

Working Paper Series

## **Working Paper 10**

‘The Middlemen’: War Supply Networks  
in Sierra Leone and Angola

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March 2003



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## **Foreword**

This paper is part of a larger research project, 'Coping with Internal Conflict' (CICP), which was executed by the Conflict Research Unit of the Netherlands Institute of International Relations 'Clingendael' for the Netherlands Ministry of Foreign Affairs. The CICP, which was finalized at the end of 2002, consisted of three components: 'Political Economy of Internal Conflict'; 'Managing Group Grievances and Internal Conflict'; and 'Security Sector Reform'. This paper was written in the framework of the research component 'Political Economy of Internal Conflict'.

Addressing the political economy of internal conflict calls for policies on the basis of good analysis. The purpose of this component was to make such analyses. It carried out studies on Angola, Colombia, Sierra Leone and Sri Lanka. The studies particularly examined the local dimension of political economies of conflict, the interface between the national and the international dimension, and the role of outside actors.

*'[M]ost bandits we know of live in a monetary economy, even if the surrounding peasantry does not. Where and how do they get their 'coats with the five rows of gold plated buttons', their guns, pistols and bandoleers...? All this means that bandits need middlemen, who link them not only to the rest of the local economy, but to the larger networks of commerce. Like [the renowned Mexican bandit] Pancho Villa, they must have at least one friendly hacienda across the mountain which will take, or arrange to sell, livestock without asking awkward questions.'*

Eric Hobsbawm, *Bandits*, London: Abacus, 2001, pp. 92-93.

*'It sometimes appears that the logistic aspect of war is nothing but an endless series of difficulties succeeding each other. Problems constantly appear, grow, merge, are handed forward and backward, are solved and dissolved only to reappear in a different guise. In face of this kaleidoscopic array of obstacles that a serious study of logistics brings to light, one sometimes wonders how armies managed to move at all, how campaigns were waged, and victories occasionally won.'*

Martin Van Creveld, *Supplying War*, Cambridge University Press, 1977, p. 231.

## I. Introduction

The end of the Cold War ensured that in Africa the supplying of protagonists to conflicts had to rely less on the support of one of the superpowers, but on the initiative, and perhaps more importantly, on the available resources of the combatants themselves. This shift has given rise to a vigorous debate about the connections between resources and conflict on the continent.<sup>1</sup> Much has been said and written, for example, about the connections between the presence of diamonds in a number of African states and their seeming susceptibility to conflict. While such analyses of various African conflicts are now widely (and perhaps too uncritically) accepted by both academic commentators and policy makers alike, surprisingly little analysis has focussed on the actual logistics of exchanging primary resources with the means to make war.

In the face of international condemnation, and a variety of international efforts to halt the conflicts including the imposition of sanctions, the supplying of African conflicts, particularly of insurgency groups, is now often defined as a criminal activity. Indeed, criminal groups are involved in the process, but are not exclusively so. Some of those who supply African conflicts are simply businessmen (and would define themselves as such), albeit that they operate on the margins of the law. But in many cases they break the law of no state, simply arranging for the supply of some necessary commodity (weapons, food or medical supplies) to an insurgency group.

For this reason, the term ‘criminal’ is used reservedly, because while such individuals may sometimes break an international moral code (articulated through a resolution of the United Nations) they under a strict definition do not operate as criminals. Nevertheless, subsequent to a series of independent pressure groups investigations and the activities of various UN sanctions committees, a pariah status has been awarded to such individuals even if no state has directly brought them before a court of law on criminal charges. But, equally, as we shall also see, the supply of insurgency groups has in fact often drawn in those individuals who are clearly engaged in criminal activities (such as the smuggling of illegal narcotics or money laundering) and who see the potential for additional profit and advantage in fuelling conflicts.

The supply of commodities to parties engaged in a conflict is however an inherently commercial activity, whether or not it is legal or illegal. The individuals who this paper are interested in are primarily intermediaries and deal-makers - the ‘middlemen’ who Eric Hobsbawm describes as facilitating supplies to bandits without asking awkward questions (or presumably answering them) - whose central aim (although not always as we shall see) is not ideological but in the interests of profit. Here the term ‘network’ is important to understanding such operations. The term implies a loose and dynamic series of affiliations which coalesce around a set of immediate interests, but dissolve or come into conflict with each other in respect of others. The concept of networks is now seen as essential in the analysis of such groups, as it moves away from attempting to determine hierarchies of leadership

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<sup>1</sup> Paul Collier and Anke Hoeffler, ‘Greed and Grievance in Civil War’, World Bank, Policy Research Working Paper 2355, 2000.

and operation which do not in fact now characterise the commercial activities of those on the margins of the law, least of all on the African context.<sup>2</sup>

The study is based on detailed research of two case study conflicts, that of Sierra Leone in West Africa and Angola in Southern Africa. While of course it would have been useful to examine other ongoing conflicts, most notably the supply of the various protagonists in the Democratic Republic of Congo, the cases of Angola and Sierra Leone are significant for a number of reasons. Importantly, they have both been the subject of a UN sanctions regime which has sought to identify those engaged in supplying the respective insurgency groups. Also, both conflicts have been central to the debate around 'conflict diamonds' and their role in fuelling African conflicts. To some extent the similarity between the two conflicts ends there. Sierra Leone has been much shorter in duration and at the time of writing is characterised by an uneasy peace. Angola is one of the longest wars of the contemporary world, and there seems little prospect of an immediate cease fire. Nevertheless these contrasting factors are useful to the analysis in that they suggest that the supply of war (and by definition those networks engaged in this activity) may be less important in the larger picture than is often assumed in ending such conflicts. Peace has been achieved in Sierra Leone through other means than the blocking of supplies, and the current military weakness of UNITA is due less, it is suggested, to the effectiveness of sanctions and is more the combined result of sustained military pressure from the Angolan army and the mistaken strategy of a guerrilla force which tried to fight a conventional war.

The main focus of the work has been on the acquisition of war supplies by the two respective insurgency groups, the Revolutionary United Front (RUF) in Sierra Leone and the National Union for the Total Independence of Angola (UNITA) in Angola. This follows the focus of the attention of the international community in seeking to end these conflicts. However, particularly when the activities of some criminal networks are examined some attention is played to the role of state actors in acquiring war material in both countries. Importantly also, one feature of both conflicts have been the 'trade' in supplies between the warring parties themselves, either through capture, barter or commercial bargains struck between soldiers on the ground.

Given that the networks that supply war by necessity carry out their business out of the public eye, there are some significant methodological obstacles to completing a comprehensive study of the phenomenon. This study however has been facilitated by the recent publication of several UN sanctions committee reports as well as some independent NGO outputs which provide some detail on the individuals involved. Much of the information which follows however is drawn from a review of press coverage of supply network activities as well as interviews conducted in Sierra Leone, Côte d'Ivoire, Angola, Zambia, Ukraine and South Africa. While some of the interviews were with law enforcement or intelligence officials, or individuals involved in the supply networks themselves, the aim of this study is not to produce a comprehensive 'intelligence report' of who is involved and how, but rather to provide an assessment of the contribution of such individuals and groups to the conflicts themselves, and the policy implications of attempts to limit supplies reaching insurgency groups in Sierra Leone and Angola.

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<sup>2</sup> Phil Williams, 'Organising Transnational Crime: Networks, Markets and Hierarchies', in Williams and Dimitri Vlassis (eds), *Combating Transnational Crime: Concepts, Activities and Responses*, London: Frank Cass, 2001. In the African context such criminal networks are particularly fluid, their competitiveness being described in one study as being based on their "segmentary, decentralised and flexible" nature. Jean-François Bayart, Stephen Ellis and Béatrice Hibou, *The Criminalization of the State in Africa*, Oxford: James Currey, 1999, p. 11.

The paper begins with a short overview of the political economy of conflict in the two countries, as well as providing a brief description of the current status of attempts to secure peace in both societies. After a short evaluation of the changing international arms market, this is followed by a description and analysis of how the two conflicts have been supplied, and the identification of some of the individuals involved. The paper concludes with an attempt to identify a number of defining features of the supply networks, and by doing so examine the implications for policy.

## II. The Political Economy of Conflict

The juxtaposition between the potential wealth of both Sierra Leone and Angola and the misery of their peoples is stark. Both occupy the lowest rungs of the UN development index, having for example the highest under-5 mortality rates in the world with more than a quarter of children dying before they reach the age of five.<sup>3</sup> On the face of it then, an abundance of natural resources has not brought much benefit to their citizens, only war. Such conflicts have been fuelled by resources that have ensured both the financial means to continue to supply the protagonists while at the same time being the ultimate prize of victory. These factors have made such resources intrinsic to the nature, history and geography of the conflicts.

Before discussing each conflict in turn, a number of key differences and some similarities between them should be highlighted. We have already noted that the conflict in Angola has been considerably longer than that in Sierra Leone. Indeed, the origins of the Angolan conflict (although the same causal factors are no longer the driving force) can be located in the Cold War and the regional security strategy of the apartheid state. Key to the sustainability of the conflict in Angola in the post-Cold War world has been the access of both sides to resources to sustain their war machines. Oil has been a key driving force in the war, sustaining the government's attempt to crush UNITA and at the same time holding out the prize of significant wealth should UNITA win the war. It is interesting to note in this regard that despite a base of support in the interior of Angola, UNITA has never been a secessionist movement, because the prize of capturing the state in Angola is so appealing.<sup>4</sup>

In contrast in Sierra Leone, the government has had few sources of wealth to maintain the fight against the RUF, once the rebel movement had captured the diamond areas. Indeed, even before the war, government policy was aimed at ensuring that resources could be extracted to its benefit from the diamond mining areas on the countries border with Liberia and Guinea. Key to understanding the conflict in Sierra Leone however is the 'corrosive effect of the personalised and monolithic rule of the [Sierra Leone government], which led to the destruction of civil society and democratic accountability' before the war began.<sup>5</sup> Intrinsic to this process was the establishing of a complex web of client patron relationships, aimed at buying off opposition to the state. Governance was characterised by high levels of corruption and the country's wealth was seldom used to the benefit of its people.<sup>6</sup>

In both cases regional politics and power-plays have had a considerable impact upon the conflicts. The original sponsor of the RUF in Sierra Leone was Charles Taylor, then himself leading an insurgency group in neighbouring Liberia. Taylor's aims appear to have been to disrupt the government of Sierra Leone, firm supporters of the regional peacekeeping effort in Liberia itself, as

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<sup>3</sup> See data in United Nations Development Programme, *Human Development Report 2001*, New York: Oxford University Press, 2001.

<sup>4</sup> Tony Hodges, *Angola: From Afro-Stalinism to Petro-Diamond Capitalism*, Oxford: James Currey, 2001, p. 27.

<sup>5</sup> Alfred B Zack Williams, 'Sierra Leone: The Political Economy of Civil War', *Third World Quarterly*, Vol 20, No 1, p. 142.

well as (although this factor may have initially been of less consequence) to plunder the rich diamond resources of the Sierra Leone/Liberia border area.<sup>7</sup> In Angola, UNITA originally received support from apartheid South Africa whose aim was to disrupt the operations of the South West African People's Organisation's (SWAPO) campaign in neighbouring South West Africa. UNITA also received support from the United States, and the People's Movement for the Liberation of Angola (MPLA) from the former Soviet Union. UNITA also used the neighbouring states of Zaire and Zambia, on which it was on good terms, as rear bases and sources of supply. In both cases then, the processes of war, and of achieving peace, cannot be abstracted from broader regional developments in West and Southern Africa.

Despite the regional nature and implications of both conflicts however, one other key difference should be noted. Given the oil wealth of the Angolan government, the conflict in Angola has been (and indeed retains this potential) to be much more expansionist than that in Sierra Leone. Thus, Angola troops have become active in a number of surrounding states - the now Democratic Republic of Congo (DRC), Congo-Brazzaville, Namibia and Zambia - in order to curb the threat posed by UNITA from these states. In contrast, although it is conceded that the war in Sierra Leone has overflowed into surrounding states such as Guinea and more lately back into Liberia, in general the conflict here has been more likely to suck in a number of protagonists (a West African peacekeeping force being perhaps the most prominent) than being characterised by the comparatively weak Sierra Leone government being able to project its force over its own borders to defend its security as has been the case in Angola.

In both conflicts however, there has been significant wider international involvement, including the deployment of UN peacekeeping missions. In neither case however, although Angola is arguably a much stronger example of this, have the UN missions been trouble free. Three consecutive UN operations in Angola failed to achieve peace, while the UN peacekeeping mission to Sierra Leone (and the West African initiative before that) have been plagued by problems, although the prospects for success in the latter seem much improved over the last year.<sup>8</sup> Nevertheless in both cases the most important achievements in attempts at peace - the withdrawal of Cuban and South African troops in Angola and the decisive use of force against spoilers in Sierra Leone - have been the initiative of powerful external actors, the United States and the Soviet Union in Angola and the British in Sierra Leone. In neither case have peacekeeping missions been characterised by large scale Western troop deployments (apart from military observer missions) and the brunt of troop commitments have come from the developing world.

Finally, in both cases the recognition of the international community for the governments which occupy Freetown and Luanda (although whose writ has not necessarily always run to the rest of the country) is based on the holding of elections, although the mandate provided through the ballot box is increasingly dated, as war (or the excuse of it) has delayed any subsequent vote. The fact that the governments in power have been elected (although oil interests in Angola and the brutality of the rebel groups in both countries have reinforced this) has been a decisive factor in international responses to

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<sup>6</sup> This is well documented in William Reno, *Corruption and State Politics in Sierra Leone*, Cambridge University Press, 1995.

<sup>7</sup> Stephen Ellis, *The Mask of Anarchy: The Destruction of Liberia and the Religious Dimensions of an African Civil War*, New York University Press, 1999, pp. 93-94.

<sup>8</sup> Mark Malan, Phenyio Rakate and Angela McIntyre, *Peacekeeping in Sierra Leone: UNAMSIL Hits the Home Straight*, unpublished monograph, Institute for Security Studies, November 2001.

the conflict and which have generally been supportive of the governments which occupy each capital city. Hence international sanctions have attempted to limit support to both the RUF and UNITA and have thus brought attention onto the subject of this paper, the mechanisms through which the rebel movements have been supplied. An overview of the history and political economy of each of the conflicts is presented below.

## **2.1. War and peace in Sierra Leone: 1991 - 2001**

On 23 March 1991, approximately 100 fighters invaded eastern Sierra Leone. The group, a motley collection of exiled Sierra Leonean dissidents, Liberian fighters loyal to Charles Taylor and some mercenaries from Burkina Faso, occupied the village of Bomaru.<sup>9</sup> The connections between Taylor's National Patriotic Front of Liberia (NPLF) and the RUF were apparently forged in joint training exercises in Libya, and so there remains some question whether Sierra Leone support of the Economic Community of West African States Cease-Fire Monitoring Group (ECOMOG) was just a convenient pretext (although it is the most common reason give, see above) to support that would have taken place in any event.<sup>10</sup> The RUF, whose leader was identified as a former corporal in the Sierra Leone army named Foday Sankoh, surprised many at the speed of its advance, although in fact this was partly due to the poor resistance afforded by the Sierra Leone army, plagued by logistical, training and support inadequacies and whose troops were young, newly recruited and inexperienced. The military action of the RUF seemed to be aimed at showing that the government of Sierra Leone could not defend its citizens. The targets of RUF attacks included farmers, villages and alluvial miners, and by January 1992 specifically aimed at the diamond rich areas in the east of the country.<sup>11</sup>

Diamonds are important to understanding the war in Sierra Leone. The Kono region in the east of the country is rich in alluvial diamonds, available to anybody with a shovel and pan, and hence also the frequency with which it changed hands during the ten year conflict. Given this diamond rich region's proximity to the border with Liberia and Guinea, there has been an active cross-border trade in diamonds out of Sierra Leone. One recent estimate placed the value of diamonds produced annually in Sierra Leone in the mid-9190s at between \$350 million to \$450 million, almost all of which were at the time smuggled out to Liberia or Ivory Coast.<sup>12</sup> Indeed, the Liberian diamond industry has been historically heavily parasitic on that of Sierra Leone, with most of its income having originated from operating buying agencies for high quality Sierra Leonean gems smuggled across the border.<sup>13</sup> A De Beers concession to mine diamonds in the area granted in 1932, later replaced in 1970 by a joint venture with government after independence, was undercut from the beginning (although initially De Beers was not averse to using strong tactics to defend its mining areas), as illicit miners moved into the area. De Beers withdrew in 1984, making way for a proliferation of uncontrolled local mining and the granting of mining concessions by local chiefs. The management (control would perhaps be too strong a term) of the diamonds fields, and the patronage made possible through this wealth, has been a

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<sup>9</sup> John L Hirsch, *Sierra Leone: Diamonds and the Struggle for Democracy*, Boulder: Lynne Rienner, 2001, p. 31.

<sup>10</sup> Yusuf Bangura, 'Strategic policy failure and governance in Sierra Leone', *The Journal of Modern African Studies*, Vol 38, No 4, 2000, p. 554.

<sup>11</sup> Hirsch, *op. cit.*, p. 115.

<sup>12</sup> Hirsch, *op. cit.*, p. 25.

<sup>13</sup> Christopher Clapham, *Liberia and Sierra Leone: An Essay in Comparative Politics*, Cambridge University Press, 1976, p. 113.

central aim of political manoeuvring (and later war) in the country, effectively corrupting the country's elite.<sup>14</sup>

RUF advances towards the diamond fields and its general success on the war front combined with the weak position of the government in Freetown, resulted in a coup in late April 1992 by junior officers in the Sierra Leone army under the leadership of Captain Valentine Strasser. The coup was driven by many of the similar frustrations that had ensured recruitment to the RUF, the inability and corruption of a government that had been in power for twenty-four years and the alienation of much of the country's youth in this period.<sup>15</sup> The new military government launched an offensive against the RUF, pushing them from the diamond rich areas of the south-east. The rebels responded by regrouping and intensifying their attacks on unarmed civilians in rural villages. Given the army's failure to protect them, people in the south and east of the country organised their own militias (referred to as Kamajoi) to supplement the army's efforts, although relations between the army and this new fighting force were often strained.<sup>16</sup>

By 1993, Nigerian troops had moved to Freetown to assist the Strasser regime with defence against the rebels and by September of 1994 Nigeria and Sierra Leone had entered into a mutual defence pact. Importantly, recruitment drives by the army during 1994 blurred the lines between the combatants themselves. Young poorly paid recruits some as young as twelve, often with more in common with the rebels than with the government, proved a weak fighting force, pillaging towns and villages in the country's interior and sometimes siding with the RUF in night time attacks.<sup>17</sup> By January 1995, the situation became critical for the Strasser regime as the Sierra Rutile and Sieromco mines, which were critical to the government's revenue base, were overrun by the RUF. By late January the RUF were within forty kilometres of Freetown itself.

With the RUF advancing on Freetown itself, Strasser was forced to rely on the 2000 Nigerian troops in the capital for defence. The Freetown government under increasing pressure entered into a contract with a South African private military company, Executive Outcomes (EO). Once on the ground, EO's military progress was rapid, hastened in particular by the provision of close air support, a more focussed military strategy and the training of specific components within the Sierra Leone army.<sup>18</sup> By December of 1995, with the immediate threat to Freetown removed, EO recaptured the diamond mining areas in the east and initiated training and logistical support of local militias in some areas.

