushed through the House of Representatives by Karume and Hamad in January 2010, and a [referendum](#) on the deal passed with more than 66 percent of votes in July 2010, giving the power-sharing agreement popular legitimacy in the run-up to elections. After the referendum, a constitutional amendment was passed, [stipulating](#) that the second-place finisher would become first vice president and a cabinet (Revolutionary Council) would be formed on a proportional basis. After the first relatively free and fair [elections](#) in Zanzibar's history were held in October 2010, the two parties formed the unity government, with Hamad installed as first vice president and [nine](#) of the 19-member cabinet hailing from the CUF.

According to [two](#) recent [studies](#), which are buttressed by local [reports](#), it appears that overall, the power-sharing agreement has ushered in a new, relatively peaceful era in Zanzibar's politics, with the last three-plus years under the unity government characterized by strong cooperation between CCM and CUF and a notable decrease in political tensions. A 2014 study by scholars Aleq Soud Nassor and Jim Jose [published](#) in the *Journal of Southern African Studies* claims that since the power-sharing accord, "there has been a considerable reduction in tension between the two parties and a degree of cooperation not present before 2010, along with a noticeable increase in transparency of political decision-making, freedom of expression, and political stability." A 2012 study by Archie Matheson [published](#) in the *Journal of Eastern African Studies* makes similar assertions, noting, "the political situation in Zanzibar has undergone a staggering transformation," and arguing that the GNU has "improved both democratic practices and community relations."

As evidence for these claims, both studies point to policy [changes](#) on the price of cloves, an important cash crop for Zanzibar's economy, and on oil and gas exploitation (previously contentious issues), as well as the strength of "[backbenchers](#)" in the legislature working across party lines. Despite high-level [disagreements](#) in the GNU sparked by Hamad's 2012 declaration in favor of increased sovereignty for Zanzibar, Hamad himself has given credence to the



optimistic findings of the two studies. In 2012, he [noted](#): “Unlike in other countries such as Kenya and Zimbabwe, here the top leadership is working very, very closely together. The President, myself, the Second Vice President, we always consult.” A 2013 local newspaper report in the Citizen also observed advancements under the GNU, [arguing](#) that “we are beginning to see the end of the precipitous and divisive plural politics.”

Some accounts of the GNU's success may be overly sanguine, as the unity government faces a number of enduring challenges that could derail progress, including a [politicized](#) civil service and security sector, [land disputes](#), high commodity prices, and the rise of a nascent radical Islamist [group](#), the Association for Islamic Mobilization and Propagation (UAMSHO). UAMSHO has gained traction over the contentious issue of independence from Tanzania and was blamed for acts of political violence that [broke](#) out in 2012. A further challenge to the current GNU could come from slumping popularity of the CUF, as some CUF supporters are [unhappy](#) with the party's decision to join the GNU and could defect to other [rising](#) opposition parties, such as Chama cha Demokrasia na Maendeleo (CHADEMA).

Despite such challenges, the GNU has undeniably improved Zanzibar's political landscape in the near term, reducing political tensions and lessening the risk of election-related violence in polls scheduled for 2015. It appears that broad popular support for a GNU and high levels of elite cooperation have played central roles in bringing about such progress. These developments suggest that under certain conditions—namely, where power-sharing is legitimized by a referendum and the major political parties stand to gain from, and are genuinely committed to, working together—power-sharing government can be effective in fostering political stability, at least in the near term.

That said, Zanzibar's more permanent form of power-sharing, as opposed to a transitional accord, is particularly vulnerable to a number of potentially harmful long-term costs, such as party strength, competition, and political accountability being [weakened](#), all factors that could undermine the democratization process in Zanzibar in the future. Reduced electoral accountability is a particular concern. With voters unable to distinguish between party preferences and performance, the GNU could diminish political accountability and the power of elections, with resulting negative consequences for Zanzibar's long-term democracy-building project. Another lesson from Zanzibar may therefore be that transitional, instead of permanent, GNUs could be more effective mechanisms, benefiting from the short-term gains outlined above, but avoiding some of the more harmful long-term costs.

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## ELECTIONS AND TECHNOLOGY: PUTTING THE CART BEFORE THE HORSE

By Dr. Stephanie M. Burchard

Between September 2013 and December 2016, more than half the countries in sub-Saharan Africa will be conducting national-level elections. In a move to improve the conduct of elections, several countries have adopted innovative and technologically reliant methods of voter registration and balloting. Countries such as Sierra Leone, Ghana, the Democratic Republic of Congo, and Tanzania have all introduced biometric technology, which uses fingerprints or other individual identifiable markers, to prevent voter fraud and, it is hoped, to promote peaceful elections. The electoral experience in Kenya should serve as a cautionary tale, however. In the rush to embrace technological innovations to protect the integrity of the vote, countries may do as much harm as good, especially if the requisite infrastructure is lacking. [more...](#)



A Kenyan woman identifies herself using biometric voter registration technology during the 2013 election. (Source: AP)

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## INCREASING AFRICAN DEBT: A CAUSE FOR CONCERN?

By George F. Ward

Worldwide demand for “frontier-market” debt has continued over the past several months, with investors seeking the best possible returns in a world of generally low interest rates. In this situation, several African countries have successfully issued international sovereign debt on favorable terms. At the same time, two African nations, both of which had recently issued sovereign bonds, have sought the help of the International Monetary Fund (IMF) to deal with current-account problems. These and other examples illustrate the increasing complexity of the African macroeconomic picture, in which conditions vary significantly from country to country. Drawing conclusions continent-wide is a hazardous business. Nevertheless, it is worth asking the question of whether increasing government debt poses a challenge to the African growth story. [more...](#)



Abuja, Nigeria. Ngozi Okonjo-Iweala, Nigeria Finance Minister, left, and Christine Lagarde, International Monetary Fund Chief, right, during her first visit to Africa as head of the IMF. (Source: AP Photo/Godwin Omoigui.)

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### About IDA

The Institute for Defense Analyses is a non-profit corporation operating in the public interest.

IDA's three federally-funded research and development centers provide objective analyses of national security issues and related national challenges, particularly those requiring scientific and technical expertise.

IDA's Africa team focuses on issues related to political, economic, and social stability and security on the continent.



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## Elections and Technology

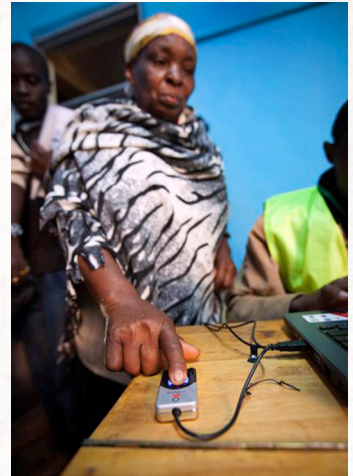
In the wake of several problematic and destabilizing electoral events, such as the crisis in Côte d'Ivoire following the 2010 election and the post-election violence in Kenya in 2007, there has been a demand from various sectors (e.g., incumbent governments, opposition politicians, and civil society) in many different countries to improve election management. In a [recently released volume of case studies](#), Mike Yard discusses the ways in which technology can be used to improve the transparency of the electoral process and prevent fraud, which presumably should reduce incentives for electoral violence. Biometric voter registration (BVR) adds voters to the rolls using unique identifying information such as thumbprints. This information is then used to verify the identity of voters on Election Day. BVR is meant to reduce electoral fraud by preventing such offenses as repeat voting and ballot stuffing. Properly designed and implemented, BVR can allow polling officials to quickly access a database of registered voters and ensure that those participating in the election are who they say they are and are casting their ballot at the proper polling station.

In addition, technology can provide immediate, real-time data to authenticate the vote (i.e., ensure that vote totals do not exceed the number of registered voters), facilitate the transmission of ballots from polling stations, and increase the speed of the vote tabulation. This technology is meant to improve transparency and to expedite the voting process, especially as delays in the announcement of results may be perceived as evidence of electoral malfeasance. In fact, many believe that the delay in announcing the results of the 2007 Kenyan presidential election was one of the [main triggers](#) that led to the cascade of violence that resulted in more than 1,300 deaths and 600,000 displaced.

## Potential for Problems

As a response to the 2007 post-election violence, Kenya initiated several different reforms ahead of its 2013 elections to improve the credibility of results. In addition to a new constitution and a devolved structure of government, Kenya [adopted BVR and decided to rely on the electronic transmission of provisional votes](#) to deliver the results in a timely fashion.

The registration process, conducted over a 30-day period in late 2012, resulted in more than 14 million registered voters. On Election Day, however, technology failed in a spectacular way. Neither the BVR system nor the electronic transmission of votes functioned adequately. The BVR system required electricity that was often not available, and the servers crashed at the national tallying center for the electronic transmission of votes. After spending more than \$95



A Kenyan woman identifies herself using biometric voter registration technology during the 2013 election. (Source: AP)

million on these and other election-related technologies, Kenya was forced to resort to a manual tally of votes. Similarly, Ghana spent [\\$45 million](#) on BVR before the 2012 election only to have many of the [electronic fingerprint readers fail](#) on Election Day, which forced a second day of polling.

Kenya's official election results were not announced until March 9, 2013, five days after Election Day. To date, the electoral commission has not released the [complete results](#) of the election for [every polling station](#). Compounding voter frustration, an ongoing audit of the BVR procurement process revealed that the government overpaid by several million dollars due to [mismanagement of the process](#) by members of the electoral commission.

