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By Alexander Noyes

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Alexander Noyes is an Adjunct Research Staff Member in the Africa Program at the Institute for Defense Analyses.



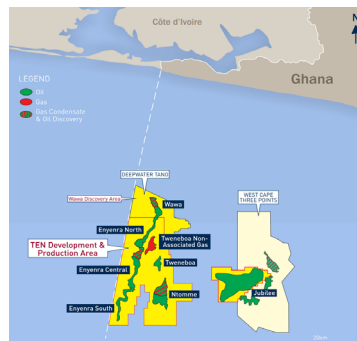
Source: Joice Mujuru. (Source: Photo adapted from “National People’s Party (NPP) Name Change Statement,” Press Release, 4 March 2017, <http://thezimbabweemail.com/press-release-37016-national-peoples-party-npp-name-change-statement.html>.)

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By Dr. Ashley N. Bybee

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TEN oil field development and production areas. (Source: Tullow Oil, “TEN Project: First Oil 2016,” <http://www.tulloil.com/Media/docs/default-source/operations/ten-project-brochure-july-2016-web-spreads.pdf?sfvrsn=4>.)

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

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Background: Mujuru Joins the Opposition

Zimbabwe, a landlocked country in southern Africa with a population of 14 million, has faced a long struggle over who will eventually succeed Mugabe, in power since 1980. As [highlighted](#) in previous editions of *Africa Watch*, the ZANU–PF succession battle spilled over in 2014 when Mugabe sacked Mujuru, who had been his vice president since 2004. Mugabe accused Mujuru of plotting a coup to topple him and purged [hundreds](#) of ZANU–PF party officials whom he viewed as Mujuru allies. In March 2016, following months of rumors over if and when she would rejoin politics, Mujuru officially [launched](#) ZPF on a platform of democratic reform and renewal. Her platform took Mugabe and ZANU–PF head on, calling for a number of wide-ranging reforms, including reengagement with Western countries and a reversal of the country’s contentious indigenization laws and land-reform policies.

Party Rebrand

After less than a year in existence, however, ZPF fell victim to infighting, following a well-worn path in Zimbabwe’s [opposition](#) politics. In February, Mujuru fell out with her party co-founders, Mutasa and Gumbo, who were also both former high-ranking ZANU–PF officials. Announcing their expulsion, Mujuru [explained](#): “we have decided to eject some of the colleagues and comrades we thought would stand with the people’s cause but have chosen to be agents of the [ZANU–PF] regime.” On her choice to rebrand her party, Mujuru [maintained](#), “We realised that there were limitations that the name . . . had in reflecting and selling the national democratic ideology and core values we espouse as a party.” On the launch of NPP, Mujuru [continued](#) to tout the major tenets of her previous political platform: “As national democrats, we are guided by our main core values of constitutionalism, inclusivity, devolution of power and equity.”

Questions of Complicity

Questions remain about whether Mujuru will be able to successfully distance herself from her long political past within the ruling party. (She was a ZANU–PF official for 34 years.) When recently questioned about her complicity in ZANU–PF’s violent and authoritarian politics, Mujuru [argued](#) that she was an “individual” who did indeed question some of the party’s violent strategies from within when she was in power, but ultimately she could not stop executive orders from Mugabe. When pressed on this question by the interviewer, Mujuru [said](#): “Do we want to live in the past? Or should we now start to look forward?” In fact, Mujuru is pivoting to her platform and the 2018 [elections](#): “it’s now my time, it’s now my



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chance. Because before, I've been subservient to lots of leaderships [sic]. But now that I will be the leader in my own right, surely . . . they [the people] think something better will come out of it."

Grand Coalition to Challenge ZANU-PF in 2018?

Yet Mujuru is unlikely to be able to threaten Mugabe and ZANU-PF's grip on power without the help of other opposition parties. Despite an extended history of fissures within Zimbabwe's opposition, of late there have been [indications](#) that a grand opposition coalition may be formed to take on Mugabe and ZANU-PF in elections scheduled for 2018. Indeed, the National Electoral Reform Agenda (NERA), consisting of over a dozen opposition parties—including former opposition prime minister Morgan Tsvangirai's Movement for Democratic Change (MDC-T) and Mujuru's party—has staged a series of [rallies](#) calling for electoral reform before the 2018 elections. Earlier this month, Mujuru indicated that her party rebrand would not affect her decision to join a potential coalition and confirmed that a formal alliance between her and Tsvangirai was in the [works](#): "We have a memorandum of understanding roadmap that we are planning to sign very soon."

Conclusion

Previously, the most serious challenge to the forging of a Tsvangirai-Mujuru coalition was the question of leadership, as both party presidents firmly [believed](#) that they were best placed to lead. The recent infighting within Mujuru's fledgling party may have helped settle this question against her—the party turmoil is likely to hurt Mujuru's bargaining position in ongoing coalition talks. As [noted](#) by Zimbabwean political analyst McDonald Lewanika, "The split of the nascent political project further weakens it [Mujuru's party] and its stature, and resultantly, its bargaining power with other opposition forces." Under these circumstances, Mujuru may be forced to concede that Tsvangirai is currently better positioned to lead the fledgling alliance, despite recent [concerns](#) about his health. Mutasa, Mujuru's former ZPF ally, recently openly praised Tsvangirai and [called](#) him the "natural leader" of a potential opposition alliance, maintaining that the "the rest of us are latecomers in this game."

