



Africa

The electronic journal of governance and innovation

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Linking Nepad and Civil Society

WELCOME to the first issue of the monthly electronic journal *eAfrica*. Generously funded by the Royal Netherlands government, this project grew from an ongoing discussion at the South African Institute of International Affairs about how civil society ought to engage with the New Partnership for Africa's Development (Nepad).

Nepad was created by heads of state, but its ongoing ability to energise and redirect Africa will depend on how effectively civil society can pressure governments to deliver on their national Nepad commitments. At the continental level, Nepad can achieve some important things – for example seeking trade concessions or ending conflicts.

However, the great bulk of African problems must be solved at the national level. Boosting the administrative effectiveness of government, ending corruption, or improving education, agriculture and health – all these must be managed nationally and do not lend themselves to regional or continental solutions.

Through the African Peer Review Mechanism, Nepad aims to apply pressure and assistance to national governments. This is positive but is not enough. Many African states have simply not been responsive to the desires of citizens or business. African political leaders have concentrated too much on political survival and too little on delivery. If heads of state are unwilling to respond to citizen complaints, peer review alone is unlikely to change that. The solution is for civil society to play a much more assertive role.

So far there has been little dialogue between African governments and their societies about what Nepad means. In a modest way, this journal aims to encourage such a discussion. It will be distributed across Africa via email to business, parliaments, individuals, governments and the media.

The themes of this journal are governance and innovation, the two most vital issues confronting governments. If Africa stays stagnant, it will fall further behind the rest of the world. We must fundamentally change how we organise our democracies and manage and deliver services, given limited resources.

Where unfairness or corruption in the greater world exists and can be acted upon, we will point it out. For example, this issue highlights the testimony coming out of a French trial, which makes clear that French politicians – including presidents – and the state-owned oil company engaged in a vast system that delivers bribes to African heads of state and kick-backs to French political parties and oil executives. Similarly, we focus on a top African trade priority: how US cotton subsidies are damaging thousands of African farmers.

However, the main focus of this journal is on what Africa is doing or can do for itself. We intend to search for good new ideas, highlight success stories and critique how and why good ideas succeed and fail. We hope to compare and contrast different approaches tried by African states. Ultimately, this journal is based on the conclusion that Nepad must be about innovation across the full range of government and private endeavour. Africa cannot go on as a simple supplier of commodities while populations grow and poverty deepens.

This issue specifically looks at how to end the acrimony surrounding elections to make them a source of strength rather than conflict.

We also highlight successes in fighting malaria and reforming African ports. We also look at progress in ending the trade in conflict diamonds and how Nepad might use Africa's success with sport to help recast the continent's image. We look forward to your comments, suggestions and contributions.
 – Ross Herbert

Beyond Ballots: Making Elections Work

AFTER Nigeria's April elections, Nigerian president Olusegun Obasanjo dismissed domestic and international complaints over widespread election fraud by observing, 'Europeans should not think that we are Europeans. Our culture and environment are different from theirs.'

'Whereas democracy must have certain standards that are common, the cultural milieu of the place where democracy is practised must be borne in mind.'

Obasanjo implies that, given Nigeria's history of coups and sectarian violence, a mismanaged election is better than a coup or civil war. But elections marred with irregularities are not an alternative to war: they often cause African conflicts.

In the last two years, election results in 11 African states – Nigeria, Benin, Zambia, Zimbabwe, Lesotho, Madagascar, Congo-Brazzaville, Tanzania, Cameroon, Togo and Côte d'Ivoire – were bitterly disputed by the losing parties. Significant election-related violence occurred in seven nations and civil war erupted in two.

Obasanjo's remark begs the question: do Africans have a right to elections judged by international criteria or do they only have a right to a different, lower standard?

The question of standards for democracy is relevant at two levels. The first is image. As the most fundamental issue around which societies organise themselves, elections reflect Africa's image of itself and to the world. Electoral fairness, or its lack, is the clearest statement to a society about how its leaders intend to rule.

It sets the tone for either cooperative or destructive relations in business, politics and religion. As the leader of the Implementation Committee of the New Partnership for Africa's Development, Obasanjo does Africa's image damage by referring to fraud as 'culture.'

The Nigerian election became an advertisement of African managerial

incompetence, showing as it did ballot papers trampled in the mud, thugs beating candidates in front of television cameras and election officials fighting in the street to protect ballot boxes from party cadres intent on restuffing them.

Election disputes often grow out of deeper political dysfunction in which society has not yet agreed on standards of behaviour or key players are unwilling to abide by rules.

For example, the recent coup in the Central African Republic grew directly out of allegations of vote fraud in the 1999 elections. That election dispute followed

'To deepen democracy we need sustained political education for our populations, which are sometimes illiterate or semi-literate. They vote without really choosing.'
– Burkina Faso delegate

years of often violent political rivalry. Congo-Brazzaville's essentially one-party presidential elections in 2002, merely captured the results of the country's 1997 civil war, which erupted in the run-up to elections. If elections are meant to avert conflict and ensure government responsive to the needs of the people, Africa ought to carefully reassess how and why its election processes fail and what is necessary to ensure constructive change.

Those questions were debated in April when academics and election officials from across the continent met in Pretoria, South Africa, at a conference entitled 'Strengthening African Initiatives: Governance, Democracy and Elections.' Co-sponsored by the Independent Electoral Commission of South Africa (IEC) and the African Union, the conference recommendations will be submitted to the AU summit meeting in July.

Delegates argued that Africa needs to change the way it manages democracy. Based on their insider experience, what lessons has Africa learned about how to manage elections and democratic practice to avoid disputes and conflict?

Lesson 1: Democracy is about more than just voting. It encompasses a wide range of constitutional, voter registration and party rules and traditions of political fair play. 'In Africa, the problems go beyond just elections. We need to talk about the norms and values at the core of governance. It is a question of mechanisms and institutions that many countries lack. The other factor is long years of military rule and the centralising power of the military that suppressed African norms and values,' said Otive Igbuzor, programme officer, Centre for Democracy and Development in Nigeria.

Lesson 2: Presidents are too powerful. African presidents have excessive legal and patronage powers without adequate checks and balances by other branches of government. 'Too much power is concentrated with presidents, which makes good sons of Africa turn into animals and enemies of their people. One person appoints everyone else, who owe him loyalty... Presidents find the presidency too attractive to want to leave. Institutions like independent electoral commissions are vital,' said Emily Sikazwe, chairperson, Women for Change, a Zambian non-governmental organisation.

Lesson 3: Poverty makes politics the road to wealth. As long as Africa is poor and other economic avenues are limited, politics will remain the quick route to wealth. Given that African states are fragmented ethnically and according to faith, multiparty democracy perversely encourages parties to stoke animosity between groups to gain power. Some constitutional checks and balances exist on paper. But they rarely work in practice as they are not strong enough to brace against the pressures of ethnic-based

patronage politics, which gives presidents potent tools to control judges, stack election boards, and bar candidates from running for office – which are the root causes of the present war in Côte d'Ivoire.

Lesson 4: Faulty checks and balances are not accidents or aspects of culture. Election observers need to scrutinise existing laws and report on whether they encourage, or discourage, a fair electoral voting process. A lack of checks and balances is intrinsic to democratic unfairness. It is often an intentional strategy of ruling parties.

In Kenya, Daniel Arap Moi dismantled any institution limiting his patronage power. Rules barring politicians from running businesses conflicting with their duties were dropped. The Auditor-General was starved of resources and denied prosecutorial powers. Moi claimed that he followed the law, but the law was built on systematic unfairness that was undemocratic, even if apparently legal.

Lesson 5: Democracy fails without voter education. Democratic institutions will not be responsive to voter needs or restrain the selfish interests of politicians, unless voters are educated about their civic and economic rights. A delegate noted that most African constitutions have never been translated into local languages. Many states, such as Zimbabwe, forbid civic groups from conducting voter education. When Zambia's Frederick Chiluba campaigned for a third term, ruling party cadres beat and harassed rural women's groups educating rural citizens of their rights.

Lesson 6: Fair voter registration is the core of electoral justice. Manipulating the timing, procedures and proof of identity rules in voter registration is among the techniques most frequently used by incumbent parties to tip the balance in close elections. Despite its importance, international and African election observers come into elections a few days before the vote and consistently fail to render a judgement about whether voter registration was free and fair. In most African countries, voters must re-register before each election and new identification requirements are imposed for every election.

In Zimbabwe's 2002 presidential election, officials refused to release the voters roll for inspection so voters could not determine if their previous registrations

were valid. The registrar demanded that urban voters, who overwhelmingly opposed the ruling party, produce a utility bill to prove where they reside. Rural residents supportive of the government were not required to produce proof of residence.

Lesson 7: Democracy and accountability fail without independent media. Although most African nations have impartial print media, they reach only a fraction of the urban population. Governments continue to own and manipulate news coverage on electronic media. Radio is particularly vital as it is the only way that the two-thirds of Africans who live in rural areas get information on government performance. For elections to be meaningful and voters to have real information upon which to vote, Africa must license radio and television stations outside the control of ruling-

'Development is impossible in the absence of true democracy, respect for human rights, peace and good governance... Africa undertakes to respect the global standards of democracy, which core components include political pluralism, allowing for the existence of several political parties and workers' unions, fair, open, free and democratic elections periodically organised to enable the populace to choose their leaders freely.'
– **Nepad article 79**

party officials. Journalists must be free from threats of arrest, violence or censorship.