With the security situation more secure and with the Sierra Rutile mine safely back in government hands, pressure mounted for a return to democratic rule with many suspecting that the army was using the pretext of the war to delay elections altogether. Events moved quickly in the next three months, with an internal palace coup displacing Strasser and bringing Brigadier-General Julius Maada Bio to power. Bio agreed (although it seems reluctantly) to hold elections on time and by mid-March the country had, despite allegations of vote rigging, a new President - Ahmad Tejan Kabbah of the Sierra

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<sup>14</sup> Reno, *op. cit.*

<sup>15</sup> Thus the new military government invested heavily in youth mobilisation and anti-corruption drives to consolidate its own legitimacy, illustrating the widespread dissatisfaction with the earlier civilian government. Paul Richards, *Fighting for the Rain Forest: War, Youth and Resources in Sierra Leone*, Oxford: James Currey, 1996, p. 10.

<sup>16</sup> Bangura, *op. cit.*

<sup>17</sup> The term 'sobels' - soldiers by day, rebels by night - was coined to describe this activity.

<sup>18</sup> Herbert M Howe, 'Private security forces and African stability: the case of Executive Outcomes', *The Journal of Modern African Studies*, Vol 36, No 2, 1998.

Leone People's Party who gained 59 percent of the vote. By April Kabbah and the RUF's Sankoh had agreed on an indefinite cease fire (the election period had been characterised by a temporary although not always effective one), but deadlocked on the issue of the withdrawal of EO, unsurprisingly given the government's reliance on the private military company for its own protection. The talks were then suspended and the war resumed. While pressure mounted on the RUF given ongoing attacks from EO and Nigerian forces, the Sierra Leone army itself became increasingly a hotbed of discontent given government plans for demobilisation and a reduction of resources to the military.

Ongoing military pressure and external urging forced the RUF once again to the negotiating table, and Kabbah and Sankoh sign the Abidjan Peace Agreement on 30 November 1996. This time the government conceding under pressure the requirement to terminate the services of EO. By May of the following year, dissatisfaction amongst junior army officers again led to a coup and Major Jonny Paul Koroma (in prison for leading an earlier attempted coup) assumed leadership. Confusion followed as ECOMOG attempted, although failed, to oust the new military regime in Freetown. Responding harshly, the military government in turn banned all political parties and suspended the country's constitution.

A *reproachment* between the government and the RUF took place given their increasingly converging interests (and attackers) and the RUF agree to work with the new government. The diamond mines in Koidu were, with the acquiescence of the RUF, occupied by soldiers loyal to the junta. A joint RUF/military government was formed. This apparently unholy alliance suggests just how blurred the lines between the opposing factions during the war were.<sup>19</sup> The Nigerian army eager to avenge its earlier defeat poured troops into Lungi airport (across the river from Freetown itself) as foreign nationals were evacuated.

The Economic Community of West African States (ECOWAS) continued to put pressure on the military junta to resign and having made little headway, launched an assault on Freetown in January 1998. At the same time, increasingly better organised, the Kamajoh militia made headway against the RUF in the interior while ECOMOG captured Freetown and Kabbah was reinstated as president. By March ECOMOG forces moved into the diamond rich Kono district, an important stronghold of the RUF. In July ECOMOG forces captured Kailahun, the RUF headquarters, but without destroying the rump of the rebel army, the remnants moving north and west. By early 1999 in a move which suggested not only the staying power of the RUF, but the extent of the poorly organised ECOMOG operation, these advances were reversed as the RUF, in a major set back for ECOMOG, invaded Freetown itself.<sup>20</sup>

Wider regional political developments however were to have a significant impact on the conflict. Political transition in Nigeria, with the election of the first civilian president since 1983, renewed efforts to bring a negotiated settlement to the conflict. The new Nigerian government wished to reduce the financial burden of its external operations in Sierra Leone and renewed diplomatic attempts to resolve the crisis.<sup>21</sup> By July 1999, in a rapidly concluded peace deal, the Lomé agreement was signed

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<sup>19</sup> See the remarkable similarities between the view of various youth combatants in Krijn Peters and Paul Richards, "Why we fight": Voices of Youth Combatants in Sierra Leone, *Africa*, Vol 68, No 2, 1998.

<sup>20</sup> Criticism of ECOMOG operations is common among Western military officers in Sierra Leone, who regard the force as poorly led, trained and equipped and who often showed a preference for acquiring wealth themselves. RUF ex-combatants in Kono told the author that Nigerian troops had become heavily involved in diamond mining in the period in which they occupied the area.

<sup>21</sup> The Abacha regim had used ECOMOG as a military diversion, a means to portray Nigeria as a peacekeeper when it was being criticised as an authoritarian military regime internationally, as well as to divert attention from

between Kabbah and Sankoh, with the UN authorising a peacekeeping mission of up to 6000 troops. This commitment was substantially increased until the Sierra Leone operation became the largest current peacekeeping deployment in the world.<sup>22</sup>

The situation worsened throughout 2000 as the RUF continued to attack and terrorise the country's interior. A spate of high profile kidnappings of UN peacekeepers weakened the authority and resolve of the UN forces. In particular, UN forces were prevented from occupying the diamond rich areas of south-eastern Sierra Leone where a number of stand-offs between peacekeepers and the RUF occurred. As the crisis worsened British troops occupied Lungi airport and British soldiers begin training the Sierra Leone army. When the West Side Boys (renegade soldiers of the Johnny Paul Koroma's earlier military junta) following the example of their RUF colleagues and kidnapped eleven British soldiers, they were, in a surprise operation attacked by British troops, sustaining heavy casualties.

This event in September 2000, which was well covered in the international media, marked an important turning point in the war, signalling renewed international efforts to resolve the crisis. International focus on the conflict had in any event increased markedly over the past year, notably through media coverage of the RUF strategy of amputating the limbs of civilians in some areas of Freetown when it was retaken.<sup>23</sup> Two parallel processes to neutralise the RUF followed. First, British support to the Sierra Leone army aimed at defeating the rebel group on the battlefield, including the use of helicopter gunships piloted by for the Sierra Leone army by ex-EO members. Second, the establishment of peacekeeping units throughout the country, including in the diamond rich Kono region. Some tension appears to have existed between the two approaches, with the British seeming to prefer to destroy (no doubt with the support of the government) the RUF militarily, while UN forces aiming to recognise the *status quo* of the component forces, deploying to prevent further conflict between them.<sup>24</sup>

Despite these and other difficulties, considerable progress had been achieved by the end of 2001. Despite suspicions that the RUF could not be trusted and would not demobilise, reception centres for weapons had been established and combatants successfully engaged in a process of handing in their weapons.<sup>25</sup> The peace however has been an uneasy one and despite these success some significant points of tension remain. Many areas have remained under *de facto* RUF control, despite the deployment of the peacekeepers and suspicions remain that not all the armaments from either the RUF or the militia have been handed in. Informal diamond mining was proceeding apace in Kono district in late 2001 and profits presumably filtered back to the RUF leadership.

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increasing problems at home. Eghosa E. Osaghae, *Crippled Giant: Nigeria Since Independence*, London: Hurst, 1998, pp. 307-308.

<sup>22</sup> Malan, *et. al, op. cit.*, p. 21.

<sup>23</sup> This was of course however not the only occasion in which amputations took place. RUF ex-combatants, while conceding their guilt, are also eager to point out that government forces also engaged in similar practices in an attempt to discredit the RUF by blaming these atrocities on them.

<sup>24</sup> See Malan, *et. al*. This was also clear from an interview with a senior British military commander who had served in Sierra Leone, Pretoria, July 2001. It is difficult to generalise however and it should be noted however that in the author's visit to Kono where a particularly tense programme of disarmament was being undertaken, the British military observer on the ground was absolutely committed to the mandate of UNAMSIL, working hard in difficult circumstances to achieve it.

<sup>25</sup> The disarmament of former fighter has now ended with 45 449 individuals handing in weapons between May 2001 and January 2002. Data from the UN Office for the Coordination of Humanitarian Affairs, 7 January 2002.

What does appear different to previous attempts is the seeming commitment of the RUF to peace and conversion to a political party. Despite the suspicions around its failure to hand in all its arms, RUF leaders seem intent on fighting the election. Indeed, the key point of dispute has become when the election should be held with the government (whose electoral mandated has become increasingly dated) seeking to postpone the event. The country itself remains devastated, with over 50 percent of the country's housing stock in up-country areas having been destroyed.<sup>26</sup> Koidu, the most significant town in the Kono district, is a shell of its former self having been undermining by the relentless action of hundreds of former RUF fighters now engaged in illegal mining operations.<sup>27</sup>

## **2.2. War and peace in Angola: 1975 - 2001**

The conflict in Angola, two decades longer than that in Sierra Leone, has been almost continuous. Overall there have been few periods of peace: a few short months of peace in the run-up to independence in 1974-75 and two periods of quasi peace in 1991-92 and between 1994-98.<sup>28</sup> In this period the war has passed through a number of phases. It began as an anti-colonial war between the Portuguese and the three main liberation armies contesting control of the country. The colonial period ended suddenly and inconclusively as Portugal withdrew from her overseas possessions following the coup overthrowing the Salazar dictatorship in 1974, leaving the three main contenders to fight it out for control of the newly independent state. With each side backed by the resources and support of one of the adversaries of the Cold War, the conflict quickly developed into a fight between the proxies of the major powers.

Angola was granted independence on 11 November 1975, and in the run-up and aftermath of that date, the rival nationalist groups vied for control. Foreign backers - the Soviet Union and Cuba in the case of the MPLA and the United States in the case of UNITA - provided resources, military supplies and in the case of Cuba, troops. Following independence, Cuban troops remained in the country and the Angolan army was strengthened. South Africa carried out a series of incursions into southern Angola, often with the aim of destroying the capacity of the South West African People's Organisation (SWAPO) to wage war in then South West Africa, but also in support of UNITA in a bid to destabilise the MPLA government.

US and South African support, as well as the forging of a disciplined guerrilla army by the movements charismatic and egotistical leader. Jonas Savimbi, ensured that UNITA was active in every province of the country by 1984.<sup>29</sup> The struggle in Angola assumed the clear dimensions of a superpower competition when from 1986 the Reagan administration began covertly supporting UNITA and Soviet arms supplies to the MPLA were increased to match this threat. The result was a military stalemate on the ground. In this context, ongoing conflict (together with the hurried departure of the Portuguese settlers who often destroyed what they could not take) devastated the economic productive capacity of the interior.

Holding Luanda and the coastal strip was (and has remained) the key to the MPLA strategy. In addition, the MPLA seized control of most of the country's urban settlement. The huge tracts of land

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<sup>26</sup> Pyt Douma, unpublished manuscript, November 2001.

<sup>27</sup> Author's own observations when visiting the area, October 2001.

<sup>28</sup> Hodges, *op. cit.*, p. 11.

<sup>29</sup> John Turner, *Continent Ablaze: The Insurgency Wars in Africa 1960 to the Present*, Johannesburg: Jonathan Ball, 1998, pp. 100-125.

in-between however remained if not contested, than free zones that nobody effectively governed. This was apart from those areas in which it was claimed that UNITA, at the height of its powers and influence during the Cold War, established sophisticated socio-economic infrastructure, including schools, health services and agricultural projects.<sup>30</sup> But nevertheless the existence of this vast hinterland has provided the depth into which any defending army could melt away, regroup and attack again.

The end of the Cold War altered the strategic position of the combatants in the ongoing Angolan conflict. The decline of the Soviet Union and the end of Cold War allowed the superpowers to disengage, and with the help of the old colonial power Portugal push the parties towards a peace settlement. This was greatly facilitated by an agreement signed in December 1998 between Angola, South Africa and Cuba which linked the holding of elections in Namibia to the withdrawal of Cuban troops from Angola. The Cuban withdrawal was completed by mid-1991 and monitored by the first UN verification mission to Angola, UNAVEM I. Talks between UNITA and the MPLA in Bicesse, Portugal were also completed in the course of 1991 resulting in the Bicesse Accords. A cease-fire was implemented by both parties and the UN created a new mission to Angola, UNAVEM II. There remained however significant mistrust between the parties, casting a shadow over attempt to implement the Accords.

As it was the provisions of the Accords were hopelessly ambitious and the programme of demobilisation and disarmament fell hopelessly behind. On top of this, no flexibility or conditions had been built into the holding of elections, and these went ahead despite the fact that the rival armies remained intact, and in occupation of parts of the country and monitored by an inadequate UN presence.<sup>31</sup> Voting went ahead nevertheless, with the MPLA's Eduardo de Santos winning 49% of the vote and Savimbi 40%. While this necessitated a second round of voting as neither candidate had obtained an absolute majority, the process began to spin out of control. Alleging electoral fraud, and despite a UN assertion that the ballot had been largely free and fair, UNITA remobilised its forces. The result was one of the most costly periods in the country's already bloody history. Between November 1992 and November 1994 at least 300 000 people were estimated to have been killed, thousands displaced and the remaining infrastructure of the country effectively destroyed.

The 1992 to 1994 conflict marked a watershed in the history of the war. Stripped of superpower support, both sides exploited the country's national resources to sustain the conflict, beginning a process where war and the accumulation of resources became almost inseparable. Key to the conflict in Angola therefore is an understanding as to how each side profited: the government from oil, UNITA from diamonds.

The Angolan economy is highly dependent on income generated from oil. There has been an almost consistent increase in the amount produced since the early 1980s. Oil production has increased steadily from 1990 and will continue to do so. The 770 000 barrels production per day in 1999, has risen to 848 000 in 2000, and was expected to reach 940 000 in 2001.<sup>32</sup> This is of great strategic importance, given the volatility in the Middle East, to the United States, which get 10 percent of all its

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<sup>30</sup> See W Martin James, *A Political History of the Civil War in Angola 1974-1990*, New Brunswick, Transaction, 1992.

<sup>31</sup> Dennis Jett, *Why Peacekeeping Fails*, New York: St Martins Press, 1999. Jett provides a useful overview and critique of UN peacekeeping efforts in Angola.

<sup>32</sup> Peter Fabricious, 'Twenty-Five Years of War: Angola's Perpetual Problems', *SA Yearbook of International Affairs 2000/01*, Johannesburg: South African Institute of International Affairs, 2000, p. 276.

oil from Angola.<sup>33</sup> Oil has accounted for well over 80 percent of the value of Angolan export earnings as well as being the single most important contributor to government finances.<sup>34</sup> The offshore nature of Angola's oil resources has meant that oil production, while it has helped to fund the war, has remained untouched by it. Oil revenues have been essential in funding the war against UNITA and financing of arms purchases (of which all layers in the negotiations seem to take a cut) has in the past bypassed the accounting procedures of the central bank and the finance ministry.<sup>35</sup> Critical to the Angolan government's ability to finance its war effort has been the necessity of securing lines of credit. Given a history of defaulting on its loans, the government has acquired short-term loans at high interest rates that are mortgaged against future oil production.<sup>36</sup> A significant proportion of the overall national budget, between 10 and 20 percent over the last five years, is used to service debt.<sup>37</sup>

If oil revenues have been almost the exclusive funding source for the government's military campaigns, diamonds have been a key source of funding for UNITA. The rebel movement has at various periods during the war occupied the diamond rich north-eastern provinces of the country. Here, either through its won efforts, taxing local miners for a proportion of their takings or selling mining licenses funds have been accrued, although the majority in the form of rough stones and very little in cash. The use of violence by both UNITA and government forces is an essential tool in controlling the diggers.<sup>38</sup> By late 2001, UNITA appeared to largely have been excluded from the diamond mining areas, although there remained the distinct possibility that some groups remained, having come to an agreement with neighbouring government troops.<sup>39</sup> Humanitarian workers claim that they have no access to the diamond areas by order of the government, and so details as to developments there are difficult to obtain. It is now said that any diamonds traded are those drawn from UNITA stockpiles.

Global Witness has estimated that \$3.7 billion in diamonds were sold by UNITA, the money being used to buy arms and supplies.<sup>40</sup> The Global Witness figure is probably an overestimate however. While determining an exact figure is difficult South African industry experts have suggest that the country's total diamond mining output per year is in the region of \$600 million. Although its control of the diamond regions have fluctuated with the fortunes of war, individuals close to the movement suggest that on average UNITA controlled just over half of the country's diamond field, the rest being the purview of various other interests, including the Angolan army. Diamond production from UNITA controlled areas would thus amount to a market total of about \$300-320 million. As UNITA was never likely to be paid market prices in the murky world of illegal diamond dealing, it is

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<sup>33</sup> Interview, Western diplomat, Luanda, Angola, November 2001.

<sup>34</sup> IMF, Staff Country Report No 00/111, August 2000, pp. 30, 33 and 41. Global Witness, *A Crude Awakening: the role of oil and diamonds in Angola's civil war and the plunder of state assets*, 2000.

<sup>35</sup> Hodges, *op. cit.*, pp. 139-146.

<sup>36</sup> *Ibid.*

<sup>37</sup> IMF, *op. cit.*, p. 43.

<sup>38</sup> Christian Dietrich, 'Power struggles in the diamond fields', in Jakkie Cillers and Dietrich (eds), *Angola's War Economy: The role of oil and diamonds*, Pretoria: Institute for Security Studies, 2000. Not only the diggers have been subject to violence. A mine developer recounted a tale to the author of an attack on his prospecting operation which he believed was government troops, even though he had obtained a concession from the government to prospect in the area. The motive for the attack appeared to be related to the belief that the operation was making major discoveries that the local army commander wanted a part of.

<sup>39</sup> Such understandings have been related to the author by a number of mining company representatives familiar with the area.

<sup>40</sup> Global Witness press release, 'Is the price of diamonds too high? How Angola's return to war has been financed by the international diamond trade', 14 December 1998.

probable that the organisation never earned more than \$200-250 million a year, giving total earnings of between \$1.4 to 1.8 billion.<sup>41</sup> Much less than the Global Witness estimate, if these calculations are correct, but enough to run a damaging military campaign.

Funded by oil and diamonds, the war between 1992 and 1994 was marked by two important factors. First, the conflict shifted from the remote rural areas of the country where it had been contained before, to more heavily populated and developed areas. Second UNITA laid siege to a number of large towns. These features caused enormous human suffering for the civil population, with thousands dying as the result of malnutrition and many injured by landmines, deployed heavily by both sides during the course of the conflict.

Formal talks to end the war began in Lusaka, Zambia in late 1993. These continued, as did the fighting, until November 1994, when the Lusaka Protocol was concluded. During this period the government spent an enormous amount on a formidable array of weaponry and by the time the Protocol was concluded the military balance had shifted in the MPLA's favour. That was an important factor which pressed UNITA to the negotiating table, while on the government side several hawks argued that the dispute should be finished where it had been started - on the battlefield. Nevertheless a deal was patched together and included provision for the inclusion of UNITA in a newly constituted government. High levels of distrust remained between the parties and both requested the deployment of a reinforced and more active UN presence. In February 1995, UNAVEM III was authorised by the Security Council with a maximum deployment of 7 000 troops.

Implementation of the Lusaka Protocol was a contested and slow process which took on many of the features of mistrust and corresponding lack of implementation of Bicesse, including some spineless decisions by the UN peacekeepers.<sup>42</sup> In April 1997, UNITA deputies elected in the 1992 ballot, finally took their seats and UNITA members entered a Government of National Unity and Reconciliation. Even by this time however the critical military tasks of quartering UNITA troops, including selected UNITA soldiers in the Angolan army and the demobilisation of the remainder had not been fully completed. It was clear that neither had UNITA's full armoury been handed over nor had its elite units demobilised.