Influenced by events in Kenya, Malawi announced in late March 2013 that it was [abandoning BVR](#) for the 2014 election but hoped to be ready to implement it before the 2019 election. The Malawi electoral commission stated that it simply wasn't prepared for such an exercise. The electoral commission's lack of capacity was demonstrated in the poorly managed 2014 elections. Many paper voter lists and ballots were delivered late, causing polling stations to remain open for an additional two days to allow all registered voters to cast their ballots. It took more than a week for officials to tally the vote and declare Peter Mutharika the victor over incumbent president Joyce Banda. During this time, [scores of protests and riots](#) took place, and at one point the incumbent Banda threatened to [annul the elections](#) and restart the voting process. Ultimately, Malawi's High Court stepped in and ruled that a recount was necessary but that Banda did not have the constitutional authority to annul the results. Had the electoral commission gone through with its initial plan to adopt BVR, the lack of electrical power and poor infrastructure in many of the rural parts of the country would probably have compounded the problems. Nigeria also considered adopting BVR for its 2015 elections but came to a similar conclusion, deciding that it was [not yet ready](#) for such a complex and expensive exercise. Other plans for BVR are going forward. Amid controversy over the cost, estimated at between \$89 and 117 million, Tanzania is scheduled to roll out [its biometric voter registration process](#) in September.

Any technological advancement that improves the transparency and efficiency of the vote process is laudable; however, there are no quick fixes. Good elections take time, effort, education, infrastructure, and the involvement of multiple stakeholders committed to protecting the process. BVR and other technological innovations may be attractive to countries seeking to improve the conduct of elections, but inadequate preparation by already over-extended electoral commissions is a recipe for electoral disaster. The types of technologies adopted by Kenya, for example, should have been accompanied by extensive preparation, training, and testing. Testing would have revealed that Kenya's infrastructure—many polling stations did not have sufficient electricity to power the poll books, and the SMS relay system became overloaded very soon after voting began—was [inadequate](#) and incapable of handling the needs of an electronic election process. The 2013 election was an expensive lesson that other countries need not repeat. Instead of relying on technology to improve the conduct of elections, countries might be better served by embarking on more modest programs, such as grassroots civic education or training domestic electoral observers. In addition, a realistic assessment of the country's infrastructure, including power and information and communications technology, must be conducted before new methods of registration and balloting are implemented.

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# INCREASING AFRICAN DEBT: A CAUSE FOR CONCERN?

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Worldwide demand for “frontier-market” debt has continued over the past several months, with investors seeking the best possible returns in a world of generally low interest rates. In this situation, several African countries have successfully issued international sovereign debt on favorable terms. At the same time, two African nations, both of which had recently issued sovereign bonds, have sought the help of the International Monetary Fund (IMF) to deal with current-account problems. These and other examples illustrate the increasing complexity of the African macroeconomic picture, in which conditions vary significantly from country to country. Drawing conclusions continent-wide is a hazardous business. Nevertheless, it is worth asking the question of whether increasing government debt poses a challenge to the African growth story.

## African Thirst for Credit Unquenched

In November 2013, [an article](#) in *Africa Watch* noted that 11 sub-Saharan African countries had accessed international sovereign bond markets in the last decade. A total of 20 African countries had obtained sovereign credit ratings, making them potentially eligible to seek international funding. Although the pace of new sovereign debt sales has slowed somewhat in 2014, Kenya has joined the list of issuers, [raising \\$2 billion](#) on the international market.

Despite the slowdown in international borrowing, overall sub-Saharan African government debt is projected to rise sharply this year. According to Standard and Poors Ratings Services, the [total commercial and concessional debt stock](#) will rise in 2014 to \$392 billion, up \$50 billion, or 14.6 percent, from 2013. Most of the commercial borrowing will be in local currencies. In addition to commercial borrowing in local currency and dollar-denominated Eurobond markets, African countries access concessional lending from development banks, China, and other donors. As noted in the last edition of *Africa Watch*, several countries are issuing or considering the issuance of [Islamic financial instruments](#), or sukuk.

## Debt—How Much Is Too Much?

At first glance, the percentage rise in total debt stock from year to year seems high, even compared to the generally relatively rapid 4 to 5 percent [growth rates](#) recently experienced in Africa. Already in mid-2013, one noted economist, [Joseph Stiglitz](#), was saying in a co-authored article, “Evidence of either irrational exuberance or market expectations of a bailout is already mounting,” and “signs of default stress are already showing.” Sweeping judgments such as these remain in the minority, however, and country-by-country differentiation is certainly called for.

Overall, the [IMF points out](#), the fiscal balances of African governments have changed only incrementally since 2009. From 2007 to 2013, the interest payment-to-revenue ratio grew from 6.4 percent to 7.7 percent. According to Standard and Poors, the average country credit rating in Africa has [declined](#) since 2009, but only moderately. According to the IMF, [Local Currency Bond Markets](#) (LCBMs) are still in an early stage of development in Africa. The IMF study reports that the stock of government bonds as a percentage of GDP is 14.8 percent in Africa, much lower than in other developing, emerging, and advanced countries. In macro, continent-wide terms, the African debt load does not seem to be a problem.



Abuja, Nigeria. Ngozi Okonjo-Iweala, Nigeria Finance Minister, left, and Christine Lagarde, International Monetary Fund Chief, right, during her first visit to Africa as head of the IMF. (Source: AP Photo/Godwin Omoigui.)

## It's Not the Debt, but What You Use It For

In its most recent review of the [economic outlook for sub-Saharan Africa](#), the IMF acknowledged that debt indicators in most countries remain benign. The Fund noted, however, that the number of countries with increasing debt-to-GDP ratios had risen from 25 in 2010 to 31 in 2013. In some instances, increasing debt may be sustainable, especially when new natural resource discoveries are expected to boost future revenues.

That said, the IMF found that a number of countries, particularly Ghana and Zambia, had undertaken excessive fiscal expansions partly financed by borrowing on the international markets. In both countries, the IMF noted that government spending had been growing unsustainably, producing large government deficits financed by debt. In both countries, large increases in the wages of public-sector workers were driving the deficits. The IMF also noted that countries such as Nigeria, Malawi, Cape Verde, the Gambia, and the Seychelles were also accumulating debt amid rising pressures for government spending, leaving them limited room to maneuver.

The deputy head of the Africa department of the IMF, Abebe Aemro Selassie, effectively summarized the situation of these countries in an April [interview](#) with the *Financial Times*: "The time to fix the roof is now. Growth has recovered to pre-crisis levels, however, the fiscal deficit stance is akin to the one that countries put in place during the crisis. We are cautioning of the need to revert to smaller deficits." The following month, Christine Lagarde, the IMF Managing Director, [warned African finance ministers](#) that increasing interest rates on the international markets were another reason to avoid fiscal deficits.

### Ghana and Zambia Seek Help

The accuracy of the IMF's warnings was demonstrated in June, when Zambia requested [discussions with the IMF](#), with the objective of arriving at an economic program and a funding arrangement. Zambia's problems include its fiscal deficit, 20 percent depreciation of its currency, decline in the price of copper (its key export commodity), and rising inflation. These factors have made servicing of its sovereign foreign debt more costly.

Ghana's problems, which were [highlighted](#) in *Africa Watch* in February 2014, were somewhat similar. According to [Bloomberg](#), its current account deficit is likely to exceed 10 percent of gross domestic product this year, and its currency has declined 36 percent against the dollar. Inflation rose to 15 percent in June, increasing the cost of both goods on the market and government borrowing. The wages of state workers have ballooned to constitute almost 70 percent of tax revenues. Despite the flow of oil revenues, these circumstances dictated that Ghana also seek the help of the IMF, and in early August, President John Dramani Mahama instructed his economic team to open talks with the IMF.

### Conclusion

Although the fiscal and debt trends in many African countries are headed in the wrong direction, a widespread debt crisis is not foreordained. The fact that two countries viewed to some degree as African success stories are now experiencing problems may have a positive aspect. If, with the help of international institutions, Ghana, Zambia, and perhaps others are able to cope with their debt and deficit problems, others may learn from their examples and change course before additional problems arise. The message to other African countries from the Ghanaian and Zambian examples is clear: get your government budget in order to avoid deficit spending and greater debt. If that message is received and acted upon, the current difficulties will not interrupt the African growth story.

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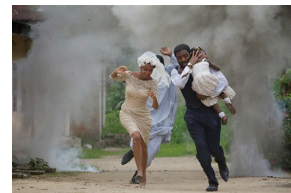
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Across Africa, civil society is embracing the arts as a means of providing alternative forms of civic education, from information meant to protect democratic rights to public health promotion. Given the ease of understanding the message and the access afforded popular forms of entertainment, this method of engaging the citizenry may prove effective. It may also draw the ire of less open governments seeking to counter such messages. A closer look at the issues that groups are using music and film to address may identify existing gaps in civic education and areas for future development. [more...](#)



Scene from *Half of a Yellow Sun*. In Nigeria, the release of the highly anticipated film was delayed for several months by a state review board amid concerns that the depiction of the rarely discussed 1960s civil war could incite violence. (Source: (AP Photo/ Yellow Sun Ltd.)

