

Are booty futures a thing from the past in Africa's armed conflicts?

Jeroen Cuvelier

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On 7 March 2004, a Boeing 727-100 carrying 70 passengers with a military or paramilitary background was on its way to Harare airport in Zimbabwe. If all went to plan, these men would be met on their arrival in Harare by Simon Mann, an Eton-educated former member of the elite British SAS special forces, who had made a career in the world of private military companies during the 1990s. Mann had left for Zimbabwe a week earlier to handle an order for military equipment from the state-owned arms manufacturing and procurement company Zimbabwe Defence Industries (McSherry 2006; Cuvelier & Schiemy 2004).

What Mann didn't know was that the South African security services had been tipped off about the real motive behind the transaction. Confidential sources had told them there was a link between Mann's arrival in Zimbabwe and plans to stage a coup against Teodoro Obiang Nguema Mbasogo, the President of Equatorial Guinea, whom the coup plotters wanted to replace by Severo Moto, an opposition politician living in Spain. Rumors of secret meetings in preparation for a coup had been circulating for almost a year by then and the South Africans knew that the passengers of the Boeing were en route to Equatorial Guinea. The stopover in Harare was meant to give the team of mercenaries the opportunity to pick up the equipment Mann had bought. In exchange for a successful coup, the financiers of the coup would receive preferential oil rights for companies affiliated to them (Human Rights Watch 2009: 73-81).

When the South Africans informed their Zimbabwean colleagues of what was going to happen, Simon Mann and his crew of mercenaries were arrested at Harare airport. After the arrest, the firm that had chartered the plane kept insisting that Mann's team had been on its way to the Democratic Republic of Congo where they had allegedly been asked to secure a number of diamond mines (Roberts 2006; Appel 2019: 115-116; Wood 2004: 551-553).

The story about the failed coup attempt in Equatorial Guinea made headlines in the UK and South Africa in the months and years following the incident at Harare airport. This was mainly due to the fact that there seemed to be a list of financiers of the coup, which had fallen into the hands of South African investigators. Nicknamed the "Wonga List", it contained the names of the (alleged) members of an international shadow network hoping to benefit from Equatorial Guinea's oil wealth. The most remarkable name on the list was Mark Thatcher, the son of former Prime Minister Margaret Thatcher. On 25 August 2004, he was arrested in Cape Town and charged with having violated South Africa's Foreign Military Assistance Act

¹ Wonga is slang for money.

by investing money in the failed coup attempt. In 2005, he was fined £265.000 and given a four-year suspended jail sentence in South Africa².

The coup attempt in Equatorial Guinea constitutes an excellent example of the sale of so-called 'booty futures'. Ross (2005) coined the expression 'booty futures' to describe the phenomenon whereby an armed group sells the rights to exploit natural resources to an outside party, despite the fact that it has not yet conquered or captured the area in which the resources are located. Through the sale of booty futures during the start-up phase of an armed conflict, insurgents are able to finance their war efforts and/or increase their chances of overthrowing an incumbent government. Ross' research revealed that, in the period between 1989 and 2004, at least five resource-rich countries with weak governments in Sub-Saharan Africa (Equatorial Guinea, Liberia, Sierra Leone, DRC and Congo-Brazzaville) were confronted with armed insurgencies financed through the sale of booty futures. This led him to conclude that booty futures are one of several possible causal mechanisms linking natural resources to civil war. With his theory about booty futures, Ross sought to contribute to the debate about the so-called "resource curse", the idea that *'natural resource abundance (or at least the abundance of particular types of natural resources) increases the likelihood that countries will experience negative economic, political and social outcomes'* (Rosser 2006: 7).

The aim of this essay is not to recap the whole resource curse debate³. It is also not my intention to examine the various changes the sector of private military and security companies has gone through since the early 2000s (for an overview see Moesgaard 2013; Kaya 2013). Instead, what I'm interested in here is how and why, in the course of the past decades, the phenomenon of booty futures appears to have gradually disappeared from the agendas of scholars and policymakers specialized in Africa's armed conflicts. Is this because the phenomenon no longer exists? Or are there other factors that help to account for its current neglect?