Lesson 8: Procedural details matter. Many African states enshrine unfairness in their fundamental democratic structures. Several nations, such as Kenya and Zambia, do not require a run-off election between the top two presidential candidates to ensure the winner has the support of the majority.

Electoral rules were stacked to allow parliamentary constituencies favouring Moi to have as few as 7,000 votes while constituencies of opposition strongholds contained as many as 100,000 votes. Such rules allowed Moi to control two-thirds of parliament and the

presidency in the 1990s even though the ruling party won little more than a third of the vote. This intensified Moi's incentives to heap benefits on his minority supporters and ignore majority needs.

Lesson 9: Election commissions must be truly independent. The perceived legitimacy of African referendums is undermined because election commissions are often not independent. They are frequently partisan or ineffective because they are starved of resources. Commissions must include a range of political parties and respected, neutral civil-society figures. They must be given adequate funds, staff and transport to educate and register voters, monitor and safeguard ballots, and deploy voting materials timeously to allow eligible citizens a fair chance to vote.

Lesson 10: Even one mistake undermines legitimacy. African societies are afflicted by a legacy of ethnic distrust and political corruption, which has contributed to deeply cynical political cultures. In such environments, only a single element of unfairness can be enough to provoke protests and violence. When the opposition wins power, it perpetuates distrust by turning the same techniques onto former rulers.

Despite the sound advice offered by delegates, crucial issues remain unanswered. Their recommendations are non-binding principles that governments are free to ignore. They avoid critical specifics, such as the need for run-off elections and free media.

Nepad has undertaken, through the African Peer Review Mechanism, to come up with standards for holding countries accountable to their commitments to democracy and human rights. However, the draft AU guidelines and the recommendations from the IEC-AU conference do not require mandatory AU election observation missions. Instead observers will go only if the host country asks for them.

The recommendations fail to stipulate whether elections can be considered free and fair only on the basis of observations on election day, or whether the entire electoral process should be considered, including election violence and voter registration problems. – **By Ross Herbert and Steven Gruzd, SAIIA**

See the draft conference statement at: www.wits.ac.za/saiia

Nigeria Re-elects the 'Visiting President'

FOR Nigerian voters, the choice between incumbent, General Olusegun Obasanjo, Muhammadu Buhari, former military dictator, and ex-Biafran warlord, Emeka Ojukwu, was a selection between the 'best' of three flawed products.

The re-election of Obasanjo in April was the first civilian-managed election in 20 years. However, serious complaints about electoral fraud place a question mark over Obasanjo's credibility as Nigeria's leader and as a prime mover in the New Partnership for Africa's Development.

Certainly the electoral choices failed to inspire voters. Ojukwu, a leading actor in Nigeria's 1960s civil war, was seen as an 'Igbo president' and too nationalistic to rule the whole country. Southern leaders did not see Buhari as a viable alternative.

After leading a military coup, he sent many politicians to jail and enacted several draconian decrees. Buhari, who is openly pro-Sharia, said Muslims should vote only for those who promised to protect Islam. Northern Christians who have suffered during religious conflagrations since 1999, likely voted with his comments in mind.

A constitutional lawyer, Festus Keyamo, says Obasanjo's victory is not proof of his popularity, but 'a choice between the devil and the deep blue sea. Other parties with credible candidates lacked the funds to campaign massively like the PDP.'

How else can one explain the re-election of a leader who many believe has made life more miserable for 129 million Nigerians over the last four years?

Obasanjo polled 24.4 million, of 60 million votes. Buhari of the All Nigeria Peoples Party (ANPP) polled 12.1 million. In addition to the presidency, the party won 28 of the 36 governorship seats.

In the House of Assembly elections, the party won more than 60% of the seats in the Senate and House of Representatives. In the 1999 elections,

Obasanjo won 62.8% of the vote, while his closest rival, the APP-AD (now the ANPPP), got 37.2%.

The European Union (EU) said in an interim report that the vote was 'marred by serious irregularities and fraud in at least 11 of Nigeria's 36 states'.

The EU said its observers saw cheating including 'stuffing of ballot boxes, forgery of results ... ballot-box snatching and other forms of rigging'.

Opposition parties alleged that in some areas voters collected between N100 and N500 (about \$0.80 to \$4) from ruling party agents before voting.

Although Nepad is about reforming Africa, Obasanjo's critics say he has spent more time worrying about continental politics and has implemented few reforms at home. He reportedly travelled abroad a record 190 times, earning the title the 'visiting president.' It took a threat of impeachment by the House of Assembly to stop his globetrotting.

At present, university lecturers have been on strike for five months bringing higher education to a standstill. There have also been incessant fuel price increases and acute fuel shortages in this oil-rich country. These factors should have influenced the voting pattern, many analysts argued. But they apparently did not.

The International Republican Institute called for fresh elections in Rivers and Enugu States in the south-east and south-south, respectively. Votes awarded to PDP in Rivers State exceeded the number of registered voters in the entire state.

Accusations of rigging are the 'usual ranting of a loser,' Akin Osuntokun, PDP's Head of Media Campaign said.

Ultimately, for many Nigerians, the most important result from this election is the fact that a civilian-to-civilian transition has finally taken place. — By Kingsley Obom-Egbulem, Nigeria.

Events

PUBLIC HOLIDAYS

25 May: Africa Day
26 May: Commemoration of the establishment of the Organisation of African Unity
4 June: International Day of Innocent Children, Victims of Aggression

CONFERENCES

22-24 May: Global Forum on Agricultural Research Conference 'Linking Research and Rural Innovation to Sustainable Development' in Dakar, Senegal. Contact +39 6 5705-3413 or gfar-secretariat@fao.org or www.egfar.org/gfar2003/default.shtml

24-30 May: 23rd International Association of Ports and Harbours World Conference in Durban, South Africa. Contact +27 21 762-8600, iaph2003@globalconf.co.za.

4-6 June: UNECA-Southern Africa Workshop on Growth Strategies for Poverty Reduction in Southern Africa, in Gaborone, Botswana. Contact +260 1 231-062 or uneca@zamnet.zm or www.uneca.org

12-13 June: World Economic Forum Africa Economic Summit 2003 'Harnessing the Power of Partnership' in Durban, South Africa. Contact +41 22 869-1212 or africasummit@weforum.org or www.weforum.org

24-27 June: US-Africa Business Summit 'Building Partnerships' in Washington, DC. Contact the Corporate Council on Africa +1 202 835 1115 or cca@africacncl.org or www.africacncl.org

1-4 July: 8th Annual Conference on Econometric Modelling for Africa, Stellenbosch, South Africa. Contact Stan du Plessis on +27 21 808-2242, stan@sun.ac.za

4-12 July: African Union Summit Meeting, in Maputo, Mozambique. Contact Desmond Orjiako on +251 1 512-005 or d.t.orjiako@telecom.net.et

US Cotton Subsidies Hammer Farmers

Agricultural subsidies paid by the United States and European governments to their cotton farmers are killing Africa's capacity to compete in the world cotton market. US subsidies have led to an over-production of American cotton, export dumping, and a slide in world cotton prices. Johannesburg journalist, Carolyn Dempster reports on the effect this has had on Africa's cotton producers.

IN MALI they call cotton 'white gold'. It yields a crop even in the driest regions of the Sahel and provides a lifeline to millions of Malians. It is the one crop that has been proven by the World Health Organisation to have the capacity to lift millions of Africans out of poverty.

But world cotton prices are the lowest in half a century because of agricultural subsidies the US and the European Union (EU) pay their cotton farmers.

Before the slump, the average price for cotton, over a 25-year period, was \$0.72 a pound (454g). In 2002, cotton prices averaged \$0.42 a pound on the world market. While cotton farmers in developing nations struggle to make a profit, in the same year the US paid \$3.9 billion in subsidies to its 25,000 cotton farmers, with a guarantee of \$0.70 a pound.

The EU paid its cotton farmers in Greece and Spain about \$716 million in direct assistance, according to the International Cotton Advisory Centre in Washington.

The subsidies and price guarantees offered by the US treasury have served as a major incentive to America's cotton farmers to plant a crop that exceeds domestic demand. In 2002, American farmers produced 4.4 million tonnes, the largest cotton crop in 10 years. Almost half was exported.

Mali, like most West African countries, exports 96% of its raw cotton and is susceptible to price fluctuations.

The International Cotton Advisory Centre calculates that the removal of US subsidies would have had an estimated net positive effect on average cotton prices of \$0.11 a pound in 2001/2.

Oxfam notes that using this calculation, the cost to Mali, in terms of the subsidies paid to American farmers amounted to a \$43 million loss in earnings in 2001. This loss in income was considerably more than the \$37.7 million that Mali received in aid from

the US in the same year.

Mali is among a group of West African countries – Burkina Faso, Benin, Chad, Togo, Cameroon and Côte d'Ivoire – that have been hardest hit by low cotton prices and US subsidies. Sudan, Tanzania and Zimbabwe have suffered the most in foreign exchange losses.