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## THE DILEMMAS OF TRAINING AFRICA'S MILITARIES

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On August 6, 2014, at the conclusion of the U.S.-Africa Leaders Summit, President Obama announced two new initiatives aimed at bolstering Africa's security forces: the African Peacekeeping Rapid Response Partnership ([A-Prep](#)) and the Security Governance Initiative ([SGI](#)). After the announcement, Alex de Waal and Abdul Mohammed [argued](#) in the *New York Times* that President Barack Obama's strategy of training and equipping African militaries was contributing to the "militarization of Africa's politics" and that "America's diplomacy is becoming a handmaiden to Africa's generals." Should the international community train and support Africa's militaries, or does this practice simply help authoritarian leaders stay in power, as may be the case in Rwanda and Uganda, or increase the risk of military coups, as seen in Mali in 2012? [more...](#)



President Barack Obama speaks at a news conference at the end of the U.S.-Africa Leaders Summit at the State Department in Washington, Wednesday, August 6, 2014. (Source: AP Photo/Charles Dharapak.)

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Scene from *Half of a Yellow Sun*. In Nigeria, the release of the highly anticipated film was delayed for several months by a state review board amid concerns that the depiction of the rarely discussed 1960s civil war could incite violence. (Source: (AP Photo/ Yellow Sun Ltd.)

## Civic Education

Since the 1990s, many international organizations have incorporated civic education as part of their democracy promotion programs. Civic education can be an [effective tool](#) that increases issue awareness and political participation, especially if citizens are already interested in learning more about various issues such as voting rights and human rights.

Unfortunately, while many governments tout the benefits of civic education, they often fail to adequately fund it. Kenya may be illustrative. The 2013 Kenyan election was a watershed moment for the country's history. After the post-election violence of 2007–8, the new constitution devolved power to the county level and created new county-level assemblies and a Senate. Under the new dispensation, voters would be casting six separate ballots. There were significant concerns over the [complexity of the new system](#) and repeated calls for extensive civic education programs. Although more than [\\$95 million was spent](#) on the adoption of biometric voter registration, relatively little was spent on civic education programs. The Independent Electoral and Boundaries Commission (IEBC) launched its official program only [one month before](#) the election. Materials that were distributed around the country were printed only in English and Swahili even though more than 40 languages are spoken in Kenya.

## Societal Needs and Priorities

The incorporation of popular culture to increase the appeal of civic education programs is not a new phenomenon, but recent examples may provide insight into what domestic groups feel are today's pressing issues. These examples may also shed light on gaps in existing civic education programs and serve to highlight areas that are not being given sufficient attention by government-initiated programs.

- On August 18, the Legal and Human Rights Center, a nongovernmental organization dedicated to promoting human rights and the rule of law in Tanzania, announced that it would be distributing a [new song and film](#) to citizens around the country to make them aware of the constitution-writing process currently taking place in the country. The launch of the campaign was attended by several high-profile Tanzanian artists.
- In Kenya, Malaria No More [released a song](#) called "Malaria Ni Hatari." The song, which was recorded by popular Kenyan musicians, included in the lyrics different ways to prevent malaria.
- In West Africa, the Senegalese [Y'en A Marre](#) movement is in the process of releasing a song on ways to [prevent the spread of the ebola virus](#). To provide clear and accessible information to the Senegalese population, the group has recorded an audio track and an accompanying music video in Wolof, the dominant language. This proactive step may be motivated by the chaos currently taking place in [Liberia](#), which is due in no small part to fear and misinformation.



- In Nigeria, the release of the film adaptation of Chimamanda Ngozi Adichie's novel *Half a Yellow Sun* was delayed for months. Censors were worried that the film could [undermine national unity](#) in the country and potentially incite violence. The film, set against the backdrop of the 1960s Biafran civil war, touches on controversial subjects not often discussed in Nigeria, including the barbarism of the war, in which it is believed that more than 2 million Nigerians lost their lives. In response to the delay, Adichie wrote an [op-ed in the New Yorker](#) in which she claims there is a culture of silence regarding the past. The movie opened at the beginning of August. It set a new [box office record](#) for sales. The success of the film may be a reflection of what Nigerians are craving now: information on the country's history. This is especially poignant as some of the issues facing the country in the 1960s concerning national unity and Nigerian identity are as relevant now as they were then.

## Conclusion

It remains to be seen whether popular culture can fully bridge the gap in civic education found in many African countries, but the very trend of artists stepping in to do what governments have been unable or unwilling to do is promising. If such actions prompt governments to take a more active role in providing information to their citizens, so much the better.

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President Barack Obama speaks at a news conference at the end of the U.S.-Africa Leaders Summit at the State Department in Washington, Wednesday, August 6, 2014. (Source: AP Photo/Charles Dharapak.)

## Researchers Differ – Some Support Military Training Assistance

Recent academic research on this question does not offer definitive findings or guidance. On the one hand, a number of norm-based statistical studies—worldwide in scope—suggest that U.S. military training and professional education programs may do more good and less harm than is sometimes thought.

A 2010 [study](#) by Tomislav Ruby and Douglas Gibler in the *European Journal of International Relations* found, "contrary to popular opinion, United States Professional Military Education (PME) provides an important stabilizing force, especially in emerging democracies. . . . The foreign military officer returns as a professional soldier, better educated, and more likely to be sympathetic to democratic values." They also conclude that PME has led to a decrease in military coup propensity. None of the three cases analyzed by the authors were in Africa, but the study does mention the example of Mali as a success. This is perhaps problematic, given that two years after the study was published, Captain Amadou Sanogo of Mali, who had [received](#) U.S. training, staged a military coup.

A 2006 [study](#) by Carol Atkinson published in *International Studies Quarterly* also found "U.S. military-to-military contacts to be positively and systematically associated with liberalizing trends." She found similar results in a broader 2010 [study](#) that also included civilian cultural exchanges.

## Others Cite Negative Consequences of Training

On the other hand, a recent [working paper](#) by Jesse Dillon Savage and Jonathan Caverley examined the topic using a newer data set and came to the opposite conclusion: training through the U.S. International Military Education and Training "alters the balance of power between the military and the regime resulting in greater coup propensity" once soldiers return to their home countries.

A number of case studies focusing on Africa are also largely pessimistic about the impact of foreign military training in Africa. A 2014 [article](#) by Danielle Beswick in *African Affairs* found that international military-capacity-building programs in Rwanda had significant downsides, "including security risks for African states and communities that may find enhanced military capacity used against them, and also political risk to donors' domestic and international reputations in the event of misuse." Another 2010 [study](#) by Jan Bachman and Jana Hönke published in *African Affairs* examined the domestic effects of international counterterrorism support in Kenya and also concluded that such programs were "appropriated for illiberal purposes" by domestic politicians.



## Conclusion

These academic research efforts, although inconclusive, starkly illustrate the dilemmas and trade-offs international actors face in training and equipping Africa's militaries in an effort to help fight extremism and bolster regional peacekeeping capacity. Joined by other allies, namely [France](#) and the United Kingdom, the Obama administration has decided to amplify military training efforts in Africa, as evidenced by the launch of A-Prep and the SGI. Given this commitment, steps should be taken to help mitigate the potential pitfalls of military training outlined above. Comprehensive, transparent programs that go beyond the military and address the reform and democratization of African security institutions are likely to be needed.

SGI is an excellent start in this regard, as the program [focuses](#) on improving “the systems, processes, and institutions that reinforce democratic security sector governance.” The [initiative](#), which spans six countries in Africa, has been allocated \$65 million in its first year. While it is impossible to ensure that hard military skills, once acquired, will be used solely for their intended purposes, expanding programs such as the SGI to include more countries—with associated increases in resourcing—could in the long term help build more stable civil-military relations and accountable systems of security governance in Africa.

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## DEVELOPMENTS IN AND PROSPECTS FOR GHANA'S PETROLEUM SECTOR

By Dr. Ashley Neese Bybee

When Ghana discovered large deposits of petroleum off its coast in 2007, two camps immediately emerged in response to this major find. The first, eager to see Ghana rise in the ranks of Africa's economic performers, comprises ardent supporters of the government's plans to develop the petroleum sector. The second, more apprehensive and fearing the dreaded "[resource curse](#)" that has beset so many African oil-producers, has been a vocal advocate for public oversight of the oil sector and transparency of its revenues. Production has been under way for three-and-a-half years, and although political will appears to exist for the responsible management of the petroleum sector, residents of the oil-producing Western Region have been disappointed thus far and are not optimistic about the future. [more...](#)



Fishermen prepare to head out to sea just after dawn, at the fishing beach in James Town, in Accra, Ghana. The West African nation of Ghana has begun pumping oil, which some feel threatens the livelihood of the country's fishermen. (Source: AP Photo/Rebecca Blackwell.)

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## BOTSWANA'S 2014 ELECTIONS: CONSPIRACY THEORIES AND A LONG-SUFFERING OPPOSITION—RECIPE FOR DISASTER?

By Dr. Stephanie M. Burchard

A prominent Botswana opposition politician died in a car accident earlier this summer. Some of his supporters and other members of the opposition have alleged that his death was the result of a politically motivated assassination. While there is little history of political or electoral violence in Botswana, allegations such as this may reflect a deeper discontent before the October elections. [more...](#)



The party of President Ian Khama is running for re-election in October 2014. (Source: AP.)

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### About IDA

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IDA's three federally-funded research and development centers provide objective analyses of national security issues and related national challenges, particularly those requiring scientific and technical expertise.

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Fishermen prepare to head out to sea just after dawn, at the fishing beach in James Town, in Accra, Ghana. The West African nation of Ghana has begun pumping oil, which some feel threatens the livelihood of the country's fishermen. (Source: AP Photo/Rebecca Blackwell.)