The death of UN special representative, Alioune Blondin Beye who had been central in holding together the creaking process, marked the beginning of the implosion of peace. Intermittent although fierce engagements between UNITA and government troops degenerated into all out civil war when UNITA mounted an assault in December 1998 and government troops counter-attacked. It was in this period that UNITA made a key strategic mistake, which has influenced the conduct of the war to date. While in the past the movement had always concentrated on guerrilla tactics, which the Angolan army showed little expertise or willingness to counter, UNITA now adopted a semi-conventional strategy combining its well honed guerrilla operations with more conventional military operations aimed at the taking and holding of ground. In a series of counter attacks in the central highlands of the country UNITA forces were dislodged by superior Angolan army firepower and tactics and heavy losses suffered.

With its conventional capacity largely destroyed and the imposition of sanctions in any event preventing the acquisition of heavy military equipment, UNITA effectively returned to the bush. Throughout 2001 and in defiance of critics who suggested that the movement would not live to fight

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<sup>41</sup> Hodges, using a slightly different method to calculate comes to a figure of \$2 billion. Hodges, *op. cit.*, p. 152.

another day, UNITA tactics involved the carrying out of a series of (often high profile) hit and run attacks, to demonstrate that it was still a contender for power. A second strategy appeared, according to observers close to UNITA, to be to widen the war in the region, ensuring that it could not be confined to the interior of Angola where it was unlikely to attract the attention of the world's media. The Angolan war has in any event expanded into the region. The Angolan army has intervened in Congo-Brazzaville, the Democratic Republic of Congo, Namibia and Zambia, either in hot pursuit of suspected UNITA groups or to cut the movement's lines of supply.

While sustained Angolan army offences have certainly weakened UNITA they do not appear to have destroyed its resolve altogether. UNITA elements have dispersed, apparently under order to operate independently, causing disruption and living off the land. As in the past however when it is at its weakest, UNITA has put out feelers for a negotiated end to the conflict. The difficulties are much higher now than in the past with international opinion (although this may be weakening in some quarters given the excesses of the Angolan government) almost firmly against UNITA, and Savimbi in particular. It appears also that UNITA cadres, unlike in the past, do not have as close an alliance with civilian populations in the areas that they move through; this is partly a result of younger and less experienced fighters who have more independence (given that Savimbi is effectively in hiding) than in the past, as well as the fact that such units are required to live off the land and so resort to looting to survive. The most likely strategy in the near future is for the movement to continue to attract attention to itself by seeking to remain in the headlines (and thus in the minds of decision makers in the West and in Luanda) by attention grabbing attacks, while at the same time feeling out the prospects for a negotiated alternative.

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<sup>42</sup> The process and its weaknesses are documented in Human Rights Watch, *Angola Unravels: The Rise and fall of the Lusaka Peace Process*, New York, 1999.

### III. Supplying War

It is apparent even from these brief overviews of the conflicts in Sierra Leone and Angola the degree of their complexity. The causal factors for conflict are an intermesh of political, economic and social factors, and while resources such as diamonds and oil have fuelled the conflict, analyses of such factors must take care not to forget the vital features of human agency and personality. The paper now turns to a detailed examination of issues related to the supply of the two conflicts. Again, it is worth emphasising that in carry out such a study, the danger is always that broader analytical conclusions get lost in a wealth of detail about who supplied what, when and how. A conscious attempt has been made to avoid such an approach, concentrating on the major factors in respect of supply in each of the two conflicts. Before attempting this analysis it is necessary however to provide a short overview of a critical international factor that have contributed towards the sustainability and level of violence associated with the two case study conflicts. This is the changing international arms market, which from the Cold War has been driven less by the requirements of superpower rivalry than by an over-supply of weapons, particularly light weapons ideal for use in Africa's civil conflicts.

#### 3.1. The changing world arms market

It has already been noted in the case of Angola that superpower rivalry was an important feature in maintaining a steady flow of military equipment to both sides in the ongoing conflict. This of course applied to a range of other conflicts in the world where ideological and strategic reasons were key to determining who supplied the means of war to whom. It would be incorrect to suggest that economic reasons were not of concern during the Cold War; arms manufacturers sold to country's, approved by their governments, that could pay for weapons and themselves lobbied strongly with their own governments to provide weapons to 'worthy' causes.<sup>43</sup> But, the strategic template of the Cold War provided some control over arms flows in the developing world.

The end of the Cold War however has changed the international trade in arms in three important ways. First, it has dramatically increased the economic motivations for selling arms, and making the actual buyer as opposed to one of the superpowers pay for the costs of production. Second, it has released onto the world market a vast quantity of weapons, both outdated heavier armaments but also a massive proliferation of small arms, which had been stockpiled during the Cold War or overproduced as factories failed to convert to other forms of production and continued to make weapons. This applies in particular to those now economically weak countries of Eastern Europe and the former Soviet Union who desperately require foreign exchange. Finally, those engaged in brokering arms sales are now no longer representatives of governments but independent operators often on the margins of legality, although they themselves may have previously worked for governments and continue to use the contacts they acquired during the Cold War. Ironically, in an age where there now

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<sup>43</sup> Anthony Sampson, *The Arms Bazaar*, London: Hodder and Stroughton, 1977, pp. 336-338.

exists fairly extensive (although by no means watertight controls), never before has conventional arms proliferation been such a threat.<sup>44</sup>

These three factors acting in concert have undercut supply side control of the arms market and made conventional weapons more available, and with fewer conditions, than ever before.<sup>45</sup> The sale of arms in countries in conflict in the developing world are however seldom manufactured in the West. The increasingly sophisticated nature of the arms industry in such places and the vast sums of money involved, seldom make rebel movements or insurgency movements good clients. This is not to mention that press and public scrutiny make it in any event an unattractive prospect for more 'upmarket' arms manufacturers.

The major source of weaponry in African civil wars is from the country's of the former Eastern Bloc struggling to come to terms with the new commercialisation of the arms business and their inability to compete at the top end of the market. For these countries, African countries are natural markets.<sup>46</sup> As a study of the prospects of the Ukrainian arms industry has noted, the 'African region is a traditional area of armed opposition, so, arms trade is on the rise to the south of the Sahara' increasing almost two-fold during the course of 1998 from \$991 million to \$1.69 billion.<sup>47</sup> Surplus weapons from the armed forces of the former Soviet Union have been stockpiled and provide a ready inventory for arms brokers seeking to connect the needs of buyers and sellers.<sup>48</sup> The requirement to reduce and dispose of such stockpiles is an outcome of the Conventional Forces in Europe Treaty, while the desire of some former Eastern European countries to join NATO has meant the selling or stockpiling of non-NATO equipment.<sup>49</sup> In some categories then, notably light weapons, accumulated stocks are now more important in setting the prices of available armaments than actual production flows.<sup>50</sup>

While it is probable that over time a number of countries from the former Eastern Bloc have been engaged in arms sales to African insurgency groups, two in particular seem to have moved aggressively to tap the market - Ukraine and Bulgaria. While the government of Ukraine may not have authorised arms sales to groups like UNITA, or to country's likely to be acting only as transit points for the rebel movement, it is probable that arms from the country could have been supplied to non-government actors.<sup>51</sup> One reason why suspicion falls on Ukraine is the number of Ukrainian nations and registered air transport companies that have apparent links to zones of conflict. The UN Panel of Experts investigating sanction-busting against UNITA pointed 'overwhelmingly' to Bulgaria as a source of arms for the rebel movement.<sup>52</sup> While Ukraine and Bulgaria have been identified in public as

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<sup>44</sup> R T Naylor, 'The Rise of the Modern Arms Black Market and the Fall of Supply-Side Control', in Williams and Vlassis, *op. cit.*, p. 213.

<sup>45</sup> See Naylor, *op. cit.*

<sup>46</sup> Mykola Sungurovskiy, 'Restructuring the Military Industry in Ukraine: Results, Challenges, Prospects, Defence Industry III, Defence Industry and the State, Conference held at Wildbad Kreuth, Germany, August 2001. Although specific to Ukraine the paper makes some more general comments about the markets for armaments from the former Soviet Bloc.

<sup>47</sup> Valentyn Badrak, 'Ukraine on the World Arms Market', *National Security and Defence*, No 6, 2000, p. 64.

<sup>48</sup> Brian Wood and Johan Peleman, *The Arms Fixers: Controlling the brokers and shippers*, Chapter 4, <http://www.nisat.org/publications/armsfixers/default/htm>.

<sup>49</sup> *Report of the Panel of Experts on Violations of Security Council Sanctions against UNITA*, S/2000/203, March 2000, p. 17 (hereafter referred to as *Report of the UN Panel of Experts on Angola*).

<sup>50</sup> Naylor, *op. cit.*, p. 218.

<sup>51</sup> The deputy-head of the Ukrainian security services himself made this point. Interview, Kiev, July 1999.

<sup>52</sup> *Report of the UN Panel of Experts on Angola*, *op. cit.*, p. 18.

the source of illegitimate arms transfers, both the Russian Federation and Belarus have also been named as likely sources.<sup>53</sup>

It is important to note that the black market trade in arms is often closely intertwined with the legal arms trade. Thus end user certificates are required and produced, but the weapons simply forwarded onto their final destination. This cross over between legal and illegal activity makes it difficult to trace where in fact arms are finally bound.<sup>54</sup> For example, Burkina Faso has been the source of arms for rebel groups in both Sierra Leone and Angola, but weapons have been traded quite legitimately with the government of Burkina Faso before being passed on. It is difficult without close inspection to determine whether such arms have in fact been used by the military of the country for which the end user certificate is required. In Burkina Faso for example, one 'unusual feature' is the presence of many skeleton units and formations as part of the military's force structure, making it difficult always to determine what number of weapons would be absorbed and where.<sup>55</sup>

Such difficulties of tracing the sources for and points of transfer of weaponry is made more difficult by the fact that payment, at least between rebel groups and final supplier, is often in the form of commodities, such as raw diamonds or illegal narcotics. There are no bank transfers to be traced nor any paperwork to present in court.<sup>56</sup> While the middlemen engaged in arms transfers may, as is suggested above, have originally worked for states arms manufacturers, many are increasingly generalists, equally at home smuggling a variety of commodities of which illegal arms may only be one. Transportation is contracted out and in many cases the arrangements can be made at a distance so that the broker never sees the arms and is passed payment after it has been laundered through a number of channels. These shady deals with states or insurgency groups, given this lack of transparency in their workings, are breeding grounds for corruption, compounded by the fact the transaction costs for insurgency groups are much higher than in any ordinary commercial exchange between a government and an arms manufacturer.<sup>57</sup>

One other issue of some importance should be considered - arms are not fungible commodities and thus can be recycled from conflict to conflict and from one protagonist to another. While arms brokers may be required to move used weaponry from one zone of conflict to another, it is not unknown, given the often blurred boundaries between protagonists in African civil wars, for parties to trade or capture weapons from one another. This has been the case in both Sierra Leone and Angola with arms being exchanged for a variety of commodities, such as diamonds, mining equipment, food, medical equipment or even ammunition.<sup>58</sup> Once they flow into a conflict zone, tracing weapons

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<sup>53</sup> The key competitors for Ukrainian products in Africa, one of the country's defence industry experts suggested, were the Russian Federation and Belarus. Interview, Ukrainian Centre for Economic and Political Studies, Kiev, July 1999.

<sup>54</sup> Lucy Mathiak, 'The Light Weapons Trade at the End of the Twentieth Century', in Virginia Gamba (ed), *Society Under Siege: Crime, Violence and Illegal Weapons*, Institute for Security Studies, Towards Collaborative Peace, Vol 1, (undated), p. 89.

<sup>55</sup> Brian S MacDonald, *Military Spending Developing Countries*, Carleton University Press, 1997, p. 49.

<sup>56</sup> R T Naylor, 'Loose Cannons: Covert Commerce and Underground Finance in the Modern Arms Black Market', *Crime, Law and Social Change*, Vol 25, 1995.

<sup>57</sup> Joe Roeber, *The Hidden Market: Corruption in the International Arms Trade*, New York: The New Press, 2001.

<sup>58</sup> Eric G Berman, 'Arming the Revolutionary United Front', *African Security Review*, Vol 10, No 1, 2001. Interview, RUF demobilised combatants, Kono District, Sierra Leone, October 2001. Interview, United Nations security advisor, Luanda, Angola, November 2001.

becomes extremely difficult particularly given inadequate or removable markings and poor or non-existent record keeping.<sup>59</sup>

This section has sought to provide some illustration - before more detail is given on the supply of the wars in Sierra Leone and Angola - as to the changing world arms market and the way in which the means to conduct war have been enhanced. The sections that follow aims to give some indication as to the routes and means used to acquire, pay for and transport the means of war into the hands of those willing to use them in the two case study countries. An important component of this exercise is to provide greater detail on the nature of the middlemen who for reason of profit and to a lesser extent ideology, have facilitated the flow of war material.

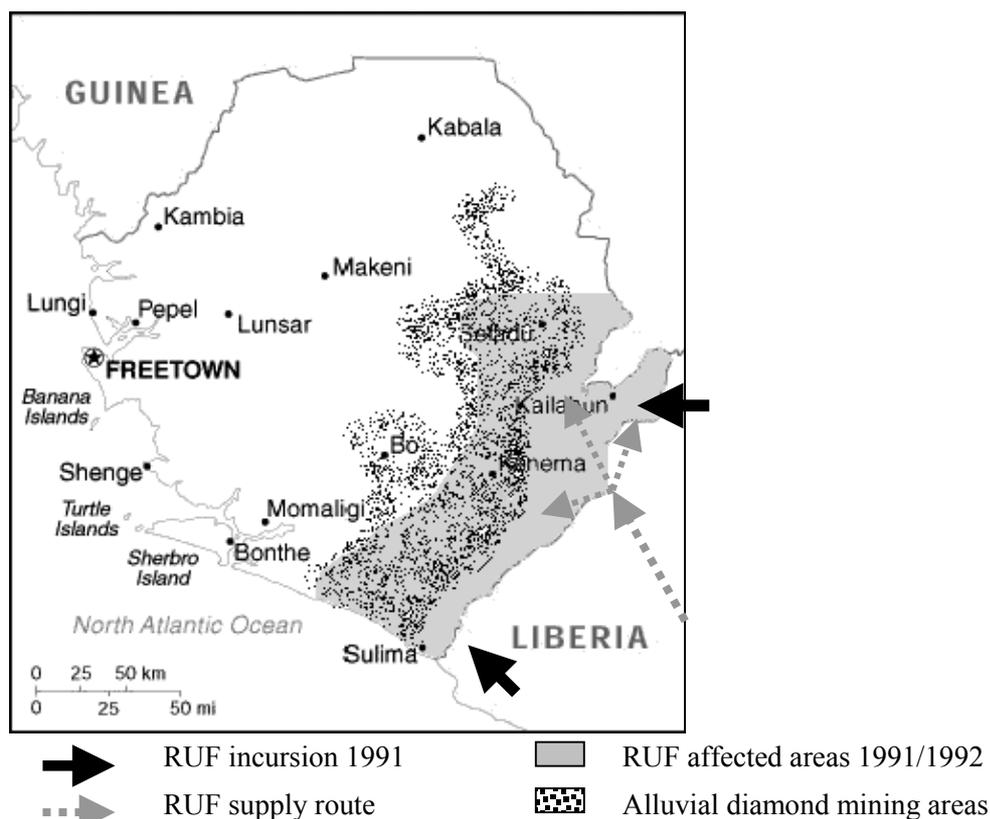
### **3.2. Supplying war: Sierra Leone**

Supplying the RUF rebels in Sierra Leone have relied on a number of mechanisms, groups and individuals. Most significant however for our purposes is the role of Liberia (and middlemen operating with contacts in Charles Taylor's government) in supplying arms. The situation is however much more complex than the simple transfer of arms from Liberia. The RUF have themselves captured large quantities of arms from government and UN forces, and in the diamond mining areas Lebanese traders have been important (and little understood) commercial allies, exchanging diamonds for food and cash.

To illustrate this chain of supply and those that are involved, five overarching themes have been chosen. First, the internal organisation of supply within the RUF is examined. Second, the role of Lebanese nationals in Sierra Leone and Liberia are examined. Third, attention is given to the role of Liberia as a source of supplies to the rebels. Fourth, a number of middlemen involved in the trade of supplies or military expertise are profiled. Finally, some attention is given to how the government of Sierra Leone itself has acquired the means to conduct the war.

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<sup>59</sup> Stephen Mbogo, 'The thriving arms bazaar', *West Africa*, No. 4296, 8-14 October 2001, p. 22.



**Map 1: Conflict and supply in Sierra Leone**

### 3.2.1. Internal RUF organisation for supply

For internal organisation of the RUF to ensure its own supply must be seen from two important dimensions. The first has been a relatively sophisticated structure for digging, processing and transporting resources (most notably diamonds) in exchange for weaponry, supplies and illegal narcotics necessary to sustain the movement's war effort. The second, given that the first did not supply all the movements requirements, most specifically for isolated units on the ground, relied on living off the land, looting from surrounding communities, trading with the opposition forces and using captured equipment. Each of these sources of supply is considered in turn.

As has already been discussed above, a key source of resources for the RUF has been the trade in illegal diamonds. While RUF mining operations were originally carried out in a sporadic manner, by the mid-1990s the movement began taking a much more careful interest in the mining and supply of diamonds, ensuring not only that the internal organisation of the digging was controlled but that the defence of the diamond fields themselves from incursion by government troops and later ECOMOG.<sup>60</sup> As was noted earlier control of the diamond fields became a key strategic objective of the war, and while the RUF responded like a guerrilla force elsewhere (simply melting away when attacked) they defended the diamond fields with greater vigour, only a co-ordinated attack by Executive Outcomes with air support removed the rebels during the course of the war.<sup>61</sup> It should be noted also, and as was pointed out earlier, the smuggling of diamonds out of Sierra Leone and into Liberia and other

<sup>60</sup> Interview, former member of Executive Outcomes, Freetown, October, 2001.

surrounding states is by no means new, and networks engaged in this activity have existed since the weakening of private and government control over the diamond mining areas. What the war has done however is to formalise the trade in important ways and channel the profits to fewer individuals who retain a monopoly of violence in the diamond mining areas.

It is useful in this context to trace how diamond mining and then the transport of the diamonds is organised. Discussions with demobilised RUF fighters in Kono District suggests that the digging for diamonds in the area - in contrast to the seeming disorganisation of the digging activities themselves - is highly organised. Digging has generally been carried out by youngsters who receive very little payment, in most cases just enough food to sustain their efforts. The actual digging appears to occur in teams, with some supervision by local commanders. This is clear in the digging areas where the work is overseen by well-dressed young men draped with jewellery.<sup>62</sup> The degree of control over the diggers is well illustrated by the story of a film crew who sought to record some interviews with ex-combatants in the area just before the authors visit. While on the surface the crew believed that the level of apparent disorganisation suggested that they could approach any individual, when they attempted to do so they were chased away. Later, local commanders selected individuals who could speak.<sup>63</sup>

In some ways the organisation of the digging seems more ordered than in UNITA controlled areas (see below) where professional diggers either pay a license or hand over a proportion of their find in 'taxes' to the rebel movement. While RUF commanders claim that the diggers can sell stones to whomever they like this is not the case.<sup>64</sup> In the RUF areas, the majority of diamonds that are found have to be handed over to local commanders. The failure to respect this rule, a number of interviewees informed the author, resulted in severe physical punishment, including in some cases at the height of the war, the shooting of the offender.<sup>65</sup> The degree of control over the diggings in and around Koidu appears to have remained, there were, for example, still offenders imprisoned in the local jail (a shipping container which stood in full sunlight). Despite the fact that many youngsters in the area have used their demobilisation allowance to buy the basic equipment for alluvial mining, any gems that they find still have to be handed over.