Ibrahim Malloum, president of the African Cotton Association (ACA), representing cotton farmers in 35 countries, told the first meeting of the ACA in March 2003: 'We don't have money in our countries to pay subsidies to farmers. They do their jobs, but the more they work, the less they receive.'

'The US paid \$3.9 billion to 25,000 cotton farmers, which cut world cotton prices \$0.11 a pound.'

In Burkina Faso, cotton farms are smaller than three acres and farmers are dependent on rain rather than irrigation. Cotton is planted, weeded and harvested by hand.

It is an irony that to benefit from the USA's African Growth and Opportunity Act, which offers African countries preferential access to US markets, governments are advised to liberalise their agricultural sectors.

The World Bank also cautions against subsidies and makes this a condition for accessing development loans. But under the current circumstances, Mali is spending \$13 million to prevent its cotton sector from collapsing. Similar measures have been adopted in Benin where money is siphoned from other development projects to cushion cotton farmers against a low world market price.

The World Bank estimates that West and Central African governments spend \$60 million a year supporting cotton farmers.

In South Africa about 4,000 farmers and their families farm cotton in the Makhathini Flats area of northern KwaZulu-Natal province. But low prices have led to a 47% drop in cotton production in the past year.

For every hectare of cotton abandoned, a job is lost. Hennie Bruwer, chairman of Cotton South Africa, estimates that about 24,000 jobs have been lost. 'The American farmer does not react to any market signal because he knows that whatever the world price is, he will get the price set by government in America.'

African cotton farmers have urged their governments to take up the issue at the World Trade Organisation (WTO), but Africa has scant lobbying power.

However, Brazil, also a large cotton exporter, has challenged the US subsidy system at the WTO. The Brazilians point out that in terms of the US Farm Act passed last year, the cyclical support payments envisaged may result in the US government subsidising 200% of the cost of the cotton crop.

They argue that US subsidies have stimulated over-production, flooding the market with a two million tonne excess of cheap cotton, which amounts to export 'dumping.'

The issue of agricultural subsidies and the breach of subsidy codes by the US will come up for discussion again at the next WTO round in September 2003. It is likely to be a heated debate.

As yet the WTO has not ruled on Brazil's complaint.

Should the Brazilians win their case, Oxfam says, Central and West African producers would have a strong case for claiming \$334 million in lost earnings for the period 1998-2001.

For more info: www.icac.org or www.cottonsa.org.za

Oil Corruption Trial Taints French and African Leaders

A CRIMINAL trial now underway in France has revealed details of a system – sanctioned by French presidents – to bribe African heads of state and siphon funds into the pockets of French politicians, political parties and oil-company executives.

The inquiry into Elf Aquitaine, the formerly French state-owned oil company, is seven years old. The broad outlines of the story have been told before, but the extent of top government authorisation for corruption is only now coming out

Three men who ran Elf Aquitaine in the early 1990s, chief executive Loik Le Floch Prigent, his 'general affairs' manager Alfred Sirven and the company's 'Mr Africa' Andre Tarallo, are accused of masterminding a web of corruption.

Among other revelations: funding to French political parties was channelled through Elf's Gabon subsidiary. Bribes were regularly paid to the heads of African states where Elf produces oil. Elf helped spark the 1997 civil war in Congo-Brazzaville when then-president Pascal Lissouba demanded an additional payment of \$150 million, which Elf refused. Lissouba turned to an American oil company, which paid, after which Elf began funding former Congo autocrat Denis Sassou Nguesso, who used the funds to buy arms and launch a civil war that toppled Lissouba.

Le Floch Prigent, who was first arrested in 1996 and jailed this year for two-and-a-half years, described how company money was spent. 'The Elf system was at the heart of the French state for years. It was not so much secret as opaque.

'In most petrol-producing countries it is the head of state who is the real beneficiary. So the money went to the names that the heads of these countries designated. If it sometimes ended up in an orphanage then I am very happy. But it didn't always end up in an orphanage,' Prigent said. Gabon, Cameroon, Angola and Congo have been named in the dossier now in court, and Nigeria figures in a subsequent investigation

into Elf's more recent activities.

The diversion of public funds during Le Floch's presidency from 1989-93 was at least \$180 million, according to French media reports.

Anti-corruption campaigner Jean-Francois Verschave, author of *Black Chirac* and *France Afrique*, estimates that in the 1990s Elf was switching \$300 million a year to the personal accounts of African beneficiaries.

'Pump Africa,' as the company came to be known, enriched corrupt French officials

In the 1990s Elf was switching \$300 million a year to the personal accounts of African beneficiaries

too. Le Floch Prigent revealed that the RPR, the Gaullist party that created Elf, was a beneficiary from the 1960s. Le Floch Prigent was appointed in the late 1980s, by the socialist president Francois Mitterand, who, he claims, 'asked me to balance things so that other parties would benefit'.

Le Floch Prigent said that French political parties received about \$5 million a year from Elf during his time as chief executive. Alfred Sirven said the figure was much higher. Verschave's estimated \$100 to \$200 million a year is paid to parties and politicians.

Thirty-seven witnesses are due to appear in court. Most face up to five years in jail, some up to ten. No French or African politician is among them. So far in the Elf affair, French politicians have escaped jail, although Roland Dumas, the former foreign minister, was forced to resign as president of the constitutional court. He was accused of benefiting from more than \$9 million that his lover, Ms Deviers-Joncour, was paid by Elf for her work as a consultant – a job that he allegedly secured for her.

According to Verschave, company staff and

intermediaries are on trial for illegal payments siphoned off to themselves. Ironically, the question of punishing people for bribing African and French leaders is not part of the trial despite compelling evidence.

'It's catastrophic for the French image,' says Verschave; 'It's disastrous for the country and for Africa.' Yet French press coverage has ignored the larger issues and focused on gossip such as Le Floch Prigent's troubled marriage, (Elf paid • 5 million for his divorce to prevent his wife from revealing company indiscretions).

One theory explaining French disinterest is that there are simply too many other scandals. The Elf trial follows the recent 'Angolagate' scandal, which revealed a rich web of corruption involving arms and oil deals involving Jean-Christophe Mitterand, son of the former president, French businessman Pierre Falcone, Russian-born Arkadi Gaydamak, and leading socialist and Gaullist politicians.

The NGO Global Witness has documented how these three funnelled some \$463 million worth of arms to Angola, relying on Mitterand's 'special' access to Luanda. Verschave notes that Falcone was the second biggest contributor to George W. Bush's election campaign (after Enron), although the money was returned after Angolagate became public.

'Public indifference is our main problem,' says Jean Francois Verschave, talking of his work for the anti-corruption organisation 'Survie.'

'In Latin countries, people tend to have wild mood swings in their attitudes toward their leaders. They are either idolised or regarded as scum.

'French people's expectations of their politicians are contradictory. People have a clientelist attitude. They can be violently critical of politicians, but at the same time they claim their share of the patronage,' Verschave said. – By Nicholas Long, Paris

Ciao Africa, The World is Moving On

Grace Kwinjeh, Brussels representative for Zimbabwe's opposition, reflects on the difficulties of African opposition politicians in obtaining a hearing at the European Union.

News report: Harare – 'Twelve Zanu-PF militia took turns to rape Rejoice Moyo, 21, while her husband, Hector Mudbokwani was forced to watch.'

I WRITE from Brussels, in the emergency room of a hospital known as the European Union (EU), where citizens in distress, like myself, come to seek lasting solutions and prescriptions to the problems ailing their countries. Some of my African colleagues who have been here for more than two decades have long lost hope.

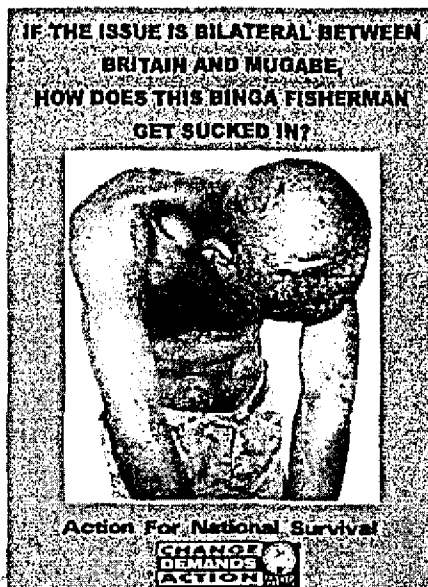
As we sit in the emergency room awaiting our turn to be heard, they look at me and ask what I am here for. I tell them the ailment and its symptoms: rigged elections, corruption, hunger, state-sponsored terror and a collapsed economy.

They shake their heads in dismay and wish me the best in finding a cure for Africa's oldest ailments. Many of my fellow patients come from the Democratic Republic of Congo, Burundi, Côte d'Ivoire, Rwanda and others.

Is this what God condemned us Africans to: a cycle of wars, dictators and poverty? Worse still, a leadership so insensitive to our plight that Thabo Mbeki, the chairman of the African Union (AU), can say that Zimbabwe – in spite of all its problems – has not been on the AU's agenda. 'You may well ask why it hasn't happened, but it hasn't,' he told a conference of African editors in Johannesburg recently.

