



# Situation Report

Date issued: 8 November 2010  
Author: Lansana Gberie<sup>1</sup>  
Distribution: General  
Contact: lgberie@issafrica.org

## Sierra Leone: Business More Than Usual

### Introduction

It is over three years since Ernest Bai Koroma, leading the All Peoples Congress (APC), became President of Sierra Leone, and less than two years to elections that will test both his popularity and the country's ability to sustain its post-war democratic experiment. Koroma's victory in 2007, which unseated the Sierra Leone Peoples Party (SLPP) after it had steered the country through a brutal civil war to a peaceful democratic transition, was remarkable. It was only the second time in Sierra Leone's history that a sitting government was defeated at the polls; and it brought to power a party that had introduced a one-party state in the 1970s, led the country to civil war in 1991, and was overthrown in a coup by junior officers in 1992. Since coming to power, Koroma's government has appeared full of vigour and the past three years have been eventful. The government has completed a number of road reconstruction projects it inherited from its predecessor and has embarked on significant new ones. While still far from being satisfactory, the electricity situation in the capital, Freetown, has improved considerably; and on the whole the capital is far cleaner and more robust than it was previously. In addition, Koroma's efforts to provide free medical care for lactating mothers and children under five are commendable. No less important, the government's Smallholder Commercialisation Programme, which aims to assist peasant or subsistence farmers in the country with the resources and technical know-how to expand and commercialise their productive capital, holds immense promise. These are significant initiatives that cannot be scorned, though the jury is still out on their medium- to long-term effectiveness.

On the flip side, however, Koroma has tended to substitute soapbox platitudes about 'attitudinal change' for the more prosaic but important work of actively promoting reconciliation in a country scarred by years of civil war. A recent British report has noted a 'significant regression into inter-ethnic and inter-political party relationships' in the country under Koroma.<sup>2</sup> Concerns about corruption in the country have also heightened under Koroma, a former businessman who spent decades in the markedly non-transparent insurance business. On his election, he vowed to run the country as a 'business entity', and has since signed a number of controversial mining agreements to exploit primary resources – including diamonds, iron ore and oil – that are said to be worth billions of dollars. Because Sierra Leone is still fragile, with state capacity underwhelming and even its vital legislative framework inchoate, the UN, which maintains a small political and peacebuilding office in the country (United Nations Integrated Peacebuilding Office in Sierra Leone, UNIPSIL), has warned of 'considerable dangers' while hailing the opportunities offered by these mining concessions. Doubtless these concessions

\* The opinions expressed in this Situation Report do not necessarily reflect those of the Institute, its Trustees, members of the Council, or donors. Institute research staff and outside contributors write and comment in their personal capacity and their views do not represent a formal position by the ISS.

have increased considerably the stakes of any major political contest, which the 2012 elections will undoubtedly be. For Sierra Leone to escape a relapse into conflict – as well as the so-called resource curse – experienced by so many post-civil war countries, the international community, in particular the United Nations (UN), the British, the Economic Community of West African States (ECOWAS) and the African Union (AU), should remain actively engaged in the country, and should in particular offer assistance towards the proper governing of the mining sector, as well as towards free and fair conduct of the forthcoming elections.

This Situation Report is a snapshot and analysis of political and socio-economic trends in Sierra Leone less than two years from three sets of nationwide elections – for the President, Parliament and local councils – to be held concurrently. Since its civil war officially ended in 2002, Sierra Leone has conducted two presidential and parliamentary elections. In between, it has successfully conducted local council elections and elections for paramount chiefs. All these elections were free of large-scale violence, and the results were accepted nationally and internationally. This is a significant achievement for a country that suffered normative collapse and massive violence only 10 years ago. The presidential elections of 2007, however, were controversial, and the consequences have been a nation polarised along ethnic and regional lines.

The problem originated with the National Electoral Commission (NEC) which, under Christiana Thorpe – a former Catholic nun – was initially seen as vigorously independent and competent. However, two problems from which valuable lessons ought to have been learnt were prominent. The first was the manner in which the NEC announced polling results. In 2007, the NEC announced tallies progressively, as the results came in, both in press releases and on its website. The initial tallies came almost entirely from areas where the APC was dominant; creating the impression long before the vote counting reached midway that it had already won. Besides this, some of the broadcast tallies contained major statistical errors and inconsistencies. There was, most notably, the NEC's announcement of what turned out to be a false turnout figure of 2 042 601 during the vote-counting process; in the event, the official turnout in the run-off was 1 783 851. But the incorrect figure appeared shortly before the announcement of the final results on the NEC's website. The NEC failed for weeks to explain this discrepancy; and this failure led to allegations by the ruling SLPP, which eventually lost, that 258 750 votes (2 042 601 minus 1 783 851) had been hastily omitted from the final count to hand victory to Koroma.<sup>3</sup> The second problem had to do with the invalidation, by fiat, of votes from 477 polling stations in areas where the SLPP was strongest. An estimated 250 000 votes were invalidated by Thorpe. Since the final results showed Koroma winning with 950 407 (54.62 per cent) votes compared to Solomon Berewa's (the SLPP's candidate) 789 651 (45.38 per cent), representing a difference of 160 756 votes, the losing party contended that it would have won had those votes not been disqualified, an objection that Thorpe characteristically shrugged off.

In June 2010, ignoring objections from the opposition, Koroma reappointed Thorpe to steer the country through the 2012 elections, virtually guaranteeing that the polls would be controversy-racked from the start, and pointlessly raising tensions way ahead of them. In his 17 September 2010 report to the Security Council on the work of UNIPSIL – which is the fourth generation of active UN presence in Sierra Leone since efforts were accelerated to bring peace and stability to the country in the late 1990s – the UN Secretary General expressed concern about this reappointment, noting opposition objections that the reappointment was inappropriate since Thorpe was 'involved in litigation over the nullification of votes during the 2007 elections'.<sup>4</sup> In his statement to the Security Council on the submission of the report, the Secretary General's Executive Representative in Sierra Leone, Michael von Schulenburg, called on the NEC to 'do more to alleviate fears within the main opposition' in view of Thorpe's reappointment, while at the same time calling on the opposition to 'show greater flexibility in discussing their electoral concerns without getting unnecessarily entangled in personality conflicts'.<sup>5</sup>

This latest political mini-drama in Sierra Leone, happening far ahead of the elections themselves, would appear rather steeped in bathos: from having to deal with a uniquely brutal war – which necessitated the deployment of over 16 000 foreign troops – the international community now debate inter-political party disagreements about the appointment of a demure ex-nun to preside over democratic elections in the country. But the dispute indicates broader anxieties about several recent developments – political and economic – which, if not properly handled, pose significant risks to the short- and medium-term stability of the country. This Situation Report will examine these risks, and will suggest how they might be mitigated.

There are three main political parties in Sierra Leone: the APC, SLPP and PMDC (Peoples Movement for Democratic Change), though only the first two have a presence across the entire country, and the potential of forming a government. The influence of the PMDC has been declining rapidly since the 2008 local council elections. It was officially registered on 19 January 2006, and has since been led by Charles Margai, who broke away from the SLPP. Margai, as the PMDC presidential candidate, secured third place in the August 2007 elections, forcing a run-off. Most of his votes came from the Southern and Eastern provinces of Sierra Leone, which are strongholds of the SLPP. In recent months, hundreds of people have abandoned the party, and it has lost two of its 10 seats in the 112-member Parliament to the SLPP in by-elections.

The SLPP is the oldest political party in Sierra Leone. Established in 1951, the party led the country to independence 10 years later and ruled until 1967, when it lost power to the APC – which, like the PMDC, started as a breakaway faction of the SLPP. The APC was launched on 11 September 1960, months before Sierra Leone gained independence. In March 1967 there was a crucial election that pitted Siaka Stevens' APC against the increasingly unpopular Albert Margai and his SLPP. The country was by now largely divided along ethnic lines, but there were clear issues around which the elections were fought. Margai had attempted to pass a one-party state and proposed a republican constitution – issues the APC opposed as 'fundamentally unacceptable' and which were widely unpopular across the country, especially in the cosmopolitan Western Area. Several leading SLPP members also opposed the move and contested the elections as independent candidates. In all, the SLPP fielded candidates for 65 seats and the APC for 56. The results of the elections were almost similar to the elections of 2007, though the APC victory in 1967 was more clear-cut in its overall majority. The SLPP won no seats in the Western Area, and won only one Northern seat. The APC for its part won almost all the seats in the North and the Western Area, and only one seat in the South. In all, the APC won 32 seats and the SLPP 28, while 6 Independents also won seats. The SLPP quickly – and fraudulently – claimed that the Independents had crossed over to it, giving the party an overall majority, but this was rejected. It is evident that the APC commanded the overall majority in the country from the fact that it received 470 000 votes, the SLPP 240 000 and Independents 120 000. Before Stevens could be sworn in, however, there was a coup led by the pro-Margai army chief David Lansana; Lansana himself was unseated a day later by a trio of majors who set up the National Reformation Council (NRC), which in turn was overthrown a year later by non-commissioned soldiers who handed power to Stevens. Stevens later arrested Lansana, charged him with treason and had him executed along with others – the first political executions in independent Sierra Leone, and there would be more.