In a review of Adam Roberts' well-researched book about the failed coup attempt in Equatorial Guinea, William Reno (2007) has suggested that the heydays of setting up shadowy financial constructions to sponsor a coup in a poorly governed African country are over. The failure of Simon Mann and his team to reach their objectives, Reno notes, was largely due to the fact that they *"operated out of their time"* and *"encountered regional diplomacy,*

² *'The life and times of Mark Thatcher'*, The Guardian, 11 April 2013.

³ For a critical discussion of the literature about the relationship between resources, conflict and governance, see Cuvelier, Vlassenroot & Olin 2014.

anti-mercenary legislation, and business rules that make legitimate corporations at least mindful of the increasingly troublesome consequences of dealing with shady operators” (Reno 2007: 245-246).

Reno is certainly correct in pointing out that there have been more and more diplomatic efforts at the regional level to prevent armed conflict on the African continent. When by the end of the 1990s, the conflict in Burundi, the Rwandan genocide, the two Congo wars and a series of military coups in other countries had shown that the Organization for African Unity (OAU) was incapable of making fast and decisive interventions in situations of political instability or violent conflict, influential countries like Nigeria and South Africa successfully lobbied for the establishment of the African Union (AU) in 2002. The AU was given a legal mandate to initiate measures against *‘unconditional changes of government’* as well as the right *‘to intervene in a member state pursuant to a decision from the AU Assembly in respect of grave circumstances’* (AU Constitutive Act 2000, cited in Vanheukelom & Desmidt 2019: 8). In the wake of the transition from OAU to AU, the African Peace and Security Architecture (APSA) was created, which established a so-called Continental Early Warning System (CEWS) tasked with offering advice on potential conflicts and threats to peace and security across the African continent. In addition to this, different regional economic communities such as SADC⁴, ECOWAS⁵ and IGAD⁶ have - in their respective regions - set up early warning systems of their own (Desmidt 2016: 5)⁷. Since 2000, a UN conflict prevention office for West Africa based in Senegal has been keeping a close eye on potential troublespots and has been investing in intensive regional diplomacy. In addition to this, the UN has been embedding conflict prevention experts in its development teams working in so-called weak states, while also creating a standby team of mediation experts capable of assisting envoys in suddenly escalating crises (Gowan 2017: 9).

It is also true that, since the early 2000s, several legislative initiatives have been taken to reduce the manoeuvring space of non-state armed actors and to limit the possibilities for conflict financing. In South Africa, the Prohibition of Mercenary Activities Act of 2006 has had the effect of increasing government oversight over the country’s private military and

⁴ South African Development Community.

⁵ Economic Community of West African States.

⁶ Intergovernmental Authority on Development.

⁷ In Eastern and Southern Africa, countries can draw on the support of several institutions for intelligence and law enforcement cooperation, including the African Union’s Committee of Intelligence and Security Services of Africa, Interpol and the financial intelligence units of governments working with the Eastern and Southern Africa Anti-Money Laundering Group (ICG 2021: 37).

security companies (Kraxberger & McClaughry 2013: 12). At the international level, the 34 signatory governments of the Montreux document, finalized on 17 September 2008, have committed to implement tighter regulation schemes for the training and monitoring of private military and private security companies in armed conflict zones (Diphorn 2016: 162). In the aftermath of the events on 9/11, the international campaign against terrorism has forced banks to monitor financial flows more carefully, making it harder for insurgent groups to organize funding for their operations (Hübschle 2006).

Finally, Reno is right that, in recent decades, there has been a remarkable shift in mentality among transnational corporations specialized in the exploitation of natural resources in the Global South. International companies in the extractive industries – and especially the publicly traded ones – have become increasingly concerned about the reputational damage they risk as a result of negative publicity about the environmental damage and the various forms of social disruption their business activities tend to cause in and around their areas of operation (Kirsch 2014). Furthermore, they are well aware that it is deadly to their public image to be discredited by rumors of their (alleged) involvement in human rights violations, corruption and conflict financing. In order to silence their critics and to obtain a 'social license to operate', they have been setting up a wide variety of initiatives in the domains of Corporate Social Responsibility, ethical trade, business and human rights, and various networked forms of governance including corporations, industry associations, NGOs, and third party auditors (Cuvelier, Geenen & Verbrugge 2022: 79). Given this new context, it has become less and less attractive for companies to participate in a booty futures operation.

