



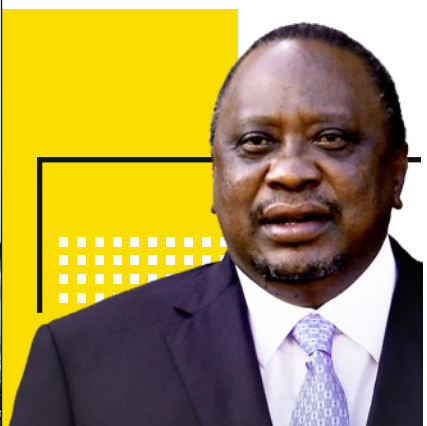
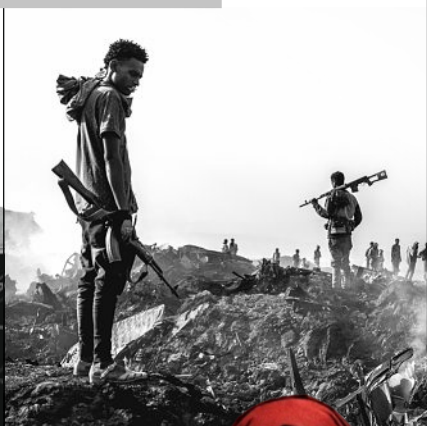
*"The systems were broken ... The machinery was politicised"*

Zambia's President Hakainde Hichilema

# the africa report

N° 118 • JANUARY-FEBRUARY-MARCH 2022

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# INSURGENT FINANCE

By **PATRICK SMITH**  
[editorial@theafricareport.com](mailto:editorial@theafricareport.com)

Something is rotten in the state of finance. It is failing badly in these frenetic times of climate crisis, pandemics and galloping authoritarianism. And the fallout is producing some unlikely revolutionaries. Take Zambia, where a chartered accountant won an election by standing up for human rights and freedom of the press, and promising to rescue the economy from a corrupt cabal.

Election victor Hakainde Hichilema is too diplomatic to call out the banks that collaborated with venal politicians. But the story has a similar pattern to the hidden loans scandal playing out in Mozambique. Corrupt political and financial elites colluded to steal public funds, leaving the *povo* with the bill. Enter the IMF and the debt restructurers, while a generation's aspirations are put on hold.

Pull back the focus for a global view of financial dysfunction – from none other than David Malpass, president of the World Bank and partisan for deregulation and low-tax economies. Under Malpass, the bank has lagged behind the IMF on pushing for debt relief and financing the transition to renewable energy.

In conversation with China's premier, Li Keqiang, in December, Malpass appears to have had an epiphany. "Part of the inequality problem is global finance itself, and

the unequal structure of the stimulus," said Malpass. Prevailing sovereign debt, fiscal and monetary policies were worsening inequality, he added. To drive pandemic stimulus programmes, rich countries are using central bank funds to buy long-term bonds; that's highly profitable for the big banks and corporates. But it's locking out small businesses and developing economies from finance.

**Pandemic economics** have highlighted the urgent need to reform the financial system, but so will the imperatives of the transition to green and sustainable economies. At the UN's COP26 climate summit, former governor of Britain's central bank Mark Carney brought together more than 400 companies with cumulative assets of more than \$130trn who are committed to make their operations net-zero in carbon emissions by 2050.

Tremendous news for the green transition. But whose transition? Rich countries have ramped up spending to \$20trn in response to the pandemic. But those same countries have failed to honour a pledge, now 12 years old, to mobilise \$100bn a year in climate finance for developing economies. And that \$100bn a year is a rounding error compared with the \$1trn-\$2trn required each year in clean-energy investments in developing economies to achieve net-zero emissions by 2050, according to Jason Bordoff, climate advisor to former US president Barack Obama.

Those trillions could come from the green corporate barons. But voluntarism does not work in our dysfunctional financial system. The time has come for a progressive levy on the 28bn tonnes of carbon dioxide emitted by rich and middle-income countries each year. The IMF and the World Bank, with their regional counterparts, could collect and distribute this revenue for renewable-energy projects in developing economies. A first and a green step to level up finance. ●





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## DANGOTE'S REFINERY NEEDS POLITICAL COVER

Your optimism and pessimism are well understood [*'Aliko of Africa's \$19bn bet*, TAR 117 Oct.-Dec. 2021], especially as a Nigerian, these are quite rife with the populace. However, our country is one where the dynamics keep changing, and no single individual holds the sway in our polity 'forever'. While I admire [Aliko Dangote's] passion, I equally pray he doesn't offend the pretorian guards and their principal, who constantly keep the levers of power.

**Emmanuel Edirin**  
Nigeria



## AFRICA'S WAR

Like many Ethiopians and global citizens, I am puzzled by the concerted, calculated Western media campaign against Ethiopia. The news that Addis Ababa is about to fall has been going on for weeks. But we are still here. Now they have run out of options. We have lived long enough to observe many countries fall largely because of interference by Western powers. I have a feeling that Ethiopia will be the last attempt they are going to make because Africa is waking up. African media is beginning to stand up to Western media – they are saying: “This is not just Ethiopia's war; it is Africa's war.” We (Africans) let down Libya. It was not the responsibility of the French or English or Americans to get rid of Gaddafi. It should have been the Libyans themselves. We kept quiet when Western powers created the mess. I just hope we don't repeat the same mistake!

**Amdissa**

## GREEN POWER

The current African contribution to global warming is miniscule. Even if all African states fully harnessed their carbon-based energy sources, the contribution to global warming would still be south of 10%. Notwithstanding, we can find solutions that are win-win. For example, part of the investment to

encourage clean energy sources could be channelled to Africa so the continent can act as a carbon sink.

**Mbatshi Mazwiduma**  
Botswana

## GADDAFI FAMILY

If [former leader Muammar Gaddafi] had spent the squandered billions of dollars

over the many years in power on Libya's infrastructure, and on it's people instead of his ego ... possibly ... he and his family and the Libyan people would have avoided all of the hardship and chaos that the country and it's people are enduring.

**Hussein Azzabi**  
Libya

## LAGOS'S GRIND

In this congested city, sleep-deprived young Nigerians brave traffic in the small hours for pay barely sufficient to get by. Many of these jobs are unreasonably demanding. Why do these young Nigerians remain working under these kinds of conditions?

**Joseph, Nigeria**

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# Building a world that works... for Africa

For over 125 years, GE has demonstrated its commitment to Sub-Saharan Africa through its approach to investment and innovation in healthcare, energy and aviation, contributing to building a prosperous, sustainable future for the continent.

## REVOLUTIONIZING HEALTHCARE

A leading provider of precision health technologies, GE Healthcare works towards making healthcare systems more sustainable and accessible to deliver better outcomes to more people. Using big data and AI to analyze a multitude of factors to diagnose and treat disease, GE Healthcare's lifesaving innovation is revolutionizing healthcare in Africa.



GE Healthcare's diagnostic imaging and monitoring portfolio, from initial screening, diagnosis, therapy guidance, and minimally invasive treatment to monitoring patient progress, is deployed in facilities throughout Africa, including Kenya's Kenyatta University Teaching, Referral & Research Hospital (KUTRRH), sub-Saharan Africa's first publicly-owned comprehensive cancer center. In Nigeria, it delivered and installed equipment with a full range of products at Duchess International Hospital, the largest multi-specialty privately-owned hospital on the mainland.

In partnership with AFRIPHARMA, GE Healthcare equipped the Afri-Egypt Health Services Center in Jinja, Uganda, for diagnosis and treatment of various critical diseases, including in the areas of women's health, neonatal care, cardiology, internal medicine, HIV, infectious diseases, and COVID-19. The Center could serve over 60,000 people, improving accessibility in the surrounding communities.

"Our healthcare infrastructure expands capacity and improves healthcare outcomes, and we work closely with local healthcare professionals to meet the needs of the community," said Eyong Ebai, General Manager, GE Healthcare, SSA.

## HIGHER ACCESS, LOWER EMISSIONS, STABLE GRIDS

Finding a lasting and sustainable solution for Africa's energy poverty is urgent if emerging economies are to power the industrialization essential to their economic development and a better quality of life. GE innovates through modernizing existing technologies and developing new breakthrough technologies such as hydrogen and carbon capture, storage and utilization (CCUS) solutions.

In a recent white paper, GE highlights that the accelerated and strategic deployment of both renewable energy and gas power contributes greatly to combatting climate change in the near-term, demonstrated by the proven performance of its HA gas turbine, which enables greater use of renewable energy and a transition from gas to hydrogen. GE steam power is also supporting its customers as they transition to a lower carbon future by maximizing the lifetime output of the existing installed base to improve performance and efficiency and ensure these power plants continue to deliver affordable and reliable power as long as it's needed.

"GE contributes to building a more sustainable energy system by collaborating to build new high-efficiency generating capacity through a mix of natural gas and renewables," said Nosizwe Dlengezele, GE Gas Power's Chief Commercial Officer, SSA.

In East Africa, GE Renewable Energy is supplying the turbines and advisory support for Kipeto Energy's 100 MW wind power project in Kajiado, Kenya and all electro-mechanical equipment for the Bujagali 250 MW Hydro power plant in Uganda. GE equipment will power Senegal's 300 MW Cap des Biches combined cycle gas turbine power plant, generating enough electricity for 500,000 homes and, in Côte d'Ivoire, is providing gas turbine technology and services for the Azito Phase IV 260 MW power plant extension, bringing total plant capacity to approximately 700 MW.

GE Grid Solutions focuses on physical upgrades to existing grids to better manage decentralized renewables and optimize efficiency and stability, and provides the digital software to run them locally and troubleshoot problems, increasing overall capacity and resilience. It recently commissioned Africa's first fully digital high voltage substation in Senegal and was awarded a US\$47 million contract to build the biggest high-voltage substation in Benin, in addition to the 2018 turnkey distribution management system project currently being executed.



GE Invests \$2.5 M. in the Next Generation of Johannesburg Engineers.

## INNOVATION TAKES FLIGHT

GE Aviation powers Ethiopia Airline's fleet, including the Boeing 787 Dreamliner and 777s and the Next Generation B737s through CFM International, a JV between GE and Safran Aircraft Engines. In 2020, Kenya Airways selected GE Aviation's Flight Operations suite of digital products across its entire fleet. This June, CFM launched its RISE (Revolutionary Innovation for Sustainable Engines) Program to develop the next-generation CFM engine, aiming for 20% more fuel efficiency. GE Aviation also supports industry initiatives to approve and adopt 100% Sustainable Aviation Fuel (SAF) and, recently, United became the first airline to operate a passenger flight using 100% SAF.

## COMMITTED TO COMMUNITIES

Committed to transforming communities in which it operates, GE aims to inspire future engineers and shape workforce diversity through its STEM initiatives. It recently organized a Girls in STEM event for 100 students in Côte d'Ivoire and launched Next Engineers in Johannesburg, with a \$2.5m investment. Since the onset of the pandemic, GE and its partners have helped communities face the economic and social implications of COVID-19, including by building a primary healthcare clinic in Botleng in Mpumalanga and, on World Food Day, donating \$100,000 to Food Forward to help people experiencing food insecurity. ❖



JAMG - © D.R.

# AMINA J. MOHAMMED UNITING NATIONS

The UN deputy secretary general chats with *The Africa Report* about the future of multilateralism, the social contract in the Sahel and the urgent need for solidarity

By **PATRICK SMITH**

Members of the welcoming party in the lobby of London's School of Oriental and African Studies (SOAS) nervously checked their watches, waiting for their star speaker to arrive. Just a few days earlier, South African epidemiologists had discovered the Omicron variant of Covid-19. Western governments were putting up the shutters and throwing international travel into chaos.

Minutes later, broad smiles broke out. UN deputy secretary general Amina J. Mohammed breezed in, resplendent in an emerald green boubou. "The planes are still flying," she said. "I left New York yesterday morning [...] though I'm not quite certain when I'm going to be able to get back."

Mohammed is zig-zagging from the UN headquarters on Manhattan's East River to its European base in Switzerland, then 24 hours in London to deliver a lecture at the Royal African Society, then more sessions in Geneva before, fingers crossed, a return flight to New York. After almost two years of enforced stasis, the continent-crossing

diplomatic schedule seems simultaneously exotic and old-fashioned.

We are ushered into a quiet room in the SOAS director's office. South African academic and activist Adam Habib took over at SOAS in January and has injected a note of internationalism and radicalism into the venerable institution.

That is also a profile with which Mohammed seems happy. After schooling in Kaduna and Maiduguri in northern Nigeria, then college in Britain, she joined an architectural practice back home and launched into community activism. That tipped her into running a social enterprise before she was recruited by three successive

**'The UN has to be more inclusive, more responsive, or it will become a relic'**

presidents of Nigeria to advise on development policy.

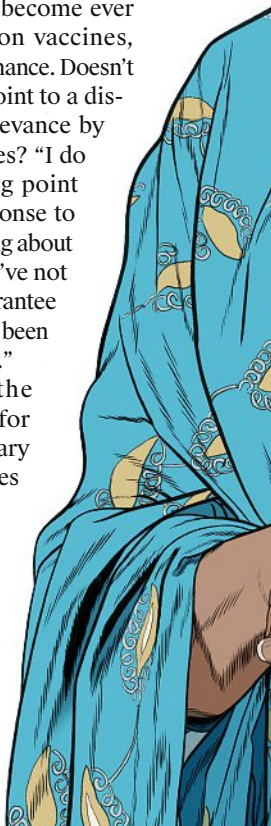
After two decades in government and the international system, how does she deal with galloping cynicism towards the UN and tub-thumping nationalism taking hold in so many states? "Even my children ask me: 'Why are you still at the UN?'," she laughs, suggesting that her six globe-trotting children are not entirely convinced by her answers. One of the six, Nadine Ibrahim, has directed a film about the interior life of a 12-year-old female suicide bomber in northern Nigeria.

**This growing nationalism** may mean the UN has to develop its own form of transactional diplomacy. It is the convening power of the UN that matters, she says. "What are the dividends that you get for investing in an organisation like this?"

For Mohammed, in this era of pandemics, broken supply chains and climate crises, the UN's relevance should be greater than ever. "The UN has to be more inclusive, more responsive or it will become a relic. It's important for us to remember that we're not far away from that."

Rich countries have become ever more curmudgeonly on vaccines, migration and climate finance. Doesn't this widening chasm point to a dismissal of the UN's relevance by the most powerful states? "I do think that the breaking point is going to be the response to Covid. Everyone's talking about a recovery. Frankly, we've not had the response to guarantee that recovery. There's not been the solidarity behind it."

It doesn't look the most propitious time for Mohammed and Secretary General António Guterres to launch the UN's boldest bid for reform since it was founded in 1945. The 'Common Agenda' calls on the organisation to be



more participatory and consultative, working with civil society, entrepreneurs and activists on the front line.

The UN positions the report as a platform for 'networked multilateralism': a way of pulling together many different organisations – governmental, philanthropic and even commercial – to act in areas such as climate, health and security. Then

there is Guterres's call for the Futures Lab, ramping up the UN's strategic forecasting and use of behavioural science alongside the re-establishment of its scientific advisory board.

**All this is more** than the last gasp of multilateralism. Mohammed says the internationalists will win in the end. "There should be a critical mass of member states. It's an insufficient number so far, but I think we can grow that number. We have presented our Common Agenda. There has been a good resolution that welcomed it!"

One of the more positive outcomes of the pandemic, says Mohammed, was far better co-ordination between the UN, the IMF and the World Bank. The World Bank had initially lagged behind on climate finance; now it needs to bring in the regional and national development banks, as well as private institutions, to raise gargantuan sums to finance the energy transition. "They've got to feel the sense of urgency. We're not getting ahead of the curve [on climate], just flatlining."

Global warming is personal for Mohammed, as it has ripped

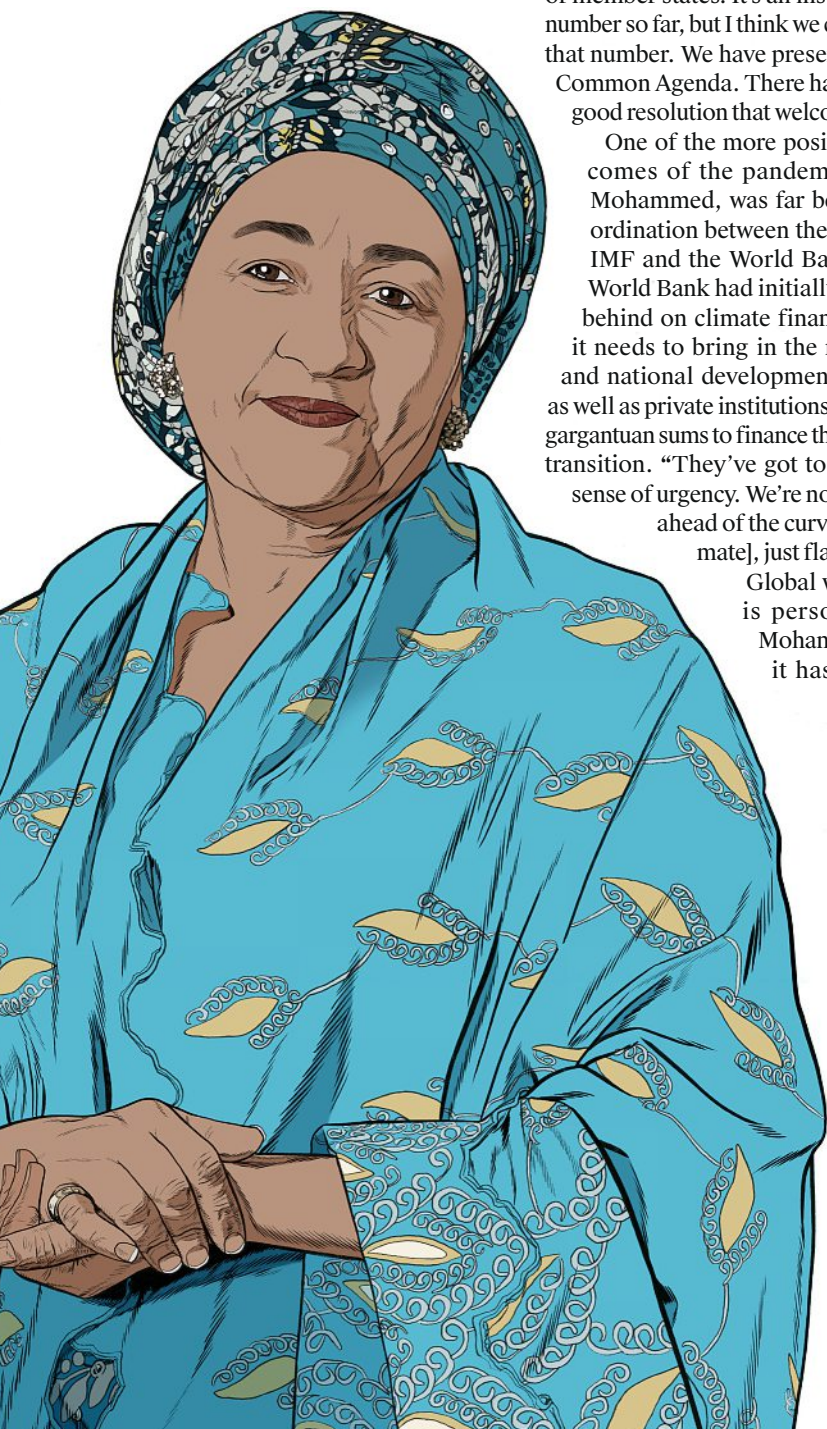
## 'We're not getting ahead of the curve [on climate change], just flatlining'

across the landscape of her homeland. "Lake Chad, I grew up there and it was a lake, I have to tell you! [...] Today, you scarcely need a paddle boat to cross it. Farmers wake up in the morning, go to their farm and find nothing there because the sandstorm has taken it away. [...] This has just exacerbated the inequities in the region."

**With that come the multiple** insurgencies and banditry, with armed bands coordinating with jihadist militias across the Sahel. So what is happening to the established social structures? "I think it's really a failure of democracy to take root and of the governing structures to have the necessary investments for a parliament, for a bureaucracy and for a justice system. The social contract with the people is breaking because we're not able to respond adequately."

That means radical policy and institutional changes: "I think the security situation in most of Africa probably needs a rethink. This is where the secretary general talks about peace architecture [...] dealing with the root causes, having the necessary foresight and tools. [...] In many of the communities, the wonderful thing about Africa is that if you get it right, it repairs itself really quickly. But if you get it wrong, it disintegrates really quickly."

With that apocalyptic aperçu, the deputy secretary general heads for the lecture theatre, readying herself to defend the UN project to a generation of students for whom its precepts and its foundation 76 years ago have long since faded into history. •



JEAN-MARC PAU FOR TAR

# YEAR IN IMAGES

2021 was a year of farewells and new beginnings. Sudden deaths and elections ushered in a new era. After 2020's lockdowns, people were able to come together again for postponed sports and cultural events as well as protests.

## JANUARY NOT THIS TIME, BOBI

Yellow flooded the streets of Kampala as Ugandan president Yoweri Museveni won a sixth term in office in an election his rival Bobi Wine said was marred by fraud and violence.



SUMY SADURNI/AFP



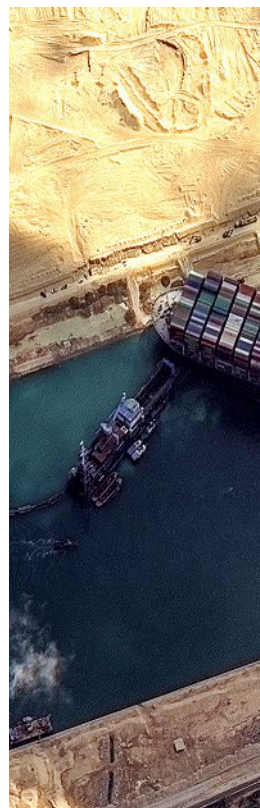
TANZANIAN STATE HOUSE/XINHUA/REA

## MARCH STUCK!

The world watched in wonder as tugs tried to dislodge the container ship *Ever Given*, which remained wedged in Egypt's Suez Canal for six days and seven hours from 23 to 29 March.

The blockage of the canal, as at least 369 ships queued to pass through, resulted in an estimated \$9.6bn worth of lost trade.

The Egyptian government impounded the vessel over compensation until an agreement was reached in July.





## MARCH MAGUFULI LEAVES THE STAGE

Tanzania's president John Magufuli, one of Africa's most prominent Covid-deniers, died amid rumours that he had contracted the virus. A further 45 people died in a stampede at his lying in state.



AFP

## FEBRUARY CLASH OF THE GIANTS

Malian fans show their support at a big-screen projection of the 2020 African Nations Championship final, which took place in February 2021. Morocco claimed their second title 2-0.



DIGITALGLOBE/GETTY



HAZEM AHMED/REUTERS

## MARCH LIBYA AWASH WITH MERCENARIES

Libya's October 2020 ceasefire agreement included the withdrawal of all mercenaries within three months, but a UN panel of experts in March reported that few, if any, had left.

# YEAR IN IMAGES

DESIREY MINKO/AFRIKIMAGES/GETTY



## APRIL A MARSHAL TO THE END

President Idriss Déby Itno, who had ruled Chad since 1990, died in battle, aged 68, while commanding troops against militant forces on 19 April. The late president's son, Mahamat ibn Idriss Déby (saluting his father's mortal remains in the picture), also a career soldier, has taken the reins of the *Conseil Militaire de Transition* put in place to lead the nation for 18 months.

TOM SAATER/BLOOMBERG/GETTY



BAZ RATNER/REUTERS



## JUNE ABIY'S LANDSLIDE

Voters in Addis Ababa queue for Ethiopia's parliamentary and regional elections, in which Prime Minister Abiy Ahmed's party won 410 of 436 seats. The opposition boycotted the election and the war in Tigray prevented some areas from voting.

FINBARR O'REILLY/INTRA/REDAUX/REA





## AUGUST DANGOTE'S DEAL

Nigeria announced that its state oil firm, the NNPC, would buy a 20% stake in Aliko Dangote oil refinery for \$2.76bn.



BAZ RATNER/REUTERS

## JUNE STEPPING UP TO THE VAX

By June, it was clear that the COVAX vaccination effort in Africa was faltering. Western countries started to wake up to the necessity of sharing, starting with the US.



## JUNE EMASWATI RISE UP

Pro-democracy protests broke out in Eswatini – Africa's last absolute monarchy – in mid-June, and had escalated into violence by the end of the month. The protests are ongoing.



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## JUNE TIDE TURNS IN TIGRAY

Eight months after the Ethiopian government declared war on the Tigray Defense Forces, the ill-equipped rebel group scored a cascade of victories against one of Africa's strongest armies and reclaimed the regional capital, Mekelle.

## AUGUST

### PEACEFUL HANDOVER

Supporters of Zambia's new president, Hakainde Hichilema, celebrated in Lusaka after ex-president Edgar Lungu conceded to the businessman.



## SEPTEMBER TEDROS LOOKS TO THE FUTURE

Africa-France links were strengthened when World Health Organisation (WHO) director-general Tedros Adhanom Ghebreyesus met President Emmanuel Macron to launch the construction of the WHO Academy in Lyon, France. The Academy will train health professionals from all over the world.



LUDOVIC MARIN/AFP

## OCTOBER PAINLESS

Aspen Pharmacare opened the Global South's largest anaesthetics manufacturing facility at the South African plant in Gqeberha where it makes Johnson & Johnson Covid-19 vaccines.



## SEPTEMBER GUINEA COUP

On 5 September, Guineans awoke to the news that special forces commander Mamady Doumbouya had ousted President Alpha Condé in a coup d'état. He is now interim president.



SALOU SAMBREUTERS



EPA/MAXPPP



FATEH GUIDOUM/AP/SIPA

## SEPTEMBER STRONGMAN NO MORE

Algeria's former president Abdelaziz Bouteflika, who had resigned in 2019 amid huge protests, died quietly on 17 September. Bouteflika had remained in charge for two decades, weathering the Arab Spring, and at his height had absolute power.



WALDO SWIEGERS/BLOOMBERG/GETTY

## OCTOBER FESPACO IS BACK!

The biennial Pan-African Film and Television Festival (FESPACO), which was cancelled in 2021 due to Covid-19, burst back into action on 16 October with a star-studded live show proclaiming the resilience of both the African film industry and Burkina Faso.



ISSOUF SANOGO/AFP

# QUIZ

## 21 questions on 2021

Think you've had your finger on the pulse of African news? The first five people to answer all the questions correctly will receive a year's subscription to our digital edition. Please e-mail your answers to: **quiz@theafricareport.com** by 1 February 2022.

1 Which musician asked for money on Twitter on his birthday to release his Rolls-Royce from a port?

2 Which African country was the first to launch its own digital currency?

3 On 24 November, which country was the first to detect the Omicron variant of Covid due to quick genomic sequencing?

4 Which social media company was accused of "literally fanning ethnic violence" in Ethiopia by a whistleblower this year?

5 Which Nigerian famous for his political connections and hit-and-miss prophecies – like that Hillary Clinton would win the 2016 US presidential election – died in 2021?

6 Which African leader told the COP26 conference in Glasgow: "It is time for Africa to be compensated – for the good of the planet"?

7 Which sporting tournament kicked off its inaugural games in Egypt in 2021?



Ugandan speed in the streets of Lisbon

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8 Which British royal was criticised after he blamed Africa's population growth for the rising hunting of wild animals on the continent?

9 Which African leader banned Twitter after the site deleted a tweet in which he issued a warning to secessionist groups in his country?

10 How much did 34-year-old Zambian businessman Jonathan Kondowe pay to buy the red jacket worn by Zambia's President Hakainde Hichilema during his 127-day treason imprisonment in 2017?

11 The Pandora Papers leaked information that Client 13173 and his family had a network of offshore companies. Who is client 13173?

12 In an attempt to attract investors, Malawi has elected which former heavyweight as its official cannabis ambassador?

13 What percentage of total global emissions does Africa account for?

14 Which winner of the Nobel Peace Prize went to the frontlines of a war in his country in 2021?

15 Which organisation accused Shell's drilling in South Africa of "[flying] in the face of the government's responsibility to protect and safeguard human rights and the environment"?

16 Uganda's Jacob Kiplimo set a new world record at the EDP Lisbon Half Marathon in 2021. What was his time?

17 African writers won which three top international literary prizes in 2021?

18 Which African government reportedly used the Israeli spyware Pegasus to spy on South Africa's President Cyril Ramaphosa?

19 Which first lady paid back the money she received in allowances – which approximated to a government minister's salary – after an uproar about how the government spends money?

20 Who shot to fame as the second-most followed TikTok star for his SMH-themed videos?

21 In South Africa's rough-and-tumble municipal elections, which free-speaking politician said this of a rival: "He is stupid! He is absolutely stupid!"?



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# NOW AFRICA MUST TELL ITS OWN STORY

**MAX SIOLLUN**

Nigerian historian and author of *What Britain Did to Nigeria: A Short History of Conquest and Rule*

A common complaint from Nigerians is that the teaching and dissemination of their history has been deprioritised or even forgotten. For years, school students in Nigeria were not taught their country's history... until the government restored it to the curriculum in 2019. This lacuna was filled with accounts written by British colonial officers and expatriate historians. For decades, young Nigerians grew up on a diet of the coloniser's narrative.

Reading much of the written history of Nigeria is like observing the country through the telescopic sights of a British rifle. Now there is a growing demand to hear Nigeria's story told from the perspective of its indigenes. Although partly this is due to the greater racial awareness generated by the Black Lives Matter (BLM) campaigns and racial and social justice unrest of

2020, other trends have coalesced to bring Nigerian history to the centre stage. Firstly, Nigeria's habit of recycling its political elites; secondly its overwhelmingly young population growing up in the short-attention-span era of YouTube and social media; and thirdly, the global wave of video streaming that has also swept Africa.

**When the first generation** of post-independence Nigerian historians – such as Jacob Ade-Ajayi, Adiele Afigbo, Kenneth Dike, Tekena Tamuno and Yusufu Bala Usman – departed, few talented historians had lined up behind them. Perhaps that's unsurprising in a developing country obsessed with fast oil wealth and training young people for the professions. Nigeria's history was relegated to the wilderness for decades. Government failed to prioritise it. Now Nigeria's demography may help make history big business.

Two-thirds of Nigerians are under 30 years old. The country's youth contrasts with its elderly political leaders. Nigeria emerged from two decades of military rule and transitioned to elected civilian rule in 1999, but its

leadership has been dominated by retired generals from prior military dictatorships.

President Muhammadu Buhari is a 78-year-old retired army major general who led a military regime between 1983 and 1985. He returned to power as an elected civilian president 30 years later. More than two-thirds of Nigerians had not been born when Buhari was first head of state. They struggled to reconcile conflicting accounts of him as a severe and uncompromising military disciplinarian with his new demeanour as avuncular senior citizen.

**Despite Buhari's promise** that “before you is a former military ruler and a converted democrat who is ready to operate under democratic norms”, young Nigerians puzzled over their president's antecedents.

Clarissa Ebuzeme, a young lawyer in her 20s who lives in Abuja, told me: “Millennials and Gen Z are finally becoming real adults and more self-aware and want to know what happened in Nigeria in [the past]. [...] People wanted to know more about what happened in the 1980s when he [Buhari] was military head of state.” Young people consider that a way to discover the nature of the man now leading their country is to delve into history and learn about the military coup plots that took Buhari in and out of power three decades ago.

Other ghosts from our past are haunting today's youth. For years, activists in the south-east have campaigned for secession. The attempted secession of Biafra in 1967 led to a civil war that lasted almost three years, claimed a million lives and split the army into rival warring factions. For the first time in African history, Western television viewers were presented with footage of emaciated, starving African children, imposing another stereotype of Africans.

Although Nigeria was reunited, the emotionally explosive faultlines and structural problems that led to the



secession remain unresolved. The war's legacy and the curiosity of the generations born after it have created their own industry. Barely a year goes by without a new book about Nigeria's devastating civil war. One of the most successful African books of the 21st century, *Half of a Yellow Sun*, is a novel based on real characters and events from the war. Published almost 30 years after the war started, its author, Chimamanda Ngozi Adichie, was born a decade after the first shot was fired.

**Even the neglected topic** of Nigeria under British colonial rule is getting airtime. For decades there were no new books on the topic. Then, suddenly, like proverbial London buses, five books on Britain's colonial rule of Nigeria appeared in 2021. They address topics such as Britain's looting of the Benin kingdom in 1897 and whether those stolen artefacts should be returned, Nigerian resistance to British rule, and even salacious inter-racial affairs involving British colonial officials who condemned miscegenation by day, but slept with African women by night.

## ***Black Panther* was more than a box-office success. It shifted the African narrative**

Academia, professors and text-books should not be the only outlets for disseminating history. Artistic licence can easily cross over into propaganda, however. For decades the US presented its tumultuous history in a monochrome way through Hollywood, with brutal conflict in the 'Wild West' and the slaughter of Native Americans mythologised in films about 'cowboys and Indians'.

Evolving consumerism offers a new way to relay Nigeria's history, and maybe we can do better than 20th-century Hollywood. Two decades ago, the *Financial Times* described Nigeria's then rudimentary film industry as "vibrant if somewhat bizarre [...] with

torrid tales of witchcraft and romantic adventure". Nollywood is now the second-largest film industry in the world. This burgeoning domestic film industry coalesced with other tectonic shifts in global entertainment.

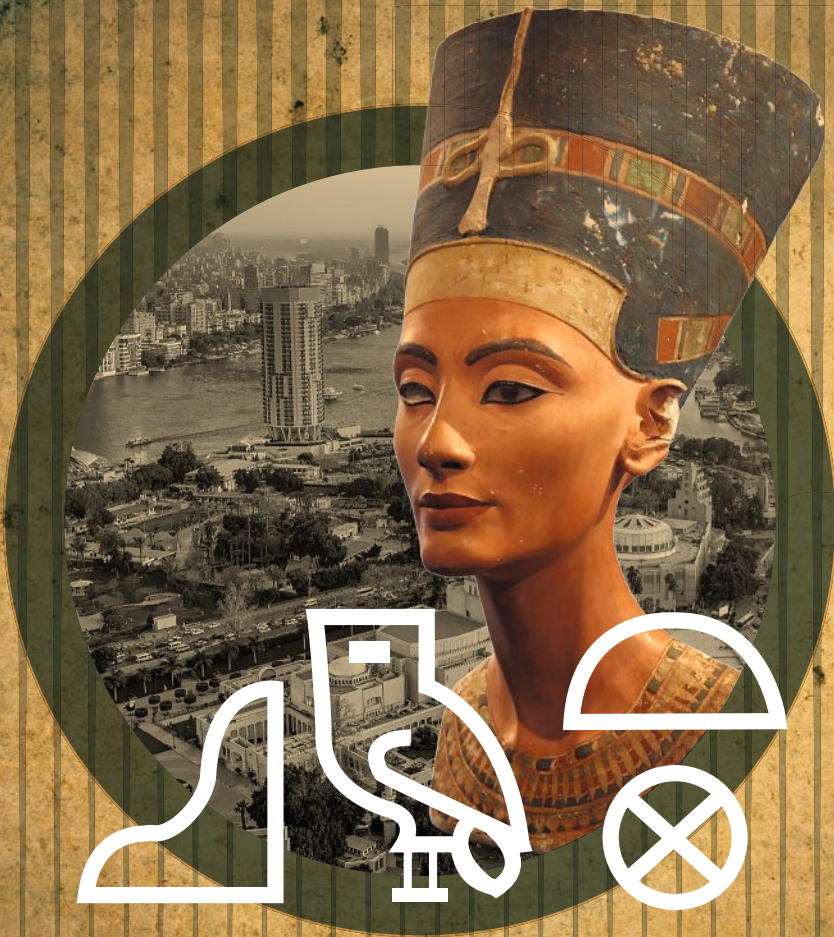
Nigeria has more than 170m mobile-phone accounts. Most of them can access feature films and documentaries online. Netflix and its rivals' growth targets are based on securing a foothold in heavily populated developing countries. To win bigger audiences, Netflix was producing African-made films and programmes even before the BLM and racial justice protests of 2020.

**Those momentous events** combined with the success of the 2018 Marvel blockbuster *Black Panther* to create demand for more films starring and produced by Africans. *Black Panther* represented much more than box-office success. It shifted the African narrative. An almost all black cast starred in a film that did not conform to the usual negative images of Africa. It was not an outlier. Last month, Netflix released *Amina*, inspired by the warrior queen who reigned in 15th century Nigeria.

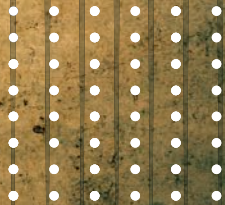
Africans are no longer being examined and studied by outsiders as if they were laboratory specimens. Social, demographic and technological trends have converged to give Africa a wonderful opportunity to tell its story. It should not be missed. •

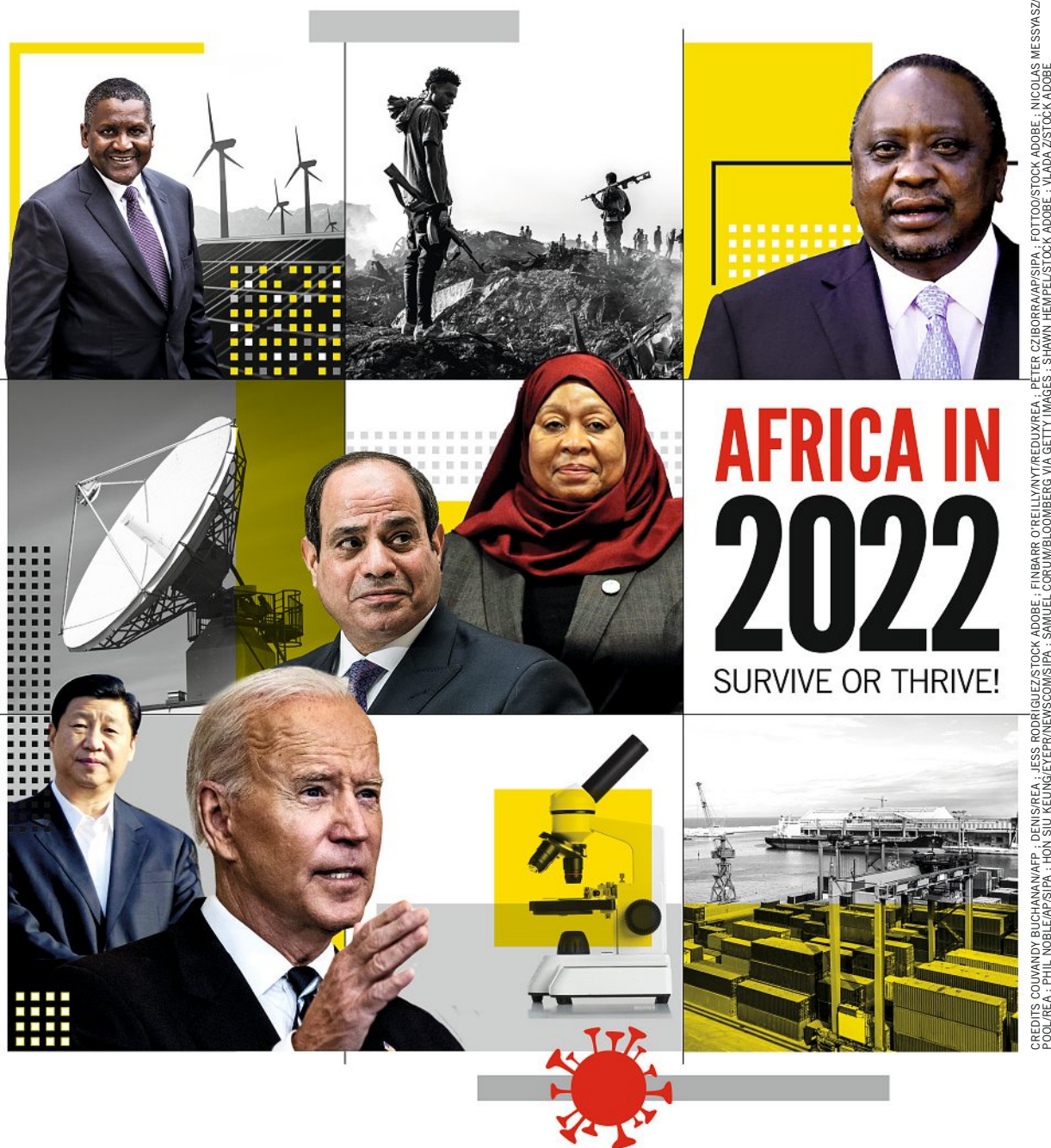


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Many African heavyweight economies are flipping into election mode in the coming months. In Kenya, things are already in full swing, while in Angola (2022) and Nigeria (2023) the frontrunners are manoeuvring themselves into contention. Fears of new strains of Covid should hopefully peter out, while longer-term trends like great power competition and the impact of tech will stay strong.

# Africa's flip-a-coin moment

Whatever your take – hype? hope? – cryptocurrencies are part of the conversation. And many Africans are jumping in to these digital assets and mediums of exchange with both feet. Here are some data points: In September 2021, African users living below the Sahara accumulated \$80m of cryptocurrency, according to UsefulTulips, a market analyst. It was a 20% bump compared to the previous month. And it was – for the first time – greater than the dollar amount of cryptocurrency accumulated by users in the US.

More crypto in Africa than in the US? Really? ‘Not only has Africa’s cryptocurrency market grown over 1,200% by value received in the past year, but the region also has some of the highest grassroots adoption in the world, with Kenya, Nigeria, South Africa and Tanzania all ranking in the top 20 of our Global Crypto Adoption Index,’ says the Chainalysis data platform.

**Reactions from central** authorities have varied. Kenya is taking its usual hands-off approach, as it did to mobile money a decade ago. This allowed the blossoming of peer-to-peer money transfer of another kind: the international smash hit known as M-Pesa. While he warned in 2015 of the dangers of Bitcoin, Patrick Njoroge, Kenya’s central banker, has

not aggressively tried to halt its use.

Nigeria is taking its usual interventionist approach – at any rate, this is the stance Nigerians have become used to under the Muhammadu Buhari administration. In February 2021, the central bank prohibited banks from “facilitating payments for cryptocurrency exchanges”.

The matter is somewhat complicated by the fact that political organisers in Nigeria used cryptocurrencies to crowdfund the #EndSARS campaign that highlighted police brutality. Speaking to multiple blockchain operatives for a piece *The Africa Report* is working on, we found precisely no one willing to go on the record... but they all say crypto will continue regardless, as a hedge for inflation against the endlessly falling naira.

Blockchain – the distributed-ledger technology that makes Bitcoin and other cryptos possible – can cure multiple ills, argue evangelists. Take the nightmare that is cross-border payment in Africa. The vast majority of cross-border traders on the continent have small turnovers. Traditional banks require expensive correspondent banking networks and SWIFT settlements, which are out of reach for most of these companies.

So cryptocurrencies come into play. Looking for alternative payment methods, Nigerian businesspeople are, anecdotally, settling

accounts across borders with Bitcoin, using private messaging services like WhatsApp.

Beyond money, blockchain solutions are proposed for land titling – a frequent headache behind the rash of ‘This Land Is Not For Sale’ signs one sees in many cities and towns on the continent. While Japan and South Korea transformed their economies with wholesale land reforms after the Second World War, that was only possible because they had highly centralised and trusted states. Africa’s own states, crudely drawn by greedy Westerners, are ‘low trust’ affairs. Even the most patriotic of Nigerians would agree the body politic could be healthier.

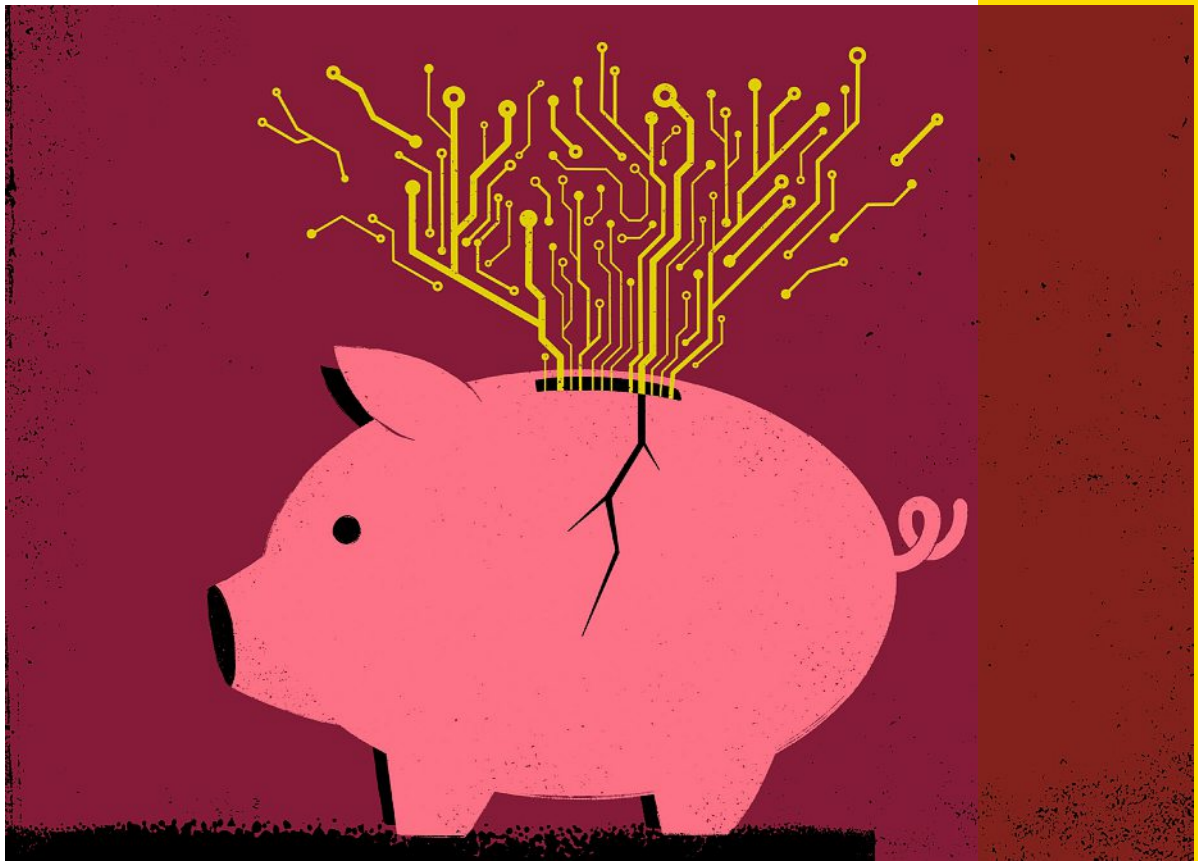
Blockchain might be an ‘expensive way to do a database’ – a key criticism levelled at it. But if it solves trust issues and unlocks capital when a family can borrow against its clearly documented land assets, that could make it revolutionary in many countries.

**Remittances, for example**, are subject to large fees in Africa. And beyond the clear benefits for the continent of having quick, safe and cheap remittance flows lies fresh innovation. Paul Domjan, co-author of *How Blockchain Will Transform The Developing World*, talks about the possibility of effectively sending not just cash but your own personal credit rating as a remittance.

“The place where it’s begun, actually, is in refugee camps”, says Domjan. “Because one of the challenges in refugee camps is that when you move from one refugee camp to another, you basically start over so you lose all your documentation. You lose all your history. You lose all your credit history for micro-lending.”

Imagine a scenario where a well-established member of an Ethiopian family in Oregon, US, sends her personal credit rating to her brother based in Addis Ababa. The bank in Ethiopia will recognise that the brother in

# CRYPTO



Addis has a guarantor for his loans – a recognisable credit history.

India's diaspora has been an essential part of the country's economic transformation – just look at the giant tech and pharmaceutical industries built on diaspora investment. China's own massive infusion of cash and skills via Hong Kong and the diaspora needs no further introduction. Innovation in this field would certainly be a game-changer for Africa, to accelerate the financial leverage, family by family, for the continent.

**But is there the political** will for it? Not in Nigeria, perhaps, but what about Rwanda, Morocco, or Kenya, three more tech-friendly countries? Domjan sees a fork in the future between those countries that have seized upon blockchain technologies to fix developmental problems and those where governance weaknesses are actually beneficial to the political and economic elite, and therefore they prefer the status quo.

In Nigeria, that maps rather too well onto the generational divide in the country, where the ageing

## Sending your credit rating as a remittance would accelerate financial leverage

ruling class sees every benefit in maintaining the system, and the young Turks in the streets, protesting against police brutality, demand better governance.

So might blockchain be a force for political as well as economic destabilisation? Former US presidential candidate Hillary Clinton certainly thinks so. She has warned that China and Russia are putting efforts into moving the world away from the dominance of the dollar, and Bitcoin et al are paving the way for them.

There is a tremendous amount of excitement generally in the blockchain community about the possibility for rewelding the societal

and political structures of the day. Just Google “DAO”, or decentralised autonomous organisation, for a science-fiction-style view of the future of the US, where city-states issue crypto bonds and sell access to their services and land.

**While the US state** may or may not be ripe for this kind of political shakeup, it does at least have many trusted institutions that could be rewired. How should African policymakers, astride their fragile states, see this potentially upending force? Fiat money is a vital glue holding economies – and trust in the state – together. Will more cryptocurrencies lead to creative destruction? Or just destruction?

Is crypto the latest magic bullet proffered instead of doing the hard yards of political organising and civic coalition building that drives fundamental change and strong institutions? Is it a giant Ponzi scheme that forever needs new suckers to be introduced into the system? The blockchain era has arrived and is asking you questions. •

## New year, new choices

After a packed 2021, the year ahead will be a relatively quiet one on the African elections front. Sudan and South Sudan's polls have been pushed to 2023, and even some of the planned ones – such as Mali and Chad – may not take place on time due to complicated transitional negotiations.

### ANGOLA

In 2022, Angolan voters will say whether they want to stay the course under the *Movimento Popular de Libertação de Angola* (MPLA)'s President João Lourenço or give someone else a try. Lourenço, 67, came into power in September 2017 as a reformer after years of corruption and oppression under José Eduardo dos Santos.

But now that Lourenço had started to allow more media freedom and public protests, people are complaining about the lack of public services, corruption and economic mismanagement. Ahead of the August elections, the government is becoming less tolerant of protests.

The government points to its anti-corruption campaigns targeting the rich and powerful of the former regime. But the economy is hurting. The government is struggling to repay its debts and so has limited room to win over voters with new spending programmes. And help from the IMF

is predicated on cutting water, electric and other subsidies.

The MPLA's big advantages are incumbency and its grassroots political machinery. The opposition is trying to balance the scales somewhat with a united front. Adalberto Costa Júnior, 59, leader of the opposition *União Nacional para a Independência Total de Angola* (UNITA), is rallying smaller opposition parties to challenge the MPLA. Reelected UNITA leader in December, his call was: "The time has come to build a new and better Angola, without unrealistic promises and megalomaniac projects, a working Angola where everyone has a place and to which everyone can contribute." The opposition looks like it will make inroads, but may not yet have enough support to shake up the MPLA heartlands.

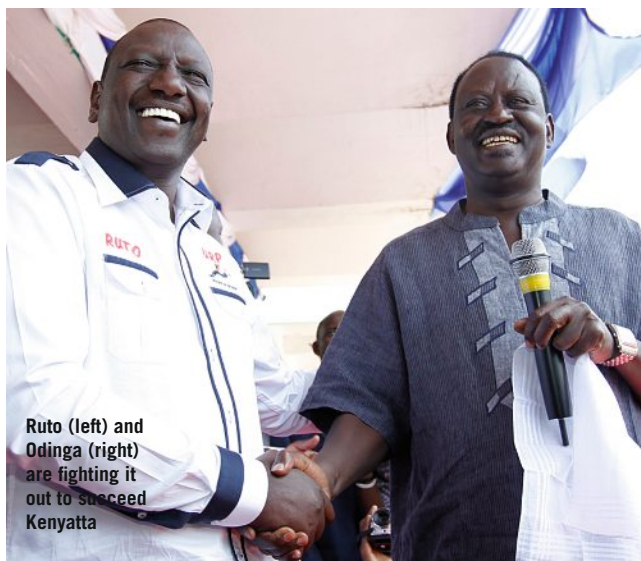
### CHAD

After the death of President Idriss Déby Itno in April 2021, the transitional authority led by his son, Mahamat Idriss Déby, promised elections by September 2022. Since the late president's death, the government, led by Prime Minister Albert Pahimi Padacké, has been organising a national conference to implement reforms. The tortuous negotiations with rebel groups and opposition leaders are likely to be the cover used in case the vote is delayed. Members of the transitional military council, including Mahamat Déby, are not meant to run for office. But the Déby clan has been in power for decades, so will the military and the ruling family give up control without assurances of protection under a new regime?

### KENYA

The slow-motion succession of Kenya's President Uhuru Kenyatta – in power since 2013 – has been playing out like a shifting love triangle over the past few years. Deputy president William Ruto and former prime minister Raila Odinga have both been manoeuvring to pick up votes in Kenyatta's Mount Kenya region and forge alliances ahead of the August 2022 polls. Kenyatta's bromance with Ruto did not last long, and his latterday moves to position Odinga as his political heir have hit legal and other hurdles.

Ruto and Odinga may want the Kenyatta vote block more than they do the Kenyatta legacy. The country borrowed heavily for infrastructure projects like the standard-gauge railway, which have yet to give the economy a much-needed ...



Ruto (left) and Odinga (right) are fighting it out to succeed Kenyatta

REUTERS / THOMAS MUKOVA



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AFP/PHILIPPE WOJAZER

●●● jolt. Kenya Railways Corporation reported losses of \$212.7m for the 2020/2021 financial year.

Ruto, who is campaigning to be president on the United Democratic Alliance ticket, styles himself as a 'hustler' who will reinvigorate the country's economy through a bottom-up economic model. Odinga, of the centre-left Orange Democratic Movement, has offered free education from primary to university and cash transfers for poor families as part of his evolving campaign manifesto.

Both candidates will have to choose their spending priorities wisely but also come up with ways to pay for them. That will be playing out in the background as the candidates crisscross the country with promises and handshakes.

How will Ruto  
and Odinga  
pay for their  
promises?

## LIBYA

Libya's international partners have wagered on elections as the means to end the civil war that started in 2011 with the overthrow and death of Muammar Gaddafi. That roadmap has its risks, as the warring factions have brought an estimated 20,000 mercenaries into the country and there are many potential spoilers.

The first round of presidential polls was set for December, with a second round and legislative elections planned for January. There is not likely to be a winner in the first round, with some analysts arguing that it may not even go ahead.

Though there has been no opinion polling, the current frontrunner appears to be Abdul Hamid

Dbeibah, the interim prime minister. In deciding to run, Dbeibah breaks a pledge that members of the interim government would not seek election.

There are many candidates, so there is likely to be a lot of horse trading and back-room negotiations between the two rounds. Gaddafi's son Saif al-Islam has the backing of the Gaddafi clan, while rebel leader Khalifa Haftar has support in the east. Other candidates count on the support of local groups, like the Misrata militias, and influential international parties. Whoever wins, there is a vast need for reconstruction projects and wheeling and dealing in order to get the warring factions moving in the same direction.

## MALI

Leaders of the August 2020 and May 2021 coups had promised elections by February 2022, but delays in the national reform consultations have in turn delayed the elections. ECOWAS has imposed sanctions on the transitional authorities and public faith in transitional leader Colonel Assimi Goïta is low.

Election security is a looming problem. Jihadist violence threatens the country, with large areas out of government control. Some French forces are due to leave in February, and the government is in talks with the state-linked Russian mercenary group Wagner, antagonising Paris.

Who might win the elections, if indeed they are held, is not clear. The military may support a candidate that is sympathetic to it. The opposition is divided over the participation of Choguel Maïga, leader of the *Mouvement Patriotique pour le Renouveau*, as transitional prime minister. ●

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## Will the centre hold?

Guessing where Ethiopia's civil war will end up in 2022 is an impossibly hard mission. Not because of the paucity of information emerging, nor even because of the dueling propaganda war, but because it is a genuinely fluid situation.

In late November, the Tigray rebels appeared to be marching at full steam towards Addis Ababa, joining forces with the Oromo Liberation Army and occupying towns including Dessie and Kombolcha. But an early December fight-back from the Ethiopian federal army seemed to put the initiative back into the hands of Prime Minister Abiy Ahmed, the beleaguered premier of Ethiopia. "The morale of the defence forces is great," said Abiy in a photo op on the front line.

The Tigray forces are unlikely to retreat into central Tigray, where they would easily be boxed in and bombed. Instead, they may now look at trying to take on federal army forces in other areas, such as west Tigray. The Tigray leadership showed no signs of giving up, or of being willing to enter into peace talks. Tigray leader Debretsion Gebremichael said: "Until the enemy is completely buried, the heavy fighting will continue, and we will eventually finish what we started."

Abiy is counting on the support of Turkey and China. Turkey's President Recep Tayyip Erdoğan and China's foreign minister, Wang Yi, have both visited Addis Ababa to show their support.

### Unthinkable outcomes

Were the Tigray People's Liberation Front to break through and take Addis, there would quickly be question marks over the viability of Ethiopia as a going concern. Some have already raised the spectre of a Balkan-style break-up into smaller proto-nation states. The Somali region might well refuse to take orders from a Tigray-held capital; let alone the contestation that could follow between Amhara and Oromo forces over who controls the capital.

For William Davison, a senior Ethiopia analyst at the International Crisis Group think tank, the most likely scenario is "a drawn-out conflict, with the drone power of the federal government and popular mobilisation holding back the armed resistance of the Tigray forces". That would probably mean that Ethiopia holds together. But for the many millions for whom this conflict has meant unspeakable loss and suffering, a multi-year war is the worst of possible outcomes. ●

With Abiy on the front line, a rally was held in Abbis on 27 November

Some have raised the spectre of a Balkan-style break-up



EDUARDO SOTERAS / AFP

# Driving Agricultural Revolution in Africa



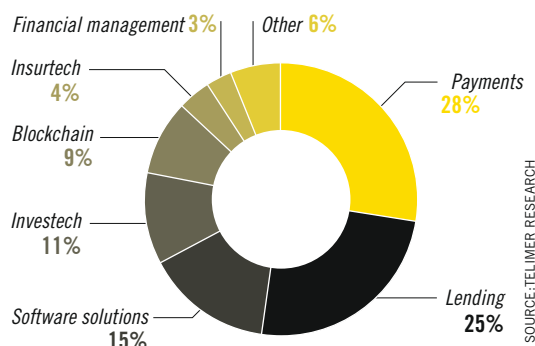
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## Masters of tomorrow

### NIGERIA'S FINTECH ECOSYSTEM



Let us assume, for a second, that the world will belong to those countries who best master the technology of today and best prepare for the technologies of tomorrow. How might that be fostered? In the 1990s, the South Korean government invested massively in broadband infrastructure; Samsung now rules the waves – the only company close to rivalling US firm Apple.

On the continent, different approaches have emerged in two growing tech powerhouses. In Nigeria, the central government holds its young tech-savvy entrepreneurs responsible for enabling the 2020 #EndSARS protests that culminated in the Lekki massacre. The central bank has banned commercial banks from participating in cryptocurrency transactions (see page 24). But the barriers to technology go beyond the latest government crackdown. A survey by Nigeria's science and tech ministry showed that innovation within local companies was edged out by the other concerns they face daily. "In Nigeria, firms have to struggle to provide their own electricity, water, security, haulage," researcher Abiodun Egbetokun told reporters.

Egypt, too, has had a difficult relationship with tech since it helped enable the Tahrir Square-birthed revolution of 2011. In recent years, however, government has tried to grow the sector; it recently launched a fintech support fund worth E£1bn (\$64m) and licensed non-banking financial companies. Disrupt Africa's latest deep dive on the subject shows Egypt is the 'fourth-largest startup ecosystem on the continent'. Egyptian start-ups raised \$190m in 2020; in 2021, they had surpassed that figure by July.●

# THE SAHEL

## Coupled crises

The Sahel is the toughest of nuts to crack. It is home to a complex insurgency, sustained population growth, a series of autocratic, highly centralised states, blurred lines between jihadi and criminal groups, and climate change hitting pastoral and agricultural communities.

One particularly gloomy report from the Atlantic Council summarised it thus: "[Without] serious progress on these coupled crises, policymakers in the EU, the US and their non-European allies may eventually disengage [...], concluding that containing the western Sahel's jihadist insurgency and out-migration at the region's frontiers is a more viable option than continued development assistance."

### Chadian turning point

Maybe that would be the best thing that can happen. Decades of French engagement have not led to a more stable region. The arrival of Russian mercenaries from the Wagner Group will not lead to better outcomes than the French intervention, fear many.

The 2021 death of Chad's then president Idris Déby Itno may prove to be a turning point: after carrying the frontline responsibility of the fight against jihadists for many years, Déby's departure may well lead to Chad taking a more inward-looking stance as his son attempts to consolidate power.

Radical researchers at universities in Bamako and elsewhere want to try an experiment: allowing Sahelian communities to use the local structures of governance that pre-dated colonisation and are often embedded in Islam. Will such calls gain traction in 2022 as policymakers grasp for solutions? ●

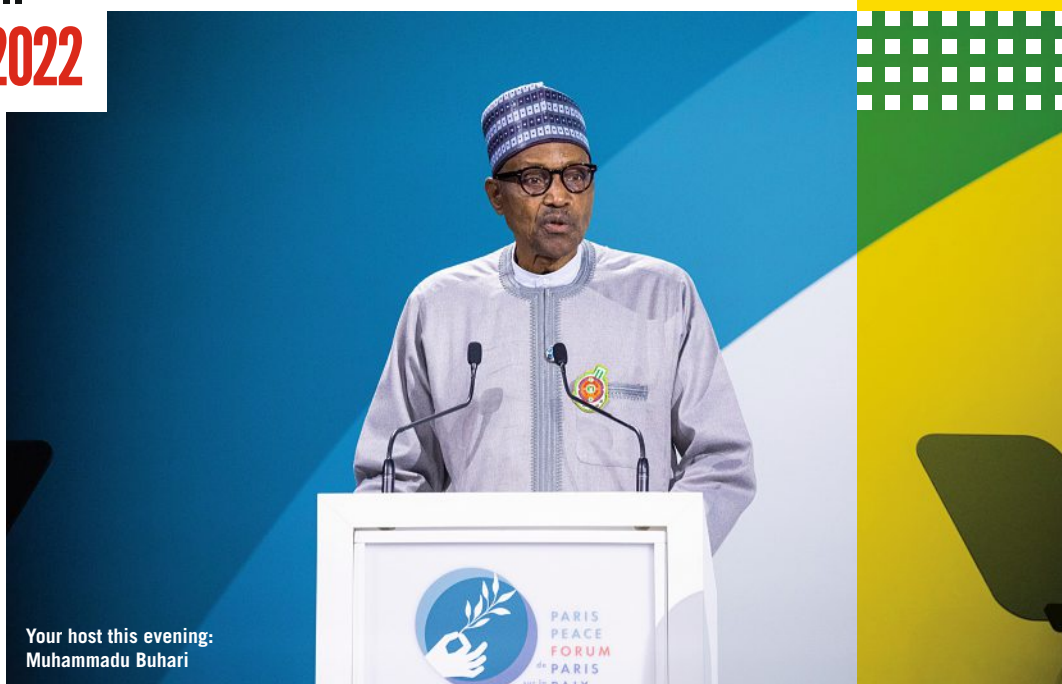
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## The final act

Welcome to the Muhammadu Buhari Succession Show! In it, an ageing patriarch, played by President Muhammadu Buhari, sits atop a hard-fought electoral empire built up slowly over the course of many bruising campaigns. We are breathing the last gasps of his second term in office; the old order is dying and the new cannot be born, with a multitude of morbid symptoms likely to emerge over the next 12 months in the run up to the 2023 presidential poll.

So who will star as the rival children eager to inherit the formidable Buhari's 12-million-strong vote bank in the north? Various northern chieftains from both parties are hoping to emulate him, from former vice-president Atiku Abubakar and former speaker of the house of representatives Aminu Tambuwal of the opposition People's Democratic Party to Kaduna State governor Nasir El-Rufai and former Lagos State governor Bola Tinubu of the governing All Progressives Congress (APC). While the latter is a northerner more by his wheeler-dealer personality than by personal history, he made sure that his 12th 'Bola Tinubu Colloquium' was held in Kano, and that everybody knew about it.

But things are not going entirely Tinubu's way at present. He remains a frontrunner to win

the APC ticket and the presidency, given that it will likely 'rotate' to the south. He has a strong base of support in Lagos and many surrounding states, but he has run into stiff opposition.

A couple of state elections will likely help as signposts as 2022 progresses. The first is in Ekiti State in June, the current bastion of governor Kayode Fayemi, another southerner keen to pick up the presidential mantle (and interviewed in this issue on page 58). If Fayemi is still in the race, he will want an ultra-loyalist to succeed him in Ekiti and go into bat on his behalf during the nomination process.

### Changing of the guard

July will bring the Osun State gubernatorial vote. Adegboyega Oyetola, the incumbent, is a good friend of Tinubu's. He should be handily re-elected with Tinubu's wind in his sails; the ease with which this happens will be a good proxy for Tinubu's grip on the APC.

For historians, Buhari might also be cast as the 'Last of the Mohicans'; he is the last of the generation of northern generals who have had Nigeria in their grip for half a century. This included Buhari in his first incarnation as coup leader, as well as Ibrahim Babangida and Sani Abacha.

Whether or not the retired general is to your taste – and many Nigerians who joined the #EndSARS protests have made their feelings on that clear – Buhari still has a shot at redemption: organising transparent and fair elections, as his predecessor, Goodluck Jonathan, did. That will, in part, require improved security, one of the major focuses of Buhari's two terms in office. •

The old order  
is dying and  
the new  
cannot be  
born



ADVERTORIAL

## PRESIDENCY OF BENIN



# BENIN, PIONEERING MODERN HISTORY

Once all the controversies and symbolic gestures were over, France kept its word when, on 9 October, it returned a first collection comprising a number of artefacts from Benin's memorial heritage that had been in its possession for many decades. For the people of Benin and their president, this first gesture is only the beginning of a process that aims to restore their plundered past, their uprooted and sometimes stripped culture, for the sake of a history shared by both countries and out of mutual respect. Now, more generally, all the countries of the continent and their former colonisers seem willing to set the pendulum in motion, this time swinging towards Africa and with no going back.



ADVERTORIAL

## PRESIDENCY OF BENIN

On 10 November, Benin witnessed an event that was as unprecedented as it was rich in symbolism for the country and its people, with France's restitution of twenty-six artefacts looted from the royal treasures of Abomey by Colonel Dodds' colonial troops in 1892. This was a first for Benin, and indeed for Africa, and President Patrice Talon sees it as "a sign of our rebirth". And a recognition of the country's long and constitutive history.

### Jubilant atmosphere

The people of Benin were not disappointed. They came in their thousands from different parts of the country to accompany the procession from Cotonou airport to the presidential palace. In an emotionally charged but jubilant atmosphere, everyone celebrated the return of these treasures – believed to be lost forever – to the country. The noble royal statues, the carved doors, the elaborate thrones... all of them so representative of the splendour and grandeur of the court of Behanzin and the other monarchs that reigned in the country between the 18th and 19th centuries.

The collection is unique because of the beauty and excellent state of preservation of each piece. These include three imposing anthropo-zoomorphic statues, each embodying a monarch, for example King Ghézo as a bird-man, King Béhanzin as half-man/half-shark; four massive doors, carved in polychrome wood and seized by French troops during the capture of Abomey; and two thrones, those of Kings Ghézo and Glélé; as well as various other artefacts, such as a bag, a tunic, portable altars, and dancing sticks.

### There for all to see

Each and every person in Benin will be able to visit and admire the pieces for themselves. Once they have spent two months in cold storage to avoid any potential damage caused by thermal shock, the twenty-six pieces will be displayed within the gilded walls of the presidential palace for all to see, both foreigners and the people of Benin. Foreigners will discover pieces of extraordinary beauty, while Beninese citizens, as they contemplate them back on home ground, will feel a spiritual connection to these ancient relics that represent the greatness of their country.

President Talon said it himself, with pride and emotion, on this momentous day: "Benin is a great country". Benin is great because of the ancient kingdoms that forged its identity, and Benin is rich in the diversity it has inherited



from that past. What unites the people of Benin today is immeasurable and extends far beyond the country's borders. France, by agreeing to return this irreplaceable part of the country's heritage, is paying a heartfelt tribute to the Beninese nation, honouring what forged it in the past and what unites it today in a harmonious synthesis.