In 1971, uncomfortable with the fetters of a parliamentary system, Stevens passed a republican constitution and declared himself Executive President. Two years later he conducted elections, which he rigged using violence. In 1978, after another rigged election, and claiming that multiparty elections in Africa were inherently violent, Stevens declared a one-party state – something he had in the past opposed as 'a matter of principle' – and made himself President for Life. All opposition was henceforth banned – rival political leaders either had to go into exile or join the APC, which many did. Stevens effectively degraded every state

institution and institutionalised graft, in effect criminalising the state. Often jovial in public and cutting a grandfatherly figure, Stevens was in fact a prodigy of forms of excess and creative autocracy that helped to completely neuter the state, laying the foundations for a brutal civil war. In 1985 he handed over the bankrupt state to his protégé, army chief Joseph Momoh.

A military coup in 1992 ended the APC's grip on power. Elections conducted in 1996 brought the SLPP back into power. The 2002 elections, the first post-war polls, confirmed the SLPP in power in the immediate post-war period. In other words, the SLPP and the APC have remained the two significant parties since independence.

While these two parties, in terms of rhetoric and manifestos, are almost identical, there are important differences between them in appeal and what one may call, ideology, for lack of a better term. Though it has ruled Sierra Leone for far longer than the SLPP, the APC in a sense still remains the insurgent party that was started by trade unionists and nominally educated workers and peasants in 1960. It still appeals to, and in the urban areas largely relies on, the unemployed youth – unlike the SLPP, which sometimes, against its own electoral interests, patronises or simply seems scared of this category (when some of its elderly members are not actively despising it). In rhetoric the APC often sounds anti-elite, though in practice this is hardly the case. Then there is the attitude towards chiefs. The SLPP – a party set up largely by the sons of chiefs – clearly seems more comfortable working with chiefs than the APC does, though both aggressively court the support of traditional rulers. The APC no longer toys with socialism, a foundational pretence of the party: Koroma has repeatedly vowed to rule Sierra Leone as 'a business', a stunning repudiation of the APC's earlier socialist rhetoric.

The above differences suggest one important conclusion: large-scale political violence is more likely to be initiated by the APC, which relies so much on the disenfranchised youth that almost always spearheads it, than by the SLPP, with its (mainly) upper/middle class aversion to unrest. But recent incidents of electoral violence in parts of the country, in which both parties allegedly imported thugs who inflicted massive violence, indicate that this can no longer be assumed – the point being that since the 2008 local council elections, younger firebrands in the SLPP have been on the ascendancy. Whoever the party names as its presidential candidate – set to be in March 2011 – will determine whether this trend will continue. The leading candidates are: Andrew Keili, an experienced professional and intellectual who seems to command broad respect across the country; Kadie Sesay, a highly articulate former academic and high-profile minister in the Kabbah government who also happens to be the most senior female figure (Deputy Chair) of the SLPP; Julius Maada Bio, a former military leader; Alpha Wurie, a former minister of Education; Alpha Timbo, also a former minister; and Usman Boie Kamara, a former senior official in the Ministry of Mineral Resources.

UN Resolution 496 of 29 September 2010 calling for the expansion of UNIPSIL, sponsored by the UK, noted the 'potential for an increase in tensions during the preparation for and the period leading up to the 2012 elections in Sierra Leone, due to political, security, socio-economic and humanitarian challenges'.<sup>6</sup> Subsumed under UNIPSIL is the Peacebuilding Commission, which is mandated among others to advise on and propose 'integrated strategies for post-conflict peacebuilding and recovery and where appropriate, highlighting any gaps that threaten to undermine peace'.<sup>7</sup>

The chief political challenge is clearly a result of the 2007 elections, which were the second most significant elections in Sierra Leone's post-colonial history, in that they led to the victory of the opposition over a sitting government. The 2007 contest enjoyed an added novelty: unlike the 1967 elections, which marked the first defeat of the SLPP by the APC, 2007 witnessed a smooth transfer of power from one party to another. This happy outcome was neither accidental nor preordained. Probably the most important reason why it happened was because the then President, Ahmed Tejan Kabbah, who had survived two

bloody coup attempts and a brutal 'rebel' war, did not contest those elections, and clearly had an interest in leaving a legacy of stable democratic institutions and a reconciled nation. The second reason was because the leverage of the international community – to which Kabbah was so obviously beholden for the role it played in securing and guaranteeing his regime – was very strong. The first factor will not offer itself in 2012: Koroma is determined to be re-elected for a second term. As my colleague Issaka Souaré has argued in a recent paper, the possibility of electoral violence arising from an attempt to rig elections is always very high when the incumbent is contesting, or has 'high stakes' in the choice of a successor.<sup>8</sup> The second factor – the always problematic leverage of the international community – can also not be taken for granted, since Koroma has little reason to feel as beholden as Kabbah to the international community. With the signing of mineral rights concessions, Koroma's government stands to have access to enormous resources, further reducing the leverage of the international community over a government that has hitherto been depressingly aid-dependent.

Sierra Leone, of course, has not yet forged an acceptable and sustainable political settlement; it has not been able to devise a broadly acceptable system through which competing political and economic interests are channelled by means of state institutions in a routine, smooth and violent-free manner. In such a situation, competing political factions tend to resort to force or violence to gain primacy; leadership succession becomes almost a life-and-death struggle.

It is important to understand from the outset, therefore, that it should not be taken for granted that the president will maintain a calm front when his political survival is at stake. Koroma's government is, in fact, something of a minority one. The APC has only 59 seats in the 112-member Parliament, after receiving 728 898 or 40.73 per cent votes in 2007, to the SLPP's 43 seats (now increased, after two by-election wins, to 45) after receiving 707 608 or 39.54 per cent of the total. The third largest party in the country, the PMDC, won 10 seats (now reduced to 8); in all likelihood many of the PMDC's supporters – originally SLPP supporters anyway – will switch to the SLPP in the 2012 elections. An International Crisis Group (ICG) analysis of the details released by NEC on the presidential run-off votes, including those relating to the invalidated ballots of the 477 polling stations, indicated that Koroma probably won the contest by a margin of only 1.1 per cent.<sup>9</sup> In contrast, in 2002, the SLPP won 83 seats as opposed to the APC's 27, and Kabbah won over 70 per cent of the presidential votes.

Many of the political problems are structural: no one, for example, can blame Koroma for the rather troubling voting patterns revealed by the 2007 elections, the most definitive since the war ended in 2002. Koroma polled over 80 per cent of the votes in the northern half of the country, and his APC captured 36 of the 39 seats for Parliament there. The APC won all the seats in the Temne and Limba areas (the APC's key ethnic supporters). The party, however, won only 2 of the 53 seats in the entire Southern and Eastern provinces area – and no seat at all in the Mende-dominated Southern Province. For its part, the SLPP, which took 18 seats from the Northern Province in 2002, won only 3 seats there in 2007, and won no seat in the Western Area.

The winner-takes-all strategy Koroma adopted after winning, however, amid rhetoric about an 'attitudinal change', was a deliberate choice that certainly did not help. Some observers have suggested that as many as 200 high and mid-level professionals from the Southern and Eastern provinces, mostly Mende, were sacked within a year of Koroma coming to power, many of them without regard for official procedure. They were replaced by people almost entirely from the north of the country, in particular Bombali District (the president's home).<sup>10</sup> The consequences of such sackings in a country with few employment options and with an elite burdened by the demands of external families can only be imagined.