## Impact on Fishing

Fishing, which provides income for [10 percent](#) of the population, began to suffer in 2011 when fishermen noticed their catches were [declining drastically](#). In addition, fishermen have faced the danger of increased collisions at sea with large oil tankers and restrictions preventing them from operating close to rigs where fish tend to migrate. Now, a [seismic survey](#) due to start in August and continue until November is expected by many observers to disrupt fishing operations further, although the Ghana National Petroleum Corporation (GNPC) refutes this. This trend has heightened concerns that Ghana's fishing industry might go the same way as Nigeria's, where [villagers say](#) the local environment was devastated by oil spills, depriving thousands of subsistence farmers and fishermen of their livelihoods.

Fishermen blame the government for failing to address their needs. Kwabena Okyere Darko-Mensah of the New Patriotic party, who is the MP for Takoradi, [agreed](#):

The environmental impact assessment [of oil exploration] was not properly done. . . . The public forum that was held was rushed through, and therefore many of the local concerns were not addressed. It also did not make provisions for alternative livelihoods for fisherman affected by oil and gas exploration—that's where we need to concentrate.

## Persistent Concerns over Local Content

Despite the passage of [legislation](#) in 2013 that gives Ghanaian companies preference in bids for petroleum licenses, mandates a minimum 5 percent equity stake for local companies in every oil contract awarded to an international investor, and provides skills training for Ghanaian workers in the petroleum sector, benefits to the local population have been slow in coming. The expectation that the law can achieve 90 percent local participation in the oil sector by 2020 seems unrealistic, given the lack of indigenous capacity. Furthermore, [research](#) shows that Ghanaians working in the oil and gas sector earn on average \$26,800 per year compared with \$128,500 paid to their expat counterparts. This disparity has the potential to breed resentment of foreigners who can afford more luxurious lifestyles. The presence of such expats has also driven up the cost of living in Takoradi-Sekondi, where some landlords now charge [exorbitant rents](#), forcing many locals out of their homes. The major depreciation of the Ghanaian cedi and resulting 15 percent inflation have led to numerous [protests](#) throughout the country, with protestors objecting to the high cost of living and demanding the government restore the 23 percent subsidy that it removed from petroleum products.

The opinions expressed in these commentaries are those of the authors and should not be viewed as representing the official position of the Institute for Defense Analyses or its sponsors. Links to web sites are for informational purposes only and not an endorsement.

## Transparency

Ghana's vibrant civil society has taken proactive steps to incorporate public oversight of oil revenues into national legislation through the Public Interest and Accountability Committee (PIAC). The PIAC has been a highly touted but some say under-resourced vehicle for public oversight of Ghana's petroleum industry. Ghanaian Civil Society and the international community alike have been optimistic that the PIAC will ensure transparency, so long as the political will exists to provide it with adequate resources to operate. The PIAC has produced [numerous reports](#) documenting instances of the government's non-compliance with the Petroleum Revenue Management Act, as well as an independent assessment of its management and use of revenues. [Other observers](#) have noted that revenues have been directed into projects for which they were not originally intended.

## Signs of Dutch Disease?

Although it is too early to draw conclusions, there are some indications that Ghana may not be doing enough to avoid succumbing to the "Dutch Disease," an affliction whereby countries with vast natural resources become dependent on those exports while neglecting other non-resource sectors such as manufacturing or services. Recent data shows a [decline in Ghana's agriculture sector](#) by 3.9 percent in the second quarter of 2013 compared with 1.1 percent growth during the same period in 2012. While this may be attributable to a decline in global cocoa prices (a major Ghanaian export), the government should continue its attempts to diversify its economy to hedge against fluctuations in the oil market and an eventual return to a non-oil economy.

## Prospects for the Future

Despite these concerns, the Ghanaian government continues to have new opportunities where it can demonstrate its commitment to the economic development of the Western Region. [Fuel shortages](#) in Takoradi-Sekondi stemming from a significant reduction of fuel imports from Nigeria have reignited calls for long-term energy security. The [Ghana Gas Infrastructure Project](#) at Atuabo, which will process raw gas from the Jubilee field, is scheduled to become operational by September and is expected to play a large part in meeting Ghana's future energy needs, as well as creating jobs. The construction of a new [oil refinery in Takoradi](#) is to begin in the first quarter of 2015, with production expected in 2017, thus reducing reliance on gasoline imports. Last month, President John Dramani Mahama announced the renovation and expansion of the Takoradi Port into a [world-class hub for oil services](#), which will facilitate the movement of goods and services in the entire country. He also committed [\\$750 million](#) to the improvement of roads in the Western Region, stating that such improvements would help in the transportation of products from local farming communities to urban and commercial centers. If such development projects are accompanied by investment in local human resources and continued public oversight of the oil and gas sector, Ghana might still be on a trajectory toward economic development and political accountability.

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A prominent Botswana opposition politician died in a car accident earlier this summer. Some of his supporters and other members of the opposition have alleged that his death was the result of a politically motivated assassination. While there is little history of political or electoral violence in Botswana, allegations such as this may reflect a deeper discontent before the October elections.

In October, Botswana will hold its [11th consecutive multiparty election](#). Many consider the country to be one of the most stable democracies in sub-Saharan Africa. Botswana has no history of violent conflict, coup, or any other adverse regime change. Since independence from British colonial rule in 1965, there have been four presidents, two of whom have stepped down after serving the constitutional maximum of two 5-year terms. Festus Mogae, president from 1998 to 2008, has been one of only three recipients on the continent of the [Mo Ibrahim Foundation Prize for Achievement in African Leadership](#), which, among other criteria, is awarded to democratically elected heads of state who step down after serving their constitutionally mandated terms. In addition to its political stability, Botswana has also enjoyed widely praised [economic growth](#) and substantial [personal freedoms and liberties](#).



The party of President Ian Khama is running for re-election in October 2014. (Source: AP.)

## Trouble in Paradise?

Despite these signs of democratic maturity, there are some troubling trends. Only one party, the Botswana Democratic Party (BDP), has ever won elections. Based on the country's electoral system (winner-take-all), the BDP has generally won a supermajority of parliamentary seats (more than 75 percent), despite winning just slightly more than 50 percent of the vote in general elections. The president is indirectly elected by parliament, and because of the BDP's persistent parliamentary majority, the BDP has retained the presidency for almost 50 years. Ian Seretse Ian Khama, son of founding president Seretse Khama, has been president since 2008. If the BDP wins a majority in the 2014 elections, he will be returned to office for his second presidential term. The dominance of the BDP is not in and of itself troubling if it is a sincere reflection of the preferences of the electorate, but there are concerns that such overwhelming majorities for one party may lead to lower levels of political accountability, representativeness, and responsiveness of the government. Furthermore, with no demonstrative proof that the ruling party would graciously and peacefully accept defeat, many are left wondering how the BDP would respond to an electoral loss.

Before the 2014 elections (which are not yet scheduled but usually held in October), some startling allegations have emerged regarding the conduct of the government of Botswana. In particular, the death of opposition politician [Gomolemo Motswaledi](#) has made waves. On July 30, while traveling from neighboring South Africa to Botswana's capital city Gaborone, Motswaledi died in a single-car accident. Almost immediately the opposition [accused the government](#) of orchestrating Motswaledi's accident and assassinating him for political ends. [Conspiracy theories](#) have been repeatedly printed in several of Botswana's more reputable presses, and the opposition has been conducting what it calls a "[parallel](#)" investigation into the crash. On August 21, however, the Botswana police [released their findings](#), stating that Motswaledi's death was the result of an unfortunate road accident.

Motswaledi, 44, was a member of the ruling BDP until he formed the breakaway Botswana Movement for Democracy (BMD) with several other disgruntled BDP legislators after the 2009 elections. He had been previously secretary general of the BDP until President Khama [suspended](#) him for 60 days shortly before the 2009 elections for undermining Khama's authority as leader. The others who joined Motswaledi were reportedly upset over President Ian Khama's increasingly autocratic style of leadership. Motswaledi isn't the only one who raised concerns over the quality of democracy under Khama's rule. Recently, at a panel discussion in Tanzania, former president Festus Mogae [lambasted the president](#) and accused Botswana of slipping toward autocracy.

Adding fuel to an already combustible situation, opposition leader Duma Boko of the Botswana National Front (BNF) stated on August 21 that the opposition was aware of the government's intention to [rig the upcoming elections](#) and warned that instability could follow if the elections were not free and fair.

## Opposition Politics—Gains and Stagnation?

The opposition has grown substantially since 1966, and elections have become [more competitive over time](#), but has the opposition matured? Whereas in 1979 the BDP received 75.4 percent of the vote, in the last elections held in 2009, the BDP won 53.3 percent. But based on several factors, including the electoral system and a fragmented opposition, 53.3 percent of the vote resulted in 79 percent of the seats in the National Assembly. This trend—receiving approximately 50 percent of the vote and 75 percent of the seats for the BDP—has held in every election since 1994. And it is clearly frustrating the opposition who constantly feel like they are one election away from gaining power.

But the disorganization and factionalization of the opposition also contributes to the BDP's staying power. The fragmentation of the opposition has long been an impediment to its becoming a legitimate threat to the BDP. Various coalitions have been entered into (and many broken) before elections, but no unitary opposition challenge has thus far been sustained because the opposition usually splits the remaining 50 percent of the popular vote among two to four other parties. After the 1994 elections in which the BNF received 37.7 percent of the vote to the BDP's 53.1 percent, the BNF experienced a leadership crisis, and the Botswana Congress Party (BCP) formed. In the subsequent election, the BNF and BCP combined to win 37.9 percent of the vote. In the 2009 election, the BNF and BCP received a combined 42.6 percent of the vote.