### Breaking the restitution taboo

Naturally, Benin would have preferred to have been part of this restitution process, alongside France, especially when it came to choosing the objects to be repatriated. It is indeed disappointing that all twenty-six pieces come from the same region. However, this is only the beginning and a second restitution is already expected, and so Benin and its people refuse to stifle their pleasure, to hold back their joy, and instead bask in the pride and satisfaction of having succeeded in breaking the taboo surrounding the issue of restitution.

It was indeed a long and difficult road before the works found their way home and their true purpose. After arriving in France in 1893, they long remained in the dark and dusty storerooms of Paris's grand museums. Some were brought to light in 1937, in the showcases of the brand new Musée de l'Homme. Others, in 1989, even experienced the thrill of a return to their native land, when they were loaned to another Museum of Mankind, this time in Abomey.





## 2 LE PARCOURS DES OBJETS



Les œuvres royales d'Abomey sont exposées dès leur arrivée à Paris au musée d'Ethnographie du Trocadéro en 1893 puis en 1895. Les toiles et les statues royales témoignent d'une exposition particulière, en l'honneur.

En 1927, à l'ouverture du musée de l'Homme, certaines œuvres restent dans les réserves et d'autres sont exposées dans des salles monographiques ou thématiques, selon un parti pris de ne créer aucune relation entre les objets et les cultures. En 1969, pour la première fois, certaines de ces œuvres sont prêtées par le musée de l'Homme à Abomey pour une exposition dont l'organisation est confiée à l'historienne de l'art Martine Michèle Blot.

En 2003, les œuvres royales d'Abomey rejoignent les collections du Musée du Quai Branly. À son ouverture en 2006, l'établissement expose des statues royales, accompagnées d'un médiateur qui relate l'histoire du Danomè. Cette même année, certaines des pièces de l'ensemble rejoignent pour trois mois l'exposition « Bénin » à la Fondation Zoua, à Cotonou.

En 2008, après une étude menée par le musée du Quai Branly à Abomey des scientifiques beninois – J. Adandé, L. Arouna, G. Oussou – et de l'atelier de production.

En 2012, l'œuvre royale du Danomè est exposée au Musée du Quai Branly à Paris. Cette œuvre est la seule à la fois la dimension des œuvres d'Abomey.



# THE COLLECTION IS UNIQUE BECAUSE OF THE BEAUTY AND EXCELLENT STATE OF PRESERVATION OF EACH PIECE

## A collective cry from the heart

The first demands for the return of looted works were made as early as the mid-1960s, when a group of Dahomean writers issued a veritable cry from the heart. Their calls for reparation and for France to return the works opened the way for a movement that, with its undeniable legitimacy, won the hearts of the Beninese people over the decades, while at the same time sweeping aside the many obstacles put in its way by those determined to hinder its momentum.

When he came to power in 2016, Patrice Talon immediately took up the challenge of what had become a great national cause, with the support of both the political establishment and the various civil society stakeholders. After five years of debate and discussions, Benin's demands were heard and restitution, something that had long been considered a legend and an unattainable idea, became a reality. The President of Benin himself said that he had had doubts about whether he would be able to achieve such a favourable outcome for his country in his lifetime.

## France and Benin open a new diplomatic chapter

Patrice Talon was quick to praise the "courage and foresight" of his French counterpart, Emmanuel Macron, during his speech to celebrate the arrival of the collection in Cotonou. He reiterated the immense importance of having succeeded in such an operation "within the framework of cooperation between our two countries", without having to resort to conflict, or to request arbitration from any jurisdiction. It was as if these two historical partners had begun a new chapter in their relations.

Many observers consider this first restitution to be a real turning point that is expected to further strengthen Franco-Beninese ties, even though there is still a lot to be done, as President Talon reminded those present at the ceremony for the handover of the twenty-six objects in Paris on 9 November. Invited to the Elysée for the occasion, Patrice Talon spoke of "a welcome step, but still far from giving complete satisfaction", in reference to the thousands of works still remaining in various Western museums, especially in France.

## Myths and divinities in the balance

This is not a matter of a few "cultural goods" as far as Benin and its president are concerned, but rather a matter of the "very soul" of the nation. Therefore response to the restitution has been somewhat mixed, while the statue of Gou, an emblematic metal work depicting the god of iron and war, or the Fâ tablet, a mythical work of divination by the famous diviner Guèdègbè, and many others continue to languish in museums and storerooms in France, to the great displeasure of their rightful owners. Luckily, "it seems that hope is now possible," says Patrice Talon, if Emmanuel Macron is taken at his word.

For his part, the French President stated that he "hopes that the process will continue" and confirmed that he had asked his administration to "reflect on the criteria for restitution with a view to drawing up a framework law". This is a new approach, and a far cry from the French authorities' refusal in response to the formal request made by the Beninese government in August 2016, which they justified on the basis of French public domain property being "inalienable, unseizable and imprescriptible".

## Ambitious process

By agreeing to start restituting works of art stolen during colonisation, first to Benin, and subsequently to other countries on the continent, France is confirming the commitment made by its president during his speech in Ouagadougou in 2017, to "make temporary and definitive restitutions possible". At a time in history when many African countries are seeking to recover their heritage from their former colonisers, who are increasingly aware of their own excesses and that they cannot continue to justify them. This first gesture is therefore only the beginning of what the Presidents of Benin and France have called "an ambitious process" which, in the near future, is expected to concern the whole of Africa. ●

## Minerals and telecoms at the heart of renewed competition

With heightened tensions around Taiwan and news that Beijing would like to set up a military base in Equatorial Guinea, is this the dawn of a new Cold War? Astute African politicians will be examining how they can benefit from heightened interest in the continent from the US and China.

Eager to move beyond past expressions of disdain for so-called “shithole countries”, the US is set to unveil a new engagement strategy in early 2022. China is intent on shedding its reputation for ensnaring countries in costly ‘debt traps’.

The evolving rivalry was on display in November as officials from Washington and Beijing descended on the continent within days of each other. “We don’t want to make you choose,” secretary of state Antony Blinken said at a speech before the Economic Community of

West African States in Abuja. “We want to give you choices.” A week later at the mostly virtual Forum on China-Africa Cooperation (FOCAC) in Dakar, China laid out a “new development paradigm” led by Chinese private investment on the continent.

Central to the US toolkit is the Build Back Better World (B3W) proposal that President Joe Biden unveiled at the G7 summit in June as a multilateral answer to China’s Belt and Road Initiative. It focuses on “human infrastructure” such as health, security, digital technology and gender equality, rather than roads and bridges.

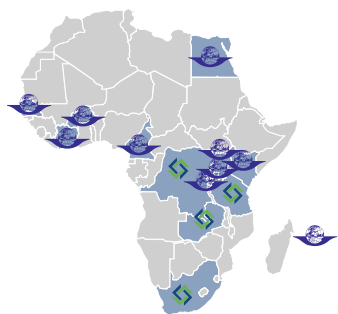
Another differentiator: Rather than relying on government funding, B3W seeks to mobilise private capital through public-sector support. The US International Development Finance Corporation, which has \$8.5bn invested across Africa, will play a leading role.

### Critical cobalt access

A foothold in Africa’s telecoms sector, key to accessing the continent’s billion-strong market, is a key objective. China’s low-cost wireless-equipment makers Transsion, Huawei and ZTE dominate the African market. The US has responded by championing open-source technology, incentivising wireless carriers to go with alternatives such as Ericsson, Nokia or Samsung, and warning African countries about the national security and privacy risks of choosing Chinese government-linked companies.

China is making its own adjustments. A slowing economy has constrained new lending. Pledges at this year’s FOCAC forum dropped to \$40bn from \$60bn in 2018. But private Chinese companies attracted by Africa’s low labour costs are set to ramp up their investments on the continent.

There are bigger strategic concerns at play too. Viewed from Beijing, the ousting of Albert Yuma as chair of the DRC state miner Gécamines after weeks of damaging corruption leaks is part of a power play by the West to gain more access to minerals that will determine the next economic chapter of the world: the copper and cobalt needed for the batteries sitting in tomorrow’s ubiquitous electric cars. •



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## Get that Netflix money!

US streaming giant Netflix is getting serious about the potential of the African media market. And big global media players like Universal Music Group are also following suit. Dorothy Ghattuba, head of Africa Originals Series for Netflix, told CNN in 2020 that there is a huge demand for “made in Africa” content.

In line with this, Netflix started with South African original crime series *Queen Sono* in February 2020, and *Blood & Water* in May 2020. The platform's first original Nigerian series, *King of Boys: The Return of The King* (which grew out of the Kemi Adetiba feature film *King of Boys*) came out in August 2021. Nigerian content is doing well for Netflix, with *Amina* the first film from the country to hit the Netflix global top 10.

Netflix also partnered with renowned Nigerian media mogul Mo Abudu in a deal that consists of two series and several Netflix-branded films: *Oloture* launched on the site in October 2020, and director Biyi Bandele started shooting the film adaptation of Nobel laureate Wole Soyinka's *Death and the King's Horseman* in October 2021.



South African crime drama *Queen Sono*

NETFLIX

While Netflix is pumping money into Africa's media industries, some say the continent is not being treated fairly. Nigerian film critic Wilfred Okiche says Africans need to be wary of the international streaming platform. He says, for example, that Netflix pays just \$10,000-\$90,000 for African productions – a minuscule amount compared to the \$500m promised for creators in countries such as South Korea and Britain.

On the other hand, it is investing in training on the continent, targeting, for example, screenwriters from Nigeria, South Africa and Kenya. In cooperation with UNESCO, Netflix is working on a series of short films based on African folk tales that will be shown in 2022.

Netflix is going after African consumers too. On 21 September, it announced free plans in Kenya to introduce people to the service. •

# MACROECONOMY

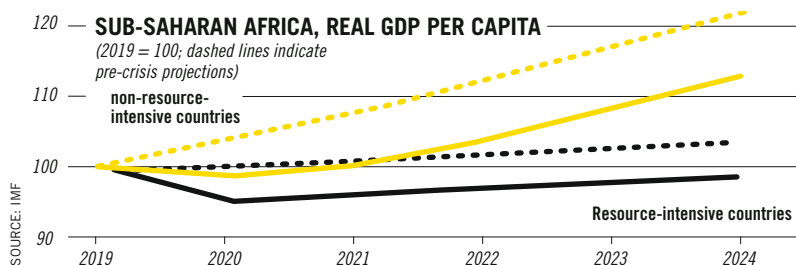
## Oil profits and the price of rice

The good news first. After pulling itself out of recession in 2021, the continent's growth will accelerate in 2022. In its wake will be commodity growth from strong global demand. The Omicron variant has barely rattled markets, and the rebound in rich countries,

enabled by a strong state response, has helped get consumers back on their feet.

This increased demand is fuelling inflation around the world. While this may be great for oil exporters, Africans preparing dinner are less impressed. The UN Food and Agriculture Organisation warned that world food prices had hit a 10-year high in November and were likely to stay there.

More worrying yet could be the effects of a seriously rattled Chinese property market bleeding into the real economy. Evergrande, a beleaguered developer, could be just the first shoe to drop. •





# The importance of ‘identity for all’ for the development of states

**Nation building begins with registering births to provide a foundational ID to all citizens. Without a foundational ID, it is almost impossible for citizens to claim fundamental rights such as healthcare, social protection, and education.**

## Bringing efficiency and data management to governments

One of the major pain point of Africa and its 1.3 billion people is the socio-economic disparity between the different countries, and even within each country. Nation building, through the use of an identity infrastructure, is about helping governments bridge the gap and understand the population distribution per region. This will enable them to create a plan to better equip local communities with education and healthcare facilities, sanitation and water systems, housing, transportation etc. An identity management system helps governments use the statistics of the reporting to anticipate the future needs of the country in these areas. In this context, industry can help simplify government processes and services by bringing registration and reporting of life events closer to the people. IDEMIA, a government

partner for ID documents and processes, contributes to providing each citizen with a secure legal ID that is valid throughout the citizen's life.

## A secure identity, the central benefit of biometrics

Biometrics are unique for each individual, and provide the utmost protection against identity theft. Using a person's face, fingerprints and/or iris ensures that they are who they claim to be. This is why biometric systems are widely used by governments around the world to limit identity theft. In addition, using biometrics instills a certain level of comfort and ease, because verification is intuitive, instantaneous and convenient. This helps make citizens' lives easier and secure, enabling them to access their fundamental rights. A physical ID including biometric data enables people to request a secure digital ID, allowing citizens

to prove who they are online using smart technologies.

## Digitalization for decentralized registration

Citizens use smart technologies daily, so it makes sense for African governments to put digitalization at the center of nation building. Comprehensive assessments conducted by the United Nation echo this sentiment, stating that nation-building reforms largely recommend decentralization to increase the supply of registration services. The long distances people often need to travel to reach registration centers, and the number of visits they need to make in order to complete the registration process, create a significant financial burden. Therefore, digitalization of processes is vital. Just as the private sector has made online application a common usage for their customers, governments should do the same for their citizens.

### IDEMIA

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# SUDAN

## Facilitators and enemies of the revolution

Khartoum's military junta led by General Abdel Fattah al-Burhan and his deputy Mohamed 'Hemeti' Hamdan Dagalo will struggle in 2022. Angry Sudanese nationals are demonstrating and striking against the regime, and international lenders have turned off the finance taps in protest at the October coup. Outside a narrow band of Islamist politicians from the banned National Congress Party and the late Hassan al Turabi's Popular Congress Party, and isolated figures such as finance minister Jibril Ibrahim, few Sudanese support the junta. Most troubling for the generals, some of their own officers opposed the coup.

Millions of people mobilised across the country in early 2019, demanding the overthrow of Field Marshal Omar al-Bashir. When junior officers started supporting that movement, assisting the protesters, Burhan and fellow generals pushed out Bashir, then jailed him. Yet Burhan, now commander of the 200,000-strong Sudanese

Armed Forces and a card-carrying Islamist, was intrinsic to Bashir's regime.

Promising that the junta will ensure Sudan has multiparty elections in 2023, Burhan may think he can rebrand himself as a revolutionary, or, like his namesake Abdel Fattah el-Sisi in Egypt, that he can pull off a coup then change into a suit and stand for the presidency.

Burhan may think he can rebrand as a revolutionary



On a shaky pedestal:  
Abdel Fattah al-Burhan

ASHRAF SHAZLY / AFP

Hemeti, who led the Janjaweed militia's killing campaign in Darfur on behalf of Bashir's regime, also has ambitions for the presidency. He jealously guards control of the 60,000 or so strong Rapid Support Forces militia drawn from the Janjaweed. He clashed with Burhan in mid-2021 when the latter proposed that his militia should come under the command of the national army. For now, the two have a shaky marriage of convenience.

### Mali and Guinea, delicate transitions

Unlike the militaries in Mali and Guinea, which also launched coups in 2021, the ruling generals in Khartoum have no popular legitimacy. Instead, they are seen to have hijacked the transition to democratic rule.

Mali's two coups in a year speaks to the challenges; the military is struggling to contain a jihadist insurgency rooted in the north. While France complains bitterly about the arrival of Russian mercenaries, it has not been able to champion a less centralised mode of governance that might stick better.

Guinea's coup was a reaction to then president Alpha Condé's controversial third term. This generated significant pushback from civil-society groups. Whether it will lead to better outcomes is less clear. The new president, Mamady Doumbouya, a French-trained special forces officer, has yet to deliver a coherent vision that would take Guinea back to democratic civilian rule. ●

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## What are the highlights of the year ahead?

### Africa Cup of Nations

9 January – 6 February  
Cameroon

Tournament postponed from 2021, in which Algeria are the defending champions.

[cafonline.com](http://cafonline.com)

### Africa 2022 Oil & Gas International Trade Expo

10-12 February  
Dar es Salaam, Tanzania

[expogr.com/tanzania/oilgas/](http://expogr.com/tanzania/oilgas/)

### EU/AU Summit

17-18 February  
Brussels, Belgium

[au.int](http://au.int)

### SECURA North Africa

22-24 February  
Algiers, Algeria

Security, safety, firefighting, cyber-security and emergency trade show.

[securanorthafrica.com](http://securanorthafrica.com)

### CILT Africa Forum 2022

March (date tbc)  
Accra, Ghana

Chartered Institute of Logistics and Transport forum on the sector's role in the sustainable implementation of the AfCFTA agreement.

[ciltinternational.org](http://ciltinternational.org)

### World Travel Market Africa

11-13 April  
Cape Town, South Africa

[wtm.com](http://wtm.com)

### Africités 2022

17-21 May  
Kisumu, Kenya

The role of intermediary cities in sustainable urbanisation.

[uclga.org](http://uclga.org)

### SAITEX Africa Trade Week

19-21 June  
Johannesburg, South Africa

Three trade shows for the food, trade and hospitality sectors.

[saitexafrica.com](http://saitexafrica.com)

### Power & Electricity World Africa

23-24 August  
Johannesburg, South Africa

[terrapinn.com](http://terrapinn.com)

### UN General Assembly

13-27 September  
New York, US

[un.org](http://un.org)

### Seamless Africa 2022

4-5 October  
Nairobi, Kenya

[terrapinn.com](http://terrapinn.com)

### IMF/World Bank Annual Meetings

14-16 October  
Marrakech, Morocco

[worldbank.org](http://worldbank.org)

### Africa Oil Week

31 October – 4 November  
Cape Town, South Africa

[africa-oilweek.com](http://africa-oilweek.com)

### Africa Energy Week

31 October – 4 November  
Cape Town, South Africa

[aew2022.com](http://aew2022.com)

### AfricaCom

7-11 November

Virtual event

Tech champions speak at Africa's largest digital infrastructure event.

[tmt.knect365.com/africacom](http://tmt.knect365.com/africacom)



SABIN ABAYO/ACF 2019

## AFRICA CEO FORUM

21-22 March. Abidjan, Côte d'Ivoire

After the success of last year's virtual CEO events, the Africa CEO Forum returns to Abidjan in 2022. With businesses picking up where they left off before the pandemic, we expect to see a wave of growth and development. Leaders in their field will discuss how their organisations adapted and learnt to thrive under harsher conditions, providing tools that will outlast the health crisis. The conference will look at the major challenges going forward, such as the climate crisis and barriers to development, and how to create long-lasting methods of success that can be shared. [theafricaceoforum.com](http://theafricaceoforum.com)

# Features



ROGAN WARD/REUTERS



## 48 INTERVIEW

### Hakainde Hichilema, President of Zambia

A former CEO of two big accounting firms and the second-biggest cattle rancher in Zambia, Hichilema is not everyone's idea of a revolutionary. But change is in the air.

## 58 INTERVIEW

### Kayode Fayemi, Ekiti State governor, Nigeria

The chairman of Nigeria's Governors' Forum talks about security challenges and devolution. Will his style of national reconciliation be in vogue come the 2023 presidential elections?

# Africa's great green opportunity

The UN climate summit COP26 is dead. Long live the UN Climate summit COP27! That's the one that will be held in November 2022 at Sharm el-Sheikh in Egypt. Holding the meeting in Africa, which has been sidelined from much of the grand bargaining at earlier UN summits, should transform the climate debate. It should move it away from declarations and promises to specific and time-bound commitments to shield humanity from ecological disaster.

The Africa summit must confront the politics – and the distribution of resources – that is at the centre of the global climate question. The bold hopes for new technologies, and corporate mood music about green thinking, will be sideshows unless the political questions are addressed.

**Africa must use** its demographic weight. Its development from a continent of 1.4 billion people, over half of whom have no access to reliable energy, to one of 2.5 billion by 2050, with the biggest workforce in the world, must be central to the international strategy to keep global warming well under 2°C by the end of the century.

That strategy must draw from evidence-based science, but should

not skirt around ethical realities. Those are that Africa is the continent worst-hit by climate change but which historically has contributed less than 4% of global carbon emissions. Yet, Africa has been kept out of the top-table debates on climate policy.

Such an imbalance of power and responsibility cannot be addressed with a congratulatory pat on the back for conserving African rainforests and keeping emissions low. Those are accidents of history and economics.

Instead, the G20 economies, which are responsible for 80% of global carbon emissions, should recognise the right of Africa to meet its own energy needs from its own resources. And those rich countries that have grown their economies on the back of cheap fossil fuels and global climate damage should recognise their responsibility to help raise the finance for Africa's energy revolution.

The best path would be for Africa to launch a pioneering transition to economies based on solar and wind as well as hydrogen and other renewable sources. If rich countries decline to help, they should expect African economies to step on the gas; that is, gas of the fossil-fuel variety. Big gas producers in Africa, such

as Angola, Algeria, Egypt, Libya, Mozambique, Nigeria and Tanzania, have more than enough in their tanks to power their turbines for the next half century

That is the stark choice that Africa should present on its home turf to the next UN Climate summit: finance our green revolution and we can develop a new economic order based on low-carbon growth. If not, the industrialised economies forfeit any moral right to prescribe how a continent of 2.5 billion people should produce its energy.

Africa's negotiators must agree a continental position on the primacy of energy access, a formula to compensate for loss and damage for those hardest hit by climate change, and international structures to raise trillions of dollars to finance a green transition in developing economies.

**There were plenty** of tepid words in Glasgow at COP26 about recognising the case for compensating those countries which had been devastated by global warming. Trust is running low. With its choreographed geopolitical tensions, complete with a bilateral statement from China and the US that they were not able to deliver together, the finale of the Glasgow summit was most important for what it failed to address. A last-minute rewording of the summit pact to call for the 'phase down' instead of the tougher 'phase out' of coal drew the headlines.

Beyond the semantics, Glasgow has left a gargantuan task list for 2022. Nigeria's vice president, Yemi Osinbajo, argued against defunding gas projects in Africa. 'For countries such as my own, Nigeria, which is rich in natural resources but still energy-poor, the transition must not come at the expense of affordable and reliable energy for people, cities and industry,' he wrote in *Foreign Affairs*. 'The African Development Bank is unable to support large natural-gas projects in the face of European shareholder pressure,' added Osinbajo.

# CLIMATE



ADRIÀ FRUITÓS FOR TAR



With their green posturing, those European shareholders are ignoring realities on the ground. Some 600 million people in Africa are not choosing between gas and solar ... but between firewood and, perhaps, gas, if they can afford it.

This is driving calls for a 'just transition'. With the lowest carbon footprint, the African continent is facing the worst effects of rising emissions while being the least prepared.

**South Africa offers a way out.** It proposed a 'Just Energy Transition Partnership' to the EU and the US as a climate-finance swap. It will close several of its coal-fired power plants early in exchange for \$8.5bn over the next three-to-five years to launch renewable-energy projects. This could be a model for the rest of the world.

Gabon is trying to monetise its contribution to absorbing carbon and protecting biodiversity. As its oil dwindles, the country wants to be paid for preserving its virgin rainforest – equivalent to about a year of global emissions. The Congo Basin forests

## 600 million people in Africa are not choosing between gas and solar

are the world's second lung after the Amazon. If Gabon felled its forests, argues Gabon's environment minister, Lee White, it would be catastrophic: no more clouds feeding the Blue Nile and the Sahel; tens of millions of Nigerians and Egyptians pushed off their land.

These arguments weigh on Eurocrats in Brussels forecasting trends in African demography and calculating the hundreds of millions forced to migrate due to climate change. Decent jobs in a growing economy would deter migration. It is hard to find a labour-intensive economy without thriving manufacturing. And even harder to imagine

profitable factories without cheap and reliable energy.

African activists point to the Sahel as ground zero for ecological and political disaster. Bombed out of their Middle East caliphate, jihadis are regrouping there. Lake Chad has been shrinking year by year for three decades. That is just one of disasters throwing young people caught in West Africa's climate crisis out of work and into the hands of Islamic State, Al Qaeda and their local affiliates.

**Stopping the meltdown** needs more robust policies. Finance for gas as a transition fuel and building new solar plants would cut the use of trees as a cooking fuel. Mohammed Ibn Chambas, the UN special envoy for the Sahel, is cheerleading for the 'Great Green Wall'. When completed, this 8,000km band of woodland from Dakar to Djibouti would be the largest living structure on earth – three times the length of the Great Barrier Reef. That assumes the 'Green Wall' won't be turned into charcoal because international banks blocked finance for gas power plants in Africa •

# Hakainde Hichilema

INTERVIEW

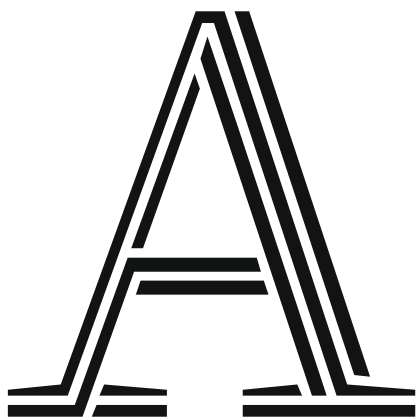
*‘The systems were broken  
... taxpayer resources  
stolen by a small group’*

The President of Zambia talks with *The Africa Report* about his vision for a new Zambia, from the protection of fundamental rights to creating a green-energy powerhouse

Interview by **PATRICK SMITH**



ROGAN WARD/REUTERS



A former CEO at two international accounting firms and the second-biggest cattle rancher in Zambia, Hakainde Hichilema is not everyone's idea of a revolutionary. Invariably wearing a suit and speaking the language of double-entry bookkeeping and tax benchmarking fluently, Hichilema can seem more at home in the boardroom than on the campaign trail. But he has also been a political prisoner and tortured in a Lusaka jail for leading an opposition party. Now he promises a new start for Zambia after six years of state capture and economic freefall.

In winning this year's presidential election in August on the sixth attempt, Hichilema suffered more than his share of campaign bruises as he set down a marker for opposition movements in the region. With strategy, unity and determination, he insists it is possible to defeat an incumbent party.

The tasks that Hichilema has set himself – freeing up the political system at the national and local level, cutting a deal with the creditors after last year's default, and rebuilding the education and public health services – are gargantuan enough to qualify as revolutionary in an economy that was brought to the brink under President Edgar Lungu's government.

Taking over in August, Hichilema's team inherited an accounting crime scene, with

billions stolen from the state coffers through a multitude of scams, he tells *The Africa Report*: “The systems were broken [...] huge debts, run-away public expenditures, taxpayers' resources stolen by a very small group of individuals. It was highly politicised and corrupt.”

After the electoral commission announced that Hichilema had won 60% of the votes in the 12 August elections to Lungu's 38%, a tense few days followed with many people uncertain whether the incumbent was going to accept defeat. Thousands of armed police and army irregulars had been called into service to defend Lungu's Patriotic Front (PF) regime.

Behind the scenes, the elders swung into action. Rupiah Banda, a former president of Zambia, and Jakaya Kikwete, a former president of Tanzania, brokered a meeting between Hichilema and Lungu. Banda, who offered his house for the rendezvous, worked hard to persuade Lungu not to challenge the result and stir up his loyalists running the security services.

### **A small matter of billions of dollars**

For the contenders, who had a long history of enmity, it was an awkward encounter, as Hichilema recalls: “My message to him was to say that I didn't like the way he ran the country – he was heavy-handed; he was autocratic, and people died unnecessarily [...]” Banging the drum, he continued his message to Lungu “[...] and that we will run the country differently, the opposite of how he ran it.”

When Hichilema turned to the subject of criminal responsibility, he touched a nerve with his predecessor: “I made it very clear to him that we will have zero tolerance in the fight against corruption. We will not pursue individuals because they worked with him, but because they committed a crime.”

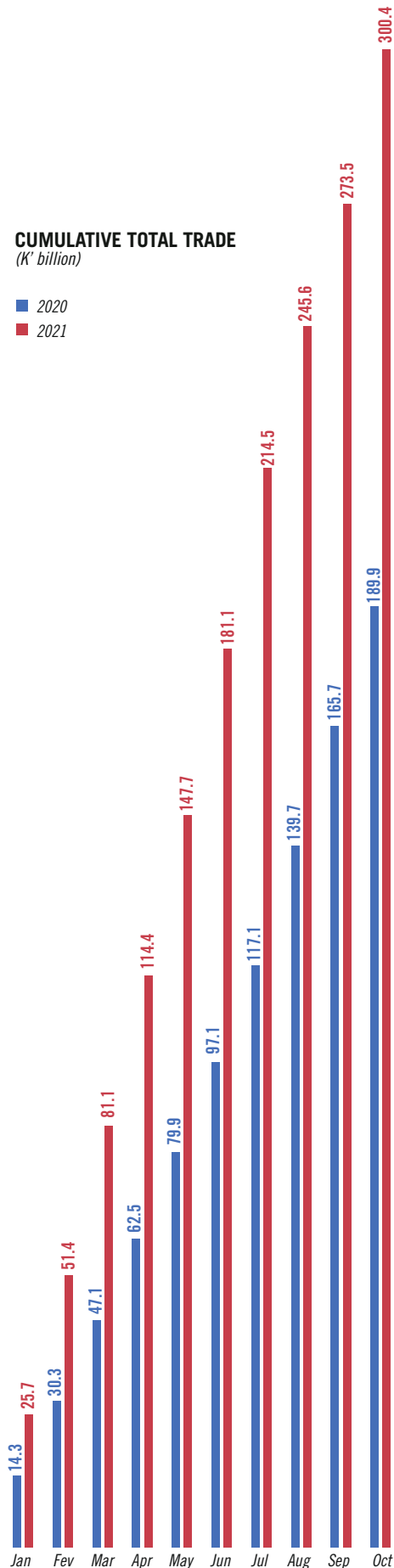
That led to the sensitive matter of Lungu's direct or indirect responsibility for presiding over a government that illicitly diverted billions of dollars of public resources into private pockets. Many of these cases are now in the hands of forensic investigators. So could former president Lungu find himself in court?

“If the crimes were committed when he was in office, I think he is covered by immunity. Unless the immunity were lifted. [...] That's the way it works,” says Hichilema. In Zambia, like some other jurisdictions, a president can claim immunity from prosecution for

***‘My message to [Edgar Lungu] was that I didn't like the way he ran the country’***

## CUMULATIVE TOTAL TRADE (K' billion)

■ 2020  
■ 2021



***'The law has taken its course. That will be distinguished from vengeance, from retribution'***

SOURCE: ZAMSTATS

any actions they took while in office. A new president can call on parliament to vote to lift the immunity. That is what happened in 2008, when then president Levy Mwanawasa asked parliament to lift the immunity of former president Frederick Chiluba to face charges amounting to grand corruption.

Hichilema's team would not be drawn on whether Lungu is the subject of police investigations. But, given the scope of the probes, it is clear that many of the former president's business allies are in the frame.

For example, Valden Findlay, widely described as Lungu's 'best friend', was his frequent companion, without an official role, on foreign trips. The Drug Enforcement Commission (DEC) froze his bank accounts in the wake of the election results. Also, just days after the change in government, the DEC announced it was investigating former foreign minister Joseph Malanji and former health minister Chitalu Chilufya for 'suspected financial crimes and money laundering'.

Investigators at the DEC want to know how Malanji had raised the \$1.4m in cash to buy a helicopter in March. They were determined to start working immediately after the elections, not waiting for orders from the top.

### Brutal anti-opposition tactics

Under the Lungu administration, officers at the DEC and the Anti-Corruption Commission complained they had been blocked or side-tracked on investigations. But Hichilema insists there will be no partisan witch hunts against Lungu and his allies in the PF.

"[There was] an effort to take me out, but I survived. But some of our people didn't, and the killers are known," says Hichilema. "So the law has taken its course. [...] That will be distinguished from vengeance, from retribution."

That could break the pattern. As opposition leader, Hichilema was arrested and detained 20 times under Lungu's government. In the most notorious case, police charged Hichilema with treason for failing to pull off the road when then president Lungu's convoy was approaching in April 2017.

To enforce the warrant, a strike force of armed officers raided Hichilema's compound in Lusaka. After taking his family into an armoured strongroom, Hichilema thwarted the police attempt to arrest him. Several of the officers beat up his staff, stole valuables

and vandalised much of the property.

After Hichilema presented himself at the police station on the following day, he was held for four months without trial, during which time he says he was beaten and tortured. Most startling was the arrival in Hichilema's cell of a man dressed as a priest carrying a bible. "I could see that he had something concealed in the Bible. [...] It turned out to be a hypodermic needle." It was the first of several attempts to kill him, he says.

Subsequently, Hichilema identified the man with the needle and secured an order for the state to produce the man in court. But the state failed to comply, and officials are still trying to find the man.

It took mediation attempts by Olusegun Obasanjo, former president of Nigeria, and Patricia Scotland, secretary general of the Commonwealth, to free Hichilema. Against the backdrop of growing political violence, grand corruption and accusations of election rigging, the jailing of an opposition leader looked like the next step into social breakdown for Zambia.

### Kaunda's legacy of negotiation

Under growing international pressure, Lungu pulled back from the brink. He offered a political dialogue to the opposition, which bought him time but achieved little positive change. Key figures in the prosecution service, the judiciary and the electoral commission were under the control of the ruling PF.

"The environment was autocratic, heavy-handed and a lot of people were put in jail for crimes they did not commit," reiterates Hichilema, outlining how his United Party for National Development would have to adapt its election tactics. "You change, you have to work around this oppressive environment and find ways of campaigning, obviously underground, keeping your eyes on the ball."

By electing a president and party committed to the restoration of democratic rights, freedom of speech and the separation of powers, Zambians are running against international trends favouring authoritarianism and weakening independent institutions. Part of that is the legacy of independence-era president Kenneth Kaunda, who died in June. Through his adept shuffling of party figures and managing the claims of the country's 70 ethnic groups, Kaunda established a political

## In electing a president committed to democracy, Zambia is running against the tide

culture of bargaining and negotiation.

Sadly, Kaunda's graceful exit from the stage after election defeat in 1991 was not reciprocated by his successor, Chiluba, who tried to prosecute Kaunda for failing to return a library book and then tried to strip him of his citizenship. Yet, Zambia stood out as the most politically tolerant country in the region until the anti-apartheid campaigners, among whom Kaunda was prominent, triumphed in South Africa in 1994.

### No need to resort to violence

Kaunda endorsed Hichilema before he died, despite their differences: Kaunda had little interest in business or economics, whereas for Hichilema these are central to reviving Zambia. They both agreed on a Gandhian doctrine of humanism and solving political disputes peacefully.

"There are lessons for our colleagues around the world – those who believe in the rule of law, in democracy," says Hichilema. "You can still achieve a lot. You don't need to resort to violent means, to armed struggle, because that destroys a country fundamentally."

For Zambia, which borders the Democratic Republic of Congo (DRC) – a country riven by factional fighting and resource looting for three decades – that is more than a rhetorical point. In late November, Hichilema led a delegation to meet President Félix Tshisekedi in Kinshasa

## In your debt

Asked what he thinks is the biggest task facing his new government, President Hakainde Hichilema is clear: "Our debt levels in the past 10 years have blown through the roof. What we have seen is destroying our country – huge debt, runaway public expenditures, goods and services that the government has bought at three or four, or sometimes 10 times the market price."

For six years, Edgar Lungu's government splashed out on

prestige projects, including a presidential jet and fuel and farm subsidies to keep the voters happy. To finance that, Lungu raised foreign public debt to over \$13bn and several billions more in domestic debt. At the same time, the country's GDP slumped to about \$17bn from \$27bn a decade earlier. Debt is now running at more than 130% of GDP.

That laid the ground for Zambia's sovereign default

Copper prices are up, and Zambia wants to profit

PER-ANDERS PETTERSSON/GETTY



in November 2020, when it failed to meet a \$42.5m coupon payment on \$3bn of its eurobonds. Relations between creditors and the government hit crisis mode and stayed there until the elections in August.

Since then, the new team under President Hichilema and finance minister Situmbeko Musokotwane has fast-tracked negotiations with the IMF about a bail-out. But talks with the creditors

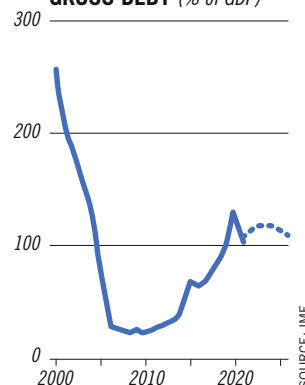
are going much slower. The staff-level agreement between Lusaka and the IMF for a \$1.4bn loan that was announced on 3 December, should win approval by the Fund's board in early 2022.

After that, Musokotwane and central bank governor Denny Kalyalya hope to unlock negotiations with the creditors for a restructuring of Zambia's foreign debt under the G20's so-called Common Framework. Given the range of creditors,

from US investment banks to Israeli security companies to the China Development Bank, the geopolitics of any debt deal will be tortuous.

Economists at the African Development Bank and the IMF are pushing for a more coordinated approach, more accurate reporting of debt and equal treatment between official and commercial creditors. That will require the trust and openness that has been missing thus far. •

#### GENERAL GOVERNMENT GROSS DEBT (% of GDP)



SOURCE: IMF

and find ways to boost mutual trade and investment, as well as to decongest the borders.

The two men hit it off; both are long-time opposition leaders who finally made it to the presidential palace, albeit by different routes. Both want to shake off the shadow of their predecessors. Their countries are Africa's powerhouse producers of copper and cobalt: two vital minerals for the emerging green economy. The DRC produces around 70% of the world's cobalt. Hichilema's visit coincided with a trade conference promoting the DRC's role in the production of batteries for electric cars – a market forecast to exceed \$50bn by 2025.

"That shift from petrol to electric cars means a pull on our metal prices. We're conscious of it. We want to maximise value from that opportunity. [...] We'll use these revenues to build our economy and support more green energy, solar, wind and others," Hichilema says.

### Landlocked gains

That is triggering a rethink about Zambia's landlocked geography, says Hichilema. "Zambia is a strategically located country, and we're working to make it the hub of production, of value-addition and logistics."

To make that a reality, Hichilema plans to build standard-gauge railways through Zambia linking South Africa with the DRC and Tanzania. He also wants to keep the Congo-Zambia borders open 24 hours a day and end the lengthy delays for exports en route for shipment via Durban. "We want to see joint investments in our region. We must improve business-to-business relationships among ourselves [...] sending a signal that we have confidence in our own economies," he says.

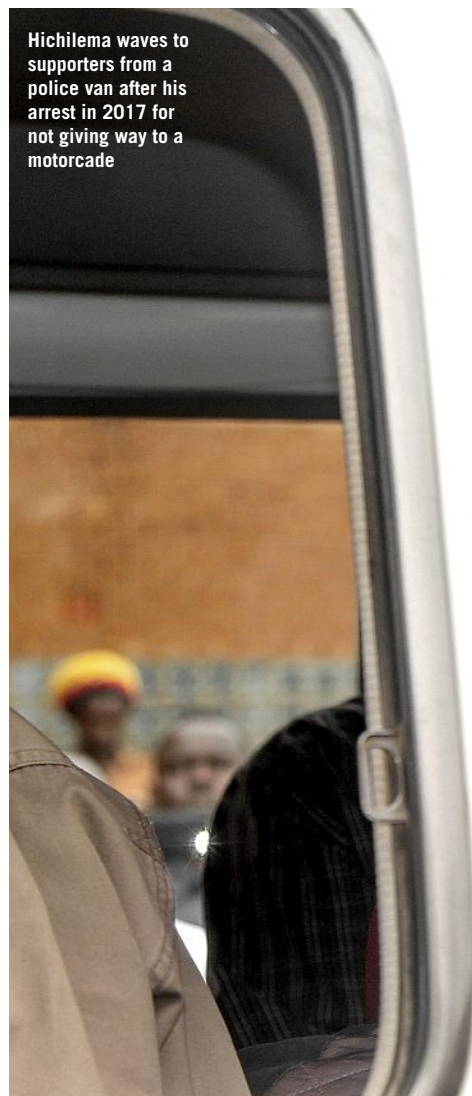
Much of that confidence, Hichilema argues, will come from better governance, on which, along with the economy, his new administration is focusing its initial efforts. "It was a leadership problem [...] a politicised leadership, chief executives of ministries, permanent secretaries, they were all shepherded into party political cadres. We have a different vision."

Under Lungu's presidency, the cadres of the ruling PF took over vast swathes of the economy – markets, bus stations and fertiliser and seeds distribution in the farming areas. That generated revenue for party workers, reinforcing the party's grip on communities and voters. That system hit a crisis when the treasury,

***'We want to see joint investments in our region. We must improve B2B relationships'***

Hichilema waves to supporters from a police van after his arrest in 2017 for not giving way to a motorcade

SALIM DAWOOD/AFP



sunk by debt and political mismanagement, struggled to pay its bills this year. Already angered by public waste, people saw living standards fall further as the security forces hit out at protesters and opposition parties.

Within days of his election victory, Hichilema sacked the security chiefs. "There was a need for key changes. How would you ask the same inspector general of police [to continue] whose police were brutalising citizens? How do you expect them to say: 'Now citizens have freedoms. They have fundamental rights in the constitution.' But they were bribed not to protect citizens."

After making the security changes, Hichilema named his economic team, tasked with the heaviest lifting in the administration. He started with two policy veterans. Denny Kalyalya returned as governor of the central bank a year after he clashed with Lungu in a falling out that panicked the markets. A former group



#### A CIRCUITOUS ROUTE TO POWER

**1962** Born in Monze District, Zambia

**1986** Graduated from the University of Zambia

**1994-1998** CEO, Coopers & Lybrand, Zambia

**1998-2006** CEO, Grant Thornton, Zambia

**2006** First attempt at the presidency: came third with 25% of vote

**2017** Arrested and imprisoned by President Lungu

**2021** Fifth attempt at presidency: unseats Lungu with 59% of vote

## 6

### QUESTIONS TO HAKAINDE HICHILEMA

President, Republic of Zambia

#### ***'We will drive resources into the local government arena'***

##### **How did you win the election against a determined incumbent?**

When you're faced with a heavy-handed government you need to change your tactics. So we had to find ways of campaigning, obviously underground. There are a lot of smart ways of working, focusing on who will deliver the votes for you. If you win it marginally you will not take over the country, so you have to win it dramatically.

##### **What are the benefits from the drive to green energy?**

We have committed ourselves to controlling global warming, putting away coal and fossil fuels. That means a shift from petroleum to electric cars, and that means a pull on our metal price, we are conscious of it. We want to maximise the value from that opportunity.

##### **How will you get back the money lost under Edgar Lungu's government?**

It's a substantial amount of money that has gone out. In terms of the external debt – over \$13bn – the numbers are there. We've identified ill-gotten assets in countries that you would have no idea about. Some individuals will end up getting locked up.

##### **Will you devolve power to the regions?**

The devolution we are talking about is to take away some of the resources which were highly centralised and to drive them into the local government arena: the district councils and the constituencies. We'll make it consciously, so that we can provide equity in the resource allocations to our country.

##### **How will you maintain the division between the governing party and the state?**

In the previous 10 years, there was no separation, therefore the resources of government were assumed to be resources of a political party in office. That will not happen under our leadership. These are critical measures that will change the course of democracy in our country.

##### **Why sack the security chiefs?**

How would you ask the same inspector general whose police were brutalising citizens [to continue]? Did this inspector general not know the bill of rights? They knew. Why didn't they protect citizens? Because they were bribed not to protect citizens. •

director of the World Bank, Kalyalya has come back with a guarantee that the bank will be politically independent. His first target was to bring down inflation, which was running at its highest level for two decades. On 24 November, the central bank raised interest rates by half a point to 9%; the following day, the bank announced that the inflation rate had fallen to its lowest level so far this year.

The other returnee is finance minister Situmbeko Musokotwane, who had held the portfolio under Rupiah Banda's presidency (2008-2011). Taking a similar view to Kalyalya and Hichilema, Musokotwane says the government's accounts do not add up, arguing that the economy needs radical surgery to raise more tax and cut state profligacy. That starting point has to be negotiations to restructure the country's \$13bn foreign debt.

The other two key economic ministers are Chipoka Mulenga at trade and industry, tasked with building regional commercial ties, and Paul Kabuswe at the mines ministry. Kabuswe's is a post requiring close coordination with

finance and trade in order to haul in enough investment to hit the government's ambitious copper production targets.

In State House, President Hichilema's key staffers and advisers include principal private secretary Bradford Machila, who was also a former minister under Banda's presidency; economic affairs and development adviser Jito Kayumba, who has extensive business experience as a partner in Kukula Capital and as a director of several major companies; and head of public policy Chipokota Mwanawasa, a lawyer who has worked on political campaigns and is seen as another rising star.

### Quadrupling copper production

Next stop is the judicial system – the investigative and the prosecutorial agencies. These institutions are more complex, as some senior functionaries have their tenure guaranteed by the constitution. But, after years of political constraints, many officials in the investigative agencies are eager to press on with probes that have been stalled or side-tracked. Timing is key. A recent probe into the management of the sale of some state-owned mining assets found they had been diverted to a private company that was trying to transfer the proceeds to a bank in Mauritius.

Unravelling these opaque mining details is critical to the government's economic plans, says Hichilema. He wants to quadruple copper production over the next 10 years.

The global price of copper – billed as the 'new oil' for decarbonising economies – topped \$10,000 per tonne in June and is forecast to hit \$20,000 per tonne within a decade. With its copper riches, second only to the DRC's in Africa, Zambia is in a race to gear up production in mines held back by years of underinvestment and politically charged legal disputes.

Konkola Copper Mines, one of the country's biggest producers, is at the centre of a battle between conglomerate Vedanta Resources, which owns the majority stake, and the government, which holds 20%. Lungu's government triggered a courtroom fight with Vedanta after it announced it wanted to break Konkola into two entities: the mine and the smelter. Vedanta opposes that, arguing that selling the company as a single unit would raise more in the market. It seems the Lungu government thought it would win votes by taking a nationalist stance on the asset, trying to wrest it from

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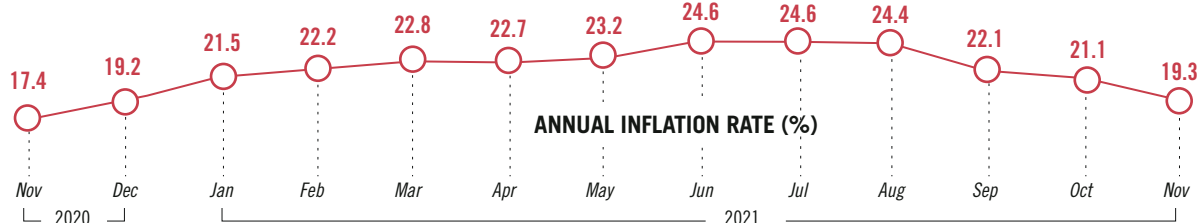
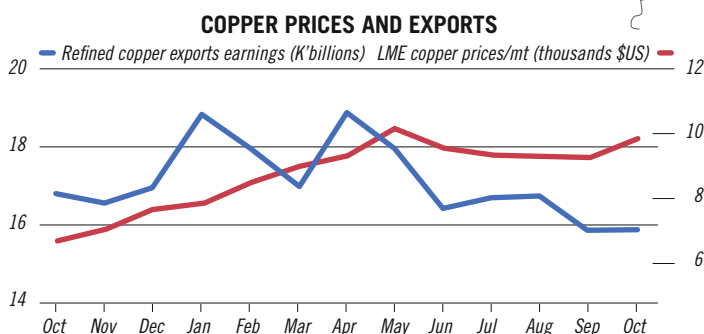
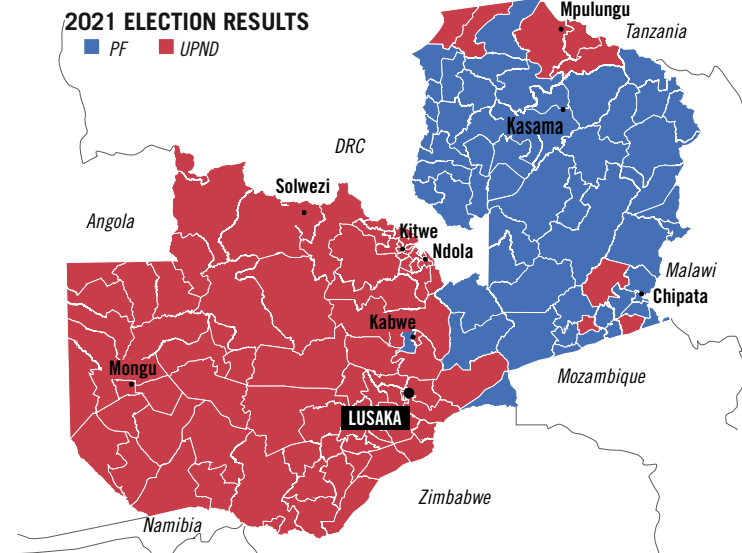
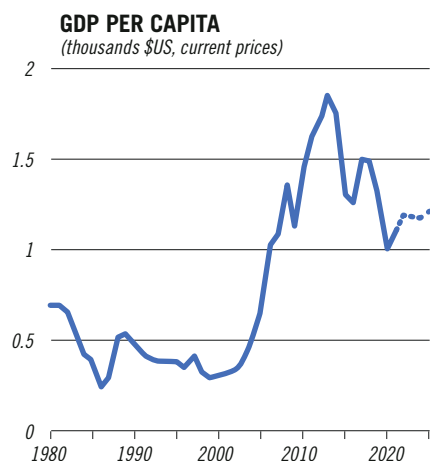
## Freeing the fourth estate

Journalists in Zambia are hoping their long, cold winter is over after listening to President Hichilema's promise that his government will not censor them. "Under our leadership, you will not see a media house shut," he told *The Africa Report*. For the first time in years, opposition politicians are getting airtime on state television and radio. Significantly, the audience is growing.

In the past six years, media houses such as Fred M'membe's *The Post* have been closed down, with the customs and excise authorities hitting them with ludicrously high demands. One of the most resourceful publishers, M'membe kept going by starting other businesses, such as courier and delivery services, to subsidise his media operations. For a time, under pressure from then president Edgar Lungu's government, he was forced to relocate his operations, renamed *The Mast*, outside Zambia. That did not stop him from standing as a socialist candidate in the presidential elections in August.

The independent television station Prime TV, which had its licence cancelled after airing programmes critical of Lungu's PF party, is now back on air. That is likely to encourage others to set up independent news sites, television and radio stations.

In Hichilema's first hundred days, his backing for free media has given him a honeymoon with journalists. The news has been of higher copper prices, lower inflation and crackdowns on corruption. A bigger test will come if the government has to impose more austerity measures to meet the targets of its IMF programme. Then Hichilema's bold promises could haunt him. ●



Vedanta's control. Some suggest a more venal motive, with some favoured political jobbers positioning their companies as beneficiaries of the transaction.

### State vs market: an early test

These tangled interests are now for Hichilema's government to resolve. "These are important signs for any investors," he says. "We're having meetings around Konkola Copper Mines and other mining house issues that haven't been addressed for the past 10-15 years."

Konkola will test Hichilema's political agility. His commercial instincts may tell him to settle with Vedanta and cut the government's losses, then bring in new investment to ramp up production as fast as possible.

But a bad deal with Vedanta would be politically risky. The company is unpopular with local people, who accuse it of profiteering

## Hichilema's governing style is rooted in corporate culture. That's new territory



and despoiling the environment. On visiting the Konkola site in November, mines minister Kabuswe told journalists: "We must never, ever, bring politics into the private sector."

It is a sentiment with which President Hichilema would agree. He has done the opposite. As one of Zambia's corporate titans, he has brought the private sector into politics.

It was Hichilema's strategic patience, competing in presidential elections six times, that earned him his political spurs. But his policy stance and his governing style is rooted in corporate culture. That's new territory for Zambia, indeed for most of Africa. If Hichilema's business nous and his technocratic team can refloat the economy and sail it upstream with the proceeds of a booming copper economy, his political problems could matter less. •



# INTERVIEW Kayode Fayemi

*‘We’re in a post-ideology age — people just want what works’*

The governor of Nigeria’s Ekiti State and chairman of the Nigeria Governors’ Forum talks to *The Africa Report* about the country’s security challenges, building democracy and the importance of devolution



KC NWAKALOR FOR TAR

By **DONU KOGBARA** and **PATRICK SMITH**

**B**

By the standards of Nigeria's political class, Ekiti State governor Kayode Fayemi, at 56 years old, is a stripling. Fayemi comes across simultaneously as one of the country's most senior politicians and a rather cerebral comrade for the youth revolution.

"There is a sense in which something has shifted, not just at the political level but also at the societal level, that I would call the #EndSARS moment," Fayemi tells *The Africa Report*, referring to the mass protests by young Nigerians against police brutality in 2020. "The future belongs to young people. They just need to be better organised to understand the power of their votes," he adds.

The 2020 protests and rumblings in the country's two main parties point to a wave of young activists, tech innovators and entrepreneurs eager to remake Nigeria's landscape over the next decade. It is shaping up to be an era of unprecedented change.

The demography speaks for itself. Half of the country's 210 million people are under 18. The UN projects there will be 401 million people in Nigeria by 2050, making it the world's third most populous country.

Fayemi's balancing act helps explain how a radical democracy activist of the 1990s ended up in a governor's mansion in the 2000s and then as federal minister in 2015. Now back as governor in Ekiti State, Fayemi is a member of the ruling All Progressives Congress (APC) and also chairs the Nigeria Governors' Forum.

This has pushed him back onto the national political stage. It also tests his diplomatic skills, given that the 36 state governors are divided by political party, region and policies on issues such as the herder-farmer clashes and financial devolution.

On all this, Fayemi has clear views. He supports restructuring the federation, devolving all responsibility for public health and education and focusing much more power on security and policing to the states. But he also wants something rarely attained in politics anywhere these days: a constructive debate on policy.

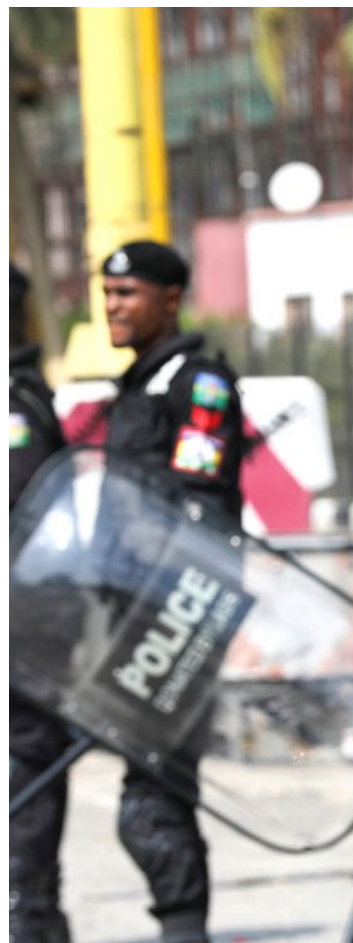
Along with that, Fayemi wants to see far more young people in public policy, running departments and ministries. He calls for intergenerational dialogue. That is almost revolutionary for a political culture that reveres age so much.

### The threat of populism

That sort of idealism, along with his doctorate in security studies from King's College London, explains why Fayemi has been so prominent on the international conference circuit. But that counts for little in electoral politics in Nigeria, as he explains: "We're in a post-ideology age [...] people just want what works. They're a bit impatient with understanding the minutiae of policymaking. [...] They just want, if you like, a fast-food delivery of results and outcomes without bothering about the processes."

Where that leaves Fayemi – some 18 months away from the next national elections, in which at least one of the major parties is likely to field a candidate from his native south-west region – is hard to gauge. And the country's security turmoil and economic troubles are likely to upend all those confident forecasts about winners and losers in 2023.

Amidst all that, Fayemi's style of national reconciliation and pragmatism could get steam-rollered in a headlong rush towards populism and ethnic nationalism. If it does not, he could play an important role in the new order that so many young Nigerians want to see.



All states are lacking police personnel to protect their citizens, Fayemi says



TEMILADE ADELAJA/REUTERS

**TAR: Security seems to be the overarching problem in Nigeria. What are the state governors doing to fix it?**

**KAYODE FAYEMI:** Security is a priority of the governors' forum. On a day-to-day basis, we review what is happening in our states because we are at the receiving end. Our citizens are the ones being attacked, either by banditry or kidnapping or insurgency. Governors are the ones dealing with the nitty-gritty details.

What's most disconcerting is the response capacity of the security institutions. The military is everywhere now, but there's a time lag between [when] people are kidnapped or bandits are operating and [the response]. That's an area we need to work on, but it's not for lack of effort of the military. It's an asymmetrical war – often they don't know their enemies, who are embedded in civilian populations.

We need to confront the challenge of inadequate personnel in our security institutions.

***'There is an inextricable link between insurgencies and the north-east'***

As governor, I've had to raise this with the inspector general of police. Ekiti is supposed to have about 8,000 police, but we don't have even 3,000. So we don't have enough to protect the citizens. And this is common in all states.

**From their beginnings in the north-east, insurgencies have spread across the country. What is driving them?**

There's an inextricable link between the insurgencies and the north-east. [...] A lot of the people involved in that, once they are under pressure by the military in the north-east, they push to the north-west and mix with the Islamic State West Africa Province and the migrants from Niger, from Burkina Faso and all of those areas. And then they come down south. So it's not uncommon to have the same people involved in insurgency or kidnapping in Kogi or Ekiti, and then sending the money back for banditry in Kebbi or Niger or Kaduna states.

***‘Some social-media platforms have become tools in the hands of extremists’***

**Some politicians have been blaming the insecurity on particular ethnic groups. What's your response?**

We [state governments] want to partner with the federal institutions, to develop regional or inter-state networks that allow us to share intelligence, and then respond on a case-by-case basis. The notion that this [violence] can be ethnically profiled is absolute nonsense, as we often discover.

We had a situation in Ekiti in which kidnapping incidents were perpetrated by local people, not by Fulani herders coming from Kaduna or Kano. These were Ekiti indigenes responsible for kidnapping Ekiti people. And they were involved in something like seven kidnapping incidents. We eventually found them, then charged them in court after investigations.

**Two years ago, the federal government closed all the land borders. Did that stop the arms and drug smuggling?**

[It has continued] from the Lake Chad basin right up to Niger, Burkina Faso, not to mention down south. So the capacity of the immigration service, the capacity of our own military to really effectively police our borders is clearly called into question. And until we're able to do that, we can't talk about: 'These borders have been closed.' Petroleum products get out over the borders, weapons come from Libya to Burkina, to Chad, and then to Nigeria. Some even come through the ports in Lagos.

The proliferation of light weapons and small arms is a big issue that we have to deal with. The government is doing something about that. There is a small arms and light weapons control centre headed by a very bright retired

military officer, Major General Abba Dikko, in the national security adviser's office. We need to trace the source of these weapons, ensure that we can interdict them before they get to Nigeria.

If you've seen the UN Office on Drugs and Crime report, you would see that we are a heroin and cocaine trans-shipment point. I'm talking about hard drugs, and the impact of that by people who also have access to weapons. It's likely to get worse as we move towards the election season.

**Do you think the APC can win in 2023, considering how unpopular President Muhammadu Buhari's government seems to be?**

It's in the nature of political exchanges for people to develop a form of amnesia. You only remember what is happening at the point at which you have found yourself. Ruling parties always have problems when they've been in office for some time

Well, let's look at the facts, not just opinion. In 2015, you'll recall that even the centre of Abuja was at the receiving end of the Boko Haram insurgency, when the UN building was bombed, the police headquarters was attacked, Eagle Square was literally shut down for public events [...]. I'm not saying by any stretch that we've completely eliminated insecurity. However, it's important to get the facts right in terms of where we have come from. Can we do much better than we have done? Absolutely.

**Buhari is an ex-soldier. People expected him to deal with the insecurity effectively.**

Good humour at the Nigeria Governors' Forum



ONOBELLO

He's a civilian, democratically elected leader. There were things he was able to do as a military leader that did not require constitutional adherence, that did not require legislative approval. He could just take the decision and then get on with it: 'I'm going to march into Chad as the general officer commanding, I'm going to lock up these corrupt civilian governors, without any reference to the rule of law'. [...] Those were things that he did as a military leader and they were allowed by the dictates of the times. He can't do that now.

**But he behaves undemocratically in other ways. He banned Twitter, for example.**

I would not subscribe to the banning of any social-media platform. But we also must acknowledge that some of the social-media platforms have become tools in the hands of extremists who have tried to undermine the stability and security of Nigeria. There must be other ways of dealing with that without necessarily banning [the platforms], and I believe that's what the government is now trying to do.

**You were a long-time campaigner for democracy. Now you are in power, do you feel that you've been subsumed by a pragmatic, realpolitik approach to government that isn't about democracy?**

I'm a student of history and I know that democratisation is a process and you would experience reversals en route. My own approach is to say that as long as the journey is progressive and incrementally better than where we came from, we need to keep building on it. Because subtracting from it may well return us to those things that I fought against: coup d'états – and we're getting a number of them around Africa now, which could create a domino effect.

The things that I fought for – rule of law, elections, accountability – those are the things that I'm doing as an elected official. I believe that it's made a difference in the setting where I operate. You may say that the jurisdiction within which I operate is not the national sovereign state level, but, at the sub-national level [...], that's where the people are, that's where they benefit from good governance.

**What about those local government officials who say they feel oppressed by the state governors and starved of resources?**

**BIOGRAPHY**

**9 February 1965**  
Born in Isan-Ekiti, Nigeria

**1992** Doctorate in war studies from King's College London

**1997** Created the Centre for Democracy & Development

**15 October 2010**  
Courts declared Fayemi was the true winner of the 2007 Ekiti State governor election

**2015** Appointed minister for solid minerals

**2018** Reelected as Ekiti State's governor

**2019** Elected chairman of the Nigeria Governors' Forum

I don't know where that's coming from. I have local authorities. I don't have anything to do with their resources. I'm only a conduit for them as far as whatever they get from the federation accounts is concerned. Sometimes we have joint projects with them to ensure that the people really feel the impact of government.

**What did Nigeria get out of the COP26 climate summit?**

If the climate crisis forces us to be more creative and innovative in our thinking, I think that's a good thing. Where the rubber meets the road is when you say you are defunding oil and gas projects as far as Nigeria is concerned. Those responsible should put their money where their mouth is – 80% of the emissions in the world today are generated by Organisation for Economic Cooperation and Development countries.

We need to have a structured engagement. I'm not so sure that what happened in Glasgow was really anything more than a show. It might have been a bit better than Paris 2016, but it's not nearly enough in terms of engagement with the countries in Africa who are at the receiving end of deforestation and environmental degradation. We need to show more commitment to climate action, no question about that. But nations that are responsible for pollution should also take responsibility.

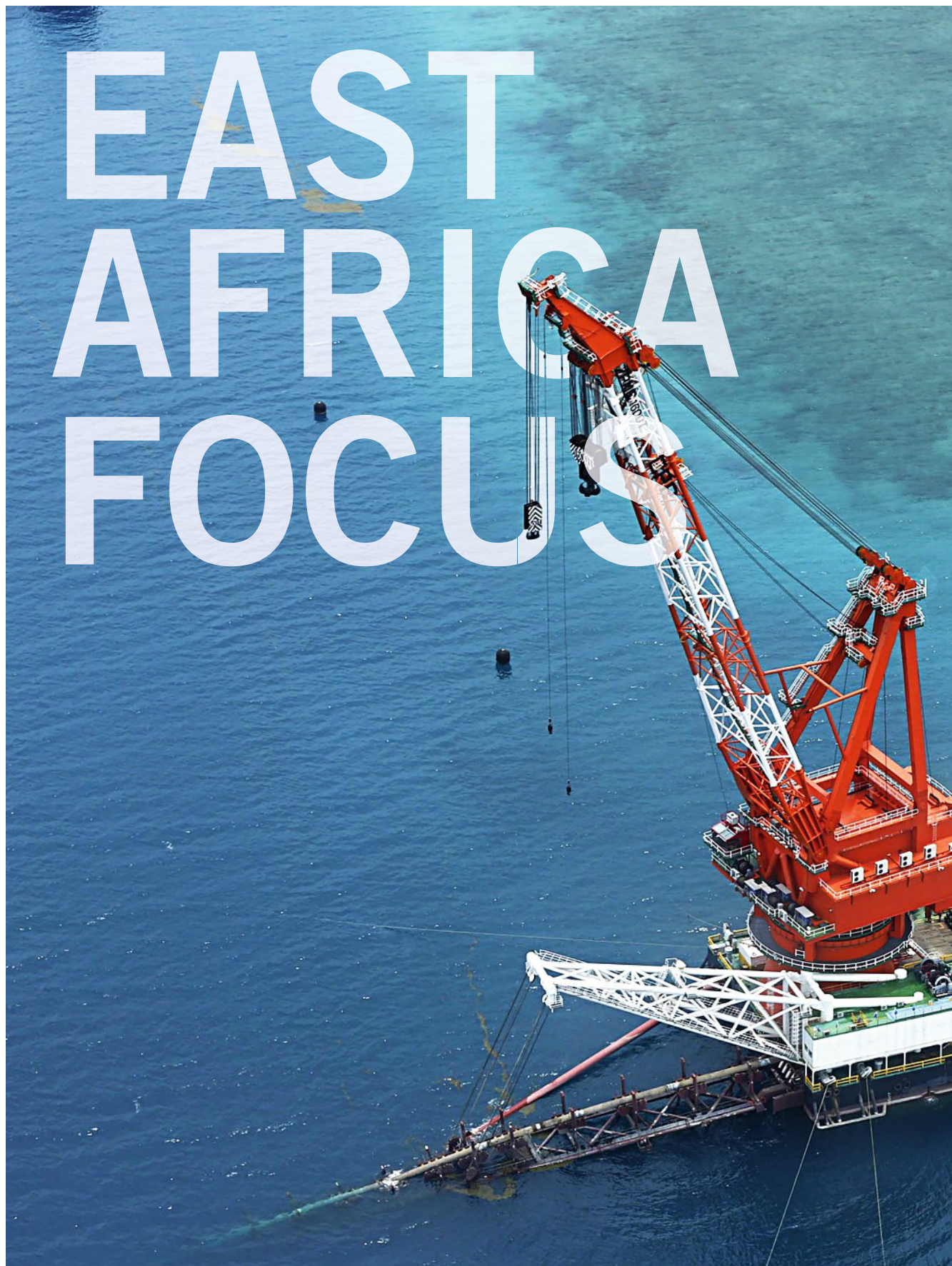
**Tell us about one dream that you think could be realised.**

Security. There's no reason why we should be this insecure. A few days ago, I made the suggestion that we should create opportunities for a volunteer security force. People who come for youth service could volunteer to serve in the institutions because we don't have enough people in the security services.

**And what is your biggest regret in government, for the country and yourself?**

For the country, that we're not where we should be. We're still in the dark and we could have done a lot better in the 20 years of our democratic experience. And, personally, it would have to be the reordering that I've always wanted to do between the states dependent on federation resources and generating more resources locally. That balance has not been quite achieved and it's something that I'm not fully happy about. •

# EAST AFRICA FOCUS



# Setting out to be Africa's growth machine

East Africa has shown resilience through the challenges of the past two years. With its national champions in many sectors and regional integration far ahead of the rest of the continent, both investors and homegrown companies are out to catch the opportunities



Pipelines, ports and  
regional integration  
projects are under way

DING WEIXIN/HUAREA

By **NICHOLAS NORBROOK**  
and **JAYSIM HANSPALL**

Back in 2019, East Africa housed three of the world's fastest-growing economies – Ethiopia, Rwanda and South Sudan. Then two major events upset the regional apple cart. While 2020 will be remembered by many as an *annus horribilis*, for East Africa the stakes are high. First, the Covid-19 pandemic, which by 2 April had entirely shut down both local and international flights. Tourism contributes around 17% to export earnings, accounting for around 10% of regional GDP. And then war broke out in Ethiopia, sending shockwaves throughout the region and the country.

So what will the future hold? Let's take a look at how economies have been adapting to these unfriendly disruptions.

### Quick-thinking airlines

"We have emergency response plans as an airline, but sometimes we don't anticipate this level of disruption", said Allan Kilavuka, the CEO of Kenya Airlines, speaking at our online Africa CEO Forum event in September. "We stopped flying passengers on the whole, so we needed to increase our capacity for cargo and repurpose some of our planes. We managed to repurpose two of our Dreamliners into cargo planes."

In Tanzania, leading manufacturer MeTL ploughed on, benefiting from Tanzania's relative lack of Covid-related closures. "Tanzania

didn't really have a lockdown, so our operations weren't affected dramatically. Certain sectors like tourism did take a hit, but we didn't," MeTL director of marketing Fatema Dewji told the CEO Forum.

Others were less fortunate. Hotels on the Swahili Coast had to lay off staff or shutter, from Tanzania up through Kenya. Small tour operators went out of business. Cancellations piled up at safari and guide businesses.