While political party loyalties in Sierra Leone have been largely regional since the late 1960s – with the APC drawing support mostly from the Northern Province and Western Area, and the SLPP from the Southern and Eastern provinces – there have

always been grey areas, and politicians have to extend their appeal beyond their regional heartlands to secure and sustain power. What is more, there were credible prospects of making breakthroughs, as was shown, for example, in Kabbah's SLPP winning a substantial part of the Northern and Western Area votes. That may have been something of an anomaly, but even where – as in the case of Stevens' APC in the late 1960s and 1970s – one of the two parties assumed power without substantial support from the rival party's traditional base, once in power its ranks were swelled by defeated SLPP members, helping give a national colour to the APC in the 1970s and 1980s.

Perplexingly, this has not been the case since the 2007 elections. Since 2007 there have been very few, if any, defections to the APC from the SLPP, which has lost power and has nothing concrete to offer its supporters. Obviously, this bodes ill for national unity and the peaceful conduct of the 2012 elections: any last-minute attempt to make inroads in regions that are not traditional support bases is likely to be accompanied by violence.

There have in fact been more than a dozen instances of violent clashes between supporters of the APC and SLPP since the 2007 elections, often during by-elections. Property has been extensively damaged, women allegedly raped, and a few people killed in such violence. The first incident occurred almost immediately after Koroma was sworn in, when hundreds of young people, in an apparent celebration of the APC victory, stormed the National Secretariat of the SLPP and thoroughly vandalised it. Windows were broken and equipment looted. The party's newspaper and radio station were damaged, and the homes of several leading members of the SLPP were also attacked. The APC leadership was very slow in condemning these outrages, suggesting that top leaders at least approved, if not ordered, them.<sup>11</sup>

The most dramatic of the political clashes was the running battles between APC and SLPP supporters in Freetown in March 2009, after which the UN intervened and a Joint Communiqué was signed between the APC and SLPP leadership condemning all such confrontations. The leadership of the two parties noted that:

aware of our joint responsibility for the consolidation of peace in Sierra Leone and for advancing its development as well as for preventing the mistakes of the past that have brought so much suffering to our fellow compatriots, the two largest parties in the country, the All Peoples Congress (APC) and the Sierra Leone's Peoples Party (SLPP), have come together to overcome recent differences, to help quell all forms of political violence and to speed the country's progress towards peaceful development. The recent spate of violence in the country has already caused alarm in the minds of Sierra Leonean citizens and tarnished the international image of Sierra Leone.<sup>12</sup>

The two parties pledged to uphold 'the Rule of Law and [maintain] the core principle of democracy of free debate over alternative policies and views in an atmosphere of mutual respect'. They further pledged 'to work jointly in preventing all forms of political incitement, provocation and intimidation that could lead to a recurrence of the disturbances' that the country had witnessed since the 2007 elections. 'While we must learn from our painful historical experiences,' the Joint Communiqué added, 'we maintain that we should not be haunted by those memories; instead we commit ourselves to building a peaceful, democratic and prosperous Sierra Leone for the benefit of all of our people.' As a practical step, the Communiqué called for 'the speedy conduct of an Independent Review into the incidents that occurred in Gendema, Pujehun District, Freetown and Kenema during the month of March 2009 and that on the TOR and the composition of the Independent Review both parties will be consulted'. The two parties agreed that 'those who will be proven to have committed acts of violence will be brought to justice, irrespective of their real or alleged political affiliation'.

However, the Justice Thomson Commission, which was set up to look into the attacks on the SLPP HQ and in particular the alleged rape of women there at the

time, made no substantive recommendations and no one was punished. It was, in many ways, a complete waste of resources. It is difficult to say that much was achieved by way of reconciliation and pledges to future good behaviour. The stage, it appears, is still set for future political violence and intolerance, and this bodes ill for the 2012 elections.

A growing anxiety in the country centres on the possibility that such violence could take particularly invidious forms, involving ethnic-based attacks or touching on traditional livelihood concerns. Research this writer conducted in the north of the country – the heartland of the ruling APC – suggested that this fear is very real indeed. Koinadugu and Kambia in the Northern Province have large Mandingo and Fula (or Fulbe) populations, and these groups traditionally vote overwhelmingly for the SLPP. They are mainly traders and cattle herders, and their neighbours – Limba and Temne, who are dominant in the areas and who vote overwhelmingly for the APC – are mainly crop farmers. In the controversial Biriwa Chiefdom in Kambia District, attacks on settlements of Fula and Mandingo cattle herders intensified from March through July 2009, the period of violent clashes between the SLPP and the APC across the country. Alleged APC activists killed over 200 Fula- and Mandingo-owned cows, and about 20 cattle ranches were relocated to Guinea by their Fula herders. One group implicated in these attacks was the Bayorline Development Association (BADA), an exclusively Limba organisation. The Regent Chief of Biriwa (who is Limba, and aggressively APC) appeared to firmly support BADA, contending that the cattle herders brought the carnage on themselves by bringing cattle from Freetown to be reared in the Chiefdom.<sup>13</sup> If mitigating measures are not taken, there is no doubt that violence of this nature – so visceral because it touches on traditional livelihood concerns – will very likely occur on a more destructive scale during the 2012 elections. The danger is accentuated by the fact that the district shares long borders with volatile Guinea, where the Fulas and Mandingo are in the majority, and there is a strong probability of arms and fighters allied to groups from Guinea moving into the area during any such clashes.

Socio-economic  
and other  
developments

Two important issues merit discussion here. The first, whose corrosiveness has somewhat – albeit perhaps temporarily – been blunted since 2009, relates to the work of transnational crime syndicates using the country as a base for cocaine trafficking. And the other is the rash of agreements signed by the government with a number of foreign mining companies, most of them of a highly controversial nature.

Illicit drugs and  
crime

In the very early morning of 13 July 2008, a small aircraft bearing fake Red Cross insignia landed at Sierra Leone's only international airport at Lungi without authorisation. The plane was seized by Airport Authority, who, on inspection, found over 600kg of cocaine along with arms and ammunition. Seven foreign nationals – three Colombians, two Mexicans, a Venezuelan and an American – were arrested in connection with the drug seizure, along with several Sierra Leoneans. The Sierra Leoneans included the brother of the Minister of Transport and Aviation, Kemoh Sesay, a very significant fact, as the profoundly valuable trial records relating to the case reveal in almost excruciatingly illuminating detail. Eighteen persons were charged retroactively for the offences of importing 'cocaine, a prohibited drug, without lawful authority', and were detained in Freetown's Pademba Road prison; 16 were subsequently found guilty, fined and sentenced, and two were acquitted. Sierra Leone had no laws against drug trafficking before the seizures.

Unlike other West African states where similar seizures have occurred, however, Sierra Leone put the apprehended suspects to a transparent trial; and the very detailed trial report – written by Justice Nicholas Browne-Marke – provided a singular insight into the range of networks operating inside Sierra Leone at the time. It included government officials, top security agents, businessmen, fake NGOs, a fake mining company, safe houses in the interior of the country (Port Loko), and young people, including students, co-opted into the operation. Sesay was dismissed from office and his arrest was ordered, but this was prevented by the Attorney General and Minister of Justice.

In his 100-page report on the trial, Browne-Marke noted that drug traffickers had compromised key state agencies, as well as senior government officials. He wrote that the chief intelligence agency, CISU, as well as the Special Branch of the police in charge of serious criminal cases, 'had become penetrated institutions, accepting shop-worn wares as good intelligence', adding that the two branches of security 'may have to review their recruiting policies and control systems of their agents if there is to be any change'. Browne-Marke also implied that the government had been guilty of obstruction of justice for preventing the trial of the former Minister for Transport and Aviation: 'I must express my strong disapproval,' he wrote, 'of the prosecution's failure to charge Sesay since, apart from withholding vital evidence, this meant that the judge had to acquit two accused who would otherwise have been convicted.' 'In my view,' Browne-Marke wrote, 'the [state] prosecution was holding back vital evidence and was prepared to jeopardise their case in order to save perhaps one person from perdition.' This was, he continued, 'a blatant act of subornation of perjury' by the state.<sup>14</sup> Sesay's brother was charged and convicted in the case. During the trial, he told the court that it was his minister brother who gave permission for the landing of the cocaine plane: the plane had arrived at the airport without notice and was held up by a young air traffic controller whom the traffickers and their accomplices had not brought into the plan.