That being said, it would be rather naive to assume that the aborted Wonga coup in Equatorial Guinea and the regulatory and diplomatic changes described above have led to the complete disappearance of booty future operations on the African continent. A first recent example of the survival of the conflict financing mechanism can be found in the civil war in Libya. The report of the UN Panel of Experts on Libya of 8 March 2021 provides evidence that, in late 2018 and early 2019, the Libyan National Army (LNA), a coalition of tribal militias and former units of Gaddafi's army led by General Khalifa Haftar and fighting against the UN-backed government of National Accord (GNA) in Tripoli (Spittaels 2022: 307-315), entered into negotiations with a number of Russian and UAE businessmen. The LNA asked the latter for military and financial support in exchange for access to part of Libya's oil wealth and other economic benefits. According to an internal report of the Russian partners, the collaboration did not go as smoothly as they had hoped. While Haftar generously rewarded his UAE partners for their support, he reportedly failed to do the same for his Russian allies:

After visiting Moscow on 7 November 2018 and Sochi on 25 and 26 November 2018, Khalifah Haftar reiterated his requests for military and technical support and assistance in establishing a dialogue with the various political and military groups in Libya, and with regard to developing his campaign strategy for the presidential elections in that country. **He also gave assurances that oil and other assets in territory controlled by the Libyan National Army would be transferred to the Russian Federation (my emphasis).** (...)

Russia has met most of Hafar's requests: (...). No reciprocal moves on cooperation have been forthcoming on Haftar's part, nor have any economic projects been proposed. Indeed, his response has been less than amicable on a range of key issues (...)

He (=Haftar) is **receiving financial backing from the United Arab Emirates**. For example, he used \$20 million provided by that country to buy the loyalty of the Sabha citadel garnison. **In return, unlike Russia, the United Arab Emirates received contracts to manage the port and rebuild the city of Benghazi (my emphasis).**⁸

Interestingly, the author of the Russian report about the Libyan booty futures deals was an employee of one of the organizations linked to Yevgeny Prigozhin, a St-Petersburg-based businessman belonging to the inner circle of Russian president Vladimir Putin. Nicknamed "Putin's chef" because of his catering contracts at the Kremlin, Prigozhin is wanted by the FBI for his alleged attempts to interfere in the 2016 Presidential Elections in the US through the St-Petersburg-based troll-factory Internet Research Agency, of which he was the primary funder⁹. Very interesting for the purposes of this essay is that he is also said to be the mastermind behind the Wagner Group, a private military contractor that has been acting as Putin's shadow army in different parts of the world, including Ukraine, Syria, Libya, Yemen, the Central African Republic, Sudan, Mozambique, Mali and Madagascar. The use of mercenaries like those of the Wagner Group has been a very important tool in Russia's foreign policy in Africa and other parts of the non-Western World. Amongst other things, it has allowed the Putin regime to extend its geopolitical influence, to deny military involvement in foreign countries, to escape accountability for human rights violations in armed conflicts abroad, to support befriended authoritarian governments without having to justify possible violations of international sanctions, and, finally, to gain access to valuable natural resources like oil, minerals and gas (Munday 2021).

⁸ S/2021/229. Appendix C to Annex 77: summary of Chvk Wagner communications of relevance to sanctions measures (2019), Bychkov report, 20 March 2019.

⁹ "Yevgeniy Viktorovich Prigozhin, Wanted by the FBI, Conspiracy to defraud the United States", www.fbi.gov, accessed on 7 June 2022.