While Rejoice was still recovering from the trauma of assault and humiliation, South Africa led a successful campaign at the UN Human Rights Commission to block a resolution on human rights in Zimbabwe from being discussed.

The commission is made up of countries that are more concerned with protecting each other than bringing to book human rights abusers. Some of



Civil opposition to Robert Mugabe's rule is getting stronger. Activists have begun running a series of advertisements graphically showing the victims of state torture.

the members of this body have poor human rights records themselves – Zimbabwe, Sudan and Libya.

South Africa's government advocates that Zimbabweans be given the opportunity to solve their own problems, and when we try to do so in international fora, the South African government machinery blocks our initiatives.

George Ayittey wrote in *Africa in Chaos*: 'A faulty analysis of the causes may lead to a wrong prescription, which may

treat only the symptoms and not the fundamental causes, or worse, may aggravate the ailment... a diagnosis must be subject to critical public review and debate to determine its validity and ensure that important causative factors have not been overlooked.'

The first mistake some African countries made was to diagnose the problem Zimbabwe faces as being one to do with land reform, while public opinion in Zimbabwe was that the country was facing a crisis of governance because of Mugabe's desire to hold on to power at all costs.

For more than three years we have been fed erroneous prescriptions, resulting in our ailment getting worse. Zimbabwe is heading for collapse.

Fighting to Live

I came into this hospital two years ago with a common cold. I had hoped that with the necessary antibiotics I would be out soon. I am now bedridden, fighting for life.

Zimbabweans can take no more. In March, the Movement for Democratic Change called for a two-day stay-away that resulted in a complete closing down of industry. In April, the Zimbabwe Congress of Trade Unions (ZCTU) had a successful three-day stay-away.

Zimbabweans, who have had to bear the brunt of the ruling Zanu-PF's poor economic planning which has resulted in inflation reaching 220%, shortages of basic foodstuffs, collapsed health and education delivery systems, heeded their call.

When will African leaders move from rhetoric to action? How long are we going to be locked in tired arguments that our problems are externally-generated? Were the 12 militia who raped Rejoice paid by a Western country or the government of

Zimbabwe? These actions are the source of Zanu-PF's demise. Its loss of popular support is as a result of the violence.

I have my medical aid card in hand, the Cotonou Agreement, of which the Zimbabwean government is a signatory. Its guiding principles are respect for the rule of law, good governance and observation of human rights.

The government of Zimbabwe and its allies have remained blind to articles that have to do with human rights and democracy, but take heed of those to do with trade or development aid.

The EU and its African, Pacific and Caribbean partners are due to meet in mid-May. This meeting will again be hijacked by Zimbabwe's appealing for smart sanctions against its senior officials to be dropped.

Only a few years ago we celebrated the end of the Cold War with the hope that

it would bring international peace, more democratic practices and universal human rights. We thought there would be zero tolerance for dictatorial regimes like that of Mugabe.

Is the emotional guilt of colonialism still strong enough among Western countries for them to continue accommodating the African position? Unfortunately, with the direction global politics have taken since September 11, I would like to warn that the world is moving on.

The choice is ours – we either continue to be dragged back to the dark ages where people are killed or starved for their political beliefs or we face some of the new challenges being presented to us.

All this is taking place at a time when the AU and the New Partnership for Africa's Development (Nepad) are emerging. Can Africa actually play in a globalised world, or will she continue to scratch and complain at the margins of global power?

The EU is more inwardly focused. Technically, it will be difficult for an enlarged EU to keep an eye on African matters. And, the abolition of the EU Development Council as a separate entity within the Council structure will have profound political consequences for the EU's development policy.

That policy, and the 9 billion euro annual aid budget, will become a tool of the Common Foreign and Security Policy, meaning that political relations with various African countries will determine aid allocations.

Globalisation has huge costs and risks for African countries. Contentious negotiations are taking place at the World Trade Organisation, with African countries demanding better deals.

However, a priority to the US is the 'war on terrorism.' It is not likely that Africa will continue to be top of the US agenda. Already, former US President Bill Clinton has been criticised for having had too many 'humanitarian projects.'

Cabinet ministers were banned from bidding for government contracts in Zambia by President Levy Mwanawasa to fight corruption. Irin reports that he told them and senior government officials that if they felt business was more important, they should resign from government. Civil society welcomed the move, but others questioned how he would enforce it. 'Our main concern is whether this government has the capacity to know whether a guy who has bid and won a tender is a friend or relative of a cabinet minister,' said Reverend Japheth Ndlovu of the Christian Council of Zambia.

Dramatic anti-corruption reforms in Kenya are making new President Mwai Kibaki's government one of Africa's most aggressive reformers. Kenya's parliament passed The Public Officer Ethics Act, which requires civil servants to declare and account for their wealth gained in office. Another draft law, the Anti-Corruption and Economic Crimes Bill, has passed the debate stages. The head of Transparency International in Kenya was appointed the government's anti-corruption czar and an investigation into bribery toppled the nation's top judge. Corruption was the central political issue and reason behind 10 years of economic decay. A recent study of the Auditor-General's reports revealed that from 1990 to 1997 one-third of government funds were either stolen or misappropriated.

The worst human rights offenders in Africa are Eritrea, Somalia and Sudan, according to a report to the UN Human Rights Commission by independent advocacy group Freedom House. It said the three were among the world's most repressive regimes. The report said Eritrea's political culture placed priority on group interests over those of the individual. Somalia had been wracked by violence throughout 2002, according to the report, and human rights abuses remained a problem. In Sudan serious human rights abuses by almost all factions involved in the civil war had been reported. It said the government practised slavery and religious persecution.

'Democracy and state legitimacy have been redefined to include accountable government, a culture of human rights and popular participation as central elements' – Nepad article 43

Fact File

- Zimbabwe attained independence from Britain on 18 April 1980.
- President Robert Mugabe came into power on that day and retains office.
- Presidential elections in March, 2002, were marred by violence and accusations of rigging.
- In mid-April 2003, the Economist Intelligence Unit rated Zimbabwe the world's highest risk economy after Iraq
- Five million citizens are on food aid from the World Food Programme.
- In an interview on 21 April Mugabe said he was 'getting to a stage' where retirement was a consideration.
- South African President Thabo Mbeki, Nigerian President Olusegun Obasanjo and Malawi president Bakill Muluzi met with Mugabe to discuss a peaceful solution to the crisis in Zimbabwe.

A \$500 million gas pipeline deal was signed by Ghana, Benin, Togo and Nigeria. It will transport cheap Nigerian gas to power industries in the four countries. US oil company Chevron Texaco holds a 36.7% stake in the pipeline, which is expected to deliver the first gas to Ghana in 2005.

A \$2 billion smelter will be built at the new deepwater port of Coega in South Africa by French aluminium giant Pechiney. The final decision by Pechiney on building the plant at Coega is expected before November 2003.

Gold production will rise 20% in Tanzania at its Geita gold mines, the nation's biggest gold producer following the recent commissioning of a new secondary crusher plant, *The East African* reported. Output will rise from 500,000 ounces to 600,000 ounces a month, rising to 800,000 by the year 2008.

East African Gold Mines announced that it has uncovered substantial gold deposits in the Mara region of Tanzania, lifting total reserves from 2.4 million to 2.9 million ounces.

A \$2 billion aluminium smelter is being planned for Boké in Guinea next to the largest open-pit bauxite mine in the world. The bauxite resource at Boké is particularly rich and abundant with alumina content recorded at 69%, *Aluminium International Today* reported.

New diamond mine, Luarica, a joint project between Endiama, Angola, and Trans Hex, South Africa, was opened in Lunda Norte, Angola, in April.

The first tea-bag factory in Mozambique, owned by Chazeira de Mocimboa do Vale, is set to begin production in June for export and local markets.

A \$5 billion investment programme was announced in April by South African petro-chemical firm Sasol as it successfully listed its shares on the New York Stock Exchange. Much of the investment will go to expand use of its proprietary gas-to-liquid fuel conversion technology as well as a natural gas project in Mozambique to be completed by 2004.

IMF Questions Globalisation Strategies

THE International Monetary Fund (IMF) – which has long called for more open financial markets – has acknowledged in a new report that such advice can have negative consequences for developing countries and, there is, as yet, no clear evidence that it brings benefits.

In a study, *Effects of Financial Globalization on Developing Countries: Some Empirical Evidence*, released in March, the IMF says evidence suggests that countries in early stages of financial integration with world markets are exposed to significant risks in terms of higher volatility of output and consumption, if they open their markets precipitously.

Zambia, for example, responded to IMF advice to open markets. It rectified a crippling foreign currency shortage in the 1980s, but the infusion of outside investment and purchases of privatised companies resulted in major job losses.

The report defines financial integration as opening of a country's markets to international capital flows.

Dr Mohammed Jahed, chief economist at the secretariat for the New Partnership for Africa's Development, notes that there are various understandings of what financial integration means.

'One form is investments, co-operation between different stock exchanges, for instance. The other is in regulations, issues such as how much money one can take out of a country.

'A good indicator of how financially integrated a country is, could be looking at the number of foreign companies operating in it,' Jahed said.