The scale of the network and the lure of the massive financial rewards that even a single successful trafficking operation can bring<sup>15</sup> mean that it is naïve to assume that one successful trial and punishment of traffickers will effectively curb the problem of cocaine trafficking in the country. Just how significant the problem is can be seen from the report published in July 2009 by the United Nations Office on Drugs and Crime (UNDOC) in Vienna. Transnational Trafficking and the Rule of Law in West Africa: A Threat Assessment estimates that between 2001 and 2006, annual cocaine seizures in West Africa increased from approximately 273kg to just under 14 579kg; and that between 2005 to 2008, a further 11 tonnes were seized coming to or going from West Africa. The report estimated that US\$1–2 billion per year in drug money was finding its way into the region as a result of drug-trafficking operations.

Recent cocaine seizures in the region indicate that the problem is ever growing. In May 2010, Gambian and British officials seized two tonnes of cocaine with a street value of around US\$1 billion. Twelve people of various nationalities were arrested after investigators discovered the drugs in an underground bunker in a warehouse outside the Gambian capital, Banjul. Those arrested included Europeans, Nigerians, Ghanaians, Gambians and other nationals. In fact, that same month US and Liberian authorities arrested a number of people suspected of drug trafficking in Monrovia and flew them to the US to stand trial. As in the Gambian case, those arrested were a diverse lot, including a Russian pilot, a Nigerian narcotics broker, a Colombian cocaine supplier and a Ghanaian maritime expert with expertise in sea routes that could evade law enforcement radar. Another of the defendants and his associates had partial ownership of a large commercial airline that operates in the region. The alleged traffickers had intended to use passenger flights departing from Liberia's capital, Monrovia, to move cocaine out of the country.<sup>16</sup> In early 2008, the UN and a French boat seized a shipload of cocaine worth US\$500 million off the coast of Liberia; an amount that represented about two times Liberia's annual budget at the time.

As with the incident at Lungi in 2008, these seizures have been largely accidental: law enforcement capacity in the region is weak and few resources are devoted to preventing or even monitoring the problem. It is clear from the dollar figures alone that the problem poses an immense security challenge to West Africa, perhaps potentially comparable to the rebel wars that devastated Liberia and Sierra Leone. For one thing, the assumption that West Africa is merely a transit point for drugs is a dangerously misleading one; the drugs are increasingly being sold within West Africa and other sub-regions of the continent. Once they establish a foothold, foreign drug traffickers tend to pay lower-level cadres –



mainly unemployed youth and students – in kind rather than in cash, and the drugs are then sold in the community. This has the potential of exponentially increasing all kinds of criminal activity, including gang warfare and other forms of violent crime. It would also seriously undermine, if not destroy, the judicial system; corrupt the banking system; distort or seriously undermine the political elite and thereby lead to political instability; it almost certainly will fuel electoral violence; and it will definitely increase corruption at all levels of society. Sierra Leone early this year transformed its ineffective Joint Drug Interdiction Task Force – which is obviously limited in its focus since the problem is about much more than interdiction – into the Transnational Crime Unit, in line with the West Africa Coast Initiative. The objective is to implement the ECOWAS Regional Action Plan to address the growing problem of illicit drug trafficking, organised crime and drug abuse in West Africa. Similar units have been formed in Liberia, Ivory Coast and Guinea Bissau. On 12 August 2010, the unit in Sierra Leone destroyed US\$1 million worth of cocaine seized (the cocaine was clearly meant for sale within Sierra Leone, as it was seized from small-time dealers), as well as 6 000kg of marijuana.<sup>17</sup>

Marijuana, though perhaps less damaging to the country's socio-political fabric than cocaine, has always been a pernicious influence in the country. Official records examined by this writer in August this year indicated a growing concern by Sierra Leone's neighbour, Liberia, about marijuana trafficking from Sierra Leone. Over the past two years there have been intermittent and largely half-hearted attempts to destroy marijuana farms across the country; these attempts have been wholly ineffective. An important measure was suggested by the National Drug Agency Commissioner Kandeh Bangura several years ago, but was never taken up by the government. Cannabis or marijuana, he noted, 'is now grown in every part of the country', but this can be checked by government providing an 'alternative to the cultivation of cannabis, which most farmers consider profitable'.<sup>18</sup> This call was obliquely echoed by the UN Secretary General's report in September 2010, which noted that 'the existence of large marijuana farms in some districts' of Sierra Leone continues to 'undermine Government's efforts to promote local food security initiatives'.<sup>19</sup> The same report estimated the number of young people who are 'unemployed, employed without remuneration or underemployed' at 800 000. This obviously makes the problem potentially very explosive indeed. The AU Commission on the Implementation of the Decisions of the Third Session of the African Conference of Ministers of Drug Control and Crime Prevention – set up after the launch of the AU Plan of Action on Drug Control and Crime Prevention in 2007 – has recognized marijuana as 'the most problematic illicit drug in Africa' and estimated that 8 per cent of Africa's population, mostly youths 'many of whom are orphaned and marginalized', use marijuana, which accounts for 64 per cent of drug treatment demand on the continent.

'All of us grew up knowing that our country is rich in mineral resources. However, these riches have not been translated into tangible benefits for our people. The country's mineral sector also lacked proper regulatory regimes, leading to non-transparent transactions, decrease in investor confidence and failure to attract large-scale investments. My Government is determined to change this' – **President Ernest Koroma, addressing Sierra Leone's Parliament in October 2010**

Sierra Leone's fabled mineral wealth has clearly been more of a curse than a blessing in the country's chequered history. Until recently, the key factor was diamonds, which were implicated in the country's rebel war as a key driver of the conflict. The diamond industry, in fact, historically provided important clandestine circuits for the massive enrichment of politicians in the midst of the collapse or near-paralysis of the formal economy.<sup>20</sup> The country's notoriety as a source of 'blood diamonds' was the reason why it pioneered the Kimberley process certification scheme (KPCS), an international control system meant to regularise the flow of diamonds through legitimate government-controlled channels into the world's multi-billion dollar diamond market.

The certification system in Sierra Leone was created with the assistance of the Belgian Diamond High Council. In addition to a Sierra Leonean diamond valuer, an independent valuer was also appointed. Official exports of Sierra Leonean diamonds increased dramatically thereafter. In 1999, at the height of the war, the country officially exported only US\$1.3 million worth of diamonds, but in the 12 months after the certification system was introduced (i.e. between October 2000 and September 2001), legal exports jumped to US\$25.9 million (210 675 carats). Exports in 2001 (January to December) totalled 222 500 carats, valued at US\$26 million. This figure represented a monthly average export of US\$2.17 million, which was extraordinarily high compared to the years prior to the introduction of the system. This trajectory has since continued, with exports rising almost every year. Diamond exports in 2003 were worth US\$75 million; in 2004 the figure was US\$126 million; and in 2005 it was US\$142 million. The value of diamond exports dropped in 2006 to US\$125 million, but rose again in 2007 to US\$141 million. It dropped to 371 285.31 carats valued at US\$98 800 670 in 2008, and rose in caratage to 400 800.36 but with a lower value of US\$79 million in 2009. Exports for the first half of 2010 were 183 982.92 carats valued at US\$41 658 991.57.<sup>21</sup>

The figures suggest that since the inception of the KPCS, official exports of diamonds have more or less stabilised. But problems remain: the Government Gold and Diamond Office (GGDO), which values and levies export taxes on all diamonds that are officially exported from Sierra Leone, reckons that at least 20 per cent of Sierra Leone's diamonds do not go through official export channels, and that lower valued stones from Liberia are getting in, while higher valued stones from Sierra Leone are being smuggled out through Liberia and possibly Guinea. There are fears in diamond circles that illegal mining and smuggling, a historical problem associated with the APC – many of whose core supporters engage in diamond mining and trading – may have resurged since 2007: the declining export figures since 2007 indicate that not just prices, but also the caratage of diamonds exported, have dropped significantly.