While the author's interviews in Kono suggested that it was not the case, separate reports suggest that over time 'a modified system of forced labour' is used where diggers can keep some of the diamonds for sale, either through keeping a proportion or by working a set number of days for themselves and a set number for the RUF.<sup>66</sup> If this is the case it is likely that high value gems are selected for smuggling, while digger's proportion is lower value stones. Ironically, digging in the area has increased markedly since the cease-fire as those already engaged in digging have been joined by demobilised fighters. Nevertheless the majority of proceeds appear to be directed up the supply chain and not into the threadbare pockets of the diggers themselves.<sup>67</sup>

Once collected the diamonds are parcelled together by local commanders and a series of alternative supply routes could be used. It is important to recognise that even at the height of the

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<sup>61</sup> Interview, former senior British military officer based in Freetown, Pretoria, July 2001.

<sup>62</sup> Personal observations and interviews with RUF ex-combatants, Kono, Sierra Leone, October 2001.

<sup>63</sup> Interview, British military observer, Koidu, Sierra Leone, October 2001.

<sup>64</sup> See the claims by the RUF commander in Kono in *Newsweek*, 12-18 May 2001.

<sup>65</sup> Interview, RUF and CDF ex-combatants, Koidu, Sierra Leone, October 2001.

<sup>66</sup> Report of the Panel of Experts appointed to Security Council resolution 1306 (2000), paragraph 19 in relation to Sierra Leone, S/2000/1995, p. 16 (hereafter referred to as *Report of the UN Panel of Experts on Sierra Leone*).

<sup>67</sup> Interview, Sierra Leone Police Special Branch, Freetown, October 2001.

conflict, not all of the gems were smuggled over the border into Liberia, but many joined the 'official' diamond trade passing through Freetown. For gems selected to pass into Liberia, these will be transported by 'couriers' who walk over the border and sell them to local traders on the other side. The border remains permeable and ex-combatants reported that it was easy to cross, although the journey could be arduous. Alternatively diamonds are transported (sometimes in the leadership's four wheel drives) to Lebanese merchants elsewhere in Sierra Leone, as there were not at the time of the field work any such individuals left in Koidu, for sale. Some dealers are also of course present in the diamond mining areas themselves and so diamonds can be sold directly to them - this being the safest way for diggers to dispose of stones outside of the RUF network. Interestingly however, many of the local dealers are also traders who engage in the selling of a variety of goods such as food and clothing, and so there is an active barter trade. It is difficult to ascertain how the choice is made between selling gems internally or over the border in Liberia, but presumably that has relied on a number of factors, such as price, available transport, peace or the degree to which particular areas were under RUF control.

Sierra Leone Police Special Branch report that at the height of the war a constant flow of supplies entered Sierra Leone from Liberia. These included both weapons, supplies, vehicles and medicine. Most of these supplies were sent by road to border areas (most notably Foya-Kama a few miles from the border) and then sent by road or air across the border into RUF territory.<sup>68</sup> While it is clear in some cases diamonds are exchanged directly for cash which was then used to buy supplies, at the height of the war, barter was a much more likely alternative. Thus diamonds were traded directly for weapons brought into Liberia by a series of middlemen (see below). It is not known whether the RUF stockpiled some diamonds and then released them when they required resources as is the case of UNITA, however given the ease with which the supply routes operated and the mining occurred it is possible that little actual stockpiling occurred. Apart from weapons the gems were bartered for food supplies, some rudimentary medical equipment and illegal narcotics distributed to the fighters.<sup>69</sup> While this form of trade has of course been central in supplying the RUF, with the movement using Liberia as a rear base for its advance into Sierra Leone, there have been other less organised (although no less important) ways of ensuring fighting capacity.

Significant numbers of armaments were lost by various peacekeeping contingents sent to pacify the RUF. While in most cases these appeared to have been captured after armed engagements, it is certain too that in particular cases trade occurred between the protagonists. Large numbers of arms were lost by Nigerian troops deployed as part of ECOMOG. In December 1998, for example, the RUF routed ECOMOG at Kano and captured a supply dump. UN peacekeepers too lost equipment in the spate of kidnappings described above. In the most prominent incident was the capture of the Zambian peacekeeping contingent, with the loss of as many as 500 AK-47s and several heavy machine guns. Indian and Kenyan peacekeepers have also reported lost weapons to the RUF.<sup>70</sup> A healthy trade in arms and supplies appears to have occurred between the sides. For one, individuals and on occasion units of the Sierra Leone army defected to the side of the rebels. But apart from these guns, particular

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<sup>68</sup> *Ibid.* See also *Report of the UN Panel of Experts on Sierra Leone*, *op. cit.*, p. 34.

<sup>69</sup> The use of illegal narcotics by both sides is documented by interviews conducted by Peters and Richards, *op. cit.* While they talked freely on other topics ex-combatants interviewed by the author would not be drawn on the question of illegal narcotics although the issue was not pressed.

<sup>70</sup> Berman, *op. cit.*

it is said, from the Nigerian contingents of ECOMOG were exchanged for diamonds, illegal narcotics, food and cash.

In addition, it is worth noting that areas under RUF control were also largely stripped of anything of value, including housing material, motor vehicles if these were not themselves requisitioned for the movements needs, and timber. These were trafficked over the border or sold/bartered within Sierra Leone itself. The acquisition of loot also emerges as one of the key driving forces for the acquisition of territorial gains by the RUF, and it is said that the incursion over the border into Guinea has been the looting of towns for supplies.<sup>71</sup>

This discussion serves as a useful background to the sections that follow, which concentrate more on more formalised forms of supply. While these are of course important the mistake is often made of identifying these supply routes and urging that they be closed, when in fact the political economy of the RUF insurgency relied on both internally obtained and external sources of supply. Key to the economy of the diamond areas, and serving as an important connection between the local level and the global economy, were and remain the network of Lebanese diamond traders. While their wealth, power and influence is sometimes overstated by local observers who see the Lebanese community as a homogenous and well co-ordinated commercial enterprise, the role of these traders is important to understanding the war supply network. Importantly, they cross the divide between informal local systems of obtaining supplies within Sierra Leone itself (for example, swapping food for diamonds), at the same time as serving as an important link in the broader external and more formalised supply acquisition chain (acting as a go-between for higher level suppliers and diamond dealers external to Sierra Leone).

### 3.2.2. Lebanese trading networks

Of some importance in understanding the political economy of the diamond fields in Sierra Leone is the role of Lebanese dealers, that are said to make up 90 to 95 percent of all dealers working in the area.<sup>72</sup> These dealers buy diamonds from the RUF as well as private diggers and either sell them in Freetown or smuggle them over the border for sale in Liberia and to a lesser extent in Guinea. In turn, Lebanese dealers provide food and other supplies, although generally not weaponry, to RUF intermediaries and ordinary diggers. Despite their important role in the political economy of the conflict, information on their activities is difficult to come by.

The history of Lebanese communities in West Africa has been traced elsewhere.<sup>73</sup> In most places, as in Sierra Leone, the key division within the community itself is the date of arrival in West Africa. Thus there are older and established families who have lived in West Africa for two or three generations, and newcomers who have fled Lebanon because of the war and ongoing instability. The first Lebanese families came to West Africa in the 1920s and were predominantly Christians. The second wave of immigration occurred from the mid-1970s as the war in Lebanon intensified. The majority of these newcomers were Shia Muslims. The movement of people from Lebanon is now seldom unidirectional and most communities retain links with Lebanon itself as well as with the wider Lebanese Diaspora.<sup>74</sup> This international network facilitates commercial and trade flows between

<sup>71</sup> See the report in *The Economist*, 12-18 May 2001.

<sup>72</sup> *Financial Times*, 10 July 2000. Also *Concord Times*, Freetown, 24 October 2001.

<sup>73</sup> See Chris Bierworth, 'The Lebanese Communities of Côte D'Ivoire', *African Affairs*, 98, 1999.

<sup>74</sup> These points are contained in a summary of a forthcoming book, Anja Peleikis, *Lebanese in Motion: The Construction of a "Gendered" Global Village*, Transaction, 2002.

communities, as well as to some extent illicit trade. In the case of West Africa any involvement in the latter is in diamonds, black market goods, illegal narcotics and people.<sup>75</sup>

Interviews suggest that two features are of importance in understanding the Lebanese community in West Africa. The first is that the connections between the Lebanese community in West Africa is not confined by national borders and so individuals in one country may do business with, or know, individuals in another. Indeed, particularly among new arrivals there appears to be a fair amount of mobility across the West African region. For example, when civil war erupted in Liberia and Sierra Leone, Lebanese people fled elsewhere in the region, notably Ivory Coast, and not back to Lebanon.<sup>76</sup> Second, despite this mobility, settlement patterns in West Africa are closely determined by family and kinship ties. This factor is the defining ingredient for the make-up of Lebanese business groups and trading networks. It is worth noting here, despite conspiracy theories to the contrary, that Lebanese traders and businesses are often in fierce competition with each other and are seldom large scale networks, but are rather smaller family based operations. For example, and of importance to this study, is that many of the diamond dealers, while they may know each other, are in competition and do not by any means present a unified front.

Despite these internal divisions which are essentially grounded in commercial competition, political marginalisation by governments across the region have kept the community relatively cohesive and inward looking. Some tensions seem to exist between older and more established families with better connections to the local political classes and newer arrivals who are out to make money in as short a time as possible, and thus potential endanger some of these older relationships. But this issue of political marginalisation is often of some importance in understanding the role of the Lebanese traders in Sierra Leone's diamond fields since independence.

In Sierra Leone, as William Reno has shown in a fascinating study, Lebanese dealers were able over time to obtain licenses to conduct business in diamond dealing and mining because they had access to more capital (borrowed through Lebanese banks or obtained from family connections) than did African businessmen. Nevertheless, Lebanese dealers and traders, despite the comparative wealth and access to political influence, remained a marginalised group, dependent on the favour of ruling politicians. This has been partly due to the perception that Lebanese dealers constituted less of a threat to the political powerful than did empowering African business, who might use the resources gained by the dealing in diamonds. Thus, the Lebanese communities have often lived in a precarious position: marginalised from challenging the political status quo, but also necessary to its maintenance. For their part, Lebanese dealers provided food and protection for groups of diggers in return for the sale of their diamonds.<sup>77</sup>

At the height of the war, interviews suggested, most Lebanese dealers left the areas worse affected by conflict. Thus, on the author's visit to Koidu, there were no dealers present in town at the time and their shops and offices had been destroyed. Nevertheless the dealers were said to come to town to buy diamonds, or RUF intermediaries would travel to neighbouring areas to seek them out. As soon as relatively levels of peace and stability were achieved, the diggers said, they expected the Lebanese traders to return. Importantly, the profits made from diamond mining and dealing do not

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<sup>75</sup> See Lebanon country profile of the United Nations Office for Drug Control and Crime Prevention, [http://www.undcp.org/egypt/country\\_profile\\_lebanon.html](http://www.undcp.org/egypt/country_profile_lebanon.html); also, UNICEF, 'Child Trafficking in West Africa', [http://unicefusa.org/ct/report\\_6.html](http://unicefusa.org/ct/report_6.html).

<sup>76</sup> Interviews, Abijan, October 2001.

<sup>77</sup> Reno, *op. cit.*

appear to be reinvested with the RUF or government (beyond the necessary payoffs) to ensure the victory of other side. Rather, apart from personal enrichment, a portion of money gained from the diamond trade in West Africa has been used to fund various factions in Lebanon's own civil war, and more recently at least some funding found its way to the al Qaeda network of Osama bin Laden.

Key to the funding of such causes has been the role of a key player within the RUF, Ibrahim Bah. Bah stands at the centre of the RUF's supply and logistical arrangements. He fought against the Soviets in Afghanistan and with Hezbollah against the Israeli's in southern Lebanon. Senior RUF commanders traffic diamonds across the Liberia border to a safe house in Monrovia. Here buyers from Europe and the Middle East, selected by Bah, select and purchase diamonds, paying in cash. In this way Bah has acted as a conduit for buyers from both al Qaeda and Hezbollah.<sup>78</sup>

This description of a complex and internally competitive ethnic network is not to say that several influential and prominent individuals have not emerged from the Lebanese community. As the Sierra Leone state had declined through the 1970s and 1980s, Lebanese businessmen had stepped in to fill the gap left and successive presidents of the country became heavily reliant on a number of Lebanese individuals to access international business contacts and credit facilities. Over this period too the marketing mechanism for diamonds was monopolised by Lebanese traders, many of whom ran both legal and illegal operations. By the mid-1980's 70 percent of all exports leaving Sierra Leone did so through non-formal channels.<sup>79</sup>

On the other side of the border in Liberia, Lebanese traders were also active, and some appear to have ensconced themselves within Charles Taylor's ruling circle. A key individual is said to be Talal El-Ndine. El-Ndine is reported by the UN Sierra Leone Sanctions Committee to be 'the paymaster' of Taylor's support for the RUF. Liberians fighting with the RUF bring diamonds directly to him and are paid accordingly. Arms brokers and transport companies are also said to come to El-Ndine's offices in central Monrovia for payment. El-Ndine is a key point of inter-face for those doing both illicit and licit commerce in Liberia.<sup>80</sup>

This overview suggests that the Lebanese diamond traders act as classic middlemen in having provided an opening for RUF intermediaries to sell their diamonds. But it is a mistake to see this network of traders as a cohesive ethnic community, and commercial competition between various dealers is used by the diggers to secure a better price. The Lebanese dealer themselves have profited from the war to the degree that they can sell food and supplies to the RUF diggers and get diamonds in return. Ongoing war and instability also ensure that lower prices can be obtained for diamonds given the conditions under which they are sold as well as the urgent requirements of supply. Apart from a limited number of 'big names' the Lebanese community has not been central in brokering arms deals for the opposing sides, although they appear to have had some impact on another war supply network, ensuring some resources are channelled back to the Middle East to fund various political factions. Thus, in summary, Lebanese dealers are a critical (and little understood) component of the war economy. They are classic middlemen buying from whoever has the diamonds, but the extent to which they can be seen as fuelling through their commercial activity, they would after all buy from diggers in peacetime, is less than popular mythology in West Africa often portrays.

Whoever the diamond dealers are however, central to the supply of the RUF has been neighbouring Liberia. While diamond dealers could transport their rough diamonds over the border to

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<sup>78</sup> *Washington Post*, 2 November 2001.

<sup>79</sup> Reno, *op. cit.*, p. 151.

avoid first tax and then later the attention of the Sierra Leone authorities, activities over the border in Liberia are central to understanding how the RUF was supplied.

### 3.2.3. *The Liberian connection*

As already suggested, central to the supply network of the RUF was Liberia. The RUF, like most African insurgency movements, exploited the frontier both by using Liberia as a base for its first attacks and also as a source of supply. There are however wider implications of Liberia acting as a base of operations and supply for the RUF. While at the time of the RUF's first incursion, Charles Taylor did not occupy Monrovia itself, although was in effective control of the border region with Sierra Leone, from 1995 he assumed de facto control and by 1997 in a notionally free and fair election was elected head of state.<sup>81</sup> Under Taylor's and Samuel Doe's rule before him, Liberia has developed into what essentially is a 'criminal state'.

'Without a state that defined legality', William Reno has noted, 'distinctions between clandestine markets and others faded as Taylor recruited everyone to his task of building political authority'.<sup>82</sup> In short, Liberia, while displaying all the external vestiges of statehood (flag, president and government departments) resembles more closely a complex interaction and overlap between political and personal commercial interests. While the initial motivations for Taylor supporting the RUF related to an attempt to a successful attempt to extend the Liberian civil war into the territory of Sierra Leone for strategic interests (although even this is debatable, see above). Over time however, support for the RUF has evolved into a successful quasi-commercial venture, which has involved a range of dubious middlemen brought in by Taylor (or negotiating an opening themselves) to supply war material for profit. Some of these links had of course already been developed in Taylor's own insurgency.

The result has been a series of individual operators (some of whom are considered in the section that follows) who have acted as intermediaries for Taylor. The vestiges of Liberian state authority, such as the granting of diplomatic passports to some of these individuals, well illustrate the cross-over between commercial, quasi-state and criminal interests.

A key link in this chain of supply through Liberia to Sierra Leone is the role of the government of Burkina Faso. A close ally of Charles Taylor and which also supported the RUF, the country has served as a convenient transit point - providing end-user certificates - for arms being transferred onwards to Liberia.<sup>83</sup> While old allegiances may be important in this relationship, there is little doubt that diamonds and cash changes hands to smooth the way. At one point, a secret Sierra Leone police document estimated as much of 40 percent of diamonds from Sierra Leone were smuggled into Burkina Faso.<sup>84</sup> Burkina Faso has provided a similar service for UNITA leader, Jonas Savimbi, and again, while old ties and allegiances may be important, the overriding factor is money.

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<sup>80</sup> *Report of the UN Panel of Experts on Sierra Leone, op. cit.*, p. 37.

<sup>81</sup> David Harris, 'From "warlord" to "democratic" president: how Charles Taylor won the 1997 Liberian elections', *The Journal of Modern African Studies*, Vol 37, No 3, 1999.

<sup>82</sup> William Reno, *Warlord Politics and African States*, Boulder: Lynne Rienner, 1998, p. 94.

<sup>83</sup> See Ellis, *op. cit.*, for some of the regional political issues associated with this, pp. 162-166.

<sup>84</sup> This was reported on the basis of a document leaked to the BBC's West Africa correspondent. Police sources interviewed in Freetown by the author suggest now with hindsight that the figure was an overestimate. Interview, Freetown, October 2001. For the BBC story see [http://news.bbc.co.uk/1/hi/english/world/africa/newsid\\_868000/868338.stm](http://news.bbc.co.uk/1/hi/english/world/africa/newsid_868000/868338.stm).