The IMF study sought to clarify whether prevailing economic wisdom – that opening markets is good – is true.

It concluded: 'If financial integration has a positive effect on growth, there is as yet no clear and robust empirical proof that the effect is quantitatively significant.'

While more sophisticated countries with better ability to regulate capital flows and manage effective privatisation drives have benefited from liberalisation, liberalisation in less sophisticated markets 'appears to have been accompanied in some cases by increased vulnerability to crises'.

A key variable in the success of financial globalisation is the quality of governance. 'Financial globalisation, in combination with good macroeconomic policies and good domestic governance, appears to be conducive to growth,' noted the IMF study.

'There is an intimate connection between a country's quality of domestic governance and its ability to attract foreign direct investment,' the study said.

Further transparency of economic policies is a key dimension of domestic governance and may affect volatility in capital inflows. International stock market investments into emerging markets buoyed many economies in the early 1990s.

But the sudden withdrawal of investments contributed to extreme volatility during the currency crises of the late 1990s.

The study also found preliminary evidence that for countries with a relatively low absorptive capacity, foreign direct investments create islands of prosperity but do not always generate positive productivity spillovers to domestic firms.

The mixed evidence cited by the IMF does not necessarily spell a change in the Fund's policy. It advises developing countries to experiment with different paces and strategies in pursuing financial integration.

Empirical evidence suggests that improving governance, sound macroeconomic frameworks and the development of domestic financial markets could be important elements of such strategies. – By Luleka Mangquku

To read the IMF study go to <http://www.imf.org/external/np/res/docs/2003/031703.htm#top>

Stopping the Corrupt = KYC

MUCH of Africa's hard-earned wealth is quietly transferred to secret bank accounts, often in developed countries where the names of account holders are protected by banking privacy laws.

Between 1970 and 1996, 25 heavily indebted countries in sub-Saharan Africa borrowed \$176 billion. During the same period, \$196 billion in unaccounted-for funds vanished from Africa, money that experts say was mostly stolen by corrupt government officials.

An African Union report last year estimated that corruption costs Africa \$148 billion a year. Research cited by the UN Economic Commission for Africa shows that Africans have stashed 37% of the continent's wealth outside its borders. The comparable figures are 17% in Latin America, 4% in South Asia and 3% in East Asia.

International electronic transfers of funds and bank secrecy rules make the global financial system ideal for hiding ill-gotten gains. However, a variety of international initiatives aim to make such flows more difficult and tracing easier. The most important is the Financial Action Task Force (FATF) set up by 29 members of the Organisation for Economic Development and Cooperation (OECD).

Although it began in 1990, the FATF is, in the wake of the September 11 US attacks, beginning to make substantial progress. Member nations sign mutual legal assistance treaties to transfer evidence and establish memoranda of understanding with other financial intelligence centres and central bank supervisory functions.

The FATF has 40 recommendations which member nations enact into law. Updated recommendations will be adopted in 2003 with eight new clauses to inhibit the financing of terrorism.

The requirements run the gamut from requiring that money laundering be made illegal to stipulations that banks and other financiers know the real owners of

assets. This requirement, known as KYC – know your customer – was largely non-existent in banking in the 1980s. Now banks in participating countries are required to verify the identity of each account holder, confirm the physical residential address and know the real beneficiaries of the account, if held in the name of others or by corporate entities. If banks or financial institutions have reason to suspect an account is involved in money laundering, bank staff can be charged with a crime for not taking action.

In addition to recommendations, the FATF has two major penalties it can invoke. It maintains a blacklist of countries not cooperating with its rules. If simple inclusion on the blacklist is not sufficient, the FATF can recommend members take action to isolate such nations from the world financial system.

The current blacklist includes the Cook Islands, Egypt, Guatemala, Indonesia, Myanmar, Nauru, Nigeria, Philippines, St. Vincent and the Grenadines, and Ukraine. The mere threat of blacklisting can be enough to bring change. Luxembourg, once on the blacklist, made major changes to its laws to comply.

'The FATF makes it more difficult because it creates better audit trails,' explained Herman de Beer, head of the money laundering unit at KPMG Accounting in South Africa. 'Countries like Luxembourg would not have turned the way they did without FATF pressure. Ten years ago people didn't care.'

Shortly after the al-Qaeda attacks of September 11, the US enacted the International Money Laundering Abatement and Financial Anti-Terrorism Act. Foreign institutions or countries not cooperating with anti-money laundering rules will be cut off from access to US banks and companies.

Even before September 11, the US and many developed countries required that banks report transactions over a certain size to government. However, the

disclosure rule alone was inadequate. Sani Abacha, the former Nigerian military ruler, transferred billions through US and UK banks on their way to secret Swiss accounts.

Abacha's case illustrates a major problem in stopping the flow of illegal funds. 'If the central bank is corrupt you can pretty much forget about stopping money laundering. If the institution fundamentally disregards its obligations, then you have no chance to stop corrupt transfers,' de Beer said.

To prevent banks turning a blind eye, the UK has come up with the legal concept of 'constructive knowledge,' which holds that if a bank is informed that a transaction might be illegal, the bank would be culpable if it transferred the money. Inspectors who have information suggesting corrupt uses of an account, can present it to banks which are now obliged to freeze the account. Nigeria successfully did this for accounts belonging to Abacha's family.

In the US, transactions over a certain size are supposed to be scrutinised and reported. In Europe, banks are compelled to report so-called 'suspicious transactions'. Australia and South Africa use a rule combining thresholds and suspicious transactions.

The Eastern and Southern African Anti-Money Laundering Group, which pledged to implement the 40 FATF recommendations, includes Botswana, Kenya, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, and Uganda.

The bottom line? The FATF regime makes it harder but not impossible for corrupt leaders to hide stolen funds.

Without independent, honest investigative agencies and banking staff in Africa, the continent will find it exceedingly difficult to stop corrupt transfers – regardless of how strict world banking becomes. – **By Ross Herbert, SAIIA and Richard Stovin-Bradford**

Victories Against Malaria

MALARIA is the second biggest killer in Africa, after HIV/AIDS, with more than a million deaths a year. Each day 2,500 African children die of malaria. Yet, the continent marked African Malaria Day on 25 April 2003 with some backsliding and some successes.

Jeffrey Sachs of Columbia University, US, has noted that where malaria thrives, people and nations don't. He estimates that malaria slices a percentage point off sub-Saharan African economies each year. Sachs revealed his research in Abuja, Nigeria, in 2000, where African leaders resolved to halve malaria by 2005.

The Global Fund Against HIV, Malaria and Tuberculosis is one of the most important initiatives facilitating funds to control malaria in Africa, but it has less than a third of its annual funding requirements from world governments.

The situation has become worse in recent years as malaria-bearing mosquitoes have become resistant to insecticides and older drugs have lost their efficacy. Chloroquine, still used in many countries, is no longer effective against the disease.

However, the picture is not entirely bleak: in those nations where progress has been recorded, it has been dramatic. Malaria can be turned around quickly and cheaply, but first political will and resources are needed.

The best strategy is one that combines insecticide on bed nets or walls and ensuring there are no stagnant pools of water where malaria can breed.

Four years ago South Africa seemed to be losing the war against malaria. Cases had shot up from 10,000 to 43,000 in KwaZulu-Natal province. However, in the past two years, new initiatives have seen infections in this province drop by 91%.

A national task team, with the support of international scientists, brought back house spraying of the pesticide DDT, which has been banned in developed

countries but remains the most effective tool against malaria mosquitos.

Karl Toepfer of the UN Environmental Protection Agency says DDT is necessary 'while countries move toward the ultimate phase out. This approach is a win-win situation: fewer cases of malaria and less use of DDT.'

DDT is most harmful when it is sprayed in heavy doses on crops, but the small amounts sprayed on house walls have not yet been found to directly affect health.

In KwaZulu-Natal health authorities canvassed communities to see if they

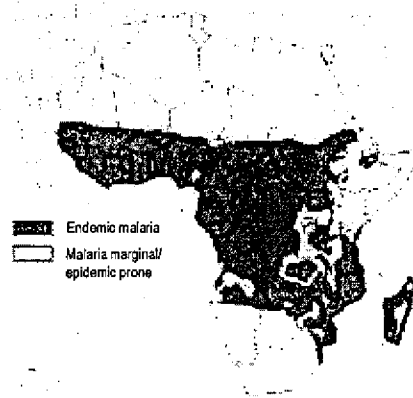
treatment of malaria cases. This followed a study by scientists at the University of Cape Town, the Medical Research Council and the South African government, which found that more than 70% of patients in KwaZulu-Natal did not respond to sulphadoxine pyrimethamine (SP) – a drug previously effective. Following extensive consultation, a decision was made to change to combination therapy – in a strategy similar to the use of drug combinations for tuberculosis, leprosy and HIV – resistance to the drugs is reduced by using combinations.

A key innovation is planning for malaria control as an essential part of economic development strategies. The Lubombo Spatial Development Initiative – a development project between Mozambique and South Africa to boost trade and industry – has funded malaria control as an essential part of the huge Mozal industrial project in Mozambique.