The diamond sector is still largely alluvial, which makes it difficult to properly control, but Koidu Holdings Limited (KHL) dominates the formal sector. The company, formerly South African but now owned by the Geneva-based Beny Steimeitz Group, was granted exclusive rights for 25 years to mine kimberlite diamonds worth about US\$1.5 billion, shortly after the end of the civil war. Its operations have led to the displacement of hundreds of residents, as well as repeated violence, with one incident in which two people were shot to death by security guards employed at its mines in December 2007. Ten others were seriously wounded. Kono, where the commercial exploitation of diamonds began in Sierra Leone in the 1930s, has produced billions of dollars worth of diamonds but is Sierra Leone's most parlous district. Rebels comprehensively destroyed its main city, Koidu, during Sierra Leone's brutal civil war (1991–2002), and its landscape is blighted and thoroughly degraded, an environmental and social nightmare. It is the most violent crime-ridden district in Sierra Leone, and has since last year been in a state of emergency – the Military Aid to Civil Power (MAC-P), which is meant to be a temporary, purely exceptional exercise, has been effective in Kono for nearly a year now. Yet armed robbery and murder in Kono remain higher than elsewhere, and rape is reaching epidemic proportions. The district, which has a population of close to 400 000, has only one, barely-functioning hospital, and no paved roads.

When diplomats and other observers express concern about mining issues in Sierra Leone these days, however, they hardly think about diamonds. The key resources are now iron ore and oil, both of which are said to exist in huge commercial quantities in the country. The problem is that, despite Sierra Leone's reputation or notoriety for mineral wealth, since the end of its civil war it has not been able to attract any of the bigger global players in corporate mining. This is in sharp contrast to Liberia, which was even more ravaged by its wars, but which has – with a forward-looking and energetic president – been able to attract companies like ArcelorMittal. Sierra Leone, on the other hand, has only attracted

what in the global mining industry are known as bottom feeders: small-scale enterprises scouring the corners of the globe to locate new mineral deposits, which they then partially develop, advertise, and sell to bigger, more established companies. Such companies, without a global reputation to protect and with limited capital to invest, are more prone to unethical conduct, such as the bribing of government officials, and are often agnostic to proper corporate responsibility.

Take, for example, African Minerals, controlled by the controversial Romanian-Australian businessman Frank Timis. Between 2004 and 2005, the government of Sierra Leone granted the mineral rights to a huge land area of Sierra Leone – about 57 per cent of the country's land mass – to the Sierra Leone Diamond Company (SLDC), which was later to metamorphose into African Minerals Limited (AMI.L), ostensibly for reconnaissance and exploration. Timis officially bought a 30 per cent stake in the SLDC in 2005 through a Bermuda-registered vehicle.

Timi, now the executive chairman of the company, increased his shareholding to 34 per cent in June 2006 and to 34.6 per cent (40 875 002 shares) in September 2006. In February 2009 the entire company was worth £45 million (US\$65 million); but in July 2009, according to its 2009 Annual Report, it raised in excess of US\$100 million with institutional investors.<sup>22</sup> On 16 August 2007 the SLDC was renamed African Minerals Limited to reflect the many other mineral interests, including iron ore, bauxite and gold, held by the SLDC, which is presumably a prospecting company. Shortly after this, on 15 March 2010, African Minerals announced an initial mineral resource estimate of over 10 billion tonnes of iron ore at an average grade of 29.9 per cent in the Tonkolili District in northern Sierra Leone. African Minerals claimed that this discovery was the biggest iron ore find in the world in 20 years and the largest deposit in Africa, surpassing those in Liberia (where global giant ArcelorMittal is active) and Guinea (exploited by another giant, Rio Tinto). Almost immediately, African Minerals issued a statement that it had signed an 'intention agreement' with China Railway Material Group to export iron ore to China, and that it had turned over a 12.5 per cent stockholding right in the Tonkolili project, valued at around US\$244 million, to China Railway Material. African Minerals also announced that China's Shandong Iron & Steel was investing over US\$1 billion in the new venture. But by the end of October 2010, Shandong Iron & Steel was asking for extra time to complete 'due diligence' before taking any concrete steps.<sup>23</sup> In fact, the Chinese had sent two delegations to the Sierra Leone government in 2010, making far more viable proposals to deal directly with the government rather than with the controversial African Minerals, but these initiatives went nowhere.

The company claims on its website that the Tonkolili iron ore project has a JORC compliant magnetite resource of 5.1 billion tonnes and that several billions more may be found in the adjacent areas. African Minerals has already signed a 99-year lease for these areas. Within two months after the company announced the estimated iron ore potential in Tonkolili in March 2010, it was reported that the new deals had made Timis over US\$500 million. African Minerals is now the largest market cap company on London's AIM.

But Timis' previous operations in Sierra Leone, as well as his international notoriety, give cause for concern. As noted above, SLDC started operations in Sierra Leone in the midst of the rebel war in the 1990s. In 2005 the company claimed that it had invested US\$12 million the previous year in the initiation of a series of high-resolution airborne magnetic surveys over its licence areas, and that the survey was 40 per cent complete by the end of 2004. This proved to be false. The surveys were largely intermittent and incoherent, and there were conflicting reports about progress made. Worse, there was utter confusion about what exactly the company was prospecting for, or whether prospecting was all it was doing.

In November 2003, the company signed an indenture with the government of Sierra Leone for US\$10 000, allowing it to prospect not only for diamonds but also for bauxite and other minerals. The application envisaged environmental

and other problems in areas where the company would operate, and pledged to introduce 'improved varieties of most commonly cultivated crops', 'sustainable farming', and HIV/Aids education programmes. No such programmes were, in fact, initiated in SLDC's areas of operation.<sup>24</sup>

The company operated with a number of fronts, all holding prospecting and exploration licences in Sierra Leone, presumably for tax avoidance and other nefarious purposes. Among them were Fatkad Mining Company Limited, Kangaroo Mining Company Limited, and Molans Mining Company Limited. Directors and officers of SLDC also have beneficial interests in North West Diamond and Gold, which, like SLDC, was registered in Bermuda; and in 2005, the SLDC acquired North West's 10 000 km<sup>2</sup> exploration licences in Sierra Leone. Of course, this tangle of corporate names and interests creates some confusion.

In January 2005 the SLDC was floated on the AIM market of the London Stock Exchange with the aim of raising £100 million for its Sierra Leone operations. The announcement triggered British press reports focusing on Timis' controversial past, including two drug convictions and other unsavoury allegations. A British MP was also criticised for improper links to the company, in the form of lobbying and improper payments. In 2007 the Toronto Stock Exchange declared that Timis was wholly unfit to act as a director, officer or major shareholder of a listed company after it was discovered he had not declared two previous convictions for heroin possession.<sup>25</sup> Timis had also not declared to the Toronto Stock Exchange that while a young refugee in Australia, after he had started his own transport company that owned only one truck driven by himself, the business went bankrupt in 1986 with debts of AU\$15 806 – a declaration required by law.

For much of 2008–2009, African Minerals and another penny-stock company, London Mining Ltd., were engaged in a dispute that included tentative legal action by London Mining over an apparent encroachment on 30 per cent of London Mining's lease area at Marampa, in which it had acquired a legal interest in 2006. The Marampa mine is a 13.82km<sup>2</sup> brownfield site in Port Loko District, northern Sierra Leone. The disputed area constituted about 30 per cent of the vestigial mines once operated by the Sierra Leone Development Company (DELCO) (and later William Baird). The mines existed between 1933 and 1975, reaching peak production of 2.5 metric tonnes of high-grade iron in the late 1960s. Even at its peak, however, production at Marampa was dwarfed by the seven large mines in Liberia, which together were producing 15 million tonnes of high-grade iron per year by 1965.<sup>26</sup> London Mining, which trades on the Oslo Axess and London's AIM, acquired rights to exploit the property comprising two primary ore deposits, Masaboin Hill and Ghafal, as well as several satellite ore bodies, in 2006. There were also tailings left by DELCO's operations, estimated at 50 million tonnes of iron ore, which, with modern processing techniques, could easily be extracted from the low-grade tailings – this in addition to an estimated 100 million tonnes of hard rock beneath the tailings. This makes it a highly significant deposit, made more valuable by the fact that demands for iron ore – an essential ingredient in making steel – have increased astronomically in recent years, with China emerging as one of the most significant consumers. China, in fact, is a key calculation for companies like London Mining and African Minerals: both have approached Chinese companies with deals in respect of their putative mines, and it is clear that this – far more than the desire to economically develop and exploit the mines themselves – is the main driver of their interest in the deposits in Sierra Leone.

The Sierra Leone government, which seems rather too close to African Minerals' Timis, clearly favoured African Minerals; and in the midst of the dispute it announced a review of the Mines and Minerals Act of 2006, under which the license was granted to London Mining.<sup>27</sup> This new and surprising initiative led to the Mines and Minerals Act of 2009.