Over time, Taylor has become much more reliant on the trafficking and sale of diamonds in Sierra Leone for his own survival.<sup>85</sup> There are precious few other means of creating wealth and the President's security detail is said to consume one quarter of the total national budget of the country.<sup>86</sup> Increased international pressure has now focussed on Liberia which has exported far greater amounts of diamonds than could possibly ever be mined in the country. In the last several years, a recent UN report notes, Liberia has exported 6 million carats of rough diamonds even though its estimated productive capacity was only 100 to 150 000 carats.<sup>87</sup>

The presence of diamonds in a state such as Liberia, however has broader criminal implications which should be taken into account. Given Liberia's history as a repatriation territory for slaves from the United States, its currency has remained the US dollar. This combined with the illegal trade in diamonds have been critical in Liberia developing into an international centre for money laundering as well as the development of the state into a significant transit point for drugs in West Africa. Both money laundering and drugs had allegedly been identified as sources of external revenue by Taylor.<sup>88</sup>

The development of such a criminal economy is common also to other war zones with high levels of resources. Thus Kasai province in the Democratic Republic of the Congo and Lunde Norte province in Angola are increasingly centres of money laundering and drug dealing. Here, drug money can be effectively laundered by buying rough diamonds that are then sold to legitimate buyers. Instability also provides an ideal opportunity for the transit and storage of illegal narcotics.<sup>89</sup>

Isolating the extent to which Liberia has become a major drug transit country is difficult. Its dollar economy and money laundering potentials combined with the proximity of Abidjan, the regional transport hub, have made it an attractive proposition for drug smugglers. The country which has in the past granted shipping and air licenses (another example where the façade of the state is used for criminal purposes) makes the country itself a hub for international transport. Monrovia has also been designated as a freeport and so goods, both licit and illicit, move freely through without incurring taxes. There were suspicions at the time when ECOMOG occupied Monrovia that the port was controlled by Nigerian troops who used for illicit. Similar suspicions now apply to Lungi airport in Freetown where the illegal movement of goods is said to be in control of local Nigerian UNAMSIL troops.<sup>90</sup>

There is evidence that Liberia has been used as a major transit route for heroin, cocaine and marijuana bound for the United States and to a lesser extent Europe. The extent of the Liberian Diaspora in the United States and the ongoing connections between the two countries have facilitated the traffic. Nigerian traffickers too are said to have taken a greater interest in Liberia, not only because new smuggling connections were developed through the presence of Nigerian troops as part of ECOMOG, but because of a more comprehensive (or although selective) clampdown on some drug lords in Nigeria itself, who in turn have been on the look out for new bases of operation.<sup>91</sup>

One marker of the extent to which drugs are transited through Liberia is the prevalence of substance abuse among the combatants in the wars in Liberia and Sierra Leone themselves. While in

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<sup>85</sup> Interview, former Liberian presidential candidate and staff, Abidjan, October 2001.

<sup>86</sup> This figure is given in a special report on Charles Taylor by *Newsweek*, 14 May 2001.

<sup>87</sup> *Summary report along with observations by the Chairman on the exploratory hearing on Sierra Leone diamonds*, 31 July to 1 August 2000, United Nations Security Council, 4 December 2000, S/2000/1150.

<sup>88</sup> Ellis, *op. cit.*, p. 169.

<sup>89</sup> Observatoire Géopolitique Des Drogues, *The World Geopolitics of Drugs 1998/1999*, Paris, April 2000, p. 19.

<sup>90</sup> Interview, senior police officer, Freetown, October 2001.

<sup>91</sup> Axel Klein, 'Nigeria and the Drugs War', *Review of African Political Economy*, 79, 1999, p. 57.

international terms these can hardly be massive markets (although the presence of diamond for drug deals in Sierra Leone presumably make them lucrative) it is likely that illegal narcotic are not directly smuggled to the war zones, but consists of small amounts diverted from transiting supplies.<sup>92</sup> Around the abandoned house of Foday Sankoh on his arrest in 2000, were found thousands of surgical syringes. Child soldiers of the RUF told reporters that they had been forcibly injected with cocaine before being sent into battle.<sup>93</sup>

The significance of this burgeoning criminal economy for this study however is that it provides an ideal environment in which illicit supplies of weapons, equipment, food stuffs and illegal narcotics can be bartered for commodities such as diamonds. The nature of the Liberian state thus had significant implications for the nature of RUF supply networks which ran through its territory. These conditions have greatly facilitated the illegal movement of goods and have created opportunities for criminal entrepreneurs. A country which is the hub of criminality and illicit commercial activity has provided the ideal platform easing the movement of supplies but effectively ensuring that that they take place through criminalised trading networks. At the centre of such networks have stood a number of individuals who through their contacts, desire for profit and commercial arrangements have been central in filtering war supplies through to the RUF. Some of these individuals are examined in the section that follows.

#### *3.2.4. Bandits and businessmen*

The middlemen who assisted both the Liberian government and the RUF with supplies and training represent a spectrum of individuals, some clearly criminal others regarding themselves simply as businessmen operating under difficult circumstances. The range of activities that these individuals have been involved, and the connections between them, are complex and often difficult to understand. Several interviews conducted by the author with people in or close to these people suggested that the networks of supply and training that operated through Liberia were relatively dynamic, that individuals fell out with each other and that new alliances were formed.<sup>94</sup> An ability to access the inner circle of Charles Taylor (or falling out of that circle) was a key indicator of influence, and thus of 'commercial' success.<sup>95</sup> While it is not possible to probe all the individuals involved, some of whom play only a minor or supporting role, some key personalities who played a role in supporting the RUF in Liberia have been selected. As is clear from these profiles, some of the individuals while operating close to the boundaries of the law in Liberia (given the nature of the country however it was often, one interviewee noted defensively, not possible to do business any other way) were not deeply involved in criminal networks, while others clearly worked from within and with the criminal underworld.

One individual who received the most publicity about his role in Liberia, is the South African Fred Rindel. In some ways Rindel is almost typical of the case of relatively senior white South African military or security officials (he was an army colonel and former South African defence attaché in Washington) who seeing no future for themselves in the new South African military and/or nearing

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<sup>92</sup> A similar position also pertains in other more well known transit states such as South Africa and Nigeria itself.

<sup>93</sup> 'Brutal child army grows up', BBC, 10 May 2000 on <http://news.bbc.co.uk>. Other accounts are also recorded in United Nations Office for Drug Control and Crime Prevention, *The Drug Nexus in Africa*, undated report on drug use and trafficking in Africa.

<sup>94</sup> Unless otherwise stated, information in this section comes from off the record interviews with law enforcement officials.

<sup>95</sup> Interview, former Liberian presidential candidate, Abidjan, October 2001.

retirement looked elsewhere for other employment opportunities.<sup>96</sup> Rindel provided training to the Liberian anti-terrorist unit from November 1998 and allegedly groups of foreigners including citizens of Sierra Leone. Rindel also brought to Liberia a number of other South Africans to assist with the training. Rindel spoke freely to the UN panel of Experts on Sierra Leone as well as to various journalists, and in the end cancelled his contract in Liberia due to adverse press publicity. On the face of it this suggests that there is some truth to his assertion that he engaged in a simple business contract and had nothing to do with training the RUF. However, Rindel himself concedes that there were other South Africans assisting the RUF although he did not know any more details of their involvement.<sup>97</sup> While this may be true, it is likely that Rindel acted as the contact point for some of these individuals to find jobs in Liberia, supporting the RUF.

While Rindel has confirmed that he was involved in training Liberian security forces, he denies any involvement in the diamond trade. According however to the Liberian Minister of Mines Rindel was in fact involved in such an enterprise with Taylor's son. Rindel's business card also contains reference to a diamond mining company and he secured concession in Liberia for diamond mining for which he approached a number of international companies to form joint ventures. Rindel was overhead discussing plans for a diamond mining deal with Charles Taylor Jnr in Monrovia. At the time he was accompanied by other South Africans, including a leading geologist.<sup>98</sup>

Despite this evidence, and in an illustration of the difficulties and pit fall of conducting research on individuals involved in the supply networks, Rindel was identified in a prominent NGO report on Sierra Leone diamonds as a hardline right-winger with membership of the ultra-conservative Afrikaaner Weerstand Beweging (AWB) in South Africa.<sup>99</sup> In fact, Rindel had been confused with one Fred Rundle, who had membership of the AWB. What is perhaps of greater interest however in respect of South African involvement in supporting the RUF, was the relationship between the old South African Defence Force colleagues working with Executive Outcomes and then the Sierra Leone Army and the South Africans working with Taylor and the RUF. 'We came to an unspoken and unwritten agreement' commented one, 'we left their business alone and they did the same. We both had a job to do'.<sup>100</sup> Commercial priorities were clearly of higher value than old allegiances.

Interviews with several ex-SADF members who knew some of the individuals involved emphasise two issues. First, the importance for the people involved, who had few other skills, of getting a job, and making money. Second, the need that these old soldier had to continue fighting. Said a former colleague: 'they know no other life and it is not easy for them to settle down'.<sup>101</sup> For the most part the author's investigations suggest that these old SADF soldiers were interest in the immediacy of making money from doing security work. They did not involve themselves in diamonds and weapons smuggling, simply because those individuals (Rindel should be seen as an exception) who carried out the training were really, at heart, soldiers and not businessmen.<sup>102</sup> We will return to similar issues again when South African assistance to UNITA is discussed more fully.

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<sup>96</sup> Interview, ex-senior member of the SADF, Pretoria, December 2001.

<sup>97</sup> *Daily Mail & Guardian*, 11 October 2000.

<sup>98</sup> *Washington Post*, 16 October 1999.

<sup>99</sup> Ian Smillie, Klansana Gberie and Ralph Hazleton, *The Heart of the Matter: Sierra Leone, Diamonds and Human Security*, Partnership Africa Canada, January 2000.

<sup>100</sup> Personal communication, former member of EO, Freetown, October 2001.

<sup>101</sup> Personal communication, ex-SADF colonel, Pretoria, July 2001.

<sup>102</sup> *Ibid.*

The activities of another individual with connections to South Africa, Niko Shefer, show much more clearly the involvement of a criminal enterprise with the supply of war material and the trade in diamonds. The story with its connections to the old South African government and a right-wing Christian group in the United States illustrates the complexity and connections (and then fallout) between various individuals involved in the criminal supply network in both Sierra Leone and Angola.

Shefer was born in South America and is an Israeli citizen. He came to South Africa in the early 1970s and was regarded as being close to the apartheid government at the time, particularly then Minister of Foreign Affairs Pik Botha. It is alleged that he brokered arms deals for the old South African government. In the Late 1980s Shefer was arrested for fraud involving about R40 million, but served only a small proportion (five years) of a fourteen year sentence after apparent intervention by government officials. He was again allegedly involved in fraud (this time to the tune of about R120 million) for ‘roundtripping’ on the financial Rand.<sup>103</sup> This was investigated by the authorities but it is unclear what happened to the case. Later an investment company owned by Shefer called Amelia Gold was found guilty of stock exchange fraud and closed down. Shefer clearly had the propensity for criminal activity and had wide contacts both the world of licit and illicit business.

Shefer’s connection to Liberia was through a bizarre right wing US based church called Greater Ministries International (despite the fact that Shefer was Jewish), although presumably he had already had a set of developed contacts in West Africa. Greater Ministries, now closed down and its leaders in prison, was run by anti-government extremists who operated a massive pyramid scheme, cloaked in Christian rhetoric. Church members were urged to give money on the basis that they would get back double of what they had given. While early ‘investors’ were paid out with the money of those who subsequently gave (attracting more people with money to give), the scheme inevitably collapsed. Investors were subsequently given certificates serving as security for their payments, backed by (non-existent) gold and silver mines GMI was said to own in Liberia.<sup>104</sup>

But GMI was involved in Liberia through Shefer, pouring in millions of dollars to secure diamond mining rights and set up a bank in the country. GMI had shares in a company named Greater Diamonds which secured two exploration agreements with the Liberian government. When these were attacked, Shefer approached the Liberian government to provide security through specialists from South Africa. Shefer then introduced Rindel to Taylor. The diamond mining concessions turned out to be unprofitable and were closed at the same time as GMI was under investigation by the American authorities for tax evasion, money laundering (hence presumably the requirement for the bank in Liberia) and the transfer of assets to Liberia. It is likely that Shefer was involved in more than just mining concessions in Liberia including the supply of weapons and the purchase of diamonds mined in Sierra Leone, but this is difficult to determine on current evidence. Shefer and Taylor are said now to have fallen out with each other and Shefer then entered into partnership with a notorious underworld figure in Southern Africa, Mr T (of which we shall hear more of in relation to Angola, see page 48), to mine diamonds in the DRC. Mr T and Shefer themselves then fell out and parted ways. If Shefer had been close to the old South African government, he showed little political distaste for the

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<sup>103</sup> An actively which essentially took advantage of the fact that the currency at the time had two values, an official one which was propped up by South African government interventions, and one of lower value, the ‘financial rand’, traded on international currency markets. For an overview of Shefer’s activities in this regard see *Daily Despatch*, 29 June 1998.

<sup>104</sup> Profile of ‘Greater Ministries International’ from the ADL Law Enforcement Agency Resource Network, [www.adl.org](http://www.adl.org).

new one, his interests being related primarily to doing business. It is now said that he is an advisor to the South African Department of Foreign Affairs, something which he himself claimed in a letter to an American magazine.<sup>105</sup>

Apart from Rindel and Shefer, both with strong South African connections, a number of other individuals have allegedly been involved in procuring and arranging for arms to be moved through Liberia to the RUF. Their brief profiles again suggest the overarching importance of profit over any ideology, and the links in particular that such brokers have with Ukraine and Israel.

In January 1999 an Israeli businessmen Yair Klein was arrested in Freetown on apparent suspicion that he was training and supplying the RUF since 1996. He served sixteen months in prison, denying the charge that he had supported the RUF. What was he doing in Freetown than if he was supposed to be supporting the opposition? Apparently trying to secure a contract to supply helicopters and parts to the Sierra Leone government. In fact Sierra Leone arrested him on charges of alleged fraud in respect of the proposed purchase from Belarus. Klein appeared to show little compunction in dealing with both sides in the conflict. Nor was this his foray into the business of selling arms and training. Klein, a former colonel in the Israeli Defence Force reserves, was convicted by Israel of illegally selling arms and training Colombian groups that the Colombian government say were fronts for the Medellin cocaine cartel.<sup>106</sup>

The UN report also identified another Israeli businessman, Simon Resenblum, who while being based in the nearby Ivory Coast had logging and road construction interests in Liberia. Close to Charles Taylor he carried a Liberian diplomatic passport. His trucks, the UN report alleged, were used to carry arms from Monrovia to the border with Sierra Leone. Such small favours, which may not necessarily even be paid for, ensure that the businessman in question remains in Taylor's inner circle, protecting and promoting particular business interests.<sup>107</sup>

Perhaps the most notorious of all the middlemen in this regard, is the Dutch national Gus Van Kouwenhoven, manager of the Hotel Africa in Monrovia. Van Kouwenhoven is said to have been responsible for the logistical arrangements for many of the arms deals. As in the case of Rosenblum, Van Kouwenhoven's involvement in the timber trade ensures that he has access to well maintained roads that provide access to the border regions of Sierra Leone. It is alleged that in the past ships that have brought guns have taken away timber and that the trade in these commodities to Liberia is closely inter-linked.<sup>108</sup> Van Kouwenhoven is also suspected of involvement in drug trafficking. Drugs have been transported in the past from East Asia hidden under loads of frozen fish. Off the Liberian coast, the drugs are packed onto other vessels bound for Europe.<sup>109</sup>

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<sup>105</sup> Shefer appear to have provided some information to a government minister in respect of crude-oil transactions for which South Africa was not getting significant enough value. The transactions appeared to involve a controversial Liberian advisor to the Minister Emmanuel Shaw. The Shaw saga is however a story in itself. Shefer's letter to the American religious magazine claims that he helped oust Shaw. A copy of the letter is in the possession of the author.

<sup>106</sup> See: *The Arms Fixers*, op. cit., Chapter 7; and various press reports at <http://www.webactive.com/webactive/pacifica/democnow> and <http://www.israelwire.com/New/000425/00042529.html>.

<sup>107</sup> *UN Panel of Experts Report on Sierra Leone*, op. cit., p. 37.

<sup>108</sup> Van Kouwenhoven's activities are covered in the *UN Panel of Experts Report on Sierra Leone* as well as a Global Witness report on the logging industry in Liberia, *The Role of Liberia and its Logging Industry on National and Regional Security*, May 2001.

<sup>109</sup> Interview, law enforcement official, Pretoria, December 2001.

Two other individuals are worth examining to provide a further feel for those individuals who have been involved for supplying the RUF through Liberia. They are Leonid Minin and Victor Bout. Both individuals are closely connected to a range of criminal groups and activities and both have actively been involved in smuggling weapons to Sierra Leone in exchange for diamonds and cash.

Minin is an Israeli, formerly from the Ukraine. He has in the past been in Taylor's inner circle. The UN panel of experts report noted that he had been refused entry into many countries, including his native Ukraine and had a history of involvement in organised criminal activities, ranging from trafficking in stolen works of art, illegal possession of firearms, arms trafficking and money laundering. His aircraft, bearing a Cayman islands registration, and operating for a company registered in Monaco, was used for a period as Taylor's presidential jet as well as to transport arms to the country.<sup>110</sup> Minin had previously helped organised arms sales to Croatia during the UN boycott and was suspected of breaking the oil embargo on oil deliveries to Serbia.<sup>111</sup> Arms sourced by Minin, despite the fact the he could not enter the country, were largely from Ukraine and the arms trafficking allegedly involved senior members within the Ukrainian security establishment.<sup>112</sup> Minin was arrested in July in Milan Italy after the Italian vice squad stumbled on him in a hotel room (he owned the hotel) with four prostitutes, 20 grams of cocaine, \$150 000 in cash and about half a million dollars of uncut diamonds.<sup>113</sup> Despite his apparent closeness to Taylor, Minin, who often boasted about his 'business' achievements, talked of clandestinely supplying arms to all sides in the Sierra Leone conflict, complaining that the Kamjor militia in eastern Sierra Leone still owed him money for arms supplied to fight the RUF.<sup>114</sup>

Key to the delivery of arms and other supplies to conflicts in Africa, is the provision of air transportation. This is the critical role played by Victor Bout, both in the case of Sierra Leone, but also as will be shown later in Angola. Bout, a former Russian airforce officer, has a 'stranglehold on sanctions-busting aerial freight' according to Western intelligence sources, and runs his operations from the United Arab Emirates, using a fleet of old Soviet aircraft. Ongoing investigations had forced him to move his operations from South Africa (see section on Angola below), and it appears now that he is based in Kigali, Rwanda, where he is said to receive high level protection.<sup>115</sup> By all account Bout is an extraordinary individual, only 34, able to speak six languages, and a shrewd businessman. He is alleged to have supplied arms to every African conflict, often arming both sides. Bout's illegal activities are entangled with airfreight operations with are legal, for example, in early 2000 his largest company, Air Cess, flew peacekeepers from Pakistan to East Timor.<sup>116</sup> Bout has used the Liberian aviation register extensively to register his aircraft and in the course of 2000 several arms shipments were flown from Europe to Liberia. These deliveries were organised by Bout and Van Kouwenhoven.<sup>117</sup>

These profiles - and it should be emphasised that while these are the most prominent individuals there are other involved - provide some insight into the nature of the individuals who act as brokers, trainers and merchants of supply for the conflict in Sierra Leone. Their primary motive, evidenced in

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<sup>110</sup> *Sierra Leone UN Panel of Experts Report, op. cit.*, p. 36.

<sup>111</sup> *Crime, Corruption and Terrorism Watch*, Vol 1, No 3, 16 November 2001.

<sup>112</sup> *Moscow Versiya*, 7 August 2001.

<sup>113</sup> *The Guardian*, 9 July, 2001.

<sup>114</sup> *London Expo Times*, 4 July 2001.

<sup>115</sup> *Chicago Tribune*, 8 July 2001.

<sup>116</sup> *Financial Times*, 10 July 2000.

<sup>117</sup> *Report of the UN Panel of Experts on Sierra Leone, op. cit.*, p. 39.

part by their willingness to work with both sides in the conflict if need be, is profit. In the case of Liberia, access to the President's inner circle is a key criteria for success, and losing that favoured position signals the death knell of business activities. These individuals have made money by supplying arms and other war material in exchange for diamonds, diamond concessions or straight cash, and there is at least some evidence that some of these supply networks are tied to the international trade in illegal narcotics. These middlemen have drawn on their past contacts and experiences, thus the South Africans provide trainers, those from the former Soviet Union access through their contacts the extensive stockpiles of old armaments. Most interesting, it seems is that the network and number of individuals operating in it, is comparatively small, and all the main players are often aware of the operations of the others.<sup>118</sup>

While the above discussion has focussed almost exclusively on supplying the RUF, it is necessary to briefly discuss the mechanisms in which the Sierra Leone government sought both supplies and protection. These are remarkably similar, in that they involved a series of middlemen eager to supply military solutions tagged to access to the country's diamond resources.