Hillpark Hotel in Nairobi was one of several to acquire a new clientele

## East Africa's digital focus made it ready for cashless as a hygiene solution

as a quarantine centre: "We had to reduce our normal room prices to over 50% discount," said Joseph Ndunda, the general manager, in research commissioned by the Kenyan government. "All Covid-19 suspects paid uniform charges regardless of the room checked in. Though giving a 50% discount was a huge decision, it helped us to manage employee salaries and operational costs of the hotel." The hotel also provided meals to local hospital workers.

But the year had not finished its regional shake down. In November, a vicious, ethnically tinged conflict pitted the Tigray region – home to many of those who were piloting

Ethiopian growth – against the federal government. In the prior decade, the World Bank clocked Ethiopia's economic growth at near 10%. The war will have a huge hit on a country that was becoming a regional economic juggernaut.

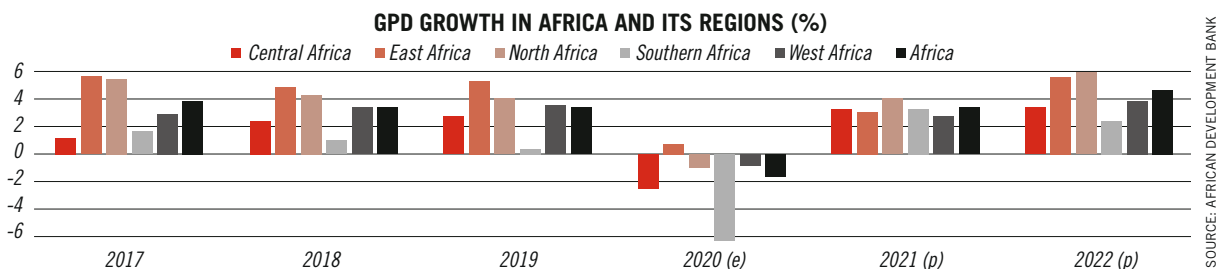
### Tigray's knock-on effect

The effects of the war are wide and deep for Ethiopia: Tigray is home to a significant portion of the country's manufacturing and mining activity, and inflation has doubled the cost of food in the capital, Addis Ababa. They are also being felt throughout East Africa. Djibouti's finance minister, Ilyas Dawaleh, told reporters that GDP growth had been cut in half, due largely to the slowdown in trade from Ethiopia – Djibouti has become a logistics hub for its land locked neighbour.

Despite the region's challenges, East Africa recorded GDP growth of 0.7% in 2020. The African Development Bank predicts growth of 3% in 2021 and 5.6% in 2022.

The bounce-back is already under way and is perhaps testament to the region's digital focus. "We saw a lot more cashless, mobile banking solutions," says Darshan Chandaria, the group CEO of Chandaria Industries. "Touching money was deemed a hygiene risk across Africa. It's given us a better idea of risk management and sustainability going forward."

For Dewji of Tanzania's MeTL, the pandemic highlighted new opportunities: "In Tanzania, ...





## Wentworth Resources: Enabling Tanzania's Energy Transformation Through Low-Carbon, Affordable and Reliable Natural Gas

Wentworth Resources is a leading domestic natural gas producer in Tanzania with a core producing asset at Mnazi Bay – one of only two natural gas producing fields in Tanzania – in the onshore Rovuma Basin in Southern Tanzania.

### Powering Tanzania's sustainable future

With a fast-growing population and an economy poised for rapid growth, Tanzania is shifting away from its agricultural base to focus on large-scale industrialisation. Together with the Government's target of universal energy access by 2030, it means there is a significant need to increase energy generation – particularly using natural gas, Tanzania's main source of power.

Natural gas from Mnazi Bay is also accelerating Tanzania's energy transition by providing a reliable and affordable baseload power supply, whilst simultaneously enabling more renewable technologies – such as hydroelectric power – to be added to Tanzania's energy mix without compromising energy access or security.

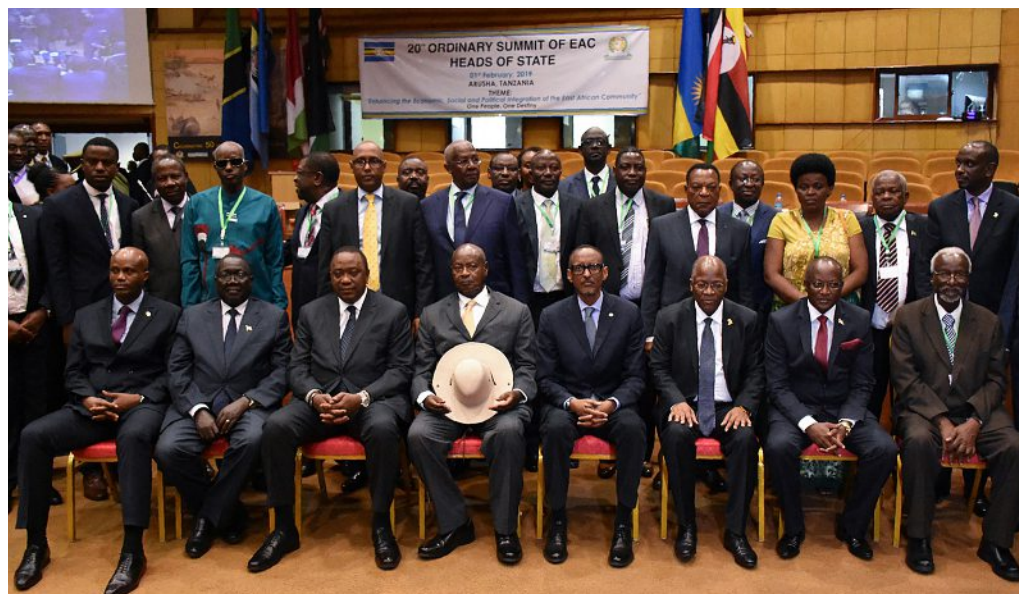
As one of the largest domestic natural gas producers in Tanzania, Wentworth, together with its partners Maurel et Prom and Tanzania Petroleum Development Corporation, has a significant positive social impact by deploying its natural gas to expand energy access to communities across Tanzania, aligned with UN Sustainable Development Goal 7 which is focused on delivering Affordable and Clean Energy. Wentworth is bringing affordable and continuous power to people's homes, schools, towns, and villages

– often for the very first time – improving socio-economic outcomes and building sustainable livelihoods. With nearly 30% of Tanzanian electricity customers currently served by Mnazi Bay natural gas, Wentworth is playing a crucial role in connecting local communities and businesses to the grid and accelerating electrification and industrialisation. Wentworth's gas-to-power platform is part of the solution to enable 24/7 energy access for Tanzania and transforming lives across the country.

### Strengthening local communities

As a Tanzanian business, Wentworth is committed to developing local talent and investing in local suppliers, building long-term partnerships that create lasting value for the communities in which it operates. Wentworth also reinvests in the local community through its charitable foundation, the Wentworth Africa Foundation (WAF). Established in 2007, WAF is focused on improving the health, education, and socio-economic outcomes of those living in the rural regions of Lindi and Mtwara in Southern Tanzania through a variety of community-led programmes. Wentworth is committed to being a leading player in Tanzania's energy growth and transition, delivering responsible, sustainable growth for the country and its people.

JAMG Photo D. R.



East African Community heads of state in the heady days of 2019

JOSEPH LYIMO/AFP

●●● there were traditional forms of marketing, and there were digital, as some people don't have access to those platforms. However, now things are changing. They do have access to it, and we are taking that into account. We are looking into app development to provide products straight to the consumer, like Amazon."

That advance should not be taken for granted, wherever you are on the continent, argued Juliet Anammah, the chair of Jumia Nigeria and group chief sustainability officer. "Some consumers don't have access to the internet, so can't participate in the digital economy. Basic literacy and access to the internet are important."

A recent UN report put Kenya seventh in Africa in terms of technology adoption, and 105th globally. Its East African peer group trailed far behind: Uganda was ranked 128th, Rwanda 133rd, Tanzania 138th and Burundi 145th.

Notwithstanding the laggards, domestic investors are feeling optimistic, too. A third of Kenyan

companies say they are reviving expansion plans. Already, big beasts such as Equity Bank are showing the way, with its purchase of two banks in the Democratic Republic of Congo, helping connect the regional financial capital with resource-rich areas.

### Manufacturing the future

This gives hope to those who see East Africa as a future manufacturing hub. Beyond the domestic players, an opportunity is emerging to connect Asian capital and consumers to African producers. Railways, pipelines, ports and regional integration projects are under way.

Policymakers and business leaders say they know what needs to be done to make East Africa the growth engine of Africa. "Covid has proved that Africa cannot skip manufacturing altogether. It has delivered a big blow to the African economy. Our exports declined by 8%, our imports by 9%," Albert Zeufack, chief Africa economist at the World Bank, told the CEO Forum. "We have seen countries producing personal protective equipment (PPE) and making it clear that manufacturing pharmaceuticals and vaccines are a reality."

Kenya took the lead in manufacturing PPE, with a coalition of private-sector leaders coordinated by

Equity Bank CEO James Mwangi, amongst others. Kenya's minister of industrialisation, Betty Maina, thinks this needs to be the first step towards a more coordinated push for manufacturing by Africans: "We have to learn that we can trust our products better, and we don't have to import a lot of these commodities."

Rwanda has shown that exporting commodities is just as feasible, and that by coordinating private-sector and public support, products with more value-added can be sold to Asian markets. A 2019 deal between Rwanda and Chinese e-commerce giant Alibaba has blossomed into a regular trading route. "Thanks to the elimination of intermediaries between Rwandan farmers and Chinese consumers, our farmers can now earn an extra \$4 for each package sold," James Kimonyo, Rwandan ambassador to China, told media at an event to launch Rwandan coffee in China.

"We have seen digital technologies laying the groundwork for future industrialisation," adds the World Bank's Zeufack, who also urges the region to target the potential in the green economy. "We need to seize opportunities in the global decarbonisation processes, especially in our cities, where these productive jobs will be created." ●

**An opportunity is emerging to connect Asian consumers to African producers**



## HACO – Home of Quality African Brands

Haco Industries is a leading manufacturer in the Fast-Moving Consumer Goods (FMCG) category in Africa and has been growing steadily above industry average since its inception. Haco's vision is to be available in every African household, meeting their day-to-day personal and home care needs.

Haco Industries was founded in 1974 in Kenya's coastal town of Mombasa by its late Founder and Chairman Dr. Chris Kirubi, who was an astute businessman with a vision and knack for driving initiatives from naught to might. Haco is a testament of the late Dr. Chris Kirubi's ability for staying power and focus, having started off Haco as a single-line business focused on the contract manufacture of Bic pens and growing the same for more than 47 years into a multi-line enterprise.

**A sustainable African manufacturing operation championed by Africans to offer Africa superior and affordable personal and home care products is what we are all about."**

Following the success of the Bic operations, the company eventually took on contract manufacture of other leading brands such as TCB, Motions, Dax, Jeyes Bloo, just to mention some. This enabled the Company gain expertise in the manufacture of a wide range of products across different categories, as well as the distribution of several other lines that were sold as imports across the Region.

The face of Haco began to change in the early 2000's when the Company considered local manufacture of its own brands. The first local brand from Haco was Miadi which is a range of hair care products from Haco Industries tailored for African hair, and the word Miadi is a Swahili word that translates to 'the promise'. A year later the So Soft fabric softener range was born, and the products have grown year-on-year across the skin, hair and home care categories.



**Mary-Ann Musangi** took the helm at Haco in 2019 as the **Managing Director**. This was an instrumental year as it also marked the year when the Organization saw a step change in its operations by making the bold decision to focus on local rather than contract manufacture. The shift was occasioned by the demerger from Bic as the Company had grown the brand for more than 40 years, during which time the Bic parent company opted to take over local operations as the business was sizeable and viable, having gained leadership in East and Central Africa.

Haco is now proudly the home of affordable quality products for Africa, with brands delivered through a strong sustainability agenda. The product superiority is backed by a strong Research & Development program, consumer understanding and quality inputs. To create relevance and sustainability, going green has become a corner stone for the Organization. Sustainability is hinged on two key UN Sustainability Development Goals i.e. SDG 12 which focuses on Responsible Consumption and Production, and SDG 17 which highlights Partnerships for the Goals. The key areas include:

- Use of biodegradable raw materials
- Recycle / reuse of plastic components
- Wastewater reduction and management
- Resource and Energy Efficiency, through solar powered manufacturing
- Ensure no use of harmful ingredients and transparency of ingredients used in products
- Partnerships leverage for attainment of business and socio-economic goals:
  - ⇒ partnerships with SMEs for sourcing of vegetable / essential oils aimed at boosting the income of growers and traders of marginalized groups in areas we source in.
  - ⇒ partnerships with hair care specialists to enable the enhancement of technical expertise and professionalism of the programme participants.
  - ⇒ Haco has a social welfare initiative that has seen it partner by donating land for an affordable housing project initiative that has been recognized and endorsed by the Kenya State Department of Housing and Urban Development as a strategic project in the Kenyan Governments Affordable Housing Program.

Haco is home to a vast range of products in the Skin, Hair and Home care categories with household names such as AMARA, MIADI, ASHANTI-Q, ACE, SO SOFT, SPARKLE and HACO PLASTICS (Rulers & Pegs). It still retains some of the contract manufacture business and global company E.T.Browne Drug Company, Inc. has entrusted Haco Industries with the manufacturing and distribution of their Palmers brand due to Haco's unrivalled East Africa market access.

Haco is intent on running a sustainability driven business model, through an empowered African work force that will enable the delivery of African brands for African people in Africa and beyond.

INTERVIEW

# Oscar Njuguna



NIFC

Can the new Nairobi International Finance Centre compete with Johannesburg and Dubai to pull in global investors? **Acting CEO Oscar Njuguna** believes there's plenty of room for everyone

Interview by **NICHOLAS NORBROOK**

Africa has a capital problem. According to the UN Conference on Trade and Development, foreign direct investment to the continent declined by 16% in 2020 to \$40bn, from \$47bn in 2019. The IMF estimates that sub-Saharan Africa could face a financing gap of \$290bn between 2020 and 2023, while the African Development Bank reckons \$120bn a year is needed for building and maintaining infrastructure alone.

Oscar Njuguna, acting CEO of the new Nairobi International

Finance Centre, believes the investment potential is out there and that his institution can help catalyse it. He points to the growth of recently opened financial centres in Asia and the Middle East, and the role they play in pulling in investors who may otherwise be cautious of emerging market destinations.

"The financial centres allow these countries to engage with investors in English, and [in a framework of] common law," says Njuguna, "whereas perhaps some of the other jurisdictions speak different languages, and have different legal systems." ...

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## Proud to make **your voice** heard

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●●● Announced in July by President Uhuru Kenyatta, and set to launch by the end of 2021, the NIFC already has an anchor client in the shape of Prudential, the UK-based underwriter, which has chosen Nairobi for its African headquarters. It will be joined in the NIFC by Mayflower Gold, a Kenyan gold miner that will dual list \$14m in shares on the London and Nairobi stock exchanges.

Beyond pulling in capital from around the world, the NIFC also wants to deepen the pools of capital available from domestic investors. It aims to provide “a more predictable environment” for investors to lean on, says Njuguna.

This might include securing work permits – something that will be expedited at the NIFC – as well as facilitating a favourable tax environment, particularly for private-equity funds who invest with a five-to-10-year horizon.

“Say the capital gains tax is 5%, which it is in Kenya today. They may wonder: ‘In five years or seven years, when we exit that investment, what will the capital gains tax be then? Could it be 20-30%?’” To tackle this unpredictability, Njuguna says, the NIFC is aiming to be able to lock in rates for 5-10 years at a time: “We have developed our initial set of proposals and we hope to publish them soon to get feedback.”

### Land of possibilities

Why would investors pick Nairobi over Johannesburg, with its trillion-dollar stock exchange and its suite of legal and accountancy operatives who know Africa well? Or why not Casablanca Finance City, which is banking on its proximity to European markets and the recent industrial renaissance in Morocco?

First, there is more than enough room for everyone, says Njuguna: “Even in Europe, you’ve got Dublin, London, Paris, Frankfurt,

### KEEPING COUNSEL

1995 Graduated from Oxford Institute of Legal Practice, UK

2006 Legal adviser to the Financial Services Authority, UK

2008 Special counsel to the CEO of Qatar Financial Centre Regulatory Authority

2017 Adviser to the National Treasury, Kenya, on setting up the NIFC, financial regulation and consumer protection

2021 Appointed acting CEO at the NIFC Authority

Switzerland, Luxembourg, all within a much smaller geography.”

He also believes that East Africa is a land of possibilities. “Nairobi is a jurisdiction that is catching up with South Africa in many ways. [...] The fact is, businesses go where they [investors] can make money and where the opportunities exist.” Beyond that, Kenya’s geographical location on the Equator, and close to the Gulf, may be seen as closer to other markets.

Njuguna thinks Prudential’s arrival really acts as proof of concept for the NIFC: “I think Nairobi ticks a lot of boxes for them in terms of quality of life, [...] air travel, political stability – security has improved considerably over the years, the schools work well, and the health system is robust,” says Njuguna.

Before the quality-of-life checklist, however, comes the business case. One of the reasons Singapore and London are successful international financial centres is the reliability and probity of their legal system. Is that something

**‘NAIROBI IS  
CATCHING UP  
WITH SOUTH  
AFRICA IN  
MANY WAYS’**

that Kenya can deliver on? Recent tussles between the judiciary and the executive during election periods may leave some doubt.

“Dispute resolution is a critical part of doing business,” says Njuguna. “We need to ensure that we have a very transparent and robust framework for dispute resolution in Kenya, and we have fought to get that for firms in the NIFC. There are obviously challenges, be they real or perceived, in terms of the dispute resolution framework in Kenya.”

### Political muscle

To counter these challenges, the NIFC has been working with Kenya’s judiciary to help build up a court that can focus on financial services, to work alongside the commercial courts that already exist. “I think there’s a very nascent, credible alternative dispute resolution ecosystem developing in Kenya. Experts in particular areas have been able to provide good arbitration services,” says Njuguna.

The NIFC hopes that the involvement of Kenya’s president in the steering committee will give the centre the political muscle it will need to solve issues as they arise. For example, in the case of “differences of view between [...] the central bank and the treasury”, ventures Njuguna.

It is important to note, in these days of the Pandora Papers highlighting the illicit movement of money via secrecy jurisdictions – by political elites from Africa and elsewhere – that the NIFC is not an offshore financial centre.

“It’s like a virtual special economic zone, where, when you get through your registration, you’re entitled to certain incentives and benefits,” says Njuguna. “But you’re still operating in Kenya [and] you’re still going to be subject to the local regulatory environment”. •



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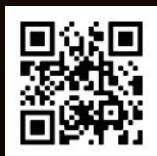
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## RWANDA

# Neighbours flock to Kigali to trade

While Uganda is currently locked out, Kenyan, Tanzanian and Congolese firms are enjoying the favourable business climate in Rwanda, and are there for the long haul

By **IVAN MUGISHA** in Kigali

There are hardly any Ugandan products on Rwandan supermarket shelves. Due to a political impasse between the two former allies, cross-border trade has been dealt a huge blow since 2019, affecting both imports and exports.

Tanzania and Kenya have benefited, effectively replacing Uganda as Rwanda's largest sources of imports from the East African Community (EAC). Rwanda's imports from Kenya totalled to \$278m in 2019, up from \$170m in 2018, according to United Nations trade statistics. Its imports from Tanzania also skyrocketed to \$269m in 2019, which is double the 2018 figure at \$135m. With the border closed to Ugandan goods, Rwanda's imports from Uganda plummeted significantly from \$240m in 2018 to \$40m in 2019.

"Rwanda was a very lucrative market for us," Geoffrey Kyanzi, a long-distance truck driver, told *The Africa Report*. "But this was suddenly stopped because of the bad politics between these two former friends. [...] For 15 years, I travelled twice every week to Rwanda bringing all sorts of goods, and taking a few Rwandan products back to Uganda, especially juice, chilli sauce and coffee. Now all that is no more." Kyanzi has now switched routes, trying his luck on the Malaba trade route between Uganda and Kenya.

Many Kenyan companies have set up shop in Rwanda in recent years, ranging from banking, construction, education, hotels and restaurants and agribusinesses. More than 6,000 Kenyans now live and work in Rwanda, and in order to have a strong voice to lobby for their interests, they have created the Association of Kenyans in Rwanda.

## Enthralled

KCB (Kenya Commercial Bank) has operated in Rwanda for over a decade, since 2008. The group's CEO, Joshua Oigara, told *The Africa Report*. "We recently added *Banque Populaire du Rwanda* to the KCB Group family, thus giving

**'Clients in Kigali keep telling me that we Congolese are the best hair stylists in world'**

us a better edge to support our customers within the market and beyond." This additional investment in Rwanda "is testament to KCB Group's satisfaction with the progress so far made and an expression of confidence in the Rwandan economy to support the future growth of KCB Group business in the country," Oigara said.

He sings the praises of the business climate in Rwanda, saying KCB is "particularly enthralled by



the ambitions of the country as set out in the government's development agenda, and the determination [...] to consistently execute on these plans. We also believe that the high level of governance and service orientation within public-sector institutions makes it possible to resolve business challenges which occur from time to time. Policymakers in Rwanda have an open-door policy and have always given us room and space to champion favourable operating terms."

Despite Rwanda's ambition to become a middle-income country by 2035, many foreign businesses are encountering an acute lack of qualified and experienced human capital. "Given the demand and competition for affordable, high-quality human resources in the entire services sector, it remains a great challenge to attain an optimal balance between the cost of human capital and productivity levels. However, [...] this presents an opportunity for the bank to play its role in developing depth and breadth in the human capital pool, which would eventually allow greater levels of productivity without a significant increase in cost," Oigara says.

Small and medium-sized Kenyan traders, too, are making profits in Rwanda. Josephine Mwanjiku, a Kenyan retailer in Kigali, has been operating a small supermarket and



The border with Burundi has been closed since 2016

STEPHANIE AGLIETTI/AFR

mobile-money services for years. “I now consider it my home away from home,” she says. “There is a lot of demand for mobile-money services, especially for Kenyans who want to send money to their families back in Kenya.”

When buying stock for her shop, she has noticed that the Rwandan manufacturing sector is not producing enough quantity for the market. “That’s why many Kenyans see the potential for business in Rwanda,” she says – including as traders importing goods from neighbouring Tanzania.

## Political will

Tanzanian rice, cement, liquor, steel and confectioneries have replaced their Ugandan equivalents on Rwandan shelves. Tanzanian businesses operating in Rwanda include Azam Industries, Bakhresa and Azam Media, among others, while Rwandan companies like Sulfo Rwanda and Pharmalab have a footprint in Tanzania.

“We have found a more conducive business environment in Rwanda, with incentives and political will to help investors, says Anand Moro, general manager of Viva Products, a Tanzanian company manufacturing mattresses in Kigali. Except for the interruptions due to Covid-19, other challenges have been “negligible”, he told *The Africa Report*.

Moro found there was a niche for mattress manufacturing in Rwanda: “There is less competition [than in Tanzania]. Even if there are other local competitors, we don’t mind as we are standing on our own market leadership. [...] Rwanda’s conducive nature to businesses attracts us for the long haul.”

The Congolese business community in Rwanda is also growing, after Rwanda and the DRC entered a new chapter of good relations following two decades of tensions. In June 2021, Rwanda’s President Paul Kagame and President Félix Tshisekedi of the DRC met in the border town of Goma and signed agreements on the promotion and protection of investments, and the removal of double taxation on their diaspora business communities.

Rwanda enjoys a positive balance of payments with the DRC. Its imports from the country – mainly foodstuffs, textiles and liquor – were a mere \$17m in 2019, according to the United Nations, while Rwanda’s exports to the DRC – mainly manufactured and processed foods and re-exports – were recorded at \$374m in 2019, according to IMF data.

Jean Kasongo, a Congolese national, has owned a hair salon in Kigali since 2017. He told *The Africa Report* that he was more interested

in business than the controversial politics between the two countries:

“Rwanda has been welcoming to me and other Congolese who have business concepts. So, for me, I have to make sure I work hard and ignore all the political talk from bitter people because, at the end of the day, we all have to find a way to live together and make money,” he says. “Clients in Kigali keep telling me that we Congolese are the best hair stylists in the world. That is what matters to me most.”

## Removing trade barriers

Pragmatic Rwanda – which was a driving force for the creation of the African Continental Free Trade Area – is likely to eventually reopen its borders with both Uganda and Burundi, and to work closely with all its neighbouring countries to remove trade barriers.

It is assisted in this by TradeMark East Africa (TMEA), a regional body that works with the EAC secretariat, national governments and the private sector to facilitate trade and increase business competitiveness. “Our interventions include improving the capacity and efficiency of transport and transit infrastructure along key trade corridors of the region,” Patience Mutesi, TMEA country director for Rwanda, told *The Africa Report*.

“We are developing One Stop Border Posts across the region to reduce the time and cost for businesses to trade across borders. We are also supporting the automation of trade processes – for example, the electronic single window, which reduces the time it takes businesses to obtain licences and complete trade-related transactions.”

She added: “We also intervene in the areas that need to improve [...]. We file reports to provide support for identifying and eliminating non-tariff barriers in order to ease the movement of goods across the East African region.” ●

EXTRACTIVES DOSSIER

# What to watch in 2022





Zambia has more than copper, and offers unexplored potential

In the year ahead, investors have their eyes on copper and other minerals in Zambia, and the mega gas projects in Mozambique, as belwethers for the industry

By **DAVID WHITEHOUSE**

With billions of dollars worth of African gas, gold, copper and cobalt to hit the markets in 2022, industry players are focused on the next big deals. The election of a new government in Zambia in August 2021 has led to optimism that the country is the stand-out player in African minerals exploration for 2022.

"All eyes are on Zambia," says Peter Major, director of mining at Mergence Corporate Solutions in South Africa. Major spoke in Cape Town in October as he prepared for a mining investment trip to Zambia. In the new president, Hakainde Hichilema, he says, the country has "a real businessman" in charge.

As well as copper, whose industrial mining in Zambia dates back to the 1930s, the country has significant potential in gold, manganese, emeralds and coal, Major says. There has been a historic lack of exploration since the post-independence nationalisation of the mines, he says. Over the past five years, in particular, there has been "no motivation to prospect".

NAASHON ZALK/BLOOMBERG/GETTY

A working cadastral system gives Zambia a crucial advantage over Ghana and the Democratic Republic of Congo, Major points out. But the question mark over the Hichilema administration is how it will handle its review of existing mining licences “We need to see some people coming out of the other side of the pipeline,” Major says. Once that starts happening, he predicts, there will be a “stampede” to explore and mine in Zambia.

According to Irmgard Erasmus, senior financial economist at Oxford Economics in Cape Town, Hichilema and his minister of mines, Paul Kibuswe, are likely to take a “more pragmatic, market-orientated approach” in dealing with mining companies, in contrast to the “hard-handed and interventionist stance” under the former president, Edgar Lungu. The Zambia Chamber of Mines has welcomed plans to reform the tax code, saying this will mark a break from the old “cash-grab mentality”.

### Strike while the copper is hot

Mining was the only sector of the Zambian economy to decline in the second quarter of 2021, when copper production dropped 9%, hurt by the impact of Covid-19 and the first-quarter rainy season. This meant the country was unable to fully capitalise on the high copper prices, which peaked in May, according to economist Yvonne Mhango at Renaissance Capital.

Erasmus predicts that copper prices going forward will see a moderate but sustained decline, amplified by monetary policy normalisation in the US and the risk of a Chinese slowdown driven by stresses in the country’s property sector. These headwinds, Erasmus argues, will ensure that Hichilema will remain “mindful of the urgency to strengthen copper output”.

Major contrasts the Zambian outlook with that in South Africa. He is critical of the President Cyril

**‘Purging is necessary [for governance]. Zambia is showing South Africa the way’**

Ramaphosa’s cautious approach. Hichilema has shown willingness to purge figures associated with the old regime, Major says: “Purging is necessary. But Ramaphosa does not purge. He promotes. South Africa needs a radical change in governance. Zambia is showing South Africa the way.”

Ghana overtook South Africa as the continent’s largest gold producer in 2019. Major sees little chance of that being reversed. Ghana’s government “acknowledges the problems and takes steps to help the industry,” Major says, citing its efforts to keep AngloGold Ashanti in the country.

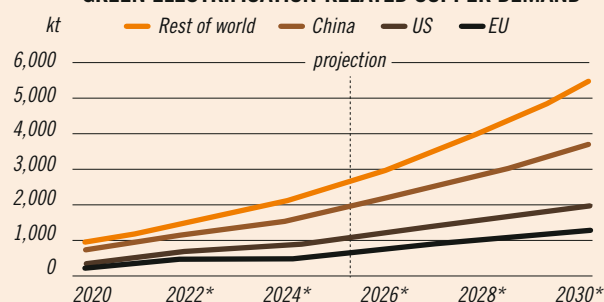
In 2016, AngloGold’s head of corporate affairs, John Owusu, was killed during a riot by artisanal miners at the company’s Obuasi mine, but AngloGold has stuck with the project. “There is not more gold in Ghana than in South Africa, but there is a better legal framework,” Major says.

Ghana is scored 69 out of 100 in a 2021 ranking from the Natural Resource Governance Institute (NGRI) – an improvement of 13 points since 2017. Governance of taxation has improved, mostly due to the power of the Ghana Revenue Authority to audit all businesses, including mining companies. On adherence to environmental and social impacts, Ghana scored a maximum 100 on the NGRI index, with all gold-mining companies now disclosing environmental and social impact assessments and environmental mitigation plans for new projects.

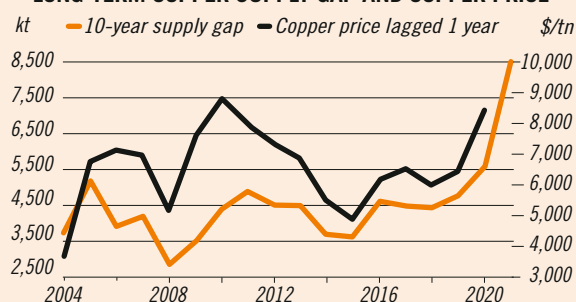
### Refining for mining

National budgeting governance has improved due to the adoption of, and adherence to, fiscal rules, the NGRI says. Still, the report claims the extractives sector is being held back by a lack of online data portals, and weak adherence to open data standards. The government currently has no policy in place to publicly disclose mining sector contracts, though there are mandatory contract disclosures in the oil and gas sector.

**GREEN ELECTRIFICATION-RELATED COPPER DEMAND**



**LONG-TERM COPPER SUPPLY GAP AND COPPER PRICE**



\*ESTIMATION / SOURCES: WOODMAC, IEA, IRENA, ICA, CDA, GOLDMAN SACHS INVESTMENT RESEARCH.



AngloGold Ashanti is continuing with its Obuasi mine, despite a tragedy

Sulemanu Koney, CEO of the Ghana Chamber of Mines, is confident that Ghana's mining sector can drive the country's industrial development. For that, he argues, Ghana needs to move up the value chain and start to refine its raw materials. He wants to end the use of imported rubber for mining components and is in discussions with a multinational company to refine Ghanaian rubber.

"Extractive industries can't be a silo or an enclave," says Koney, a chemical engineer by training. "Deliberate thinking is needed to link themes up." An example, Koney says, is the extraction of caustic soda from brine, which is used by the mining industry as well as in aluminium production and in detergents.

### Mozambique's progress

Ghana, Koney argues, needs a "minerals-based industrialisation strategy". The challenge, he says, is to "leverage the presence of the mining industry for the good of the country" by promoting training and investment in technology. "That's my *raison d'être*. Otherwise I would have given up a long time ago."

In Mozambique, the coming year will be crucial in consolidating progress against the radical Islamic insurgency in the north of the country, which has delayed plans to develop the region's natural gas resources.

Progress in combating the insurgency means that "sentiment has changed quite drastically" for the better in recent months, says Hermano Juvane, head of oil, gas and value-chain banking at Absa Bank in Mozambique.

Support for Mozambique's army, including from Rwanda and the Southern African Development Community, has contributed to the improvement, Juvane says. People have been able to return home to Palma in the northern Cabo Delgado province.

TotalEnergies in September announced a two-year delay to the first onshore production of liquefied natural gas in Mozambique, with first output now scheduled for 2026. TotalEnergies declared force majeure at its \$15bn project in April, but project activity is now expected to restart in 2022. Juvane sees the new timetable as realistic. "There is about four years of work left," he says.

Absa in Mozambique is focusing on financing subcontractors of the extractive industries, Juvane says. He sees opportunities for Mozambique in heavy sands,

titanium, coal, lithium, graphite, aluminium and rubies.

Extracting the rare earth minerals, a set of 17 metallic elements used for high-tech applications such as cell phones, computer hard drives and electric vehicles, may be an African industry of the future. China dominates global supply of rare earths with an estimated share of 85%-90%, but Covid-19 and US-China tensions have sharpened the need for the world to find non-Chinese sources.

### A rare earth opportunity

"The US is trying desperately not to buy rare earths from China," Simon Gardner-Bond, chief technical officer at Dublin-based TechMet, told a briefing in October. "The whole world is becoming increasingly nervous about China controlling the supply chain."

TechMet invests in projects to develop critical metals for the transition to renewable energy, and counts Rainbow Rare Earths among its investments. Rainbow, which is listed on London's alternative investment market AIM, holds Africa's only working rare earths mine at Gakara in Burundi. But Burundi's government in April halted production because it wants to renegotiate the mining convention, and meetings between Rainbow CEO George Bennett and President Évariste Ndayishimiye have so far not resolved the issue.

Rainbow is also planning to produce rare earths from gypsum stacks generated by hard-rock phosphate mining near Phalaborwa in South Africa's Limpopo province, and is exploring the economic viability of possible rare-earth deposits in northern Zimbabwe. Bennett is still confident agreement with Burundi can be reached.

"There will be some give and take," he says. "We will come up with a win-win solution." ●

# 85%

of rare earth minerals are currently mined in China, but Africa has the potential to earn a large slice of the pie

## TANZANIA

# Ending the gas standstill

President Hassan is turning a page on the Magufuli regime and moving forward with talks on the development of the country's natural gas reserves

By **DAVID WHITEHOUSE**

The November resumption of talks between Tanzania's government and multinational corporates on plans to develop the country's rich liquefied natural gas (LNG) reserves has triggered optimism that progress may finally be in sight. Royal Dutch Shell and Norwegian company Equinor have been planning to build an LNG terminal at Lindi in southern Tanzania since 2014. However, progress was undermined by revised terms introduced by Tanzania's 2015 Petroleum Act, the 2016 Finance Act, and a series of natural resources laws pushed through by the late president John Magufuli in 2017. These enabled the authorities to renegotiate previous production-sharing agreements in their favour and in terms that were less attractive for investors.

## Political will

In March, Magufuli's unexpected death altered the political context, with Samia Suluhu Hassan coming to power as the country's first woman president. "With the political will of the current government [...] I will not be surprised if they conclude a deal next year," says Imani Muhingo, head of research and analytics at Orbis Securities in Dar es Salaam.

The project has many benefits, from the initial inflow of foreign investment and generating jobs to solving the country's energy challenges and garnering export revenue, Muhingo says. The Bank of Tanzania projects that the launch

of the project alone will add 2% to the country's economic growth rate.

The government is now aiming for construction to begin in 2023. Shell and Equinor made a joint statement to *The Africa Report* in November: 'We have been engaging with the government of Tanzania and continue to be pleased about the partnership, cooperation and opportunities associated with the potential project,' said Jared Kuehl, vice-president and country chair for Shell Tanzania, and Equinor

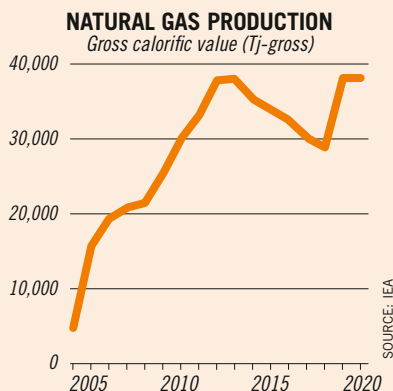
Tanzania's country manager Unni Merethe Skorstad Fjaer.

Equinor operates Tanzania's Block 2, in which ExxonMobil also has a stake, while Shell operates Blocks 1 and 4. The talks aim at establishing a 'competitive and attractive project', the statement said, concluding: 'We are pleased with the energy and momentum brought by the government of Tanzania and look forward to having constructive discussions over the coming months.'



There is currently a “favourable window of opportunity with mutual benefits for the government and foreign investors”, says Zaynab Mohamed, an analyst at Oxford Economics in Cape Town. “We expect stakeholders to fast-track negotiations and get the ball rolling,” she adds.

The fact that Tanzanian natural gas has not been developed since its discovery in 1974 hints at economic as well as political obstacles. “The economics are difficult” for LNG as a greenfield project in Tanzania, which lacks developed infrastructure, says Roderick Bruce, associate director at IHS Markit in London. Fiscal terms and the questions of domestic-market supply and local content remain “potential sticking points,” he says, and even if an agreement is reached with the government, the economics may



not stack up versus other possible investments. Bruce points to Equinor’s decision to write down its \$982m investment in the project at the start of 2021.

At the time, the company said the project’s estimated break-even price was well above Equinor’s \$40 per barrel average portfolio break-even. “Something still has to change to make the project economically attractive,” Bruce says. Shell and Equinor, he adds, are likely to be pushing for better tax terms and could also try to lower costs, for instance through a lower local-content requirement. A more radical move, he adds, would be for the companies to design a scaled-down version of the project, which could drop, for example, the planned onshore liquefaction plant.

President Hassan has removed Magufuli’s energy minister, Medard Kalemani, and replaced him with January Makamba. Kalemani was seen as a “roadblock” and his relationship with oil companies was “pretty poor”, Bruce says. Makamba, however, has shown himself to be a “vocal Magufuli critic”. It is now “much less likely”

that contracts will be renegotiated in an unfavourable way, Bruce says. Still, the new presidency has not transformed Tanzania, and Hassan does have some “authoritarian tendencies”, he says.

An academic paper by lead author Obadia Kyetuza Bishoge and others argues that Tanzania’s LNG can reduce pollution caused by the use of charcoal and wood for fuel. LNG also has the potential to stimulate industries such as those of fertilisers, chemicals, aluminium and plastics, the paper says.

### Risk of oversupply

Nevertheless, there is no international consensus on whether LNG should be seen as a transitional fuel or just another fossil fuel – a subject much debated around November’s Cop26 summit in Glasgow. LNG will have a role to play over the next 20 years, as base load will still have to come from somewhere during the energy transition, Bruce says. Gas is less polluting than coal, and it will be “politically hard” for the West to tell developing countries to keep their gas in the ground.

In addition, a huge expansion of LNG production in Qatar, as well as the planned LNG development in Mozambique, could create global oversupply and make it harder for Tanzania to bring gas to market. It is clear, Bruce says, that abundant global gas supply and the energy transition mean that East Africa will be left with “stranded gas assets”. He says it is “50-50” at present whether Tanzania’s LNG reserves will be developed.

Orbis Securities’ Muhingo is more optimistic. With the Tanzanian government showing its political will, differences on issues such as the host-government agreement and production sharing will be easier to settle, he says: “The major obstacle was political will. The government now has its eyes on the project.” •

The existing Songas LNG plant provides 21% of Tanzania’s electricity



EMMANUEL KWITEMAREUTERS

2%

Increase in Tanzania’s economic growth rate if the Lindi project goes ahead, according to the Bank of Tanzania

## INTERVIEW

# Daniel Major

## ‘Nuclear has undergone a complete shift’



GOVEX URANIUM

The **CEO of GoviEx Uranium** talks to *The Africa Report* about uranium’s prospects and the mining projects it is seeking finance for in Zambia and Niger

By **DAVID WHITEHOUSE**

GoviEx Uranium, a junior miner which trades on Canada’s TSX Venture Exchange, will seek to raise about \$350m in the second half of 2022 to mine uranium at its flagship project in Niger, CEO Daniel Major tells *The Africa Report*. Mining finance specialist Endeavour Financial will advise on the debt portion, which will account for about half the amount being sought, and the equity component will be considered after the debt is secured, Major says. The company is also in discussion with utilities in Europe and North America with a view to an offtake agreement.

Niger is the world’s fifth-largest producer of uranium and supplies about 8% of world demand. The company’s Madaouela project is located about 10km south of Arlit in north-central Niger. GoviEx plans to complete its bankable feasibility study in the second quarter of 2022.

Major describes Niger as “very stable” and sees little risk of resource nationalism. The

country’s mining code has rarely been altered, and the government of President Mohamed Bazoum, elected in February in the country’s first democratic transition, is “very pragmatic”, Major says. The country’s sporadic Islamic insurgency is far from the company’s operations, and GoviEx has been able to operate “comfortably” in the country since 2007, he adds.

Prices per pound of uranium have increased this year from around \$30 to \$50. Major expects prices to rise further in coming years as the world faces a “massive supply deficit”. The industry needs prices at around \$50 to \$60 per pound to be able to build mines, he adds.

Prices will be underpinned by the fact that older uranium mines in Canada and Niger are running

dry and will close in the next five years. Greater global acceptance of nuclear power will provide further support, Major says, pointing to the UK’s announcement that it will spend up to £1.7bn (\$2.3bn) on the Sizewell C plant. “Politically, nuclear has undergone a complete shift” since Japan’s Fukushima accident in 2011, he says.

### Covering costs

GoviEx owns 80% of the Madaouela project, 100% of a project at Mutanga, Zambia, which it bought from Denison Mines in 2016, and 100% of the Falea uranium project in Mali.

Raising funds will be crucial for the company, which has no revenue as yet. Losses in the first six months of 2021 rose to \$5.9m versus \$3.9m a year earlier. GoviEx was spending \$581,000 a month in the first half of the year and had a cash balance of \$8m at the end of August.

Niger accounts for “most of the pounds in the ground” in terms of resources, but the “very easy mining methodology” in Zambia means that Mutanga may eventually come a close second in commercial value, Major says. The Zambian operations will follow the start of commercial production in Niger, which is scheduled for 2025. ●

# 58,060

Current annual supply of uranium in tonnes, while demand for power generation stands at 86,636tn

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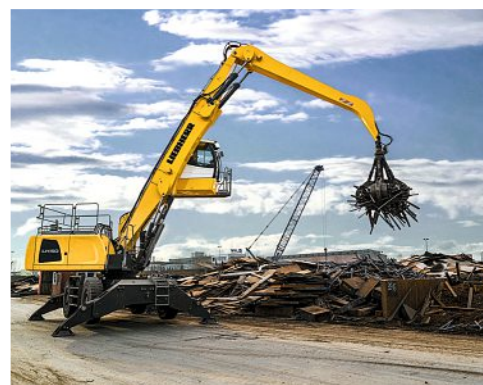
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## INTERVIEW

# Errol Smart

## *‘We’re setting out to do something that hasn’t been done before in South Africa’*

The **CEO of Orion Minerals** tells *The Africa Report* why he is bullish about securing project finance for the company’s copper and zinc plans in Northern Cape

By **DAVID WHITEHOUSE**

South African and Australian junior miner Orion Minerals has the long-term ambition of building a copper refinery in South Africa’s Northern Cape Province. The refinery would likely be a partnership and Orion has been sounding out potential players, CEO Errol Smart says.

Orion focuses on copper, zinc, nickel, gold and platinum-group elements in South Africa and Australia. It also has stock-market listings in both countries.

The company’s flagship is the copper-zinc project at Prieska in Northern Cape, where it also has a controlling interest in several properties in the Okiep copper project. In September, South Africa’s Industrial Development Corporation agreed to become Orion’s strategic partner in the Okiep development.

Copper refining becomes economically viable from about 40,000tn to 50,000tn of production, Smart says. Both Prieska and Okiep will be long-life mines where operations will continue for 20 years or more, he adds.

The company is

currently seeking project finance to bring its copper and zinc project at Prieska into operation. The funding will be the largest project finance for a junior miner in South Africa for several decades. The funds will be drawn from a banking syndicate of about five banks. Smart is confident that this will be achieved in early 2022.

Smart sees a hole in the South

African funding landscape, since larger projects find it hard to secure project finance – where investors have no corporate recourse outside the cashflows generated by a specific project. Junior mining has “fizzled” in South Africa as a result, he says.

### Scavenger no more

“For too long, junior mining in South Africa has been about picking up the skeleton from the kill of the big miners and picking the last bit of meat off the bones,” Smart says. The resources available in the Northern Cape mean that Orion will not be operating as a “scavenger,” he says. “We’re setting out to do something that hasn’t been done before in South Africa.”

High prices for copper improve Orion’s profit outlook. They also exacerbate the logistical challenges for miners, says Smart, who sits on the board of the Minerals Council South Africa: the rising value of copper makes rail signalling equipment a target for thieves.

There is scope for the mining industry to support state-owned logistics company Transnet by providing drone monitoring to improve security, he says, or for the state to privatise some sections of track. “These initiatives are getting attention,”

Smart says. ●



ORION MINERALS



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Iron ore mining, one of the oldest industries in the world, is attracting renewed interest, joining other critical minerals and battery metals as a part of the energy transition towards solving the climate crisis. Marampa Mines Limited ("MML"), a subsidiary of Gerald Group, one of the world's leading metals merchants, is implementing plans aimed at addressing the wider challenges related to climate change, while meeting Sierra Leone's development needs.

The Group's long-term strategy since taking over the mine in 2017 has focused on the beneficiation of iron ore resources in Sierra Leone. By committing significant investment and industry expertise, Gerald was able to revive the abandoned Marampa iron ore operation and produce >65% Fe grade iron ore concentrate, thereby creating significant value for stakeholders. Branded Marampa Blue™, the high-grade iron ore concentrate consumes less energy in the downstream steelmaking process, as well as in export logistics, as the higher Fe grade means less fuel consumption per tonne of concentrate transported.

After Gerald was issued a new mining license from the Government of Sierra Leone as part of a wider settlement earlier this year, MML has restarted production on schedule and commenced capesize shipments, that will progressively generate vital revenues for the country and promote climate sustainability. As COP26 in Glasgow highlighted, Africa contributes the least to climate change, emitting far lower carbon emissions than developed nations. However, the continent also suffers from both the impact of climate change as well as emerging measures inhibiting development of its natural resource sectors.

Gerald is committed to Sierra Leone, while being part of socially and environmentally-friendly solutions to achieve positive development outcomes. This includes decarbonizing MML's operations and aiming to be a low cost, sustainable and significant contributor to Sierra Leone's economic development for years to come. Gerald's Global Head of Investments and MML's COO, Frederic Lotti says, "We are proud that our partnership with Sierra Leone and our investment in its future is positioning the country to become a major exporter of world-class Marampa Blue."

Gerald, founded in the United States nearly 60 years ago, is also well-positioned to support the U.S. commitment to increase trade and investment across Africa. As one of Sierra Leone's largest employers, MML has proven to be a strong and committed investor, implementing community projects that aim to promote the advancement of women in the workforce, local employment and education, as well as sustainable food farming and afforestation initiatives, which lower net carbon footprint. The Company proactively engages local suppliers, including a women's vocational and artisans training school and a not-for-profit garment manufacturer that supplies MML's workwear.

As Gerald continues its growth plan in Sierra Leone and elsewhere on the continent, the Group is proud to help forge an African future serving both its people and the world.



President Buhari signs the PIB into law in Abuja

NIGERIA PRESIDENCY/HANDOUT/REUTERS

## NIGERIA

# Seplat and Ardover herald the gas era

A new policy landscape in Nigeria is being seized on by home-grown companies to supply gas to the growing local market, on a retail and industrial scale

By **NICHOLAS NORBROOK**

There is an old saw about Nigeria's energy sector: while it has been pumping oil for decades, it is really a gas province, with a relatively small amount of oil. Certainly, with gas assets of more than 200 trillion cubic feet (tcf), Nigeria is the eighth-largest natural-gas reserve on the planet, coming just after the United Arab Emirates' 215tcf.

"That is the paradox this administration decided to confront when we declared the Decade of Gas in Nigeria," announced President Muhammadu Buhari in March. He said that gas development and

utilisation "should be a national priority to stimulate economic growth, further improve Nigeria's energy mix, drive investment and provide the much-needed jobs for our citizens."

That gas will come in useful to fix Nigeria's Achilles' heel: the country has the highest energy costs in the world, at \$0.52/kWh, according to consultancy Wood McKenzie, since much of it comes from small diesel generator sets.

The changes in policy are now starting to be felt, especially the passing of the much-delayed Petroleum Industry Bill – now known as the Petroleum Industry

Act since its 16 August signature. This legislation 'will provide much-needed clarity for the sector and could unlock new gas supply to the domestic market, as will the construction of major gas pipelines,' notes the African Energy news outlet. 'Combined, these may break down some of the major barriers for new independent power plants.' Nigeria is projected to generate 13.6GW of power from gas by 2040, up from 5.1GW today.

## Seplat on the starting block

This new policy landscape has encouraged local companies to seize the opportunity. The most aggressive of them is Seplat, which raised \$535m in equity financing at its 2014 initial public offering and has invested \$1.9bn in capital expenditure since then. ●●●



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●●● Seplat is positioning itself as the frontrunner in any race to purchase assets divested by exiting international oil companies. And it is also taking a more long-term view of the changing financing available globally for oil production.

The July 2021 rebranding from Seplat to Seplat Energy echoes this greater ambition around gas. Seplat has multiplied its gas production by four since launching in 2012, and produced 20,758 barrels of oil equivalent per day of gas in the first six months of 2021. Seplat Energy's flagship project for 2022 is the Assa North-Ohaji South (ANOH) gas-processing plant. It reached financial close in February 2021, leaning on a consortium of Nigerian banks, and should produce first gas by mid-2022.

Part of the government's gas masterplan is the goal of supporting Nigerian industrialisation. ANOH is linked to oil block OML 53 and will process 300 million cubic feet of gas per day for the domestic market in the first phase, according to Seplat CEO Roger Brown. Shell is the upstream operator, with Seplat owning 40% of OML 53.

### Selling direct to industry

Seplat will be spending around \$1bn to produce 1.5tcf of gas over the next five years, with 19 wells to be drilled. At a London Stock Exchange presentation in July, the director of Seplat's New Energy portfolio, Yetunde Taiwo, said the company is targeting

# 40%

of Nigeria's gas is currently sourced locally, while the balance is imported and subject to naira fluctuations

new gas markets, such as industrial parks. A 2017 policy change by the government allows gas companies to supply directly to industrial customers with a generating demand of at least 2MW. The current roll-out of parks such as the Lekki Free Zone may prove an ideal match.

Seplat Energy is also looking to displace charcoal or wood as a cooking-energy source. Demand for liquefied petroleum gas (LPG) for cooking is fast expanding, estimated at 1.3bn cubic metres in 2020. Wood Mackenzie says demand should grow at more than 7% per year up to 2040.

This segment of the market is also driving Nigerian energy company Ardova's ambitions. "Ground cover is disappearing at an alarming rate," says Ardova CEO Olumide Adeosun. "Gas is the answer." Much as those who got rich during the American gold booms were those who sold the shovels, Adeosun is betting that those who can "crack the last mile of retail" in gas will be the ones who do well in the years ahead.

Ardova hopes to work the full value chain of gas distribution. At the top end, it intends to do

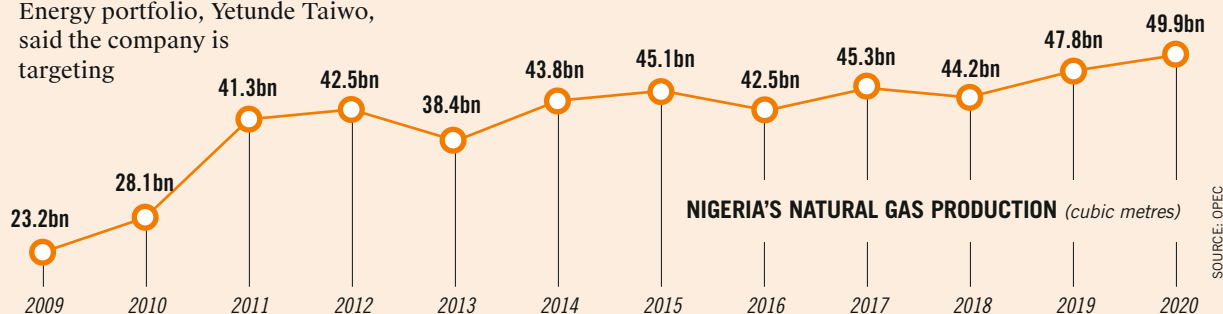
bulk-breaking – buying in large quantities and selling small ones –, as "storage is a limiting factor for LPG", says Adeosun. Further down the chain, Ardova will invest in gas wholesaling to large industrial customers like power stations, right down to the retail tanks.

It cannot come soon enough. "The demand has outstripped supply" says CEO of the Nigerian Association of LPG Marketers Bassey Essien. "Out of the over 1.2m metric tonnes consumed in the country, 40% is sourced locally, while the balance is imported." With the naira weakening, that has become a problem.

### Train 7 about to depart

Nigeria LNG's Train 7 expansion project will "bring many of Nigeria's fabrication yards roaring back into life, with over 70,000tn of in-country fabrication," according to Simbi Wabote, head of the Nigerian Content Development and Monitoring Board. Nigeria LNG will add another 8m tonnes per annum to its annual production, which is currently 22m tonnes.

While gas may be in vogue, oil is far from finished. Oil majors are exiting onshore fields and going deep offshore. A bellwether for the industry will be the final investment decision for Shell's Bonga South West offshore project, expected in 2022. ●





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Egypt's Zohr gas field, operational since 2017

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## EGYPT

# Gas hub ambitions

The protracted energy crisis, particularly in Europe, could make Egypt's natural-gas exports more attractive to European and Eastern Mediterranean markets

By **SHERIF TAREK**

Egypt's massive Zohr gas field has turned the country into a gas exporter, and the Cairo government has been signing a raft of deals with neighbouring countries on supplies and infrastructure. Gas is due to be supplied to Lebanon for the first time in late 2021, and the Greek and Egyptian governments held talks about cooperation on gas projects in November.

Egypt is the fastest-growing Arab exporter of liquefied natural gas (LNG): the country exported 63.6bn cubic feet of LNG in 2020 and relaunched operations at the mothballed Damietta plant after it was closed for eight years. But Egypt is still a small player, with LNG exports far behind its North African peer Algeria.

Edward Moya, a senior market analyst at international brokerage Oanda tells *The Africa Report*: "Egypt [...] could be poised to take advantage of a shortfall in supplies in Europe. Egypt has been wanting to become a major European supplier and this should be a good opportunity to secure long-term contracts for LNG exports. Europe doesn't want to be dependent on Russia, so this should be an easy opportunity for Egypt."

Unlike many gas-rich countries, Egypt's domestic gas

consumption is relatively high, as it is the country's main source of feedstock for power plants. This limits the country's potential as an exporter, notes Mostefa Ouki, a senior research fellow at the Oxford Institute for Energy Studies: "According to the latest publicly available information, Egypt's current domestic natural-gas consumption absorbs over 90% of the country's indigenous marketed gas production."

However, the ongoing shift to renewable energy sources should change this. The government aims for the country to generate 20% of its power from renewable sources by next year and 42% by 2035. Still, "natural gas will continue to be an important part of Egypt's energy mix," Ouki says.

## New pipelines with Israel

"Egypt has the largest natural-gas infrastructure in the East Med area in terms of gas transportation and gas liquefaction facilities and could play a key role in monetising gas resources developed or planned to be developed within this East Med area," says Ouki. Egypt has two LNG export plants: one in Idku, east of Alexandria, and the other further east in Damietta. It also has two cross-border gas pipelines connecting with Israel and Jordan.

Israel announced in October that it was mulling over the construction of a new onshore pipeline connecting the Israeli and Egyptian natural-gas grids to boost gas exports. There are already plans to build a second subsea pipeline between Israel and Egypt within a few years.

"But this would very much depend on the commercial viability of gas monetisation options such as LNG exports using non-Egypt gas supplies, contractual and inter-governmental agreement aspects. Obviously, it would also be affected by geopolitical and territorial obstacles," concludes Ouki.●

# 90%

of Egypt's gas production is currently used domestically, but this could change with renewable-energy targets

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## GAS

# King Mohammed VI's pipe dreams

Will a proposed gas pipeline linking Nigeria to Morocco ever surmount its logistical, financial and diplomatic hurdles?

By JON MARKS

When King Mohammed VI visited President Muhammadu Buhari in December 2016, the two agreed on a grandiose scheme to bring Nigerian gas northwards. Moroccan officials have been keen to talk up prospects for this gas 'highway' linking 11 countries, who would feed in and take out gas along the way.

Despite considerable scepticism, plans for the Nigeria-Morocco Gas Pipeline (NMGP) have edged forward in the period since then, with studies carried out when the most enthusiastic partner – Morocco – has provided financing or secured external funds. The Islamic Development Bank (IsDB) recently sought expressions of interest for two new consultancy contracts on the scheme, after the Bank, which is headquartered in Saudi Arabia, committed \$15.5m for front-end engineering design studies in mid-2021. Some initial estimates published in the media suggest that the NMGP could cost \$25bn.

On the political front, Algeria's decision to stop sending its gas through the Gazoduc Maghreb

Europe (GME) pipeline has increased Moroccan impetus to explore other supply options.

The GME connects Hassi R'Mel in Algeria to Spain via the Straits of Gibraltar, passing through Morocco, where off-take gas has been supplying the 384MW Tahaddart combined-cycle power plant. Morocco can survive without GME gas for now – not least due to its coal-fired plants, as well as its burgeoning renewables industry – but in the long run it still needs gas to be part of the mix”.

## Morocco takes the lead

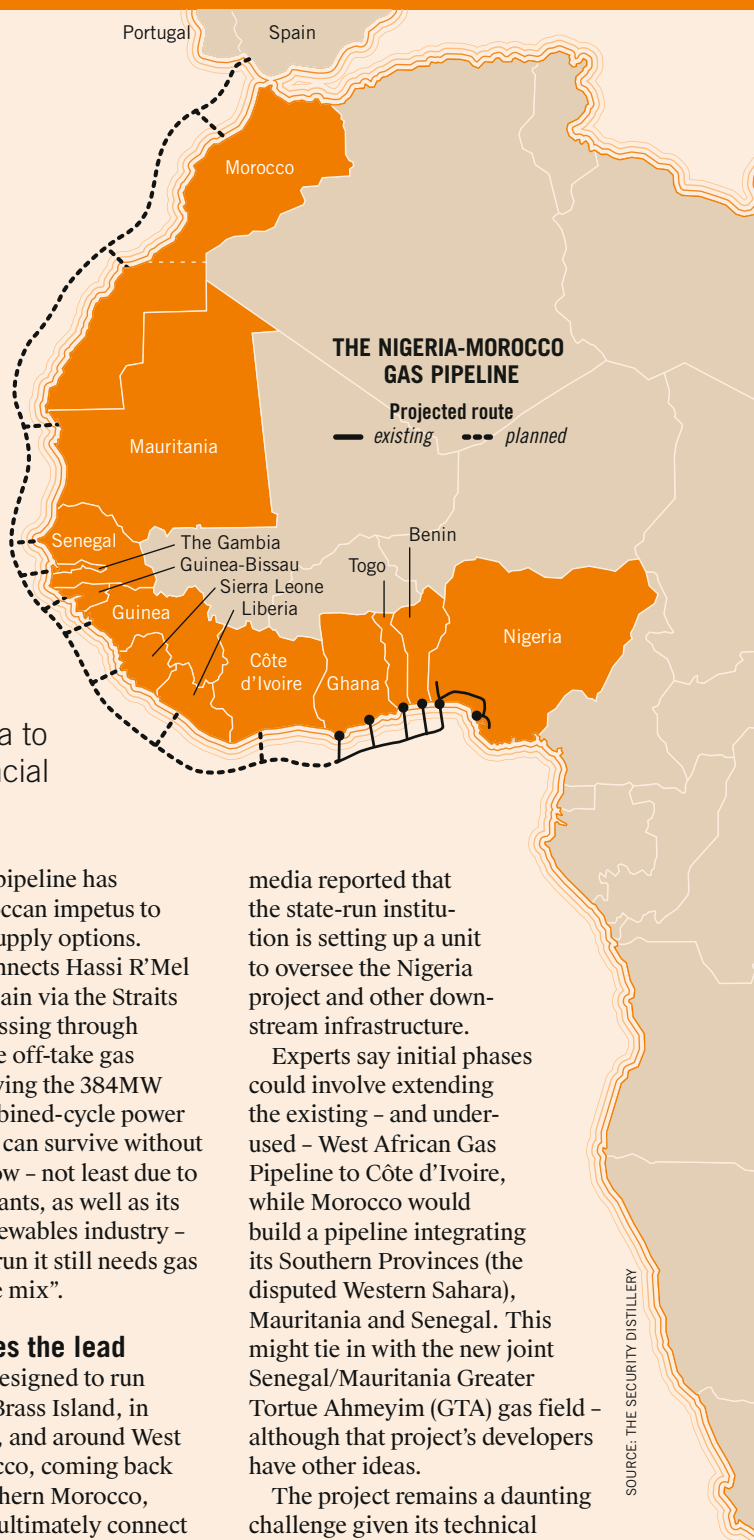
The NMGP is designed to run offshore from Brass Island, in the Niger Delta, and around West Africa to Morocco, coming back onshore in northern Morocco, where it would ultimately connect to the now-inactive GME pipeline. It would have links into Benin, Togo, Ghana, Côte d'Ivoire, Liberia, Sierra Leone, Guinea, Guinea-Bissau, The Gambia, Senegal and Mauritania (see map).

On the Moroccan front, the *Office National des Hydrocarbures et des Mines* is taking the lead on the NMGP project. In November,

media reported that the state-run institution is setting up a unit to oversee the Nigeria project and other downstream infrastructure.

Experts say initial phases could involve extending the existing – and under-used – West African Gas Pipeline to Côte d'Ivoire, while Morocco would build a pipeline integrating its Southern Provinces (the disputed Western Sahara), Mauritania and Senegal. This might tie in with the new joint Senegal/Mauritania Greater Tortue Ahmeyim (GTA) gas field – although that project's developers have other ideas.

The project remains a daunting challenge given its technical and commercial complexity and doubts about the availability of sufficient natural gas from Nigeria. The country has other priorities, particularly the expansion of the Nigeria Liquefied Natural Gas (NLNG) plant. “Give me Trains 9 and 10,” a presidential adviser recounts Buhari saying more than once. Train 7 is under construction.



SOURCE: THE SECURITY DISTILLERY

Similar doubts have long been expressed about an older, rival scheme, the Trans-Saharan Gas Pipeline (TSGP). This would link Nigeria to Algeria, supplying northern Nigeria and Niger on the way to the Mediterranean coast, where Algiers would like to integrate Nigerian gas into its export infrastructure. The GME is not Algeria's only pipeline route to Europe as it also has the Trans-Mediterranean Pipeline running through Tunisia.

The TSGP was conceived in the 1980s as a 4,128km pipeline. It regained momentum during the late ex-president Abdelaziz Bouteflika's first decade, from 1999, when he cultivated relations with Nigeria's then-president, Olusegun Obasanjo. It is supported by the

AU's Programme for Infrastructure Development in Africa. However, analysts have long questioned whether it has secure feedstock supply and whether there is a real need for such a costly project.

Algeria's energy and mines minister, Mohamed Arkab, says he is looking forward to the TSGP's "rapid implementation". The delays have been impressive, even by Nigerian standards. Arkab told a visiting Nigerian delegation in August that Algiers hoped Abuja

would soon ratify the TSGP's inter-governmental agreement, which was signed in June 2009.

Rabat will soldier on with the Nigeria-Morocco gas pipeline project – an important element of King Mohammed VI's South-South co-operation strategy. Officials point out it has been helped by rapprochement with Nigeria and by the good personal chemistry between the heads of state, which has endured since that 2016 visit.

But Nigeria remains aligned with Algeria and retains its diplomatic support for the Polisario Front independence movement in Western Sahara. This is much to Rabat's frustration, as Morocco had hoped the Mohammed VI/Buhari rapprochement would lead Abuja to break with the Polisario. •

# \$25bn

Initial estimates of the cost of the Nigeria-Morocco gas pipeline, with the project spread over a 25-year period



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# MOROCCO FOCUS



Money talks  
in Morocco's  
pivot to Africa



Nigeria's President Buhari  
forged strong links with  
the Moroccan king on a  
2018 state visit

Morocco has reshaped its world view since the financial crisis. With increasing emphasis on anglophone economies, Rabat is looking to be a trans-continental player

By **JON MARKS**  
and **ALIÉ DIOR NDOUR**

Morocco spent the decade following the global financial crisis making an increasing commitment – driven by King Mohammed VI – to building business and political links across Africa. This meant going far beyond the country's traditional francophone links. Progress is such that “Morocco now plays a major role in Africa, which today has become its vital space”, according to a senior executive in a leading Casablanca bank.

Financial institutions led the way. Attijariwafa Bank (AWB), BMCE Bank of Africa (BOA) and *Banque Commerciale Populaire* (BCP) moved quickly to fill the growing vacuum left by the retreat of major Western banks. The big three Casablanca banks now make between a quarter and a third of their net consolidated profits in other African markets; BOA's network has grown the African contribution to its overall profit to 35%; for BCP it is around 25% and for AWB 31%.

Such is the extent of the pivot to Africa, after years of greater focus on Europe and the Middle East, that

ABDELLALIL BOUNHARI/AP/SIPA

the continent now represents more than 50% of Morocco's foreign direct investment (FDI). Speaking at an event organised by Casablanca Finance City (CFC) at the Dubai Expo 2020, in October 2021, AWB managing director Ismail Douiri put the Moroccan FDI into Africa as high as 62%, with "banks leading the way in this performance".

Initiatives such as the high-rise CFC neighbourhood have been fashioned to provide a platform for Moroccan and international companies working in Africa. An influx of international companies, from law firms to private-equity funds, has quickly allowed the Moroccan commercial capital to emerge as an African hub.

### The SNI rebrands

Articulating Morocco's Africa pitch, Douiri commented: "Operators [focused on investment in the continent] speak the language of international operators very well, and know how to operate in complex African environments." The CFC has been created to provide "a community of investors and actors who can accompany you to overcome these challenges".

This focus was highlighted when the previously Morocco-focused *Société Nationale d'Investissement* – a holding company with a majority shareholding by royal interests – was renamed Al Mada and repurposed with an 'African identity', contributing 'to the dynamic of South-South cooperation through impacting investments on a pan-African scale', as its mission statement says.

Speaking at the Dubai Expo event, CFC Authority CEO Saïd Ibrahimi highlighted Africa's growth potential as "incomparable to other continents". The CFC plays on Morocco's political stability, a relatively strong economy and the priority it gives to being a hub for Africa. Ibrahimi also highlighted

Morocco's proximity to Europe and its status as "the only African country to have signed a free-trade agreement with the United States".

Maritime and road transport has developed in response, with major projects like the Tanger Med container port. Indeed, the speedy build-up of hundreds of stranded trucks plying the growing sub-Saharan trade was a feature of the November 2020 standoff between Morocco's *Forces Armées Royales* (FAR) and the Polisario Front on the once-sleepy Mauritanian border at Guerguerate, which accelerated a cold war in north-west Africa.

A Moroccan analyst comments that former state monopoly Maroc Telecom's drive into Africa "has contributed to accelerating the democratisation of telephony, as it modernised networks". Channelling the favoured cliché of China-Africa business, he called this a "win-win relationship".

In francophone economies in particular, Morocco has contributed to restructuring state real-estate agencies, and with them housing markets, in countries including Côte d'Ivoire, Guinea and Gabon.

Business leaders point out that Morocco Inc. takes a different attitude to risk than their traditional partners. "Having operated in France for 35 years, I can tell you the perception of risk in Europe is very different to that of Morocco and Africa in general," said BOA deputy chief executive for international coordination Mohamed Agoumi. Rather than discussing risks first, "in Morocco we speak about investments and opportunities before the difficulties".

**'In Morocco we speak about investments and opportunities before the difficulties'**

Moroccan firm Addoha has invested in a cement plant in Ghana through its subsidiary Cimaf



But risks there are: leading property developer Addoha had problems with its housing development in Senegal, and national carrier Royal Air Maroc pulled out of its partnership with Air Sénégal International in 2009. There have been other cases that Moroccan officials and executives prefer not to discuss. But, says the analyst, "overall, you would have to say that Morocco's Africa strategy has been a success, on an economic, as well as a political, basis".