In addition to that, business has funded malaria control in Zambia's copperbelt. But, the same malaria control techniques are not effective in every area. Tanzania is using insecticide-impregnated bed nets to great advantage, and has also begun manufacturing them. Before most bed nets to Africa were imported:

A survey in Morogoro, Tanzania, showed that malaria accounted for 30% of years of life lost, but received only 5% of the 1996 health budget, according to a report in *The Economist*. After Tanzania began encouraging people to use bed nets impregnated with insecticide, infant mortality in Rufiji province fell by 28% between 1999 and 2000 – from 100 deaths in every 1,000 live births to 72.

The rate of children dying before their 5th birthday dropped 14%. Anecdotal evidence suggests that better health has made Morogoro and Rufiji less poor, according to *The Economist*. – **By Dr Brian Sharp, head of the Malaria Control Programme, South African Medical Research Council**



Source: Africa Malaria Report 2003

wanted a return to DDT spraying and 90% of the people said that if it would cure growing malaria incidence, they would be happy with it.

Control of malaria-carrying mosquitoes, with South Africa, Mozambique and Swaziland collaborating, was initiated in southern Mozambique. The three countries began spraying with a carbamate (a type of insecticide) in southern Mozambique. Initially, infection rates south of Maputo city were high, averaging 64%. In three years they dropped by more than 70%.

In addition, South Africa was the first African country to introduce an effective combination of two drugs for first-line

World's Highest Health Alert

HIV/AIDS has a stranglehold on Africa because many governments refused to acknowledge or treat it. Severe Acute Respiratory Syndrome (SARS) allows no such luxuries.

The virus which in little more than two months has crossed continents to 30 nations and close to 6,000 people, has shown the penalty of silence. In China, which initially suppressed news of the virus, SARS is crippling the economy and spreading rapidly.

In Vietnam, a policy of openness and actively seeking help has led to an effective control of the virus and the lifting of a World Health Organisation (WHO) travel ban against it.

So far, there has been only one known death in Africa, that of a 62-year-old South African who had travelled to Hong Kong.

African health authorities are keeping a close eye on the airborne virus. If it enters populations that are already immune deficient it could quickly claim extremely high death tolls.

World health authorities fear the virus could mimic the Spanish flu epidemic of 1918 that killed 20 million people in 18 months worldwide.

WHO said SARS is the most dangerous disease in the world, with a higher health alert than Ebola. Its symptoms are similar to malaria – but for a dry cough and difficulty breathing.

By late April it was placing a severe strain on south-east Asian economies

and that of Canada, with estimates that it had already cost the international economy \$30 billion.

Anglo American, the world's second biggest mining firm said after its annual shareholder meeting in London, that SARS would impact on profitability, particularly in slowing demand from China, which had been 'an important maintainer of metals prices in recent times as the US, Germany and Japan have been relatively depressed'.

The World Health Organisation has cautioned citizens against travelling to China, Hong Kong, Singapore and Canada. Qantas, Australia's airline, laid off 1,500 workers because of dramatic cut backs on flights to south-east Asia.

In Hong Kong tourist reservations have dropped 80%, Thailand has reported a 30% loss in tourist income.

Kenya and South Africa are screening travellers disembarking from flights originating in Asia, while Uganda has warned doctors to 'maintain a high index of suspicion'.

Doctors caution against panic. Dr Naehtli Agatta, the WHO representative based in Harare, said there had been only four suspected outbreaks in Southern Africa.

Although it can take two weeks before symptoms appear, people are not infectious until those warning signs emerge, Dr Lucille Bloomberg of the National Institute for Virology in South Africa said.

She said, 'frequent hand washing is important to prevent it and other communicable diseases.' Wearing a facemask also helps. – By Charlene Smith, SAIIA

For more information:
<http://www.cdc.gov> or <http://www.who.int>

Halting conflict diamonds: Significant progress has been made in stopping the trade in so-called 'blood diamonds,' but the Kimberley Process, which seeks to regulate diamond sales, is at a critical juncture. Kimberley is an agreement between states, the diamond industry and civil society to eradicate the trade in conflict diamonds by requiring countries to comply with the Kimberley Process Certification Scheme (KPCS). Diamond trading nations were to have come into compliance by 1 January 2003, but an extension was granted until May 1. When participants met in plenary session in Johannesburg from 28-30 April, only 13 of 51 member states had met their KPCS commitments. However, there are positive signs. Participants agreed on a team and standards for the first compliance audit of the Central African Republic. Among producers, Namibia, South Africa and Botswana are all on board. On the demand side, the European Union and Canada agreed to follow the KPCS rules, and the US just passed the Clean Diamonds Industry Act, which effectively cuts off the world's biggest diamond market from conflict diamonds.

The KPCS is an international political agreement, rather than an international legal agreement. Members are required to put in place domestic laws, regulations, controls, monitoring and a certification process for every parcel of imported or exported diamonds. However, the certification process is based on voluntary peer review. Critics said it is too weak and must be a mandatory process driven by an independent body insulated from the political and commercial pressures that governments face. Intensive debate resulted in a compromise that allowed for a review period until July 2003 at the end of which, any country not complying with the provisions of the KPCS would not be allowed to trade diamonds. The crucial question is what will happen to countries that quietly or overtly refuse to comply. A second plenary is to be held in October 2003, at which these fundamental challenges will be brought to a head.

No research in Africa: Figures produced by UNESCO as part of its regular overview of the state of world science paint a gloomy picture for Africa. While support for research and development continues to grow in many parts of the world, in much of Africa such support has been at best stagnating and at worst, declining, in the past two decades. Military conflict, corrupt or ineffective management and reductions in public spending to meet the costs of the 'structural adjustment' required by external aid donors have taken their toll. As a result, the 'knowledge gap' between rich and poor is widening at precisely the time it needs to be reduced.

GlaxoSmithKline cuts prices of AIDS drugs for 63 developing nations, including all of sub-Saharan Africa: Prices will fall by 47%. The price of Combivir drops from \$1.70 a person per day to 90c. The World Health Organisation recommends that generic or equivalent pricing for the drug should be roughly 72 cents a day. India's Ranbaxy Laboratories offers the same drug at 73 cents a day, Daniel Berman of Medecins Sans Frontieres said. Glaxo will also cut the price of Retrovir from \$1.20 to 75 cents a person per day. The reduced prices will be available to not-for-profit groups, governments, aid agencies and companies that provide the drugs to employees.

SARS Primary Symptoms

- Fever higher than 38°C
- Dry Cough
- Difficulty breathing

Elections Need Reform

DR BRIGALIA Bam chairs the Independent Electoral Commission (IEC) of South Africa that coordinated the Pan-African conference on Governance, Democracy and Elections in April in Pretoria. Academics, politicians and representatives of most of Africa's election commissions attended the conference. Its recommendations will be considered by heads of state at the African Union (AU) summit in July. Steven Gruz, research manager at the South African Institute of International Affairs, interviewed her after the conference.

What was the goal of the conference?

The IEC really wanted to look at how we manage the technical side of elections. If ordinary people have no respect for the process, they will not accept the legitimacy of those who win the elections. As Africans, we need to join the global debates on democracy from an African perspective and decide: can we embrace these values as Africans? The IEC conceived this conference and half-way through the process the AU became involved. I was worried that with the AU's involvement, we would embarrass governments over the agenda we were to discuss, with controversial issues such as multiparty democracy, conflicts, constitutions that governments change overnight, the usage of state resources for campaigning by incumbent parties and so on.

What did you accomplish?

The outcomes are difficult to assess and hard to measure. I hope the election management bodies will all work hard and embrace the principles we discussed. It is a challenge to us all to put them into practice. It was critical that we agreed on norms and standards. Countries keep getting uptight and angry as they say standards are being imposed on them. We had to agree that as Africans we accept universal standards. In Africa, governance-related conflicts are in every corner. We can't just look at elections, but must see the underlying causes too.

People sadly use elections as a means to power and to enrich themselves. They see a five-year term as five years to gain as much power and money as possible, before or without being caught. Actually, I'd have wanted a deeper debate on the links between democracy, development and governance, but we ran out of time.

Was there support for mandatory AU election monitoring?

I believe there is huge support for mandatory AU election monitoring. African countries want to be monitored by their peers. It is vital that Africa produces election monitors who can be respected. This is one of the most important things the AU can do. How can we minimise electoral violence? Well, we need to work very closely with political parties. They need to fully understand the electoral laws and the process and they often do not. Elections need absolute transparency. The parties should see every detail of the process because dissatisfaction starts and mounts from the polling station level. Suspicion then mounts and elections are called into question.

You were against the continued usage of the terms 'free and fair.' Why?

I wanted the conference to consider changing the phrase 'free and fair', but that was a battle that I lost. I wanted to rather use 'credible and transparent'. Free and fair is often used to refer to events only on the day of the election, but the process starts days prior to and after the election itself. What does 'free' mean? In Zimbabwe, the lines were straight, the polls opened on time, but we could not say that those elections were 'free'—people did not have freedom to organise politically. When do we decide what is 'fair'? The Zimbabwean election was run according to the laws of Zimbabwe, and these laws were followed properly in a narrow legal sense. It was a multiparty system—other parties participated. But it was against the law for NGOs to do voter education in Zimbabwe, and the domestic observers lacked authority.