The disputed area included places where London Mining had been carrying out mining operations since 2007. London Mining noted that while the exclusion of the area would reduce the potential total mineable tonnage, it would not affect the

planned production rate or the timing of the start-up of its operations at Marampa. Timis had, in the meantime, struck an outline agreement with the Australian miner Cape Lambert that would see him swap 30 per cent of his company's interest in the Marampa area – exactly the disputed area – for a 10 per cent stake in Cape Lambert, a point that London Mining made in starting initial legal action. But the Sierra Leone government granted Timis rights to explore for minerals in the area. The Sunday Times of London reported that by January 2008 'maps distributed by the Sierra Leone mining ministry backed up London [Mining's] claims to the disputed territory, which followed a formal letter sent in May 2007 confirming the co-ordinates of the site, London Mining claims'. Shortly after, however, the Sierra Leone government's official version of events changed. The Sierra Leone Ministry of Mineral Resources had by then 'adopted the same interpretation as African Minerals. According to local reports, Timis took the new mines minister with him on a trip to Romania'.<sup>28</sup>

In November 2008, however, London Mining announced that it was withdrawing its legal claim, and the 30 per cent area was given to Timis. In a joint statement, London Mining and African Minerals stated: 'The Government of Sierra Leone has fully endorsed the arrangements between African Minerals and London Mining, and is delighted that both companies are now in a position to move forward in the development of Marampa, which will have significant benefits both to the local area and to Sierra Leone as a whole.'<sup>29</sup>

London Mining would turn out to have the last laugh: as a result of this distorted decision it got an extraordinarily generous agreement from the government in the form of that signed on 31 December 2009, and which has been universally condemned. The 25-year agreement with London Mining bluntly violates key provisions of the recently passed 2009 Mines and Minerals Act. The agreement includes an 80 per cent reduction in income taxes for 10 years for the company, as well as an 80 per cent reduction in other major revenue streams from it for 25 years. London Mining is to pay a corporation tax of only 6 per cent – instead of the 30 per cent set by the 2009 Act – on its investment; duty on its mining materials is pegged to 1 per cent instead of the official rate of 5 per cent that all other companies pay, and royalties are reduced to 3 per cent instead of the official 4 per cent. Worse yet, the agreement will remain in force for 25 years, and can only be changed if London Mining wishes to do so.

The agreement caused an immediate uproar, both among the country's civil society and media, and Sierra Leone's international partners. The campaign group Network Movement for Justice and Development (NMJD) condemned it in several press releases, and a group of consultants hired by the government to advise it on issues relating to the review of mining contracts – Louis T Wells (a professor at Harvard Business School) and his colleagues Boris Dolgonos and Mathew Genasci – wrote a letter to the president expressing grave misgivings about the agreement. In the 17 March 2010 letter the three wrote that the illegal fiscal incentives the agreement gives to London Mining create a bad precedent for the government by violating its own laws, making it difficult to apply any best practices in the future. They also noted that the negative effects of the agreement on other subsequent mining agreements would far outstrip the benefits from any temporary employment that would be generated from London Mining's operations. The agreement, they wrote, 'creates an extremely difficult and bad precedent for the Government to overcome in all future agreements negotiated under the new mining law'.<sup>30</sup> The implications of this bizarre deal are, in fact, worse than that. The same month that this agreement giving so many tax concessions to a foreign mining company was signed, the government imposed a harsh Goods and Services Tax (GST) on key commodities and services in the country, adversely affecting some of its poorest citizens. Incidentally, according to the projections of the country's Finance Minister, Samura Kamara in the annual budget for 2009-2010, the funds to be raised by this GST are less than that given away in tax concessions to London Mining.

In his address to Sierra Leone's Parliament in October 2010, Koroma promised that he would review the flawed agreement with London Mining, but not much has been done since then.

In that same address, for the first time since news of major oil discovery in Sierra Leone broke with an announcement by the oil company Anardako in 2009, Koroma made the following statement in respect of the oil find:

... the discovery by Anardako of hydrocarbon deposits in the Venus prospect last year made Sierra Leone's offshore oil potential attractive to investors. Anardako has reprocessed the 3D seismic data and recognized another Mercury Prospect which they are currently drilling with much confidence and hope for another successful discovery. This will be followed by an appraisal well for the Venus discovery, thus opening the way to possible development and production. I have set up a Presidential Task Force and also requested international assistance for the review of our Petroleum Law and Fiscal Regime in order that Sierra Leone can derive maximum benefit from the new oil and gas resource and avoid the mistakes of other countries. The new petroleum bill will be tabled before this Honourable House for your approval.

The Petroleum Resources Unit has also delineated exploration blocks of about 2 000 km<sup>2</sup> each, making available 8 new blocks [in] offshore Sierra Leone for further exploration rights. With this delineation, Government will organise a tender process after due publication in the Sierra Leone Gazette. The Unit is also undertaking capacity building for efficient and effective service delivery. Currently, young Geology graduates of the University of Sierra Leone are joining the Unit to participate in the current drilling of Mercury Prospect by Anadarko Petroleum (SL). Training sessions are also being organized for public servants and other Sierra Leoneans in the areas of petroleum law, management, fiscal regimes, accounting and managing associated risks.<sup>31</sup>

The presidential statement, of course, left out a lot, but was most welcome. Since Sierra Leone gained independence in 1961, it has been widely believed in geological circles that the country has large quantities of offshore oil. On 25 May 1963, the expatriate chief inspector of mines, WC Fairbairn, presented his annual report to the Sierra Leone Government noting that: 'The Oil Agreement between the Government and Tennessee (Sierra Leone) Inc., was ratified and the Company was preparing to start a seismic survey of their oil exploration licenses early in 1963.' Fairbairn also noted that: 'The local oil company, Tennessee (Sierra Leone) Inc., set up offices in Freetown and by the end of the year [1962], preparations were being made to start a marine seismic survey within the company's Oil Exploration Licenses.'<sup>32</sup> During his second term in office, Kabbah set up a Petroleum Resources Unit (PRU), operating in the presidential office. Kabbah made sure it was a bi-partisan board – it included SLPP as well as leading APC members – but this hardly guaranteed transparency with respect to public disclosures. In the event, shortly after Koroma took over, the Ministry of Mineral Resources took the lead on the initiative on oil exploration, but the Ministry's activities in this regard have been characteristically opaque.

In fact, a lot of the information about the recent oil finds did not come from official government sources. This is perhaps partly because even the site of the find was disputed between two international oil companies, the Nigerian-owned Oranto group and an American company, Anardako. Oranto Petroleum, owned by multi-millionaire Nigerian Chief Arthur Eze, had been granted the right over a 1 500km<sup>2</sup> 3D for seismic survey; the area is known as block SL-5. In fact, the survey area was expected, once oil finds are guaranteed, to extend over nearby block SL-4, in all covering an area of 4 022km<sup>2</sup>. The lease was granted to Oranto Petroleum Sierra Leone (OPSL) on 20 August 2003, after Sierra Leone's First Offshore Bid Round. The first exploration period, which ended on 19 August 2006, was extended by one year to 19 August 2007. Koroma's government in February 2008 again extended it to the end of 2009 with the provision of a two-year extension after this; Oranto paid the government a non-refundable deposit amounting to millions of dollars. In the meantime, the government granted prospecting rights covering 10 per cent of Oranto's area to Repsol and Woodside, two resource-starved Spanish ventures that had to bring in the Anadarko Group. In 2008, Anadarko mobilised the Belford Dolphin drillship to explore the area. Anadarko completed drilling on its site,

which it calls Venus, and found major oil deposits extending into block SL-5. The seismic data point to a 1 billion to 1.2 billion barrels prospect with as much (or more) in neighbouring channel complexes, mostly on Oranto's block SL5 and mostly within the disputed area – the so-called SL6/7 carve-out that covers about 10 per cent of Block 5. This, of course, is a lot of oil, about equal to the Jubilee field in Ghana (discovered in 2007), which is set to fetch Ghana US\$1.2 billion annually for the next 20 years.<sup>33</sup> The data was shown to 15 major oil companies during an invitation to them to join Oranto's efforts, and the response was largely positive.