The political element hinges on reducing support across the continent for the Polisario, countering rival Algeria's efforts to gain influence, and gaining new friends. These include Nigeria, whose President Muhammadu Buhari has joined King Mohammed VI in promoting a grandiose gas pipeline project (see page 92).

### Institutional offensive

Placing Africa, rather than Europe, at the centre of Moroccan business relations and development goals made restoration of the kingdom's African Union membership essential. The country rejoined in January 2017, ending a boycott called by the late King Hassan II in 1984 after the Polisario's Sahrawi Arab Democratic Republic was admitted as a full member.



CIMAF

Morocco also wants to join the Economic Community of West African States, but its application has stalled. Member states including Ghana and Nigeria, are expressing concern about Morocco's US free-trade treaty, which some fear could act as a stalking horse for a flood of cheap imports into the region. Morocco has West Africa Power Pool observer status.

### Leveraging faith ties

Though Nigeria and South Africa remain aligned to support the Polisario, Morocco has built economic ties with Abuja. And the issue of Western Sahara did not stop the creator of Saham Assurance, businessman (and minister until October) Moulay Hafid Elalamy, from selling his insurance company to South African insurer Sanlam in 2018. "This could not have happened without the King's approval," a close observer said.

The King (who is Morocco's Amir al-Mu'minin or Commander of the Faithful) has leveraged more traditional linkages, such as the sub-Saharan penetration of Qadiriyya and Tijaniyya Sufi orders, which analysts say resonates with influential players. The King's trademark multi-coloured jellabas

## 'Why not grow our automobile parts sector even more by investing in Africa?'

and promotion of 'moderate' Sufi Islamic values are a contemporary take on historic ties that go deep into sub-Saharan Africa.

English, as well as French and Arabic, is the language of Morocco's pivot to Africa, in which phosphates and fertiliser giant OCP Group has begun investing heavily in Ethiopia and Nigeria, and construction group Addoha has invested in a cement plant and real-estate projects in Ghana.

"Morocco has been changing its model of African relations by drawing much closer to the anglophone countries," a Casablanca-based analyst says. "This is already visible in the kingdom, where English teaching has risen further and further up the agenda."

While relations with traditional leading European allies France, Spain and Germany experience highs and lows – "most recently mainly lows", says the analyst – "there seems to be an implicit policy of anglicisation under way", he says. "Indeed," he concludes, "I even have the impression that

these [leading] Europeans now see Morocco as a competitor in Africa."

Corporate Morocco's move into the anglophone zone has been achieved via hard business relationships. AWB has moved into Rwanda – now viewed as an anglophone country – and "is interested in a Nigerian bank", a source told *The Africa Report*. BOA has expanded its presence to Kenya, Uganda, Tanzania, Rwanda and Ethiopia; its IT and electronic supplier M2M went with BOA into these markets.

More is needed if Morocco's ambition to be a major economic player south of the Sahara is to be fulfilled. A Casablanca bank analyst says: "When it comes to industry, we need to do more: we need more direct investment to create value-added on the ground. [...] We could start with smaller-scale industry and build up."

### Made in Africa

The development of an integrated automotive industry is widely seen as a Moroccan success story. "Why not grow our automobile parts sector even more by investing in Africa, where manpower is even cheaper than in Morocco?" the bank analyst says. Moroccan companies should also consider agro-industry and textiles as areas for investment – for example, in cotton-growing areas – where integrated industries could be developed.

Abdou Diop (see page 98), who is president of the new Africa commission at the *Confédération Générale des Entreprises du Maroc* says: "We must continue to attract African investors into Morocco, to really balance the relations. It's important for us to have more and more of them coming in as partners." Diop argues it is also important "to build more joint ventures, African champions, to increase the [amount of goods and services] 'Made in Africa, for Africans, by Africans'." •

## INTERVIEW

# Abdou Diop

## 'Morocco has diversified its cooperation'



MAZARS

A managing partner at Mazars Audit & Conseil in Morocco, Abdou Diop talks to *The Africa Report* about Morocco's deepening investments on the continent

Interview by ALIÉ DIOR NDOUR

### TAR: What has been driving Morocco's engagement with the rest of Africa?

The evolution of relations has three key elements. From a multilateral point of view, since 2017 and its return to the African Union (AU), Morocco has worked hard on all the big African issues – migration, terrorism, economics, and so on. A Moroccan has become the executive director of the AU, which means that Morocco is really working well in African institutions. And we see Morocco playing a big role in the fight against Covid-19.

From a bilateral point of view, Morocco has diversified its cooperation over the past five years, building economic ties with Ethiopia, Rwanda, Zambia and all of Southern Africa, which were not economic partners before. And, from a political point of view, relations with many countries are really going in a good direction. The fact that more than 20 African

countries have opened consulates in the Moroccan Sahara is a good example of what's happening. We are reinforcing our ties, and specifically our ties in relation to our national cause.

### What key sectors can you point to?

Moroccan companies have invested in what are economic priorities for many countries: services, industry, real estate, education, health. And we are increasingly investing in value-chain complementarities. A very good example is the investment [by OCP Group] in Ethiopia, in which Moroccan resources – phosphates – are creating a big industrial investment, leveraging on Ethiopian gas and creating a fertiliser industry

in a country where 100% of the fertiliser is imported. So, tomorrow Ethiopia will become a fertiliser exporter and we will help to strengthen the productivity of Ethiopian agriculture.

We are in the learning curve because, before 2000, Morocco wasn't investing in Africa. [...] Not every action can be a success, but those lessons make us stronger, so we can be one of the main investors on the continent.

### What about the move into Anglophone Africa?

Our journey investing in Africa began 20 years ago. Our comfort zone was, first, West Africa, and then Central Africa, in sectors where you don't need a lot of capital expenditure. But that was the beginning, and [...] we moved progressively forward. The work that has been done in five years in Rwanda, Ethiopia, Ghana, Tanzania, and in some others like Liberia, Sierra Leone, shows us there is a change in the mindset. Now we even have some companies who have invested in South Africa. So, today this psychological gap is behind us, and in coming years we will have more and more investment by Moroccan companies outside Morocco. ●

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## DIPLOMACY

# Stuck in the ECOWAS waiting room

In 2017, Morocco applied to join the Economic Community of West African States. Four years later, the situation remains unclear

By **NINA KOZLOWSKI** in Casablanca

“Morocco is not in a hurry,” officials often say. But four years after the country applied to join the Economic Community of West African States (ECOWAS), it still has not had an answer.

“There is a real silence, no information is circulating on this project. Morocco has been scolded by the negative reactions of some stakeholders within ECOWAS. Nevertheless, bilateral discussions are still under way,” says economist Larabi Jaïdi, senior fellow at the Policy Center for the New South.

The day after Morocco applied for membership, ECOWAS gave its “agreement in principle”, before discreetly freezing the process. Under pressure from the private sector in their countries, some policymakers have expressed concerns about Moroccan competition, and have launched debates about culture and identity.

## Nigeria's AfCFTA u-turn

This has been the case in Senegal, Ghana and especially Nigeria, which accounts for 40% of regional trade. Having the most to lose, Nigeria had shown reservations about Morocco's membership and, indeed, about any opening of ECOWAS to another country. But its u-turn on the African Continental Free Trade Area (AfCFTA) in 2019 has changed the atmosphere.

“Morocco's integration into ECOWAS and the development

of AfCFTA represent processes that are much more complex than simple trade liberalisation,” says Jaïdi. For the time being, 35 African states out of 55 have ratified the AfCFTA agreement. The AfCFTA is still laying its technical and institutional foundations – structural changes that could take decades.

Despite its diplomatic strategy and dozens of agreements signed with African countries, Morocco remains poorly integrated into the continent. Less than 4% of its trade is intra-African, according to

the *Conseil Economique Social et Environnemental*. However, as the Brookings Institute recently pointed out, the statistics can be skewed by the weight of resource exports and lack of information on the informal economy. UNCTAD puts Nigerian intra-African trade at only 7%.

## Diplomatic rupture

Morocco already belongs to the Arab Maghreb Union and the Community of Sahel-Saharan States. The recent break in diplomatic relations between Algeria and Morocco will not help: “The potential of the regional value chain (gas, phosphates, automobiles, etc.) will not be exploited to create a Maghrebian industrial fabric capable of integrating into the continent,” says Jaïdi.

In the end, it is an interlinked challenge: AfCFTA can accelerate the process of Morocco's accession to ECOWAS, but, to take advantage of this trade area, its economy should be better integrated on a regional scale. Meanwhile, Moroccan operators are calling for an African strategy in all of Morocco's business plans, and a repositioning of the value chains into West Africa, notably for the automobile and textile industries. ●

# \$2.4bn

Value of Moroccan exports to other African countries in 2020, with Côte d'Ivoire and Djibouti its main partners



ECOWAS leaders discuss sanctions on Guinea after its 2021 coup

KWIKU OBENGREUTERS



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**Alassane Ouattara**

*President of the Republic of Côte d'Ivoire*



President Alassane Ouattara with Prime Minister Patrick Achi.

Côte d'Ivoire currently has a population of more than 26 million and a gross national product (GNP) of nearly \$45 billion. It is also the leading economic power in the West African Economic and Monetary Union (WAEMU). The country is central to regional defence and security strategies. Its stability and its vision of a modern Africa are crucial to the sub-region.

Ten years of uninterrupted growth, a diversified economy, an abundance of agricultural and energy resources, a healthy macroeconomic framework, controlled debt, and an international network of relationships are the result of a long and intensive preparation process carried out collectively by a team united around President Alassane Ouattara.

## Reconstruction

**2011-2020 was a decade of incredible change for Côte d'Ivoire.** After 20 years of stagnation, division and violence, Côte d'Ivoire has once again become the leading country in the region.

The authority of the State was re-established. It is once again focused on its priorities which are education, access to healthcare, electricity and housing for all. Institutions have been restored and strengthened. In times of crises, they are the bulwark and ensure the continuity of the State. **The State is there to serve the nation and to concern itself with vital infrastructure and the well-being of its citizens.** It also has to consolidate **national unity**, combat tribalism, and **strengthen the values of peace, justice and democracy.**

President Alassane Ouattara's objective is to maintain a long cycle of growth, for a better distribution of wealth and a united Côte d'Ivoire. Private enterprise will be at the core of this strategy, and the private sector must commit to and invest in this new phase.

## Preserve and pursue

The State has been preparing for this for several years, for instance by studying the example of Asian countries such as Vietnam and Thailand.

**Prime Minister Patrick Achi**, along with Amadou Gon Coulibaly and Hamed Bakayoko, was one of the architects of the economic programme developed for 2025. At his side, a number of 40- and 50-year-olds, who cut their political teeth in the ranks of the RDR/RHDP, ensure its implementation. A symbol of this continuity is 40-year-old **Abdourahmane Cissé**, appointed Minister and Secretary General of the Presidency. A graduate of Paris's prestigious École Polytechnique, he was an economic adviser and then Minister of the Budget, and is at the frontlines of government action.



© SIA KAMBOU

Abdourahmane Cissé, Minister Secretary General of the Presidency.

# 2025

## A modern and united Côte d'Ivoire

Another new challenge that Côte d'Ivoire has to meet is maintaining a high rate of growth throughout the coming years. This is a key condition for increasing national wealth, absorbing the growing population, guaranteeing jobs and obtaining tangible results in terms of human development.

The programme is designed to accelerate economic and social transformation and is based on five pillars:

**PILLAR ONE: peace, security and social cohesion**, the essential prerequisites for Ivorians to be able to plan a future into which they can project and invest themselves with peace of mind.

**PILLAR TWO: job creation.** The State must play a leading role in driving the structural transformation of the economy through industrialisation, organising the economic sectors accordingly and motivating the country's private sector.

**PILLAR THREE: creating a pleasant quality of life and an attractive investment climate** in each and every region, in a healthy and unspoilt environment and stepping up the development of social housing in urban and rural area.

**PILLAR FOUR: building a more efficient and committed administration** that serves the private sector, the regions and citizens. This involves the rise of a genuine meritocracy within the public administration.

#### **PILLAR FIVE: people**

Central to a united Côte d'Ivoire is the new Ivorian. All Ivorians, whatever their origins and social standing, must become agents of development and contribute through their work to the creation of wealth and the development of the country. They must be infused with the nation's values, and their skills must be appropriately rewarded. **People are the end as well as the means to achieving these ambitions.**

## **"MADE IN CÔTE D'IVOIRE" LABEL Looking to the private sector**

The private sector is a real driver of development and it is imperative that it adopts a proactive policy for the local manufacture of industrial and semi-industrial products.

There needs to be widespread uptake of the idea of fostering local production and processing to create real added value so that the country can begin to build a quality, competitive industrial sector, along with services and commerce. From agriculture and automotive to consumables, capital goods and construction, there are numerous sectors to consider. Projects include the setting up of factories for the manufacture of transport, electronic and medical equipment.

The development of an automobile industry with assembly plants is also on the cards. The processing of local products will give rise to the "Made in Côte d'Ivoire" label. This local production and processing scheme presents excellent potential for investment, production, marketing and job creation.



President Alassane Ouattara, with French President Emmanuel Macron ...



... His Majesty King Mohammed VI of Morocco...



... President Xi Jinping of the People's Republic of China...



... and President Nana Akufo-Addo of Ghana.



Abidjan: the Plateau district and its administrative, financial and commercial towers.



Marriage of sea and vegetation in the lagoon of Assinie.

## Sustainable development is a priority

The management of natural capital is integral to maintaining high growth. Côte d'Ivoire is facing major challenges brought about by climate change and the requirements of the energy transition. The threats are real, ranging from floods, disruption of rainfall patterns, coastal erosion and rising temperatures. These could all jeopardise agricultural production and put cities such as Abidjan or Grand-Bassam at risk. Rapid deforestation is a problem, as tropical forests play a crucial role in combating local climate change and regulating rainfall temperature. The national priority is restoring **forest cover to 20% by 2045, which equates to almost 3 million hectares of forest**. The cost of the action plan is estimated at around 700 billion CFA francs, or more than 2 billion euros over the next decade.

This is what led Côte d'Ivoire, which is seeking to establish itself as a leading tourist destination, to consider a different kind of

tourism. From North to South, the potential is huge, with **a lagoon system that is unique in Africa, national parks, rare species, UNESCO heritage and Ramsar Convention-listed sites**, and the primary forest that must be protected, along with once abundant wildlife that is now unfortunately endangered. From now on, there is only one objective: to preserve the environment, to regulate tours and to meticulously supervise projects.

This also means that, alongside business tourism, a different approach to development must be taken to ensure qualitative and ecological tourism that promotes green travel and the discovery of Côte d'Ivoire's local culture and natural heritage. This is an extremely important reform that needs everyone to be invested, and the training of managers and staff linked to this activity. It's also an excellent experience that, if successful, could serve as a model to be replicated in urban development, which needs rethinking to take into account past experiences. The government is aware of this imperative because in 2040 Abidjan will have a population of 10 million and two out of three Ivorians will live in cities.



Cocoa trees near San Pedro.

## CÔTE D'IVOIRE IN FIGURES

	2010	2020
Population in millions	21,9	<b>26</b>
Population growth	2.6%	<b>2.4%</b>
Poverty rate	51%	<b>37.2%</b>
Infant mortality rate	95.1	<b>65.7</b>
Primary school enrolment rate	89.30%	<b>103.03%</b>
Growth rate	-4% (2011)	<b>8%</b>
Internet users	2.7%	<b>46.8%</b>
GDP in billions of CFA francs	12,324	<b>34,447</b>

# Country Profiles



From Abidjan to Addis Ababa, from Cape Town to Cairo, we give you a country-by-country breakdown of the continent for the year ahead

## Country Report Editor

Marshall Van Valen

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## Data Sources

**Population** (2020) United Nations Population Division. **Life expectancy at birth** (2019), **position on the Human Development Index** (2019), **adult literacy** (2008-2018) – United Nations Development Programme. **GDP per capita** (2021 estimate), **inflation** (2021 estimate), **GDP** (2019-2022), **GDP growth** (2019-2022) – IMF World Economic Outlook Database. **Foreign direct investment** (2020, inflows) – United Nations Conference on Trade and Development. **Last change of leader** – *The Africa Report* research.

184	Algeria	173	Liberia
111	Angola	187	Libya
163	Benin	116	Madagascar
113	Botswana	117	Malawi
164	Burkina Faso	174	Mali
130	Burundi	188	Mauritania
150	Cameroon	118	Mauritius
165	Cabo Verde	189	Morocco
152	Central African Republic	119	Mozambique
153	Chad	120	Namibia
131	Comoros	175	Niger
166	Côte d'Ivoire	176	Nigeria
132	Djibouti	138	Rwanda
154	DRC	158	Rep. of Congo
185	Egypt	159	São Tomé e Príncipe
156	Equatorial Guinea	178	Senegal
133	Eritrea	139	Seychelles
114	Eswatini	179	Sierra Leone
134	Ethiopia	140	Somalia
157	Gabon	121	South Africa
168	The Gambia	141	South Sudan
169	Ghana	190	Sudan
171	Guinea	142	Tanzania
172	Guinea-Bissau	180	Togo
136	Kenya	191	Tunisia
115	Lesotho	144	Uganda
		123	Zambia
		125	Zimbabwe

By **HONORÉ BANDA**

# E

Each new year highlights the difficulties in predicting what is to come. Pandemics develop without warning, political frustrations can linger for decades without a resolution.

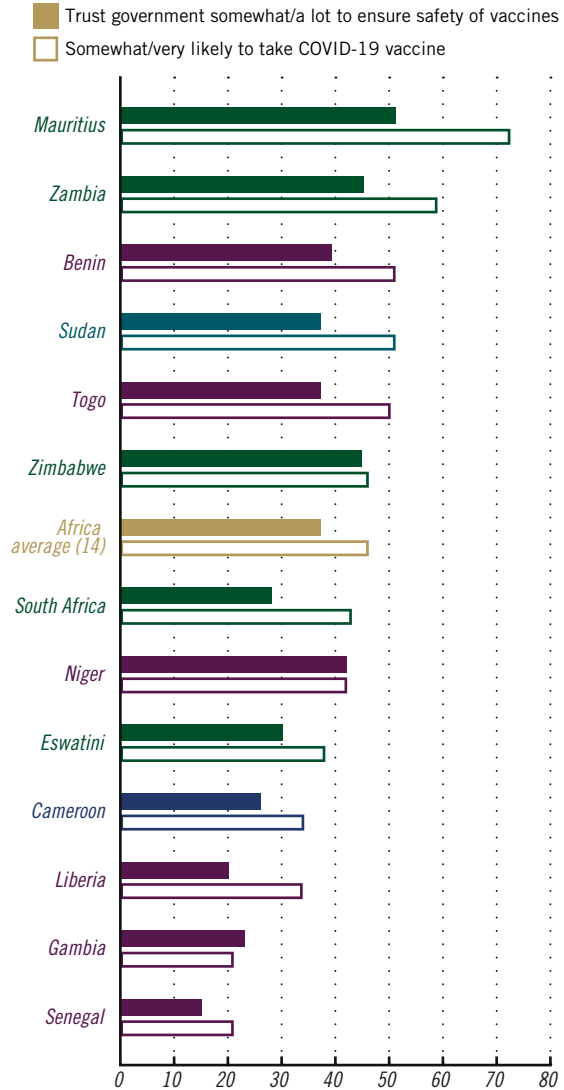
The International Monetary Fund (IMF)'s 2022 predictions for the continent came out in October; then the Omicron variant sent shockwaves and worries about new anti-Covid restrictions across the world in November. So, what will 2022 hold for the continent economically, politically and diplomatically?

The IMF predicts that African economies will be on the rebound in 2022, but that Africa's recovery will be slower than that of other regions of the world. In sub-Saharan Africa, average GDP is set to hit 3.8% in 2022, which is only a slight improvement on the 3.7% that was predicted for 2021. Commodity prices are riding high, but countries with high tourist inflows, be they in North, East or Southern Africa, may have to wait for years for a full recovery.

Abebe Selassie, director of the IMF's Africa department, told reporters: "The recovery is supported by favourable external conditions on trade and commodity prices. It has also benefited from improved harvests and increased agricultural production in a number of countries."

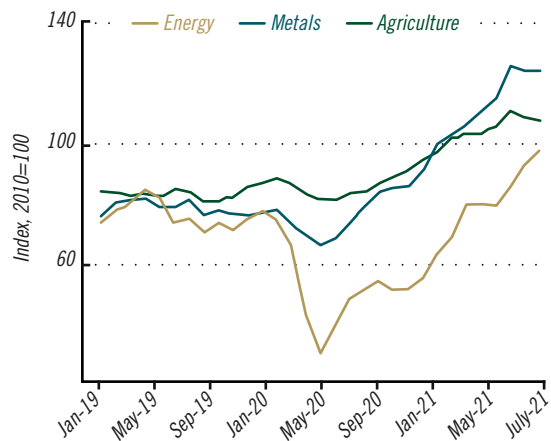
The year ahead will bring important elections in Angola and Kenya: in the former, the ruling party

## DO AFRICANS TRUST THEIR GOVERNMENT AND COVID-19 VACCINES ? (% of respondents, 2020/21)



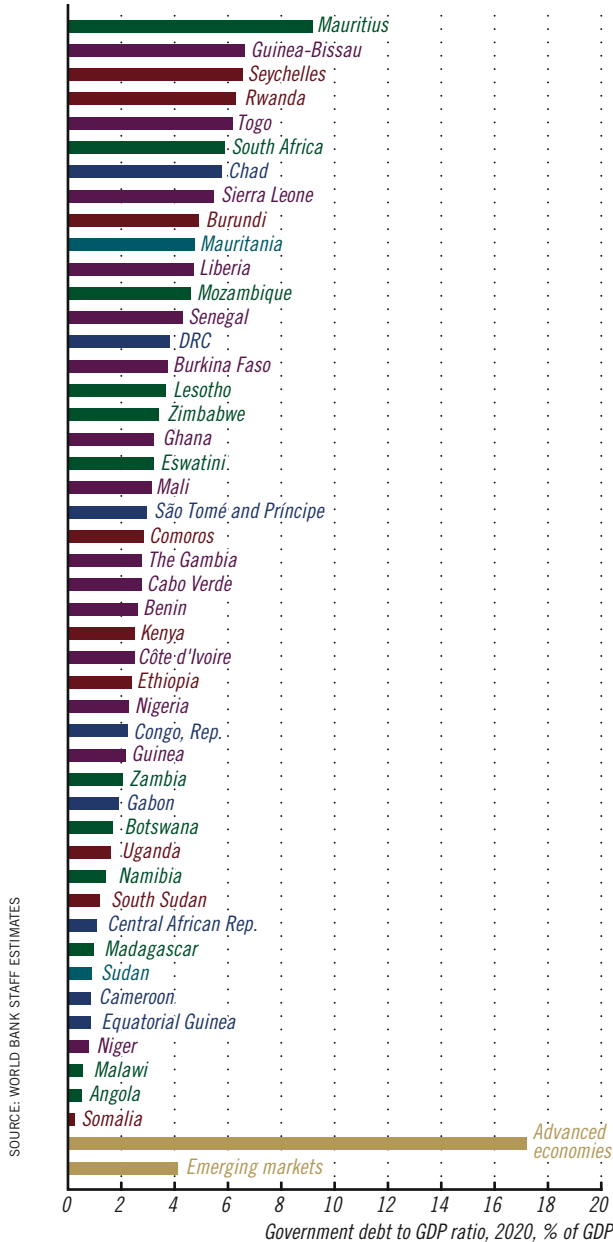
SOURCE: APPIAH-NYAMEKYE SANMY, AFROBAROMETER

## AGGREGATE COMMODITY PRICES

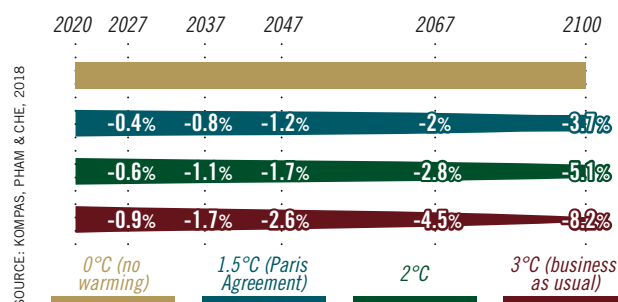


SOURCE: BLOOMBERG, WORLD BANK

### DISCRETIONARY FISCAL RESPONSE TO COVID-19 IN SUB-SAHARAN AFRICAN COUNTRIES



### PROJECTED IMPACT OF CLIMATE CHANGE ON SUB-SAHARAN AFRICA'S GDP



is under pressure, and a new president is due in the latter. Frustrated political transitions will be another major theme of 2022, with complex negotiations on a way forward in Sudan, Guinea, Mali, Tunisia, Libya, Chad and South Sudan. With those countries moving on after military coups, President Kais Saied's Tunis power grab and the civil war in South Sudan, for example, elections alone will not be a panacea – as the Libya case is showing.

The conflict in Ethiopia will be in the international spotlight. How things will play out on the battlefield is not clear, but the federal forces under Prime Minister Abiy Ahmed have more manpower and weapons than the Tigray rebels. The consequences for domestic politics and regional diplomacy will only become clearer once peace talks start or one side is defeated. Abiy's support from non-Western powers seems secure, but how the alliance with Eritrea progresses will be something to watch.

### Talking tough on green diplomacy

In diplomacy, 2022 will give a chance for Africa to be in the global spotlight on climate negotiations, with Egypt hosting the COP27 round of talks. Egypt's President Abdel Fattah al-Sisi has promised “a radical turning point in international climate efforts in coordination with all parties, for the benefit of Africa and the entire world”. It will be the first time that a COP summit is held on the continent, and will focus global attention on parts of the world where climate change is not a coming phenomenon, but a very present danger for people's livelihoods.

Any radical improvement on climate would take a major attitude change from the world's top polluters so as to help the small polluters and those worst hit by climate change to adapt and craft a workable energy transition. With Egypt and neighbouring countries ratcheting up the tension about the impact of the Grand Ethiopian Renaissance Dam, will African diplomats be able to put differences aside to work on solutions to a global threat?

The African Continental Free Trade Area will celebrate its one-year anniversary in 2022 without much fanfare. Its secretary general, Wamkele Mene, stresses that building the continental institution will take many years and rounds of negotiations. Countries have agreed most of the rules of origin – critical rules about how much local added value is required to consider a product as ‘Made in Africa’ – in 2021, but negotiations remain on items like automobiles, textiles and clothing.

The continent's diplomats, climate scientists and trade representatives will have plenty to keep them busy on topics of continental importance in 2022. •

## COVID

## A killer cure for economic nationalism

Until a truly global vaccination scheme is funded and executed, new Covid-19 variants will keep emerging, and countries will be forced again to ground flights, close borders, and shut the doors of schools and shops. This was the message from the International Monetary Fund (IMF) back in October, when, ahead of G20 meetings in Rome, managing director Kristalina Georgieva laid out the responsibility of Western nations to combat the “great vaccination divide”.

“We can still reach the targets put forward by the IMF, with the World Bank, World Health Organisation [WHO], and World Trade Organisation [WTO] – to vaccinate at least 40% of people in every country by the end of this year, and 70% by the first half of 2022,” said Georgieva. By early December, South Africa had vaccinated 25.2% of its population, Kenya 5.5% and Nigeria only 1.7%.

“Richer nations must deliver on their donation pledges *immediately*.”

**Most donations have been ad hoc, provided with little notice and short shelf lives**

And, together, we must boost vaccine production and distribution capabilities; and remove trade restrictions on medical materials [...].” If that doesn’t happen, the IMF boss continued, “large parts of the world will remain unvaccinated, and the human tragedy will continue.” And the bottom line: “We could see global GDP losses rise to \$5.3 trillion over the next five years.”

**It is screamingly obvious:** no one is safe until everyone is safe. But the world’s richest nations have been slow to catch on. “It’s unbelievable that we are still not realising how much we are interconnected”, International Federation of Red Cross and Red Crescent Societies president Francesco Rocca told reporters in December.

WHO officials, led by vaccine envoy Gordon Brown, called on the rich economies to fund a \$50bn procurement and distribution target to meet the vaccination target. Instead, G20 governments prefer to make their own bilateral pledges, which are far harder to monitor and coordinate. More than 3bn doses have been pledged in this way, but the numbers of shipments and jabs in arms have been derisory.

Top of the class is the US, with pledges of 1.1bn vaccines for African countries. In an early December push came China, with President Xi Jinping’s pledge of 1bn vaccines, and then Britain with a pledge of 500m. Yet only a fraction of the vaccines have

been delivered. In late November, the Africa Centres for Disease Control and Prevention (Africa CDC) and the African Vaccine Acquisition Trust said in a joint statement: ‘The majority of the donations to-date have been ad hoc, provided with little notice and short shelf lives. This has made it extremely challenging for countries to plan vaccination campaigns and increase absorptive capacity.’

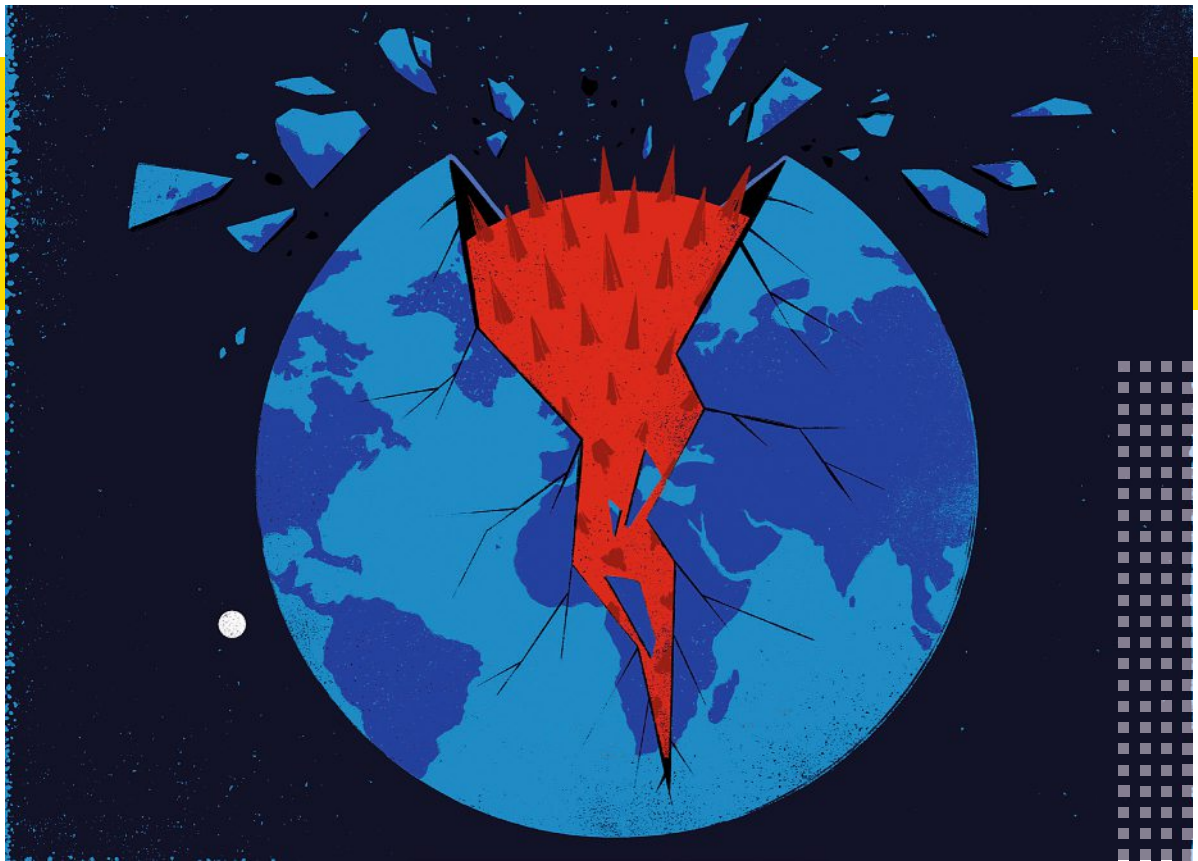
One brave hope is that the panic of the Omicron variant – thought by scientists to have been a consequence of low vaccination rates – might jog rich countries’ consciences. But will China’s promised 1bn vaccines for Africa be delivered faster than those of the US? And why are they both so reluctant to sign up to the WHO and IMF international distribution plan?

Mark Suzman, the CEO of the Gates Foundation, argues that spare capacity in the West and elsewhere should not just be ploughed back into third-dose boosters, but rather “could and should have much greater impact” if deployed in Africa. “It is so clearly the right thing to do by any calculus,” he says. “But what is rational at a global level becomes very challenging at the level of domestic politics, where each national government is listening to domestic constituencies worried about the need to hoard booster shots.”

The result: two months after Georgieva’s speech, the Omicron variant had infected 16,000 South Africans. Germans were writing off Christmas. Bet you wished you’d paid that \$50bn now.

**An even braver hope** is that the crisis will prompt African leaders to start rewiring crumbling health services. The statistics reveal the challenge: in a majority of African countries, there is just one hospital per one million people, one doctor per 10,000 people and one hospital bed per 10,000, says the WHO. The recommended doctor to patient ratio is 1:600.

John Nkengasong, the outgoing head of the Africa CDC, says that while



he is “proud and pleased” of the five African countries now manufacturing diagnostic tests for Covid-19, he believes there needs to be root-and-branch reform of African healthcare systems. “We don’t have a chance of fighting another outbreak if we approach it the way we have done it this time, rushing and reacting to it,” says Nkengasong. “Rather, we should proactively prepare.”

The WHO’s director for Africa, Matshidiso Moeti, says that the severe economic hit that African countries have taken from Covid-19 has resonated with policymakers in a way that other shorter, episodic shocks, such as Ebola, did not. “I am really hopeful that when heads of state and ministers of finance, and others who are decision-makers at a level above ministers of health, when they are looking at what to invest in they will recognise the importance of public health as a core value as part of economic development and the path to prosperity,” says Moeti. “Because you can get knocked for six if you don’t.”

Has Covid-19 been enough of a scare to provoke that deeper reflection?

## The severe economic shock of Covid has resonated in a way that Ebola did not

Not everywhere. *The Africa Report’s* Nigeria correspondent, Akin Irede, has stopped asking the Nigeria Centre for Disease Control (NCDC) whether Africa may have a renaissance in public health systems. He says: “They will tell you that they only manage disease outbreaks [and that] the National Primary Health Care Development Agency (NPHCDA) handles that. And when you ask the NPHCDA, they will tell you that the health care centres are under the authority of the states. Then when you ask the states, they tell you they don’t have enough money.”

While global foundations have taken on some of the burden of providing vaccines, the harder yards are things that only governments can fix.

Hospitals need hundreds of qualified staff; some 2,000 Nigerian doctors emigrate each year. More than 5,000 of them are propping up Britain’s National Health Service.

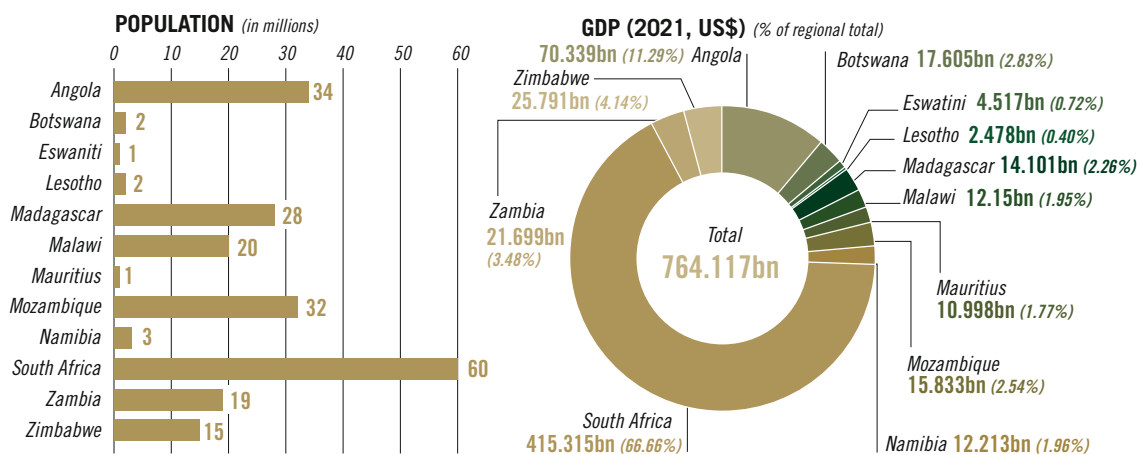
“**The government** is not interested in giving adequate priority to health. [There is] low funding, no appropriate employment, low remuneration, lack of equipment to intervene and save lives, insecurity, bad roads, among other problems,” says Francis Faduyile, the president of the Nigerian Medical Association.

Building better healthcare requires both money and political will. African governments have had less to spend on responding to the pandemic than their richer and developing-world peers. It will take years, homegrown solutions to raise the funds and a more joined-up international effort – as with climate change adaptation (see page 46) – to be ready to deal with the next global pandemic. But when health and economies are no longer in the emergency room gasping for breath, will the lessons have been learnt or quickly forgotten? •

# Southern Africa



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- 114 Eswatini
- 115 Lesotho
- 116 Madagascar
- 117 Malawi
- 118 Mauritius
- 119 Mozambique
- 120 Namibia
- 121 South Africa
- 123 Zambia
- 125 Zimbabwe
- 127 People to watch



SOURCES: UNFPA; IMF



# Angola

## JLo at a crossroads

Although he has international support for his reforms, President Lourenço needs to convince the people. The massive sale of 139 state-owned companies is due to be completed in 2022.

Angola heads to elections in 2022 with reformist President João Lourenço (known as JLo) set to compete against an alliance of opposition parties led by Adalberto Costa Júnior. Lourenço came to power in 2017 as the handpicked successor of former president José Eduardo dos Santos, but he turned against his mentor and launched a major campaign to fight against the authoritarianism, corruption and nepotism that flourished under Dos Santos.

The country is in a deep-seated economic crisis and the opposition and civil society are increasingly critical of the *Movimento Popular de Libertação de Angola* (MPLA) government, in part thanks to Lourenço's opening up of the media space. The next elections could be the most competitive since the MPLA took power in 1975.

However, a lot depends on how committed Lourenço is to his reforms. The opposition marched in protest against changes to the electoral code in September, saying that the move to centralised vote-counting will increase opacity and the risk of corruption. The *União Nacional para a Independência Total de Angola* (UNITA) is calling for the use of biometrics and other measures to ensure a fairer vote.

### Selective pursuit

Critics say that Lourenço's policy changes have been selective rather than wide-ranging. His anti-corruption campaign has largely gone after the Dos Santos family and its allies. Former vice-president Manuel Vicente was the subject of corruption charges in Portugal but he is a Lourenço ally and has not faced the same scrutiny as the Dos Santos clan. Lourenço's

government also began allowing opposition and civil society marches and protests but then used brutal repression when criticism started to gain momentum.

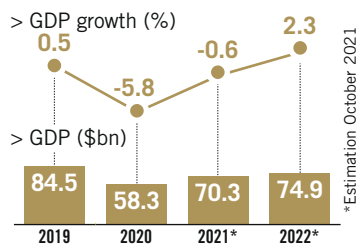
Cases linked to Dos Santos's high-profile daughter Isabel are still playing out. In July 2021, the *Nederlands Arbitrage Instituut*, an affiliate of the International Court of Arbitration, handed down its decision that had to reimburse state oil company Sonangol for the 6% indirect stake

that she illegally took in the firm Galp Energia. She has been under investigation in Angola and Portugal since the release of Luanda Leaks documents about her business dealings in 2020.

The opposition, headlined by UNITA, is surfing on a wave of social discontent. The anti-corruption campaign has worried MPLA members and split the party into pro-Lourenço and pro-Dos Santos wings. Dos Santos had been living in Spain for two years and finally returned to Angola in September, reducing tensions somewhat.



- > Population: **32.9 million**
- > GDP per capita: **\$1,896**
- > Life expectancy: **61.2**
- > Adult literacy: **66%**
- > Inflation: **17.1%**
- > Human development index (out of 189 countries): **148**
- > Foreign direct investment: **-\$1,866m**
- > Last change of leader: **2017**



### No “economic miracle” yet

Even on the back foot, the MPLA remains a formidable electoral and propaganda machine. It also enjoys the benefits of incumbency, and is thus able to use the security services and courts for its benefit. The MPLA took 61.1% of the vote in the 2017 elections, compared to UNITA's 26.7%. The party's December 2021 congress will give an indication of how united it will be going into the 2022 polls.

In October, Costa Júnior became head of the *Frente Patriótica Unida*, an opposition alliance that includes UNITA, the *PRA-IA Servir Angola* group and the *Bloco Democrático*. However, he had a new problem in November when the courts threw out his 2019 electoral victory as leader of UNITA, on the grounds that the congress violated procedures and he did not renounce his Portuguese nationality on time.

Lourenço's ambitious promise to create an “economic miracle” has not been fulfilled. The fall in oil prices, starting in mid-2014, followed by the Covid-19 crisis, brought the economy

to its knees: the country experienced its sixth consecutive recession in 2021, with soaring inflation, unemployment and increased poverty.

To succeed, Lourenço needs to keep up the pace of reforms, from privatisation of state-owned enterprises to diversification of the economy and cleaning up the banking sector. He should benefit from a more favourable climate with the recent rise in oil prices, which is expected to last in 2022.

The same respite is expected on the debt side, with the rescheduling negotiated with China and other creditors providing for the resumption of repayments from 2023. Finance minister Vera Daves is also working on a eurobond issue in 2022 to help the government's finances.

Lourenço has successfully renewed cooperation with the IMF. The institution is pushing for further reforms, such as giving the central bank independence, and warns that while the percentage of non-performing loans has been on the decline since 2019, it was still 18.4% at the end of 2020.

In 2018, the government launched a round of privatisations to get rid of loss-making state-owned enterprises. The sale of all the 139 state-owned companies targeted is due to be completed by 2022. The initial 41 sales were worth about \$1.6bn.

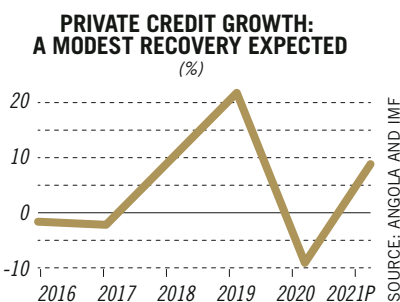
### Big deals to come

Local investors have been active in buying up firms, but there has been little transparency over the deals. Analysts have expressed concern that the privatisation exercise might not lead to major improvements if the companies are picked up by politically connected oligarchs.

In 2021 the government changed course on the sale of Multitel, switching from a planned initial public offering to a public bidding round. *Banco de Comércio e Indústria* is set to go on sale in December, with six buyers from Africa and Europe pre-qualified. The insurance company *Empresa Nacional de Seguros de Angola* is another big firm attracting international interest that was due to be privatised in 2021.

But the biggest deals remain for 2022: up to 30% of oil company Sonangol and a yet-to-be-determined stake in Endiama, the state-owned diamond mining company.

Diamond production is set to rise. The government's target was 9.1m carats in 2021 and 13.8m in 2022. Rio



Tinto took a 75% stake in the Chiri diamond deposit in 2021 and plans to start exploration in 2022. Trading company SODIAM is building a diamond-processing complex in Saurimo, with the goal of processing 20% of Angola's diamonds locally. Angola currently cuts and polishes just 3% of its annual diamond haul.

The situation is more delicate for

Lourenço when it comes to ensuring that the reforms have an impact on the living conditions of the population.

This means, among other things, improving access to basic services, encouraging the development of non-oil activities, facilitating access to credit and developing agricultural production in order to curb rising food prices. The government is financing a series of logistical hubs to boost trade and facilitate the storage of agricultural goods.

### Continental mediator

On the diplomatic front, Lourenço has been seeking to weaken the country's dependence on China by strengthening ties with the US and Europe.

At the continental level, Lourenço is continuing the country's role as a mediator in conflicts, from the tensions between Rwanda and Uganda to the peace process in the Central African Republic. Lourenço seemed to have high expectations of the government of President Félix Tshisekedi in the neighbouring DRC. But, so far, issues important to Luanda, like better management of the border and the creation of a shared maritime oil zone, have not been gaining much traction. •

## Looking up from the bottom of a barrel

With old fields and a lack of investment, oil production in Angola has been on the decline for years. In the hopes of increasing exploration and production, the government is in the process of awarding licences for eight offshore blocks and plans at least two more bidding rounds over the next few years.

Production averaged 1.1m barrels per day in 2021, but the launch of a series of new developments in 2021 is set to keep production around 1.3m barrels per day in 2022 and over the next few years. Angola had a front seat in the negotiations around the international oil market in 2021 when its oil minister, Diamantino Pedro Azevedo, took on the rotating presidency of the Organisation of the Petroleum Exporting Countries (OPEC).

Sebastião Gaspar Martins is the current chairman of the Sonangol board, but there are rumours that Luanda may be looking for a change in leadership for the state-owned oil company. Sonangol – which lost \$4.1bn in 2020 due to the pandemic's impact on oil demand – is now working on plans for a future in which oil and gas will be less important to its operations. It is in the early stages of researching a hydrogen project with a German firm and has entered into partnership with Italy's Eni and France's TotalEnergies to build 150MW of solar power plants in Angola. •



# Botswana

## The feud continues

**President Masisi's government will not stint in its efforts to go after former president Ian Khama. The government wants to diversify away from diamonds and is promoting other mining subsectors.**

**B**otswana's next legislative elections will not take place until 2024, leaving the indirectly elected President Mokgweetsi Masisi plenty of time to work on his agenda. The Gaborone government wants to promote economic diversification, turning Botswana from a resource-based to a knowledge-based economy and getting the country into the high-income bracket by 2036.

Masisi's personal conflict with former president Ian Khama is casting a dark cloud over the government, however. In August, Botswana's courts threw out a case against an intelligence official that included allegations that Khama had stolen \$10bn of government funds. The courts said the evidence was false and fabricated, which harmed the image of the Masisi administration. Khama – now a member of the breakaway Botswana Patriotic Front – is in exile, saying in late 2021 that he feared he would be thrown in jail and/or killed if he returned.

### Do I spy a plot?

The Botswana Democratic Party (BDP) government is now going after Khama and his allies through other means. The authorities arrested former Directorate of Intelligence and Security (DIS) director Isaac Kgosi in November on arms charges, suggesting that a coup plot was in the works. Opposition leaders have been criticising the DIS spy agency under Masisi, saying that it lacks oversight and is invading citizens' privacy.

Party insiders say that Masisi's anti-Khama drive is dividing the BDP. Masisi is said to be at odds with party secretary general Mpho Balopi, who is thought to be close to

Khama. Tensions could be exposed at the party's 2022 elective congress.

Duma Boko's Umbrella for Democratic Change is the largest opposition force in parliament, with 15 out of 65 seats. Boko's Botswana National Front is a member of the alliance, but the party has not been very effective in holding the Masisi team to account due to internal schisms.

Botswana's diamond-dependent economy has been on a rollercoaster ride, with a deep recession in 2020 due

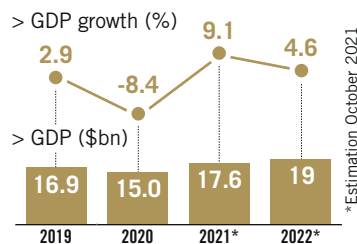
to a drop in diamond demand and then a big rebound in 2021. Unemployment was 24.5% at the start of 2021 – the highest rate in decades.

From January to September 2021, the Debswana 50/50 joint venture owned by the government and South Africa's De Beers reported export revenue of \$2.6bn, up by 73% on the same period in 2020. Over the next four years, production is due to rise as mining operations go underground.

The Covid crisis also hit tourism hard. The government has provided aid to 5,432 companies in the sector to help them pay wages and stay afloat.



- > Population: **2.35 million**
- > GDP per capita: **\$1,291**
- > Life expectancy: **61.8**
- > Adult literacy: **42%**
- > Inflation: **1.9%**
- > Human development index (out of 189 countries): **158**
- > Foreign direct investment: **\$80m**
- > Last change of leader: **2016**



### Carrying on with coal

Despite the diversification drive, mining is attracting investments. Vision Ridge Investments exported its first iron ore shipments from its Ikongwe mine in October 2021, targeting 1m tonnes per year in production.

The Masisi government has ignored environmentalists' pleas and is going ahead with its coal plans. Indian firm Jindal Steel is set to begin construction of its Mmamabula coal mine in 2022. When operational, it will have the capacity to produce 4.5m tonnes per annum for export and domestic power production. The government is soon to choose a contractor for a 300MW coal-fired power plant. Meanwhile, Shumba Renewables is raising funds for a 100MW solar power plant in north-east Botswana.

In a boost for the financial sector in October, Botswana was removed from the Financial Action Task Force's grey list of countries that do not have adequate measures to fight against money laundering and terrorism financing. •



# Eswatini

## King under pressure

**Protests have rocked the country, but the government says talks cannot begin while Covid is still rampant. As part of its IMF programme, King Mswati III's government has committed to budgetary cuts.**

**M**any pro-democracy activists say they do not expect much from King Mswati III's promises of dialogue after rounds of national protests throughout 2021.

Mswati is the continent's last absolute monarch, and is criticised for his lavish lifestyle amidst the country's health and economic crises. An uprising began in June as a response to the death of 25-year-old law student Thabani Nkomonye, believed to be at the hands of the police. The authorities responded to calls for reform with tear gas and live ammunition.

In October, when the government banned protests, it put the death toll at 37, while Amnesty International said at least 80 had been killed by security forces. People are calling for more democracy, the creation of jobs, a better education system and improved healthcare and infrastructure.

### Dludlu says "rise up"

Opposition political parties are outlawed, with the People's United Democratic Movement led by Wandile Dludlu as the strongest opposition group on the ground, despite the ban. The newish Economic Freedom Fighters of Swaziland – the local affiliate of South Africa's radical leftist political party – has also been organising activists in Eswatini.

Dludlu is calling on the people to rise up and liberate themselves, arguing that the mediation of the Southern African Development Community is unlikely to pressure the government to negotiate. He is calling for the country's draconian laws to be repealed, for political violence to stop and for political parties to be authorised to operate before talks can take place

in a neutral location with an independent mediator. The government says that talks might begin when the coronavirus crisis comes to an end. The trials on terrorism charges of two pro-democracy members of parliament, Mduduzi Bacede Mabuza and Mthandeni Dube, will give an idea of the government's future direction.

The Covid-19 pandemic arrived at a time when Eswatini's economic, social and health indicators were already performing poorly. The country has

the world's highest prevalence of HIV, and the most recent statistics from the World Bank showed a poverty level of 58.9%.

For years, the IMF had been advising the government to streamline spending, reduce its debt and spend more on productive investments. The government has been spending more, while its revenue from the Southern African Customs Union declined. The government has asked for the IMF's help to cope with the economic impact of the Covid-19 crisis, and in return has committed to budget cuts equivalent to 6.5% of GDP through 2023.

### Sweet harvest

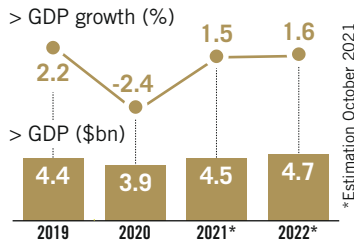
The government is working to reduce the country's reliance on energy imports and fossil fuels. In 2021, the country's first solar park, with a capacity of 13.5MW, was due to be commissioned at Lavusima. In April, the administration chose Globeleq and Sturdee Energy Southern Africa to build 15MW solar power plants at Balekane and Ngwenya.

The economy's main sectors include sugar, timber, textiles and services. The king, his family and their allies have vast interests in the Eswatini economy, and those family firms were targets of the 2021 protests.

Sugar production was set to grow by 1% to 700,000 tonnes in the 2021/2022 harvest, thanks to good rains and more irrigation. But this is less than the record 747,000tn of 2018/2019. Eswatini is Africa's fourth-largest sugar producer, and the Eswatini Sugar Association is calling for more investment in downstream sectors that could use the country's raw sugar. •



- > Population: **1.16 million**
- > GDP per capita: **\$3,416**
- > Life expectancy: **60.2**
- > Adult literacy: **88%**
- > Inflation: **2.6%**
- > Human development index (out of 189 countries): **138**
- > Foreign direct investment: **N/A**
- > Last change of leader: **1986**
- > GDP growth (%)





# Lesotho

## High-stakes reforms

**The country could head to elections before reforms intended to address political stability are in place. The government wants the IMF's help and the IMF is insisting on big cuts to the public wage bill.**

**W**ill 2022 be a year that brings greater political stability to Lesotho? Political competition has been tense since a round of assassinations and a political crisis in 2014. Prime Minister Moeketsi Majoro of the All Basotho Convention (ABC) has been holding together his coalition government since Tom Thabane resigned in May 2020, after being linked to the killing of his wife. The party's splintering in 2021 reflects the tensions between the pro-Thabane and anti-Thabane camps.

The defections from the ABC and votes of no confidence in parliament have not stopped Majoro and his allies in the Democratic Congress from slowly moving ahead with the reform programme, which is due to be implemented before the September 2022 elections.

### Slow progress

The National Reforms Authority (NRA), created in February 2020, is in charge of overseeing reforms to address problems that contribute to political instability. The reforms concern the civil service, the constitution, the economy, the justice system, the media, parliament and security. However, achieving consensus on a way forward will not be an easy task, and the NRA missed its initial deadline of June 2021.

The Lesotho Congress for Democracy, led by Mothetjoa Metsing, is the opposition party with the largest number of seats in parliament. The opposition's numbers have been growing. Nqosa Mahao quit the ABC in 2021 to form the Basotho Action Party and he is critical of the Transitional Justice Commission that is being discussed as

part of the reforms. It is set to deal with crimes committed by public officials, and Mahao worries that it could derail the reform process. One troublesome case is that of former army commander Lieutenant General Tlali Kamoli, who is on trial for murder and attempted murder. Lesotho has one of the world's highest homicide rates, and officials in the justice system regularly complain about the lack of resources to tackle it.

The country's economic performance has been poor, with GDP

shrinking annually from 2017 to 2020. The government is negotiating for a medium-term IMF programme to address structural problems that are affecting the economy. That will mean painful and politically sensitive budget cuts, as Lesotho's public-wage-bill-to-GDP ratio is amongst the highest in the world.

### Green deals and plant profits

The country is also heavily reliant on revenue from the Southern African Customs Union (SACU). One of the ways it intends to help the economy is through modernising its tax process and improving revenue collection.

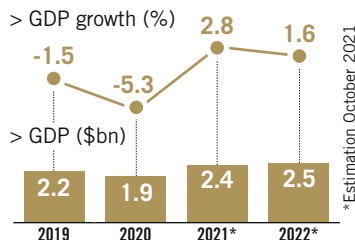
Economic growth is expected within the next year as major projects such as the Lesotho Highlands Water Project Phase II and the Mafeteng solar project are expected to scale up in 2022. Another solar project, to be developed by German company Frazer Solar, is a big problem for the government. The firm says the government signed the deal and did not follow through. The company took the government to court and it did not defend itself, leading to a \$60m judgement in 2021.

The energy sector is increasing customer pricing to offset losses during 2021. A combination of climate change and the pandemic will mean that food insecurity will persist in 2022. According to the World Food Programme, 508,125 people in the country remain food insecure.

In the textile industry, the pandemic hit demand and led to more than 4,000 workers losing their jobs. The cannabis industry may be a potential big revenue stream, with Lesotho-based company Highlands Investments shipping medical-grade cannabis. ●



- > Population: **2.14 million**
- > GDP per capita: **\$861**
- > Life expectancy: **54.3**
- > Adult literacy: **77%**
- > Inflation: **5%**
- > Human development index (out of 189 countries): **165**
- > Foreign direct investment: **\$102m**
- > Last change of leader: **2020**





# Madagascar

## Famine and Covid take their toll

**The Covid-19 crisis has led to business closures and an explosion in unemployment.  
A drought has plunged two out of five inhabitants of the Grand Sud into severe food insecurity.**

**P**resident Andry Rajoelina is outplaying his political rivals, but the Covid crisis and its economic impacts are proving to be his most serious threats. Rajoelona's *Isika Rehetra Miaraka* party took 76% of the vote in the December 2020 senatorial elections. The *Rodoben'ny Mpanohitra hoan'ny Demokrasia eto Madagasikara* alliance, which includes the parties of former presidents Marc Ravalomanana and Hery Rajaonarimampianina, is having trouble winning support.

But scandals – some linked to the illicit trade in rosewood – continue to add to political tensions. The country has a recent history of political instability, and Rajoelina's security forces say they prevented an assassination attempt on 20 July 2021. Faced with growing anger, the authorities have harassed journalists and banned several opposition rallies in the capital.

### Drought's devastation

The Covid-19 pandemic put a stop to four years of economic growth. The closure of international borders for more than a year – they were reopened in November 2021 – hurt the economy but cut down on virus transmission. The Africa Development Bank estimated job losses at 27% in the formal sector by the end of 2020.

While mining and textile companies have rebounded, the recovery remains uncertain for most sectors of the Malagasy economy, particularly agriculture. The government is working on a 'Marshall Plan' for infrastructure to help the economy recover from the pandemic.

The country is experiencing the longest drought in its history. According to UNICEF, malnutrition

is linked to at least 44% of the deaths of children under the age of five. The opposition has strongly criticised Rajoelina for his management of the Covid-19 crisis – especially his promotion of a plant-based remedy whose effectiveness has never been scientifically proven – and of this new wave of famine.

In 2021, two out of five inhabitants of the poor desert region in the south of the island – or 1.13 million people – were severely food insecure, according to the

World Food Programme. Undoubtedly linked to climate change, the crisis has been worsened by high levels of deforestation in Madagascar and dwindling fish stocks.

Though the next presidential elections are more than a year ahead, Madagascar's publicity-hungry president already appears to have started campaigning. After inaugurating the new Manarapenitra stadium in Mahitsy with great fanfare, he has been making promises to "pull the Grand Sud out of poverty" with major projects.

### Big plans for the big south

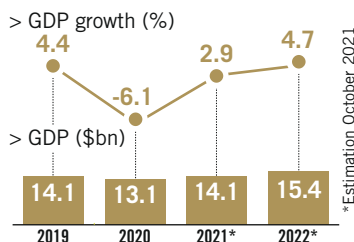
His *Émergence du Grand Sud* plan involves the construction of a huge pipeline to bring water to this arid region, a factory producing drinking water sachets for around 60,000 people per day and a health centre and food bank for the chronically malnourished. It also includes the rehabilitation of some 700km of roads. In Antananarivo, the capital, the *Branchement Mora* project, in partnership with the World Bank, aims to facilitate access to electricity for the most vulnerable families.

There is a small ray of light on the horizon: the resumption of international flights and the launch of the brand new Madagascar Airlines – replacing the failed Air Madagascar – should help to revive the tourism sector.

The mining sector accounts for about 30% of Madagascar's exports and 4% of its GDP. The flagship Ambatovy nickel and cobalt mine shut down temporarily due to the Covid pandemic, but it is back up and running. Transparency campaigners have flagged up the lack of regulation and control of the gold-mining sector, which is feeding smuggling activities. •



- > Population: **27.7 million**
- > GDP per capita: **\$496**
- > Life expectancy: **67**
- > Adult literacy: **75%**
- > Inflation: **4.2%**
- > Human development index (out of 189 countries): **164**
- > Foreign direct investment: **\$359m**
- > Last change of leader: **2019**
- > GDP growth (%)





# Malawi

## Stand and deliver

**President Chakwera is facing pressure from the streets to fulfil his big election promises.  
The government wants to break the country's reliance on tobacco as a cash crop.**

In office since June 2020, the government of President Lazarus Chakwera is under pressure to deliver. Activists launched anti-government protests in November, saying that the Malawi Congress Party (MCP) promised to end hunger, fight corruption and create a million jobs and has not done so. Inflation was nearing double digits in late 2021, putting pressure on family budgets.

Chakwera's anti-corruption campaign has run into obstacles. He sacked his attorney general in July and got rid of energy minister Newton Kambala and two senior aides in August, when they were arrested for trying to help companies win government fuel-import deals. The Anti-Corruption Bureau reported that cases referred to it had nearly doubled.

Opposition leader Kondwani Nankhumwa of the Democratic Progressive Party has been calling on Chakwera to resign for failing to respect his promises. He is also dealing with rivalries in his own camp.

### Green fingers wanted

Vice-president Saulos Chilima of the United Transformation Movement said his 2020 deal with Chakwera to form the Tonse Alliance would mean that he gets to run for the presidency in 2025, but Chakwera may well run too.

Agriculture is the government's focus, with Chakwera arguing that boosting production and adding value is key to economic transformation as part of his 10-year economic plan launched in November 2021. He has set a goal of food self-sufficiency by 2030. The country is also diversifying its crops, having legalised growing cannabis for medicinal use in 2020.

Tobacco is one of Malawi's major cash crops, but farmers are worried about long-term demand due to evolutions in consumption. The country sold 123.7m kilogrammes in the 2021 season, up from 114m the previous year. Revenue from tobacco also rose from \$175m in 2020 to \$197.1m in 2021. The government is talking with stakeholders on how to help farmers transition to other crops.

The IMF advises boosting revenue collection and cutting down on

wasteful spending to reduce debt – which is on an upward trend – to free up money for infrastructure and social programmes. The IMF also wants reform of the Affordable Inputs Programme, which provides subsidies for fertilisers and other inputs.

The government is pressuring banks to make loans more affordable. The central-bank interest rate in 2021 was 12% but commercial banks were charging interest rates of 23%, putting loans out of reach for many Malawians.

### Rare-earth opportunity

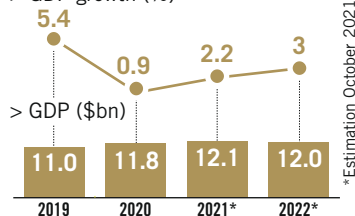
Electricity generation in Malawi is low and power cuts are common, as policymakers have had to choose between funding hydroelectric and irrigation projects. Other renewables offer an alternative and, in November, the government awarded an exploration licence to Kalahari GeoEnergy, which wants to develop a geothermal plant in Chiweta, northern Malawi.

The 60MW Salima solar plant was commissioned in November. India's NTPC is also working on a 100MW solar park. The construction of the first phase of the electricity interconnection with Mozambique has been delayed until 2023.

Exploration companies are keen on Malawi's untapped mining prospects. Several projects are in the exploration phase. Akatswiri Mineral Resources and Altona Rare Earths plan to launch drilling at the Chambe rare-earths mine in early 2022. Mkango Resources is working on its Songwe Hill project, with a feasibility study due to be completed in early 2022. Sovereign Metals hopes to mine rutile and graphite from its Kasiya project, with test results it describes as "outstanding". •



- > Population: **19.13 million**
- > GDP per capita: **\$625**
- > Life expectancy: **64.3**
- > Adult literacy: **62%**
- > Inflation: **8.6%**
- > Human development index (out of 189 countries): **174**
- > Foreign direct investment: **\$98m**
- > Last change of leader: **2020**
- > GDP growth (%)





# Mauritius

## A question of trust

The island's removal from the FATF grey list of tax havens in October 2021 will reassure some investors. Tourism has not reached pre-Covid-19 levels, but it is recovering as air links resume.

With the 2024 legislative elections on the horizon, Prime Minister Pravind Jugnauth is looking for ways to improve his popular support and to turn around the Covid-hit economy. The oil spill by the MV Wakashio in 2020, clashes with ministers in 2021 and the resignation of commerce minister Yogida Sawmynaden in February 2021, due to his being linked to an assassination case, have all hurt Jugnauth's standing. The government has been spending heavily to protect the economy from the impact of the pandemic, but the latter brought an end to some 40 years of uninterrupted growth.

Alliances are already in the making for the next polls, but the opposition is still challenging some of the 2019 results, including for Jugnauth's seat – in the Supreme Court. Politician Suren Dayal argues that the wins were a result of bribery. The March 2022 municipal elections will be a key test of Jugnauth's support. He has recently been encouraging his opponents to join his side as relations sour with some of his former allies.

### Old guard and new

The governing *Alliance Morisien* is showing cracks, in part due to conflicts between Jugnauth and his number-two in government, Ivan Collendavelloo. Jugnauth is in talks with oppositionist and Labour Party leader Navin Ramgoolam. Weakened by his 2019 electoral loss and a bout of Covid-19, the 74-year-old former prime minister is beginning to lose control of the party. The same goes for another long-serving party leader, Paul Bérenger, whose Mauritian Militant Movement has largely been

confined to the political sidelines. New leaders are also emerging to shift the landscape. Bruneau Laurette became prominent as an environmental activist during the Wakashio disaster and launched his own party in March to “reform the system”.

The government is focused on re-viving the economy after the damage wrought by the effects of the pandemic. With the health situation largely under control and more than two-thirds of the population vaccinated, the country was

able to reopen its borders in October 2021. This is good news for the tourism sector, which accounts for 10% of Mauritius' GDP and 20% of jobs. Although still less than half what they were before Covid-19, visitor numbers are increasing as air links with the Middle East and Asia resume. Europe remains an important market, and Air Belgium announced a new route to Mauritius in November.

### Reputational dent restored

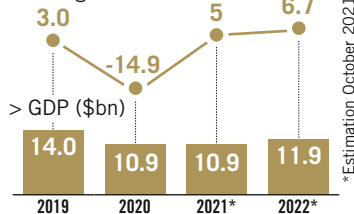
More than ever, the country has its eyes set on the east. Indian investors have long been active in Mauritius, and they have been joined by their peers from China over the past year. The arrival of this new clientele has enabled the local financial sector to remain healthy, despite Mauritius being added to the Financial Action Tax Force (FATF) and European Union (EU) 'grey' lists of tax havens in 2020. Its removal from the FATF list in October 2021 could restore the confidence of some investors.

With its financial centre and tourism sector expected to return to form, Mauritius could see a return to growth in 2021. Next year will be the time for Prime Minister Jugnauth to put in place economic policies to compensate for the significant budgetary expenditures during the early phases of the pandemic.

In looking for new sources of revenue, Jugnauth's alliance in parliament introduced a bill in October 2021 to regulate and promote the development of oil and gas activities in Mauritius's offshore areas. Mauritius has hosted little exploration activity, and the French firm CGG is due to begin seismic mapping to help companies identify the strongest prospects.●



- > Population: **1.27 million**
- > GDP per capita: **\$8,623**
- > Life expectancy: **75**
- > Adult literacy: **91%**
- > Inflation: **2.6%**
- > Human development index (out of 189 countries): **66**
- > Foreign direct investment: **\$246m**
- > Last change of leader: **2019**
- > GDP growth (%)





# Mozambique

## Nyusi's long to-do list

International support is helping the government to take on the rebels in Cabo Delgado province.

Major investments in natural gas largely depend on the security situation.

**W**ith elections on the horizon in 2024, President Filipe Nyusi and the ruling *Frente de Libertação de Moçambique* (Frelimo) have a lot they want to achieve to win over voters. The crisis in Cabo Delgado province, the aftermath of the \$2bn opaque loan scandal and the country's economic woes are high on the list of problems to solve. As Nyusi is due to step down at the end of his second term, competition is set to increase for the succession.

The Mozambican armed forces and troops from Rwanda and the Southern African Development Committee (SADC) are fighting against the Islamist rebels of Cabo Delgado. The SADC forces say they will stay until the situation on the ground is stable.

The conflict has become a high priority for the government because international companies want to develop the region's natural gas reserves. The forces are making progress on the ground, but analysts warn that a solely military solution will not address the root causes of the crisis including marginalisation and lack of development. In 2021, the World Bank donated \$200m for development and reconstruction projects in the north.

### Tuna trials miss their target

The \$2bn scandal around secret loans for tuna vessels revealed back in 2016 is still playing out. A trial started in August for 19 people involved in the deals, but civil-society activists say that the highest-ranking officials involved are not on trial. In late 2021, the South African courts ruled that former finance minister Manuel Chang should be extradited to face trial in the US, rather than in Mozambique.

Frelimo and the main opposition group, the *Resistência Nacional Moçambicana* (Renamo), have been working on the implementation of their 2019 peace deal, through which the former rebel group has agreed to end the armed struggle. In October, the authorities killed Mariano Nhongo, the leader of the *Junta Militar da Renamo* splinter group that wanted to continue fighting. Renamo's leader, Ossufo Momade, is calling on the *Junta Militar* forces to join the

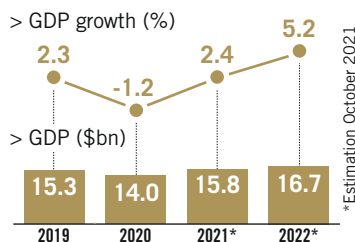
demobilisation process and on the Frelimo government to respect the terms of the 2019 deal and allow freer political competition.