Nepad/AU Update

Iraq and Nepad: Post-war reconstruction of Iraq would push the New Partnership for Africa's Development (Nepad) down the list of global priorities, said South African President Thabo Mbeki. "We will have to rely on our own efforts and our own resources to ensure the success of Nepad... (Despite) all the problems, I think we have the capacity to change this continent and in that regard we should be able to work together."

Africa and the G-8: Nepad and the G8 meet in Paris, France from 19 to 20 May in preparation for the Evian Summit in June. Earlier this year, the Committee of G-8 Africa Personal Representatives reiterated their commitment to Africa at a meeting with the Nepad Steering Committee in Bamako, Mali. They said the G-8 focus on the continent would not be lost in light of recent global developments.

Who will be AU commission chairman? Former Malian president Alpha Oumar Konare and Ivorian diplomat, Amara Essy, are to contest the post of African Union (AU) commission chairman in July, diplomatic sources in Addis Ababa said. Essy is the current interim AU commission chairman. The election will be held in Maputo, Mozambique. Mali has reportedly launched a publicity campaign to improve Konare's chances of election.

AU summit agenda: Several contentious issues are on the July Maputo agenda. Questions surrounding making operational the African Peer Review Mechanism and Peace and Security Council will be considered. Leaders also will consider how to structure an expanded AU function aimed at supporting and overseeing elections.

Who will pay for the enlarged AU? The most difficult issue, which is a common thread to all of the above, is how to finance the AU. It envisions a vastly larger agenda and staff than the old OAU, which chronically could raise from members only about a third of its \$37 million budget. In addition to peer review and Nepad, the AU plans to create at least 18 new organisations. A recent study on costs, not yet released, said staff costs alone will likely exceed \$60 million with some officials estimating the overall AU budget—including travel, new buildings and expenses for things like the Pan African Parliament—at \$100-\$120 million a year.

Small states are arguing they should have equal say to powerful states but don't want to pay equally. South Africa and Nigeria, which already pay and do more, resist both paying in proportion to their economies and giving states who contribute little to the AU or to peacekeeping veto power over decisions.

African Ports Gearing Up for Economic Recovery

Zambia gets \$42 million to fight AIDS: The money, from the Global Fund to Fight AIDS, Tuberculosis and Malaria, will be released as soon as the country provides a plan for how it will spend it. The funds are part of \$93 million allocated to Zambia to help battle HIV/AIDS, malaria and tuberculosis over the next three years. Government data from July 2002 show that 37% of annual deaths in Zambia were blamed on malaria, while 40,000 new TB cases are recorded annually. The money will go toward buying antiretroviral drugs for free distribution in government hospitals, for awareness campaigns and to support AIDS orphans. A pilot antiretroviral distribution project, started in Lusaka and the Copperbelt regions, is expected to expand to the rest of the country.

A Pan-African HIV/AIDS treatment access movement has been launched by activists from 21 African countries. Their aim is to ensure that a World Health Organisation (WTO) target, to have at least 3 million people in developing countries on antiretroviral treatment by 2005, is met. The group called on African countries to implement the WTO's Declaration, signed at the Doha Ministerial Meeting, on the TRIPS Agreement and Public Health, and insisted that the US and other wealthy countries allow states with limited pharmaceutical manufacturing capacity to purchase low-cost, generic versions of patented medicines from exporting countries once WTO rules on patents have been fully implemented.

Malawian employees get HIV/AIDS treatment and care if they work for Southern Bottlers Malawi Limited, the leading maker of softdrinks in Malawi. It has launched a healthcare programme to provide its employees with comprehensive prevention and treatment for AIDS. The programme is in partnership with the Coca-Cola Africa Foundation, which has embarked on an initiative to offer AIDS-related healthcare benefits to the 60,000 employees of Coca-Cola's 40 bottlers in Africa. They will be offered voluntary testing and treatment for HIV-related conditions including antiretroviral drugs (ARVs). Beer brewer Chibuku Products announced a similar programme this year under its parent company, South African Breweries Miller, which implemented similar schemes in nine African countries. UNAIDS notes that of the 850,000 infected people in Malawi, fewer than 3,000 have access to ARVs. Malawi got an allocation of \$196 million from the Global Fund to increase access to ARVs to 50,000 people.

BADLY managed, under-resourced, inefficient and slow are words that have been used to describe African ports.

'Before 2002, it took six weeks to two months to move a container from Kampala to South Africa. The paperwork required at least 14 documents,' said Professor Geoffrey Heald of the University of Witwatersrand Business School in Johannesburg.

The situation is gradually improving as several African countries are moving to ensure their ports can compete in a globalised world.

Nigeria's Bureau of Public Enterprises (BPE) is modernising ports, because, it says, of the failure of public enterprise management. 'Government is trying to increase private sector participation in ports,' said Nigeria's National Port Authority assistant general manager of corporate affairs, Sanni Babatunde.

Nigeria has a massive public enterprise sector. By 1999, the government's investment in that sector was about \$100 billion.

Despite that, public enterprises failed to meet targets. 'Private sector driven systems provide efficiency,' said Babatunde.

In February, the Bureau received a grant of £8 million – to be administered by the World Bank – from the UK's Department of International Development to enable it to continue with privatisation.

South Africa's port authority has begun a drive to establish a commercial presence throughout Africa, according to National Port Authority (NPA) spokesman David Kau.

Portcon, our consultancy division, is blazing a trail from the west coast of Namibia to Ghana, establishing a commercial presence which will see the company become a player through the provision of consultancy services and equity participation,' said Kau.

Neighbouring **Mozambique** recently approved a \$70 million upgrade programme for Maputo Port after a consortium, the Maputo Port Development Company (MPDC) – made up of Mersey Docks and Harbour Company of the UK,

Swedish company, Skanska BOT and Liscont Operadores de Contentores de Portugal – was awarded a 15-year concession.

Ghana's port authority has signed a 25-year concession with South Africa's NPA for the joint management of Ghana's Tema Port. The \$15 million build, operate and transfer (BOT) agreement is the only physical operation that the NPA has in Africa, says Peter Balfour, a consultant from Portcon, which is involved in consultancy work with

Ghana, Nigeria, Kenya and the Cape Verde Islands.

But labour leaders oppose such moves. Workers express job loss fears and the transfer of assets to 'foreign investors whose only interest is profit', as Veronica Mesatywa from the South African Transport and Allied Workers' Union put it.

Privatisation can split countries and be a political risk, but the reality is that when something is as run down, as some of ports are, steps have to be taken,' Heald said. – **By Luleka Mangquku, SAIIA**

'To fulfill their role as Africa's gateway to rest of the world, regional ports need to improve their performance and modernise their operations. The goal of (the efficient ports programme) will be to align the performance of all African ports with the best among them specifically by reducing container clearing time by half or to the five-day benchmark by year 2006' – Nepad Short Term Action Plan for Infrastructure

Unity Falters in Zambia

In May, Zambia celebrates Unity Day, but, Zambian journalist **Charles Chikapa** says unity is fragmenting as critics level the unusual charge that President Levy Mwanawasa is spending too much time fighting corruption.

PRESIDENT Levy Mwanawasa took office 16 months ago amid controversy and allegations of ballot rigging. He shrugged that off, promising Zambians 'a new deal' and raising hopes of better things to come.

But Zambians have had their hopes raised and quashed so many times that Mwanawasa must battle not only a gloomy economy but also an abiding cynicism that has crept into oft-disappointed citizens. At independence in 1964, Zambia was the world's third largest copper producer and with Kenneth Kaunda at the helm, many Zambians felt they were heading for a new era of prosperity for all.

Kaunda nationalised the copper industry just as international copper prices entered an extended decline that sent the economy on a long downward trend.

The reversal of Kaunda's nationalisation three decades later, under his successor Frederick Chiluba, did not change that trend.

Mwanawasa is trying a different route – he has launched Zambia's biggest ever anti-corruption crackdown, which has seen his former mentor, Chiluba, charged with 66 counts of fraud and corruption.

His critics argue that the move was aimed mainly at appeasing Western donors in return for development assistance. Zambian media, churches and human rights groups say the crackdown has failed to stop rampant corruption. They want more attention paid to developing this landlocked country of 11 million people. Critics say government's priority should be to eliminate poverty.

The general feeling is that politicians in Zambia have let the people down. Speaking in Ndola, Father Miha Drevensk, Mission Press Director of the Roman Catholic Church in Zambia, lashed out. He said: 'Once leaders are put in power, they forget the people till their chairs start shaking a bit, only then do they once again find the time to spend their weekends with us, with more rallies and more empty promises.'



Zambian President Levy Mwanawasa

But he is optimistic about the future. 'When someone in leadership recognises that Zambia's wealth must be equally shared throughout Zambia, then the words "One Zambia, One Nation" will be a reality for everyone.'

The independent newspaper, *The Post*, observed that the need to address poverty is urgent – Zambia's human development indicators are low with no signs of improvement.

Many Zambians view politicians as people bent on accumulating wealth for themselves at the expense of the poor. Amid famine and serious unemployment, Zambia also faces serious challenges with HIV/AIDS.

The adult infection rate stands at 21.5%, and medical researchers say it is decimating the country's most productive age groups.