### 3.2.5. *Supplying the Sierra Leone state with weapons and protection*

When in 1998 the Sierra Leone army's one serviceable helicopter gunship, essential to keep the RUF from entering Freetown, blew an engine, senior officials scrambled to find replacement parts. Short of foreign exchange however they did not turn to an ordinary arms dealer, but took bids from a scattered assortment of mining companies, diamond dealers and mercenaries, either working in Sierra Leone or wanting to. The government reviewed the various proposals (one was from the Israeli arms broker Yair Klein, who was also apparently funding the RUF and, as we have seen, was subsequently arrested in Freetown) and finally agreed to buy \$3.8 million worth of spares and some ammunition through a firm set up by Zeev Morgenstern, an executive with Rex Diamond Mining Corporation. In the end the parts supplied proved unsuitable and the helicopter stayed grounded. In fact Morgenstern and the Rex's president, Serge Muller, established a company to sell weapons to the Sierra Leone government, which had granted them several diamond-mining concessions.<sup>119</sup> Although the deals in this case are in theory separate, the government has in the past granted such concessions when it has been hard pressed to produce the cash.

In this way, the supply of weapons and war material to the government during the conflict in Sierra Leone has not taken place in surprisingly similar manner to that of the RUF. Given the government's fiscal crisis weapons and mercenary support has often been bought based on the promise of concessions in diamond mining areas. The government too has operated through a range of middlemen or brokers (we have already seen that on occasion the same people are also working with the RUF), some of whom also engage in both licit and illicit activity. Reno has summarised this arrangement succinctly: 'Rulers in Angola, Sierra Leone, and other states with regimes once dependent upon support from Cold War patrons, re-work old ties to gain access to new resources and manipulate apparently harsher demands from outsiders who still assist weak state regimes'.<sup>120</sup>

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<sup>118</sup> This is often the reason that many of the individuals mentioned have some connection to intelligence services, providing information and perhaps receiving protection.

<sup>119</sup> *Washington Post*, 16 October 1999.

<sup>120</sup> William Reno, 'African Weak States and Commercial Alliances', *African Affairs*, 96, 1997, p. 166.

Of key assistance to the weak regime in Freetown was the contracting in of a series of private mercenary companies. Two in particular attracted international attention, and in both cases weapons, training and military support was premised on the giving of diamond mining concessions to a third party who was meant to manage the immediate payment for the services of the company or a portion thereof.

The South African company Executive Outcomes (EO) has now come to be closely associated with the war in Sierra Leone. EO, as was described earlier, was contracted by the then military government under Strasser at the point when the government's fortunes were at their lowest ebb, and the RUF was at the door of Freetown. EO in fact replaced another groups of mercenaries, from the Ghurka Security Group who has suffered heavy losses, including the killing of the Sierra Leone detachment's commander in an RUF ambush. While the exact details are murky and EO was paid separately, it is now fairly certain that the company's involvement was based on an agreement giving diamond mining rights to Branch Energy, a company linked to EO through cross-ownership among a groups of former South African and British military officers. Branch Energy invested substantially in Sierra Leone at a time when other companies were withdrawing from the war torn country, with most of that expansion occurring once EO had arrived in the country.

EO continued to operate even when the government made it clear that they could not pay the bills, presumably gambling that should the war be won they would benefit from the opening up of the diamond mining areas.<sup>121</sup> It was clear however that EO's loyalty existed largely because of payment and the company apparently assisted in preventing a coup attempt. Loyalty and a good human rights record (although there have been some disputes over the latter issue) were essential to securing good business.<sup>122</sup> The provision of training and a mercenary force however was combined with the deploying at least some weaponry that was essential to winning the war. Thus EO operated with air-support (in the form of helicopter gunships) as well as the provision of arms to the Kamajor militia.

The question of the payment of EO and its links to Branch Energy require a brief examination. Apparently EO was not paid for the first eight months of their military operations in the country. Even though payment was later received, it amounted to less than half the bill (\$15.7 of \$35.2 being paid). The only way that they could have been funded, on the available evidence, was by being paid through Branch Energy. The importance of this Branch funding for EO is that it would have been a powerful lever to extract more favourable terms on its diamond mining concessions.<sup>123</sup> The operations of the two companies were in any event closely inter-linked: while EO provided security, Branch Energy engaged in mining operations in Kono.<sup>124</sup>

As was outlined above, EO eventually left Sierra Leone as part of the Abidjan Agreement in November 1996. With EO gone, Branch Energy was left to maintain its own security in the diamond fields. Lifeguard Securities, for all intents and purposes, a subsidiary of EO itself, protected Branch Energy's interests in Kono as well as providing security to selected NGOs and international aid agencies working in the area.

Following a return to the war and the May 1997 military coup that occurred shortly after the departure of EO, negotiations between the deposed government of Sierra Leone and Sandline, another mercenary company with links to Branch Energy, began. The Sandline story has a number of

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<sup>121</sup> Personal communication, ex-members of EO, Freetown, October 2001.

<sup>122</sup> *Ibid.*

<sup>123</sup> Howe, *op. cit.*, p. 319.

<sup>124</sup> *Washington Post*, 16 October, 1999.

interesting twists, including that the payment for the deal, which essentially involved a defeat of the military junta, and the reinstatement of civilian rule was to be paid for by an outsider and not the then ousted Sierra Leone government. In addition, the Sandline deal included the supply of arms to parties fighting the military junta/RUF government, this in despite of a UN arms embargo (although there was confusion within the ranks of the British government whether it applied to the exiled government of President Kabbah) to supply arms to the warring factions in Sierra Leone at the time. The supply of arms, it was alleged, also occurred with the knowledge of senior officials with the Foreign and Commonwealth office.

Kabbah first came into contact with Sandline after ECOWAS had sanctioned an ECOMOG military intervention to overthrow the military junta. There appears to have been a recognition that the ECOMOG operation would be deficient in a number of ways and that additional support was required. It was alleged in a later investigation that in fact, and for these reasons, the introduction (or at least the suggestion that they should have been used) of Sandline to Kabbah was made.<sup>125</sup> The use of the mercenary company however relied on them being paid and Kabbah conducted the negotiations with Sandline on the basis that Rakesh Saxena, a banker, with a dubious past, would cover the costs. Saxena was described memorably in the aftermath of the scandal as ‘an Indian businessman, travelling on the passport of a dead Serb, awaiting extradition from Canada for alleged embezzlement from a bank in Thailand’.<sup>126</sup> Saxena had promised to pay for the costs of Sandline’s military intervention on the promise of being granted diamond concessions when the Kabbah government was returned to power.

Nigerian intervention, with the assistance of Sandline, successfully isolated the RUF/military junta forces around Bo and Kenema. However, the next phase of the operation which involved the shipping of arms was held up when Saxena was arrested in Canada for travelling under a false passport. Later when the arms did arrive they were seized by ECOMOG for breaking the embargo. Subsequent to Kabbah being returned to power controversy erupted over whether or not the Foreign Office had in fact sanctioned the delivery of weapons.<sup>127</sup>

These three examples show only too clearly the link between the natural resources of Sierra Leone and their use for the procurement of the means of military force. In each case, because the government was not in an immediate position to pay, diamond mining concessions were negotiated. While the overall process - that is diamonds for the means of military support - were similar to the RUF middleman transaction reviewed above, there is one important difference, which we shall return to again in the case of Angola. Governments are in a much better position to acquire military support based on the promise of the future (as opposed to actual) delivery of wealth. Rebel movements, because their legal position is much less clear, until they themselves are securely in power in the capital city, have no such luxury. Unless they have stockpiled diamonds, a key component of their strategy must be to take and hold the resource producing areas.

This concludes an overview of the supply networks in the context of Sierra Leone. A discussion of Angola is below, followed by an attempt to draw some common features between the war supply networks in both conflicts.

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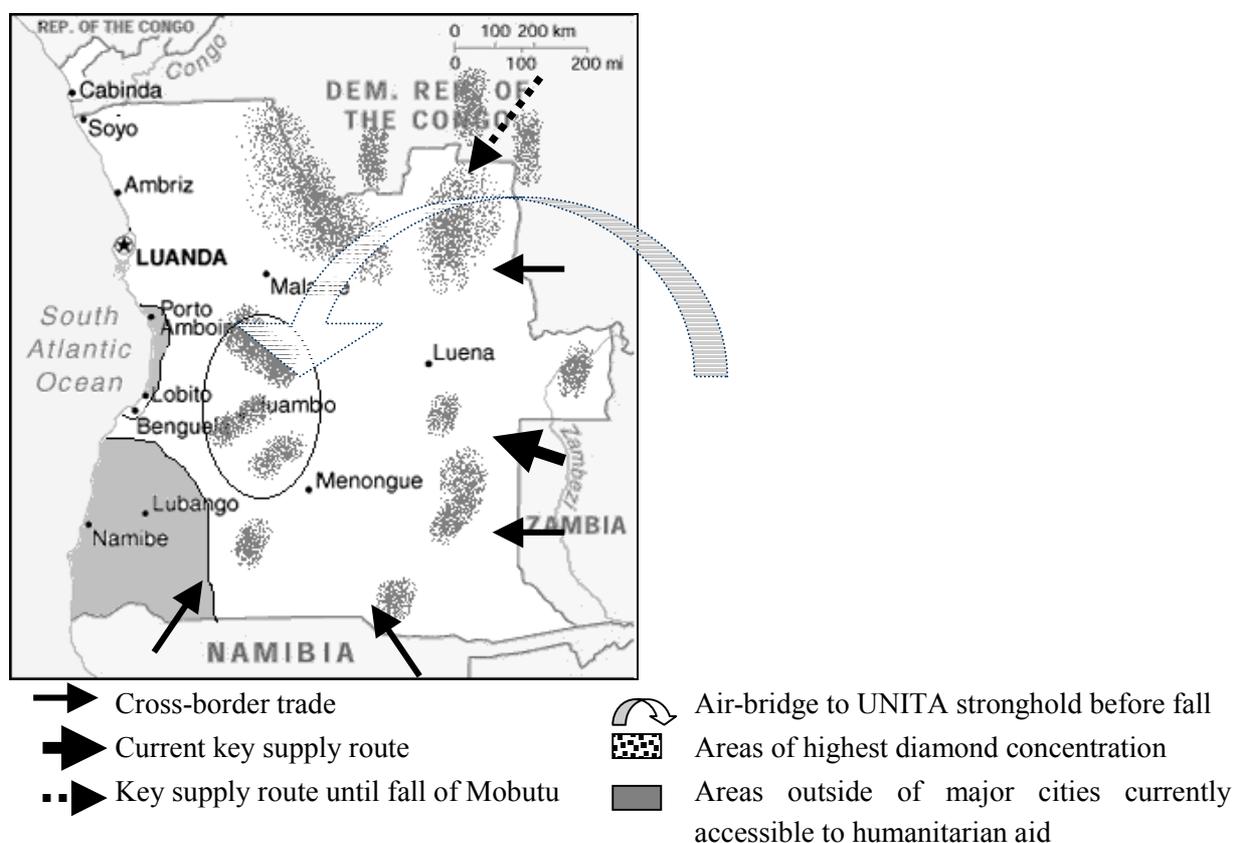
<sup>125</sup> *Select Committee on Foreign Affairs, Second Report*, Sierra Leone, paras 29-36, <http://www.parliament.the-stationary-office.co.uk/pa/cm199899/cmselect/cmf>

<sup>126</sup> *Ibid.*, para 26.

<sup>127</sup> See Hirsch, *op. cit.*, pp. 65-67 for a more detailed account of the affair.

### 3.3. Supplying war: Angola

There are many similar features between the supply networks that have sustained the war in Sierra Leone and those that have been active in Angola. The one key difference however is the changing role of surrounding states. There is no direct equivalent to Liberia - a neighbouring state actively providing support to the rebel movement - although some of the surrounding states have partially filled this role. As in Sierra Leone/Liberia, these actions are based on the desire for profit of individuals (and at least in the case of Zambia, these are high ranking politicians). In the case of South Africa, while there is no doubt some desire for profit, residual sympathies for UNITA (and an antipathy towards the MPLA) do play some role as a motivator for providing supplies amongst individuals from the apartheid military. Even so the position of South Africa is relatively complex and requires a specific examination of its own. The war in Angola however has had important impacts on criminal operations in other surrounding states, particularly Zambia and Namibia. In both the cases the demand for supplies, and the flow of illegal diamonds out of the country, have given rise to opportunities for criminal behaviour and organisation. As in the case of the review of Sierra Leone above, this discussion begins with an overview of the UNITA supply organisation and the impact of sanctions upon it. The second section considers some of the key middlemen who have been involved in supplying UNITA and their profiles. The third section reviews the particular role played by individuals from South Africa. The fourth section deals with the impact of the war in the surrounding states of Zambia and Namibia, examining how the process of supply has effectively become criminalised in these two states. Finally, the means by which supplies and weapons are procured for Angolan government troops is examined.



**Map 2: Conflict and Supply in Angola**

### 3.3.1. Internal UNITA supply organisation

At the height of its military power during the course of the 1990s, UNITA managed to procure armaments through a number of sources. The movements control over large areas of Angola made it possible that weapons and supplies could simply be flown into airstrips in the country without being monitored by the Angolan army. UNITA also had direct lines of ground support running through Zaire (now the DRC) that were used not only to take out diamonds but also to bring in supplies. UNITA forces also used Zaire as a safe haven in which to retreat and consolidate their forces.

While UNITA has been engaged in diamond mining since the late 1970s, it was only from the early 1990s that large quantities of diamonds were produced and attempts were made to control the output of diamonds.<sup>128</sup> Diamond mining operations reached their highest level in 1996, at the period when UNITA was rearming. The movement used a variety of mechanisms to extract profit from the diamond mining areas. In some places mining was done directly by UNITA soldiers, in other diggers were 'taxed' for a proportion of their profits and protection provided by UNITA, and elsewhere the proceeds of diamond mining was simply attached by the movement. From all accounts, violence, or rather the threat of it, has been central to the control of the diamond areas.<sup>129</sup>

It is not clear now the extent to which UNITA is engaged in mining. In late 2001 the Angolan government informed the UN sanctions monitoring committee that 'the single largest problem in the diamond mining sector is no longer diamonds produced by UNITA but illicit diamonds being smuggled on a large scale by other players, as mining areas held by UNITA are recaptured.'<sup>130</sup> 'Other players' in this statement include also units and generals of the Angolan army who are now said to be deeply involved in diamond mining themselves. Indeed, it has been suggested that attempts to introduce a centralised system of diamond certification in the country is 'a means for central political patrons to reduce the financial autonomy of military officers in the diamond fields'.<sup>131</sup> UNITA however retains a stockpile of diamonds. Although it is not clear what the value of these are, sources close to UNITA suggest that these are high value gems.

The available evidence suggests that the selling of UNITA diamonds has been a relatively sophisticated operation, which thoroughly masks the origins of the gems. Apart from small scale trade over the borders and direct trades for weapons, diamonds have been sold to small scale diamond cutters who are the agents of large cutting operations. Diamonds are moved via tax havens from the first to the second trader. 'This system', in the view of the UN sanctions committee, 'suggests that an agreement to supply diamonds is in operation.'<sup>132</sup> Once diamonds have been cut it is virtually impossible to trace their origin.<sup>133</sup>

Four key criteria enabled UNITA to procure weapons. First, as outlined above, the availability of significant purchasing power through access to alluvial diamonds. Second, the role of a number of

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<sup>128</sup> Philippe le Billion, 'Angola's Political Economy of War: the Role of Oil and Diamonds, 1975-2000', *African Affairs*, 100, 2001, pp. 67-68.

<sup>129</sup> Dietrich, *op. cit.*

<sup>130</sup> *Supplementary report of the Monitoring Mechanism on sanctions against Angola*, 12 October 2001, S/2001/1966, p. 29.

<sup>131</sup> Christian Dietrich, 'Have African-based Diamond Monopolies Been Effective', *Central Africa Minerals and Arms Research Bulletin*, Edition 2, International Peace Information Service, 18 June 2001 (the document has no page numbers).

<sup>132</sup> *Final Report of the Monitoring Mechanism on Angola Sanctions*, 21 December 2000, S/2000/1225, p. 44.

<sup>133</sup> Industry experts point out that the only time that the source of diamonds can be identified is when a relatively large number of uncut stones can be examined. Interview, Johannesburg, December 2001.

friendly countries, most notably Burkina Faso, in providing end user certificates for weapons being transited through their states en route to UNITA forces in Angola. Third, the willingness at the time of some arms exporting countries (notably as argued earlier, those in Eastern Europe) who while eager to close the deal and procure foreign exchange were not overly worried about in whose hand the weaponry would end up. Finally, the role of arms brokers, intermediaries and organised criminal groups (the middlemen of this study) in matching the requirements of the prospective buyers with willing sellers.

The patterns in which armaments were procured and brought into Angola at the time were similar to those already described for Sierra Leone. Brokers or middlemen (some profiles of which are explored below) would arrange for the supplies to be bought (often in exchange for rough diamonds) and then various air transport companies would fly the supplies to their final destination in Angola. Key to the arranging of supplies at the time were UNITA's own external offices around the world as well as long established contacts in South Africa. Flying the supplies into Angola often meant simply filing a flight plan for a nearby city of country, say Gaborone in Botswana if the flight was leaving from South Africa and then diverting course, changing altitude to avoid Angolan radar before returning in a similar way.<sup>134</sup>

In this way UNITA acquired significant amounts of conventional weaponry as well as small arms through some of the biggest arms deal the movement ever entered into. Much has now changed. While it is possible before 1999 to speak of UNITA controlled areas, the situation is now much more fluid, with no area of the country being seen as 'occupied' by UNITA. At this time, the towns of Andulo and Bailundo on the central highlands were at the centre of UNITA's command and logistical structure. When these towns were lost to the Angolan army in late 1999, there was considerable disruption of UNITA's supply network and its ability (although only temporarily) to communicate with various units in the field. The loss of Andulo was also significant in that this was the place in which diamond dealers would fly into the country to view and purchase diamonds from UNITA. The government offensive of 1999 also forced UNITA from some of the country's key diamond mining areas and thus reduced the extent of UNITA's ability to rely on diamonds as a source of revenue. But the return to guerrilla warfare has in turn reduced the requirement for some key commodities such as fuel, although this is still required to generate electricity and for limited motorised operations.<sup>135</sup>

UNITA's internal supply arrangements have changed markedly as its military position has weakened. In the period when its army resembled a conventional military force, supply was centrally controlled. As the actions of the Angolan army have dispersed UNITA military elements, and the movement itself has returned to guerrilla operations, so the supply chain has been significantly disrupted, and flows of supply into the Angolan hinterland have ceased. The onset of the rainy season during 2002 however should ensure that the UNITA headquarters group will have some opportunity to consolidate, providing some impetus to the organisation of supplies.

Interviews with individuals close to UNITA suggest that because of these reasons the market for selling weapons to the movement is now relatively small. This is partly because of the reorganisation of UNITA's military command and the fact that it now relies on a small core group of soldiers which can be easily supplied from current stocks. UNITA's current strategy of returning to the bush to fight a guerrilla campaign also means that few conventional weapons are required. The movement also now

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<sup>134</sup> Personal communication, pilot and air traffic controller, Johannesburg, December 2001.