Economic growth in the year ahead will depend on the security situation and investment decisions for big projects. Media reports in late 2021 suggested that US supermajor ExxonMobil is having second thoughts about the \$30bn Rovuma gas plant project.

The government has borrowed beyond its means to repay, meaning that spending cuts are on the agenda. The IMF predicted that Mozambique's debt would hit 133.6% of GDP in 2021.



- > Population: **31.3 million**
- > GDP per capita: **\$449**
- > Life expectancy: **60.9**
- > Adult literacy: **61%**
- > Inflation: **2.8%**
- > Human development index (out of 189 countries): **181**
- > Foreign direct investment: **\$2,337m**
- > Last change of leader: **2015**



### Mineral wins and losses

South Africa is a major diplomatic and commercial player in Mozambique. South African petrochemical company Sasol is carrying out exploration at its onshore Pande field. The government is planning a new bidding round for oil and gas blocks.

Mining is also attracting international investment interest, with Mozambique a sizeable coal exporter. Rio Tinto is working on its Mutamba heavy mineral sands project. And Tirupati Graphite is studying the development of its Balama Central graphite mine. Meanwhile, the government is struggling to regulate artisanal operations. It estimates that smugglers took 14tn of gold and jewels out of the country between January and November 2021.

Investors are betting on an eventual tourism rebound once the Covid pandemic has ended or is better managed. Developers are setting up the 150,000ha Karingani Game Reserve in southern Mozambique, targeting the luxury travel market. •



# Namibia

## SWAPO no longer sparkles

**With elections due 2022, the ruling party needs to claw back ground it has lost to the opposition. The economy is diversifying its natural-resource base, with production of graphite to begin soon.**

Namibia's next national elections are planned for 2024, and President Hage Geingob is swatting away talk that he could try to run for a third term. The ruling South West African People's Organisation (SWAPO) is dealing with a big slide in popularity, having lost ground in the 2019 national elections and the November 2020 municipal polls.

Youth unemployment is high, and the government's finances have been hurt by the economic impact of Covid-19. Geingob is betting on his Harambee Prosperity Plan II 2021-2025 to strengthen the economy, build infrastructure and create jobs. Its five pillars include governance and social progression, with investments in education and housing.

The constitution has a two-term limit for the presidency, but Geingob could seek to run for the SWAPO presidency, which does not have term limits. That would complicate things for international relations minister Netumbo Nandi-Ndaitwah. As SWAPO's deputy president, she is next in line to be its candidate to lead the country.

### Namdeb strikes a new deal

The leading opposition party, Panduleni Itula's Independent Patriots for Change (IPC), has been doing well in recent elections. Itula campaigns on a good-governance and anti-corruption platform. An opposition coalition including the IPC has been running the capital, Windhoek, since late 2020. This offers a chance to show how they would run things at the national level; the coalition partners have been squabbling in public.

The mineral-dependent economy will take a few years to recover from

the huge drop in GDP in 2020. The IMF provided the government with \$270.8m in aid in March 2021 to help with the impact of the pandemic. The government is cutting the civil-service wage bill to adapt to leaner times.

Mining and tourism are two sectors that were hurt by the crisis. However, due to an uptick in demand, diamond production hit 400,000 carats in the third quarter of 2021, up by 64.9% on the same period in 2020. In October, Namdeb, the 50/50 joint

venture between the government and South Africa's De Beers, announced it had reached a deal to keep its land-based operations going until 2042. Originally, the mining of diamonds on land was due to come to an end in 2022, to be replaced by diamonds on the sea bed. One of the incentives for De Beers is a drop in the royalty paid to the government from 10% to 5% from 2021 to 2025.

### Beyond diamonds

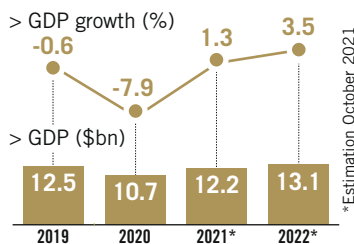
Russian state-owned firm Rosatom has announced its plans to move ahead with a uranium mine in eastern Namibia. Uranium's prospects depend on plans for nuclear power plants in major markets like China and the United States. Chinese firms run operational mines in Namibia, while there are many Australian companies in the exploration phase.

Namibia relies on electricity imports from South Africa and the Southern African Power Pool, but renewables projects could help the country to meet more demand and expand access. There are 40MW and 50MW wind farms under development in Lüderitz, in addition to a 20MW solar farm at Omburu and another at Usakos.

Uranium and diamonds are two of Namibia's top exports, but oil and gas explorers are betting on the country's hydrocarbons potential. Drilling of the Venus-IX exploration on the TotalEnergies-led deep offshore Block 2913B began in December 2021. Venus is a bellwether for Namibia's offshore oil and gas potential. In terms of diversification of natural-resource exploitation, Canada's Gratomic was due to commission its graphite operations in late 2021.●



- > Population: **2.54 million**
- > GDP per capita: **\$4,211**
- > Life expectancy: **63.7**
- > Adult literacy: **92%**
- > Inflation: **2.2%**
- > Human development index (out of 189 countries): **130**
- > Foreign direct investment: **-\$75m**
- > Last change of leader: **2015**





# South Africa

## Ramaphosa's slow walk to progress

Since taking power in 2018, South Africa's president has slowly weakened his rivals in the ANC. Ramaphosa's economic reforms face opposition, even from within the governing party.

As he enters his fourth year in power, President Cyril Ramaphosa is working on weakening his opposition in the governing African National Congress (ANC) and fighting the country's economic and health crises.

One of the biggest political events of the year will be the ANC national conference in December 2022, where the party will elect new leadership for the next five years. Despite rumblings to the contrary from some within the party, it seems certain that Ramaphosa will be re-elected as ANC president, potentially by a convincing margin.

Less clear is who, if anyone, will oppose him. One possible candidate is tourism minister Lindiwe Sisulu, the daughter of the late ANC stalwart Walter Sisulu. If Lindiwe Sisulu stands, she will have the backing of the ANC's so-called Radical Economic Transformation (RET) faction, which supports disgraced former president Jacob Zuma, and perhaps the backing of the the ANC Women's League, too. She would, however, not be able to count on any of the provinces, which are the key to securing the coveted post.

### Ace's fall

The 2022 conference is also likely to witness the election of a new ANC secretary general. The criminal trial of the current, suspended ANC secretary general, Ace Magashule, is due to get going in earnest in 2022. Magashule is an RET-faction leader who stands accused of corruptly facilitating the embezzlement of funds intended to promote agricultural development in the Free State while he was its premier between 2009 and 2017.

Magashule denies all charges. The evidence against him, as laid out in great detail in the media, appears strong, but it remains to be seen whether the National Prosecuting Authority (NPA) has assembled a solid enough case to secure conviction. Magashule has also been accused by the NPA of corruption, money laundering and fraud, relating to a R255m (\$17m) Free State housing project.

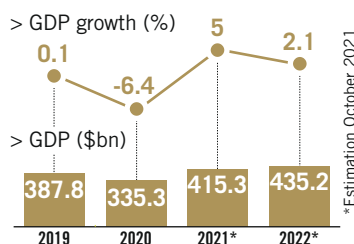
On the opposition front, the right-leaning Democratic Alliance,

led since 2020 by John Steenhuisen, and the leftist Economic Freedom Fighters, led by Julius Malema, are looking to extend their local and national influence after the November 2021 municipal elections.

Civil unrest in July 2021 in KwaZulu-Natal and Gauteng provinces, sparked by the imprisonment of former president Zuma, resulted in damage estimated at more than R20bn, and the South African Property Owners Association estimated that at least 40,000 businesses and 50,000 informal traders were affected.



- > Population: **53.3 million**
- > GDP per capita: **\$5,091**
- > Life expectancy: **64.1**
- > Adult literacy: **87%**
- > Inflation: **3.2%**
- > Human development index (out of 189 countries): **114**
- > Foreign direct investment: **\$3,106m**
- > Last change of leader: **2018**



### Zondo conclusions

Ramaphosa subsequently promised that the perpetrators would be brought to book, but no major arrests have been made and no information has been public about who was really involved. In order to retain credibility and to start restoring the country's damaged reputation as a safe place to invest, Ramaphosa will need to make progress on this matter in 2022.

After nearly three years, and testimony from about 300 witnesses detailing the corruption of the Zuma years, the Judicial Commission of Enquiry into Allegations of State Capture, chaired by Deputy Chief Justice Raymond Zondo, is due to present its report to Ramaphosa in mid-2022. Ramaphosa has warned the ANC that the report will not make easy reading for the party, and has promised to act on its recommendations. South Africans are impatient to see prosecutions following the Commission's often shocking revelations, and this is needed to dispel the belief that corrupt politicians still freely act with impunity. Appointed in August 2021, finance

minister Enoch Godongwana will deliver his first budget speech in February 2022. Though relatively new to this portfolio, Godongwana has for years been one of the ANC's economic policy gurus.

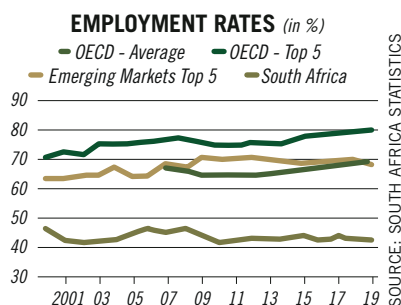
Record high commodity prices, particularly for platinum and palladium, were the saviour of South Africa's balance of payments during 2021, but the boom may be coming to an end. The government used some of the extra tax revenues arising from the boom, to finance an expanded social grant programme during 2020-2021 as part of its Covid-19 response, and to pay for a portion of the damage inflicted by the July riots.

Despite this, it was able to narrow the fiscal deficit. Government debt as a percentage of GDP might, as a result, remain below 80% in 2022, rather than careening towards 90%, as had been earlier feared. Even so, the big challenge for Godongwana is that debt servicing consumes 20% of government spending and is already crowding out much-needed expenditure elsewhere.

### Job-seekers need not apply

The economy is expected to continue its slow rebound during 2022 after the pandemic-induced recession of 2020-21, with real GDP growth of around 2% anticipated for the year. This will be too low to have any positive impact on the unemployment rate, however, which will most likely creep up instead. The cost of the country's social grants will continue to rise while the tax base shrinks, in part because of rising emigration rates among white-collar workers.

Another factor that will continue to depress economic activity is the faltering electricity supply. Most of the country's coal-fired power stations are old, and debilitating breakdowns are common. The Medupi (commissioned in 2015) and Kusile (expected to be completed in 2021) coal-fired stations, which are new, have never worked at full capacity, and the power grid is currently unable to supply the country's needs.



While President Cyril Ramaphosa appears keen to hasten the country's transition to renewable energy, and there are a range of international financing options emerging from the COP26 summit to facilitate this. Minerals and energy minister Gwede

Mantashe continues to slow the process as far as he is able, and to promote the discredited concept of "clean coal".

Ramaphosa passed up the opportunity to remove Mantashe during his last ministerial reshuffle in mid-2021, and so it seems likely that Mantashe will remain at the ministry of minerals and energy during 2022, where he may continue to impede the country's renewable energy transition.

Implementation of the long-stalled government plan to break up the state-owned energy company Eskom is supposed to begin at the end of 2021, but, once again, Mantashe has shown little enthusiasm for the idea. Any progress on this, during 2022, looks set to be painfully slow. ●

## The next in line

One big question at the African National Congress (ANC) national conference in December 2022 will be whether national and party deputy president David 'DD' Mabuza will secure a second term. The position has no clearly defined role but is important, nonetheless, because, since 1994, every ANC deputy president has subsequently become the country's president.

Few of Cyril Ramaphosa's supporters, however, have much time for Mabuza. He is regarded as skilled in opaque political manoeuvres, which they say he practised as premier of Mpumalanga province, but lacking in the abilities required of a national leader. Disgruntled supporters of disgraced ex-president Jacob Zuma, meanwhile, regard Mabuza as a traitor who scuttled the chances of Ramaphosa's challenger Nkosazana Dlamini-Zuma at the last national conference by lending his backing to Ramaphosa at the last moment.

Another question mark over Mabuza is the mysterious state of his health. Mabuza spent several months during 2021 in Russia for medical treatment, but there has thus far been no official disclosure about what is ailing the deputy president.

Former health minister Zweli Mkhize, for a time, seemed like a potential successor to Mabuza as the ANC deputy president, but he was sacked in disgrace in August following a highly publicised corruption scandal, and it would be too early for Ramaphosa to rehabilitate him without making the president's much-touted anti-corruption drive appear like the cynical factional exercise that Ramaphosa's detractors within the ANC claim it to be.

The other contender is the party's treasurer general, Paul Mashatile. Affectionately known as the 'TG', Mashatile is popular within the party, but has had little success in his key task of raising funds for the ANC, which is unable to pay salaries and appears close to bankruptcy. This is, in part, because of newly introduced legislation, which requires greater disclosure by political parties of who is donating and how much. This has discouraged many former ANC donors from continuing to contribute to the party for fear that, when lucrative new tenders are awarded, conclusions will be drawn between their donations and their possibly winning bids. ●



# Zambia

## Sixth time is a charm

**Zambians have high expectations that the new government will make good on its promises.  
Lusaka is in talks with the IMF and creditors on an aid package and debt renegotiations.**

**Z**ambia's new President, Hakainde Hichilema, promises that change is going to come, but will it be fast enough and profound enough to keep his supporters onside? Amidst debt, economic and health crises, Hichilema, who had run for president five times before, swept to victory in the August 2021 election against the Patriotic Front (PF) and the incumbent, Edgar Lungu. Hichilema and the United Party for National Development (UPND) campaigned on promises to end corruption, restore the rule of law and rebuild the country's shattered economy.

President Hichilema says he is well aware of the expectations on his shoulders. To retain the optimism that brought him to power, he says he will have to speed up his "methodical" and "meticulous" approach to making changes – firstly to the civil service, law enforcement agencies and sections of the state media still perceived to have loyalties to the PF.

### Key appointments

Hichilema allies include friends from the business world and the party faithful. Close advisers include Munakupya Hantuba, the CEO of African Life Financial Services, and serial board member Valentine Chitalu. Finance minister Situmbeko Musokotwane was Hichilema's first and most important appointment, given the country's economic obstacles. Justice minister Mulambo Haimbe is another critical choice due to the focus on fighting corruption and reforming the constitution.

Hichilema's tasks are made more complicated by the fact that, although he won 59% of the vote, his party was not as popular in the legislative

elections. The UPND took just 46.2% of the vote and 82 out of 185 seats. That means it will have to work with independent members of parliament in order to pass its legislative agenda.

Many voters may be feeling underwhelmed by the slow start. There have been some changes, notably a reduction in politically fuelled violence and commitments to development in rural areas in 2022. But the promised accountability for crooked PF functionaries has not yet come, with just a

few isolated investigations happening. The huge asset-recovery programme that was a major part of the UPND campaign has so far yielded K63m (\$3.6m). Like governments before it, the UPND is promising the enactment of freedom of information laws, better regulation of the media, and revisiting the constitution, but no one is holding their breath.

### Lacklustre investigations

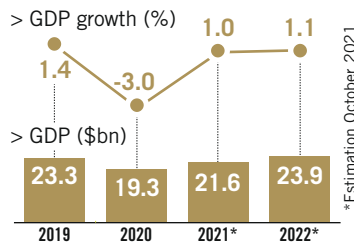
In the fight against corruption, Hichilema has stated that he will not interfere in the work of the law-enforcement agencies. This has raised concerns among civil-society activists, who fear that, without political oversight, the agencies will continue with their lacklustre investigations. Donor governments are also putting more pressure on Lusaka to fight against graft.

After years in the opposition, Hichilema's allies want to see the benefits of the electoral victory. The UPND Alliance is a motley group of 11 small political parties who aligned themselves to the UPND, but ultimately brought little to the table in terms of voter turnout. Much to the disquiet of UPND functionaries, the president gave three ministerial posts and the promise of more to come to the alliance partners.

The PF, now in opposition, has begun a systemic attack to undermine the UPND's attempts to make good on its campaign promises. It is roping in other, smaller opposition parties in its offensive, hitting particularly hard on Hichilema's political inexperience. Internally, however, the PF is riven by rivalries, and now that it is unable to dish out patronage,



- > Population: **18.4 million**
- > GDP per capita: **\$1,051**
- > Life expectancy: **63.9**
- > Adult literacy: **87%**
- > Inflation: **15.7%**
- > Human development index (out of 189 countries): **146**
- > Foreign direct investment: **\$234m**
- > Last change of leader: **2021**



it has lost some of its allure. The party is in the midst of rebranding and debating its post-Lungu future.

Meanwhile, another former ruling party, the Movement for Multi-Party Democracy, is in the midst of a leadership dispute so deep it has split into two. This means there is no main challenger to the UPND and Hichilema.

Another comfort for the new president is support from donor partners. The US, the UK and the EU, among others, say they want to help bring about the 'new dawn' the government says it will deliver. But that support is a double-edged sword. The PF is trotting out an old narrative that Hichilema is sympathetic to the West and seeking to promote an unwelcome "pro-gay" agenda in a country that the constitution defines as Christian.

The only opposition party likely to gain in stature in the coming year is the Socialist Party, led by former Post Newspapers proprietor Fred M'membe. His well-heeled, youth-orientated message of "revolutionary people power" resonates with many, especially in rural areas. M'membe says, however, that he is not after the presidency.

### Debt transparency

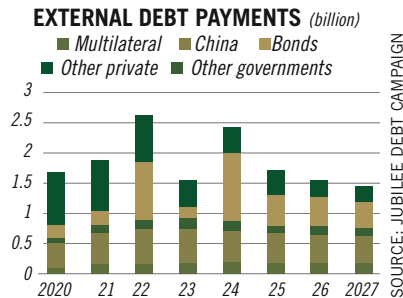
Zambians went to the 2021 polls amid a second debt crisis. The cost of living had soared, as the annual inflation rate reached the highest level in a generation. The government has debt in excess of \$14bn and an ailing economy categorised by low and slow growth, high costs of doing business, high interest rates, a spiking annual inflation rate and a depreciating exchange rate.

Hichilema is looking for quick wins. He has delivered on one of his promises: total debt transparency. For the first time in history, the government has publicly released detailed debt information. This has boosted the probability of successful debt renegotiations and new financing.

Zambia has gone back to the negotiation table with creditors to seek

debt restructuring through the G20's common framework. It is expected that the relief given from debt-service deferment will shore up resources to put towards increased social spending and private-sector financing.

The 2022 budget is generating a lot of optimism and expectation, with



its focus on tax reforms to address mineral royalty non-deductibility, enhanced revenue generation, increased spending on the social sector and small and medium-sized enterprise development.

These growth reforms could be boosted by an aid package from the IMF. The government and the IMF

were in talks in late 2021, but there was no announced timeframe for reaching an agreement.

The agriculture sector performed well in 2021, due to good rains. The World Food Programme warned in November, however, that high maize prizes, flooding and pests have hurt food security, and that an estimated 1.58 million people would need food aid during the lean season.

### Green power

Electricity for the population and industry are also high on the government agenda. As head of the new green economy ministry, Collins Nzovu is overseeing the development of solar-, hydro- and wind-power projects. In July 2021, the first 150MW from the 750MW Kafue Gorge Lower Power Station came online. There were several major power outages in the country in 2021.

An estimated 31% of the population currently has access to electricity. New regulations allow for independent power producers to operate, and GreenCo Power Services, the Zambian subsidiary of Africa GreenCo, is seeking to set up a solar park with a maximum capacity of 40MW. •

## Copper's promise

Mining is Zambia's major productive industry and it will be a major focus in the government's economic agenda. Despite recent high copper prices and rising demand due to the use of copper in green tech, the industry's fortunes have declined in the past couple of years, largely due to the flip-flopping of the tax regimes and the tense relationship between the industry and the former Patriotic Front government. The sector contributes 77% of total export value, and 27.8% of government revenue. Hichilema said he wants to restore "sanity" to the sector and engender a mutually beneficial relationship that focuses on attracting investment to grow tax revenue. Mines minister Paul Kabuswe has promised to reshape the government's approach to mining regulation. In November, Kabuswe announced that the government had launched an audit of how mining licences have been awarded, with the goal of rooting out rot. The new government has set a target of producing 3m tonnes of copper per year by 2031. That is a far cry from the 882,061tn produced in 2020. Canada's First Quantum Minerals, which wants to expand its operations and runs the Kansanshi and Sentinel mines, has praised the government's initial reforms. Some exploration projects are currently going ahead, with small Australian miner Castillo Copper planning to drill at its permit in Luanshya. •



# Zimbabwe

## Mnangagwa marches on

**Elections are on the horizon in 2023 and Mnangagwa is opting for repression rather than reform. Zimbabwe's economic doldrums are continue, with high inflation and a depreciating currency.**

**P**resident Emmerson Mnangagwa has promised to usher in change after the overthrow of former president Robert Mugabe in 2017, but the opposition, civil society groups and diplomats say that it continues to be business as usual for the ruling Zimbabwe African National Union-Patriotic Front government.

Ahead of national elections in 2023, Mnangagwa and his allies are using violence and the veil of Covid measures to intimidate the opposition, which is led by the Movement for Democratic Change (MDC) Alliance's Nelson Chamisa. The IMF says the government is not implementing the necessary and painful reforms to address economic imbalances, with currency depreciation and high inflation among the consequences.

Chamisa says the government is trying to make it difficult for the opposition to operate. Mnangagwa's supporters attacked Chamisa's convoy in rural Masvingo Province in October, and eyewitnesses say the police tear-gassed the opposition leader. While opposition meetings have been denied authorisation on health grounds, ZANU-PF gatherings have gone ahead.

### A platform of friends

As the 2023 vote draws closer, Mnangagwa has created a loose platform composed of the 2018 presidential-election losers, called the Political Actors Dialogue, to discuss national issues. Chamisa has snubbed the grouping, saying there was no need for Mnangagwa "to dialogue with his friends".

Senator Douglas Mwonozora, said to be a Mnangagwa ally, leads an MDC

faction that is open to talks with the government. Mwonozora argues that there is still enough time to make key economic and democratic reforms, including electoral reforms, before the 2023 polls.

Mnangagwa's plan to engage fringe political parties, excluding Chamisa's MDC Alliance, comes at a time when the head of state is facing internal competition in his party from his deputy, Constantino Chiwenga (see box). As army chief, Chiwenga masterminded

the bloodless coup that forced former president Robert Mugabe to step aside. In late 2021, a group of ZANU-PF cadres were testing the waters to see if it would be possible to remove Mnangagwa before the next election.

Mnangagwa's critics point to his ties to businessman Kudakwashe Tagwirei, who has benefited from many opaque business deals with the government and is the subject of US sanctions. The US-based anti-corruption group The Sentry published a critical investigation on the links between Tagwirei and the government in 2021.

### Aid strangehold

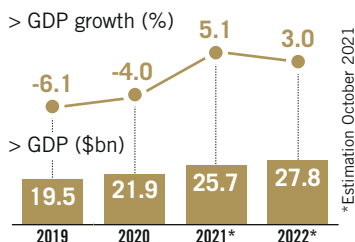
Due to its historic debt and arrears to international financial institutions, Zimbabwe cannot get the help that other countries are receiving to deal with the impact of the Covid-19 crisis. The IMF, for example, says that Harare has to pay back its arrears and show it is serious about economic and governance reforms before it is willing to engage.

The country's manufacturing sector is escalating its push for state-sponsored bailout packages to stem the crisis worsened by the pandemic. The Confederation of Zimbabwe Industries is warning that the absence of such help, coupled with a runaway parallel market exchange rate, could result in many businesses closing shop. Finance minister Mthuli Ncube argues that rebuilding value chains disrupted by the coronavirus pandemic would help revive the country's floundering economy through the National Development Strategy economic blueprint.

Inflation is on the rise again, and the government predicted that it



- > Population: **14.86 million**
- > GDP per capita: **\$1,128**
- > Life expectancy: **61.5**
- > Adult literacy: **89%**
- > Inflation: **10.6%**
- > Human development index (out of 189 countries): **150**
- > Foreign direct investment: **\$194m**
- > Last change of leader: **2017**



would be 55-65% by the end of 2022. In response, the central bank raised its benchmark interest rate to 60% in October. The high rate of interest means that the banking sector is largely cut off from financing the real economy, as few customers can afford such high rates. Inflation is also eating away at the value of pensions: a group of independence war veterans protested their low incomes in 2021.

The government has almost completed the rehabilitation of the Beitbridge-Harare highway and preparatory surveys for the Beitbridge-Bulawayo-Victoria Falls expressway have begun. The latter will provide a corridor linking South Africa and Zambia, and also links Zimbabwe to the Trans-African highway between Gaborone and Pretoria.

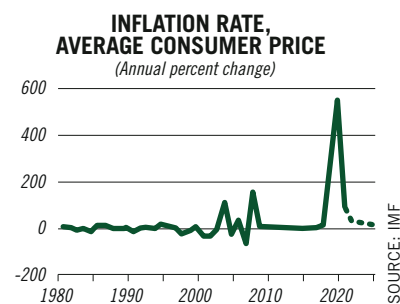
Strong rains pounded the country in the 2020-2021 agricultural season, resulting in a bumper tobacco harvest: the industry earned more than \$600m, compared to \$500m in the previous harvest. The authorities are expecting yet another good harvest this year as the meteorologists predict good rainfall.

### Food shortages

In 2021, Zimbabwe's tobacco sales exceeded 210.9m kilograms, while cotton production also increased by 100% to 92,000tn. Both small-scale and large-scale farmers produced enough maize to meet domestic demand. But the bigger crops have not been enough to eliminate food shortages. The World Food Programme warned in late 2021 that an estimated five million people would face food insecurity until at least early 2022.

Zimbabwe has managed to achieve the national strategic reserves target of 1.5m tonnes of grains. The authorities say that farmers are on course to have 350,000ha under cultivation by 2024, which would likely make Zimbabwe food secure and spare some for export. Already, Rwanda has shown interest in importing sugar from Zimbabwe instead of its usual source, Argentina.

Smuggling of gold and other precious minerals continues to bleed the mining sector, which is the country's largest source of foreign exchange. Zimbabwe's gold production fell 30% year-to-year to 3.98 tn in the first quarter of 2021, with earnings declining \$26m to \$200m.



Independent Australian oil company Invictus Energy is raising hopes that Zimbabwe could have commercial quantities of oil and natural gas in the northern region's Cabora Bassa Basin, one of the largest underexplored interior rift basins in Africa. Invictus conducted seismic testing in 2021 and plans to drill its first well in 2022.

The lack of electricity generation continues to slow Zimbabwe's economic development. An expansion programme at the Hwange coal-fired power plant should add an extra 600MW to the grid, but the country relies on imports from Mozambique and South Africa to meet its needs. The new capacity could allow for some downtime to rehabilitate the ageing infrastructure at Hwange, which became operational in 1968.

### Softly-softly, easing sanctions

Unlike his predecessor, who used every available opportunity, including state functions and the UN General Assembly, to slam Britain and the US for the imposition of sanctions, Mnangagwa has been using what political analysts have dubbed a "softly-softly approach".

After more than a decade of frosty relations with the West, therefore, Zimbabwe's diplomatic ties with Britain seem to be thawing. However, its ties with the US are not showing any signs of improving. Meanwhile, Mnangagwa has got the Southern African Development Community and the African Union on his side to call for the lifting of sanctions. •

## Mnangagwa v. Chiwenga

Relations between President Emmerson Mnangagwa and his deputy, Constantino Chiwenga, are at a low point. Former army chief Chiwenga, who is positioning himself to succeed Mnangagwa, is looking to consolidate his support base ahead of the party's congress, due in 2024, only a year after the scheduled general elections. But party insiders claim that Mnangagwa has now teamed up with others to unseat Chiwenga ahead of the congress.

Chiwenga, who helped Mnangagwa to topple the late former president Robert Mugabe in 2017, seems to have been weakened after his trusted lieutenants, former ministers Sibusiso Moyo and Perrance Shiri, died from Covid-19. Mnangagwa used ZANU-PF's parliamentary majority to reform the constitution and weaken the post of vice-president in April. Mnangagwa also outmanoeuvred Chiwenga again by extending the term of Supreme Court chief justice Luke Malaba after he reached the age limit. Chiwenga was trying to get his own ally, George Chiweshe, into the post.

Seeking to strengthen his position, Chiwenga is focusing on his grassroots support, seeking to get his allies elected to influential positions in the ruling party's structures. But Mnangagwa has temporarily suspended the election of district and provincial coordinating committees. •

# People to watch



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## Mozambique

### Joaquim Rivas Mangrasso

#### Armed and accountable

Responsibility for how the Mozambican armed forces respond to the insurgency in the gas-rich Cabo Delgado Province rests on the shoulders of the new chief of staff of the armed forces, Joaquim Rivas Mangrasso. The former head of the presidential guard, he owes part of his rapid rise to the misfortune of his predecessor, Eugénio Mussa, who died three weeks after his appointment in February 2021. President Filipe Nyusi seized the opportunity to make other changes to the military leadership.

Mangrasso is in charge of working with the Rwandan and Southern African Development Community troops who mobilised in July to fight the rebels, after Nyusi had initially wanted to keep it a domestic affair. Civil society groups have accused elements in the Mozambican armed forces of exacerbating the conflict by looting and killing civilians. Mangrasso took a step toward improved accountability in November by allowing investigations to go ahead into troops accused of robbing banks on their anti-terrorism mission.

## Zimbabwe

### Tendai Biti

#### A pain in the Mnangagwa

The former finance minister and vice-president of the MDC Alliance regularly points out holes in the government's economic reasoning and highlights corruption. He says this got him recalled from parliament, where he was chair of the public accounts committee. Facing court cases he claims are designed to weaken him politically, Biti said: "Our struggle is a pure one. [It] is for a just free democratic open Zim in which every citizen will live a happy prosperous life. Neither [President Emmerson] Mnangagwa nor his political commissars masquerading as prosecutors will stop the wheels of change."



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## South Africa

### Kamo Mphela

#### Ampiano ambassador

She got her start by sharing her dance moves online, and now Kamo Mphela is an influential star in the South African amapiano scene as a musician, singer and collaborator. As amapiano looks set to go global in 2022, she is likely to be at the forefront. The genre – a jazzy deep house overlaid with progressive keyboards that rose up from the townships – has been gaining traction across the world. Mphela had a big 2021 with her hit *Nkulunkulu*, and was consistently on tour outside of South Africa at the end of the year.

## South Africa

## Ronald Lamola

## ANC's new blood

Justice minister Ronald Lamola, 38, is the standard bearer of a new generation of leaders in the governing ANC. The former ANC Youth League deputy president was elected to parliament in 2019 and appointed minister the same year. As accountability and fighting corruption are priorities of President Cyril Ramaphosa's government, Lamola is under pressure to deliver, despite budget cuts.

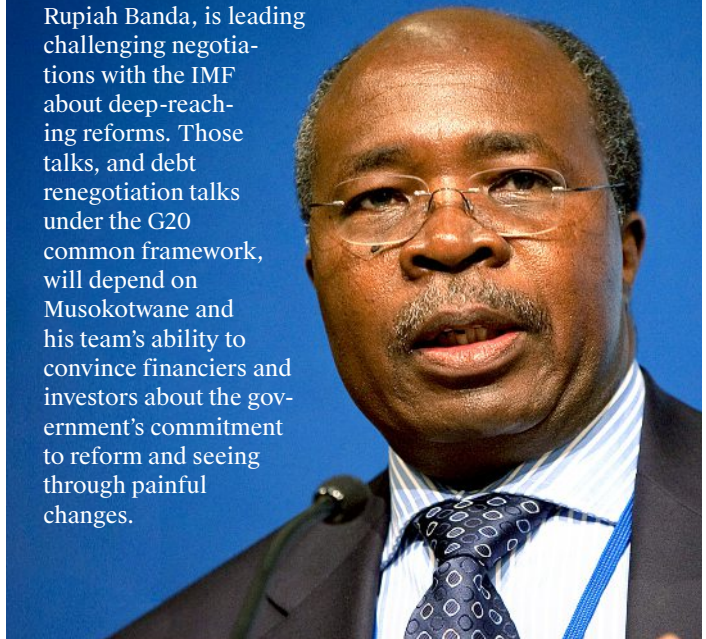
The extradition case of Mozambique's former finance minister Manuel Chang has proved to be a challenge. In November, the courts overruled Lamola's decision to send him to Mozambique for trial rather than the US. A critic of Jacob Zuma's camp in the ANC, Lamola said that the failed 2021 insurrection triggered by the jailing of the ex-president was a critical faultline. "It also showed us how socio-economic challenges faced by our people [...] can be utilised as a weapon to threaten the values upon which we have built our democratic country."

## Zambia

## Situmbeko Musokotwane

## Unlucky in Lusaka

Situmbeko Musokotwane has a tough job ahead of him. He was President Hakainde Hichilema's first ministerial pick in August 2021 and his post as finance minister is the most important to the new president's agenda, which is focused on cleaning up the mess inherited from former president Edgar Lungu. Lungu's government borrowed more than it could pay back and defaulted on a eurobond payment. Musokotwane, who already served as finance minister in the government of Rupiah Banda, is leading challenging negotiations with the IMF about deep-reaching reforms. Those talks, and debt renegotiation talks under the G20 common framework, will depend on Musokotwane and his team's ability to convince financiers and investors about the government's commitment to reform and seeing through painful changes.



JOSHUA ROBERTS/BLOOMBERG/GETTY

## South Africa

## Enoch Godongwana

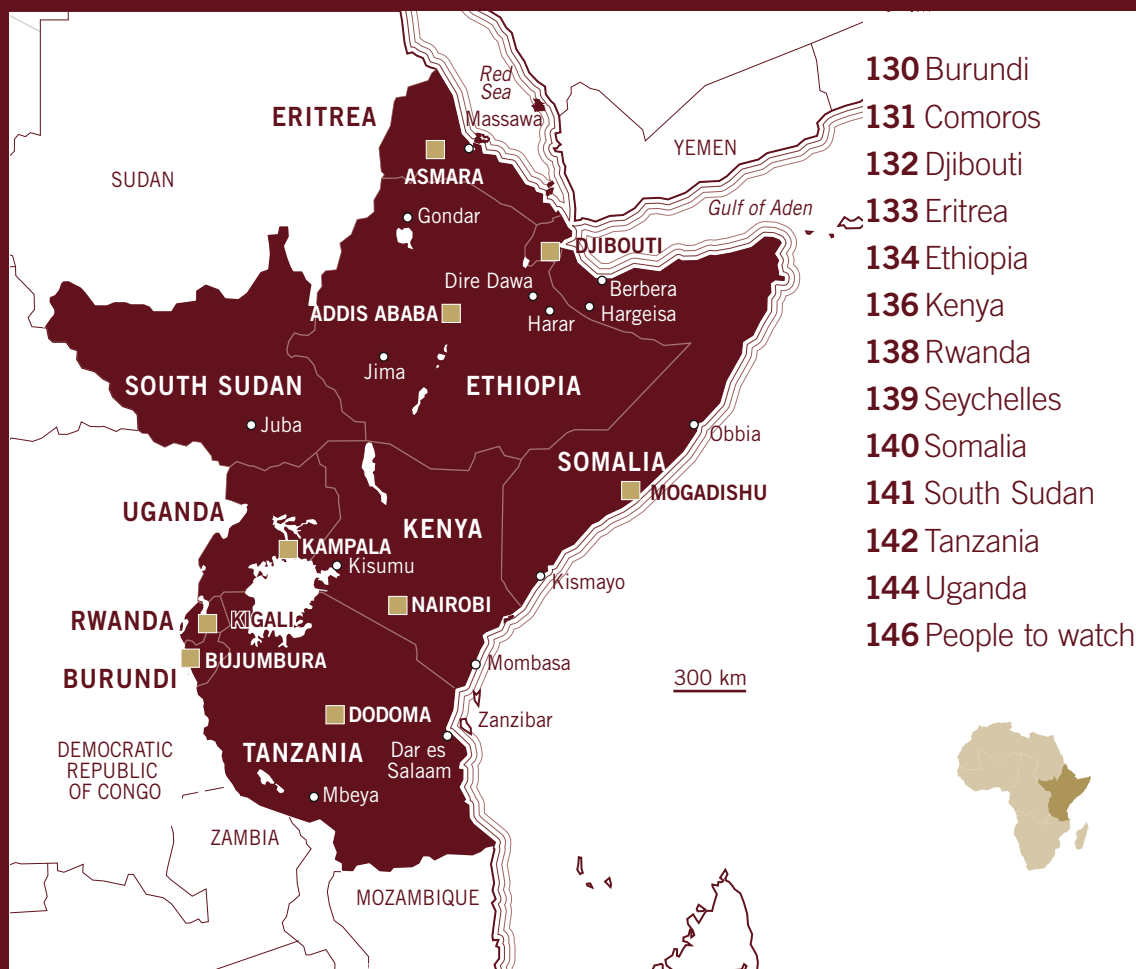
## Spend wisely

Will Enoch Godongwana last to the end of President Cyril Ramaphosa's first term? The finance portfolio – once known for its stability and having the longest-serving finance minister in the world – has become a poisoned chalice and Godongwana is the sixth to fill the post in as many years. The economy has been growing slowly and debt levels have been rising, but so have calls for greater social spending, while sorting out troubled state-owned enterprises like South African Airways and power utility Eskom are eating up bandwidth. An ANC insider who was head of the economic transformation committee, Godongwana should offer a steady hand in troubled times.

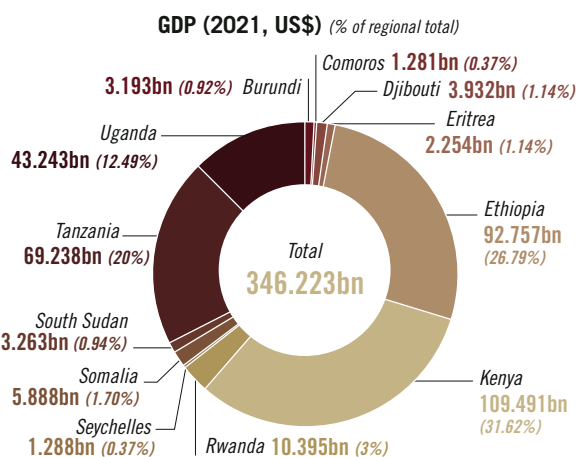
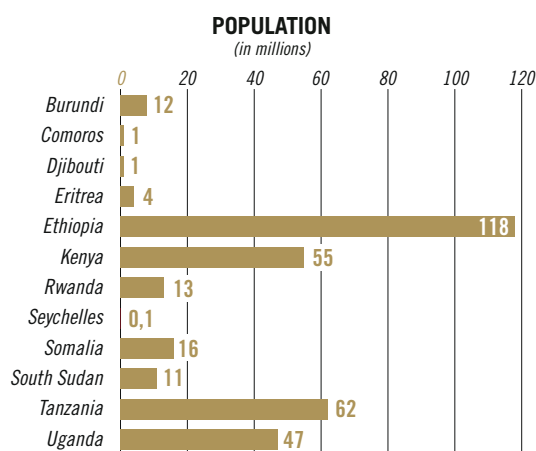


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# East Africa



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SOURCES: UNFPA; IMF



# Burundi

## A tentative break

**President Ndayishimiye has to deal with a fragile economic situation and rivalries within the ruling party. Breaking with his predecessor's views, he is working towards a rapprochement with Rwanda.**

**P**resident Évariste Ndayishimiye came to power in June 2020 and since then has been breaking somewhat with the hard line of his predecessor, Pierre Nkurunziza, who died of Covid-19. Ndayishimiye was a general who had fought in the bush during the civil war and was secretary general of the ruling *Conseil National pour la Défense de la Démocratie – Forces de Défense de la Démocratie* (CNDD-FDD). He represents both continuity and change in the regime.

In terms of foreign policy, Burundi is returning to the diplomatic stage. After five years of isolation, Gitega has resumed dialogue with the European Union. Aware that sanctions have so far brought very few results, European diplomats now seem willing to take advantage of Ndayishimiye's arrival in power to move forward on lifting the economic restrictions introduced in 2016. This could happen in late 2021 or early 2022.

### The UN relaxes scrutiny

Gitega has also obtained the removal of Burundi from the UN's political agenda. In October, the international organisation decided not to renew the mandate of its commission of inquiry on Burundi, which was created in 2016 to investigate human rights violations. Its chairman, Senegalese jurist Doudou Diène, campaigned for its continuation, but the commission was eventually replaced by a rapporteur, who is to be appointed soon.

On the regional level, Ndayishimiye has resumed contact with Burundi's neighbours. He visited Uganda and the DRC, with whom he is seeking to strengthen security cooperation. But

the crucial issue that Ndayishimiye hopes to address in 2022 is rapprochement with Rwanda – a country that Nkurunziza often described as an “enemy” of Burundi.

After an initial ministerial-level meeting in Kigali in September, the two countries are working towards a meeting between the two heads of state. Some obstacles remain, such as Burundi's request for extradition of the alleged coup plotters who are said to be living as refugees in Rwanda.

In terms of domestic politics, there has been no such rapprochement. The CNDD-FDD retains a total grip on political life, and the opposition that remained in the country, represented by Agathon Rwasa, is struggling to make an impact.

Although the ruling party is monolithic and dominant, it is nonetheless riven by rivalries. The head of state is in conflict with his prime minister, the powerful Alain-Guillaume Bunyoni. This former head of the Burundian police is one of the regime's toughest leaders. He has been the president's number two since the Nkurunziza era.

### Ndayishimiye the diplomat

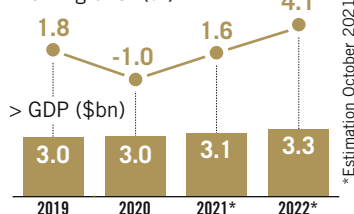
Adept at managing the balance of power within the CNDD-FDD, Ndayishimiye has relied on his own group of generals since the beginning of his mandate. He has thus been able to keep control of several issues on which the hardliners of the regime are reluctant to change, starting with the rapprochement with Rwanda.

The President wants to be diplomatic and pursue a policy of openness that has become crucial on the economic front. The economy is performing poorly, with falling GDP per capita, rising youth unemployment and low foreign-exchange reserves.

The diplomatic good will shown during the year opens the door to a slight improvement. The IMF delivered a \$78m aid package in July, but this one-time contribution will not be enough to turn around an economy in search of new sources of foreign exchange. It is to meet this need that Burundi is calling for greater involvement of its troops in UN peacekeeping missions.●



- > Population: **11.9 million**
- > GDP per capita: **\$274**
- > Life expectancy: **61.6**
- > Adult literacy: **68%**
- > Inflation: **7.3%**
- > Human development index (out of 189 countries): **185**
- > Foreign direct investment: **\$6m**
- > Last change of leader: **2020**
- > GDP growth (%)





# Comoros

## The wind leaves Assoumani's sails

**Sluggish economic growth and rising inflation could create social tensions in Comoros. President Assoumani has made overtures towards a national dialogue with the opposition.**

**W**hile the health consequences of the Covid-19 pandemic have been relatively limited in Comoros, its economic impact is proving to be much more severe. After a spike in January 2021, the archipelago has recorded between 0 and 10 new cases a week since March, but its major macroeconomic indicators remain weak. Inflation continues to weigh heavily on Comorians' purchasing power.

This is bad news for President Azali Assoumani, who was re-elected in 2019 on the promise to develop his country economically and ensure the well-being of its people. In 2018 the opposition boycotted a referendum that gave the president the right to two five-year terms. It accuses him of authoritarian tendencies. At the end of 2019, Assoumani hosted a donor conference, coming away with commitments and deals worth \$4.3bn. But the arrival of the pandemic a few months later broke that momentum, and the funding has not materialised. To make things worse, some of the most significant economic players in the country, such as French real-estate investor Duval and construction group Eiffage, have left the archipelago.

### A vicious cycle

The large Comorian diaspora has been helping keep the economy going. Remittances account for about 15% of GDP. While the energy sector is recording some progress, including delivery of the country's first two solar power plants, tourism investments promised since 2016 by the Emirates-based group Armada are still pending.

The IMF warns that Comoros is in a vicious cycle of underdevelopment.

The government does not raise enough revenue and is not investing enough in education, training and infrastructure, the institution says. The banking sector is weak, and state-owned enterprises are performing poorly. Tourism has been hurt by the Covid pandemic, but the government has signed a loan to build a hotel that will cost approximately 4.5% of GDP. A new IMF aid programme is on the horizon in 2022.

In order to deal with the deteriorating economic situation and the tensions

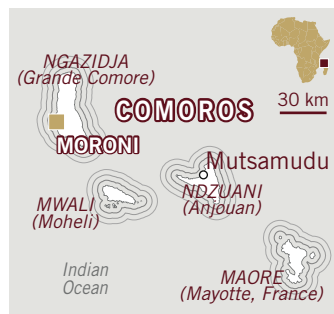
it may cause, President Assoumani has revised his political agenda. On 26 August, he reshuffled the government, dismissing his most influential and experienced ministers – including the last two remaining members of his 2016 ministerial team – to make way for a new generation.

### Opposition wary of talks

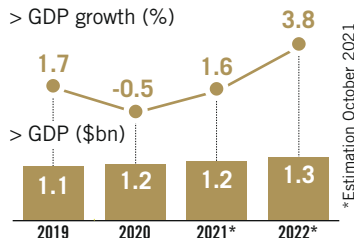
Then, in mid-September, under the auspices of the African Union, Assoumani opened consultations for the organisation of a new national dialogue with the opposition. The pan-African institution sent its commissioner for political affairs, peace and security, Nigerian Bankole Adeoye, to the country to try to convince the main opposition leaders to accept the meeting proposed by the presidency.

The opposition is wary of new talks, as many members participated in a 2018 dialogue that resulted in a constitutional reform they did not want. That reform concentrated more power in the presidency, and Assoumani has been ruling by decree. But the opposition has long been fragmented and had lacked a strong leader since former president Ahmed Abdallah Sambi was placed under house arrest nearly three years ago.

Only the leaders of the parties in the *Alliance de la Mouissance Présidentielle* – a grouping of 10 parties in support of the presidency, launched in December 2020 – have so far confirmed their participation. These include Mohamed Daoudou, leader of the *Parti Orange* and Assoumani's main ally. In August 2021, Assoumani sacked Daoudou from his post as interior minister out of concerns he plans to run in the 2024 presidential election. •



- > Population: **870,000**
- > GDP per capita: **\$1,403**
- > Life expectancy: **64.3**
- > Adult literacy: **59%**
- > Inflation: **-4.3%**
- > Human development index (out of 189 countries): **156**
- > Foreign direct investment: **\$9m**
- > Last change of leader: **2019**
- > GDP growth (%)





# Djibouti

## Shelter from the storm

**The conflicts in the Horn of Africa are creating economic and social challenges in Djibouti. Guelleh, re-elected in April without opposition, has a long way to go to meet popular expectations.**

**T**he status quo continues in Djibouti: President Ismaïl Omar Guelleh (known as IOG) holds an iron grip on power and is building up the country's infrastructure to serve as a logistics hub for the Horn of Africa.

Guelleh won the 9 April 2021 presidential election with 97.3% of the vote. The opposition did not field any candidates, arguing that the election would not be free and fair. Guelleh, 73, who has been in power since 1999 and has talked about stepping down several times, claims that this will be his last term.

The *Union pour le Salut National*, led by Adan Mohamed Abdou, said the security forces scuppered its planned protests ahead of the April vote. It is now focusing on the post-Guelleh transition and calling for deep reforms.

Another opposition group, the *Alliance Républicaine pour le Développement*, composed of members of the diaspora, an armed group, activists and non-governmental organisations, signed a 'charter for democratic transition' in an attempt to set some ground rules for when the Guelleh regime ends.

### Time out

In 2026, Guelleh will be older than the 75 years that the constitution sets as a limit for presidential candidates. Over the next few years, his closest allies will be jockeying for position to replace him. Abdoukader Kamil Mohamed, who has been prime minister since 2013, is among those looking to strengthen their positions while not alienating Guelleh before he is ready to let go of the reins of power.

Guelleh campaigned on promises to share the benefits of economic growth,

which is set to rebound in 2021, with the population. Creating jobs is key: 60% of working-age people are unemployed, and an estimated 75% of Djiboutians are younger than 35. In Guelleh's new government, the ministry of social affairs and solidarity will be at the forefront of policies to improve citizens' lives.

Djibouti's infrastructure drive is set to continue. In 2021, a new port was inaugurated at Tadjourah, the country's second-largest city, in addition to

a newly paved road linking Tadjourah to the border with Ethiopia. Two solar parks – one with a generating capacity of 60MW and another with 30MW – will soon be operational. The Djibouti Damerjog industrial free zone, under construction, is set to host a port, oil refinery and oil storage facilities.

### Ethiopia's knock-on effect

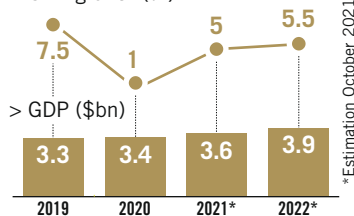
Guelleh's economic and foreign policies are based on maintaining good ties in the region, and the crisis in Ethiopia – which relies on Djibouti for access to the Red Sea – could create major ramifications across the Horn of Africa.

The stakes are high for Djibouti, which over the past decade has tied its economy to that of its powerful neighbour to become the maritime gateway to a market of 120 million people. Electricity and water, provided by Ethiopia to Djibouti in exchange for its port services, continue to flow. Some bilateral infrastructure projects have been frozen, and the first significant declines in traffic have been recorded at Djibouti's various port terminals, which account for nearly 90% of trade destined for Ethiopia.

The consequences of Ethiopia's war on Tigray are not only economic for Djibouti, but also cultural. The conflicts between the Afar and Somali populations in eastern Ethiopia have crossed the border, and, on 3 August, members of Djibouti's Afar and Issa communities came to blows in some of the capital's working-class neighbourhoods. These events rekindled fears of a new conflict between the country's two main communities, like that of the early 1990s. ●



- > Population: **1 million**
- > GDP per capita: **\$3,426**
- > Life expectancy: **67.1**
- > Adult literacy: **N/A**
- > Inflation: **3.3%**
- > Human development index (out of 189 countries): **166**
- > Foreign direct investment: **\$240m**
- > Last change of leader: **1999**
- > GDP growth (%)





# Eritrea

## Isaias's Ethiopian gamble

**President Isaias Afwerki has some hard decisions to make about involvement in the Ethiopian civil war. With Eritrea's poor reputation for governance, few international companies are interested in investing.**

**E**ritrean soldiers were heavily involved in the conflict that broke out in Ethiopia's Tigray region in 2020. Indeed, seasoned observers believe that President Isaias Afwerki was instrumental in orchestrating the war. For him the conflict was an opportunity to destroy his old enemy, the Tigray People's Liberation Front (TPLF), who led Ethiopia in a bloody border war against Eritrea in 1998-2000. It also represented a chance to end Eritrea's isolation by helping to establish a new regional order.

That strategy has backfired dramatically. After months of guerrilla fighting, the TPLF managed to push the Eritrean and Ethiopian militaries out of Tigray in late June. They now occupy territory deep within Ethiopia's Amhara region, having captured large amounts of heavy weaponry, and the group's position is much stronger than it was before the war.

### A sticky choice

With the Tigrayan rebels claiming they are poised to march on the Ethiopian capital at the time of writing, the fate of Isaias's regime will hinge upon events across the border. Tigray's leaders have indicated their willingness to march on Asmara in order to secure their region, and a new TPLF-led regime in Addis Ababa could opt to take the fight to Eritrea.

Isaias could attempt to cut his losses by ditching his alliance with Ethiopia's Prime Minister Abiy Ahmed. Eritrea's forces have been notably absent from the fighting in Amhara and are said to be digging in along the border in order to head off a possible Tigrayan offensive. Yet, he could also choose to renew Eritrea's involvement in

Ethiopia's civil war by attacking the overstretched Tigray forces in the rear as they make their way south.

Whatever he decides, Isaias's international reputation – already poor – is in shreds. In 2020, there was talk of Eritrea potentially opening up amid its rapprochement with Abiy's government in Ethiopia. Now there is none. Despite initial denials that Eritrean troops were present in Tigray, egregious atrocities perpetrated by them have come to light.

These include massacres, torture, gang rapes and rampant looting.

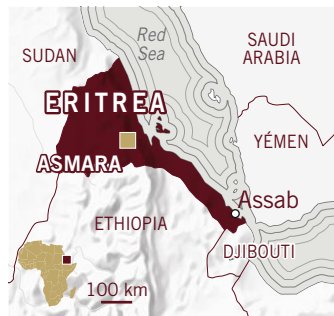
In response, Western leaders have started to take action. In March, the EU put sanctions on several Eritrean leaders and its intelligence agency, citing human rights abuses, including extrajudicial killings, arbitrary arrests and torture. It has also pulled the plug on a \$120m development package that would have upgraded Eritrea's roads and linked its ports to Ethiopia. The US, meanwhile, has sanctioned Filipos Woldeyohannes, the presidential chief of staff, for his role in rights abuses committed in Tigray.

### No resistance

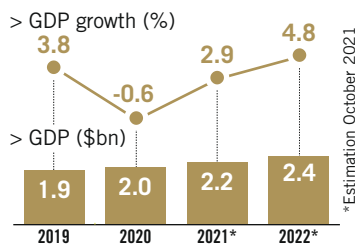
Eritrea's leadership has condemned the allegations as smears but is otherwise characteristically tight-lipped about the conflict. The extent of the losses suffered by the military in Tigray are not clear, but they are believed to be heavy, and it will take some time to rebuild its strength. As a result, enforced military conscription is set to continue into 2022.

Yet, there are few rumblings of discontent within Eritrea. That is largely thanks to Isaias's tight grip on the security apparatus and his habit of regularly shuffling senior officials and military officers in order to fend off opposition. He has also kept in place draconian measures that were initially introduced to deal with Covid-19.

Despite the security and diplomatic uncertainty, the IMF predicts that Eritrea's economy will grow in 2021. Mining is a key sector attracting foreign direct investment. Chinese firms are the majority owners of the country's operational mines, with smaller companies doing more exploration. •



- > Population: **3.55 million**
- > GDP per capita: **\$643**
- > Life expectancy: **66.3**
- > Adult literacy: **77%**
- > Inflation: **N.A**
- > Human development index (out of 189 countries): **180**
- > Foreign direct investment: **\$74m**
- > Last change of leader: **1991**





# Ethiopia

## Tigray tremors

**Both sides are gearing up for more armed conflict, with mediation attempts failing so far.**

**The war has plunged the once-promising economy into crisis.**

**A**fter one year of fighting in northern Ethiopia, Africa's second most populous country is on the brink of disaster. Much remains uncertain, but at the time of writing there was fierce fighting as the Tigray People's Liberation Front (TPLF) continued to advance towards Addis Ababa with its threat to topple the federal government.

With observers warning of implosion, what the coming weeks and months hold for Ethiopia is far from clear. Having previously rejected talks, the government indicated its willingness to negotiate. But the TPLF refused to budge from its demands for Amhara and Eritrean forces to withdraw from western Tigray first. As *The Africa Report* went to press, both sides were set on continuing the war.

### Tigrayans surprise with force

A year ago, when war erupted in Tigray following months of tensions between the federal government and the TPLF, no one could have predicted a conflict on this scale. In November 2020, the TPLF regional government defied Abiy's postponement of elections that had been scheduled for August of that year and held an illegal vote. The federal military, aided by ethnic Amhara militias and troops from neighbouring Eritrea, quickly deposed the TPLF's regional government and installed an interim administration to run Tigray.

After months of guerrilla fighting, however, the TPLF launched a lightning 10-day offensive in late June 2021, recapturing Mekelle, Tigray's capital, and causing the withdrawal of Ethiopian government and Eritrean forces from most of the region.

Seeking to press home their advantage, the Tigray rebels rejected a unilateral ceasefire declared by Addis Ababa and instead pushed into the Amhara region. They also advanced into Afar, where they made several attempts to cut the road linking Addis Ababa to Djibouti's port, along which 90% Ethiopia's trade travels.

In October, after the end of the rainy season, Abiy's government launched a major offensive to dislodge and defeat the TPLF. It was a failure. Not only

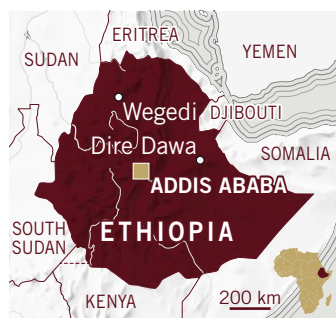
did the rebels repulse the attack, but they then made major strides south towards Addis Ababa, taking several key towns. But by early December federal forces – marshalled by Abiy in a front-line appearance – regained significant portions of lost territory. The situation remained fluid as *The Africa Report* went to press.

### The decade's worst hunger

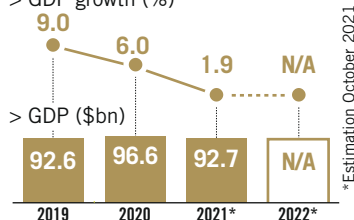
Early on, the government shut off the internet and phone lines in Tigray, a region of six million. It has also restricted aid and media access. A deal to allow humanitarian convoys into the region was eventually struck, but distribution has been severely restricted by fighting and obstructions at checkpoints.

In July, the UN warned that 400,000 people in Tigray were on the cusp of famine. That number is likely far higher now. The World Food Programme says 100 aid trucks must enter the region every day to stave off total disaster, but few have been allowed in since the TPLF retook Tigray, a situation the UN aid chief has called a "de facto blockade". This is the world's worst hunger crisis in a decade.

Despite the media blackout, reports of atrocities by government soldiers and their allies slowly leaked out of Tigray. They include gang rapes, massacres of civilians and torture, as well as rampant looting. The charity *Médecins Sans Frontières* reported that most of the region's hospitals and clinics were destroyed in a campaign of apparently deliberate vandalism, while US officials levelled charges of "ethnic cleansing" in western Tigray, as Amhara militias forced tens of thousands of Tigrayans from their homes.



- > Population: **115 million**
- > GDP per capita: **\$936**
- > Life expectancy: **66.6**
- > Adult literacy: **52%**
- > Inflation: **15.8%**
- > Human development index (out of 189 countries): **173**
- > Foreign direct investment: **\$2,395m**
- > Last change of leader: **2018**
- > GDP growth (%)



Eritrean soldiers are responsible for some of the worst abuses. In Axum, they shot hundreds of young men and boys in door-to-door revenge killings, carried out after local Tigrayan militia attacked Eritrean soldiers. Abiy would not admit to the presence of Eritrean forces in Tigray until April, having previously told UN Secretary General António Guterres that they were not in the region. Many observers now view Abiy's Nobel Peace Prize-winning reconciliation with Eritrea as the military pact that paved the way for war.

Allying with Eritrea proved a gross miscalculation, as the actions of the Eritrean troops did much to galvanise the public support that sustained the TPLF's insurgency. The TPLF now commands almost universal popularity in Tigray, where calls for a vote on independence are growing louder. The group also claims to have linked up with insurgents from Oromia, Ethiopia's biggest state, where there are widespread rumblings of dissatisfaction with Abiy after several prominent Oromo leaders were jailed following an outbreak of deadly violence in August 2020.

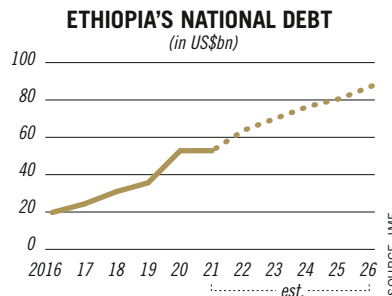
### Abiy landslide

The TPLF remains deeply unpopular outside of Tigray, however. Few Ethiopians have fond memories of its repressive regime in government, and as the group advanced into Amhara, allegations of killings, rape and looting have piled up against it, too. Meanwhile, Abiy enjoys popular legitimacy after winning a landslide in elections held in June, even if the vote was marred by an opposition boycott in Oromia, claims of harassment and delays in several parts of the country due to insecurity and logistical problems. There was no voting in Tigray.

On the international stage, Abiy's once-shining reputation has been shattered. The US has threatened sanctions against officials implicated in human-rights abuses and the EU has suspended budgetary aid. Abiy and his ministers have responded with populist appeals raging against alleged foreign interference and blaming the

country's perilous predicament on a vast international conspiracy. They have also taken aim at aid groups distributing food in Tigray, as well as coverage by foreign journalists, which they reject as sensationalist.

As the rebels drew closer to Addis Ababa, in early November, Abiy de-



clared a sweeping six-month state of emergency, giving the police powers to detain anyone accused of supporting "terrorist groups". The emergency measures have been used to round up thousands of Tigrayans, who are being held in unknown locations. Hate speech has also spiked, with Abiy's allies using increasingly inflammatory language to whip up support for the

war. Abiy himself has called the Tigray rebels "weeds" and "cancer".

Having notched up some of the world's highest growth rates over the past decade, Ethiopia was widely tipped for powerhouse status after Abiy came into office preaching reform and democratic change. But the economy has been battered by the war, inflation is through the roof and activity in the once-booming construction sector has all but ground to a halt.

### Uncertainty ahead

With the government requesting debt relief and an IMF programme, the country's economic prospects are uncertain. The IMF did not venture to make a prediction of the country's GDP growth for 2022.

A hotly anticipated auction for two telecom licences in May proved to be an anticlimax, with only one successful bid, submitted by a consortium led by Safaricom, the biggest operator in Kenya. In July, Ethiopia completed the second filling of the reservoir of the Grand Ethiopian Renaissance Dam, which is expected to electrify millions of homes, although downstream Egypt maintains its staunch opposition to the mega-project out of fears it could jeopardise its water supply. •

## Amhara up in arms

Nationalist fervour is running high in Amhara – home to Ethiopia's second-biggest ethnic group (after the Oromo). Leaders were whipping up support as the fighting spread. In August, for example, when calling on secondary-school pupils to join the fight against the TPLF, the regional government said its citizens should stand together to "ensure our survival in the face of the threat to our very existence." The state has since mobilised for total war, with tens of thousands of young men enrolled in militia groups or the local special forces.

Reports of atrocities committed by the TPLF as they advanced through Amhara have hardened these views. In the town of Kobo in early September, Tigrayan rebels were accused of killing dozens of Amhara civilians in revenge attacks. Amnesty International has uncovered evidence of Tigray fighters raping Amhara women in the town of Nifas Mewcha.

When war broke out last year, Amhara politicians saw it as an opportunity to absorb into Amhara parts of Tigray that they claim are rightfully theirs. Despite the rebel gains, Amhara forces remain in control of western Tigray, from whence hundreds of thousands of Tigrayans have been evicted to make room for Amhara settlers. Whatever happens on the battlefield, resolving the region's future status could be one of the thorniest issues facing the country. •



# Kenya

## Life after Uhuru

**Raila Odinga and William Ruto are set to face off in the 2022 presidential election. President Kenyatta's successor will have to deal with the debt left from his infrastructure drive.**

**B**arring a potential runoff or a contested vote, President Uhuru Kenyatta will complete his final term in August 2022. The campaign to succeed him is already in full swing and will have far-reaching political, economic and social effects.

Among the frontrunners to succeed Kenyatta are his estranged deputy, William Ruto, and Kenyatta's now preferred successor, opposition leader Raila Odinga. Others on the growing list include former UNCTAD secretary-general Mukhisa Kituyi, speaker of parliament Justin Muturi and county governors Kivutha Kibwana (Makueni), Mwangi wa Iria (Murang'a) and Alfred Mutua (Machakos).

According to a November 2021 opinion poll by Trends and Insights For Africa, Ruto is the clear frontrunner. There had been a marginal decline in his support and a significant increase in Odinga's, according to a poll taken five months earlier. Still, neither had more than 50% support, which is one of the two requirements for a clear first-round victory (the other is 25% of the vote in at least 24 counties). At the time, Odinga had not officially declared he would run a sixth time but gave all indications that he would do so by the end of 2021.

### Youth and the poor

Both leading candidates are holding rallies across the country, focusing on winning the youth vote, fighting for Kenyatta's populous Central Kenya vote basket, and building new alliances. In their bids to attract widespread support, both have promised extensive social and economic programmes.

Ruto has based his "hustler" campaign on the promise of building

the economy from the "bottom up", saying he would focus on healthcare, the economy, infrastructure and the environment. In October 2021, he promised his government would spend KSh200bn (\$1.8bn) to boost job creation and create 4m jobs in the first year. Ruto has also led the way in trying to reframe Kenya's historically ethnic political dynamics into something akin to a class struggle, arguing that the country has been under the grip of "dynasties" since independence.

One of Odinga's promises is a KSh6,000 monthly allowance to poor households. In September, he released a raft of proposed policy interventions to curb youth unemployment. Among them are tax breaks to companies that either are run by young people or employ them. In November, he added a policy proposal to extend the country's free education programme from nursery school to university.

### Coalition calculations

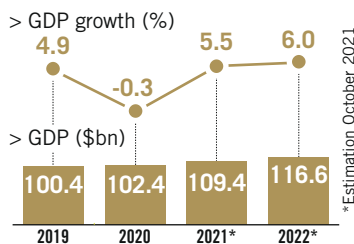
The second criteria for winning the presidency outright in the first round presents a major challenge to the candidates, who are likely to spend most of 2022 building alliances and, potentially, national coalitions to give them a better chance of winning the geographical spread of votes they need. Ruto has been hesitant to build a coalition, preferring instead to build his new party, the United Democratic Alliance, as a national party.

Odinga – with Kenyatta's help – has so far failed to convince his former coalition partners in 2013 and 2017 to reunite for a third stab at the presidency. Plans for a coalition between his 16-year-old party, the Orange Democratic Movement, and the surviving wing of Kenyatta's party are said to be at advanced stages.

All 47 gubernatorial races, and the local county representative, parliamentary and Senate seats will take place over the first eight months of 2022. One challenge Kenya's political class may face is what appears to be widespread voter apathy. A voter registration exercise meant to end in early November 2021 was extended after the polls agency revealed it had only registered 17% of its targeted



- > Population: **53.77 million**
- > GDP per capita: **\$1,838**
- > Life expectancy: **66.7**
- > Adult literacy: **82%**
- > Inflation: **5.4%**
- > Human development index (out of 189 countries): **143**
- > Foreign direct investment: **\$717m**
- > Last change of leader: **2013**



4.5 million voters, which itself was a downgrade from an original target of 6 million.

Election years can be bad for Kenya's economy, which is just recovering after taking a battering from the Covid-19 pandemic. However, the IMF predicts that Kenya will return to and stay on its high growth path in 2022 and beyond, thanks to the manufacturing, financial and transport sectors in particular. Heading to the 2022 elections, campaign issues are tending to be more social and economic: a mounting public debt pile with looming repayments, stagnant economic growth and high youth unemployment.

Some of Kenya's debt will become due from 2022 onwards, amidst other national expenses and a new administration with its own policy initiatives. Much of the spending has been on infrastructure (see box).

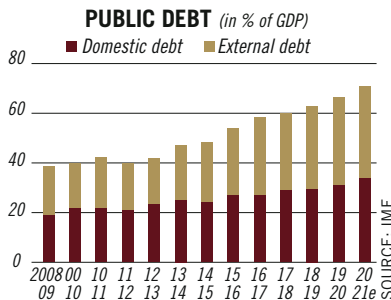
In March 2021, the IMF warned that Kenya's public and publicly guaranteed debt was 'sustainable but with high risk of debt distress'. Kenya plans to raise \$12.4bn from international markets from 2021 to mid-2022.

### Unpopular taxes

Paying off most of these and other debts will fall on Kenyatta's successor's administration, and will likely limit further investment options as more than 65% of the country's tax revenue is already going into capital repayments and interest. Faced with looming repayments, Kenya has gone back to the Bretton Woods institutions, who have pushed for a broadening of the tax bracket. The government has introduced unpopular taxes on fuel, gas, and other commodities. It also sought debt relief from China and the Paris Club group of creditors.

The government predicts that the tourism industry should be back to normal in 2024. Ratings agency Fitch is less optimistic, predicting that a return to pre-pandemic visitor numbers – around 2.2 million – will not happen until 2025. The country recorded 567,848 tourist arrivals in 2020 and 452,919 from January through September 2021.