Mwanawasa argues that the first step to development is to root out corruption. In mid-April, he accused some unnamed ministers of corruption and said he would fire those who were corrupt.

His passion against corruption, say analysts, has been extraordinary, and is his political strength. Development partners are equally excited.

But Zambians have heard it before: promises of political revolution end up shattered, the international community which first publicly pledges support revises its commitment as it recoils at a betrayal of confidence in government.

Analysts say Mwanawasa needs to invest in practical socio-economic and political transformation to meet public aspirations while attacking corruption. Zambians remember only too well what happened with Chiluba. He embarked on the privatisation of the mining sector, a move acclaimed by foreign donors. At home thousands of workers lost their jobs through retrenchment.

In an interview, Chiluba said: 'I may have made mistakes, but in terms of changing the system, we did very well. When I came to office in 1991, the economy had collapsed. The financial market, the labour market and services were not functioning. So we liberalised the economy to get things going.'

Whether Zambians believe he got things 'going' is debatable. Zambian churches have told Mwanawasa to develop and implement clear policies, they have criticised the lack of service delivery, the crisis in the education system, growing tribal sentiments and nepotism.

Government has hit back using state-sponsored media. They have accused churches of 'promoting division within the country', and have accused pastors of practising politics behind pulpits.

Zambians are yet to see the new deal promised by Mwanawasa. His challenge will be to prove to jaded Zambians that not all promises are just political-speak.

The Price of Greed

Why Corporate Governance Matters and How to Measure and Improve Board Performance by Bob Garratt (Nicholas Brealey Publishing, London, 2003)

GREED has a cost. The latter part of the 20th century saw the world experiencing unprecedented prosperity – there were dot com millionaires, baby boomer hot shots – everyone was taking what they believed they deserved.

Bob Garratt argues that the present global corporate governance crisis in the private and public sectors 'is a complex mixture of directorial ignorance, strategic incompetence and greed... It is no longer sufficient to assume that friends of the chairman or CEO, pliant executives from other companies, or the great and the good will automatically make effective directors.'

Rather, Garratt argues, most lack expertise in directing, or the humility to ask, so they conspire with the CEO in covering up ineptness – to the cost of shareholders, consumers and economies.

Garratt asks what the outcome of the 'Me Generation' will be 'when such notable

names as GE, Johnson & Johnson, AOL, Merck and Xerox are under scrutiny for their accounting practices; when Enron, Andersen, WorldCom, Tyco, and Adelfia are indicted for alleged criminal wrong-doing, with some top executives carted off in handcuffs; and when companies as seemingly respectable as Marconi, Equitable Life, Vivendi or Kirch are apparently capable of strategic incompetence by betting the business on a single strategy and failing with incredible speed.'

He says we have 'over-praised celebrity chief executives and over-rewarded the clever boys of financial engineering'.

What is needed is a 'wise chairman, a board of directors dedicated to using their individual and collegiate capabilities for critical review, risk assessment and unbiased, honest decision-taking in the best interests of their company, and a competent company secretary to ensure that they obey the law.'

He suggests that poor corporate governance has led to resistance to privatisation. 'Privatisations in the UK heralded the era of overpaid "fat cats"... It seemed to the public that previously second-rate senior managers

from nationalised industries were being promoted and overpaid as directors in newly privatised companies – without training or change in their competence, not any processes for assessing their performance... The media and public focused on their apparently unstoppable appetite to award themselves vast salaries and stock options.'

But, public anger led to the 1992 so-called Cadbury Report, which led to an international push for good corporate governance in companies and governments.

The two 'most broad-minded and advanced' examples in the world, that Garratt cites, are South Africa's King Commission of 1995 and 2000, 'which is unique as it consciously sets out to integrate corporate governance with racial and social equality' and the Commonwealth Association for Corporate Governance.

Garratt says good corporate governance is essential as international 'investors are becoming much more choosy about where they put their money, especially in a recession,' which Garratt believes the world is moving toward.

(For orders email: helco@mweb.co.za)

Angola: Prospects for Peace and Prosperity by Neuma Grobbelaar, Greg Mills and Elizabeth Sidiropoulos (South African Institute of International Affairs, April 2003)

PEACE came to Angola in April 2002, after 30 years of civil war, but prosperity is not a natural outgrowth of peace. It has to be built. Angola has the right credentials to be a giant in the continent – it is Africa's second largest oil producer and the world's fourth largest producer of diamonds. Yet, more than two-thirds of its population live on less than \$1 a day and

life expectancy is 45 years.

Will a small elite continue to benefit from the spoils of war? In this study, challenges are noted and solutions discussed. Very useful is a section on policy recommendations and a six page appendix on *What it would take to normalise Angola?* The appendix comments on the corruption food chain as well as policy choices and vehicles.

Although the media has greater freedom, the study notes, it still censors itself and 'government has discouraged advertising in independent

newspapers, threatening their financial viability.'

Some policy points: 'training in fiscal responsibility, budgetary reform, planning, management as well as implementation are urgently required. There is a shortage of qualified lawyers and the criminal justice system is barely functioning.

'It is urgent that SADC and the AU provide electoral support (for still to be announced) elections.'

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Performance With Passion

Has Kenyan cricket set the example? Can sport help recast Africa's image?

THROUGH skill, guts and luck, Kenya's cricket team, with 1,000-1 odds against it, thumped Canada and three test-playing cricket nations – Sri Lanka, Bangladesh and Zimbabwe – during the 2003 Cricket World Cup in Southern Africa.

Kenya was aided by New Zealand's refusal to play in Nairobi (for safety reasons); a scoring system that carried points through from preliminary rounds; and dismal showings by much-fancied co-host South Africa. The rest came down to passion, performance and planning. The Kenyans tackled each game with exuberance, discipline and team spirit. The delirious Nairobi crowd inspired remarkable bowling and fielding to crush Sri Lanka. Kenya targeted the games they could win, and won them.

African excitement about Kenya's performance came even though cricket remains an expensive minority sport, played mostly by boys at private schools. And yet confidence and pride spilled through the streets of Nairobi and many African cities.

Charles Nyachae, head of the Institute for Education and Democracy in Nairobi, grinned as he told how Nairobi pubs were packed as new fans cheered on their cricket team. 'People skipped work to watch the games on giant television screens,' he recalled. Thousands of fans gave the returning players a heroes' welcome.

For Kenya and Africa there were many benefits. Despite the doom-sayers who worried that crime might spoil the tournament, Africa put on a well-run, exciting tournament that showed a different face of Africa to the world.

It reaffirmed a winning streak in Kenyans who recently saw a successful election process concluded. President Mwai Kibaki of Kenya's newly-elected National Rainbow Coalition (NARC) said that his nation's inspirational cricketers had 'put Kenya on the map'. He promised to promote sport, 'not only because it is important but also because we are good at it'.

As a team, Kenya is now being taken seriously. The Kenyans have been invited to play in the West Indies' first-class competition in 2004. South African provinces and English county sides have approached players, providing opportunities to improve their game and financial rewards unimaginable in Kenya.



Thomas Odoyo Miagi celebrates during the World Cup. Picture: Touchline Photo

The team pocketed \$500,000. Each squad member received \$33,333 or 2.5 million Kenyan shillings, five times the annual contract salary of \$6,500, and almost 100 times the \$360 earned annually by the average Kenyan. Six local and multinational firms pledged an additional \$30,000. The ICC granted Kenya \$500,000 a year to develop the game.

Sport has long had a major, albeit undefinable effect on national confidence. It played a potent role when Jesse Owens, a black American, triumphed at the 1936 Munich Olympic games in the face of Nazi predictions of Aryan dominance.

In South Africa sport had an equally powerful effect on the nation's self-image. I will never forget South Africa's triumph in the 1995 Rugby World Cup when Nelson Mandela donned a team jersey and shared the victory with the team and a newly democratic nation. There was a feeling of unity that spilled off the fields and into the national psyche.

The New Partnership for Africa's Development (Nepad) is trying to recast the African image. It is impossible in the short term to get the global media to ignore the wars in Africa. The small successes of daily African life, the viable businesses and educated children are not news on a global scale, so Africa's image will take years to recast if left to the world media alone.

But what of sport as an instrument of recasting that image? At a basic level, sport is about being able to plan, train and execute at top level. Given the almost negligible funding given to develop African athletes, Africa does remarkably well in sport.

The heroes of African sport are all stories of people with extraordinary determination and dedication against truly enormous financial and technical barriers. Think of Mozambique's Maria Mutola, world and Olympic champion in the 800 meters, Ethiopia's Haile Gebrselassie, world and Olympic champion in the 10,000 meters, or South Africa's Josiah Thugwane, who won Olympic gold despite having to work a day job on a gold mine.

The prospect of the 2010 Fifa World Cup on the continent excites every football-loving African. Both Cape Town and Lagos may bid for the 2012 Olympic Games. Those bids are challenges and opportunities for the continent.

Sport can provide hope, joy, money and development. Pride engendered by winning teams can increase national confidence and build a sense of unity. Kenya's cricketers have shown the way.

Now is time for the Nepad planners to think laterally and put the development and promotion of African sport near the top of the priority list. – **By Steven Gruzd, SAIIA**