A second example of the continued importance of booty futures operations in Africa's armed conflicts can be found in northern Mozambique. Since 2010, massive volumes of natural gas – estimated at 180 trillion cubic feet – have been discovered in the offshore Rovuma basin, situated opposite the coast of the Cabo Delgado province (Salimo et al. 2020: 1219). This has led to an enormous influx of foreign investments. Several of the world's biggest energy corporations have decided to try their luck in the region. France's Total Energies SE, US' Exxon Mobil and Italy's ENI have all been setting up major liquefied natural gas (LNG) projects, of which the potential value has been estimated at \$120 billion by Standard Bank Mozambique¹⁰. Unfortunately for the investors, since October 2017, the Cabo Delgado province has also been the scene of a devastating armed insurgency driven by deep-seated grievances among the local population. There is a widespread feeling of being systematically neglected, excluded and marginalized by the Frelimo government of Felipe Nyusi in Maputo, despite the fact that the region harbors valuable natural resources such as natural gas, rubies and gold. As a result of a widely shared sense of abandonment, Cabo Delgado has turned into a breeding ground for Islamist extremism. Ahlus Sunna Wal Jamaah (ASWJ), a Salafist group which has reportedly pledged allegiance to the Islamic State and which is colloquially referred to as Al Shabaab, has been accusing the Mozambican government of corruption and of failing to look after the general wellbeing of the population¹¹. Economically speaking, the insurgents hope to benefit from the big mining and gas projects that are being undertaken in the Cabo Delgado province, while some also want to participate in smuggling rackets controlled by political elites. They get some of their funds from jihadist and criminal networks in South Africa, while they also receive financial support from ISIS-linked actors in East Africa (ICG 2022: 9-11). Interesting for the argument I'm trying to make is that, at a certain point, the actions of the insurgents on the battlefield were not only driven by anger towards the government but also – at least partly – by economic considerations. In January 2019, residents in Palma expressed their discontent about the growing number of insurgent attacks and the military responses to these attacks. They accused Mozambican politicians of sponsoring the insurgents in exchange for personal benefits. According to Stanyard et al. (2022: 10), *“protesters allege that the insurgents are funded by powerful political figures in Mozambique to get control of their land, which has been increasing in value due to foreign investment in Cabo Delgado for its resources”*. While violent land grabs like these may not be as spectacular as the conquest of mining, oil and gas concessions, they form a good example of a booty

¹⁰ *‘Why the discovery of natural gas in Mozambique has produced tragedy’*. Mail & Guardian, 3 September 2021.

¹¹ Heyen-Dubé and Rands (2022) prefer not to describe the insurgents as Salafi-Jihadis because they do not subscribe to the ideology of global Salafi-Jihadism. Instead, they refer to them as “violent extremists”, whose principle goal is to challenge the established order and more specifically institutions representing or associated with the Mozambican government.

futures operation in the sense that we are dealing with rebels who were paid in advance by an external party interested in exploiting a natural resource not yet under their control.

From the preceding account, it is clear that, almost 20 years after the failed coup attempt in Equatorial Guinea, booty futures operations have not completely disappeared in Africa's armed conflicts. In the course of the past decades, the room for manoeuvre for insurgents and their sponsors may have diminished a little as a result of the combination of the intensification of international diplomacy, improved intelligence gathering, more effective conflict prevention measures and a heightened sense of awareness within the extractive industries about the wide variety of problems associated with natural resource extraction in conflict- and conflict-affected areas. Yet, armed groups and their networks have continued to develop new and smarter ways of diversifying their sources of income. Booty futures are not a thing of the past, but remain an important component of their financial strategies. While the economic agendas of armed groups may no longer receive the same scholarly and policy attention as during the peak of the debate about the resource curse, conflict research still has a lot to gain from detailed analyses of phenomena like these. On a final note, it is important to emphasize that, contrary to the impression that the final part of this essay may have created, global shadow networks facilitating booty futures operations in Africa are not exclusively and necessarily composed of Russian actors and their African allies. As Sereni (2021: 2) has pointed out, American and Chinese private military and security companies are also increasingly active in Sub-Saharan Africa, often operating *"in a grey area, which offers them a certain degree of impunity"*.

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