In terms of infrastructure, the government has been talking up its commitment to green energy, setting a target of 100% renewable energy supplies by 2030. But at the same time, it is also in discussions on potentially setting up a nuclear power plant that could be online by 2036. Also on the



agenda is converting oil-fired power plants to liquefied natural gas and the development of new geothermal plants in Baringo.

To help smallholder farmers, the Kenya Tea Development Agency has started a new policy of minimum reserve prices. Production in 2021 was lower than 2020, dropping 10% year on year in the July-October period to hit

77.4m kilos. Also in the agriculture sector, both Odinga and Ruto say that they will crack down on cartels and intermediaries who hurt farmers' bottom lines.

### Eyes on Ethiopia

Kenya's interest in a peaceful resolution to the conflict in Ethiopia stems from a mix of neighbourly altruism and geopolitical calculations. The conflict could worsen the refugee situation in the region, and Kenya, which has been trying to close down its refugee camps, fears the cascading effects of instability in Addis Ababa. Kenya is also now commercially involved in Ethiopia, with mobile operator Safaricom due to launch operations there in 2022 after winning a telecoms licence with its consortium partners.

Among the other major issues Kenyatta and his successor will have to deal with in 2022 is the country's fraught relations with Somalia, which were worsened by a ruling by the International Court of Justice in October 2021 that awarded most of a disputed oil-rich maritime area to Somalia. Kenya withdrew from the case and said it would not recognise the result. It has deployed its navy to patrol the disputed waters. •

## Last-minute business

President Uhuru Kenyatta has ramped up pressure on Chinese contractors to complete several major projects before he steps down in August 2022. Among the most significant is Nairobi's Expressway, a 27.1km elevated highway that cuts through the Kenyan capital. The new road, which is set for completion in March 2021, is being built under a public-private partnership that involves users paying tolls. Kenyatta also wants to launch the Nairobi Western Bypass, the last of a ring-road network masterplan, by the end of 2021 or early 2022.

Away from the capital, Chinese contractors are also rushing to beat the clock on the \$385m Kipevu Oil Terminal. Kenyatta intends to oversee to completion the \$24.6m Naivasha ICD-Longonot railway line, which will link the country's new 592km standard-gauge railway to its old medium-gauge railway. The Kenya railways body said the link was 50% complete in August 2021. Meanwhile, the country has also been rehabilitating the old MGR line, which covers 2,046km from the city of Mombasa to Malaba, with seven branch lines.

A project that may be delayed or begun in 2022 is the 820km Lokichar-Lamu Oil Pipeline, central to the ambitious Lamu corridor project. In May 2021, Kenyatta opened the first of the 32 berths slated for Lamu Port, the country's second deep seaport and another part of the Lamu corridor project. •



# Rwanda

## Keeping up with the Kagames

**Two reports on the responsibility of France in the Tutsi genocide have helped settle a historical dispute. Luxembourg has signed an agreement to boost the activities of the Kigali International Financial Centre.**

**C**ontinuity and development are the hallmarks of the regime of Rwanda's President Paul Kagame. With a laser-like focus on eliminating threats, he continues to weaken rivals and critics.

The next national elections are scheduled for 2024, and Kagame has not expressed an interest in stepping down. So there do not seem to be any major shakeups on the horizon in the ruling Rwandan Patriotic Front.

In September 2021, the courts sentenced Paul Rusesabagina, the former manager of Hôtel des Milles Collines, who saved lives during the genocide, to 25 years in prison for involvement in terrorist activities. The Rusesabagina case sends a strong message to those opposed to Kagame, but the government appealed the prison term, saying it is not severe enough.

The opposition accuses the government of assassinating critics who live in exile. Many of those who remain in Rwanda to challenge Kagame, like Diane Rwigara, who was imprisoned after standing in the 2017 election, face many obstacles.

### A historic détente

After 27 years of tense relations, Kigali and Paris began a historic rapprochement in 2021 following a process of truth-telling on both sides. In March and April, two thick reports were published on the controversial role of Paris in Rwanda between 1990 and 1994 and on its possible responsibility in the Tutsi genocide. Welcomed by both sides, these reports, based primarily on the consultation of archives – by a group of French researchers on the one hand and a New York law firm on the other – have made it possible

to iron out a long-standing political and historical dispute, which led to President Emmanuel Macron's visit to Rwanda in May. Kagame continues to burnish his international standing. The Commonwealth – an organisation Rwanda joined in 2009 – is expected to hold its big meeting of heads of state in Kigali this year, after being cancelled in 2021 due to the pandemic.

The Rwanda Defence Forces arrived in Mozambique's northern Cabo Delgado region in July 2021 to help

the Mozambican security forces to fight Al-Shabaab, which claims ties to the Islamic State terrorist group. Very quickly, the Rwandan army's intervention made it possible to regain control of the strategic port of Mocimboa da Praia from the jihadists and to secure the province.

### Qatari partnership

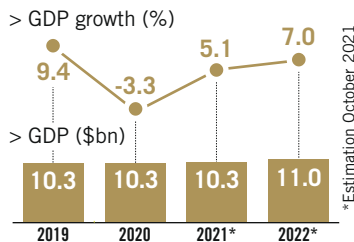
Like many other African countries, Rwanda continues to be hit hardest by the economic rather than the health impacts of the Covid-19. With business and leisure tourism recording steep drops due to international travel restrictions, the government is focusing on economic diversification. To get more investment into the tourism sector once travel rebounds, it has been working with Qatar Airways, which has taken a stake in a new airport being built near Kigali and is due to take a minority stake in RwandAir.

Building a financial hub is also on the agenda. Rwanda and Luxembourg signed an agreement in October 2021 to boost the activities of the Kigali International Financial Centre.

Rwanda will host the first vaccine-manufacturing facility on African soil using BioNTech's messenger RNA technology. An agreement was signed in October by the Rwandan authorities and the German-based biotech start-up, which became world famous for producing, with US pharmaceutical giant Pfizer, the most effective vaccine against Covid-19. Construction of the production facility is expected to begin as early as mid-2022 and, according to the signatories, it could eventually also produce malaria and tuberculosis vaccines based on the same technology. •



- > Population: **12.95 million**
- > GDP per capita: **\$798**
- > Life expectancy: **69**
- > Adult literacy: **73%**
- > Inflation: **9.9%**
- > Human development index (out of 189 countries): **160**
- > Foreign direct investment: **\$135m**
- > Last change of leader: **2000**
- > GDP growth (%)





# Seychelles

## Patience, patience

**2022 will bring the truth and reconciliation commission's final report on the years of single-party rule. The tourism sector is rebounding, but economic diversification is still on the agenda.**

**W**avel Ramkalawan, the president of Seychelles, is a patient man. The former opposition politician, who ran for president for the sixth time in October 2020, ended up winning in the first round. The election of this Anglican priest from the *Linyon Demokratik Seselwa* (LDS) party ended the unbroken rule of the former single party, United Seychelles (previously called Lepep), which had been in power since 1977.

Ramkalawan also has the support of members of parliament: in the legislative elections held at the same time as the presidential election, his party won 25 seats and it now controls two-thirds of the unicameral parliament. But Ramkalawan and the LDS are launching gradual rather than revolutionary reforms.

The political agenda in 2022 will be shaped by the final reports of the Truth, Reconciliation and National Unity Commission, which is set to wrap up its work investigating human rights and other abuses under the former single party. Ramkalawan campaigned on fighting against corruption and says he wants the Anti-Corruption Commission to deliver concrete results that the people can see.

### Tourists can't wait to be back

The Covid-19 pandemic hit the tourism sector hard. The authorities have taken measures to contain the epidemic and blitzed media with reassuring claims to woo tourists back, as the industry accounts for 60% of GDP. In 2021, Ramkalawan said that arrival numbers were similar to those reached in the record year of 2019.

Companies are still investing in the sector, with new hotels being built at

Anse La Mouche and Île Platte. Air Seychelles, however, may not survive the crisis. As *The Africa Report* went to press, administrators were examining whether the airline should get a turnaround plan or be shut down.

For Seychelles, the economic recovery looks set to be as spectacular as the recession from which it has just emerged. In 2020, under the impact of the pandemic and the collapse of tourism, GDP contracted by an unprecedented 12.9%. The economy was on

track for positive growth in 2021, but the IMF warned the government that public debt has risen sharply, and the inflation rate was expected to reach 10% in 2021.

### Off the blacklist

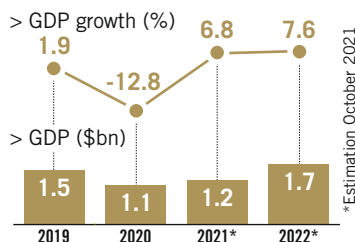
Acknowledging the over-reliance on tourism, the authorities have promised to diversify the economy by focusing on agriculture and fish farming. Another weakness of the Seychelles economy is the vulnerability of its 115 islands and islets to climate change and rising sea levels, which the African Development Bank warns is one of the main challenges for the country. Sinohydro is due to complete work on the La Gogue dam in 2022 to provide sustainable drinking water to the population of the island of Mahé.

The Seychelles economy should benefit from the removal of the country from the European Union's blacklist of tax havens in October 2021. The international charity Oxfam criticised the move, however, and pointed out that the archipelago was at the heart of the Pandora Papers international tax scandal.

Ramkalawan is dealing with growing discontent after several months of sacrifices demanded of his population. In October, the suspension of the 'thirteenth month' pay for public- and private-sector workers for the second year in a row angered unions. During the Covid crisis, the government stepped up social protection measures. The World Bank has called for more policies to improve education and to protect the poorest from the impact of the pandemic. Ramkalawan says his long-term commitment is to reducing the cost of living. •



- > Population: **98,000**
- > GDP per capita: **\$11,425**
- > Life expectancy: **73.4**
- > Adult literacy: **96%**
- > Inflation: **1.8%**
- > Human development index (out of 189 countries): **67**
- > Foreign direct investment: **\$122m**
- > Last change of leader: **2020**



# Somalia

## Inertia and instability

**Presidential elections should soon be held, with Farmaajo competing against two former presidents.**

**Drought and insecurity are major obstacles to economic growth and development.**

**S**omalia heads into 2022 with ongoing political and security uncertainty. President Mohamed 'Farmaajo' Abdullahi Mohamed's government failed to organise a 'one person, one vote' election, leading to a political crisis and a cascade of delays. The election machinery is now moving, which should soon lead to a presidential election.

After Farmaajo tried to extend his term and provoked a crisis that split members of the security services, the country's political actors agreed on an indirect vote, as had been done previously. The selection of 54 members of the upper house was completed in November and the choice of lower house members then started. Once the nearly 30,000 clan delegates have chosen those 275 officials, the two houses can elect a president.

Farmaajo is running for reelection against former presidents Sharif Sheikh Ahmed and Hassan Sheikh Mohamud, amongst others. His opponents say that, as in previous elections, there is vast corruption, nepotism and vote-buying. Analysts worry that disputes around the elections could degenerate into conflict.

### Decisions on AMISOM

A lack of transparency in the election process makes predictions all the more difficult. Farmaajo swept to victory in 2017 on a nationalist platform, but he has not managed to shift the needle on the country's development, security, political and humanitarian problems. The mysteries around the murder of spy Ikran Tahlil have also dragged the government into opaque conflicts, with Farmaajo and prime minister Mohamed Hussein Roble

falling out over the management of the investigations and the aftermath.

Whoever wins the elections, security and negotiations with the African Union over the future of its UN-backed peacekeeping mission AMISOM will dominate discussions. The mission's mandate is due to expire on 31 December 2021, but the sides cannot agree on a way forward.

Between January and November 2021, nearly 1,000 people died in the conflict. The Somali government

wants to take over, but Somalia's international partners are unconvinced of Mogadishu's ability to provide security. The Islamist militants of Al-Shabaab increased their suicide attacks and assassinations during the election period in 2021.

### Pests and drought

The AU has been proposing to bring in troops from other countries. If AMISOM is to be wrapped up or reduced, its troops are unlikely to be withdrawn until at least after peaceful elections are held.

Insecurity, swarms of pests and drought are major threats to Somalia's economy and its farmers. The UN estimates that, with a worsening drought affecting more than three-quarters of the country, the number of people in need of humanitarian assistance could rise by almost a third to reach 7.7 million people.

At least progress is being made on the financial services front. Mobile-money usage is growing and, in August, the central bank implemented a national payment system.

Somalia won its International Court of Justice case against Kenya over its maritime border, but Kenya walked away from the proceedings and said it would not respect the decision. This presages continued poor relations between Nairobi and Mogadishu.

Undisturbed by this, the Somali authorities are moving ahead with an oil-bidding round. They have been canvassing for interest since May 2020 and have yet to announce the deadline for bids on seven offshore blocks. The government says that Somalia's waters could contain the equivalent of 30bn barrels of oil. •



> Population: **15.89 million**

> GDP per capita: **\$309**

> Life expectancy: **N/A**

> Adult literacy: **5%**

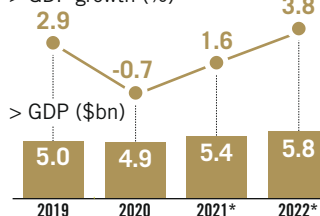
> Inflation: **N/A**

> Human development index (out of 189 countries): **N/A**

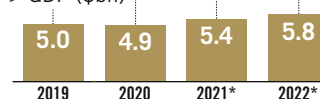
> Foreign direct investment: **\$464m**

> Last change of leader: **2017**

> GDP growth (%)



> GDP (\$bn)



\*Estimation October 2021



# South Sudan

## No justice, no peace

**Slow progress is being made on the transitional agenda to end the country's conflict. The humanitarian crisis is weighing on the oil-dependent economy.**

**S**outh Sudan's transitional period, which began with a peace deal in 2018, is still far from nearing its conclusion. Slowing the process, according to the UN's outgoing special representative, David Shearer, in March, are the "key decision-makers" for whom an election "could put their access to power and resources at risk" – warlords wary of attempts to bring people to justice, and politicians with their hands on the oil wealth. In September 2021, the UN Commission on Human Rights in South Sudan reported that more than \$73m of public funds had been siphoned off since 2018 – double the figure the commission said had been embezzled between 2016 and 2020.

None of the transitional milestones have been reached on time, and none are on course to do so in the year ahead. The earliest possible date under discussion for national elections is in 2023.

### Machar faces a challenger

South Sudan continues to be marked by the rivalry between President Salva Kiir and first vice-president Riek Machar. Machar's rebel forces have been splintering, weakening his hand and leading him to play for time. In late 2021, Lieutenant-General Simon Gatwech Dual challenged Machar for the leadership of the Sudan People's Liberation Movement-in-Opposition.

Meanwhile, Kiir's government has been cracking down on all forms of dissent, using state resources to intimidate journalists, members of civil-society groups and others.

The government made some progress on setting up transitional justice mechanisms and the new parliament in 2021. But many of the major tasks

to allow for elections and a new government remain. They include the creation of a constitution and the integration of the country's fighting factions into unified armed forces.

In 2021, the first 53,000 troops of the unified forces were due to graduate from the government's training facilities, but they had not done so as *The Africa Report* went to press. The government has been struggling to stamp down communal violence in Warrap, Lakes, Jonglei, Unity, Upper

Nile states and Greater Equatoria. Not all fighting factions have signed up to the 2018 peace deal.

The country's economic and humanitarian crises are grinding on. The IMF expected growth to return in 2021 and to continue in 2022, but that depends on the global oil markets and the country's security situation.

### Hunger games

South Sudan produced an average of 170,000 barrels of oil per day in 2020. Insecurity means new investment in the sector is not likely to occur soon, but the government continues to court international interest in South Sudan's oil, with a conference planned for July 2022. It relies on oil for about 90% of its revenue.

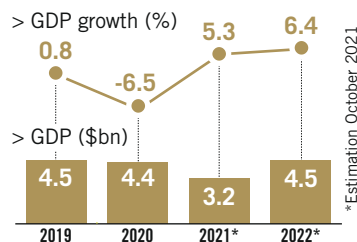
The UN says that an estimated 60% of the population suffers from severe food insecurity, and that it has been reducing food supplies due to the lack of funding for South Sudan. There are an estimated 2.2 million South Sudanese refugees in the region, and 1.9 million internally displaced people within the country.

The IMF aid programme is focused on improving governance and targeting priority projects. The institution is pressuring the government to refrain from signing costly oil prefinancing deals. The government is addressing inflation better now than in recent years, but it was still expected to be 23% in 2021. The treasury continues to struggle to pay civil-service salaries.

One sector that is attracting investment amidst the conflict is telecoms. In October 2021, South African mobile operator MTN announced plans to invest \$120m in its South Sudanese networks over the next three years. ●



- > Population: **11.19 million**
- > GDP per capita: **\$1,120**
- > Life expectancy: **57.9**
- > Adult literacy: **35%**
- > Inflation: **29.7%**
- > Human development index (out of 189 countries): **185**
- > Foreign direct investment: **N/A**
- > Last change of leader: **2011**





# Tanzania

## Hassan hits her stride

**President Hassan says she is preparing to run on the CCM ticket in the next elections in 2025.**

**The economy continues to grow from mining exports, infrastructure projects and agriculture investments.**

**P**resident Samia Suluhu Hassan did not have much latitude to show her style as vice-president in the developmental-authoritarian government of the late John Magufuli. In charge since his death in March 2021, she has turned a page on his Covid denial and combative relationship with international investors, but continues to use the ruling *Chama Cha Mapinduzi* (CCM) party's predominant political position to weaken the opposition and throttle freedoms of assembly and expression.

The Magufuli succession highlighted rivalries within the CCM. Hassan is an ally of former president Jakaya Kikwete, who was at odds with Magufuli. She says she plans to run for office and her own elected mandate in the next national polls in 2025. She is using her position to empower other women by, for example, appointing Stergomena Tax as Tanzania's first female defence minister.

### Slow justice

The CCM government has been using the courts and restrictive laws to intimidate and stifle the opposition. Zitto Kabwe, the leader of the Alliance for Change and Transparency-Wazalendo, says that the Political Parties Act, Media Service Act and Elections Act must be changed to allow the opposition and the media to operate more freely. Kabwe also says that the authorities are not using the existing laws as they should to hold criminals to account. The non-governmental organisation Human Rights Watch has pointed out that no one has been put on trial for the 2020 election violence in Zanzibar, in which at least 14 people were killed.

Tundu Lissu, the deputy chairman of *Chama cha Demokrasia na Maendeleo* (Chadema), says he will not return to the country until he has guarantees for his safety and sees that the government is committed to respecting human and political rights. He is calling on the government to drop all its cases against him and other Chadema members; the government dropped its sedition case against him in September. Chadema leader Freeman Mbowe is not so lucky, and is in prison with others awaiting

trial on terrorism-related charges. The second judge in charge of the trial stepped down in October.

The opposition saw the change in national leadership as an opportunity to push for constitutional reforms to balance the political playing field. That is not something President Hassan has embraced, although she has said she is open to talking to her political opponents.

### International relations

Mbowe has said that Chadema will not participate in the 2025 elections unless the constitution is reformed because it gives too much power to the presidency. Other topics the opposition wants to see addressed are electoral reforms and improvements to the relationship between the governments of the mainland and Zanzibar.

The CCM's line has been that there are more important things to do than make amendments to the constitution, but it also benefits from the status quo, as it has been the country's only ruling party since independence.

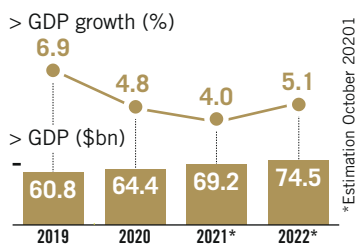
Hassan and the CCM say they will focus on delivering on economic growth and development. The economy keeps growing, and did so in 2020, when many countries on the continent recorded negative growth. Under the CCM, the poverty rate dropped from 28.6% in 2015 to 26.3% in 2020.

Relations with the IMF were poor under Magufuli but have now improved. The financier approved a \$372.4m aid package for the government in November 2021 to help it deal with the impact of the Covid pandemic.

Hassan is also working better with Beijing. In 2021, the government re-launched talks with China Merchants



- > Population: **59.73 million**
- > GDP per capita: **\$1,077**
- > Life expectancy: **65.5**
- > Adult literacy: **78%**
- > Inflation: **3.3%**
- > Human development index (out of 189 countries): **163**
- > Foreign direct investment: **\$1,013m**
- > Last change of leader: **2021**



Holdings about plans for a major port at Bagamoyo that collapsed under her predecessor. Talks are also under way with China's Sichuan Hongda about its planned \$3bn investment in the Mchuchuma coal and Liganga iron-ore mines. Magufuli was opposed to the terms of the proposed deals, but neither side has made any public statements about the details of the current negotiations.

Infrastructure is a major focus of the government agenda. The construction of a standard-gauge railway is under way, as is a 2,115MW dam in a nature reserve and a crude-oil pipeline to link up with Uganda's Lake Albert oil fields. Discussions have been relaunched on \$30bn in investments to build a liquefied natural gas export hub in Lindi in south-eastern Tanzania. To cope with the rise in demand for cement, China's Huaxin has invested \$145m in upgrades to its plant, which has the capacity to produce 1.6m tonnes per annum.

Electricity production is not keeping up with demand, and the state utility has to ration power during peak periods. Hydroelectric production was hit by drought in 2021, so the government is diversifying the geography of production and types of generation. Two new dams are being built with combined capacity of 580MWs, and the Tanzania Geothermal Development Company is targeting 200MW of generational capacity by 2025.

### Sugar self-sufficiency

Agriculture is a key economic sector, generating livelihoods for the majority of the population, accounting for 27% of GDP and 24% of exports. The government's development plans for the sector are focused on maize, rice, cotton, cashews, tea, coffee, tobacco, sisal, oil palm, wheat, soybeans, cocoa, cassava, sugarcane and horticulture.

Dodoma has set a target for the country to become self-sufficient in sugar production by 2025, and investors are piling into the sector. Kilombero Sugar is expanding, and Bagamoyo Sugar and Mkulazi Holdings are launching their production.

Mining is also big business in Tanzania. The country is Africa's fourth-biggest gold producer and the metal is a key source of foreign exchange. While gold miners like Canada's Barrick attracted Magufuli's ire, President Hassan has made soothing public statements and says the

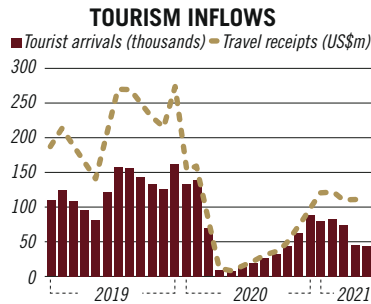
mine until 2026. The firm will launch operations at its Singida mine in 2023, which should enable it to produce 100,000oz per annum.

The value of gold produced by Tanzania's industrial miners dropped to \$459.4m in the third quarter of 2021, down from \$529m in the same quarter of 2020, due in part to lower production and lower prices. Estimates suggest that there are roughly 600,000 artisanal miners in the country, which contribute to the activities of smuggling networks that evade taxation.

### Nickel and dimes

Tanzania also has minerals that are sought-after for the green economy. Kabanga Nickel is looking to raise \$1.3bn for its mining project in the north-west after receiving its mining licence in October. The company is planning to bring its mine and a refinery online by 2024 to meet the demand of electric-vehicle manufacturers.

The tourism industry, which used to be the country's top source of foreign exchange, will take a long time to recover from the impact of the Covid-19 pandemic. The country received 243,565 international visitors in the third quarter of 2021, up from 74,534 in the same period of 2020. •



government will respond to the concerns of the sector's players.

Barrick's production from its North Mara and Bulyanhulu properties was due to hit its 2021 targets thanks to investments in new machinery and exploration to extend the lives of the mines. Other miners have been following suit, and Shanta Gold has extended the life of its New Luika

## Clocking up the air miles

President Samia Suluhu Hassan is much more active on the diplomatic front than her predecessor was, and she will have plenty on her to-do list in 2022. In the East African Community, Tanzania has earned the reputation of being lukewarm at best about regional integration, so her first trips were to work on better ties with neighbouring Uganda and Kenya, holding talks on how to improve trade and increase cooperation. A sign of improvement came with the relaunch of Air Tanzania flights from Dar es Salaam to Nairobi in November, after more than 20 years' absence. The governments of Tanzania, Uganda and Kenya are working to remove trade barriers and settle trade disputes.

Other African visits in 2021 included to Burundi, Rwanda, Mozambique, Malawi, Zambia and Egypt. Mozambique is a focal point of Tanzanian foreign policy, as Dodoma does not want the Islamist rebels in Mozambique's Cabo Delgado Province to cross the border. Tanzania has sent troops both to reinforce border security and as support for the Southern African Development Community's peace-keeping deployment in Mozambique. To round out a busy diplomatic year, President Hassan also attended the UN General Assembly in New York in September and the November COP26 meeting in Glasgow, Scotland. •



# Uganda

## Museveni defies political gravity

**Bobi Wine is struggling to challenge President Yoweri Museveni now that the 2021 elections are over. The government is focusing funds on road and electricity infrastructure to help the economy.**

**M**uch of Uganda's attention in the year 2022 will focus on resuscitating an ailing economy after a tense 2021 electoral season and the devastating impact of Covid-19, which left large sections of the business community battered. President Yoweri Museveni has been Uganda's president for the past 35 years, and each passing year brings more speculation about how a succession will take place (see box) and what its impact will be.

Upstart oppositionist Bobi Wine ran against Museveni in January 2021's presidential elections and lost. His National Unity Platform (NUP) does not have the money or grassroots support of Museveni's National Resistance Movement (NRM). The NUP took 57 seats in the 529-seat parliament, making it the second-largest force after the NRM, which has 336.

Wine is having a tougher time mounting opposition to Museveni now that the pressure-filled election is over. Analysts say that the NUP is riven with rivalries and divisions. Wine says that he has rebuffed Museveni's offers of a political dialogue.

### Besigye's back in town

The NRM government continues to use violence and intimidation against the opposition, which is looking for new strategies to weaken Museveni's grip on power. But, while longstanding opposition leader Kizza Besigye of the Forum for Democratic Change (FDC) had stepped out of the spotlight to allow Wine a better chance of victory, opposition unity is fraying. In October, Besigye formed a new pressure group, the People's Front for Transition, in order to prepare for the eventuality that

Museveni will no longer be Uganda's president. NUP supporters have been critical of Besigye's move, and some FDC cadres say that they do not want to work together with Wine and the NUP.

Security will be a challenge for the Museveni government in the year ahead. A series of attacks in Kampala in October and November were variously attributed to the Islamic State rebels and the anti-Museveni rebels of the Allied Democratic Forces, who are based in the eastern DRC.

On the diplomatic front, Museveni continues to play the role of elder statesman. His conflict with Rwanda's President Paul Kagame has yet to be resolved. Kagame has accused Museveni of supporting anti-Kagame forces, and Kigali has closed its border with Uganda for more than two years. Each country is making its own regional economic integration plans so as not to depend on the other. Meanwhile, Uganda and Kenya's relations have been damaged by disputes relating to the sugar and milk trades. Talks were due to happen in November 2021 in an effort to ease tensions.

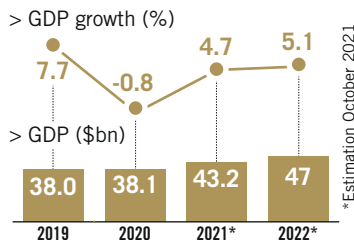
### Curfew drags on

As *The Africa Report* went to press, Uganda remained partially shut down – with a nationwide 5.30am to 7pm curfew still in place, and schools closed – as the government continued to encourage residents to get vaccinated against Covid-19 ahead of the country fully opening up. The government, under pressure to end the lockdown, says it needs to vaccinate nearly 5 million people out of a total population of about 42 million before it can relax the measures. It was planning for a reopening in January 2022.

The exit from Uganda of international brands such as Shoprite and Africell, and the suspension of air links, add further pressure on the government to end the pandemic restrictions. Private-sector credit has dropped, debt levels are up and tax-revenue collections have dropped, while the overall economic growth outlook remains well below what it was in pre-Covid times. As a result of weak demand, inflation continues to hover around the central bank's 5% target.



- > Population: **45.74 million**
- > GDP per capita: **\$817**
- > Life expectancy: **63.4**
- > Adult literacy: **77%**
- > Inflation: **5.6%**
- > Human development index (out of 189 countries): **159**
- > Foreign direct investment: **\$823m**
- > Last change of leader: **1986**
- > GDP growth (%)



Uganda's efforts to support the economic recovery will have an impact on the country's debt levels, which are set to hit 50% of GDP in 2022. The government promises to invest more in the transport network – especially roads – to smooth the movement of food from areas of plenty to those facing scarcity. The country will spend about \$1.5bn on the transport network in the financial year 2021/2022 – a record amount.

Uganda also intends to commission its largest power plant in 2022 – the delayed 600MW Karuma hydropower project. Its energy supplies will be used to support Uganda's industrialisation, with surplus power to be sold to Kenya and South Sudan.

The government says that it will reduce its debt by collecting more in revenue. But the Uganda Revenue Authority has been struggling to meet its monthly collection targets for the past year, and new tax measures could impact the fortunes of certain sectors.

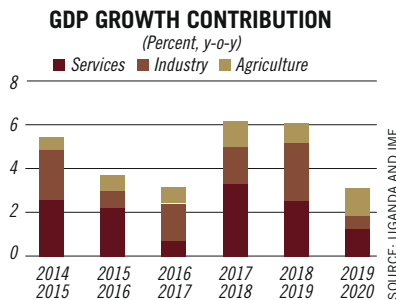
Take the gold export business. Gold is Uganda's most valuable export and it brings vital foreign exchange into the country, even though nearly all of the gold exported comes from the neighbouring DRC. Gold exports were valued at \$1.1bn in the financial year 2019/2020, according to the latest available official figures, compared to \$6.8m nine years earlier. This growth has largely been attributed to the emergence of gold refineries – now totalling five – in the country.

### Gold tax is tarnished

In order to generate more money, the Museveni government introduced new taxes on the gold industry in July: refined gold exports are subject to a 5% levy, while unprocessed exports are at 10%. The impact was clear. Uganda, according to official records, did not export a single kilo of gold in July, as traders protested the new measures. Discussions between exporters and the government are expected to be completed in the first quarter of 2022.

The signing into law of the new Mining and Mineral Bill, which, among other things, will allow the government

to form a national mining company that will be entitled to a 15% stake in mining projects, looks likely to go ahead. Cabinet has already passed the bill, which is scheduled for debate in a parliament dominated by the ruling party, after which it will go back to the president for approval.



A new 12% tax on internet services could hurt a lucrative segment of the telecom industry. Experts predict that there could be a drop in internet usage as a result of the tax. Data services account for roughly a quarter of the total revenue of Uganda's top two telecom firms – MTN and Airtel.

Telecoms will give a big boost to the local bourse. MTN's listing of 20% of its shares on the Uganda Securities Exchange in the first

week of December of 2021 is expected to more than double the market capitalisation on the bourse within the first few months of 2022.

### The oil journey beings

After years of negotiations, critical agreements were signed in 2021 between Uganda, Tanzania and several oil companies to launch the development of Uganda's oil reserves. The passing of the East Africa Crude Oil Pipeline Law remains one of the last critical documents which will be needed to unlock billions of dollars of investment in the industry, as Uganda starts the journey of being an exporter of crude oil. Oil companies in Uganda have so far discovered 6.5bn barrels of oil, with 1.4bn of that said to be recoverable.

France's TotalEnergies, the lead company in Uganda's oil industry, has issued conditional letters of award for engineering, procurement, supply, construction and commissioning services to US firm McDermott and China's Sinopec.

Progress on the refinery project is not as fast though. Italy's Saipem, which is leading a consortium of companies for the construction of Uganda's refinery, is finalising a front-end engineering design study for the project. •

## Muhoozi for president?

Lieutenant General Muhoozi Kainerugaba's June appointment as the commander of the Ugandan land forces has reignited public debate about whether he is in line to succeed his father, Yoweri Museveni, as president. Muhoozi, 47, remains quiet about any such ambitions, while more and more people point to him as the country's next potential leader come 2026. He has, however, used social media to make clear where his interests lie. Muhoozi is rather vocal on Twitter, where his comments – such as those on the Tigray war in Ethiopia – embolden his supporters, ruffle the feathers of the opposition and create some uneasiness in diplomatic circles. Muhoozi's army of supporters continue to refer to him as the next leader, and recently merchandise – such as T-shirts and car bumper stickers – have been seen bearing that message. But what are Muhoozi's chances? He would need to retire from the army to prepare for political life, and President Yoweri Museveni appears to be in no rush to push his son into civvy street. The next couple of months should provide some clarity as to how Muhoozi is positioning himself as his father enters the twilight of his long rule. •

# People to watch

## Uganda

### Anita Among Co-opting chief

Though she is below the vice-president and the prime minister in the hierarchy – the other two senior positions held by women in President Yoweri Museveni's government – deputy speaker of parliament Anita Among wields more influence than them. She also seems to hold more power than her boss, speaker Jacob Oulanyah. Among was previously in opposition, then became an independent legislator before joining the ruling National Resistance Movement in 2021. She is therefore a link between opposition figures and Museveni, who is interested in co-opting his competitors.



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## Ethiopia

### Tsadkan Gebretensae

Tigray's defender

### Debretsion Gebremichael

Tigray's champion

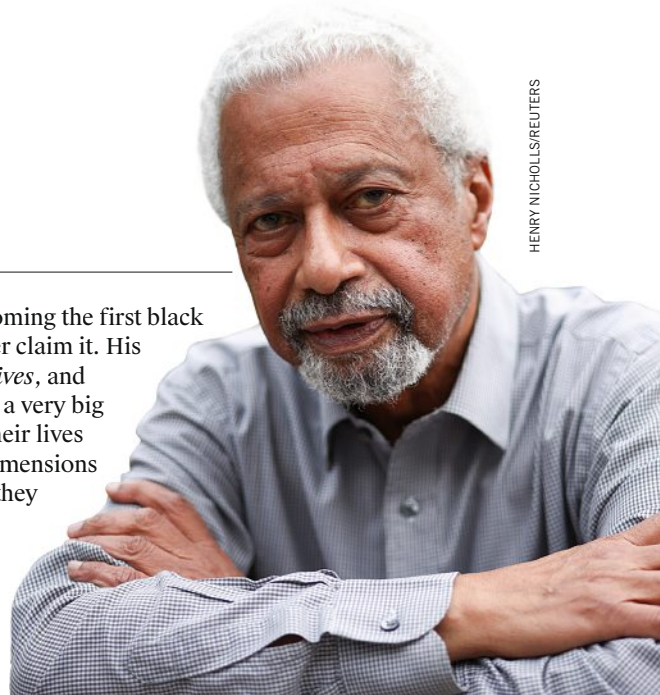
The Tigray war will be in the international spotlight in 2022, with Tigray's two top leaders making key decisions about war and peace. Tigray forces retook Mekelle in June 2021 and as *The Africa Report* went to press fighting was raging 190km from Addis Ababa. Debretsion is a former prime minister and an information and communications technology expert who hacked the Derg military junta in the 1974-1991 civil war. Tsadkan's roots also go back to the war against the Derg, when he was one of the main commanders. For the past two decades he has had a career in business but returned to the field when the Tigray war broke out.

## Tanzania

### Abdulrazak Gurnah

Making Zanzibar proud

Abdulrazak Gurnah won the 2021 Nobel Prize for literature, becoming the first black African to win the prize since 1986 and the first Tanzanian to ever claim it. His major works include *Memory of Departure*, *By the Sea* and *Afterlives*, and his themes include exile and dislocation. He told media: "This is a very big story of our times, of people having to reconstruct and remake their lives away from their places of origin. And there are many different dimensions to it. What do they remember? And how do they cope with what they remember? How do they cope with what they find?"



HENRY NICHOLLS/REUTERS

**Somalia****Zahra Abdihagi****Poet and storyteller**

Zahra Abdihagi is an award-winning poet, activist and director of Somali Storytellers, a platform leveraging oral storytelling traditions to promote positive behaviour change. Her poetry features in the #withoutfear campaign, which aims to tackle women's experiences of online abuse. Whether its equipping young people with digital skills to tell their own stories or telling them herself, she is changing the narrative – helping women to share their history and understand the present. She also wants to show Somalia in a way that “has never been seen before”.



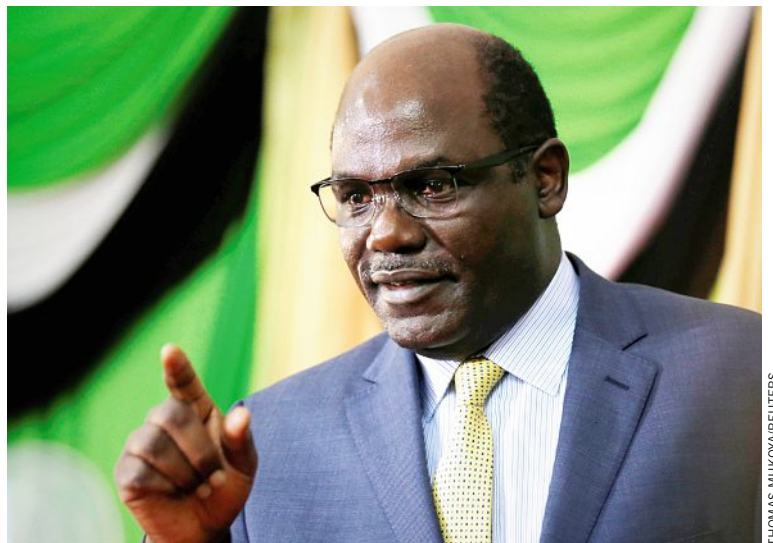
UNDP

**Kenya****Peter Mathuki****Integrator-in-chief**

The new secretary general of the East African Community took up his post in April facing numerous challenges – corruption allegations, wrangling over tariffs and political accusations between member states among them. He wants to mobilise member states, getting them to attend meetings regularly and pay up their dues, and has met with the presidents of Burundi, Tanzania, South Sudan, Rwanda and Uganda. The business sector will be keenly watching how he navigates the challenges and attempts to strengthen economic integration, which showed signs of weakening under his predecessor, Libérat Mfumukeko. Mathuki was previously director of the East African Business Council, so he knows the brief well.

**Kenya****Wafula Chebukati****Election arbiter**

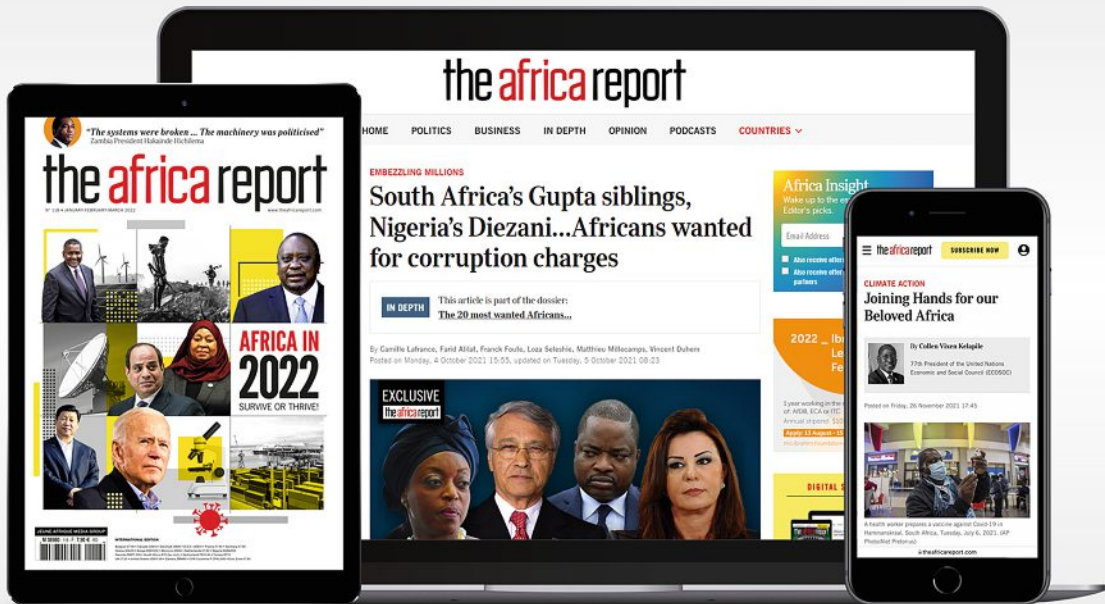
With Kenya's history of disputed and violent elections, the pressure is on Wafula Chebukati, chair of the Independent Electoral and Boundaries Commission, to deliver a fair vote on 9 August. Kenyans and the world will be watching to see if Chebukati learnt any lessons from the nullification of the 2017 election by the Supreme Court, and if reforms were successful.



THOMAS MUKOVAREUTERS

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# Central Africa

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**152** Central African Republic

**153** Chad

**154** Democratic Republic of Congo

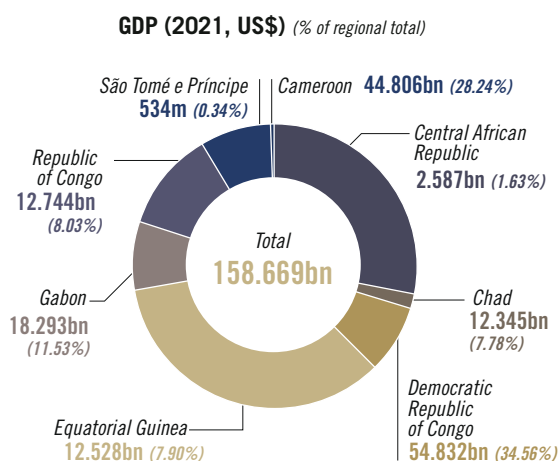
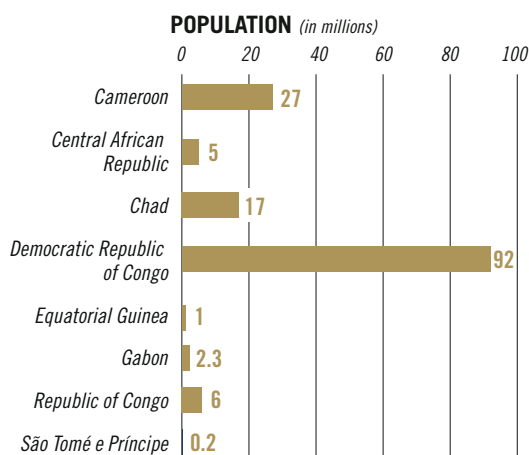
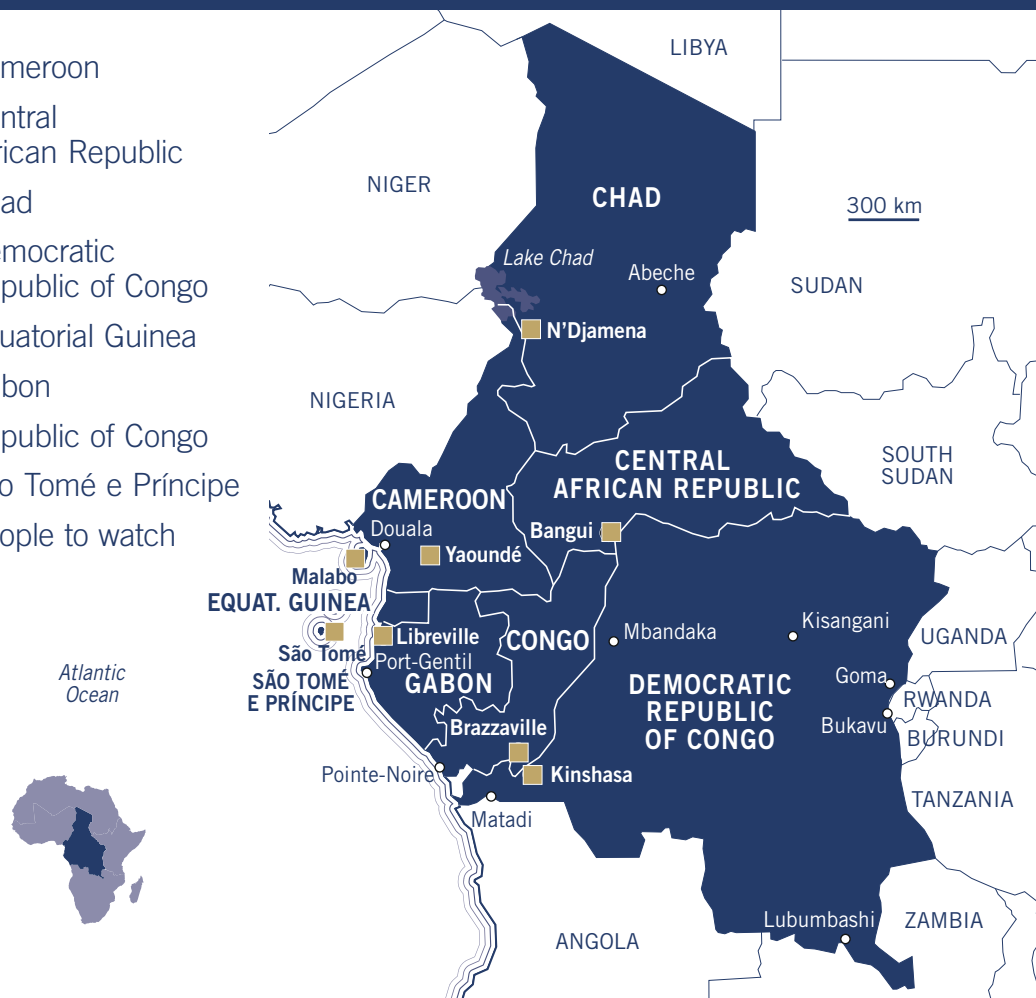
**156** Equatorial Guinea

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**159** São Tomé e Príncipe

**160** People to watch



SOURCES: UNFPA; IMF



# Cameroon

## Biya and beyond

**After many twists and turns, the Afcon football tournament will finally be held in January 2022.**

**The has been little progress on the Anglophone crisis and the fight against Boko Haram.**

In 2022, President Paul Biya will mark the second half of his seven-year term. The debate around the succession of Africa's oldest head of state – at 88 years old and with 39 of those years as the head of the country – is becoming more pressing. The government team, meanwhile, is working to follow through on the commitments Biya made at the beginning of his term. It is also trying to weaken threats to the regime.

One of Biya's big promises was a fun and flashy football tournament. After years of uncertainty, marked by multiple postponements, Cameroon is finally getting ready to welcome football fans for the Africa Cup of Nations (Afcon) in 2022. In Yaoundé, the authorities insist that they are ready to host this competition, which will give the country the opportunity to present to the world the infrastructure investments made in preparation for this event. The country's lack of preparedness led the tournament authorities to find a replacement host for the 2019 cup.

### Who will be next?

Within the ruling *Rassemblement Démocratique du Peuple Camerounais* (RDPC) there is no shortage of people who would like to replace Biya when the time comes. To weaken potential candidates, Biya regularly shifts ambitious supporters to positions of lesser influence. For example, former territorial administration minister René Sadi is now communications minister. Others have been targeted in corruption investigations, like former defence minister Edgar Alain Mebe Ngo'o.

Some in the party support a dynastic succession, with presidential

son Franck Biya taking over. Franck is discreet and has not become directly involved in politics. So far, none of the barons of the RDPC have been willing to campaign openly for the succession.

Opposition groups say that corruption is rife and scandals around the management of funds to fight Covid-19 and prepare for the Afcon have hurt the ruling party's standing. Under donor and IMF pressure, the Biya government launched investigations

into 'Covidgate', the country's biggest recent scandal, in early 2021, with investigators from the *Tribunal Criminel Spécial* interviewing several ministers. The government audits found wrongdoing on the parts of territorial administration minister Paul Atanga Nji and health minister Manaouda Malachie, but so far no action has been taken against them.

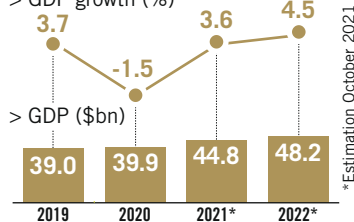
### Protestors in prison

The RDPC continues to use state resources to intimidate the opposition and to limit its ability to function. More than 160 opposition members remain in prison after organising a protest march on 22 September 2020. The protests focused on electoral reforms, the management of public funds for the Afcon and the conflict in Cameroon's Anglophone regions. The government called the protest an insurrection and arrested nearly 550 people, trying them in military tribunals. Lawyers and civil-society groups say that the government's actions are illegal and do not respect the constitution.

Representatives of the leading opposition party, Maurice Kamto's *Mouvement pour la Renaissance du Cameroun* (MRC), argue that the arrests and other government activities are designed to make the party's operations more difficult. In the face of government repression, opposition parties have joined together to pressure the government to reform election management. The alliance includes Kamto's MRC, Cabral Libii's *Parti Camerounais pour la Réconciliation Nationale*, Joshua Osih's Social Democratic Front, Pierre Kwemo's *Union des Mouvements Socialistes*, Tomaino Ndam Njoya's



- > Population: **26.6 million**
- > GDP per capita: **\$1,499**
- > Life expectancy: **59.3**
- > Adult literacy: **77%**
- > Inflation: **2.4%**
- > Human development index (out of 189 countries): **153**
- > Foreign direct investment: **\$4,016m**
- > Last change of leader: **1982**
- > GDP growth (%)



\*Estimation October 2021

*Union Démocratique du Cameroun* and others. The RDPC holds three-quarters of the seats in parliament, so the opposition's proposed reforms are unlikely to be approved.

After a year of almost no growth in 2020, 2021 has been marked by a fragile economic recovery. With a budget that will be around 5.65trn CFA francs (\$9.8bn) in 2022, the government has set a series of priorities: the fight against Covid-19, rebuilding and development of regions affected by security crises, commissioning large infrastructure projects, accelerating the decentralisation process and paying down domestic debt.

In July, the IMF approved a new three-year aid package worth \$689.5m to help the government deal with the impact of the pandemic, to better manage its debt and to reform state-owned enterprises. Among the targets for reform are Camtel, Camwater and the Douala port. The court case involving APM/Bolloré and the Douala port is still working its way through the judicial system after the authorities barred the consortium from bidding for the concession of the container port that it had managed from 2015 to 2019.

### Sonara debt repayments

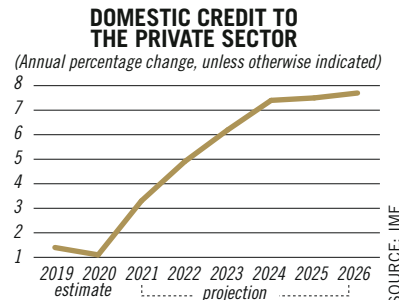
One main focus of hope for the country's economic recovery is the agreement to repay the debt the *Société Nationale de Raffinage* (Sonara) owed to nine local banks. The loans, which were taken out before the company suffered a fire on 31 May 2019 that continues to cripple its operations, threatened to collapse the country's financial system. The government and the lenders reached an agreement on the repayment of the 261.4bn CFA francs over a period of 10 years.

The government is currently negotiating repayment deals with seven oil traders that Sonara owes. It is also planning to rebuild its refinery with financing from a levy on hydrocarbon sales.

Construction and agriculture are two sectors that have been helping the economy recently. One of the government's flagship projects, the

420MW Nachtigal dam, may be delayed. The target to start production is March 2023, but Covid and striking workers are slowing its progress. Energy demand has been growing at 7% per year.

The government is financing development programmes in several major



agricultural subsectors, including bananas, coffee, cotton and rubber, which is helping to boost production. The government is targeting harvests of 640,000tn of cocoa – up from 292,471tn in the 2019/2020 season – and 160,000tn of coffee by 2030.

Agro-processing ventures are seizing opportunities. In November, the *Compagnie Fermière Camerounaise* opened a new maize-processing

plant in Mbankomo to supply the brewery and animal-husbandry markets. In response to the trade impacts of the Covid crisis, the government launched a \$300m import-substitution programme focused on rice, maize, fish, milk, millet and sorghum.

### Iron ore prices wait for no man

On the mining front, the Cameroon and Congolese authorities lost patience with junior Australian miner Sundance, which was seeking to develop the cross-border Mbalam-Nabeba iron ore project. The case is now in arbitration, but the Congolese authorities want the group of Chinese investors that created Sangha Mining to develop the project. Iron ore prices have been on the rise, so there is more pressure to find a solution to the conflict.

Unregulated gold mining is a problem in eastern Cameroon. The collapse of artisanal mines killed dozens of people in 2021. Non-governmental organisations are campaigning for better regulation and safety measures. They say pollution in the region of Batouri has decimated water sources and killed schools of fish. Campaigners point to corrupt networks that allow these operations, which do not pay tax or contribute to local development. •

## The agony of the Anglophone crisis

Cameroon's growth will depend on developments in the political and security spheres. The government boosted the defence budget by 15bn CFA francs in 2021, but this has not shifted the needle on the conflict in the English-speaking regions of North-West and South-West Cameroon. In addition, the fight against the terrorist group Boko Haram in the north seems to be at a standstill. The situation has led defence officials to review their strategies.

Despite attempts to get the different actors from the Anglophone conflict on the same page in 2021, there is little agreement about the best way forward. The government has refused to implement federalism as a means to give the region a bit more autonomy, weakening the position of moderates on the Anglophone side. The conflict started with peaceful protests against marginalisation and to protect and improve the educational and justice systems.

Neither side is able to achieve a military victory, and so far talks have not produced a viable compromise. There are many groups involved on the Anglophone side and no single leader to represent them. The grinding conflict is hurting the socio-economic development of the regions, with companies and schools shut down, and populations displaced by the fighting. •



# Central African Republic

## Back to the negotiating table

**Faustin-Archange Touadéra has promised a national dialogue, but the project has stalled. Paris, angry at Russia's influence, has frozen part of its budgetary aid to Bangui.**

Since the run-up to the tense December 2020 elections, President Faustin-Archange Touadéra has been faced with a worsening security crisis. In 2021, he agreed to hold a national dialogue to restart the peace process, but it is unlikely to happen quickly due to the complex negotiations needed to bring in the major players. However, the year ahead is set to bring Central African Republic (CAR)'s top political and military leaders around a table to discuss a way forward for the country.

The central government controls only a small part of CAR's territory, and rebel groups led by Noureddine Adam, Ali Darassa and others hold sway. Former president François Bozizé is now leading the *Coalition des Patriotes pour le Changement* rebel group from exile in Chad after the electoral authorities rejected his bid to run in the 2020 polls.

### Russian mercenaries

The government has relied on support from Rwandan forces and the mercenaries of the state-linked Russian firm Wagner to defend Bangui. Fighting is ongoing, and the UN peacekeepers in the country are having trouble preventing conflict. The UN mission has been renewed until November 2022, but Touadéra has been calling for its commitment and resources to be strengthened.

Donors pressured Touadéra to launch the new national dialogue, which is due to involve all of the important opposition, civil society and armed groups. But the project is stalling. Oppositionists Anicet-Georges Dologuélé and Martin Ziguélé – both of whom are in France – and Karim

Meckassoua, who fled the country via the Congolese border, have been named in legal proceedings against Bozizé. They say they will not participate in talks without guarantees about their security.

On the other hand, armed groups including Bozizé's have begun discussions through a peace process led by the *Conférence Internationale pour la Région des Grands Lacs*. But President Touadéra says he has no intention of letting Bozizé and rebels who have

renounced the 2019 peace accords return to the forefront.

The situation is at a standstill, especially since the crisis has also become a tug of war for influence between Russia and France. Annoyed by Moscow's role in Bangui, Paris froze part of its budget support and in April encouraged the replacement of the Russophile Firmin Ngrébada by Henri-Marie Dondra as prime minister.

### Landlocked blues

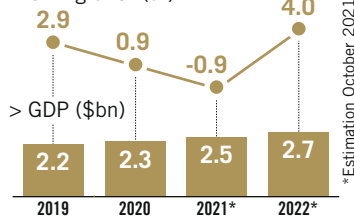
Tensions have been reduced, but the confrontation continues. Bangui and Moscow are trying to obtain a relaxation of the arms embargo, while Paris and Washington are opposing it at the United Nations Security Council.

As for the rebel groups, which still have rear bases in neighbouring countries, they have left the urban centres under pressure from Wagner's mercenaries but hold onto most of their territory. The corridor between CAR and Cameroon – vital to the landlocked country – remains under threat. To help give CAR more transport options, the African Development Bank provided financing of \$287m for the development of the Pointe-Noire-Brazzaville-Bangui-N'Djamena corridor.

The country's economic difficulties led the Bangui authorities to launch negotiations for an IMF programme in late 2021. The government is working on plans to raise tax revenue – which would in part require improved security, since rebel groups control access to many areas holding rich natural resources – and to digitalise more tax and customs operations. The international financiers are also insisting on the passing of an anti-corruption law as an element of the reform programme. •



- > Population: **4.83 million**
- > GDP per capita: **\$477**
- > Life expectancy: **53.3**
- > Adult literacy: **37%**
- > Inflation: **2.3%**
- > Human development index (out of 189 countries): **188**
- > Foreign direct investment: **\$35m**
- > Last change of leader: **2016**
- > GDP growth (%)





# Chad

## Déby is dead, long live Déby!

The son of late president Idriss Déby Itno has taken the reins of power under a transitional government. The Chadian authorities hope that debt relief for the oil-dependent country will come in 2022.

**H**ow far will Chad's transition go? Mahamat ibn Idriss Déby Itno has taken over from his father, Chad's former president, who died in battle in April 2021. He has promised to deliver an 18-month transitional period, a national conference and free and fair democratic elections.

Mahamat Déby supported the appointment of Albert Pahimi Padacké – Idriss Déby Itno's opponent in the 2021 presidential election – as prime minister. He also committed to organising a national dialogue with all political parties, civil society organisations and politico-military groups in exile. Negotiations to get rebel groups to attend the national dialogue have started, but they could be tortuous, as each group has its own lists of demands before it will participate, with some calling for a general amnesty.

When all is said and done, who will come out on top? Padacké has been preparing for the post-Déby era for years, but, as prime minister of the transition, he has a delicate balance to strike in terms of organising elections.

### Institutional talent in the wings

The former ruling *Mouvement Patriotique du Salut* also has its ambitions. Weakened by internal dissension, it will first have to recover from the death of its founder, but its territorial coverage and financial support remain important assets.

Another contender is the young Succès Masra. A former chief economist at the African Development Bank, he hopes to transform his digital and media popularity into popular support. Moussa Faki Mahamat, chairperson of the African Union Commission, is also watching and

networking from Addis Ababa, waiting to see the transition unfold.

However, there is still an unknown factor in the equation: what will the Déby clan do? Transitional president Mahamat Déby said that the members of the *Conseil Militaire de Transition*, of which he is the leader, would not run for office.

Having traded in his fatigues for civilian clothes, Mahamat Déby has so far given no indication that he is ready to shake things up. Eyes have

turned to his younger half-brother, Abdelkerim Idriss Déby. Formerly Idriss Déby Itno's deputy chief of staff, the West Point alumnus has retained that position and has strong political and economic contacts.

The economy will need all the help it can get. According to the IMF, it is reeling from the impacts of the Covid-19 pandemic, oil price volatility, climate change, terrorist attacks and delays in donor support. In 2021, Chad was the first country in the world to apply for debt relief under the G20 common framework.

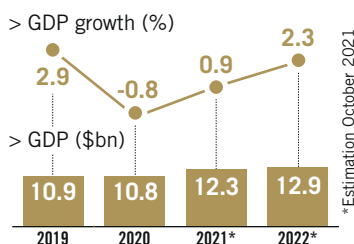
### Glencore wants its money

The country's debt was estimated at just 42% of GDP, but the drop in oil prices and drying up of revenue meant that N'Djamena was struggling to pay its creditors. The negotiations dragged on in 2021 because public creditors also want private creditors to be involved in the debt-relief programme. Chad took out more than \$1bn in loans from commodities trader Glencore and other private lenders, who do not want to take a big hit.

In January 2021, the IMF announced its intention to sign a multi-year aid programme with the Chadian authorities, delivering \$560m in support. In exchange, the IMF is insisting on policies to fight corruption, reduce poverty, improve infrastructure and shrink the country's debt. On the diplomatic front, Mahamat Déby is calling for a joint border force – comprising troops from Chad, Libya, Niger and Sudan – to stop Libya-based rebels from destabilising neighbouring countries. It was in tackling a rebel offensive from forces based in Libya that former president Déby died. •



- > Population: **16.43 million**
- > GDP per capita: **\$615**
- > Life expectancy: **54.2**
- > Adult literacy: **22%**
- > Inflation: **-1%**
- > Human development index (out of 189 countries): **187**
- > Foreign direct investment: **\$558m**
- > Last change of leader: **2021**





# Democratic Republic of Congo

## Now for the hard part

**After breaking up with Kabila, Tshisekedi wants to build on his record to win a second term.  
The state of emergency declared in Ituri and North Kivu has not stopped the cycle of violence.**

**F**or President Félix Tshisekedi, 2021 was the year of emancipation after two years of laborious cohabitation with his predecessor, Joseph Kabila. In February 2021 the pro-Kabila head of the Senate resigned ahead of a censure motion against him. Then a majority of members of parliament changed sides and joined Tshisekedi's new coalition, the *Union Sacrée de la Nation*.

In April, Tshisekedi laid the final brick in his new edifice with a brand new cabinet featuring key figures in the anti-Kabila opposition. Since then, the Congolese president has been pursuing a threefold objective: to make up for the time lost by the two years of cohabitation; to strengthen his economic, diplomatic and security record; and, above all, to prepare for a second term in office, for which he has already declared himself a candidate.

### Controversial appointment

Two years now separate him from the next elections, which are scheduled for December 2023. Much of his term has been spent in political wrangling, with little change on the ground in the lives of Congolese citizens. The government wants to make primary education free, but it does not have the money to implement the policy.

Tshisekedi appointed the new electoral commission board in late October, but it remains controversial. The new president, Denis Kadima, is seen by rivals as being a Tshisekedi ally rather than an impartial arbiter.

Kadima and his team have huge tasks ahead of them. Top amongst them is revising the electoral register that was used for the 2018 elections and overseeing the financial and logistical targets

for the vote. Tshisekedi has already asked for help from the international community, but the DRC's partners are concerned about the leadership appointment and the timeline for holding elections. Kadima will also have to deal with an opposition that has rallied against him, as well as a suspicious and angry Catholic Church.

Moïse Katumbi, the former governor of Katanga Province, who joined Tshisekedi's new coalition in order to isolate Kabila, has ambitions of

his own and could become one of the President's chief opponents. Katumbi had said that Kadima's appointment was a line in the sand, and he has not appreciated the attempts of Tshisekedi's allies to prevent him from running for the presidency.

### Leaks in Kabila's boat

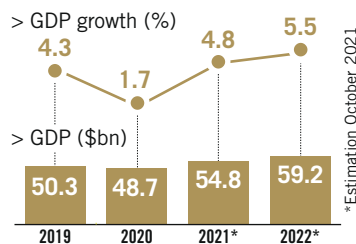
It remains to be seen whether Katumbi will join forces with Kabila and his protégé Martin Fayulu, who are also protesting against the politicisation of the electoral commission. Meanwhile, the party of imprisoned leader Vital Kamerhe, the *Union pour la Nation Congolaise*, is playing its cards close to its chest and, due to internal wranglings, has yet to announce its strategy for the 2023 elections.

Kabila's camp also enters 2022 on the back foot after the 'Congo Hold-Up' media exposé revealed the opaque business dealings of the former president and his clan, when he was in power. Compiled by a syndicate of investigative journalists and NGOs who obtained millions of leaked documents from Gabonese bank BGFI, the November reports have allowed the government to launch legal investigations into Kabila and his allies.

On the security front, in May Tshisekedi placed the provinces of Ituri and North Kivu under a state of emergency. Seven months on, the results are mixed. In its evaluation report, the parliamentary defence commission said the implementation was not supported by strategic planning and that massacres had intensified during this period. The commission recommends a total reorganisation of the military chain of command at strategic and logistical levels. Tshisekedi



- > Population: **89.56 million**
- > GDP per capita: **\$557**
- > Life expectancy: **60.7**
- > Adult literacy: **77%**
- > Inflation: **2.9%**
- > Human development index (out of 189 countries): **175**
- > Foreign direct investment: **\$1,647m**
- > Last change of leader: **2019**



says he has no plans to back down and is making security in eastern DRC a major focus of his government.

Tshisekedi will complete his term as chair of the African Union in February 2022. Here, again, his record is mixed. His attempts to launch a new mediation process between Egypt, Sudan and Ethiopia over the latter's plans for the Grand Ethiopian Renaissance Dam have not resulted in a solution.

In August, Tshisekedi will take the helm of another diplomatic organisation: the Southern African Development Community (SADC). He hopes to take advantage of his position to push certain security issues, particularly the fight against armed groups in the eastern DRC, knowing that some SADC member countries are already collaborating with the UN mission in the country.

Another major focus will be the economy. One of the Congolese president's successes in 2021 was the signing of a \$1.5bn financing programme with the IMF. This package will help meet some of the important budgetary needs of the government led by Sama Lukonde Kyenge. In his policy speech for the 2022 \$10bn budget – which is 41.8% higher than the 2021 one – Kyenge set out the government's priorities, but defence took less than 4%.

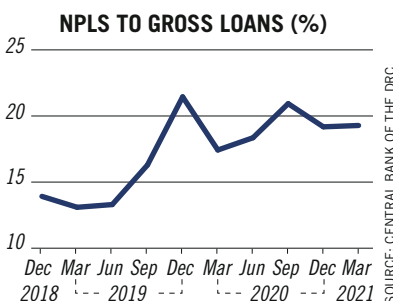
The government plans to use some of the money from the IMF to support economic diversification, agriculture and energy projects. The World Bank provided the government with \$500m in May 2021 to improve access to electricity and water in Kinshasa.

## Copper galore

The DRC accounts for more than two thirds of the world's cobalt production, and the mineral is a key ingredient in batteries and other items for the green economy. The country is also Africa's top copper producer. It produced a record of 1.6m tonnes in 2020, with production set to reach 1.7m tonnes in 2021. This is thanks in part to the launch of Ivanhoe's Kamoakakula copper mine in 2021. Its second phase is due to launch in 2022 and bring

production to the rate of 400,000tn of copper concentrate per annum.

Gold production has been dropping recently, falling to 31.5tn in 2020 from 33.1tn in 2019. Barrick's Kibali mine is the country's largest commercial gold mine, and mined 808,000oz in 2020. In October 2021, it launched a



new battery facility to be able to store 7MW of electricity from hydropower plants that work the mine.

Kinshasa is seeking to strengthen its hand in negotiations with investors. In 2021, it renegotiated some of the terms initially agreed with Dubai's DP World for the creation of a new port at Banana, which is estimated to cost \$1bn. The government increased its

stake in the project and increased the tax rate.

In September, the government also announced its intention to fight against illegal artisanal and commercial mining, particularly in eastern DRC. Civil society groups in South Kivu say that Chinese firms are illegally exploiting mines and using harmful chemicals that pollute the environment.

## Digging into Gécamines

A month earlier, the government set up a commission on natural resources to examine the sector and the performance of state-owned miner Gécamines. The *Inspection Générale des Finances*, which Tshisekedi has been using to root out corruption, is digging into the parastatal's books. If there are problems in tracing some \$766.6m in revenue, they could be used to pressure Kabila ally Albert Yuma to launch reforms or step down as chairman of Gécamines.

Forestry is another sector getting more government attention. Timed for the COP26 climate summit in Glasgow, Kinshasa announced a ban on the export of logs, which will also be accompanied by an audit of all forestry contracts and a plan to plant a billion trees by 2023. •

## Beijing's blowout

President Félix Tshisekedi has a project that is supposed to help improve the state's finances: the renegotiation of several mining contracts signed under former president Joseph Kabila and deemed unfavourable to the state. Most of these are contracts signed with Chinese firms. This initiative has the support of another of the DRC's partners: the US. Ambassador Michael Hammer has a close working relationship with Tshisekedi. So far, Chinese diplomats have been publicly quiet, but behind the scenes they are meeting with Congolese officials both to save face and the deals.

There has been little progress from the \$6bn mines-for-infrastructure deal signed with Beijing in 2009, and, since September 2021, Kinshasa has put the mega-contract under the spotlight. The Sicomin copper and cobalt joint venture that is due to finance projects has suffered from delays. A government report says that the Chinese investors overestimated the proven reserves and then scaled back their planned investment.

China Railway Group is building the nearly completed \$656m and 240MW Busanga dam to supply Sicomin and the national grid. But the deal was supposed to deliver thousands of kilometres of paved roads and state-of-the-art healthcare facilities, too, which have not materialised. •



# Equatorial Guinea

## Gas may be a pressure valve

Eyes are on the succession and the rise to power of Obiang's son, vice-president 'Teodorín'.