The most recently conducted poll (from 2012) shows a [split within the electorate](#) between support for the BDP: 50 percent would vote for it with the remaining 50 percent either supporting one of six opposition parties or undecided. For the 2014 elections, Motswaledi and the BMD had aligned with a coalition of opposition parties called the [Umbrella for Democratic Change](#) (UDC). Motswaledi was elected deputy president of the UDC alongside Duma Boko, BNF, to contest the general elections. The BCP, which received 19 percent of the vote in 2009, has yet to accede to the opposition union and is running candidates in many, but not all, constituencies.

## Conclusion

Motswaledi's death has triggered an emotional response that could become the spark that ignites a previously marginalized opposition, providing the opposition an opportunity to expand its popular support. Nevertheless, unless the opposition is able to overcome its differences and present a credible and united front, the upcoming poll may result in the BDP's 11th consecutive victory.

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## ZIMBABWE'S MUGABE AT 90—BUSY AS EVER

By George F. Ward

Excluded from the U.S.-Africa Leaders Summit, Zimbabwean President Robert Mugabe has nevertheless been keeping himself busy. In little more than a fortnight, he added a new dimension to the debate over his own succession, assumed the chairmanship of the Southern African subregional political and economic organization, and visited Beijing to court and be courted by Chinese leaders. These moves will not be of much help to the people of Zimbabwe, who suffer under political repression in a ruined economy, but they do demonstrate Mugabe's remarkable staying power and his return to respectability in the Southern African context. [more...](#)

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Ambassador (ret.) George F. Ward is editor of IDA's Africa Watch and a Research Staff Member at the Institute for Defense Analyses. He is a former U.S. ambassador to the Republic of Namibia.

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Chinese President Xi Jinping, center, walks near Zimbabwe's President Robert Mugabe, left, second from left, and China's first lady Peng Liyuan, second from right, during a welcome ceremony outside the Great Hall of the People in Beijing, China, Monday, Aug. 25, 2014. (Source: AP Photo/Ng Han Guan.)

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Interim President Catherine Samba Panza and French Defense Minister Jean-Yves Le Drian met in February. (Source: AP Photo/Jerome Delay.)

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## Orchestrating His Own Legacy

Conventional wisdom has been that the issue of succession to Mugabe would be resolved at the congress of the ruling Zimbabwe African National Union—Patriotic Front (ZANU-PF) in December 2014. The two main candidates are considered to be Vice President Joice Mujuru and Justice, Legal, and Parliamentary Affairs Minister Emmerson Mnangagwa. Each is supported by a faction within the party. As [reported earlier](#) in IDA's Africa Watch, Mugabe has adeptly played the two factions within ZANU-PF against each other. He once asked, "But why should it [succession] be discussed when it's not due? Is it due? I'm still there."

On August 15, Mugabe's 49-year old wife, Grace, a former typist in the president's office who has until now concerned herself chiefly with the family's business interests, was selected by the ruling party's women's league as its [national secretary](#). Once Grace Mugabe is confirmed in that position at the December party congress, she will become a member of the powerful ZANU-PF [politburo](#) and positioned to play a significant political role.

This move has been widely interpreted as orchestrated by President Mugabe, but [analysts differ](#) on his motivation. Some believe that Mugabe wished to dilute the power of Joice Mujuru, who may have been gaining ground in the succession battle. Others speculate that Mugabe is grooming his wife to assume the presidency to safeguard the Mugabe property and business empire. Regardless of the motivation, it seems clear that Robert Mugabe plans to play an active part in formulating his own succession plan.

## Mugabe at the Subregional Helm

While Zimbabweans were still speculating about the purpose of Mugabe's political machinations, the President was in the resort town of Victoria Falls attending the August 17–18 summit of the 15-nation Southern Africa Development Community (SADC). At the meeting, Mugabe took over the role of chairman of SADC for the coming year. Although the importance of this role should not be overstated, Mugabe will chair SADC in any meetings at the head-of-state level, and he will have significant power over the organization's agenda.

Mugabe's assumption of the chairmanship marks his rehabilitation. Six years ago, SADC [mediated](#) a power-sharing deal between Mugabe and his political opponents following disputed elections, and a coalition government was the result. In the years following the mediated deal, SADC became progressively less attentive to the situation in Zimbabwe, and Mugabe consolidated his power. The ZANU-PF won a resounding victory in the July 2013 national elections, and SADC one month later



Chinese President Xi Jinping, center, walks near Zimbabwe's President Robert Mugabe, left, Zimbabwe's first lady Grace, second from left, and China's first lady Peng Liyuan, second from right, during a welcome ceremony outside the Great Hall of the People in Beijing, China, Monday, Aug. 25, 2014. (Source: AP Photo/Ng Han Guan.)



called for the lifting of all sanctions on Zimbabwe. Malawian President Joyce Banda, chair of SADC at the time, was [quoted](#) as saying that Zimbabweans had “suffered enough.”

For the most part, the voluble Mugabe was on good behavior at the Victoria Falls summit of SADC. He did manage to [give](#) the summit a theme that borrowed some cumbersome language from ZANU-PF’s 2013 election manifesto. The theme, “SADC Strategy for Economic Transformation: Leveraging the Region’s Diverse Resources for Sustainable Economic and Social Development through Beneficiation and Value Addition,” was not reflected in any concrete results at the summit. If anything, the reverse proved true when South Africa and Namibia declined to sign a new protocol on trade in services that would have mandated the start of removal of barriers to the free movement of services across borders. According to South Africa’s [Daily Maverick](#), “Mugabe wasn’t happy, and he didn’t care who knew it.” South Africa also [frustrated Mugabe](#) by refusing to go along with a proposal for a SADC regional-development fund, reportedly out of suspicion that cash-strapped Mugabe would tap the fund for budget support.

## Sparse Results in China

With hardly a pause in his busy schedule, President Mugabe flew off to Beijing on August 23. He was accompanied by seven of his cabinet ministers. Before Mugabe’s departure, his spokesman [downplayed expectations](#). Media reports that the Chinese government would provide \$4 billion in funding to help the struggling Zimbabwean economy were false, said the spokesman. Officials of the Chinese embassy in Harare were reported as [confirming](#) that negotiations on a financial package were underway, but saying that Beijing needed collateral to justify a loan.

Under Mugabe’s “Look East” policy, [Chinese investment](#) in Zimbabwe has risen, exceeding \$602 million in 2013. Trade between China and Zimbabwe [doubled](#) from 2010 to 2013, reaching \$1.1 billion annually. Despite this increase, Zimbabwe’s “indigenization” law, which requires 51-percent ownership of firms by Zimbabweans, may be an impediment to the relationship with China. [One Harare media source](#) reported that the Zimbabwe government, desperate for funding from China, was planning to award infrastructure projects to Chinese firms without going through the normal public tender process.

The results of Mugabe’s visit to China seemed to bear out the thesis that Beijing is becoming more selective in its approach to Zimbabwe. President Mugabe was accorded all the trappings of a state visit, from a 21-gun salute to meetings with Chinese President Xin Jinping and other senior officials, all of whom lauded the bilateral relationship and Mugabe’s leadership. The concrete results of the trip were nevertheless sparse. Zimbabwean state broadcasting reported that [12 memoranda of understanding](#) between Mugabe’s government and Chinese state and business entities were signed during the trip. These agreements reportedly included planned improvements in the country’s infrastructure, but no significant details were released. In particular, the total potential value of additional Chinese investments was not mentioned.

## Conclusion

Where does all of this activity by Mugabe leave Zimbabwe? The economy is stumbling, and political repression is unrelenting. While Mugabe was in China, [Zimbabwean riot police](#) detained a dozen opposition protesters and beat up others during a demonstration in Harare against high unemployment. With the ZANU-PF party congress approaching in December, the energies of Mugabe and other political leaders are more likely to be focused on the critical succession question than on concrete measures that might place the country on a more positive path. Meanwhile, Mugabe has much to look forward to. If the African Union follows its usual rule for choosing its leader, he will become the [chair](#) of that organization in 2015.

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Interim President Catherine Samba Panza and French Defense Minister Jean-Yves Le Drian met in February. (Source: AP Photo/Jerome Delay.)

## The Trigger

A coup in March 2013 deposed former president of CAR Francois Bozizé, himself in power as the result of a coup 10 years earlier. The 2013 coup was orchestrated by a coalition of rebel groups known as Séléka. Their leader, Michel Djotodia, was installed as transitional president. Some residents were [initially sympathetic](#) as Bozizé was not particularly popular and his corruption was well known. As the rebels continued to attack citizens and loot businesses, and casualties piled up, however, the mood quickly turned (see [Africa Watch](#) of November 14, 2013, for additional background).

What began as a power struggle then morphed into a low-grade civil war. On one side are the Séléka rebels (or ex-Séléka as they sometimes prefer to be called), composed largely but not exclusively of Muslims from CAR, Chad, and Sudan. On the other is the “anti-balaka” militia, a loose organization of local self-defense groups that had mobilized in response to the many egregious offenses committed by Séléka rebels. The anti-balaka are largely Christian (the population of CAR is more than 50 percent Christian) and are rumored to be supported by Bozizé, who is living in exile, with his whereabouts unknown.