<sup>135</sup> Interview, Abel Chivukuvuku, UNITA parliamentarian, Luanda, November 2001.

has fewer resources as it appears that they are no longer in control of the diamond areas. However it is possible that some gems are still smuggled out from the diamond mining areas. UNITA is also said to have stockpiled some diamonds, which are released onto the market to buy supplies when they are needed.

Such factors are probably to be much more important than the ongoing sanctions regime against UNITA in limiting the flow of supplies. In other words, the flow of supplies to UNITA has decreased not because of the effectiveness of finding out who is acting as the brokers for the various deals, but because the demand for supplies from the UNITA side has slacked off.<sup>136</sup> However, what is critical for UNITA currently is the provision of ammunition, food and medical supplies which are all in short supply. Ammunition in particular appears to be difficult to organise and distribute in the current security situation and with the corresponding dispersal of UNITA forces.

Despite critical shortages of some supplies, UNITA units in the field have over time developed other alternatives. Throughout the war significant quantities of war material has been captured from the Angolan army. In addition, Angolan army units are often isolated in the hinterland unpaid for months on end and with few sources of supply, and so there are consistent reports of elements of the two protagonists engaging in trade with one another, either through barter (diamonds for weapons and food) or through cash transactions. UNITA has also stored some weapons in arms caches for use in future and it is likely that such weapons are now being accessed. Finally, UNITA units, like their Angolan army counterparts, often live like simple bandits, taking what they find and if necessary at gunpoint. Humanitarian aid convoys are thus in great danger given the quantity of supplies they carry.<sup>137</sup>

UNITA's apparent new strategy of hit and run guerrilla attacks to remind both the government and the international community that they still exist, while at the same time making overtures for peace (albeit on their terms). This strategy require less supplies than the earlier period of semi-conventional warfare. The acquisition of supplies now relies on informal forms of cross-border commerce, internal trade, barter and acquisition from the Angolan army and the delivery from outside of key requirements such as medical supplies, which are in any event said to be in short supply.

To some extent that has reduced the role of intermediaries, or made their function more low key. The two sections below examine this aspect in more detail, first by tracing the role of some high profile middlemen active in the period when UNITA rearmed, who we have already encountered in the case study of Sierra Leone, and secondly, by examining the important role of supplies sourced from South Africa.

### *3.3.2. Familiar faces*

Tracing and getting details on the various individuals involved in supplying arms to UNITA is extraordinarily difficult. The section below provides some examples of South Africans who continue to support UNITA, but beyond these individuals, naming and profiling other middlemen is a challenging task, not least of which is because supply networks engaged in support of UNITA have shifted their operations underground. UNITA too has become much more careful about security and so

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<sup>136</sup> Interview, Jakkie Potgieter, Safer Africa, Pretoria, December 2001.

<sup>137</sup> UN security advisor, Luanda, November 2001. It should be emphasised that aid convoys are also in danger of being attacked by the regular army. What is generally required is payment to the appropriate general for the provision of 'protection'.

interviews with individuals close to UNITA has not provided significantly more details than that information on the South African supply network which is detailed below.<sup>138</sup> What is perhaps most remarkable about the cases of middlemen involved in deals with UNITA, is that they are in at least two prominent cases the same individuals involved with the RUF - Fred Rindel and Victor Bout.

The case of Rindel is interesting in itself, given that he has publicly denied involvement in supplying UNITA.<sup>139</sup> Despite this however interviews with law enforcement personnel in South Africa confirm that this is not the case and he has been instrumental in channelling some supplies to UNITA. Rindel, it will be recalled, also contained a reference to De Dekker Diamonds on his business card, and it is this company and the two brothers who run it, who Rindel appears to have concluded a series of arms for diamond deals with UNITA.

The UN panel of expert's report on violations of Security Council sanctions against UNITA identified two individuals, named Ronnie and Joe De Dekker who had been involved in arms for diamond deals with UNITA. Ronnie De Dekker was said to go under the name of 'Watson'. The two individuals would typically travel together to Andulo by Lear jet and 'once Watson had finished negotiating the arms component of the deal Joe De Dekker would sit together with UNITA's own diamond mining experts to assess and value the diamond packages that UNITA presented for payment'. These packages were generally to the value of about \$4-5 million. It is said that De Dekker would sometimes travel to Antwerp before concluding the deal, and argue for a lower price, suggesting that he could not get the price UNITA was proposing in Antwerp.<sup>140</sup>

The arms that Watson procured for UNITA included various types of light weapons, anti-aircraft guns and anti-tank weapons. These were largely bought in Eastern Europe. At one point Watson was also involved in bringing individuals to Angola to provide training to UNITA soldiers in the use of the SAM 16 missile system. By 1994 and 1995 Watson appeared to be experiencing some difficulty in accessing weaponry for UNITA and Savimbi apparently turned to other suppliers. Nevertheless UNITA continued to use Watson as a source of supplies at least until 1997, and perhaps thereafter.<sup>141</sup>

The final report of the monitoring mechanism on Angola sanctions however identified Watson as being no other than Fred Rindel. The report stated that in fact it had incorrectly identified De Dekker as Watson before hand (although the brother's were still involved in the arms deals) and Rindel was identified by UNITA members present at some of the encounters. The report clarified the transactions between UNITA and the brokers, saying that Savimbi himself gave the diamonds to Rindel, the De Dekker brothers evaluated their worth and Rindel would subsequently return with the money and necessary documents for the sale. The De Dekker brothers publicly admitted that the diamonds were sold to the De Beers buying offices in Antwerp and Tel Aviv.<sup>142</sup> Rindel, as was suggested earlier, is an ex-member of the South African Defence Force, who also served as a liaison officer to Savimbi during South Africa's period of support of UNITA.

These details, although significant gaps in the available information remain, suggest that operators like Rindel, have engaged in arms for diamonds deals in both Sierra Leone and Angola. While Rindel appears to have worked with only one side in each conflict (the RUF/Liberia and

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<sup>138</sup> Improved UNITA internal security precautions were mentioned by a number of individuals, Interviews, Johannesburg and Pretoria, November 2001.

<sup>139</sup> *Daily Mail & Guardian*, 11 October 2000.

<sup>140</sup> *Report of the UN Panel of Experts on Angola, op. cit.*, pp. 7-8.

<sup>141</sup> *Final report of the Monitoring Mechanism on Angola Sanctions, op. cit.*, p. 41.

<sup>142</sup> *Ibid.*

UNITA respectively) these resemble clear business arrangements aimed at accumulating profit, rather than any ideological commitment (although certainly Rindel's apparent association with Savimbi and UNITA may have smoothed the way) to either movement.

A second key individual which this study has already detailed for his provision of arms to Sierra Leone is Victor Bout. Bout, whose brief profile has already been given in the earlier section on Sierra Leone, is by all accounts a slippery character. South African law enforcement officials indicate that he has been recorded as travelling on at least five passports. Bout was first involved in supplying the militias who opposed the Taliban in Afghanistan with weapons, before allegedly arming the Hutu extremists who had earlier carried out the Rwanda genocide. He then relocated to South Africa, running a business which, say investigators, had twenty to forty planes at its disposal. As was noted earlier, this engaged in both legal and illegal activities. It is likely that living in Johannesburg brought him into contact with members of the South African supply network detailed below easing the way for business in Angola. After investigations by South African authorities intensified, Bout moved on, maintaining residence in a number of African capitals and in Sharjah in the United Arab Emirates (UAE) where his main business, Air Cess, is run from.

Air Cess itself has operated from a variety of locations. It was registered in Monrovia, Liberia, given Bout's connections to Charles Taylor and then operated from offices at Ostende airport from late 1996. These offices had previously been occupied by a company in which Bout had a half share. In addition, he ran a company involved in the transport of new and used cars from Western to Eastern Europe. When Belgium customs stepped up their activities at Ostende airport, the company was moved to the United Arab Emirates. By August 1997 Bout established Air Cess Swaziland and some of the aircraft registered in Liberia were registered in Swaziland. The company joined with a local operation, Air Pass, which had well established routes and connections across the southern African region. Irregular registration process and problems with the airworthiness of some of the aircraft resulted in the Swazi authorities de-registering Bout's company. At about the same time, Bout established other operations from the Central African Republic as well as a company in Kazakhstan. Bout now retains a network of companies registered in a variety of places, including the UAE, Equatorial Guinea, Central African Republic and Liberia. In reality however these are all just components of Bout's larger supply network, and they do not operate independently. For example, listed addresses and telephone numbers are all in the UAE.<sup>143</sup>

Bout has apparently also established (or at least have links to) a diamond cutting factory in Kigali, Rwanda, where he now seems to be based. Given that it is impossible to recognise the source of diamonds once they have been cut, this business may constitute an important way in which to remove any trace of the origins of diamonds that are obtained from conflict areas.

Like Rindel, Bout is a classic post-Cold War crimino-business operative. He has used past contacts from his days in the Soviet airforce to acquire planes and pilots to fly them, as well as forging connections (for example in South Africa and Liberia) which enable him greater opportunities for business deals. While his companies engage in illegal acts they retain a veneer of legality, engaging also in legitimate contracts.

Rindel and Bout thus stand at the centre of supply operations to both conflicts in Sierra Leone and Angola. It is no accident however that they have both used South Africa as a base, Rindel being a citizen of the country and Bout at one point running his company from Johannesburg. South Africa's

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<sup>143</sup> *Final report of the Monitoring Mechanism on Angolan Sanctions, op. cit.*, pp. 33-34.

comparative wealth and sophistication, as well as a history of association with UNITA, have made it a natural base from which to run supplies to the rebel movement in Angola. This factor, and some of the individuals involved, are explored in the following section.

### *3.3.3. The South African connection*

Given South Africa's support of UNITA during the apartheid era, there has remained some suspicion that supply networks to the movement continue. One independent study suggested recently that 'by far the largest number of companies or individuals involved in the transportation of weapons to Angola's rebel UNITA movement are based in South Africa'.<sup>144</sup> The panel of experts report on Angola also noted 'significant support to UNITA from individuals operating from South Africa'.<sup>145</sup> This is probably an accurate reflection of the reality (although supplies may be diverted through other countries) and the current situation merits some consideration.

The Angolan government have also long held South Africa under suspicion, not only because of past efforts at supporting UNITA, but because the post-apartheid government appears to have done little to stop these activities (although this has changed more recently) and continue to show sympathy for Savimbi, apparently allowing him to visit South Africa for discussions and consistently calling for a negotiated settlement to the conflict, something that is anathema to the Luanda government.<sup>146</sup>

Support to UNITA from South Africa is interesting also in that at least for some of the individuals involved, some ideological commitment to the movement remains. This of course does not apply in all cases, but it appears to be a stronger element than elsewhere.

Information on supply routes from South Africa is difficult to come by and the actual process of supplying UNITA takes different form, some of which involve legitimate South African companies without their knowledge. It should be noted however that the nature and extent of supply networks following the various UN sanctions reports has gone underground and are difficult to trace. One consequence is that they are more susceptible to criminal influence, given that such individuals and networks have more experience operating underground or often they only ones able to get the task done under current conditions.

The information that follows is drawn from interviews with various law enforcement officials and on at least two occasions with some of the participants themselves. Given that all in all the cases outlined above, investigations are ongoing the names of those involved have not been used.

Before considering some concrete examples, it is first worth trying to classify the forms of support which emanate from South Africa to UNITA. The first category would be the provision of military and political advice to UNITA. This would take place almost exclusively through old South African Defence Force contacts and while it did occur on a number of levels up until the mid-1990s, does not appear to be widespread currently. The second category of support would be the classic role of broker or middleman. Supplies are organised from South Africa, and then transported to Angola. The broker in South Africa almost certainly does not see the supplies but ensures that the necessary arrangements are in place. This is said to continue as will be illustrated below, but on a limited scale. The third category of supplies are those that are provided without the knowledge of the producer. Given that the South African economy produces a wide variety of materials and products which are

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<sup>144</sup> A Venter, 'Arms pour into Africa', *New African*, January 1999.

<sup>145</sup> *Report of the UN Panel of Experts on Angola, op. cit.*, p. 10.

<sup>146</sup> These issues were constantly raised in interviews in Angola.

exported across the region it is not difficult to see how this occurs. In the case of foodstuffs or equipment like batteries an order is imply placed from Zambia, the product delivered there, and then later trucked across the border to supply UNITA. The battery manufacturer would be unaware of the final destination of the product and he would simply arrange for transport to a company in Zambia (the next section considers the position in Zambia in greater detail).<sup>147</sup>

Something should be said here about old ideological sympathies to UNITA. In a number of cases those that are involved are ex-South African Defence Force Officers with close association to UNITA. For example, as in the case of Rindel they served as liaison officers with the movement when they were receiving official support from the South African government. These cases in particular suggest at least a mixed motive for the involvement in supporting UNITA. While the provision of weapons now appears to be done by only those seeking profit, the provision of military and strategic advice (which we have already noted is not common anymore) and the supply of foodstuffs and medicines may involve some of these networks, which do not engage in the business for profit, but out of residual support and respect for UNITA and particularly Savimbi.<sup>148</sup>

In a discussion on South African involvement to UNITA it should be stated at the outset that it is now relatively rare for it to occur in the open and indeed interviews suggested that most people, fearing poor publicity, had in fact stopped their activities. On a number of occasions however individuals who had earlier stated that they were no longer found to be involved, were found to have continued their operations. Some of the individuals and the routes into Angola used are outlined below.

The first case is a classic illustration of how weapons are traded for diamonds, which are then sold on the international market. Suspect A, a South African citizen, is involved in the transfer of ammunition and more sophisticated weaponry to UNITA. Suspect A has historical relations with UNITA and has links with some of the movement's senior commanders. He has worked in the past with well known members of Russian organised crime groups and this is apparently one route in which weapons and ammunition is accessed from the countries of the former East Bloc. Suspect A has purchased an aircraft which is used for the transfer of weaponry and the collection of rough diamonds. Along with another individual Suspect A has established a jewellery company which is used to absorb some of the diamonds smuggled out of Angola. Another company (registered in the Marshall Islands) is used to transfer the diamonds obtained for sale in Israel.

Company B is a law firm based in Pretoria. They operate in conjunction with a contact at a former East Bloc Embassy in Pretoria and are responsible for brokering deals between weapons suppliers in the former Soviet Union and UNITA. The law firm is then said to handle the dispatch and transportation of the products required by UNITA.

While not named in the UN reports on sanctions busting to UNITA, several sources have implicated Ters Ehlers, a former senior member of the South African Navy, who later served as private secretary to then President PW Botha. Having held senior positions within the old South African government, including a liaison job with UNITA and various intelligence connections, he now arranges for various supplies to reach the movement. These are apparently flown from South Africa using a local air company (which used to be owned by the state but has since been privatised) to Zambia or directly into Angola. Ehlers who is based in Pretoria is no stranger to arms deals. He was

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<sup>147</sup> I am indebted to Jakkie Potgieter at Safer Africa for this categorisation. Interview, Pretoria, December 2001.

<sup>148</sup> Interview former SADF officer who knows some of the individuals involved, Pretoria, December 2001.

implicated in rearming the Rwanda's defeated Hutu-led forces who had been responsible for the genocide in the country.<sup>149</sup> An air company Yurand Air, operating from South Africa and responsible for arms deliveries to UNITA, while owned by a Russian citizen, Iouri Sidirov, is linked to Ehlers. Some of the company's planes were grounded in Namibia after accusations that they were running guns to UNITA.<sup>150</sup>

Interviews suggest that the case of Suspects A, Company B and Ehlers (although it is not clear what is his current involvement) are now relatively unique, in that they risk the adverse publicity that may come from being exposed in supplying weapons and ammunition to UNITA. Other suppliers are much more careful and have confined their operations only to food and medical supplies. An example is Suspect D, a former member of the SADF, who also acted as a liaison officer to UNITA during South Africa's support of the movement is said to act with an ex-American intelligence official in providing medical supplies and in a limited number of cases selected weaponry.

The UN Angolan Panel of Experts Report also identified another South African, who had been operating from Namibia, and engaging in commercial trade with UNITA, providing uniforms, clothing, food, medical supplies and motor vehicles in exchange for diamonds. The case is interesting in that it suggests again not only the importance of old allegiances in determining the make-up of the supply network, but also its level of sophistication. Johannes Parreira is a white Angolan of Portuguese descent, who later acquired by Namibian and South African citizenship. Parreira was apparently at some point a member of the South African Defence Force, and it is likely that in this period, given that he presumably speaks Portuguese, was in contact with UNITA on behalf of the South African army.

Parreira had in fact been arrested by the Angolan authorities in 1998 when the Angolan airforce intercepted a plane carrying him and other South Africans allegedly on a supply mission to UNITA in southern Angola. The pilot of plane admitted at a press conference of having flown around 300 supply flights into Angola.<sup>151</sup> Parreira subsequently escaped from custody but apparently continued his work. He later ran trouble again, this time with the Namibian authorities, for being in possession of 'high powered communications equipment, installed in both his residence and on his private vehicles', allegedly used for communicating with UNITA.<sup>152</sup> After the release of the UN sanctions report, and subsequent investigations initiated by the Namibian authorities, Parreira disappeared.

Apart individuals like Parreira, ex-members of 32 Battalion, a South African army unit made up of Angolans who saw extensive action in the Angolan war when South Africa was involved, are said to trade actively with UNITA. These individuals, part of an elite reconnaissance outfit within the battalion, supply both UNITA and rebel factions within the Democratic Republic of Congo with foodstuffs and war material. This trade however is not confined to UNITA and, given their Angolan contacts, some of the supplies go through to Angolan army units or others who can pay.

Originally Lanseria airport near Johannesburg was used as a key jump-off point for supplies to central Angola. More recently, Mafikeng airport in South Africa's North-West province and on the border with Botswana is used. This shift is largely because of better security checks initiated at Lanseria and the fact that there is less attention focussed on goods leaving Mafikeng. While border

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<sup>149</sup> *Mail & Guardian*, 2 June 1995.

<sup>150</sup> Venter, *op. cit.*

<sup>151</sup> *Angola News Online* (9) - 2/4/98, p. 1.

<sup>152</sup> Letter dated 27 July 2000 from the Permanent Representative of Namibia to the United Nations addressed to the President of the Security Council, S/2000/752.

controls at some airports have been strengthened and the number of airports with international flights curtailed, there remain significant challenges to control South Africa's border.<sup>153</sup> Much of the supply that now leaves South Africa destined for UNITA will transit through Zambia, which has become the key conduit for supplies.

Given South Africa's comparative wealth, the country is the source of wide variety of both licit and illicit goods for the region and Angola is no exception to this network of trade. The war in Angola has created a huge demand for black market goods, including anything from food and motor vehicles to toilet paper. Illicit goods are moved largely in the same way as licit goods, by ship from Cape Town to Luanda or driven through Namibia for entry into southern Angola. Stolen and hijacked cars (which is a fast growing trade) and goods are trafficked north to Angola, while people and illegal narcotics are moved south. Luanda has become a key point of entry for illegal narcotics, mostly cocaine entering from South America, into southern Africa.<sup>154</sup> It is conceivable, although the author could find no documented case, that weapons are swapped for illegal narcotics. Cases do exist of a barter trade in stolen and hijacked cars from South Africa and illegal narcotics bound for South Africa.