The government of the hydrocarbon-dependent country is pushing for more drilling and development.

The stage is set for a dynastic succession in Equatorial Guinea, but the biggest questions revolve around the timing and manner of the handover. Vice-president Teodorin Nguema Obiang Mangue, known as 'Teodorín', is preparing to take over from his father, President Teodoro Obiang Nguema Mbasogo, 79, but barons in the ruling *Partido Democrático de Guinea Ecuatorial* are talking about nominating the incumbent to be the party's presidential candidate in elections planned for 2023.

The autocratic regime is increasing its security vigilance, worried that plots and foreign interests could seek to topple the government. On the diplomatic front, several Western governments have closed in on Teodorín for corrupt dealings: the subject of British sanctions, he has had assets seized in the US, which the Department of Justice says will be used to fund vaccinations for Equatoguineans through the United Nations, and France convicted him in 2020 of laundering embezzled funds, seizing assets worth €150,000.

### Exiled opponents

Many of the country's opposition activists are in exile, due to the Obiang government's iron grip on the political space. The *Convergencia para la Democracia Social de Guinea Ecuatorial*, led by Andres Esono Ondo, is one of the strongest opposition parties on the ground, but it no longer controls any seats in the legislature and so lacks a platform to hold the government to account. The banned *Coalition d'Opposition pour la Restauration d'un Etat Démocratique en Guinée Equatoriale* (CORED) alliance, run by Salomon Abeso Ndong, is trying

to increase diplomatic pressure on the Obiang government. CORED wants a national dialogue, amnesty for politicians in exile and a 2023 vote without any members of the presidential family in the race. Spain-based oppositionist Severo Moto Nsá is one of several exiles who face lengthy prison terms if they return to the country. They say their charges are trumped-up.

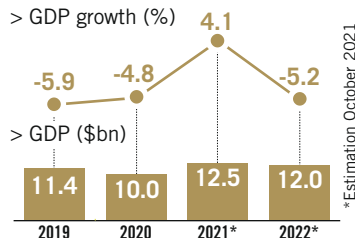
The economy continues to ride the roller coaster of international price movements through its dependence

on the oil and gas sector. The IMF estimates that it should show some recovery in 2021, before shrinking again in 2022.

The government's lack of rainy-day funds has led it to implement some of the anti-corruption and other measures that the IMF insists upon as a condition of its aid. But the reforms are not enough for the institution, which has suspended its payments. The IMF is calling for more progress in 2022, including that the country should join the Extractives Industries Transparency Initiative and identify state-owned enterprises to privatise.



- > Population: **1.40 million**
- > GDP per capita: **\$7,143**
- > Life expectancy: **58.7**
- > Adult literacy: **94%**
- > Inflation: **4.8%**
- > Human development index (out of 189 countries): **145**
- > Foreign direct investment: **\$1,647m**
- > Last change of leader: **1982**
- > GDP growth (%)



### Focus on gas

Equatorial Guinea's oil production decreased from an average of 314,000 barrels per day (bpd) in 2010 to 161,000 bpd in 2020. This makes gas a major priority, and the authorities are working on a gas master plan and potential regional joint ventures.

The government is continuing to push for more local content in the oil and gas industries, with reforms launched in 2020. It is also pressuring companies to respect their drilling commitments in order to boost production and reserves by 2024. Oil officials have been talking about "revenue optimisation", which suggests that the operating environment could become more stringent, despite claims that the reforms will incentivise investment.

Supplies of gas for the liquefied natural gas plant at Punta Europa are dropping, and officials are looking to source feedstock from other gas projects. If more commercially viable gas reserves are found, the Obiang government would like to see petrochemical projects established. •



# Gabon

## Bongo's boom and bust

**President Ali Bongo Ondimba, who had a serious stroke in 2018, has not ruled out running in 2023. Once again, economic diversification is on the agenda, with implementation of the 2021 action plan.**

**D**iversifying the economy, dealing with the boom and busts of the oil sector and preparing for the 2023 national elections are all on the agenda of President Ali Bongo Ondimba's government.

The year could open with a cabinet reshuffle. Unease has been growing since 11 August, when Prime Minister Rose Christiane Ossouka Raponda claimed that oil minister Vincent de Paul Massassa tried to bribe her. Bongo has promised zero tolerance for corruption, but opposition members say that only Bongo's enemies are the subjects of state investigations.

Since his stroke in 2018, Bongo has been out of the spotlight and delegating more frequently. Further ups and downs are likely in his inner circle. In 2019, he brought his eldest son, Nouredin Bongo Valentin, into the palace as 'coordinator of presidential affairs'. But, despite opposition claims that he is planning a dynastic succession, the elder Bongo sacked his son in September. Bongo's former cabinet director, Brice Laccruche Alihanga, who was given a five-year prison sentence in October, faces further corruption hearings in 2022.

### Opposition hats in the ring

Candidates' plans for the 2023 presidential election will become clearer in the year ahead. While Bongo is taking his time to make a statement, the battle has begun within the opposition, where Mike Jocktane, the leader of *Gabon Nouveau*, has already declared his intentions. There is little doubt that he will be followed by Alexandre Barro Chambrier of the *Rassemblement pour la Patrie et la Modernité*, and many others.

The former AU Commission chair Jean Ping, who narrowly missed the presidency in the 2016 election, which he denounced as fraudulent, has largely disappeared from the political scene. No opposition leader since has been able to build up a similarly big support base. It is still too early to know if the opposition will be able to rally behind one strong candidate.

Under the combined effect of the health crisis and the fall in commodity prices, the Gabonese economy

experienced a recession in 2020. To overcome this, the government launched its *Plan d'Accélération de la Transformation* (PAT) in January 2021. It includes 34 reforms that should strengthen growth and reduce dependence on the oil sector, which accounts for 33% of GDP and 80% of exports.

### Infrastructure drive

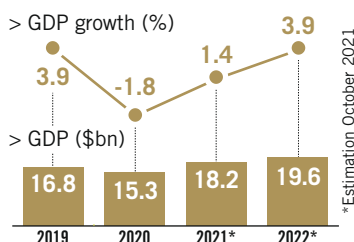
The government has concluded a second-generation programme with the IMF, which will deliver \$553.2m in budget support over three years. It is also working on bringing its debt down from around 70% to 50% of GDP. Before his sacking, Nouredin Bongo worked on a task force to root out corruption in government contracts, finding that many deals were fake or corrupt.

The economic prospects improved in 2021, thanks to the strong recovery of oil prices and a reduction in public spending. The IMF expects GDP to grow, driven by the continued implementation of some of the infrastructure planned in the PAT, such as the Transgabonaise highway, the start of construction of the Kinguele Aval dam (35MW) and the Doubou solar power plant (20MW).

Gabon's special economic zone at Nkok, launched in 2010 to attract investments in timber processing and other manufacturing activities, has been a successful means of economic diversification. As oil production has been declining and investment in oil activities has slowed, the government is keen to hype the country's potential for natural gas. Media reports say that Italy's Eni is looking to offload its exploration permits in Gabon. •



- > Population: **2.23 million**
- > GDP per capita: **\$7,006**
- > Life expectancy: **66.5**
- > Adult literacy: **85%**
- > Inflation: **1.2%**
- > Human development index (out of 189 countries): **119**
- > Foreign direct investment: **\$1,717m**
- > Last change of leader: **2009**





# Republic of Congo

## Sassou's staying power

**Denis Sassou Nguesso has given his government the task of regaining the confidence of donors. The IMF has withheld emergency aid from Brazzaville to protest at opaque borrowing practices.**

**A**utocrat Denis Sassou Nguesso (DSN) was unsurprisingly re-elected for a fourth term on 21 March and is on course to join the group of African heads of state who have led countries for four decades. The opposition remains weak and divided after the second-placed presidential candidate, Guy Brice Parfait Kolélas, died from Covid-19 on the night of the election.

Kolélas brought in the highest vote amongst the opposition leaders, but with just 8%. In 2022, opposition forces are looking to capitalise on the issues of corruption and nepotism in the government. The Pandora Papers leak of documents from tax havens highlighted the ruling family's extensive wealth stashed abroad. Opposition leaders say they are worried about the potential for a dynastic succession, with Denis Christel Sassou Nguesso waiting in the wings to replace his 77-year-old father.

### Rich man, poor man...

Denis Christel, who is minister for international cooperation, is a subject of France's *Biens mal acquis* (Ill-gotten gains) investigations. A mansion said to belong to him may soon be seized by the French authorities. Local and international activists are also complaining about the government's intimidation of civil-society groups.

While there are fewer political challenges on the horizon, economic ones will be a major focus of the year ahead. The economy was hit hard by the drop in oil prices in 2014, and then by the impact of the pandemic in 2020. Due to its opaque financing deals with commodity trading firms and its poor governance, Congo is

the only country in the *Communauté Economique et Monétaire de l'Afrique Centrale* (CEMAC) zone that has not benefited from the IMF's emergency aid to respond to the health crisis. The IMF has told the Brazzaville government it must sort out its accounts.

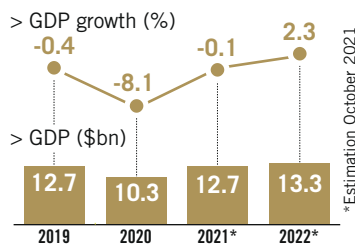
Anatole Collinet Makosso is the head of the first government of DSN's new term. DSN has publicly supported him several times to make it clear to the *Parti Congolais du Travail* old guard that he has full confidence in the young

prime minister. He also appointed Rigobert Roger Andély, nicknamed "red pen", as finance minister. He had previously held this post and has a reputation for discipline. The government says it is now unanimously in favour of negotiations with the IMF, whatever it costs in terms of reforms, budget cuts and transparency.

As the price of hydrocarbons has risen, Congo's financial situation has improved significantly, to the point that the debt was officially recognised as "sustainable" by the IMF at the end of September.



- > Population: **5.52 million**
- > GDP per capita: **\$1,973**
- > Life expectancy: **64.6**
- > Adult literacy: **80%**
- > Inflation: **1.8%**
- > Human development index (out of 189 countries): **149**
- > Foreign direct investment: **\$4,016m**
- > Last change of leader: **1997**



### Gas master plan

To get into the good graces of the IMF, Congo is counting on the support of its main partners. The government hopes to reach deals with commodity trader Glencore and the IMF in early 2022.

The government is set to launch a new gas master plan to encourage more investment in the sector, while Italian oil company Eni is investing in a new biofuels project in Congo.

The 2022 *Plan National de Développement* is the basis of Makosso's strategy for turning the economy around. It targets diversification, the development of public-private partnerships and the energy transition. DSN's government also wants to seize the international momentum on climate change to get more resources for the protection of the forests and environment of the Congo River Basin.

DSN is seeking to take advantage of the opportunity to rebuild his international stature, multiplying his mediations and bilateral visits on the continent, especially with the neighbouring DRC, where relations have recently improved. •



# São Tomé e Príncipe

## The coalition challenge

The 2022 legislative polls, which result in the choice of prime minister, are likely to be a close-run race. The Covid crisis continues to have an impact on tourism and other key economic sectors.

In power since 2018, the *Movimento de Libertação de São Tomé e Príncipe-Partido Social Democrata* (MLSTP-PSD) and its allies hope to hold on to their advantage in 2022's legislative elections. But signs are that the competition will be tough, as the opposition *Ação Democrática Independente* (ADI) maintained its hold on the ceremonial presidency in the September 2021 vote.

The MLSTP-PSD is suffering from divisions. Several candidates defied the party to run in the presidential elections. In the end it was the ADI candidate Carlos Vila Nova, who took 57.6% in the second round of the vote.

The ADI seems to have recovered after the disappointment of the 2018 legislative elections. The party, led by former prime minister Patrice Trovoada, came out on top and had to give up power because the MLSTP-PSD was able to form an alliance with smaller parties.

Trovoada leads the party from exile, having left the country after the 2018 election defeat. His supporters say the MLSTP-PSD wishes to prosecute him on trumped up charges. In August 2020 he became a non-executive director of Dubai-based logistics giant DP World.

### Vulnerable to shocks

Prime Minister Jorge Bom Jesus has the task of uniting the party and tackling the economic impact of the Covid-19 pandemic ahead of the legislative polls. The archipelago is very vulnerable to external shocks and the reduction of flights to the country severely damaged the tourism sector and the export of key products such as cocoa. The hospitality, transport and construction sectors are among the worst affected.

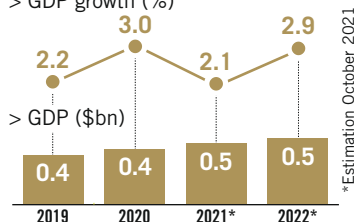
Despite this deteriorating environment, growth is expected to return in 2021, driven by the return of tourists. However, these forecasts are strongly linked to the international situation. Many Santomeans are being driven into poverty by the loss of their jobs in the service sector, so socio-economic issues will be at the heart of the next election campaign.

Expenditures related to the Covid-19 crisis have sharply increased public debt, which was set to hit 101.4% of

GDP in 2021, placing the country in a situation of excessive debt. However, the debt remains sustainable, according to the IMF. The Bretton Woods institution stressed that investments were needed in the energy sector to provide a reliable and cheaper electricity supply, and reminded the authorities of their commitment to introduce a value-added tax, which has been postponed several times. The government has announced a pilot programme with ocean thermal energy conversion technology to help provide renewable electricity.



- > Population: **219,000**
- > GDP per capita: **\$2,158**
- > Life expectancy: **70.4**
- > Adult literacy: **93%**
- > Inflation: **7.9%**
- > Human development index (out of 189 countries): **135**
- > Foreign direct investment: **\$47m**
- > Last change of leader: **2021**
- > GDP growth (%)



### A bet that didn't pay off

The aid-dependant country's switching of its diplomatic support from Taiwan to China in 2016 has not led to huge Chinese investments. In March 2021, the government signed a concession deal for the development of a free trade zone at Manzana with a little-known Jordanian investor, Shehab Shanti.

Oil and gas is another area where the government has put its hopes and largely been disappointed. But now Shell and its partners are preparing for the drilling of a well on Block 6. In October, the government granted a one-year extension to the licence of France's TotalEnergies and its partners for Block 1 to allow them more time to complete their exploration and mapping programmes.

Elsewhere on the economic front, the AfDB's African Development Fund is providing financing to small companies in the tourism and agriculture sectors. And the World Bank is targeting its aid at improving the financial system to augment tax collection and access to digital payments. •

# People to watch



**Democratic Republic of Congo**

Nicolas Kazadi

**Mr Money**

Antoinette N'Samba Kalambayi

**Madame Mines**

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ANTOINETTE N. KALAMBAYI/FACEBOOK

The stars of President Félix Tshisekedi's reform team are his mines minister and minister of finance. Their biggest challenges are fighting corruption, reducing waste and getting good deals for the government. Nicolas Kazadi knows the ins and outs of the Congolese and international systems, having worked at the AfDB, UN Development Programme, the finance ministry and the central bank. And Antoinette N'Samba Kalambayi, an activist and author, is working to clean up the sector and attract more investment into processing the country's resources. Tshisekedi is counting on them both to increase his chances of victory when he runs for another term in 2023.

**Republic of Congo**

Rigobert Roger Andely

**Mr Red Pen**

Rigobert Roger Andely, known as '*Bic Rouge*' because of his discipline and critical eye over spending, is leading debt renegotiation talks with commodity trader Glencore and dialogue with the IMF about the country's opaque governance and large debt. The finance minister has the tough job of cleaning up the mess and convincing financiers that Brazzaville is serious about fiscal control.

**Chad**

Albert Pahimi Padacké

**Taking a transitional chance**



VINCENT FOURNIER/JA

This on-again, off-again opponent of the late president Idriss Déby Itno is Chad's transitional prime minister. Albert Pahimi Padacké would like to be elected president but his current job makes that tricky, as he does not want to be seen as gaining an unfair advantage. The population has big expectations about how the government will address Chad's democratic, security and economic problems. But the military and Déby family hold the real power, so the deck may get stacked before the late-2022 elections.

**Gabon****Henri-Max  
Ndong Nzue****Total confidence**

TOTAL ENERGIES

In September, France's energy giant TotalEnergies appointed the first African to lead its sub-Saharan African exploration and production. Franco-Gabonese executive Henri-Max Ndong Nzue has three decades of experience at Total. His new job will have him focusing on the group's top African markets of Angola and Nigeria. And, from the planned liquefied natural gas project in Mozambique to its East African pipeline, he will have plenty to test his planning skills, decision-making and diplomacy.

**Cameroon****Sisiku  
Julius  
Ayuk Tabe****Locked-up leader**

The crisis in Cameroon's Anglophone regions has no end in sight. The government in Yaoundé has plans for decentralisation, rather than the federalism that moderates are calling for to address the marginalisation of English speakers. A key bellwether for the conflict is the fate of imprisoned leader Sisiku Julius Ayuk Tabe, president of the self-declared Republic of Ambazonia.

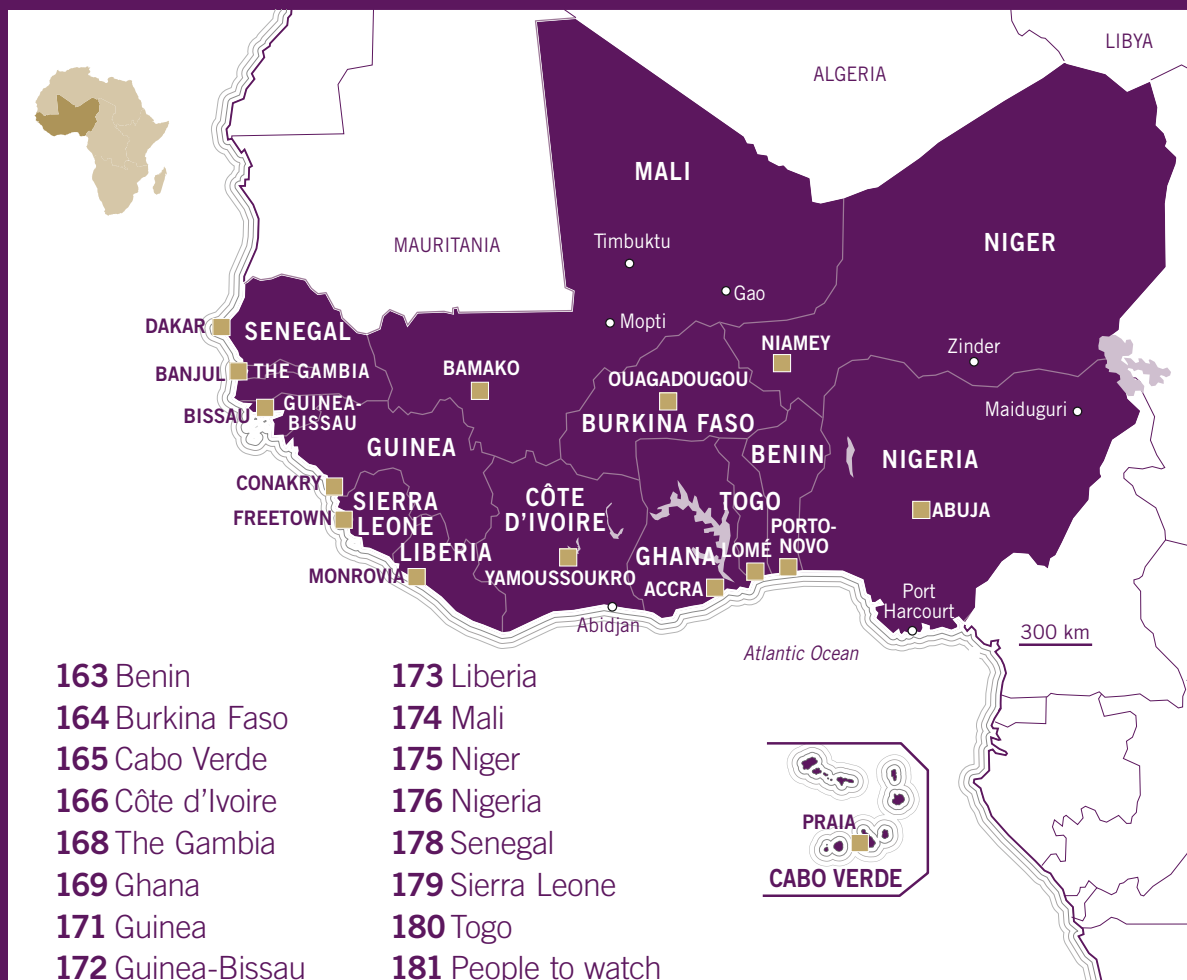


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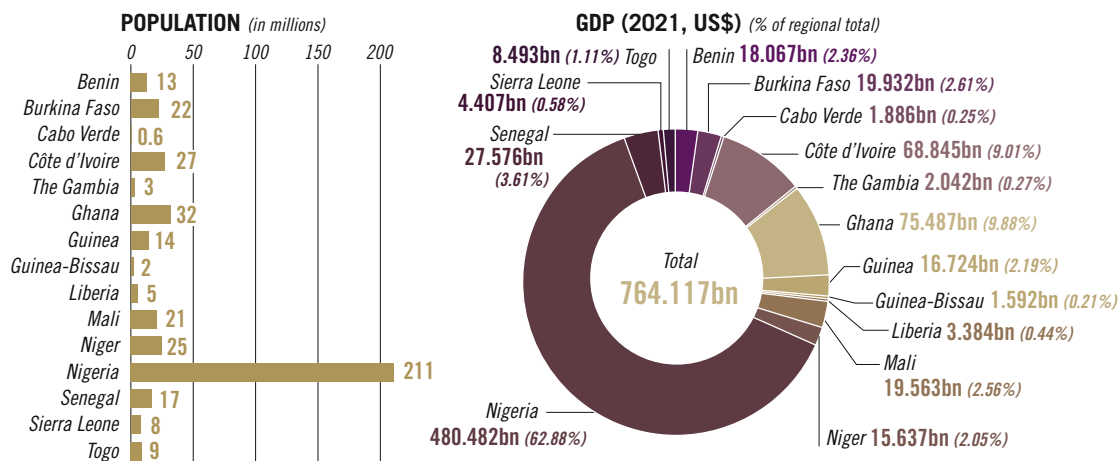
**Democratic Republic  
of Congo****Tresor****From Goma to Joburg to stardom**

Ambition is not his problem. Congolese pop singer, songwriter and producer Tresor Riziki told media in 2020: "I am ready to take on the world." He defined his mission as "restoring the glory of African pop. Our generation needs musicians of the calibre of Fela Kuti, Papa Wemba, Hugh Masekela, Youssou N'Dour and Miriam Makeba." His work has landed him regular spins on Drake's OVO Sound radio platform. He also recently cowrote and coproduced on Drake's most recent album, *Certified Lover Boy*. He is just as comfortable vibing off the DRC's folksy Lokua Kanza as he is with Drake's lines. Born in Goma and now based in Johannesburg, his star is on the rise.

# West Africa



- |                   |                     |
|-------------------|---------------------|
| 163 Benin         | 173 Liberia         |
| 164 Burkina Faso  | 174 Mali            |
| 165 Cabo Verde    | 175 Niger           |
| 166 Côte d'Ivoire | 176 Nigeria         |
| 168 The Gambia    | 178 Senegal         |
| 169 Ghana         | 179 Sierra Leone    |
| 171 Guinea        | 180 Togo            |
| 172 Guinea-Bissau | 181 People to watch |



SOURCES: UNFPA; IMF



# Benin

## Talon plays it tough

**With growth and investment, President Talon wants to consolidate the gains he made in his first term. The government is increasing the budget share for health care, education and infrastructure.**

It is the beginning of the end for Benin's President Patrice Talon.

He won a second and last term in April 2021, after promising to stand for just one term and to shake up the political scene. He has taken some pages from the developmental-authoritarian handbook, using the state to target the opposition and delivering on economic growth and social projects.

He used his first term to push through a series of constitutional and institutional reforms that have changed the political landscape of his country. In addition to an endorsement requirement for political parties – which Talon's critics accuse him of carrying out with the sole aim of removing his main opponents – a two-term lifetime limit for presidents was introduced into the constitution.

Politicians in the two main parties of the presidential majority, the *Union Progressiste* and the *Bloc Républicain*, are, for the time being, keeping their personal ambitions to themselves. The potential candidates occupy strategic positions in the government and the time has not yet come to risk upsetting Talon. The next big polls are the legislative elections planned for 2023.

### Oppositionists in prison

Relations between Talon and the opposition remain tense. The incarcerations of Reckya Madougou and Joël Aïvo, who both ran for president before the independent national electoral commission rejected their candidacies, continue to receive strong criticism, especially from the diaspora. As a step towards reconciliation, Talon agreed to meet with his predecessor, Thomas Boni Yayi, in September.

The move was more symbolic than practical, with no firm commitments made. Paul Hounkpè of the *Forces Cauris pour un Bénin Émergent* is the official head of the opposition and is calling for dialogue.

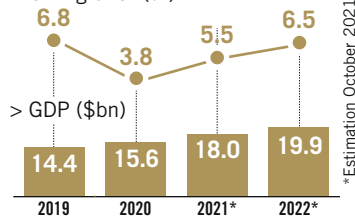
The Beninese economy has continued to grow, despite the impacts of the Covid-19 pandemic. Investors are confident in the country's prospects, and, in July 2021, Benin issued a new eurobond worth €500m (\$571m). This is Benin's third eurobond of this type

since 2019. The government says it plans to use the funds for projects that will help it to achieve the Sustainable Development Goals.

Much of Benin's growth has been in agriculture. The government has targeted the six most promising agricultural goods and seven agro-hubs for investment, including those of the star crops, cashews and pineapples. The 2021/2022 cotton season was on course to hit 766,000tn, which would make Benin the top West African producer. The government's target is 1m tonnes by the 2023/2024 season.



- > Population: **12.12 million**
- > GDP per capita: **\$1,291**
- > Life expectancy: **61.8**
- > Adult literacy: **42%**
- > Inflation: **3%**
- > Human development index (out of 189 countries): **158**
- > Foreign direct investment: **\$176m**
- > Last change of leader: **2016**
- > GDP growth (%)



### Social spending

Despite this borrowing, and spending on infrastructure and social programmes, Benin's debt was just 49% of GDP in the middle of 2021. Benin lags behind its African peers on the Human Development Index, and Talon's government has been spending more to improve the country's performance. The share of the national budget devoted to the social sphere, which was slightly less than 30% between 2016 and 2019, increased to 47% by 2021.

Spending on infrastructure – to improve access to water, education and health care – has also risen over the same period. The *Assurance pour le Renforcement du Capital Humain*, which entered its operational phase in January 2021, provides 180,000 people with free healthcare.

On the diplomatic front, Benin is at the forefront of countries trying to get back their looted artefacts. On 11 November 2021, France returned 26 items stolen from the King of Abomey under colonisation, after long and bitter negotiations.●



# Burkina Faso

## The rebel threat

**The Kaboré government has not come up with an effective strategy to deal with Islamist militants. A new economic and social development plan should help boost growth, despite the insecurity.**

**S**ecurity will remain the biggest problem for the Burkinabe government in 2022. Over the past six years, the country, once seen as a haven of peace, has become the scene of violence linked to jihadist groups. More than 2,000 people have been killed, including about 500 members of the defense and security forces, and more than 1.4 million people have been forced to flee their homes.

The government has called on civil defence groups to protect communities where the security forces are absent. It refuses to negotiate with the rebels and has so far been unable to defeat them on the military front. Civil society groups are sounding the warning about illegal gold mining financing rebel groups.

On the political front, President Roch Marc Kaboré has greater control. He has co-opted opposition leader Zéphirin Diabré as his minister of national reconciliation. With the trial for the 1987 assassination of revolutionary and former president Thomas Sankara underway, the fate of exiled former president Blaise Compaoré – who is accused of participating in the murder – is in the spotlight. The opposition, now led by Eddie Komboigo, president of the former ruling party, the *Congrès pour la Démocratie et le Progrès*, has been destabilised by internal quarrels and splinter movements.

### A likely successor

The election of Alassane Bala Sakandé as leader of the presidential party – the *Mouvement du Peuple pour le Progrès* – opens the way to succession in 2025. The president of the national assembly, who is now in charge of leading the party to the next

presidential election, is reportedly a protégé of Kaboré.

Despite the terrorist attacks and the health crisis, which continue to have a negative impact on the economy, the latter has proved resilient. The budget deficit increased to 5.3% of GDP in 2020, according to the IMF, but investments in roads and solar power plants are supporting growth.

The government's new five-year development programme, known as PNDES II, aims to increase investment

in productive sectors such as energy, mining and agricultural transformation in order to ultimately boost growth, which is projected at more than 7.7% over the period 2021-2025. Elsewhere, on infrastructure, the government signed a deal with Meridiam and *Aéroport de Marseille Provence* for the construction of the new Ouagadougou-Donsin airport in October.

### Large-scale gold smuggling

The gold-mining sector continues to grow and attract more investment, despite the security challenges. On 31 August, there was an attack on Canadian miner Iamgold's convoy going to the Essakane mine.

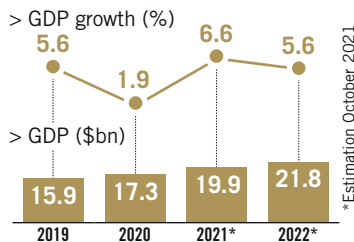
Gold exploration and production are continuing. The country produced 60tn in 2020, and three new mines – by Roxgold, Riverstone Karma and Houndé Gold – were due to launch operations in 2021. Orezone Gold's Bomboré mine is set to begin production in 2022, hitting a pace of 133,800oz per year.

However, an International Crisis Group report says that the government is losing a lot of money from the illicit mining trade. It estimates that 20-30tn of gold are smuggled out of the country each year, with money from the trade financing rebel groups. Activists are calling on the government to better regulate the sector and to ensure that there are enough trained workers and subcontractors to work in the mining sector.

The country reported 2% growth in cotton production in the 2020/2021 season, reaching 472,000tn. The government is subsidising inputs, and it has a bullish projection of 629,500tn for the 2021/2022 season. ●



- > Population: **20.9 million**
- > GDP per capita: **\$831**
- > Life expectancy: **61.6**
- > Adult literacy: **41%**
- > Inflation: **1.9%**
- > Human development index (out of 189 countries): **182**
- > Foreign direct investment: **\$149m**
- > Last change of leader: **2015**
- > GDP growth (%)





# Cabo Verde

## A model of cohabitation

**After the PAICV candidate won the presidency, centre-rightists and liberals promised to work together. The archipelago should return to growth in 2021, following an unprecedented recession in 2020.**

**T**he Covid-19 crisis has put pressure on the two main pillars of the Cabo Verdean economy: tourism and remittances. This did not dampen the governing party's performance in the April 2021 legislative polls, but will have far-reaching effects into and beyond 2022.

Though the *Movimento para a Democracia* (MpD) took an absolute majority with 38 seats out of 72 and the centre-right prime minister, Ulisses Correia e Silva, was re-elected, Cabo Verde has a split government. Socialist José Maria Neves of the *Partido Africano da Independência de Cabo Verde* (PAICV) – a former prime minister – won the ceremonial presidency in the separate presidential vote held in October, changing the colours of the presidency after two terms of the MpD's Jorge Carlos Fonseca.

The PAICV has been led since 2014 by Janira Hopffer Almada. After the party gained only one seat in parliament in the April 2021 vote, she announced she would step down. The PAICV was due to elect its new leader on 19 December 2021.

### Recession dive

The economy has started to recover a little since it plunged into an unprecedented -14.8% recession – one of the most brutal on the continent – in 2020. With tourism accounting for a quarter of GDP, Covid-19 travel restrictions, coupled with a sharp decline in remittances from the diaspora, had devastating effects.

The World Bank says the crisis has reversed the progress in poverty reduction achieved since 2015, throwing about 100,000 Cabo Verdeans into temporary poverty. The government

is taking some measures to help households, such as lowering taxes on water and electricity.

Due to high debt levels, there is little room for increased spending on measures to blunt the impact of the pandemic. Debt was set to reach 160.7% of GDP in 2021. That means that a rise in the minimum wage is not on the cards until at least 2023.

The government is working with the IMF on a reform programme. Targets include improving the management

of state-owned enterprises, reducing debt and getting more finance to small businesses.

The unprecedented recession also demonstrated the dangers of the archipelago's dependence on European tourists, and of the large foreign direct investment directed toward 'all-inclusive' hotels which have few benefits to other sectors of the economy. The World Bank has advised local businesses, particularly in the agriculture and fisheries sectors, to forge links with hotel operators.

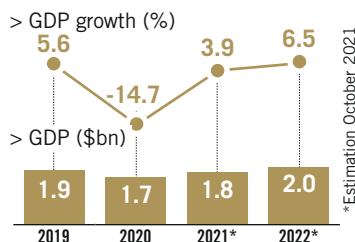
### Building resilience

The government's new development plan, Cabo Verde Ambition 2030, proposes support for new economic sectors like the creative industries and the 'blue economy'. There will be a focused drive to restart infrastructure and logistics projects after several major plans were delayed by the pandemic, including the construction of a port at Maio, a water and sanitation plant in Santiago and a ship terminal at São Vicente. To break the country's reliance on fossil fuel imports, Correia e Silva's government is aiming for renewables to supply half of the country's electricity by 2030.

On the diplomatic front, Cabo Verde ended a long imbroglio in mid-October with the extradition to the United States of Alex Saab, a close associate of Venezuelan President Nicolás Maduro. The Colombian businessman, indicted in Miami for money laundering, was arrested in June 2020 on the island of Sal, despite having a Venezuelan diplomatic passport. The arrest, deemed 'illegal' by the ECOWAS Court of Justice, put the archipelago under intense international pressure.●



- > Population: **0.56 million**
- > GDP per capita: **\$3,064**
- > Life expectancy: **73**
- > Adult literacy: **87%**
- > Inflation: **0.6%**
- > Human development index (out of 189 countries): **126**
- > Foreign direct investment: **\$73m**
- > Last change of leader: **2021**





# Côte d'Ivoire

## Ouattara's last chance to shine

**President Alassane Ouattara's allies are patiently preparing themselves for the succession. After record harvests in four major crops, the country is looking to process more of its exports.**

**H**aving won a controversial third term in November 2020, President Alassane Ouattara is focusing his final years in office on building infrastructure, talking reconciliation with his political opponents and trying to translate economic growth into tangible improvements for the population. The deaths of a handful of his preferred successors were one of the reasons he used to justify his run, and his allies will be watching to see who has the ambition and skill to follow him.

Patrick Achi became the country's prime minister in March 2021, after the deaths in office of, first, Amadou Gon Coulibaly, and then, nine months later, Hamed Bakayoko. Technocratic Achi currently enjoys Ouattara's support, and the president is overseeing the reorganisation of the *Rassemblement des Houphouëtistes pour la Démocratie et la Paix* (RDHP) in order to weaken the role of its secretary general, Adama Bictogo – a rival of Achi's. Achi was due to hold talks with members of the opposition in December 2021 on the subject of national reconciliation.

### Gbagbo bows out

Ouattara's rivals and critics say he did little to reconcile the country after the 2010/2011 civil war and arrest of former president Laurent Gbagbo. When the International Criminal Court case against Gbagbo fell apart, the government dragged its feet on talks to allow him to return to Côte d'Ivoire.

Gbagbo returned on 17 June, burying the hatchet somewhat with Ouattara. He says he will continue to be politically active but also that he intends to hand over to a new generation. In August, Gbagbo said he would not

fight Pascal Affi N'Guessan for control of the *Front Populaire Ivoirien* and founded his own party, the *Parti des Peuples Africains* (PPA).

Gbagbo and Henri Konan Bédié's *Parti Démocratique de Côte d'Ivoire* joined forces in the March 2021 legislative elections and together won 81 seats, with 137 of the 255 national assembly seats going to Ouattara's RDHP. The next elections are the municipal, senatorial and regional polls planned for 2023.

Gbagbo, Bédié and N'Guessan all expressed an initial interest in participating in the government's dialogue. But all sides have not yet agreed on the format of the talks or the topics to be discussed. The PPA has said it wants to address the situation of Ivoirians in exile and military and civilian supporters now in prison.

### The stakes are high

A sword also hangs over Gbagbo's head, as he was found guilty and sentenced to 20 years in prison in 2018 for looting the *Banque Centrale des États de l'Afrique de l'Ouest* during the post-electoral crisis. The case of Guillaume Soro, a former Ouattara ally who lives in exile, will also be up for discussion. The Ouattara camp has talked about the possibility of a government of national unity, an amnesty law and reforms to the national electoral commission.

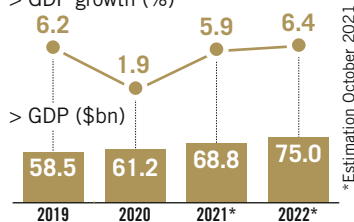
Political transitions have been tense since 1995, and the December talks will show if the country can lay the groundwork for a peaceful hand-over after the 2025 vote. Ouattara, Bédié and Gbagbo are all over 75, and with parliamentarians seeking to reimpose this as the age limit for the presidency, a new group of leaders could soon take charge.

Security is a major challenge. In 2021, terrorist attacks increased in the north of the country, on the border with Burkina Faso, killing several members of the security forces.

The country's post-war boom is set to continue. The Covid-19 pandemic temporarily weakened GDP growth, though it remained positive in 2020, unlike that of many other countries in Africa. The boom has, in part,



- > Population: **26.38 million**
- > GDP per capita: **\$2,326**
- > Life expectancy: **57.8**
- > Adult literacy: **47%**
- > Inflation: **2.4%**
- > Human development index (out of 189 countries): **162**
- > Foreign direct investment: **\$509m**
- > Last change of leader: **2010**
- > GDP growth (%)



been driven by the rapid rollout of infrastructure projects, from roads to schools and electricity. Despite the economy's resilience, the authorities were in talks with the IMF in 2021 for a \$1bn aid package to help the country rebound from the Covid crisis.

Under-25s make up more than 50% of the population, and youth unemployment is high. Some young people are turning to crime as '*microbes*' (street criminals) or '*brouteurs*' (internet fraudsters).

The government estimates that Abidjan needs another 500,000 housing units and that more than one million people live in the economic capital's slums.

Work has not yet started on the much-hyped Abidjan metro. The process of compensating landowners is taking longer than expected. The latest delays have pushed its potential launch date to at least 2025.

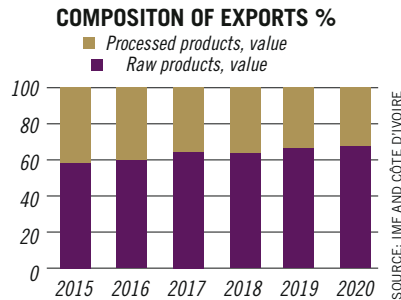
Agriculture has been another major growth driver, including cocoa, cashews and market crops. The government has been encouraging more local processing. The Ouattara administration wants companies to process 50% of the country's cocoa and cashew crops by 2025, up from about a third and a tenth respectively, as of 2020.

### Choc-tastic harvest

The world's top cocoa producer harvested a record 2.3m tonnes of cocoa crop in the 2020/21 season. In 2021, the European Union talked up the possibility of aid worth up to €1bn (\$1.12bn) covering the period from 2021 to 2027 in order to help improve the sustainability of the cocoa sector. European policy-makers are discussing measures to improve the traceability of cocoa and to ensure that production does not lead to excessive deforestation.

Other subsectors have been growing fast too. In 2020, the cashew harvest rose 34% to hit 850,000tn, making Côte d'Ivoire the world's top producer. In 2020, the country was also the continent's top rubber producer, with a harvest of 1m tonnes. The government's target is to double production in the next five years. Cotton is grown in

northern Côte d'Ivoire and there, too, the country is on track to break its records. The *Association Professionnelle des Sociétés Cotonnières de Côte d'Ivoire* forecast production of 580,000tn in the 2021/2022 season, which would give the country second place on the continent after Benin.



Under donor pressure to improve governance, the Ouattara administration is cleaning house in state-owned companies, launching audits and changing leaders. In 2021, oil company Petroci, the *Société Ivoirienne de Raffinage*, the *Société pour le Développement Minier* (Sodemi) and *Côte d'Ivoire Énergies*, amongst others, acquired new bosses.

In terms of investment, several sectors are attracting international companies. In September, Italian oil and gas giant Eni announced a major discovery at its CI-101 permit. Until now, Côte d'Ivoire has been a minor oil producer – about 34,000 barrels per day in 2020 – but CI-101's estimated 1.5bn-2.5bn barrels of oil will make it a more substantial player when production from the field begins in 2024.

### Golden opportunities

The mining sector is also growing. The government has issued 116 exploration permits since 2016, with gold the main attraction. Production jumped from 32.5tn in 2019 to 38tn in 2020.

Toronto-listed Fortuna Silver Mines plans to produce the first gold from its mine in Séguéla in 2023. It expects to produce around 130,000oz per annum. US firm Newmont also sent officials to Abidjan in 2021 in order to look for new opportunities and possible joint ventures with Sodemi. And Canadian company Endeavour Mining has increased its Lafigué deposit through exploration efforts.

Also in 2021, US data centre operator Raxio Group announced its plans to build Côte d'Ivoire's fourth data centre to support the digital economy. ●

## Sahel insecurity spillover

Islamist rebels control vast swathes of territory in neighbouring Burkina Faso and Mali, and the insecurity affects Côte d'Ivoire. During the country's civil war, the rebels of the *Forces Nouvelles* controlled the marginalised north. Since the end of the war and the election of President Alassane Ouattara, development and major projects have been focused on the country's south.

The Ivorian authorities worry that Malian rebel Amadou Koufa wants to set up an Ivorian branch of *Katiba Macina*, which is linked to *Nusrat al-Islam*. The government suspects Koufa is behind the recent attacks in northern Côte d'Ivoire but no one has officially claimed responsibility.

There are many artisanal gold-mining operations in northern Côte d'Ivoire and the government launched a security task force in 2021 to stamp out informal mining. Several cases of rape were reported during the task force's operations, which risk alienating the local population.

Since the shootings in the beach resort of Grand-Bassam in 2016, the frequency of jihadist attacks, particularly in the north, has alarmed the government. Kafolo, on the border with Burkina Faso, was the subject of three attacks in a little over two months in 2021, with several soldiers killed. Kafolo was the also site of a large-scale insurgent attack in June 2020. ●



# The Gambia

## Stay just a little bit longer

The first presidential election since the fall of Yahya Jammeh in 2017 went ahead peacefully. With new infrastructure in place, a tourism revival is possible in 2022, Covid-willing.

The first presidential election since dictator Yahya Jammeh was voted out but refused to concede power in 2016 was a test of the strength of democracy in The Gambia. Five years after his victory at the ballot box, and despite his initial promise to serve only one transitional term, President Adama Barrow was peacefully reelected on 4 December in a changed political landscape.

According to official results announced by the electoral commission, Barrow won by a large margin, receiving around 53% of the votes to his rival Ousainou Darboe's 28%. Darboe and two other opposition candidates said they would be contesting the results but urged calm.

While he had been the favourite to win, Barrow, the leader of the National People's Party (NPP), has attracted a long line of critics. On the one hand, for his unfulfilled promises to revise the constitution and bow out after one term; on the other, for the drastic reversals in his political alliances.

Barrow was able to win despite ditching his former allies in the Darboe's United Democratic Party (UDP) and making a pact with Jammeh's Alliance for Patriotic Reorientation and Construction (APRC). The UDP is looking to use its 23 seats in the 51-seat parliament to frustrate Barrow.

### Divide and rule

The APRC ended 2021 more fragmented and weakened than ever. The formation has lost most of Jammeh's diehard supporters, who followed him when he disavowed the alliance with Barrow and started a rival party. The others are divided between those who decided to support Barrow – mainly the

party hierarchy – and a dissident branch that has lined up behind Mamma Kandeh, founder and president of the Gambia Democratic Congress. Gambians will go to the polls again in April 2022 for the parliamentary elections, which will set the tone for Barrow's upcoming term in office.

Beyond the political appointments to come, Gambians are still waiting for the conclusions of the Truth, Reconciliation and Reparations Commission (TRRC), which is

supposed to turn the page on the Jammeh years. The TRRC, which began its work in October 2018, has postponed the submission of its report three times. Initially expected in 2021, it should finally be published in 2022, offering some closure for the victims of Jammeh's regime and their families.

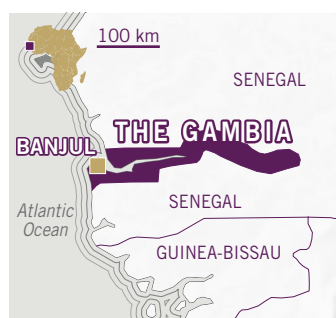
### Rising to the summit

The coming year will be marked by preparations for the Organisation of Islamic Cooperation (OIC) summit, which is expected to be held in Banjul in November. The meeting, which brings together 57 countries every three years, is the largest gathering of leaders of the global Islamic community. The Gambia's hosting of the event in 2019 was postponed due to a lack of infrastructure. The country has since acquired an international conference centre, which opened in August 2021. The event is raising high hopes for investment promises.

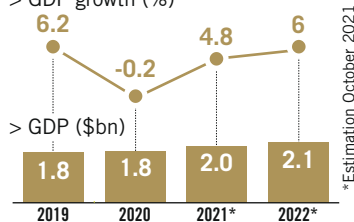
The economy was set to grow in 2021, with the government implementing reforms under an IMF aid programme. The year ahead could also help the tourism sector after losses due to the pandemic, with the renovation of Banjul's airport and new international airline services.

The World Bank and the African Development Bank are putting tens of millions of dollars into the Gambian agriculture sector. Their projects are focused on smallholders of staple crops and building up value chains.

Remittances are another important economic sector, with money from Gambian migrants accounting for 21.9% of GDP in 2020. Covid put an initial damper on remittance flows, after which they rose to record levels. •



- > Population: **2.42 million**
- > GDP per capita: **\$787**
- > Life expectancy: **62.1**
- > Adult literacy: **51%**
- > Inflation: **5.9%**
- > Human development index (out of 189 countries): **172**
- > Foreign direct investment: **\$46m**
- > Last change of leader: **2017**
- > GDP growth (%)





# Ghana

## Economic clouds on the horizon

**Rising public debt could lead Ghana into the arms of the IMF once more, and harm social spending. Aluminium and car manufacturing hold promise, and the country was Africa's top gold producer again.**

**O**n the long road to elections in 2024, the economy and corruption are set to be major issues for the government of President Nana Akufo-Addo to deal with. With fewer than expected jobs created, unemployment will continue to be a challenge in 2022. Rising government debt levels are also limiting how much the government can spend to help boost the economy in response to the Covid-19 pandemic.

In his second term in office, Akufo-Addo is pushing the implementation of many of the flagship policies from his first term, which seek to improve education, electricity generation and manufacturing. He also wants banks to lend more to small businesses: with an average interest rate of 20.6% in 2021, borrowing from banks is not feasible for many. Some relief may come from the new Development Bank Ghana, which is being set up with a €170m (\$193m) loan from the European Investment Bank and received a \$40m grant from the African Development Bank in November.

### Focus on corruption

The 2021 #FixTheCountry protests targeted the lack of progress on education, healthcare and corruption. The government appointed a new special prosecutor, Kissi Agyebeng, in 2021. However, civil society actors say that his office does not have enough funding and that the government has been slow to investigate cases. Previous special prosecutor Martin Amidu resigned in late 2020 amidst controversy over a deal involving gold royalties (see below).

The opposition National Democratic Congress (NDC) is directing some of

its criticism at the justice system, and the Supreme Court in particular, saying that Chief Justice Kwasi Anin-Yeboah is not an impartial arbiter. Some NDC cadres say that Anin-Yeboah and the head of the electoral commission should be replaced.

The year ahead will give a clearer indication of who will lead the two major political parties in the 2024 presidential elections. President Nana Akufo-Addo of the New Patriotic Party (NPP) is ineligible to run in the

election after serving two terms in office, unlike his rival, John Mahama of the NDC. President for one term from 2012-2017, he lost to Akufo-Addo in the following two elections.

### The NPP may look north

Mahama is yet to announce if he wants to take another shot at the presidency, but he has been travelling across the country holding campaign-style meetings. Kwabena Duffuor – a former minister for finance and one-time governor of the Bank of Ghana – is also gearing up to run on the NDC ticket.

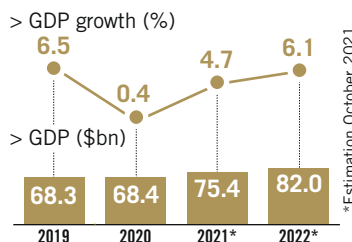
Vice-president Mahamudu Bawumia, a former deputy governor of the Bank of Ghana, wants to lead the NPP into the 2024 election. Although a favourite to win, he has a smaller base of voter support than Akufo-Addo did in 2020.

Bawumia hails from northern Ghana, and from a minority ethnic group compared to the dominant Akan. He would be the NPP's first northern candidate. His record as the leader of the country's economic management team has come under criticism from the NDC due to the country's rising debt and currency depreciation. Alan Kyerematen, the trade and industry minister, is also likely to be in the running to be the NPP's flagbearer.

Amidst the pandemic, the government has been spending more than it receives in revenue. Akufo-Addo had lambasted Mahama's economic policies when he was in office, which had led to high debt levels. The IMF now projects Ghana's debt will hit 83.2% of GDP in 2022, and then 84.8% in 2023. This is putting a lot



- > Population: **31.07 million**
- > GDP per capita: **\$2,329**
- > Life expectancy: **64.1**
- > Adult literacy: **79%**
- > Inflation: **10%**
- > Human development index (out of 189 countries): **138**
- > Foreign direct investment: **\$1,877m**
- > Last change of leader: **2016**



of pressure on finance minister Ken Ofori-Atta, who has been in the job since Akufo-Addo's first term. The government scrapped plans to issue a \$1bn eurobond in late 2021 due to the market's concerns over the country's economic prospects.

The IMF classifies Ghana as at high risk of debt distress. The ratings agency Fitch predicts that the country's interest payments will be almost 47% of revenue in 2022, which will limit investments in infrastructure and social programmes. Accra could turn to the IMF for another aid package, which would likely mean budget cuts and collecting more tax – unpopular policies as elections approach.

Several important events are on the agenda for Ghana's oil and gas sector. Oil major ExxonMobil pulled out of the country in 2021, and the government is now looking for new investors.

It is also seeking to make progress on turning the industry regulator, the Ghana National Petroleum Corporation (GNPC), into a full operator. The company sought to borrow \$1.65bn in 2021 to finance the purchase of stakes in two oil fields, but the NDC and activists from civil society said the deal was not good value. The NPP government plans to submit a new proposal.

Aker Energy has indefinitely postponed its investment in the Pecan offshore field, and Ghanaian energy company Springfield and Italy's Eni have failed to agree to the government's proposal to utilise their fields to improve oil recovery.

### Aluminium investments

Ghana is on course to build an integrated aluminium industry after the Ghana Integrated Aluminium Development Corporation (GIADEC) selected Rocksure International as a strategic private partner in a \$1.2bn agreement. The two entities plan to develop the Nyinahin-Mpasaaso site in the Ashanti Region.

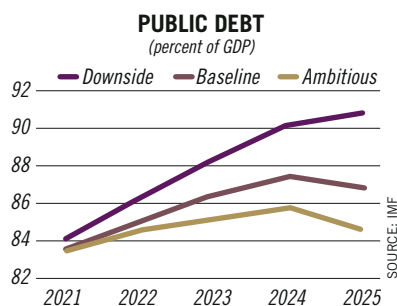
In 2022, GIADEC will seek partnerships to develop three other mines, including one already operating at

Awaso. It plans to establish at least two refineries, and to retrofit the Volta Aluminum Company to increase its production capacity to 300,000tn.

In the same sector, the government signed a \$2bn bauxite-for-infrastructure deal with China's Sinohydro, but it has been the target of protests

that a new 3% tax on gold exports is contributing to a rise in smuggling.

The government wants to use its royalties from gold mining to raise finance on international markets. After putting the brakes on the controversial Agyapa Royalties deal, the government will in 2022 attempt to repackage and reintroduce the deal to parliament for approval.



from environmentalists, who want to protect the Atewa forest.

For the fourth straight year, Ghana will be Africa's leading gold producer, thanks in part to big commercial operations like AngloGold Ashanti's Obuasi mine. Artisanal and small-scale mining accounts for about 40% of national production, and analysts say

### Revving up

Ghana is on its way to becoming an automobile hub in West Africa. South Korean producers Hyundai and Kia are due to set up assembly plants by the end of 2022, joining Volkswagen, Toyota-Suzuki, Sinotruk and Nissan. The government is offering tax breaks to car makers and has approved a bill for a ban on the import of vehicles older than 10 years to incentivise vehicle manufacturers.

To weaken reliance on the cocoa sector, agriculture minister Owusu Afriyie Akoto is managing the government's Planting for Food and Jobs initiative. The goal is to build cashew, oil palm, shea, coconut, mango and rubber into billion-dollar industries. ●

## Sharing parliamentary power

The 2020 general election produced Ghana's first hung parliament. The NPP and the NDC each have 137 seats in the 275-seat parliament, with the balance of power lying with an independent member of parliament, Andrew Amoako Asiamah, who serves as second deputy speaker.

Unlike during its first term, the NPP government has had a difficult job pushing through deals on account of the NDC caucus, and the situation is unlikely to change, especially moving towards a major election in 2024. The NDC is now pressuring the government to adopt a bipartisan approach and is demanding accountability, including on the violence that characterised the 2020 elections.

A new bill introduced by more than a dozen NDC parliamentarians seeks to criminalise the practices of people in the LGBTQIA community. The bill, christened the Proper Human Sexual Rights and Ghanaian Family Values Bill, continues to divide public opinion. A group of academics have been leading the fierce resistance against the bill, which they say infringes on people's basic human rights. The NDC is using the bill as a wedge against Akufo-Addo: either he pledges support for people with different sexualities and angers Ghana's conservative religious communities, or he risks international criticism and possible aid cuts. ●



# Guinea

## Indefinite transition

**After ousting Alpha Condé, Colonel Mamadi Doumbouya is putting his closest allies in power. With 44% of the population living below the poverty line, there are many economic and social challenges.**

**A**fter the 5 September 2021 coup d'état, which deposed Alpha Condé after 11 years of rule, where is Guinea headed? Colonel Mamadi Doumbouya, 41, who was Condé's protégé, was officially sworn in as president of the transition on 1 October. The military commander of the Special Forces has been patiently building his teams. Carefully selecting those who will be in charge of the transition, he has been excluding dignitaries of the former regime, while placing those closest to him at the heart of the administration.

Doumbouya is carrying out a vast purge within the army. The *Comité National du Rassemblement et du Développement* (CNRD) – the military junta, which remains under sanctions – has not yet set a timetable for the transition. The junta has shown its willingness to ignore neighbouring heads of state, but it still faces international pressure. This is a challenge for technocratic prime minister Mohamed Béavogui, who was chosen for his contacts and diplomatic skills.

### Money in mines

In the aftermath of the putsch, aluminium prices soared to nearly \$3,000 per tonne – the highest in more than a decade. Guinea is the world's largest exporter of bauxite, a mineral that contains a high aluminium content. Very quickly, the transitional president met with investors, diplomats and mining-sector officials to reassure them and promise that the contracts signed by the previous government would remain unchanged.

The mining sector, which accounts for 15% of GDP and nearly 80% of the country's exports, has performed

well despite the Covid-19 pandemic. In contrast, the non-mining economy, which employs most of the population, has been severely affected, with rising food prices and freight rates.

In a country where more than 44% of the population lives below the poverty line, where only 7% of roads are paved and where electricity access is 44%, the economic and social challenges are enormous. The commissioning of the Souapiti dam, which is expected to double electricity capacity, and

of the Simandou iron-ore mine are eagerly awaited. Chinese firms including Chinaclo have stakes in the huge mine, but previous investors faced big financial and logistical hurdles.

The ruling junta plans to overhaul the state and draft a new constitution. It is also focusing on economic, political, electoral and administrative reforms.

### Popular junta

Doumbouya, who promised that there would be no “witch hunts” against the officials of the former regime, has also initiated a process of audits, but it is not clear how far this will go. The fate of former president Condé, who is still being held by the junta, will also be the subject of negotiations between the junta, Condé's camp and the international community.

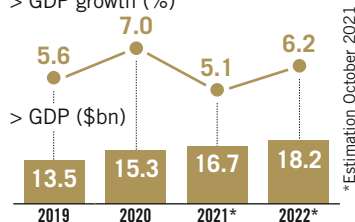
Building the legitimacy of the CNRD will also depend on its ability to meet the population's expectations. While the committee has been popular since it took power, it has not yet shown that it has the will and the ability to eliminate corruption and bad governance. As of early November, the legislative body, the *Conseil National de la Transition*, had not yet been appointed.

The six-month target set by ECOWAS to hold elections may seem impossible, but 2022 could still turn into an election year for Guinea. According to the transitional charter, members of the CNRD, including Doumbouya, will not be allowed to run for office.

Opposition leader Cellou Dalein Diallo, who was a vocal and active Condé opponent, supported the military intervention to overthrow the former president. He says his focus now is on the holding of free and transparent elections. •



- > Population: **13.13 million**
- > GDP per capita: **\$1,194**
- > Life expectancy: **61.6**
- > Adult literacy: **32%**
- > Inflation: **10.6%**
- > Human development index (out of 189 countries): **178**
- > Foreign direct investment: **\$325m**
- > Last change of leader: **2021**
- > GDP growth (%)





# Guinea-Bissau

## Diplomatic point-scoring

**Active in the crises in Mali and Guinea, President Embaló is consolidating his position in the region. Within the country, critics accuse the government of sliding towards authoritarianism.**

**K**nown for his outspokenness, which has earned him the nickname 'Kim Jong-un' from older heads of state, President Umaro Sissoco Embaló has nonetheless made a place for himself in the polite world of diplomacy. In recent months, he has been very active on the major conflicts in West Africa. The preferred mediator of the Malian putschists, he was also one of the first heads of state contacted by Mamadi Doumbouya, the new military leader in Conakry.

Embaló is also attracting the interest of European leaders. In May, Guinea-Bissau received the first visit from a Portuguese president in more than 30 years. A few months later, Embaló was welcomed at the Élysée Palace by his French counterpart, Emmanuel Macron – a first since 1995.

However, the head of state is having more difficulty with domestic politics. The civil service unions' struggle with the government for better pay continued until the end of the year, paralysing public hospitals. An act of "terrorism" in the midst of a pandemic, Embaló argued. Union leaders are not backing down and accused the authorities of trying to intimidate them.

### Divided we stand

Critics say the government is arbitrarily arresting people and attacking freedom of expression. Braima Camará, president of the governing *Movimento de Alternância Democrática* (Madem-G15) party and a political rival of Embaló, called on the government to respect the rule of law and said he feared a drift towards dictatorship. Several NGOs followed suit, calling for the resignation of interior minister Botche Candé.

Embaló riposted that he had no intention of becoming "emperor". He maintains that his constitutional reform project, which some suspect will considerably strengthen the powers of the president, is only intended to bring institutional stability. As for the turmoil within his own party, Embaló is publicly pulling his troops into line. "Madem is me," he said at the end of 2021.

After entering a recession in 2020 due to the pandemic, Guinea-Bissau's

economy has returned to growth, driven by the recovery of cashew exports, the mainstay of the economy. There is talk of relaunching logging, which has been banned since 2015 due to corruption. The government would also like to see more offshore exploration, following successful drilling programmes in Senegal and other neighbouring countries.

The authorities have made progress in their reform programme, despite difficult socio-economic conditions aggravated by the pandemic, said the IMF in mid-October. In a context of very limited resources, they have managed to achieve relatively high levels of vaccination compared to other sub-Saharan African countries.

### Coup tightrope walk

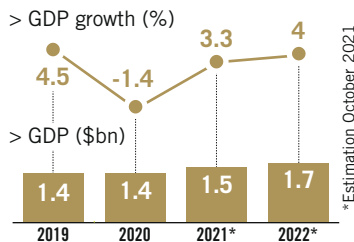
The telecoms sector is attracting more investor interest. In 2021, the government relaunched the state telecoms operator Guinea Telecom after its 2013 collapse, while France's Orange is modernising and expanding its network in the country.

In a sign that political stability is not yet a given, the army chief of staff Biaguê Na N'Tan warned the military police against handing out money to get soldiers to interfere in politics. The government said it had foiled a coup plot in October.

The country has a history of military coups, and the US is seeking the arrest of former coup leader Antonio Indjai for his involvement in the global illegal drug trade. Embaló wants to keep the military on his side and says Indjai will not be extradited. The President is also lobbying for the UN to drop sanctions against military leaders involved in a 2012 coup. •



- > Population: **1.97 million**
- > GDP per capita: **\$728**
- > Life expectancy: **58.3**
- > Adult literacy: **46%**
- > Inflation: **0.2%**
- > Human development index (out of 189 countries): **175**
- > Foreign direct investment: **\$20m**
- > Last change of leader: **2020**
- > GDP growth (%)





# Liberia

## Which Weah?

**President Weah's pro-poor agenda has not been nourished by any major policy innovations. The opposition will have a harder time in the 2023 polls if the CPP alliance breaks up.**

**F**ormer footballer and current Liberian president George Weah was elected at the end of 2017 on a populist pro-poor agenda, but his government has been embroiled in scandals and the Covid-19 pandemic has weakened the economy. The government's 2022 budget dedicates more funding to key social sectors, including an 11.3% rise for health and a 12.3% increase for education. Ahead of the 2023 elections, his administration will be inaugurating projects and trying to deliver on its promises.

Debates are ongoing about whether Liberia should organise a tribunal to try crimes from the country's civil wars (1989-1997 and 1999-2003). However, Weah is not keen on the move and counts on political support from Jewel Taylor, the ex-wife of former dictator Charles Taylor, and from Prince Johnson, a former warlord.

### CPP leadership deadlock

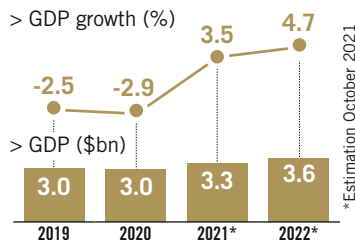
The opposition says that the Weah government is corrupt, promising audits if it is elected. The Collaborating Political Parties (CPP) alliance, with former vice-president Joseph Boakai and former Coca-Cola executive Alexander Cummings as its main figures, is gaining strength but could break up if it cannot agree on a single candidate for the 2023 presidential race. Neither Cummings nor Boakai want to be the vice-presidential candidate so the CPP's backers are looking for a compromise. The CPP beat Weah's Congress for Democratic Change (CDC) in the December 2020 senatorial elections, taking 40.3% of the vote. The CDC only got 28%.

The economy is set to grow in 2021, with the government getting help from

a four-year aid programme from the IMF worth \$214m. The IMF reform deal focuses on improving transparency, accountability and effectiveness in government spending, in addition to raising more domestic resources. Improving public services and building up the financial sector are also on the agenda. The government has been eliminating ghost workers and streamlining the civil service, with staff numbers dropping from 74,000 to 67,100 in 2020.



- > Population: **5.06 million**
- > GDP per capita: **\$583**
- > Life expectancy: **64.1**
- > Adult literacy: **48%**
- > Inflation: **23.6%**
- > Human development index (out of 189 countries): **175**
- > Foreign direct investment: **\$87m**
- > Last change of leader: **2018**



The IMF has warned the government it needs to improve its performance, as it has been missing many of the targets set since 2019. The launch of a new national airline, Lone Star Air, in the midst of the coronavirus pandemic in October 2020, left it open to criticism that it was wasting public resources.

### Power is on its way

Several infrastructure projects are moving ahead. The government is targeting spending of \$260m on the national road network, but by early 2021 had only raised \$100m.

An electricity interconnection between Côte d'Ivoire, Liberia, Sierra Leone and Guinea should be completed in 2022, after delays due to Covid-19. The landmark project should improve daily life for many households. However, the Liberia Electricity Corporation has a long way to go to make its tariffs more affordable and also reduce losses due to technical problems and theft.

In September 2021, ArcelorMittal, the Luxembourg-based steel company, signed an \$800m expansion agreement with the Weah administration. In 2019, the company had threatened to freeze its Liberian investments because of a port dispute. ArcelorMittal is now set to launch phase II of its iron ore project.

Liberia also wants to be an infrastructure link for some of neighbouring Guinea's mining industry – particularly iron ore mines in Guinea's south-east. Guinea's *Société des Mines de Fer de Guinée* announced in November that its pre-feasibility study to develop an iron ore mine at Mount Nimba could use Liberia's Buchanan port for export. •



# Mali

## From coup to coup

**After Colonel Assimi Goïta's coup, ECOWAS is concerned about the timetable for national elections. France's decision to withdraw troops leaves a potential security vacuum in the Sahel.**

**T**roubles in Mali's political transition will predominate in the year ahead. The country's leadership has been unstable since the overthrow of Ibrahim Boubacar Keïta (IBK) in August 2020. Colonel Assimi Goïta launched a coup against the first transitional government in May 2021, and the timetable for elections and a handover to a civilian government remains unclear.

The new government, led by Goïta and prime minister Choguel Maïga, a former leader of the *Mouvement du 5 Juin et Rassemblement des Forces Patriotiques* (M5-RFP) protest movement that precipitated IBK's fall, has a more combative relationship with the West. The Economic Community of West African States (ECOWAS) brokered the transitional deal, which was initially for 18 months with general elections to start in February 2022.

That target is unlikely to be met. Maïga's government has set several preconditions for the organisation of the elections, including the holding of a national conference in December 2021, and the establishment of a single, independent election body. These imperatives are widely contested by part of the Malian political class, which sees them as a way for the military and Maïga to stay in power.

### Who will fill French boots?

Improving the country's security is a thorny challenge. France is pulling back its troops on the ground in what Bamako says was a unilateral decision. Paris has already started handing over some of its bases, notably those in Kidal, Tessalit and Timbuktu.

Some observers say the ongoing diplomatic crisis with Paris could

lead to a restructuring of Mali's security partnerships. This could tip the balance in favour of Russia and its supposedly private security groups like Wagner, with whom the Malian authorities are said to be negotiating.

Diplomatically and militarily, 2022 will be crucial for the evolution of the military response in the Sahel. Several scenarios are currently being considered, including a 'Europeanisation' and/or a 'Sahelisation' of the peace-keeping force, allowing France to

gradually withdraw. If Russian mercenaries arrive, France might directly withdraw from *Opération Barkhane*.

The government could also decide to negotiate with Amadou Koufa and Iyad Ag Ghali, the main jihadist leaders of local groups affiliated with Al Qaeda in the Islamic Maghreb. France is totally opposed to talks, but many Malians support the idea as a means to end the conflict.

### Polls or sanctions

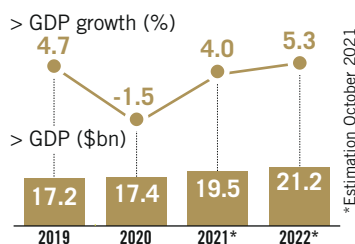
The presidential and legislative elections, scheduled for February and March respectively, will certainly be postponed, but these and a constitutional referendum could still happen in 2022. With the main historical parties in disarray, the competition for the presidency is more open than ever. The fall of Keïta in 2020 and the death of oppositionist Soumaïla Cissé have left their parties weakened, but donors and regional organisations are threatening sanctions if elections are not held.

Though the pandemic has hurt the economy, it was on course to grow in 2021. There has been a major crisis in the cotton industry. Production dropped to 150,000tn in the 2020-2021 season, down from 700,000tn the preceding season, due to farmers' refusal to plant after a price drop. The gold sector has helped to balance the loss of revenue from cotton. Australia's Firefinch is also working on its Goulamina lithium project, which could launch in 2023.

The country's electricity utility, *Énergie du Mali*, is also in trouble, with debts exceeding €500m (\$566.6m) in 2021. Power cuts are frequent, and the company is losing money on each kilowatt hour that it produces. •



- > Population: **20.25 million**
- > GDP per capita: **\$859**
- > Life expectancy: **59.3**
- > Adult literacy: **35%**
- > Inflation: **0.4%**
- > Human development index (out of 189 countries): **184**
- > Foreign direct investment: **\$308m**
- > Last change of leader: **2021**





# Niger

## Sahel squeeze

The February 2021 election marked the first transition between two democratically elected presidents. President Bazoum's priorities are the fight against corruption and terrorism, and education for all.