The situation [spiraled out of control](#), and as it became apparent that Djotodia could not contain the fighting, he was [forced to resign](#) in January 2014. His resignation was strongly encouraged by Chadian president Idriss Déby, who has a long history of interfering in CAR's politics.

Catherine Samba Panza was appointed interim president shortly thereafter. Since then, there have been two attempts at fashioning an inclusive government that incorporates representatives from multiple groups, including Séléka and anti-balaka, but neither has been successful at this point.

## Prospects for Peace

An interim [peace-agreement was signed](#) in late July. The Séléka rebels agreed to drop their demand that the country be partitioned into two territories—the north with a Muslim majority and the south with a Christian majority—but they reasserted this demand in August. International peacekeepers have been present in CAR since December 2013 in an attempt to quell the violence. Former colonial power [France has contributed 2,000 troops](#). The African Union (AU) has also provided approximately 6,000 peacekeepers, although their actions in CAR have caused some [controversy due to alleged human rights abuses committed by troops](#). In April, the [United Nations approved a deployment](#) of approximately 12,000 soldiers and police, [7,600 of whom](#) are expected to be on duty by mid-[September](#). Many of the UN peacekeepers will be “re-hatted” from the AU force. It is hoped that this new and more robust deployment will be better able to promote a peaceful resolution.



Complicating matters, however, the two contending groups in the CAR are beset with organizational issues and factional infighting. Both groups, due to the piecemeal and organic way in which they were formed, lack true organizational structures and have no centralized authority. Very little is known about the structure and leadership of the anti-balaka. Within Séléka are [multiple factions](#), all vying for power. [Seventeen people were killed](#) in clashes in late August between Séléka rebels from different ethnic groups. Factionalization makes the peace process even more difficult as it frustrates attempts at identifying who should participate in peace talks and who has the authority to negotiate a credible commitment on behalf of the rebels. At the beginning of September, hundreds of rebels reportedly [departed](#) the southern capital city of Bangui and are heading north for unknown reasons.

Meanwhile, an illegal economy is flourishing. A gold mine outside Bambari, in the center of the country, is illegally controlled by Séléka fighters who took over from a Canadian mining firm that fled the country amid the fighting. This mine alone produces an estimated [\\$350,000 worth of gold per month](#) (a collapse killed [at least 37 miners](#) in August). In a country with few job prospects, these revenues provide motivation for some rebels to perpetuate the conflict.

While the groups are [seemingly](#) mobilized around religious divisions, until recently there were few [overtly religious demands](#). Moreover, although the leadership of Séléka is Muslim and that of anti-balaka Christian, the fighters are not necessarily so aligned. In addition, despite the long history of coups and political violence in CAR, there is no history of religious tensions, and [religious leaders](#) from all faiths have been working together since the conflict broke out to bring peace to the country.

Nonetheless, thousands have died and hundreds of thousands have been displaced since fighting began in 2013. And this conflict may have helped to create a new religious fault line in CAR where there previously was none, as those affected by the conflict may come to associate wartime atrocities with specific religious groups. There are [accusations from both sides](#) regarding the depravity of the other. Taken together, the fractured nature of the rebels, the revenues from natural resources that fund the conflict, and the lack of capacity of the interim government make the prospects for peace in the near term unlikely. However, if the UN peacekeeping deployment is able to provide the security and stability necessary for the interim government to re-establish control of the country, including its resources, the situation could improve.

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## AL-SHABAAB UNDER NEW LEADERSHIP

By Dr. Ashley Neese Bybee

On September 5, 2014, the Department of Defense [confirmed](#) the death of Moktar Ali Zubeyr, otherwise known as Ahmad Abdi Godane, the leader of al-Shabaab. On September 6, the terrorist group named his successor—Ahmed Omar Abu Ubaidah, or Abu Ubaidah. Although this was an authoritative announcement and a power struggle does not appear imminent, al-Shabaab has had a history of internal divisions and competing factions that might still play out as Abu Ubaidah begins his leadership of the organization. In any event, neutralizing the threat posed by al-Shabaab will require a multipronged approach that attacks the group's ability to operate as well as its leadership. [more...](#)



In an image taken and released by the African Union-United Nations Information Support Team Thursday, Aug. 22, 2013, Kenyan soldiers serving with the African Union Mission in Somalia (AMISOM) inspect a destroyed vehicle belonging to Al Qaeda-affiliated extremist group al-Shabaab at Kismayo Airport in southern Somalia. (Source: AP Photo/ Ramadan Mohamed/AU-UN IST/AMISOM.)

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## SOUTH AFRICAN DEFENSE REFORM—STUCK IN LOW GEAR

By George F. Ward

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Defense and Military Veterans Minister Nosiviwe Mapisa-Nqakula in Johannesburg, South Africa. (Source: AP Photo/Themba Hadebe.)

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IDA's Africa team focuses on issues related to political, economic, and social stability and security on the continent.



# AL-SHABAAB UNDER NEW LEADERSHIP

By Dr. Ashley Neese Bybee

On September 5, 2014, the Department of Defense [confirmed](#) the death of Moktar Ali Zubeyr, otherwise known as Ahmad Abdi Godane, the leader of al-Shabaab. On September 6, the terrorist group named his successor—Ahmed Omar Abu Ubaidah, or Abu Ubaidah. Although this was an authoritative announcement and a power struggle does not appear imminent, al-Shabaab has had a history of internal divisions and competing factions that might still play out as Abu Ubaidah begins his leadership of the organization. In any event, neutralizing the threat posed by al-Shabaab will require a multipronged approach that attacks the group's ability to operate as well as its leadership.

## Godane's Legacy

Godane has been credited with expanding al-Shabaab's mandate beyond Somalia's borders and into the East African region. Whereas al-Shabaab was originally focused on domestic objectives, namely ousting the Somali Transitional Federal Government (TFG) and the African Union Mission to Somalia (AMISOM), Godane initiated a major shift in strategy. In 2010, he committed his group to [international jihad](#) and the liberation of "Eastern and Horn of Africa community who are under the feet of minority Christians" while pledging allegiance to al-Qaeda. Shortly after this announcement, al-Shabaab launched an attack and killed over 70 people in Kampala, Uganda, as [retaliation for Ugandan support](#) for AMISOM. In 2013, al-Shabaab claimed responsibility for the [Westgate Mall attack](#) in Nairobi, Kenya, in retaliation for Kenyan forces entering al-Shabaab's heartland in southern Somalia.

## Who Is Abu Ubaidah?

After deliberation over [four prospective successors](#), al-Shabaab announced that Abu Ubaidah would be the organization's next leader. He is believed to have been one of Godane's [most trusted lieutenants](#) and leader of the clandestine internal security service known as "[Amniyat](#)," which Godane set up for his own personal protection. He was purportedly involved with Godane's 2013 purge of internal rivals in an effort to rid the organization of any threats to his authority. Just as important, Abu Ubaidah is also a proponent of prioritizing global jihad over a localized, national insurgency.

Abu Ubaidah, like Godane, is from the minority [Dir clan](#). Although al-Shabaab objectives are religious in nature and the organization was not created along ethnic lines, ethnic cleavages may be powerful forces influencing internal politics, especially where differences already exist. Abu Ubaidah, 40, was [deputy governor](#) of al-Shabaab in the Lower Juba region, then later became the governor of Bay and Bakool regions before being promoted to Godane's adviser. He is also a Koran teacher who has been [described as](#) "a difficult, polarizing person who believes in Takfiri ideology," a belief system that holds non-believing Muslims should be punished. According to one [journalist](#) with access to his friends, he was trained in jihadist camps in southern Somalia and Kenya in the 1990s.

## How Effective Will Leadership Decapitation Be for Al-Shabaab?

The United States has pursued a counterterrorism [strategy](#) that includes removing terrorist organizations' leaders, among other goals. It is believed that doing so will decrease their organizations' capacity to operate effectively by depriving them of the individuals who provide guidance on direction, discipline, and motivation. Academic [research](#) suggests, however,



In an image taken and released by the African Union-United Nations Information Support Team Thursday, Aug. 22, 2013, Kenyan soldiers serving with the African Union Mission in Somalia (AMISOM) inspect a destroyed vehicle belonging to Al Qaeda-affiliated extremist group al-Shabaab at Kismayo Airport in southern Somalia. (Source: AP Photo/ Ramadaan Mohamed/AU-UN IST/AMISOM.)

that the effectiveness of leadership decapitation depends on several factors. It has been most effective in organizations that are hierarchically structured, revolve around one singular individual (i.e., a “cult of personality”), and generally lack a viable successor. Al-Shabaab, like most modern-day Islamic extremist organizations, does not fit these criteria. Multiple factions led by different leaders have created a relatively decentralized organization that is able to “backfill” leadership positions when individuals are killed or arrested. In addition, some [researchers](#) assert that religion inspires a level of dedication not seen in other movements that are more personality based, resulting in greater resilience and longer organizational lifespan. Al-Shabaab demonstrated its resiliency when Godane seamlessly assumed control after his predecessor, Aden Hashi Ayro, was [killed](#) in a U.S. strike in 2008.

## What Does Godane’s Death Mean for Al-Shabaab and the Region?

When it announced Abu Ubaidah as its new leader, al-Shabaab [reaffirmed its alliance](#) with al-Qaeda. Any speculation that the loss of Godane would be a devastating blow to the organization appears to be invalidated by the killing on September 8 of at least 12 civilians in a suicide bombing that targeted African Union troops. Coupled with warnings from the Somali government that al-Shabaab is planning attacks on [schools and medical facilities](#) in retaliation for Godane’s death, it would appear that the organization retains significant operational capacity. The group seems [intent](#) on avenging the death of its former leader, [calling it](#) “a binding obligation on our shoulders that we will never relinquish nor forget, no matter how long it takes.”