Koroma's government quickly afterwards confronted Oranto with the stark offer: either it accepts the loss of the 10 per cent area or its exploratory vessel and crew will be arrested. Minister of Mineral Resources Alpha Kanu argued that Oranto was a 'briefcase company' without the funds to exploit the oil finds, a claim without basis, since in 2008 alone Oranto spent more than US\$15 million on exploratory survey in the region, including on its Sierra Leone site. In any case, the Repsol group, which Kanu and Koroma favour, is evidently far more indigent.

Oranto promptly hired a top London law firm to prepare background papers for legal action against the government for the illegal removal of the carve-out area and for arbitrarily awarding it to another group, an act without precedent in the modern oil industry history that would trigger legal wrangling for at least two years. Oranto has offered a compromise with the government to negotiate over the SL6 block, but Koroma's government dithered. The Nigerian government delivered a note verbale early this year to the government, protesting the shabby treatment of a Nigerian company by a sister country for which it had sacrificed so much to save from a brutal internal war. Oranto further threatened to refer the matter to the US State Department in Washington for Foreign and Corrupt Practices, since there are credible reports that Anadarko achieved its current position by having Repsol, a largely front company, bribe the Sierra Leone government in 2007/8.

This is a very bad, indeed troubling, sign – the government should be enacting laws and procedures aimed at the transparent and corruption-free exploitation of the oil find, but it still seems tangled up in problems that should not have arisen in the first place. In Ghana, to cite a recent if slightly flawed example, according to the Economist, officials 'entrusted with drawing up legislation have been scrutinising oil-revenue laws from Norway to Trinidad and Timor-Leste. A draft bill proposes that part of the oil money should go directly into the national budget, with the rest split between a "stabilisation fund" to support the budget if oil prices drop and a "heritage fund" to be spent only when the oil starts to run out. Putting the money into ring-fenced funds should prevent a free-for-all among politicians and the corruption that could ensue'.<sup>34</sup>

An additional complication was the interest shown by Timis, through his company Regal Petroleum, in the oil finds. In November 2009, however, Regal Petroleum was fined £600 000 by the London Stock Exchange for 'systematic' breaches of rules, the biggest-ever fine levied by the exchange.<sup>35</sup> Timis has now set up another company, African Petroleum, which has continued under-the-table negotiations with the government. At the end of last year the London Stock Exchange took the highly unusual step of preventing the listing of African Petroleum, prompting Timis to accuse the Exchange of a 'witch-hunt'.

Such are the perils of Sierra Leone's new mineral resource adventure.

Sierra Leone has made immense progress in sustaining peace and building the foundations for good governance: from the normative collapse it suffered during the civil war, it is now one of the most peaceful and vibrant emerging democracies in West Africa. Evidence of this positive trajectory is that early this year, the country contributed its first batch of troops to the AU-UN hybrid mission in Darfur since the 1960s – extraordinary given that only a few years ago it was the recipient of about 18 000 UN troops. But it is still a very fragile

state; and its political leaders and international partners should always remind themselves of the consequences of a relapse into the bad old days of autocratic rule, unrestrained corruption and state collapse. The civil war of 1991–2002 killed upwards of 75 000 people and led to the near-total destruction of the country. Interviews with many key players in the country in August 2010 – including civil society actors, academics, journalists, opposition politicians and international officials – revealed a widespread anxiety about the recrudescence of the factional violence that nearly tore the country apart in the 1990s, leading to the deployment there of the largest UN peace operation in the world, from 2000 to 2006, at a cost of US\$2.6 billion.

Sierra Leone is one of two countries – Burundi is the other – initially chosen to be part of the UN's Peacebuilding Commission; that Commission is part of UNIPSIL, and its budget is a mere fraction – less than 4 per cent – of the peace mission that disarmed the various militias and helped steer the country to its current state. It is assumed that the burden now largely rests on national actors to build on the relative peace and stability achieved thus far and lead the country forward to sustained good governance and economic development. But the country's inherent fragility makes this assumption rather tenuous. Part of the mandate of the small UN political office in the country, UNIPSIL, is to provide political support to efforts aimed at finding solutions to political tensions and potential conflict, and to consolidate good governance reform. Clearly, the defining task in this regard will be the successful conduct of the 2012 elections. And success has to be defined in three precise terms: the free and fair conduct of the elections; ensuring that the results are nationally accepted; and preventing the recurrence of large-scale violence that may lead to political paralysis or even anarchy. None of this can be guaranteed in the current political climate if UNIPSIL, in active collaboration with other important international actors – in particular the African Union (AU), ECOWAS and the UK government – does not fashion a coordinated strategy to help steer the country through those elections.

There are, however, immediate issues that need to be addressed ahead of those elections, in part because they will impact significantly on them. These have to do with the proper governance of the country's all-important mineral sector. The recent granting of controversial mining concessions worth billions of dollars is widely believed in Sierra Leone to have involved the bribing of key government officials. If true, such unaccounted funds would give incumbent candidates a clear advantage over non-incumbents. Moreover, the granting of tax concessions to some of these companies in violation of national legislation is cause for concern, increasing the perception of corruption, as is the non-transparent manner in which the leases were granted in the first place. The discovery of offshore oil in Pujehun District, an opposition stronghold, increases the stake enormously, in part because the government has been singularly lacking in transparency in all developments relating to the oil discovery.

Where diamonds are concerned, though a better agreement has now been reached with Koidu Holdings International (KHL), it is important to note that KHL exports its own diamonds, after valuation by the Government Diamond Department, which also certifies the diamonds with the Kimberley Process stamp of approval. KHL's diamonds have consistently shown a lower value per carat than the Sierra Leonean average, suggesting that those diamonds may be undervalued for tax purposes. The government should urgently look into this matter.

A valuable instrument in this regard could be the Anti-Corruption Commission (ACC), which was set up by an Act of Parliament in 2000 to 'investigate all instances of alleged or suspected corruption ... and to take such steps as may be necessary for the eradication or suppression of corrupt practices'. The Act defines corruption broadly to include 'corrupt acquisition of wealth, soliciting or accepting advantage, using influence for contracts, corrupting [a] public officer, soliciting or accepting advantage for [a] public officer, misappropriation of donor funds or property, impeding foreign investment, corrupt transactions with agents'.<sup>36</sup>



This rhetoric, however, has not been consistently matched by action. The first substantive head, Val Collier, a respected former civil servant, was sacked in 2006 and replaced by Henry M Joko-Smart, a law professor and close friend of former President Kabbah. During his tumultuous tenure, Collier brought charges against a number of government ministers, an Appeals Court judge and several senior civil servants. Joko-Smart, on the other hand, focused almost exclusively on junior and mid-level officials, hardly a credible way of tackling corruption in a country where it reputedly has become endemic. In 2007, DFID issued a damning report on the lack of progress by the ACC, and withheld financial support. When Koroma came to power that year, he swiftly despatched Joko-Smart and appointed the younger and more vibrant Abdul Tejan-Cole, a respected lawyer. Shortly after taking over, Tejan-Cole commissioned a Strategic Review of the ACC that noted a number of problems with the Commission. These included a lack of capacity to thoroughly investigate cases and establish prima-facie evidence; the fact that the office of the Chief Prosecutor or Attorney General was held by a senior member of the government as Minister of Justice created a serious obstacle to prosecution; and the lack of cooperation from the public in providing relevant information relating to corrupt practices. After this assessment, the ACC drafted an amendment to the 2000 Act which provided prosecutorial powers to the Commission, and it launched a new National Anti-Corruption Strategy (NACS) 2008–2013. Tejan-Cole then started, rather quietly at first, prosecuting important, but rather low-profile officials, including the Ombudsman and a number of civil servants. Once it registered success here, the ACC moved on to bigger targets, and in late 2009 the ACC convicted the former Minister of Health, Sheku Tejan Koroma. Shortly after that, the Commission indicted the powerful former Minister of Fisheries, a protégé of Koroma. This latter indictment triggered a chain reaction – involving alleged threats to Tejan-Cole’s life – that forced the youthful Commissioner to resign and leave the country in early 2010. At the time, the ACC was investigating 50 cases and trying 12 more.

In retrospect the trial of the former Fisheries Minister, Afsatu Kabba, was a distraction, though the symbolic value was obviously important. She was convicted in October 2010 and fined US\$100 000. It turned out that she had stolen less than that amount, mostly by pilfering from her Ministry’s operating funds. It is highly unlikely that her crude method of graft – issuing Ministry cheques to withdraw petty cash for herself and to fund her political party’s activities – will be replicated by more sophisticated government operatives, the kind of people, for example, who have the wherewithal to issue US\$1 billion worth of mining concessions and violate key legislations to grant sweet deals to favoured foreign companies. This kind of corruption is certainly more pernicious and destructive than what Kabba did, however contemptible and brazen her actions.