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Ghana's Economic Crisis

Ghana's economic crisis was the result of a number of factors. First, a new [wage policy](#) in 2014 required the government to increase its [spending](#) on civil servants' salaries, which was paid for by borrowing against anticipated future oil and gas revenues. When a [glut](#) in the global oil supply caused oil prices to decline steeply, Ghana found itself in a major [debt crisis](#). Similarly, oversupply in the gold and cocoa markets caused government revenues to decrease further. Combined, these factors contributed to high [inflation](#) and made maintaining a stable exchange rate difficult. The debt crisis that ultimately ensued was exacerbated by the poor performance of the local economy due to widespread and prolonged power outages following damages to the West Africa Gas Pipeline. Ghana's economic crisis ultimately required a [\\$1 billion bailout](#) from the International Monetary Fund in 2015.

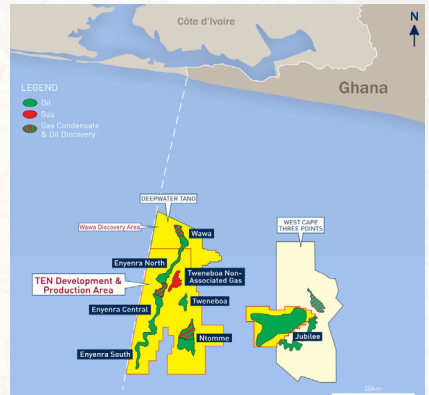
Ineffective Management of Ghana's Oil Sector

Ghana's Petroleum Revenue Management Act establishes at the Bank of Ghana a Petroleum Holding Fund that is divided into three sub-funds: the Heritage Fund, which is reserved for future generations; the Stabilization Fund, which cushions public expenditure in the event of unpredicted shortfalls; and the Annual Budget Funding Amount (ABFA), which is for annual support of the national budget. Funds from the ABFA have been used to advance four priority areas for the Ghanaian government: loan servicing, road construction, agricultural modernization, and capacity building.

Despite the fund's investments in Ghana's national development, [critics](#) maintain that many of the expenditures have been undermined by government malfeasance. For example, significant resources have been spent on administrative departments, like the Office of the President, while key infrastructure projects have been neglected because the state failed to fully fund them. Other [observers](#) have noted the lack of transparency in the process for companies to be granted exploration licenses by the government of Ghana, suggesting that personal connections and opportunities for personal enrichment might be influencing those decisions.

Insufficient Local Content

Ghana passed its [Local Content and Local Participation Regulation](#) in 2013 with the main objective to give Ghanaians opportunities to participate in the petroleum industry and develop local capacity to support it. While Tullow and other international partners involved in oil exploration in Ghana have professed support for the principle of local content, local [experts](#) complain that international oil companies prefer to work with global contractors with whom they have longstanding relationships rather than with local companies with unproven track records and often limited expertise or capacity.



TEN oil field development and production areas. (Source: Tullow Oil. "TEN Project: First Oil 2016." <http://www.tulloil.com/Media/docs/default-source/operations/ten-project-brochure-july-2016-web-spread.pdf?sfvrsn=4>.)

Operational Challenges

Oil production in Ghana's Jubilee oil field began in late 2010, with the first export of crude occurring in January 2011. For several years, this field [produced](#) between 110,000 and 115,000 barrels per day (BPD), which was 5,000 barrels less than expected due to underperformance at the wells. In March 2016, major technical problems beset production from the Jubilee oil field, and Tullow [halted](#) its operations when a fault in a bearing on a turret required a lengthy and complex repair. By [May 2016](#), Tullow had recommenced drilling but struggled to produce 30,000 BPD, well under the anticipated 120,000 BPD. Production was also limited by the requirement to reduce the amount of [excess gas](#) released into the environment. As a result, gas from the Jubilee field is being [reinjected](#) into the undersea reservoir until a pipeline is constructed to transport the gas ashore.

Looking Ahead

The Jubilee oil field, a valuable asset to the government of Ghana with reserves estimates of up to 1 billion barrels, will not produce indefinitely. It is expected to reduce output in [2024](#). In preparation for this eventuality, the government of Ghana is also exploiting the Jubilee field for its natural gas and has encouraged continued exploration of offshore oil fields in its territory. A second field, TEN—comprising the Tweneboa, Enyenra, and Ntomme deepwater fields near Jubilee—is [estimated](#) to have reserves of between 300 million and 500 million barrels. In [May 2013](#), the Plan of Development for TEN was approved by the government of Ghana, and Tullow commenced its second major deepwater development.

The TEN oil field, which started [production](#) in 2016 at 23,000 BPD, is [expected](#) to peak at 80,000 BPD. Although a maritime border dispute with Côte d'Ivoire has the potential to affect operations, the [outlook](#) is positive for 2017, with oil production in Ghana expected to increase to between 180,000 and 200,000 BPD due in large part to additional production from the TEN field. [Reports](#) that Ghana will construct a second oil refinery with double the capacity of its current refinery may also improve its economic outlook by enhancing its ability to service neighboring countries.

The Economist Intelligence Unit [predicts](#) a partial recovery in global oil prices in 2017, which will be welcome news to Ghana as it emerges from its current economic predicament. To deliver the wealth, development, and economic opportunities that its citizens have been waiting for, however, Ghana should consider improving its management of the oil sector, developing its gas sector, and imposing stricter requirements for local content.

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