## Looking Ahead

Leadership decapitation ought to be just one line of effort in the fight against radical Islam. It is also important to degrade an organization’s ability to finance its operations. To weaken al-Shabaab, this means removing the ability to profit from illicit trades in [charcoal](#) and [sugar](#), as well as from revenue-raising activities such as kidnapping, extortion, and piracy. The Uganda People’s Defence Forces, under AMISOM, have [attacked al-Shabaab’s strategic stronghold of Baraawe](#) in an effort to cut off the group’s main supply point and source of revenue. Undermining popular support is another key factor in reducing the appeal to potential recruits. It remains to be seen whether the [offer of amnesty](#) to al-Shabaab militants by Somalia’s president, who urged militants to embrace peace after the death of their leader, will be effective in this regard.

It seems apparent that the death of Godane will not cause al-Shabaab to crumble. Its decentralized structure coupled with its religious bent will fuel its survival, although [ideological divisions](#) may well play out in a leadership struggle at some point. The real question is in what direction will Abu Ubaidah lead the organization. Will he, like Godane, pursue a regional agenda including strengthening ties to al-Qaeda? Will he opt to focus more on domestic objectives? Or will Abu Ubaidah seek to establish his own brand of al-Shabaab, possibly switching allegiance from al-Qaeda to the [Islamic State group in Syria and Iraq](#)?

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Defense and Military Veterans Minister Nosiviwe Mapisa-Nqakula in Johannesburg, South Africa. (Source: AP Photo/Themba Hadebe.)

## SANDF in a Financial Vise

In February 2014, South African [web media reported](#) that the financial resources made available to the Department of Defense, which includes the SANDF and the Department of Military Veterans, had been increased by an amount just under the rate of inflation. Expert commentators pointed out that during the prior year the South African Rand had depreciated by over 20 percent against the U.S. dollar, radically raising the cost of fuel, spare parts, and equipment. Under these circumstances, and with 70 percent of the SANDF's budget being spent on salaries, there would be little room for maneuver in meeting South Africa's increased defense commitments. Budget increases proposed for 2015 and 2016 that are also less than the probable rate of inflation will only aggravate the problem.

In the weeks after the release of the budget numbers, a media chorus called attention to the mismatch between the SANDF's responsibilities and the resources available to it. Those responsibilities are heavy and seem to be increasing. Over the past year, the SANDF has maintained a battalion-sized commitment to the peacekeeping force in Darfur, tipped the balance against the rebel M23 group in the Democratic Republic of the Congo (DRC) by reinforcing the UN's Force Intervention Brigade with attack helicopters and elite troops, and maintained an anti-piracy patrol in the Mozambique Channel. In addition, the SANDF has been required to maintain standing deployments of ground forces to police South Africa's long borders and to combat wildlife poaching. If past accusations that South Africa was not pulling its weight on African security were ever true, they no longer seem to apply.

## Defense Minister Speaks Out

In her [budget presentation speech](#) to the Extended Public Committee of the National Assembly on July 23, 2014, Defense Minister Nosiviwe Mapisa-Nqakula laid out the current situation and the need for change in polite but pointed terms. Emphasizing that "the SANDF is in a state of decline characterized by force imbalance between capabilities; ageing technology and unaffordability of many of its main operating systems," the minister outlined the way forward as recommended by the Defense Review. She noted that the Defense Review had specified five "milestones" for the SANDF:

- To arrest the decline
- To rebalance the force by reprioritizing
- To ensure capacity meets current needs

- To develop capability to meet future challenges
- To build the strength to deal with a limited war should the need arise.

She related these milestones to four Medium Term Strategic Framework (MTSF) periods of five years each. Thus, under the best of circumstances, the SANDF would attain the full capability seen as necessary in the Defense Review only in 20 years. She did not propose a specific amount of additional funding for the SANDF and said that not all the changes needed would require additional funding. She looked forward to “adjustment estimates” that would be determined by the National Treasury, and she emphasized that those adjustments would need to take account of the long-term plan for the SANDF. She looked to the National Assembly for further action.

## Parliament Moves Slowly

Perhaps the minister’s presentation was too subtle, because with the defense reform ball firmly in its court, the National Assembly seems to have done little. In late August, the shadow defense minister lamented the [absence of a joint standing committee](#) on defense and advocated for the prompt establishment of the same. Earlier, the defense minister’s spokesperson had [admitted](#), “we have no control over the Parliamentary program or which committees the Speaker and chairman of the National Council of Provinces will refer it to.” As of this writing, there has been no indication of parliamentary action, and it is difficult to envision rapid movement, despite the need for additional funding.

## What If Resources Fall Short?

According to the [Defense Review](#), South Africa spends less than 1.2 percent of GDP on defense, which is less than 5 percent of government expenditures. The Review portrays the SANDF as 24 percent underfunded. Examples of the effects of this underfunding abound in media reports. [One report](#) called attention to unacceptably low ammunition stocks and shortage of airlift capabilities and related those to the inability of the SANDF to reinforce its contingent in the Central African Republic during an engagement in Bangui in 2013 in which 13 South African soldiers lost their lives. Many of the Army’s trucks are 30 years old, the Navy’s ships are often laid up for repairs, and the Air Force’s flying hours are severely restricted.

To achieve all five milestones detailed in the Defense Review, the authors of the Review estimate that an investment of 2.4 percent of GDP would be required. Just as the current level of defense expenditures in relation to GDP is low, an effective doubling of the proportion of GDP devoted to defense would be extraordinary in the South African context. According to [CIA data](#) from 2012, only six sub-Saharan African countries devoted more than 2 percent of GDP to defense. Interestingly, however, five of the six were in the Southern African subregion.

Perhaps the South African executive branch and parliament will add real resources to the lip service they have given to the recommendations of the Defense Review. The examples of other subregional neighbors might move them in that direction. If that does not happen, the SANDF will be able to maintain itself as an effective force only if makes more efficient use of available resources. There would be political obstacles in the way of removing some of the more inefficient aspects of South African defense expenditures. For example, the high percentage of budget spent on salaries is to a large extent driven by the political decision to maintain on active duty large numbers of aging former combatants from the African National Congress’s military component. Likewise, funding of veterans’ benefits through the defense budget is a political mandate.

If additional financial resources are not appropriated and the political will to overcome some of the existing inefficiencies in the defense structure is not available, then South Africa will need to consider reducing the missions assigned to the SANDF. In such a scenario, the recent, wider regional role of the SANDF in peace and coalition operations might be the first casualty, and the prospects for greater security on the African continent would be weakened.

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## EBOLA IN WEST AFRICA—ALSO AN ECONOMIC TOLL

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With the number of deaths in the West African Ebola outbreak climbing past 2,200 amid predictions that 20,000 people throughout the region may eventually be infected, the major focus properly remains on caring for the sick and bringing the outbreak under control. Even as these efforts continue and intensify, analysts are beginning to take stock of the economic impact of the outbreak. The three countries most affected by the disease—Guinea, Liberia, and Sierra Leone—were all emerging from years of economic decline prior to the onset of Ebola. They have already suffered significant economic setbacks. Although it is too early to draw conclusions about the ultimate economic effects of the outbreak, some preliminary observations are possible. [more...](#)



Health workers carry the body of a woman that they suspect died from the Ebola virus, as children, right rear, watch in an area known as Clara Town in Monrovia, Liberia, Wednesday, Sept. 10, 2014. (Source: AP Photo/Abbas Dulleh)

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## ANGOLA'S SOVEREIGN WEALTH FUND—A PROGRESS UPDATE

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Like many countries endowed with great natural resource wealth, Angola has established a Sovereign Wealth Fund (SWF). Known as the [Fundo Soberano de Angola](#) (FSDEA), the SWF was founded in October 2012 with a planned deposit of \$5 billion raised through the sale of oil. Africa Watch previously reported on the [numerous concerns](#) surrounding the fund, such as the uncertain independence of its management; its lack of legal standing or investment strategy; and potential conflicts of interests among its board members, including the President's son, Jose Filomeno de Sousa dos Santos. Now that the fund has been operating for two years, it is time to take stock of its progress, or lack thereof, thus far. [more...](#)



"As part of the FSDEA's Social Charter mandate, the 'Future Leaders of Angola' scholarship program aims to play a leading role in supporting the development of Angola's asset management sector, which is crucial to the long term economic growth of the country. As part of this initiative, Angolan youth are given the opportunity to study abroad at a leading University in Switzerland."

(Source: <http://futuros lideres.fundosoberano.ao/>)

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Health workers carry the body of a woman that they suspect died from the Ebola virus, as children, right rear, watch in an area known as Clara Town in Monrovia, Liberia, Wednesday, Sept. 10, 2014. (Source: AP Photo/Abbas Dulleh)

## Ebola Infections Continue to Increase

According to the World Health Organization (WHO), the number of suspected and confirmed Ebola cases in the nine-month-long outbreak continues to grow, from [3,707 cases and 1,848 deaths](#) as of the end of August 2014 to [4,366 cases and 2,218 deaths](#) by September 12. WHO data as of September 7 showed that 48 percent of the cases had been reported in the preceding three weeks. The vast majority of cases and deaths have occurred in Guinea, Liberia, and Sierra Leone. The number of cases elsewhere in West Africa, chiefly in Nigeria, remains in the low dozens, in part due to better systems for reporting, tracking, and caring for infected persons. Despite this, worries over the possible spread of the disease within West Africa persist. In the three hardest hit countries, fragile health-care systems are collapsing, and the number of patients, at least in Liberia, exceeds the number of hospital beds available.