For a start, in order to gain traction, the ACC needs to investigate the deals granted to London Mining, the issues involved in the Oranto-Repsol dispute, and the many portfolios of African Minerals and its chairman, Timis, to include his relationship with key government officials. Reviews of these concessions should not be left to the government, which granted them in the first place.

Neither the AU nor ECOWAS has been very active in Sierra Leone since 2002, but they surely ought to be key partners of the UN Peacebuilding Commission to help steer the country through the 2012 elections. In a situation where a major opposition politician is known to make public pronouncements to the effect that Sierra Leone has quickly moved from a post-conflict situation to a pre-conflict one as a result of the violent activities of the ruling party’s supporters, the AU Panel of the Wise ought to be seriously attentive.

## List of Acronyms

ACC	Anti-Corruption Commission
APC	All People's Congress
CDF	Civil Defence Force
CJM	Campaign for Just Mining
DFID	UK Department for International Development
EU	European Union
FCO	Foreign and Commonwealth Office (UK)
ERSG	Executive Representative of the Secretary General
MFR	Management and Functional Reviews
MLGCD	Ministry of Local Government and Community Development
MOD	Ministry of Defence
NaCSA	National Commission for Social Action
NMJD	Network Movement for Justice and Development
NPRC	National Provisional Ruling Council (1992–1996)
ONS	Office of National Security
PMDC	Peoples Movement for Democratic Change
RSLAF	Republic of Sierra Leonean Armed Forces
RUF	Revolutionary United Front
SLCS	Sierra Leone Civil Service
SLPP	Sierra Leone People's Party
UNIPSIL	United Nations Integrated Peacebuilding Office in Sierra Leone

- 1 This report was researched in early August 2010 in Sierra Leone. It involved dozens of interviews and travel within the country. It also benefitted from the author's long-term engagement with the issues discussed in the report, including consultancies with various bilateral and multilateral bodies in the country, as well as with the Network Movement for Justice and Development (NMJD), a civil society group working on the extractive sector and on governance in Sierra Leone more broadly. Dr Gberie is also the author of *A Dirty War in West Africa: The RUF and the Destruction of Sierra Leone* (London: Hurst, 2005) and editor of *Rescuing a Fragile State: Sierra Leone 2002-2008* (Wilfrid Laurier University Press, 2009). I'm grateful to my colleague Mehari Taddele Maru, head of the ACPP Addis Ababa, as well as two other readers for insightful comments on an earlier draft.
- 2 Strategic Conflict Assessment (SCA) Sierra Leone, November 2008; report is in the author's possession.
- 3 See the report *Sierra Leone: A New Era of Reform?*, International Crisis Group 143 (31 July 2008)
- 4 Fifth Report of the Secretary General on the United Nations Integrated Peacebuilding Office of Sierra Leone, United Nations Security Council (17 September 2010), 8.
- 5 Statement found at UNIPSIL website [http://unipsil.unmissions.org/portals/unipsil/media/documents/statement\\_SC\\_280910.pdf](http://unipsil.unmissions.org/portals/unipsil/media/documents/statement_SC_280910.pdf) (accessed on 25 October 2010)
- 6 See [http://unipsil.unmissions.org/portals/unipsil/media/documents/scres/S\\_2010\\_496Adopted.pdf](http://unipsil.unmissions.org/portals/unipsil/media/documents/scres/S_2010_496Adopted.pdf)
- 7 See <http://www.un.org/peace/peacebuilding/>
- 8 Issaka Souaré, *A Critical Assessment of Security Challenges in West Africa*, ISS Situation Report (18 October 2010)
- 9 *Sierra Leone: A New Era of Reform*, 2.
- 10 See 'More Power for Freetown', 9 October 2009, *Africa Confidential*.
- 11 This is not how others have depicted the attacks. In its 6 March 2009 edition, *Africa Confidential* – the influential London-based newsletter – which had earlier accurately reported the attacks, retracted that report, noting: 'Although widely presented as a victory attack on the SLPP downtown headquarters, then and subsequently, diplomatic and other sources on the ground ... say it was SLPP's youth, including ex-fighters, deployed as bodyguards and as energetic campaign presence. Aware that no spoils would come their way, given SLPP's defeat, it was they who looted and destroyed the offices in a move tagged 'operation Pay yourself.' This is, of course, crudely misleading, as subsequent similar attacks on SLPP's infrastructure elsewhere showed. Even APC leaders no longer deny that the attacks were carried out by what they term 'errant supporters'.
- 12 Joint communiqué signed between the APC and SLPP leadership, 2009 (in author's possession).
- 13 Author's interviews in Makeni; see also Minutes of DISEC and PROSEC meetings (Northern Province) from March through July 2009.
- 14 Trial judgment in the author's possession.
- 15 The various facets and implications of the drug trafficking problem in West Africa have been most comprehensively and insightfully mapped by that leading scholar of Africa, Stephen Ellis, in 'West Africa's International Drug Trade', *African Affairs* (108) 431 (2009), 171–196. The valuable ongoing work of the Ghanaian academic, Kwesi Aning, has looked at the problem from a policy perspective. See, for example, 'Organised Crime in West Africa: Options for EU Engagement', a paper written for IDEA, at [http://www.idea.int/resources/analysis/crime\\_in\\_west\\_africa.cfm](http://www.idea.int/resources/analysis/crime_in_west_africa.cfm) (accessed on 25 October 2010)

- 16 Benjamin Weiser and William K. Rashbaum, 'Liberia Aids US in Drugs Fight,' New York Times, 1 June 2010.
- 17 Fifth Report of the Secretary General on the United Nations Integrated Peacebuilding Office of Sierra Leone
- 18 Augustine K. Saffa, 'As Alcoholism and Drug Abuse Increases,' Standard Times, 14 October 2004.
- 19 Fifth Report of the Secretary General on the United Nations Integrated Peacebuilding Office of Sierra Leone, 12.
- 20 See Ian Smillie, Lansana Gberie and Ralph Hazleton, *The Heart of the Matter: Sierra Leone, Diamonds and Human Security*, Ottawa: Partnership Africa Canada, 2000.
- 21 These are the official figures from the Government Gold and Diamond Office (GGDO), accessed by the author in Freetown in August 2010.
- 22 See its Annual Report at [www.african-minerals.com](http://www.african-minerals.com)
- 23 Reuters, 'African Minerals' Shandong deal hit by new delay', Oct. 29, 2010
- 24 See Partnership Africa Canada's Sierra Leone Diamond Annual Review 2006 (edited by Lansana Gberie)
- 25 'Australia Stock Exchange Blocks Timis Deal,' Daily Telegraph (London) 15 April 2010.
- 26 See Kenneth Swindell, 'Iron Ore Mining in West Africa: Some Recent Developments in Guinea, Sierra Leone and Liberia', (1967).
- 27 See: 'S. Leone reviews mines policy,' by Katrina Manson, <http://www.reuters.com/article/idUKL927229120080909>
- 28 'Frank Timis Faces Court Action,' The Sunday Times, September 7, 2008
- 29 Mariaan Webb, <http://www.miningweekly.com/article/london-mining-african-minerals-settle-sierra-leone-dispute-2009-08-21>
- 30 Letter in author's possession.
- 31 See full speech at: <http://www.thepatrioticvanguard.com/spip.php?article5547> (accessed on 25 October 2010)
- 32 Report of the Mines Division of the Sierra Leone Ministry of Land, Mines and Labour, 1962; submitted to Government on 25 May 1963: quoted in Focus on Sierra Leone, a now-defunct online journal edited by the late Ambrose Ganda, found at [http://www.focus-on-sierra-leone.co.uk/Background\\_and\\_History.htm](http://www.focus-on-sierra-leone.co.uk/Background_and_History.htm)
- 33 The Economist, 30 December 2009 (online edition, accessed on 15 October 2010).
- 34 The Economist, Op.cit.
- 35 'Australia Stock Exchange Blocks Timis Deal,' Daily Telegraph (London) 15 April 2010
- 36 See Government of Sierra Leone Publications, *The Anti-Corruption Act (Amended) 2008*