**F**ighting terrorism and improving education are high on the list of priorities for the government of President Mohamed Bazoum in 2022. Niger remains one of the poorest and least developed countries on the continent.

Bazoum now faces fewer political challenges. Nominated by his party, the *Parti Nigérien pour la Démocratie et le Socialisme* (PNDS), former interior minister Bazoum was elected in the second round of the February 2021 election with more than 55% of the vote, marking the first transition between two democratically elected Nigerien presidents. However, the electoral process was partially boycotted and questioned by the opposition, which denounced, among other things, the removal of the main opponent, Hama Amadou, head of the *Mouvement Démocratique Nigérien pour une Fédération Africaine*, from the race.

On March 31, 2021 – two days before President-elect Bazoum's inauguration – the military attempted a coup, but the perpetrators were quickly overpowered by security forces.

### Tackling the terrorist threat

As soon as he took office, Bazoum set about closing ranks within his own political family and building loyalty. He appointed his PNDS rival Hassoumi Massaoudou as minister of foreign affairs and has also reached out to several opposition leaders.

On the international level, Bazoum is seeking to strengthen ties with France in the fight against terrorism. Indeed, the deteriorating security situation, due to the activities of terrorist groups in the region (the

Islamic groups Boko Haram, Al Qaeda in the Islamic Maghreb and Al-Mourabitoun), remain the main threat. Paris has announced the end of *Opération Barkhane*, a partial withdrawal of troops in Mali and a redistribution of troops on the ground to Niger, including the relocation of the central command of Task Force Takuba to Niamey. There are states of emergency in Niger's Tahoua and Tillabéri regions due to the activities of Islamist rebel groups.

On the economic front, climatic and environmental shocks are having a significant impact on agriculture, which remains the country's main economic sector. And the Covid-19 pandemic has not spared the poorest country in the sub-region, which closed its borders for 15 months to slow the spread of the disease. A World Bank report in July 2021 estimated that 400,000 Nigeriens had fallen into extreme poverty, defined as living on less than \$1.90 per day.

### Oil and uranium

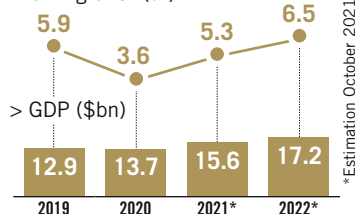
President Bazoum has promised to reduce corruption in government, with better management of tax exemptions and measures to fight oil smuggling. Battered by the drop in demand for uranium since the Fukushima crisis in Japan, Niger is counting on its oil to sustain its positive growth, notably through the reopening of the 2,000km pipeline that will soon link the Agadem basin to Benin. There is still international interest in Niger's uranium and small Canadian miner GoviEx has plans to raise funds to develop its mine in the country as other mines deplete their reserves.

The reopening of the border with Nigeria and the recommencement of works on the railway that will link Maradi to the Nigerian city of Kano, combined with improvements to road infrastructure, should give a boost to trade throughout the country.

Finally, in order to create the basis for real development, and in view of the risk posed by radical Islamist ideology, the former philosophy teacher has made education for all, and particularly for girls, the cornerstone of his mandate. •



- > Population: **24.21 million**
- > GDP per capita: **\$565**
- > Life expectancy: **62.4**
- > Adult literacy: **35%**
- > Inflation: **-2.5%**
- > Human development index (out of 189 countries): **189**
- > Foreign direct investment: **\$367m**
- > Last change of leader: **2021**
- > GDP growth (%)





# Nigeria

## Twilight of the Buhari era

**Political tensions are due to heat up as the country prepares for elections in 2023 and insecurity rises. Nigeria continues to ride the ups and downs of oil and gas, though the economy is diversifying.**

**A**s the last full year of Major General (retired) Muhammadu Buhari's presidency, 2022 marks the end of an era – both for its politicians and for its armed forces. Buhari will be the last military officer from the generation that fought in the 1967-1970 civil war to lead a government in Nigeria.

The next stage in Nigeria's political history will be led by a new generation. At the same time, new leaders will be taking power against a backdrop of unprecedented insecurity (see box) and some of the worst violence and political division since the civil war.

Campaigning for the 2023 national and state elections will be fraught with high risks of clashes in the most fiercely contested states. That is the prediction of senior politicians from the two main parties, the All Progressives Congress (APC), which holds power at the centre and almost two-thirds of the country's 36 states, and the People's Democratic Party, which has a strong base in the Niger Delta and the south-east.

### Banditry and terrorism

Electioneering will be complicated by multiple and overlapping insurgencies, as well as armed robbery and banditry. Security experts in Abuja argue that most of the Nigerian army's tentative successes against the Islamist fighters of Boko Haram and Islamic State in West Africa Province have pushed these armed groups to seek new strategies. They have joined forces with gangs of bandits and kidnappers.

That might explain news reports about 'bandits' shooting down Nigerian Air Force planes. What all the armed groups have in common is that they

follow the money and resources. Boko Haram funded itself in Borno State, a decade ago, through an epic series of bank robberies. Now the targets are gold mines.

The federal government ordered a no-fly zone in Zamfara state because the insurgents and their business allies were seizing gold and smuggling it out aboard private jets headed for Dubai in the United Arab Emirates.

After four military takeovers in Africa over the past year, the civilian

political order in Nigeria, which has been in place for 22 years, looks more vulnerable from several standpoints.

Junior officers in the military are dissatisfied with their terms and conditions, with some accusing senior officers of grand corruption on arms procurement and mishandling of officers' salaries. Defence Minister Major General Bashir Magashi, national security adviser Maj. Gen. Babagana Monguno and chief of defence staff Gen. Lucky Irabor say they are re-equipping and reorganising the military as security problems build.

### States want more autonomy

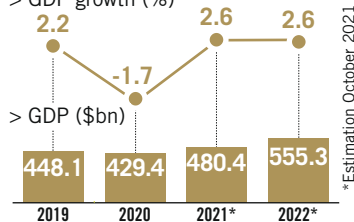
Hit by ever tougher economic conditions, many civilians say politicians have squandered the democracy dividends and that bad governance is at the root of the country's multiple security crises. In the 2023 elections the field will be wide open, and most of the veterans have left the stage. That raises political risks and uncertainties.

Doubtless the upcoming 2023 elections will cast a long shadow over 2022. Policies and spending decisions will be viewed through partisan prisms. Buhari is faced with louder calls for restructuring the powers and relationships between Nigeria's federal and state governments. State governors are increasingly calling for more autonomy, insisting that they could run their states better with less centralisation.

The economy was set to grow in 2022 thanks in particular to the performances of the oil and gas, agriculture, telecommunications, infrastructure and transport sectors. Diversification and infrastructure continue to be high on the government's economic agenda.



- > Population: **206.14 million**
- > GDP per capita: **\$2,097**
- > Life expectancy: **54.7**
- > Adult literacy: **62%**
- > Inflation: **11.4%**
- > Human development index (out of 189 countries): **161**
- > Foreign direct investment: **\$2,385m**
- > Last change of leader: **2015**
- > GDP growth (%)



Transport minister Rotimi Amaechi is overseeing plans for the country's rail link with neighbouring Niger and another rail line between Port Harcourt and Maiduguri. In Lagos, the state government says that the Lagos Rail Mass Transit system should be operational at the end of 2022, with full services to be launched in 2023. Nigeria is due to get its own national carrier, Nigeria Air, in April 2022.

Central bank governor Godwin Emefiele's alignment with Buhari on economic policy – defending the naira and protecting Nigerian manufacturers – has guaranteed him an extended stay in office. His ideological closeness to Buhari has made him one of the most influential bank governors in Nigeria's history.

Emefiele insists, with Buhari's backing, that the central bank must play a development role, directing credit, boosting the productive sectors and deterring “unnecessary” imports. One example of this approach is the Anchor Borrowers' Programme launched in 2015, which has made available more than N200bn (\$488m) in funding to some 1.5 million smallholder farmers.

### Osinbajo's moment?

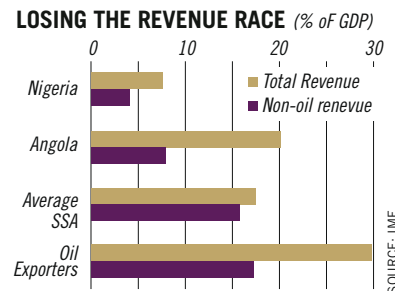
The banking system has weathered Nigeria's recent economic troubles, and the fintech and start-up scene are attracting more funds and international interest. The central bank approved the launch of mobile-money operations by local telecoms firms Glo and 9Mobile in 2021, leaving foreign players MTN and Airtel out of the game.

Vice-president Yemi Osinbajo, although regarded as a technocrat and a committed reformer, has not been as influential in the government as many in business would have liked him to be. Osinbajo led the research teams which produced the medium-term economic growth strategy as well as the economic bounce-back plan, but he lacks some of the executive power to drive these policies in government.

As government members prepare for the 2023 elections, in which Osinbajo has been tipped as a presidential candidate, he may get increasingly

outspoken on policy. In late 2021, Osinbajo called for more flexibility and rationality in exchange-rate policy, interpreted by some as a veiled criticism of Emefiele.

Other key policy players are finance minister Zainab Ahmed and industry, trade and investment minister Otunba



Adebayo, who will come under growing pressure to ratchet up growth, spending and revenue in 2022 – both to boost Buhari's legacy and to help his APC win another term. The government is rolling out plans to remove the fuel subsidies, with the IMF calling for the ending of electricity subsidies and other reforms in the year ahead.

Ahmed will have to find the funding to implement the government's ambitious N16.39trn budget, the biggest

ever in Nigeria. The country will resort to more borrowing but will be cautious about over-extending itself in the eurobond market as the era of cheap money ebbs.

### Power shortfall

Nigeria's lack of reliable electricity is an obstacle to economic growth. In 2021, government statistics reported peak generation capacity of 5,300MW and power demand of 17,520MW. The 40MW Kashimbila and 700MW Zungeru hydropower projects were both due to begin production in late 2021, giving a boost to supplies on the national grid. Legal cases have been holding up the development of the Mambilla hydroelectric plant, which could produce 3,050MW.

Minister of state for petroleum Timipre Silva has three main tasks in 2022: to oversee the implementation of the oil and gas sector reforms in the Petroleum Industry Act; to oversee the sale of substantial onshore assets by international companies to Nigerian businesses; and to support peace in the oil-producing areas of the Niger Delta ahead of the election. To continue with the shake-up of the sector, the initial public offering of shares in the state-owned Nigeria National Petroleum Corporation is now being planned for 2024. •

## The spectre of secession

The fate of the Nnamdi Kanu, leader of the Indigenous People of Biafra (IPOB) separatist group, charged with terrorism, treason and perpetuating falsehoods against President Muhammadu Buhari, could shape politics in the south-east in 2022. IPOB, which wants the separation of Biafra from the rest of Nigeria due to the perceived marginalisation of the region, has tried to expand its influence into the Niger Delta with little success. Yet, Kanu has won a strong following in the south-east, mainly from people born several decades after the Biafra civil war.

With his ethnic and religious identity politics, Kanu has been able to weaponise – now in a literal sense, says the government – the antipathy of people in the south-east towards Abuja. His movement could cause serious disruption if the government mishandles it. Amnesty International reports that at least 115 people have been killed by security forces in the region this year. IPOB's militarised wing, the Eastern Security Network, has been responsible for violent attacks against police officers. The main states affected are Abia, Akwa Ibom, Anambra, Bayelsa, Cross River, Imo, Enugu and Rivers. •



# Senegal

## Sall at a crossroads

**President Macky Sall is trying to hold his alliance together for municipal and legislative elections. The government has implemented several programmes designed to alleviate popular frustrations.**

**H**alfway through a second term that is supposed to be his last, President Macky Sall faces two elections in 2022 that may prove decisive. They will again be a test for the sprawling presidential coalition *Benno Bokk Yakaar*, which has been weakened by internal rivalries. For the municipal elections on 23 January, and for the legislative elections scheduled for July 2022 – which may well be postponed – Sall is seeking a balance to maintain the majority's control in cities and the national assembly, while avoiding a splintering of the alliance.

While Sall has left it unclear whether he will run for a third term in 2024 – which he could only do by changing the constitution – some political leaders in the majority are making their ambitions clear. Sall's opponents remain divided, as evidenced by the break-up of several coalitions on the eve of the municipal elections.

Two of Sall's main opponents, who could mobilise a significant portion of the electorate, remain ineligible for election due to their past legal problems: former Dakar mayor Khalifa Sall and the head of the *Parti Démocratique Sénégalais*, Karim Wade, who is still in exile in Qatar.

### Unemployment looms large

The brief but violent riots of March 2021 shook the government and highlighted its vulnerability to the anger of a segment of the population. While the arrest of former presidential candidate Ousmane Sonko, who is still under investigation for rape (a politically motivated indictment, according to him and his supporters), was the spark for the uprising, there are other potential sources of frustration:

unemployment, which, in 2019, the government estimated at 16%; the negative impacts of measures against Covid-19 in the informal sector; and the rise in the cost of living.

Aware of the dangers associated with these frustrations, Sall has implemented an emergency programme to support youth employment, in addition to the nearly \$2bn in the *Plan de Résilience Economique et Sociale* created in 2020. The country also agreed on an IMF aid programme

in April worth \$650m to help the recovery and create jobs. Will all of this be enough? The IMF forecasts strong growth for both 2021 and 2022.

With strong performance in the private sector (agribusiness, services, construction, manufacturing and mining), national growth is due to be boosted further by large investments in the Grand Tortue gas field. Britain's BP is developing a floating liquefied natural gas plant for the huge Grand-Tortue-Ahmedy field that straddles the Senegal/Mauritania border.

### African Union limelight

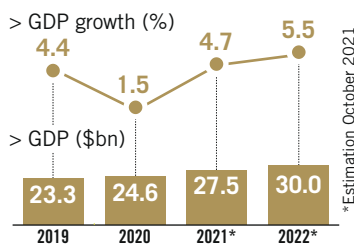
The easing of measures against the pandemic and the reopening of the borders should also help revive the tourism sector – an important part of the economy that has been at a standstill since 2020. Like Rwanda, Senegal is due to host a vaccine plant for the German start-up BioNTech.

On the infrastructure front, the US Millennium Challenge Corporation announced a \$550m aid package in September to improve the performance of the electricity sector, particularly in and around Dakar.

At the diplomatic level, Sall is preparing to take the chair of the African Union in February 2022. Dakar is also pleased about the reopening of its borders with Guinea in mid-September, which had been unilaterally decided by the deposed president Alpha Condé, then cancelled by his successor, Mamadi Doumbouya. In a troubled region marked by two successive coups d'état – in Mali in August 2020 and in Guinea in September 2021 –, the Senegalese president is championing regional diplomacy based on cooperation and consensus. •



- > Population: **16.74 million**
- > GDP per capita: **\$1,488**
- > Life expectancy: **67.9**
- > Adult literacy: **52%**
- > Inflation: **2.5%**
- > Human development index (out of 189 countries): **168**
- > Foreign direct investment: **\$1,481m**
- > Last change of leader: **2012**





# Sierra Leone

## Singing the mid-term blues

**The corruption audits against the previous administration have not delivered big headlines.  
Iron ore exports have restarted thanks to a rise in global demand.**

**P**resident Julius Maada Bio came into office in 2018 promising to fight corruption, improve education and boost the economy. The coronavirus pandemic and swings in the international minerals market have made some of that more difficult than it might have been. However, the economy was set to return to growth in 2021 after shrinking in 2020.

Fighting corruption has been one of the government's flagship policies. Bio's team targeted former president Ernest Bai Koroma and his government early on in its audits and investigations, promising to reveal large-scale corruption. The government launched three commissions of inquiry in 2019, and found Koroma wanting on several corruption counts. Koroma's lawyer announced in July 2021 that he would be appealing to the Supreme Court for interpretation about immunity for a former president. The Anti-Corruption Commission investigated 775 cases of alleged corruption in 2020.

### Education and health

Bio's government has raised the budget for education to provide free public school from primary through to secondary. The government has hired teachers and built and renovated classrooms. The same has been happening in the health sector in response to the Covid-19 pandemic, with health's share of the budget rising from 8% in 2018 to 11% in 2021.

However, Bio attracted criticism from the opposition and civil society groups in November 2021 due to his suspending of well-regarded auditor general Lara Taylor-Pearce and her deputy as they were about to deliver a report on public finances.

Koroma's All People's Congress (APC) says the next round of elections in 2023 will not be free and fair. It is calling for the replacement of the police chief and head of the electoral commission. The APC is part of the new Consortium of Progressive Political Parties, which needs a single candidate to run against Bio. There is no clear APC frontrunner after Samura Kamara lost to Bio in 2018.

The economy is set to grow in 2021 and 2022, but not fast enough to

make major impacts on poverty and development. The government has been working with the IMF since 2018 through an aid programme worth \$172m. The country is at a high risk of debt distress due to the government's low revenue and relatively large debt. Debt stood at 73.7% of GDP at the end of 2020.

### Mines crunch back into action

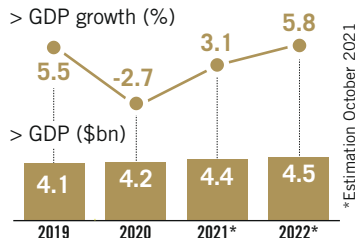
The rise in iron ore prices has helped to bring more activity to the mining sector, with the Marampa and Tonkolili mines back in operation. SL Mining, which operates the Marampa mine, says that production is now at a rate of 2m tonnes per annum and that it will rapidly rise to 3m. The government and the firm ended a dispute in 2021; the firm has given the government a 10% stake in the project and is due to pay a \$20m penalty. Meanwhile, Chinese firm Kingho Investment Company relaunched full operations at Tonkolili in March 2021. The government is now planning to revise the 2009 mining act to improve governance and the management of the sector.

On the infrastructure front, in July the government announced that the US International Development Finance Corporation was putting up \$217m to finance the construction of a new 83MW power plant that would account for nearly a quarter of national electricity demand. Ghana's Sunon Asogli Power says it is working on the development of a solar power plant near Freetown and also the 160MW Benkongor dam.

Agriculture is a critical sector for the economy and is a major employer. In October 2021, the country opened its first cocoa-processing factory. •



- > Population: **7.98 million**
- > GDP per capita: **\$485**
- > Life expectancy: **54.7**
- > Adult literacy: **43%**
- > Inflation: **13.4%**
- > Human development index (out of 189 countries): **182**
- > Foreign direct investment: **\$349**
- > Last change of leader: **2018**
- > GDP growth (%)





Togo

# Lomé in search of growth

**Covid or no Covid, Togo is intent on carrying out its development plan and is looking for backers. President Gnassingbé's government is considering the conclusions of the national dialogue.**

The year ahead will show if the most recent dialogue between the administration and the opposition will be enough to put the country on a stable footing. Political leaders are still dealing with the aftermath of the 2017 national protests calling for President Faure Gnassingbé to step down. His family has ruled Togo since 1967 and he has been president since 2005. In 2019, he begrudgingly accepted a change to the constitution that limited him to two more five-year terms.

After his re-election in 2020, Gnassingbé launched a new round of discussions with the opposition with the goal of implementing reforms and calming tensions. The talks produced 52 proposals that the government is now examining before their submission to parliamentary vote. A request for a presidential pardon for the political detainees from the 2017 demonstrations is central to the proposals.

## Towards fairer elections

Electoral reform is another focus, with a call for the electoral commission to be made up of equal numbers of members from the presidential majority and the opposition (seven members from each camp), plus two members from civil society and one representative of the administration. A new electoral registration process using biometrics is proposed. A date for the regional elections postponed in 2021 because of Covid-19 will be announced in 2022.

But opposition participation in the talks was not complete. Jean-Pierre Fabre and his *Alliance Nationale pour le Changement* walked out of the dialogue, arguing that the government is

not serious about making real changes. The opposition is divided and weakened, with various parties trying different strategies like forming alliances and boycotting. Tikpi Atchadam's *Parti National Panafricain*, which was one of the main mobilising forces behind the 2017 protests, is a shadow of its former self and Atchadam is in exile.

In parallel with the political reforms, the Togolese authorities must engineer an economic recovery. The Covid-19 pandemic has dampened the progress

made in recent years, and Lomé has had to review its national development plan. The plan is based on three main pillars: making Togo a logistics platform and a financial hub; developing agricultural, manufacturing and extractive industries; and consolidating social development and inclusion. Togo wishes to maintain its ambitions and is in intensive discussions with the IMF to reach a new aid agreement.

## Road network improvements

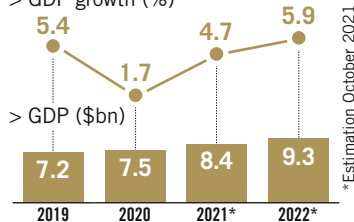
The IMF is pushing the authorities to do more to improve the business climate for private investors. To improve transport links internally and with the region, the government is financing work on three major road networks: the highway linking Lomé to the Benin border, the route connecting Lomé and Cinkassé in the north, and the road between Lomé and Kpalimé. The World Bank, meanwhile, is financing improvements to the Lomé-Ouagadougou-Niamey corridor.

In energy news, Blitta in central Togo is now home to one of West Africa's largest solar power plants. It was launched in 2021 and financed by the *Banque Ouest Africaine de Développement* and the Abu Dhabi Fund for Development.

The sale of the state-owned *Banque Togolaise pour le Commerce et l'Industrie* to Burkinabe investor Mahamadou Bonkougou, and the investments estimated at 140bn CFA francs spent on the Adétikopé industrial hub, should allow Lomé to quickly get back onto the path of growth. The Adétikopé project, which is 27 km from the Lomé port, was launched in 2021 and has the goal of hosting agro-industrial plants that process what Togo produces. •



- > Population: **8.28 million**
- > GDP per capita: **\$915**
- > Life expectancy: **61**
- > Adult literacy: **64%**
- > Inflation: **1.8%**
- > Human development index (out of 189 countries): **167**
- > Foreign direct investment: **\$639**
- > Last change of leader: **2005**
- > GDP growth (%)



# People to watch

## Nigeria

### Aliko Dangote

#### A refined businessman

The year ahead is a critical one for Africa's richest businessman, who must surmount the technical and commercial obstacles to launch the remaining operations of his \$19bn refinery and fertiliser complex. If Aliko Dangote succeeds, Nigeria will cut down on its fuel import bill and be able to export to the region. But to make the project viable, the government needs to end fuel subsidies – a politically complicated task. For Dangote Group, those changes would mean billions more in annual revenue and the ability to build on its sugar, cement and other businesses to expand into new manufacturing projects, putting it at the forefront of the 'Made in Africa' drive of the continental free-trade zone.



DENIS/REA



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## Nigeria

### Eloghosa Osunde

#### An ode to the outlawed

Mark your calendars for 15 March, when Nigerian author and artist Eloghosa Osunde's debut novel, *Vagabonds!*, will be released. Through the intertwined lives of those who wander, 'those whose existence is literally outlawed: the queer, the poor, the displaced, the footloose and rogue spirits', the book speaks of imagination in both fiction and life. Osunde told local media: "I get to live out bold and radical possibilities because I first allowed myself the audacity to imagine them. I'm better for it. My community is better for it. I want to always keep that in mind."

## Burkina Faso

### Aimé Barthélémy Simpore

#### Ouaga's strategist

The responsibility for crafting a means to end Burkina Faso's conflict with jihadists rests on the shoulders of deputy defence minister Aimé Barthélémy Simpore. General Simpore has the reputation for being a trusted leader, trainer and strategist. It will take those talents to win on the battlefield, though military victory alone will not address the root causes of the conflict.

**Nigeria****Akinwumi Adesina****Bow-tied banker**

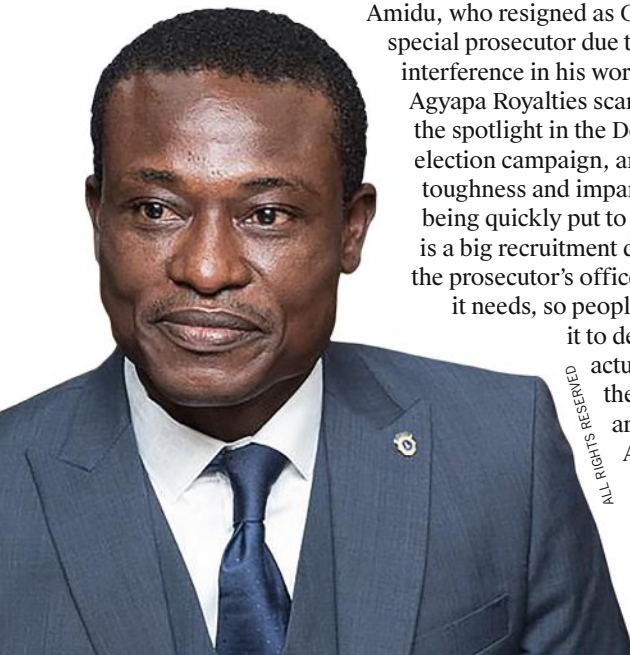
With many people disappointed that the government of President Muhammadu Buhari has not made major improvements to security or the economy, momentum is building for technocratic candidates in the 2023 national elections. Having defended himself against investigations seeking his ouster, African Development Bank president Akinwumi Adesina is the name most cited as someone who has the technical skills and international experience to crack some of Nigeria's toughest development problems. But does he have the political and campaigning skills to win a nomination at one of the big parties and rally popular support?



DAMIEN GRENON

**Ghana****Kissi Agyebeng****Bringing accountability to the powerful**

Lawyer and academic Kissi Agyebeng has landed in a hot seat. In April 2021, he replaced Martin Amidu, who resigned as Ghana's special prosecutor due to political interference in his work. The Agyapa Royalties scandal was in the spotlight in the December 2020 election campaign, and Agyebeng's toughness and impartiality are being quickly put to the test. There is a big recruitment drive to give the prosecutor's office the resources it needs, so people are expecting it to deliver. "We are actually building the ship as we are sailing," Agyebeng said in September.

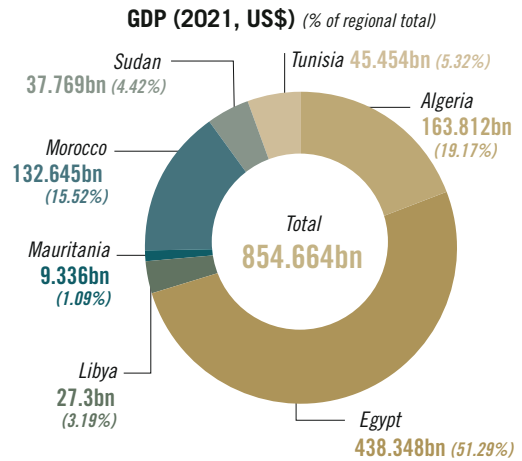
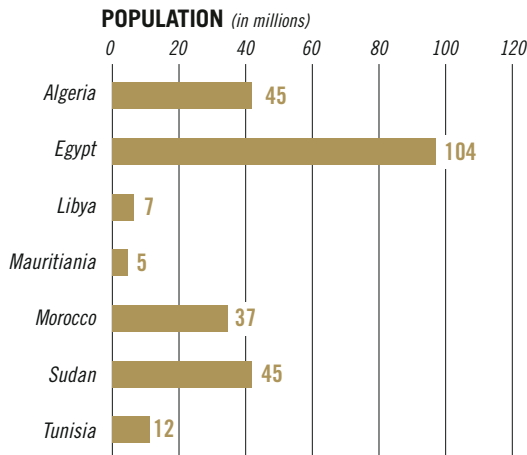


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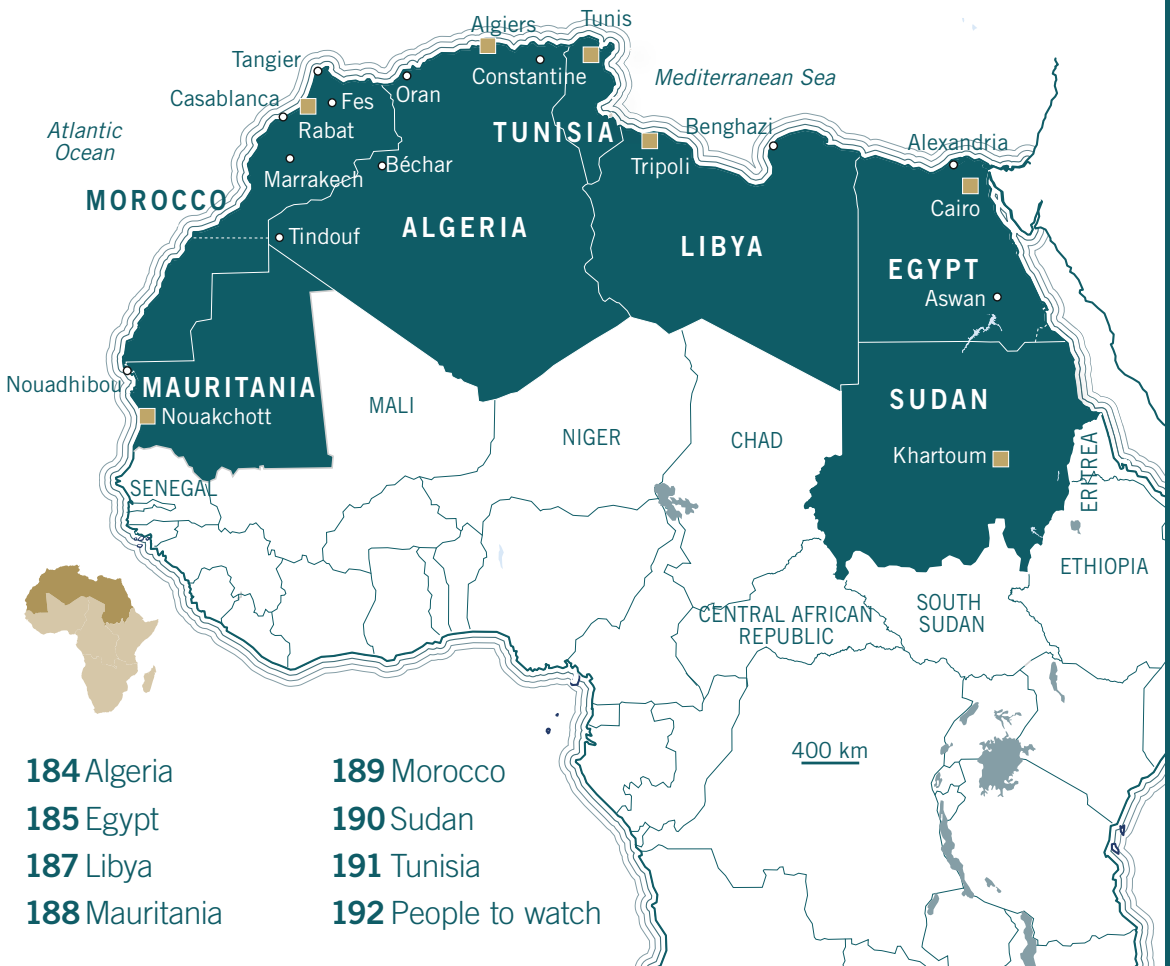
**Côte d'Ivoire****Patrick Achi****Successor-in-waiting?**

Côte d'Ivoire's Prime Minister Patrick Achi must have thought twice before taking the job: his two predecessors died shortly after taking up the post. But being PM offers the best chance to succeed President Alassane Ouattara in 2025, when he is due to step down and allow a new generation to take over from the old guard. A technocrat, Achi was a consultant before working in government on cocoa and energy reforms and then building up his sharp elbows and diplomatic skills as secretary general in the presidency.

# North Africa



SOURCE: UNFPA AND IMF





# Algeria

## Tough-man Tebboune

**There has been a sharp rise in unemployment, which the IMF expects to worsen.  
The diplomatic crises with Paris and Rabat are isolating the country.**

**T**he authorities in Algiers who took over after the late former president Abdelaziz Bouteflika resigned in 2019 have shown that they are not interested in reforms or in talking with the *Hirak* protesters, who want to weaken the executive and hold the security forces to account. President Abdelmadjid Tebboune is taking the fight to his perceived enemies at home and abroad, doling out more repression and angry rhetoric than the previous regime.

The Tebboune government is isolating itself by squabbling with both Morocco and France. Algiers accuses Rabat of seeking to destabilise the country on account of their differing views about Western Sahara. Algeria's diplomats want a referendum on the region's independence while Morocco's want the kingdom to maintain control. Algeria cut off diplomatic relations with Morocco in August and closed its gas pipeline to Spain on 1 November because it passes through Morocco.

### Cold shoulder for France

As for the relationship with Paris, Algiers was not happy with French President Emmanuel Macron's comments in a media interview in October about Algeria rewriting history and fomenting anti-French hatred, and responded by closing off of Algerian airspace to the French military for its operations in the Sahel. Macron expressed regret ahead of a summit on Libyan elections, but Tebboune decided not to attend.

The government could be trying to use conflicts abroad to take attention away from problems at home. The June legislative elections were held ahead of schedule to show its will to rebuild

the republican institutions of a "new Algeria". More than three-quarters of those eligible did not vote. The army and police have regained control of the government. The Tebboune team is trying to boost its popularity by fighting corruption, jailing oligarchs and arguing that a third of the previous government's investment budget was lost in corrupt deals.

Since April, all gatherings and strikes have been de facto banned, and the security forces have increased

the number of arrests in opposition and protest circles, while social networks have been subjected to unprecedented surveillance. In May, the government declared the *Mouvement pour l'Autodétermination de la Kabylie* a terrorist organisation. In October, it banned the human rights and democracy group *Rassemblement Actions Jeunesse*. It arrested journalists and protesters alike when *Hirak* organised marches in 2021.

### No jobs for the youth

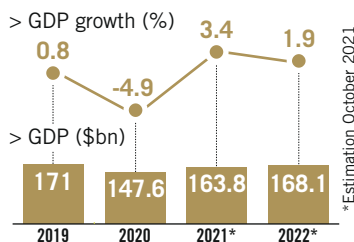
Rising food prices and restrictions on imports, motivated by the evaporation of the government's foreign-exchange reserves, have caused a cascade of problems including shortages of oil, milk and potatoes. The global health crisis has led to an increase in unemployment, especially among the young, from 11.3% in 2019 to 14.5% in 2021. The IMF warns that this is expected to increase to nearly 20% by 2026.

Algeria's economic growth is closely tied to the rise and fall in oil and gas prices. The IMF expects the economy to grow in 2021 before shrinking again in 2022. It recommends a round of budget cuts and higher taxes to improve the country's debt sustainability.

Algeria is looking to break its dependence on fossil fuels for energy generation and launched a bidding round for 1GW of green energy projects in 2021, with the goal of reaching 4GW under development by 2024. Renewables currently account for just 3% of the country's energy production. The government has also removed the requirement for investors in renewables to have 51% Algerian ownership and has created frameworks for independent power producers. •



- > Population: **43.85 million**
- > GDP per capita: **\$3,310**
- > Life expectancy: **76.9**
- > Adult literacy: **81%**
- > Inflation: **2.4%**
- > Human development index (out of 189 countries): **91**
- > Foreign direct investment: **\$1,125m**
- > Last change of leader: **2019**





# Egypt

## Security above all else

**Under the present constitution, President Sisi could run again in 2024 and remain in power until 2030. While tourism has been hit, the economy continues to grow thanks, in part, to big public investments.**

**F**or President Abdel Fattah al-Sisi and his authoritarian government, the year ahead offers a heady mix of inaugurating mega-projects, crushing dissent and influencing international conflicts. Power is concentrated in the hands of Sisi and the military; he treats the political opposition and civil society groups as if they are an existential threat to the regime and Egypt's stability.

Presidential elections are due to be held in 2024 after constitutional changes in 2019 lengthened the presidential term from four to six years. The revised constitution also allows Sisi to run again after serving two terms, which means he could rule until 2030. There is little doubt that he would win if he runs again, as he scored more than 97% in the 2018 polls. His supporters are already calling for him to announce his candidature.

Sisi's *Mostaqbal Watan* (Nation's Future) party won 316 seats in the 596-seat house of representatives in the 2020 parliamentary elections. The rest are held by independents and small parties allied to Sisi, who came to power in a coup in 2013 and was elected president in 2014.

### More troops in Sinai

Sisi's focus is on the country's security and fighting terrorism. The conflict against Islamist rebels in Sinai is ongoing, with the government unable to reach victory militarily. It hopes that a deal in late 2021 with the Israeli government will help to turn the tide in its favour. Israel agreed that Egypt could increase the number of troops in the region, something that is regulated under a 1979 peace deal governing the disputed area.

The government's oppressive measures are legion. The past year brought jail sentences for women on 'morality' charges for the way they dressed or acted on social media; dozens of workers were prosecuted for exercising their right to strike; and thousands of people remain in detention awaiting trial, including human-rights defenders, journalists, politicians, lawyers and social-media influencers.

The Egyptian economy has continued its growth during the Covid

pandemic thanks to reforms, IMF support and the development of mega-projects. Macroeconomic reforms had provided for a stable economy at the onset of the pandemic, with a healthy level of foreign reserves. Egypt's energy-sector reforms boosted both its electricity supply and gas exports, and opened up the sector to private interests, along with incentives to invest in renewables.

The government has put its big privatisation programme on hold. It got rid of a small share of Eastern Tobacco in 2019, but its plans to sell off a stake in *Banque du Caire* and other companies have been delayed until market conditions improve.

### The city with no name

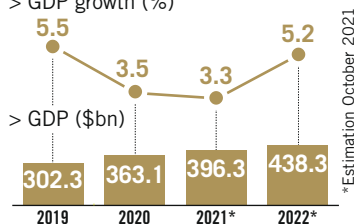
The huge New Administrative Capital (NEC) was due to be inaugurated in 2021, but Covid pushed it to 2022. Instead, a limited number of civil workers were due to be transferred to the new capital in December. The competition to name the city ended on 18 November and the winning moniker should soon be announced.

Some analysts criticise Egypt for not producing a concrete economic strategy aside from the megaprojects. A grand total of 37 'smart city' projects are currently on the go or in the planning stage; all are under the auspices of the government and the military, which is heavily entrenched in the contracting business.

The Suez Canal is an important source of government revenue, and 2021 revealed one of its major choke-points when the Ever Given container ship got stuck for six days in March. The government had already extended the canal, but it is now focused



- > Population: **102.33 million**
- > GDP per capita: **\$3,547**
- > Life expectancy: **72**
- > Adult literacy: **71%**
- > Inflation: **5%**
- > Human development index (out of 189 countries): **116**
- > Foreign direct investment: **\$5,852m**
- > Last change of leader: **2014**
- > GDP growth (%)



on the upgrading of equipment. In 2020, the canal brought in \$5.6bn in revenue and made up about 2% of the country's GDP.

Economic activity is expected to be supported by the return of tourists – especially with the resumption of flights from Russia after a six-year pause, the growth in the information and communication technology sector, a boost in gas developments and exports, and public investments.

The government sees tourism as a good long-term bet, and plans to invest \$540m in the sector in the 2021/2022 fiscal year. Tourism typically accounts for about 12% of Egypt's GDP. The downturn in travel under the pandemic led to the loss of 844,000 jobs in the sector in 2020. Numbers are starting to slowly rebound and new attractions are opening. The 3,000-year-old Avenue of the Sphinxes was unveiled in November after 50 years of excavations.

Egypt finalised a \$3bn loan from the United Arab Emirates (UAE) in late 2021. The loan is to be used to finance sustainable projects. Egypt aims to generate 20% of its power from renewable sources by 2022 and 42% by 2035. In December, German firm Siemens inaugurated its 250MW wind farm at West Bakr. Egypt will host the next UN Climate Change Conference (COP27) in November 2022.

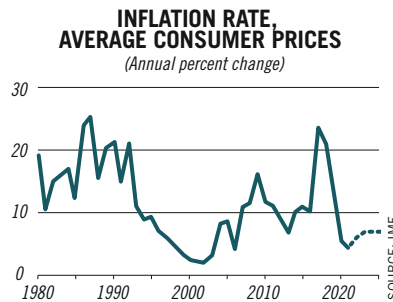
### No bridge for this dam

Since 2016, following an IMF agreement worth \$12bn, Egypt has been working on reducing its petrol and diesel imports by 65%. The government wants to become self-sufficient within two years. Doing so would also further narrow its trade deficit, which dropped 9% year-on-year to \$42bn in 2020, at the peak of Covid restrictions on imports and exports.

The Great Ethiopian Renaissance Dam (GERD) is a great thorn in Egypt's side. In March, ahead of Addis Ababa's decision to fill the dam in July for a second time, Sisi made his most forceful statement yet. He insisted that no one can take a drop of water from Egypt, and if that should take place there will be a "level of instability in the

region beyond anyone's imagination". As of 20 November, work on the dam was 83% complete, according to the Ethiopian government.

Egypt has set a goal of tripling its exports to the rest of Africa – currently \$5bn – by 2025. Its major exports to African partners include agricultural



goods, engineering, pharmaceuticals and textiles. Elsewedy Electric, which is part of the consortium building Tanzania's 2,115MW Julius Nyerere hydropower project, plans to invest \$200m in Tanzania's Kigamboni Industrial Park.

Meanwhile, Cairo wants to build up its industrial base. In December 2021, US firm General

Motors and Al-Mansour Automotive launched a deal to look into producing electric cars. Gama Construction Company is set to build the world's largest spinning factory for the textile sector, which should be operational in 2022. On the health front, the Egyptian Holding Company for Biological Products and Vaccines has set up a vaccine plant in 6th of October City that will produce Covid and other vaccines with international partners.

### New friends in the Gulf

On 20 January, Egypt and Qatar agreed to resume diplomatic relations. Cairo was thus the first one to end the long-running dispute with Doha that had been going since 2017. This was followed by Sisi appointing an ambassador to Qatar. A major factor in the friendly relations is the new administration in Washington.

The olive branch also follows changing loyalties in Libya. Egypt and the UAE were supporters of Khalifa Haftar's Libyan National Army (LNA), based in the eastern city of Tobruk, while Qatar and Turkey supported the internationally recognised government in Tripoli. But Sisi switched sides and announced Egypt would reopen its embassy in Tripoli in August. •

## Can we relax now?

On 25 October, Egypt announced the end to its four-year state of emergency. The government imposed it in April 2017 following the Palm Sunday church bombings. It had been extended every three months. Prior to 2017, Egyptians had lived under a 31-year state of emergency under former president Hosni Mubarak. Human rights groups had criticised the state of emergency as a tool to detain and surveil civilians arbitrarily. Human Rights Watch argues that its removal will not have a big impact until draconian laws that limit civil liberties are changed.

But the government is going in the opposite direction to this. In late 2021, it approved a round of legal changes that give the military and executive branch broader powers. Egypt's house of representatives voted for these amendments to the national terrorism law, with only a handful of parliamentarians objecting. The amendments give the president more power to maintain security and order. They also entrust the police and the army with the responsibility of protecting and controlling vital infrastructure, such as railways, oil fields and power stations. Those accused of trespassing or damaging such facilities risk being referred to the military courts, which one parliamentarian noted "is unconstitutional". •



# Libya

## A vote for peace?

The 2021/2022 elections are the latest attempt to bring an end to the Libyan conflict. Investors are waiting for improvements in security and stability to launch major projects.

Will the dawn of 2022 herald a new era of stability for Libya, or will efforts come to nothing, as has happened so many times before? As *The Africa Report* went to press the presidential election originally planned for 2018 is finally due to be held on 24 December 2021, with a second round on 24 January 2022. The legislative elections have already been thrown off course.

There are five principal candidates in the race: rebel leader Khalifa Haftar, whose troops hold sway in the east and south; Abdul Hamid Dbeibah, a wealthy businessman and prime minister of the Government of National Unity since February 2021; Aguilah Saleh, the speaker of the Libyan House of Representatives (the eastern parliament), who is close to Haftar and liked by the Russian and Egyptian governments; Fathi Bashagha, who was minister of the interior in the Government of National Accord from until March 2021; and Saif al-Islam, the son of late leader Muammar Gaddafi, who was barred from the race but reinstated in early December.

### Election rules unclear

Haftar could be a potential spoiler: he has a strong fighting force and also backing from Russia and Egypt. Dbeibah is a relative newcomer to the Libyan political scene. He is a former close associate of Gaddafi and a native son of Misrata whose star is rising.

Unclear rules around the elections have created political tensions. The electoral law, which had been drawn up in a climate of secrecy, gave rise to deep dissension, leading to an initial postponement of the legislative elections until 24 January.

To complicate things further, even if the presidential candidates accept the results of the vote, the role of the head of state is not specified in any text, and the constitutional referendum scheduled for 24 December has been postponed indefinitely. The sharing of executive power could lead to conflict.

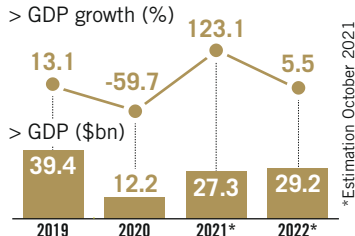
If Libya manages to overcome these immediate obstacles and to regain its administrative and political unity, many challenges remain. What will justice look like under a new

government and how will the country move on from years of conflict and human rights violations?

There is also the challenge of disarming militias and deploying a national police force and army. Before this can happen, the 20,000 foreign fighters in Libya would have to leave the country. The presence of these troops, which have become indispensable to the different leaders, is a threat to stability. They showed their power to cause regional damage when Chad's President Idriss Déby was killed on 19 April in fighting against rebels based in Libya who are allies of Haftar.



- > Population: **6.87 million**
- > GDP per capita: **\$3,699**
- > Life expectancy: **72.9**
- > Adult literacy: **86%**
- > Inflation: **2.6%**
- > Human development index (out of 189 countries): **105**
- > Foreign direct investment: **N/A**
- > Last change of leader: **2021**
- > GDP growth (%)



### The oil conundrum

Another major challenge is the distribution of oil revenue. It is a source of conflict between Benghazi, which controls the tap, and Tripoli, which controls Libya's finances. The latest, six-month blockade, which ended in October 2020, plunged the country into a -59% recession, which was halted by the resumption of production. Those figures highlight the oil-dependence and fragility of the economy, whose infrastructure has been devastated. Analysts predict that Libya will produce an average of 1.15m barrels per day through to early 2022.

International companies are waiting for signs of stability to go ahead with projects. France's TotalEnergies and Italy's Eni are prepared to invest billions of dollars in the energy sector. And Turkish firms are in pole position on the reconstruction front. Turkish firm Enka started work on a 671MW power plant to the west of Tripoli in June and is working with Germany's Siemens on a 650MW solar power plant in Misrata. •



# Mauritania

## Abdelaziz's long shadow

Quiet since the election of Ghazouani in 2019, the opposition is now calling for a national dialogue. Former president Abdelaziz, indicted in March 2021 on numerous charges, still awaits trial.

**T**he long-awaited 'trial of the decade' in Nouakchott – of former president Mohamed Ould Abdelaziz, indicted in 2021 for corruption, money laundering and other charges – risks eclipsing the mandate of his successor, President Mohamed Ould Ghazouani. In 2019, Abdelaziz thought he was handing over to a safe pair of hands, but retired general Ghazouani quickly showed that he was not interested in protecting Abdelaziz.

However, the case is overshadowing the government's political agenda. Some advisers are telling the president that he should grant his predecessor a pardon, while others say the trial should go ahead. The legal proceedings seem to be stalling, amidst general indifference in the sub-region. This is a personal setback for the former president and a diplomatic one for Ghazouani, who is not reaping the expected benefits.

### Playing down problems

The opposition, which was highly critical of Abdelaziz and was initially kinder to his successor, has decided to put an end to the long honeymoon Ghazouani was enjoying. It is calling for the opening of a national dialogue to reform the way the country is governed. Ghazouani has rebuffed such calls, insisting that the country is not in a crisis that would require a national conference, but he is now talking with the opposition about reforms. He runs the risk of stirring up discontent if he does not follow up on the many demands, including the overhaul of the electoral system.

Oppositionists and civil-society leaders have criticised Ghazouani for being slow. In response, his

government is devoting more resources to social programmes and education. It has created a national council on education to oversee reforms of the sector and is recruiting more teachers and building thousands of classrooms.

Beyond the turmoil in Mauritania's political scene, the focus next year will be on economic issues, particularly natural resource development. The Covid-19 epidemic has delayed the development of some 15trn cubic feet of natural gas at the Grand Tortue

Ahmeyim field operated by Britain's BP, which should have started in 2022. Phase 1 is set to produce 2.5m tonnes of liquefied natural gas per year.

The increase in iron prices helped double the profits of the *Société Nationale Industrielle et Minière* in 2020 to \$579m. The price went on to hit a peak of \$219.50 a tonne in July 2021 before falling steeply. The management of the state-owned enterprise is working on removing bottlenecks to improve its performance. Production has been around 11m tonnes per year for many years, but was on track to be close to 13m in 2021.

### Golden handshake

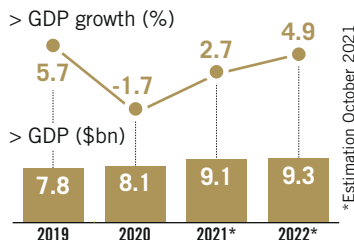
Gold production was also up amidst high prices for the mineral, which helped counter difficulties faced by the fishing sector. In July, the government and Canadian miner Kinross reached an agreement on longstanding disputes, including royalties, about the Tasiast gold mine. However, the two sides have yet to conclude a deal that would allow for an expansion of the mine.

Ghazouani has also worked to improve Mauritania's macroeconomy. He continued the negotiations begun by his predecessor in Kuwait, and in August obtained the restructuring of about \$990m in debt – about 12% of the country's GDP – that dates back to the 1970s. Meanwhile, the country is dealing with a difficult year of drought.

Mauritania has not suffered from rebel attacks like its neighbours Niger and Mali, but to boost regional security, the government is increasing its commitments to the G5 Sahel security force and launching joint operations with the Malian armed forces. •



- > Population: **4.65 million**
- > GDP per capita: **\$1,673**
- > Life expectancy: **64.9**
- > Adult literacy: **53%**
- > Inflation: **2.4%**
- > Human development index (out of 189 countries): **157**
- > Foreign direct investment: **\$978m**
- > Last change of leader: **2019**
- > GDP growth (%)





# Morocco

## Creating a 'social state'

**The RNI's victory in September's legislative and local elections has reduced the PJD to nothing. A priority will be to implement the royal development plan, extending social protection for Moroccans.**

**M**orocco is aiming to take its successes from 2021 and build on them in 2022. The major focus of this will be constructing a bigger and stronger social safety net. The economy has started to recover from the Covid-19 crisis and 70% of the adult population had been vaccinated by November 2021.

A new government is working with King Mohammed VI to implement these changes. On 8 September, the country held legislative, regional and municipal elections with a record turnout of 50.4%. Voters harshly punished the *Parti de la Justice et du Développement* (PJD), which came to power 10 years ago as an outcome of the Arab Spring of 2011. The PJD had raised hopes for social justice and the fight against corruption.

### Technocrats in charge

Against the odds, the PJD's main challenger, the *Rassemblement National des Indépendants* (RNI), led by Aziz Akhannouch – one of the kingdom's wealthiest men, who is close to the palace – won the elections. He now heads the new government, which is more technocratic than political, and is made up of the three parties that came out on top in the legislative elections: the RNI, the *Parti Authenticité et Modernité* and *Istiqlal*.

The framework for creating a 'social state' is the *Nouveau Modèle de Développement* (NMD) drawn up by a commission appointed by Mohammed VI. The main aim is to roll out compulsory health insurance by the end of 2022, followed by family allowances during 2023 and 2024, before broadening the membership base of pension funds by 2025. The annual cost of

these reforms is estimated at Dh51bn per year (\$5.6bn), of which Dh23bn must come from the state budget. The government must therefore come up with a way to find more money.

It is counting on public investment of Dh245bn to get the economy back on its feet. The administration plans to increase tax revenues by Dh27bn. It intends to spend an additional Dh9bn on education and health, and hopes to create 250,000 direct jobs in two years. But is it enough? The

3.2% growth that the government is forecasting is far too low to transform the country. The 2022 national budget attempts to combine austerity and reform but does not propose the long-awaited structural changes recommended by the NMD, in particular the disbanding of an economy based on rent-seeking and oligopolies.

### Long-term vision

The kingdom's debt will soon reach the symbolic level of 100% of GDP, much of which is owed to the IMF and the World Bank. As a result, 2022 is likely to be difficult, especially for the middle classes, who will face new taxes, a drop in their purchasing power, and rising fuel and electricity prices.

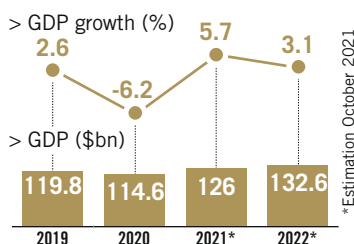
However, the state is committed to a long-term vision and has great ambitions: to become a leading industrial and export platform. The kingdom is relying on several sectors: agriculture, automobiles, aeronautics, offshoring and renewable energy. To strengthen the country's independence, Mohammed VI recently called for the establishment of a "strategic reserve" to ensure Morocco's food, health, industrial and energy sovereignty.

To boost the tourism sector, the government plans to invest about \$600m to improve the country's airports between 2022 and 2024, as well as spending \$1.4bn in 2022 on port projects, including a major one at Dakhla in Western Sahara.

Relations between Morocco and Algeria remain tense over the future of Western Sahara and other issues. The UN mission there has been extended until October 2022, with talks planned between Morocco, the Polisario Front, Algeria and Mauritania. •



- > Population: **36.91 million**
- > GDP per capita: **\$3,009**
- > Life expectancy: **76.7**
- > Adult literacy: **74%**
- > Inflation: **0.7%**
- > Human development index (out of 189 countries): **121**
- > Foreign direct investment: **\$1,763**
- > Last change of leader: **2021**





# Sudan

## A strong-armed transition

**The October military coup has shown how shaky Sudan's political transition can be. Donors will not go ahead with debt relief and aid commitments if civilians do not take power.**

**W**hat will moderate the influence of the leadership of Sudan's military, which sees civilian rule and accountability as a threat? That is the central question of the country's transitional period, which began with the downfall of dictator Omar al-Bashir in 2019. Under Bashir, military officials conducted human rights violations and got involved in business. So who will win out in the end: General Abdel Fattah al-Burhan and his allies in the Gulf, reinstated prime minister Abdalla Hamdok and his Western backers, or the street?

The military has shown the most strength. Burhan launched a coup on 25 October and then gave in to international pressure and street protests to bring civilians back into government. A new transitional deal signed in November 2021 calls for elections in 2023, but the military still maintains its influence, and the problems that led to the coup remain unresolved.

### Devil in the (lack of) details

The leaders of the Forces for Freedom and Change – a driving force in the anti-Bashir protests – have lost their positions in government and say Hamdok betrayed the revolution. And the military is seeking to bring Bashir's allies into the new government.

The deal between Burhan and Hamdok is missing a lot of critical details and timelines. The civilians in government were previously due to take over the Sovereignty Council in November, and there is no timeline for the creation of the legislative assembly.

Reform of the military, the role of Islamist parties in the transitional government and investigations

into crimes and corruption under the Bashir regime are likely fault lines between Hamdok and the military regime – which also includes General Mohamed 'Hemeti' Hamdan Dagalo.

Elections and constitutional and other reforms will be high on the 2022 political agenda, and the junta is unlikely to organise a vote without assurances that its interests will be protected. The government has not got all rebel factions to agree to peace talks. Also on the security front, all

of Sudan's militias are due to be integrated into a single military force.

Protesters are keeping up the pressure in the streets, calling for the military to have no role in government. The military authorities killed 43 civilians between October and the end of November, according to the Sudan Doctors Committee. The resistance committees that sprung up to protest against Bashir are still an active force in Sudanese politics.

### Crazy inflation

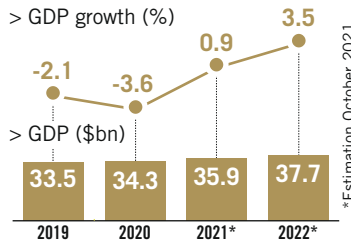
Sudan's economic progress has been made possible by international support for the country's civilian leaders. Sudan qualified for Heavily Indebted Poor Country debt-relief on 29 June, which will help to slash its unsustainable \$56bn debt. The IMF launched a \$2.5bn aid programme, dependent on reforms, that would help reduce the debt to about \$6bn in 2024.

The Bashir government's poor handling of the economy and skyrocketing prices were factors that contributed to popular anger, so the military authorities are wary of repeating history. Against the backdrop of tough economic reforms, inflation hit 422.8% on a year-on-year basis in July. Before the coup, the IMF had predicted that GDP growth would be positive for 2021.

Some economic reforms are more politically sensitive than others. For example, prior to the coup, the central government was looking at how to bring companies managed by Hemeti's Rapid Support Forces under its control. The government could use the revenue, but it cannot afford major investments in critical sectors like health and education. •



- > Population: **43.85 million**
- > GDP per capita: **\$596**
- > Life expectancy: **65.3**
- > Adult literacy: **61%**
- > Inflation: **150.3%**
- > Human development index (out of 189 countries): **170**
- > Foreign direct investment: **\$717m**
- > Last change of leader: **2019**
- > GDP growth (%)





# Tunisia

## Saied's one-man show

**Frustrated by political inertia, President Saied has taken complete control of the government. The economy is in crisis and Tunisia is looking to the IMF for help, but negotiations will be long.**

**F**rustrated by political infighting and economic stagnation amidst the Covid-19 crisis, President Kais Saied took power into his own hands on 25 July, declaring a state of emergency and deciding to rule on his own. While some Tunisians call this is a dictatorship, many others applauded. Opinion polling after the move showed that 89% of those surveyed intend to vote for him in the presidential elections planned for 2024.

Saied shows no signs of wanting to return to the status quo. On 22 September, he started ruling by decree and suspended some elements of the constitution. Article 80 of the constitution, which allows for the state of emergency, also calls for the constitutional court to play a role. However, the institution does not yet exist and Saied – a former university professor of constitutional law – wants to create a constitution “of the people and not pseudo-parties” before ending the state of emergency and holding new legislative elections.

### The party's over

Saied has said he is in favour of a decentralised, three-tier, indirect system of legislative elections in an attempt to exclude political parties and their warring ideologies. The central bank and the armed forces are two of the remaining checks and balances on the Tunisian executive branch.

Popular support for political parties has waned. The Islamist party *Ennahda* hit an all-time low in opinion polls in September and 113 of its members resigned. A pressure group, *Citoyens Contre le Coup d'État*, has sprung up in response to Saied's authoritarian moves. It wants him to end the state

of emergency, allow parliament to return to work and organise legislative elections earlier than planned.

The ailing economy could pose a threat to Saied's plans. Inflation is on the rise and the government's finances are in trouble. The central bank and the ratings agencies are worried about the country's debt and the government's finances. French bank BNP-Paribas says that corruption, nepotism and unemployment are major economic obstacles. Saied wants to tackle the

first two, arguing that the economy would get a big boost if the government could get hold of the ill-gotten gains of the Zine al Abidine Ben Ali regime and its allies.

In November he called for Tunisians to bail out the government. When that did not work out, he turned to the IMF but said that his government would not blindly follow its recommendations.

In return for the \$4bn Tunisia has asked for, the IMF will be requiring deep reforms, as it predicts the country's debt will hit 100% of GDP in 2022. Under the previous government, the IMF asked for the elimination of subsidies for food and energy, which would be replaced with targeted payments for poorer households.

### What's the programme?

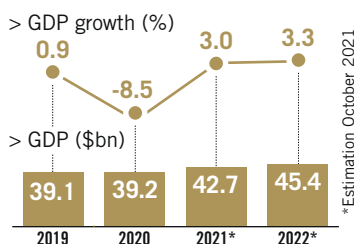
The talks are likely to drag on, as the government has not yet presented the Fund with a programme to discuss. It has yet to find the \$3.4bn its needs to plug the gap in the 2021 national budget, and looking to the international markets is unlikely to be successful. So it may be forced to cut the investment budget.

Key sectors are having problems. The tourism industry has been hit by the Covid-19 pandemic and will take years to recover fully. The sector typically accounts for 14% of GDP and some 400,000 jobs.

The phosphate industry, however, is rebounding somewhat under Saied's leadership. State-run companies in the sector are often the target of popular protests, but the President's anti-corruption drive has helped to calm the situation and relaunch operations. In 2020, Tunisia produced 3m tonnes of phosphates, down from 8.3m in 2010. •



- > Population: **11.82 million**
- > GDP per capita: **\$3,320**
- > Life expectancy: **76.7**
- > Adult literacy: **79%**
- > Inflation: **5.6%**
- > Human development index (out of 189 countries): **95**
- > Foreign direct investment: **\$652m**
- > Last change of leader: **2021**



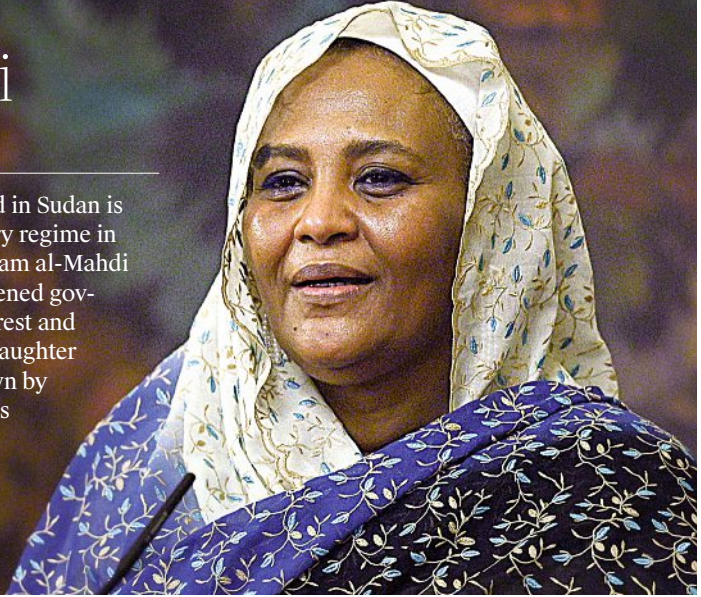
# People to watch

## Sudan

### Mariam al-Mahdi

#### Democracy defender

Her campaign to see democracy installed in Sudan is far from over. A fiery critic of the military regime in Khartoum, former foreign minister Mariam al-Mahdi refused to take part in the new and weakened government after the October 2021 coup. Arrest and intimidation have not slowed down the daughter of the prime minister who was overthrown by former president Omar al-Bashir. She has drawn a line in the sand with the ruling junta, saying in October: "I have not had any discussions with any of them, and I never will."


RAMIL SITDIKOV/POOL/TASS/SIPA

## Algeria

### Ramtane Lamamra

#### Neighbourhood watcher

Algeria's new foreign affairs minister has a full inbox: the conflict with Morocco, the war in Libya, instability in the Sahel and diplomatic tussles with Paris demand his attention. On his appointment in 2021 he launched mediation efforts around Ethiopia's controversial dam on the Nile and the stalled political transition in Mali. Algeria lags behind Morocco in terms of its diplomatic and commercial efforts on the continent, and Lamamra is trying to make up for lost time, although he can only work with what he's got.

## Morocco

### Aziz Akhannouch

#### First you get the money...

Morocco is taking a punt on having a billionaire businessman in charge of running the country. The September 2021 legislative elections gave Aziz Akhannouch's centre-right *Rassemblement National des Indépendants* (RNI) the chance to form a coalition government after the Islamists of the *Parti de la Justice et du Développement* crashed out of power, and made him prime minister as leader of the largest party. Akhannouch, who made his fortune in fuel and gas distribution and is a former agriculture minister, has been making big promises, like the creation of a million jobs. The RNI won thanks to its grassroots strategies, so voters are expecting it to follow through on local development and other pledges.


VINCENT FOURNIER/JA



## Libya

Saif al-Islam  
Gaddafi

**Dynastic ambitions**

Khalifa  
Haftar

**Eastern strongman**

Abdul Hamid  
Dbeibah

**Looking for longer than interim**

Each of the trio – a Gaddafi son, an eastern rebel leader and the interim prime minister – has a sizable constituency in Libya and the ability to create problems for the transition currently under way. The first round of presidential elections was due to be held in December. With powerful foreign interests looking to influence the future government, and mercenaries on the ground, what is to stop any of them from seeking to play a spoiler's role come 2022?

## Egypt

Mostafa  
Kandil

**Proud unicorn parent**

Mostafa Kandil, 28, is a star of the burgeoning Egyptian start-up scene. He created the bus-hailing app SWVL in 2017, which is now set to be the first Middle Eastern and North African unicorn to list on the US's Nasdaq stock exchange when its merger goes through. The deal with Queen's Gambit Growth Capital in 2021 valued the company at \$1.5bn. Kandil is aiming for a \$15bn valuation through expansions in Latin America and Europe.



HUANG LING/XINHUA/REA

## Tunisia

Najla Bouden Romdhane

**Help at rock bottom**

Will Prime Minister Najla Bouden Romdhane provide an effective counterbalance to President Kais Saied, who declared a state of emergency and is ruling by decree? He may be thinking that she is cut from the same cloth as him: she is an apolitical academic who previously ran a World Bank-funded series of reforms of the university system. Romdhane is the country's first woman prime minister.

# VOTING IS JUST THE START OF DEMOCRACY



**LAZARUS CHAKWERA**

President of Malawi

KAYPHANGA

Africa is growing more democratic. Earlier this year, Africans across our continent rejoiced as the result of the general election in Zambia was declared: a win for Hakainde Hichilema by a historic margin, and, with it, a change of government. It was not just that the incumbent graciously conceded, but that Zambians had expressed their will and desire for the good of the country in a way that transcended geographic and ethnic lines.

This was not an isolated incident for our region. Only a year before, another, more extreme version of these events had taken place in my home country of Malawi.

In both Malawi and Zambia, multiparty elections have been the norm for a generation now. However, that shift alone was never sufficient to transform governance, or society. We must not mislead ourselves that the right to vote was all people wanted. What they desired, and still desire, is a better life – and they protested for democracy with certain knowledge that this was the route to achieving it.

Democracy is greater than the sum of its parts – and the right to cast a ballot is only one of them. Equally vital is

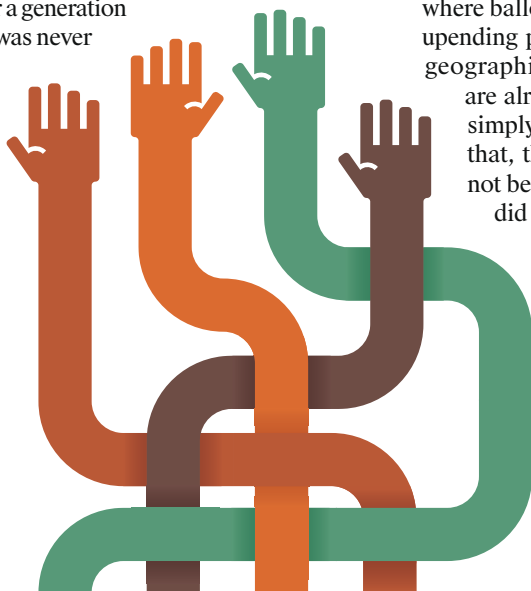
rule of law, protected and dispensed by an independent judiciary. Critical to both is for electors to see the party and the principal they elected implement the agenda they voted for. Elections featuring multiple contestants and increasingly consistent party structures are a crucial staging post to democratically controlled governance that delivers. But they are not the endgame of democratic development.

**Unfortunately**, for too many of the past 30 years Malawians have been fed the ‘fruits’ of democracy without change. No matter how many elections or concoctions of parties are presented to the electorate, it has been a bitter harvest. This cannot go on. If governments raised to office through democratic means do not deliver, then why would people wish to uphold democracy at all?

Accordingly, I have recently set up a new body in my office, at the very seat of government: the Presidential Delivery Unit (PDU). This small, handpicked team from across the civil service is already focusing on delivering my administration’s core priorities – and using relationships across government, as well as the political authority of State House, to manage their implementation.

Through gathering and analysing a stream of performance data and conducting regular stock-takes with implementing ministries, departments, and agencies, the PDU is identifying which priorities are off-track or delayed, and why. By pinpointing issues and bottlenecks, it will subsequently bring resources to support those arms of government that need them, using my executive prerogative as head of state and government to drive through change.

As we can see from these two recent elections, where ballots were cast for policy priorities, upending previous patterns of voting along geographical and ethnic lines, the voters are already ahead of us politicians. Put simply, they demand action. More than that, they demand results. Should that not be delivered, we will rue the day we did not try. •





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