## Economic Impacts beyond the Epicenter

As [The Economist](#) has pointed out, “one of the first casualties of any epidemic is tourism.” This certainly has been true in West Africa, with hotel bookings plummeting and many airlines suspending service. Business activity in the region has also been affected. A number of international mining firms have evacuated foreign staff from the three heavily affected countries. Further, although outside the area affected by Ebola, South Africa, Zambia, and Kenya instituted [bans](#) on the entry of travelers from the affected countries.

## Impacts on the Hardest Hit

Eventually, and depending on the effectiveness of the international response to Ebola, hotel bookings and travel will recover. [Observers believe](#) that the larger economies in West Africa—Nigeria, Ghana, Ivory Coast, and Senegal—will come through largely unaffected. That may not be the case for Guinea, Liberia, and Sierra Leone, where the economic damage will likely be much more substantial, with possible consequences for social stability. The International Monetary Fund (IMF) has already concluded that the Ebola outbreak will engender [significant harm](#) for the economies of these countries. In specific terms, the IMF’s projections for annual economic growth in Sierra Leone have been reduced from 11.3 percent to 8 percent, in Liberia from 5.9 percent to 2.5 percent, and in Guinea from 3.5 to 2.4 percent. Each of these countries faces a fiscal imbalance on the order of \$100 to \$130 million. Relative to the [small size of the three economies](#), these deficits are substantial.

With these forecasts in mind, it is worth looking at the economic impact of Ebola in each of the three countries.

## Liberia—The Hardest Hit

The Ebola outbreak could reverse many of the economic and social gains made in the decade since the civil war ended in



Liberia. [GDP growth](#), which averaged over 8 percent from 2011 to 2013, was already slated to decline to 5.9 percent in 2014 because of slower mining production, weak revenues from timber and rubber exports, and the drawdown of the United Nations peacekeeping force. Because of Ebola, the growth rate may be cut by more than half. Planned expansion of mining production has been placed on hold. Trade in agricultural goods has been crippled because of transportation disruptions. Tax collections are falling. With 78 percent of the labor force, mainly subsistence farmers, holding “vulnerable employment” without assurance of a salary, there is little economic cushion.

In this situation, it is unsurprising that riots and other incidents of civil unrest in Liberia are occurring, even with an [8 p.m. curfew](#) in place. With the government of President Ellen Johnson Sirleaf already under fire for alleged corruption and failure to deliver on economic improvement, a volatile situation in which significant social unrest could occur has been created.

### Sierra Leone—Punched in the Gut

Although Sierra Leone has seen fewer cases of Ebola than Liberia, conditions in the two countries are somewhat similar. Sierra Leone’s economy had been growing rapidly. Its goal had been to export [\\$220 million in diamonds](#) in 2014. The government has announced that goal will not be reached. Miners are reluctant to report for work, as the diamond fields are located in areas hit hard by the disease. As in Liberia, international personnel have been evacuated. Hundreds of troops have been dispatched to cordon off the border, agricultural trade has been disrupted, and food is not getting through to the capital, Freetown, because of quarantine measures. As a consequence, [prices are rising](#). If there is a silver lining in the outlook for Sierra Leone, it is that the reduction in economic growth will come off a higher base than in Liberia, with a respectable 8 percent increase still anticipated.

### Guinea—Cushioned by Mining

Guinea, where the first case of Ebola in the current outbreak occurred, has, like Liberia and Sierra Leone, been affected by the suspension of airline service and a general slowdown in economic activity. The agricultural sector, which has been the hardest hit in all three countries, is, however, relatively less important in Guinea than in the other two. The mining sector, on the other hand, is [more important](#). That sector accounts for 21.5 percent of GDP in Guinea, compared with 11.6 percent in Sierra Leone and 2.4 percent in Liberia. Fortunately for the Guinean economy, [mining operations](#) are continuing, albeit on a reduced scale. Nevertheless, the possibility of significant mine work stoppages due to Ebola exists. Specifically, cases of Ebola have been reported in the prefecture of N’zerekore, an important mining town in the area of the extremely large Simandou iron ore project. As [previously reported](#) in *Africa Watch*, the Simandou project is seen as key to Guinea’s economic future.

If the outbreak in Guinea, which has seen far fewer cases than the other two countries, can be contained so as to allow development of the Simandou and other deposits to go forward, then the damage to the Guinean economy should prove temporary. Failure to contain the outbreak could well result in the reversal of Guinea’s nascent economic growth after decades of stagnation.

### After the Outbreak Is Over

Continued engagement by the IMF, other multilateral economic institutions, and bilateral donors will be key in determining whether and how quickly the economies of the three countries hardest hit by Ebola will recover. All three countries have already benefited from [relatively recent IMF bailouts](#). Guinean received a \$200 million loan in 2012, and Sierra Leone received a loan of \$100 million last year. Liberia signed an agreement for an \$80 million credit facility in 2012. The fight against the Ebola virus will consume a significant proportion of these resources, and more will be needed. The [IMF has stated its intention](#) to remain actively engaged with all three countries to determine how best to cover additional financing requirements. Without that assistance, the tentative political and economic progress made in recent years by these three countries could come to a halt or even be reversed.

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"As part of the FSDEA's Social Charter mandate, the 'Future Leaders of Angola' scholarship program aims to play a leading role in supporting the development of Angola's asset management sector, which is crucial to the long term economic growth of the country. As part of this initiative, Angolan youth are given the opportunity to study abroad at a leading University in Switzerland."

(Source: <http://futuros lideres.fundosoberano.ao/>)

## The Investment Strategy

According to a very recent interview with Jose dos Santos, the fund's [target allocation](#) is envisioned to look something like this: one-third will be invested in liquid securities (a figure that by law can never drop below 20 percent); one-third in alternative investments (i.e., agriculture, mining, infrastructure, and real estate sectors across sub-Saharan Africa); and one-third in "opportunistic investments internationally," such as distressed assets that might be revitalized with the infusion of capital. In the same interview, Jose dos Santos was [reluctant to provide specific](#) details of the fund's progress to date, though he did continue to emphasize the priority that will be given to investment in hotels, commercial real estate, infrastructure, agriculture, mining, and soft commodities. He believes that employing this strategy will accomplish two goals: to generate returns and to prompt growth in the Angolan and African economies. For example, constructing world-class hotels could attract investors while providing job opportunities for local Angolans.

## Audit Results

On September 3, FSDEA issued a [press release](#) summarizing its 2013 audit results conducted by the international management consulting firm Deloitte & Touche. The statement confirmed that the fund received its final endowment of \$1.35 billion in June 2014 for a total balance of \$5 billion. Despite the absence of further detail on actual investments and specific returns, this was the first time the FSDEA released such information to the public. It was therefore a welcome change to the general lack of transparency that tends to characterize the Angolan government's operations. On the other hand, the audit results were released in the form of a press release from the FSDEA, which did not include the original report by Deloitte & Touche, prompting [some](#), including the [International Monetary Fund](#) (IMF), to question the actual level of transparency being demonstrated by the FSDEA's managers.

## Investing in Human Resources

In August, FSDEA [announced](#) the launch of its Scholarship Program, called "Future Leaders of Angola," which is aimed at building the economic empowerment and capacity of a new workforce in the country. Under this program, the FSDEA will send [45 Angolans](#) to Zurich University of Applied Sciences in Switzerland for six months to obtain a diploma in asset management. The Dean of the Swiss school, André Haelg, appears to be on board, [stating](#) the school is "delighted to be able to play a role in the development of a strong financial services sector in Angola."

FSDEA also announced the completion of a study examining the launch of a Hospitality School for the African continent, the purpose of which is to offer training and education for Africans wishing to gain employment in the hospitality sector.



The study concluded that the hospitality industry in Africa today is experiencing heightened interest from international hotel operators, with several having announced ambitious expansion plans in the region. Because there have been no attempts to develop a corresponding workforce, this school would fill that gap, according to the FSDEA.

## Looking Ahead

The two FSDEA programs outlined above will provide *some* education and employment opportunities for *some* Angolans, but the benefit they will confer on the Angolan population as a whole remains to be seen. One must consider the possibility that those individuals who receive a space in the hospitality school or one of the scholarships will be associated with influential Angolans, who may exert leverage over the admissions process. It will therefore be important that the application process be transparent enough to determine whether patronage is reinforcing the existing cycle of corruption that precludes the majority of Angolans from accessing opportunities available to the political elite, their families, and close associates.

More broadly speaking, SWFs are typically created in countries with budgetary surpluses from the export of raw materials, such as oil. In these countries, SWFs can be effective in reducing the government's exposure to revenue volatility, in providing a savings fund for future generations, or both. Jose dos Santos, however, has characterized the FSDEA as a vehicle to promote social development in Angola, in addition to attracting foreign investors. Angola appears therefore to be experimenting with a new model of SWF, one that will presumably require a different approach than more traditional SWFs. For example, careful research and analysis of the country's needs and the effectiveness of existing investments will need to be conducted. The results remain to be seen, but one thing is certain—if the FSDEA is expected to yield social as well as financial returns, then its managers must place importance on developing more opportunities for more Angolans, not just for a fortunate few.

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