Kimberly in South Africa is now suspected of being 'a key laundering point' for diamonds brought from Angola and the South African Diamond Board has set up a special office in the city to monitor the trade. A prominent right wing activists, and former member of a secretive police unit aimed at disrupting anti-apartheid organisations, was arrested recently with a significant quantity of conflict diamonds. The involvement of this individual suggests a wider network of ex-apartheid operatives may be involved in marketing or transiting conflict diamonds through South Africa.<sup>155</sup> Such individuals are also involved in such activities as prostitution, drug smuggling and car theft rings. The use of South Africa as a convenient marketing point for the sale of diamonds was also noted by the UN Angolan sanctions committee.<sup>156</sup>

This review of South African support to UNITA suggests that both profit motives and some sympathy for UNITA play a part in keeping the supply network active. A number of key individuals, who like Fred Rindel held liaison positions with UNITA, continue to maintain links with the organisation, including the provision of supplies. Other supply networks, as in the case of Suspect A, operate much more closely with the criminal underworld to source arms from manufacturers within the former Soviet Union. While in at least one case (Suspect A) the connection between supplies and the diamond business was clear, this appears much less so in the other cases. What is less well known, and probably of considerable importance, are the informal networks of both licit and illicit trade, that connect South Africa and Angola. While these are difficult to trace as not much is currently known about the criminal networks which operate them, it is clear that goods traded in this way reach UNITA elements in the Angolan bush. Given closer scrutiny of the formalised system of supplies as well as UNITA's return to guerrilla warfare (resulting in effect in a reduction in the demand for war material), such informal low level trading networks may now be the most important sources of supply to the movement.

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<sup>153</sup> Etienne Hennop, Clare Jefferson and Andrew Mclean, *The Challenge to Control: South Africa's Borders and Borderline*, Institute for Security Studies, Pretoria, Monograph No 57, July 2001.

<sup>154</sup> Mark Shaw, 'Crime is business, Business is crime: West African criminal networks in southern Africa', unpublished paper, South African Institute of International Affairs, July 2001.

<sup>155</sup> *Mail & Guardian*, 7-13 December 2001.

<sup>156</sup> *Final Report of the Monitoring Mechanism on Angolan Sanctions, op. cit.*, pp. 45-46.

### 3.3.4. *Supplies through and from surrounding states*

The role of surrounding states in supplying UNITA has changed as a result of both internal military pressure on the movement as well as changing conditions within the surrounding states themselves. The ongoing Angolan war however is having an important impact on the nature of criminal networks in two states in particular - Namibia and Zambia.

While Mobutu was still in power in then Zaire, UNITA could rely on the safe delivery of supplies over the border. Given that this border is largely porous and there is relatively free movement across it, individuals and UNITA units could cross freely.<sup>157</sup> The fall of Mobutu and ongoing civil war in the now renamed Democratic Republic of Congo however meant that this supply chain was cut. Nevertheless, the DRC still serves as an important point for the laundering of diamonds mined both in UNITA areas as well as by independent diggers. Approximately 20 percent of the stones seen in Kinshasha and Tshikapa are said to be from Angola.<sup>158</sup> The capture of most mining areas by the Angolan army has probably reduced the trade in UNITA diamonds, although not necessarily changed the volume of Angolan diamonds being sold in the DRC. Intervention by Angolan army units in the DRC civil war were designed however to eliminate the country as a rear support base for UNITA have significantly reduced the cross-border trade, although probably not ended it.

The bulk of the trade in illicit supplies is now said to be through Zambia. There are two important dimensions to this cross-border trade. On one level bulk supplies are arranged in South Africa (without, as we have seen, the company delivering necessarily knowing the final destination of the goods), and then transited through Zambia to Angola. This includes a range of supplies, including ammunition, medical supplies, food and fuel. Personal observations by one analyst who had spent time watching the road from Lusaka through to the border with Angola suggests that at its peak the transfer of supplies has been quite extensive. He for example spoke of a convoy of trucks, although reasonably well spaced, travelling towards the border.<sup>159</sup>

This trade is said to be linked closely to senior government officials in Zambia. Their motive for engaging in these activities are both the desire for profit as well as historical and family links. While the trade through Zambia has increased as UNITA has come under more military pressure, forcing a retreat of some elements to the Zambian border, the provision of such cross-border supplies is by no means new. Attempts to establish more details on the trade in Zambia itself were not fruitful. While most observers and commentators were aware of the ongoing transfer of supplies, few had a clear idea (or perhaps knew, but were unwilling to say) of its extent and how it occurred.<sup>160</sup>

A key commodity allegedly supplies to UNITA from Zambia is fuel. While UNITA has in the past both stockpiled fuel supplies and sourced it internally (it is said that UNITA units have bought fuel from the Angolan army itself), the key source was over the border from Zaire. With the overthrow of the Mobutu regime in Kinshasha however alternatives sources of supplies were sought. There are extensive reports of the commercial smuggling of fuel over the Zambian border, as well as continued

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<sup>157</sup> Interview, diamond mine manager who has worked in the area, Johannesburg, November 2001.

<sup>158</sup> *Supplementary report of the Monitoring Mechanism on Sanctions against UNITA*, 21 October 2001, S/2001/966, p. 34.

<sup>159</sup> Interview, Jakkie Potgieter, Safer Africa, Pretoria, November 2001.

<sup>160</sup> Interviews, Lusaka, November 2001. Officials of the Zambian government responsible for investigations into the problem refused an interview with the author.

smuggling across the border with the DRC.<sup>161</sup> Fuel has also been smuggled for commercial gain over the border with Namibia to UNITA elements in southern Angola.

On another level trade across the border is common amongst various local communities who live in the area. Many, while they may not speak both English and Portuguese, have a local dialect in common. Trade has also occurred across the border historically and many people commute from one country to the other regularly, without going through any official border controls. This trade is however relatively small scale, largely involving the provision of food, although other more valuable items such as petroleum products have also been known to be sold. Locals are paid in cash or diamonds.<sup>162</sup>

While the Angolans retain a relatively strong presence in the border area, six diplomats tasked ostensibly with trade and cultural matters, the border is long and the region has few roads to provide easy access to most border areas. Ongoing allegations of supplies moving from Zambia to UNITA combined with incursions from the Angolan army over the border on 'follow-up operations' have soured relations. Both countries have now attempted to downplay the problem and despite the recent kidnapping and then abduction of groups of Zambians by the Angolan army in late 2001, the response of the Zambian government was surprisingly muted.<sup>163</sup>

The available evidence suggests that Zambia is now a key diamond smuggling route from Angola. Government representatives told the UN sanctions committee that no diamonds had been exported from Zambia officially since the end of 1998, and that any documentation suggesting this was the case, must have been forged. In contrast, from February to May 2001, the Belgium government recorded diamond exports from Zambia over 20 times more valuable (at \$13.3 million) than Zambia's entire official recorded diamond exports from 1995 to 1998. The diamonds in question were high quality gems not the industrial quality diamonds generally found in Zambia.<sup>164</sup>

This flow of goods and the payment in return for diamonds from UNITA has had some impact on criminal networks within Zambia itself. There are (as yet unproven) allegations that part of the border barter trade includes drugs, in exchange for other commodities and senior political figures in Zambia have been implicated in various drug related scandals. These claims are probably exaggerated and the quantity of illegal narcotics relatively small, but the existence of at least some cross-border traffic seems possible. The availability of diamonds from over the border, which are then sold into the official system, have had a corrosive impact on high political life. Senior government ministers have been implicated in the trade and this, combined with ongoing allegations of official corruption, suggest that at least for some illicit business dealings with UNITA are as profitable (if not more so) than ordinary legal commercial activity.

Such problems are not confined to Zambia however. Namibia too has developed a network of increasingly powerful individuals who have benefited from illicit trade over the border into Zambia. The Namibian problem takes on a different form however given that its government is supportive of the MPLA in Luanda and decries efforts to support Savimbi. Nevertheless the war has ensured a thriving border trade into southern Angola and increased opportunities for criminal activity.

Key to this illicit trade is that the shortest route for the movement of goods to or from South Africa is through Namibia and so the country serves as an important transit route. The town of Rundu,

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<sup>161</sup> Interviews, Lusaka, November 2001. *Report of the UN Panel of Experts on Angola, op. cit.*, pp. 16-19.

<sup>162</sup> Interview, UNHCR senior official, Lusaka, November 2001.

<sup>163</sup> Interview, foreign correspondent, Lusaka, November, 2001.

<sup>164</sup> *Supplementary report on the Monitoring Mechanism on Sanctions against UNITA, op. cit.*, p. 42.

directly on Namibia's northern border, is increasingly an important transit point for goods and people. The border town of Rundu is now increasingly used as police activity in both Botswana and South Africa, have made the more direct route from South Africa into Angola more tenuous. Previously, although it is still an important transit town, Francistown on the Botswana Zimbabwe border has been an important staging post for the delivery of illicit goods from South Africa into southern Angola. Thus, this route is said to be now used for the transfer of stolen motor vehicles from South Africa, which are then transited through Namibia into Angola. The small town of Springbok in the northern part of the Northern Cape province of South Africa has also developed into something of a transit route for goods heading to and from Cape Town.

There is said to be a flourishing trade in and around Rundu, while this sometimes involves rhino horns, ivory or diamonds, the currency of exchange in the border area is US dollars. Some barter trade does however occur, and it has been known for stolen cars to be exchanged for illicit drugs brought from Luanda (which is used as a transit point from Brazil to South Africa) on route to Cape Town or Johannesburg.

On the other side of the border, the small town of Calai in Angola serves as an important trading post for both licit and illicit goods. Traders and those interested in buying goods (including presumably individuals with affiliations to UNITA) come to Calai to conclude deals and acquire supplies. Illicit traders who use this route (those interviewed were ex-32 Battalion soldier whose activities were documented above), suggest that there are a number of game parks along the border in the region of Rundu. These are run by ex-SADF members with historically close links to UNITA and that there has been an active trade in a variety of supplies. It is also said that weapons have been trucked from South Africa through Namibia into southern Angola using this route. The route through Rundu is also now used by refugees escaping the war and poor economic conditions of Angola. These people travel through Rundu on their way to Windhoek where there is a large Angolan population.

Opuwa, another town further to the west, while not directly on the border with Angola, also serves as a transit town, although the road on the Angolan side of the border is less well developed, goods such as ivory and small arms have been known to transit through the town. This settlement, a recent visitor wrote has 'a wild untamed air. Rumours of ivory smuggling abound and its no town for the nervous or those uncomfortable with lawlessness'.<sup>165</sup>

Apart from this more informal cross-border trade, some aspects appear to be more highly organised and allegedly involve (although at a distance) senior members of the Namibian government through their directorships of companies involved in the illicit trade.<sup>166</sup> There is evidence that a senior and well known Portuguese businessman, the Mr T mentioned earlier in the report, involved in both legal and illegal operations in Namibia and South Africa is engaged in smuggling diamonds over the border from Angola, and laundering them through diamond mining operations in northern Namibia. The same individual is linked to a variety of other criminal activity, including money laundering and

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<sup>165</sup> 'Once there was war', *Diversions*, February 2001, p. 51.

<sup>166</sup> Officials of the Namibian government are also said to be engaged in the diamond trade in the DRC where Namibian troops have been deployed. A small number of troops now remain behind to protect these commercial interests. See *Addendum to the report of the Panel of Experts on the Illegal Exploitation of the Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo*, 13 November 2001, S/2001/1072, pp. 18-19.

car hijacking in South Africa. Ownership of a series of trucking and transport companies has provided the means in which illicit goods are moved.<sup>167</sup>

These details, while not providing a comprehensive picture of illicit trade which benefits UNITA in the border regions of Zambia and Namibia, do however allow the drawing of some conclusions. The first is that these regions themselves, given the porous nature of the borders and that communities have ethnic or communal links on the either side, have historically been sites of cross-border commercial activity. The war in Angola, along with that country's diamond wealth, has significantly increased the demand for black market goods and provided the means to pay for them. Thus, local and largely illicit cross-border trade has flourished. While this generally does not provide significant resources, such as fuel or conventional arms it may constitute an important form of subsistence for UNITA troops in the border regions. Some of these resources may be transferred further into the interior of Angola to support other groups of UNITA fighters. It is certainly true however that at a higher level there are more organised forms of illicit trade occurring. While this is clearer in the case of UNITA, where ongoing evidence suggests the collusion of high level government officials in supplying the rebel movement for profit, the role of criminal networks in the transfer of illicit goods from South Africa should not be discounted as important sources of supply.

### 3.3.5. Arms procurement for the Angolan government

While the above sections have provided a focus on illicit commercial networks which supply UNITA, as in the case of Sierra Leone, some attention should also be paid to how the Angolan government have procured armaments. Again, and as in Sierra Leone, key intermediaries operating on the borders of legality are central to this process as is the characteristic of the cash strapped government (although in Angola the government's wealth, given oil resources, is on a different level to that of Sierra Leone) bargaining the country's future resource wealth for arms.

As argued earlier, the availability of oil to the Angolan government has provided a ready resource to fund the war. While arms purchases have been made to fight UNITA, many such purchases have also contributed to the personal profit of senior military and political figures. 'If the war stops', commented one Western intelligence officer, 'they loose their profit'. On average during the period 1996 to 1999, 18 percent of the country's GDP, or on average \$1.2 billion a year, was devoted to defence and security expenditure.<sup>168</sup> This was almost exclusively funded through oil revenues. Arms procurement has continued with several major transaction being concluded during the course of 2001.<sup>169</sup> Three mechanism have been used to fund military purchases in this period.

The first is directly using oil revenues to buy military equipment. Signature bonuses, once off payments allowing oil companies to explore in defined blocks off the coast, have been used for this purpose. A variety of arms brokers have been used to procure the necessary equipment, but most purchases have been made from the Russian Federation and other countries in the former East Bloc. While difficult to document, it can be said with a fair degree of certainty that most of these purchases involved significant kick-backs for those involved. Smaller equipment has often been bought with

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<sup>167</sup> The author received a variety of evidence around these criminal operations, the majority of which is too sensitive to publish or could not be confirmed at the time of writing.

<sup>168</sup> Hodges, *op. cit.*, p. 138.

<sup>169</sup> Human Rights Watch, 'Recent Arms Flows to the Angolan Government', *The Oil Diagnostic in Angola: An Update*, March 2001.

cash and so a cut is retained for the purchaser.<sup>170</sup> In one arms transaction, the third secretary in the Angolan embassy in Paris received an alleged \$18 million in cash as a commission. At the time he argued to the sellers that the payments to him were not corruption, but due to ‘operational logic over there in Angola’.<sup>171</sup>

The second process involves the granting of equity stakes in the ultra-deep water oil exploration blocks to small companies with links to the arms markets, even though they have little experience in such work. One company with a 20 percent stake in Block 32, Prodev, and two companies with 10 percent and 5 percent stakes in Block 33, Falcon Oil and Naptha, had links to arms trading.<sup>172</sup> Such deals are often complex and it may be difficult to link an transaction with the granting of the oil exploration concessions.<sup>173</sup>

The third process in which arms are acquired is through oil backed loans . This is a particularly controversial process as it effectively mortgaged the future wealth of the country to acquire arms. Angola’s external debt was relatively small until the mid-1980s when it grew rapidly until the mid-1990s, reaching \$11 billion by 1995. This was the result of large loans negotiated with the former Soviet Union largely for the supply of military equipment. Over time the government fell into arrears in paying back its accumulated debts and entered into a series of rescheduling agreements. While Russia has subsequently written off important proportions of these debts, Angola has been unable to negotiate further debt restructuring agreements.<sup>174</sup>

With a significant proportion of available revenues (see page 12) is used to finance the debt burden, and so in order to access further capital to purchase arms, the government has been forced to provide collateral in the shape of future oil production. The loans have largely been negotiated through the state oil company SONANGOL, given that it has a much better credit record than that of the government.<sup>175</sup> Even so the country’s poor credit rating has ensured that the terms and conditions for the loans are not favourable. Generally they have short periods of maturity and very high interest rates. These oil backed loans have been by far the most important mechanism in which to provide finance for arms supplies throughout the last decade.

The implications in the longer term for the country are however onerous. Even should the war end, the state, despite massive post-war development challenges, will be saddled with significant debts. By the late 1990s, almost half the oil revenue available to SONANGOL was committed to the service of oil guaranteed loans.<sup>176</sup> By the end of 1999, the IMF estimated that oil-backed loans comprised 33 percent of Angola’s \$8.78 billion debt. Generally the loans have been obtained in a non-transparent way (see the example below) and they have by-passed the central bank. While it is

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<sup>170</sup> A South African businessman selling satellite phones to the Angolan army, for example, told the author that Angolan generals would arrive in Johannesburg with a briefcase full of cash and that a proportion of the price would be paid in commission to the purchasers themselves. Invoices (when these were even required) would be changed accordingly. Personal communication, Johannesburg, November 2001.

<sup>171</sup> Global Witness presentation on ‘Do transnational businesses aggravate conflict? Can they be regulated?’, <http://wwwodi.uk/speeches/autumn2001/Hayman/sld001.htm>

<sup>172</sup> Hodges, *op. cit.*, p. 139. The figures are drawn from Global Witness, *A Crude Awakening: The Role of Oil and Banking Industries in Angola’s Civil War and the Plunder of State Assets*, 1999.

<sup>173</sup> Interview, Western diplomat, Luanda, November 2001.

<sup>174</sup> Hodges, *op. cit.*, pp. 140-141. Interviews, Luanda, November 2001.

<sup>175</sup> Interview, oil company executive with extensive interests in Angola, Johannesburg, June 2001.

<sup>176</sup> Hodges, *op. cit.*, p. 142.

surmised that the majority of money was spent on military supplies, the government has seldom adequately disclosed on what the money has been spent.<sup>177</sup>

Surprisingly little information, in contrast to that on UNITA, is available on the ongoing purchases of arms by the Angolan government. Those shipments of weapons that are publicly exposed are generally because the contents of cargoes have been labelled as non-military items (for example, agricultural equipment) and then customs and police searches discover the real nature of the cargo.<sup>178</sup> One better documented case (although even here not all the facts are present) is the saga of the Angolagate scandal in France, rivalling the Sierra Leone Sandline affair in Britain.

Angolagate involved a series of complicated oil for arms deals which included, among other issues, the negotiating of a bank loan using future oil production as collateral. Pierre Falcone (of Falcone Oil mentioned above) and his partner a Israeli-Russian businessman, Arkady Gaydamak, arranged, between 1993 and 1997, a supply of Russian made weapons which were financed through a French bank. Given that a weapons embargo still applied to Angola in France, and the financial support of a French bank was used, permission should first have been sought. This is not to say of course that their was not official complicity in the deal, with the investigation implicating the country's former interior minister and Jean-Christophe Mitterand, the son of the late French president, the latter who among other things apparently set up the bank loan arrangements.<sup>179</sup> Other links in the case are also of interest. Gaydamak is a business partner in Africa-Israel investments, whose owner Lev Leviev has secured an exclusive diamond buying and marketing rights in a joint venture with the Angolan government. Sources within the diamond industry however link the winning of the concession, and the ousting of De Beers, to Gaydamak and Leviev's involvement in procuring arms for the Angolan government.<sup>180</sup> That has in particularly incensed De Beers, whose original rights in Angola were rescinded to make way for the new deal. Even in the world of diamond mining and dealing Leviev is seen as a particularly hard operator.<sup>181</sup> It was Gaydamak who was apparently important, given his contacts in the Angolan government, in securing the deal.<sup>182</sup>

This short review illustrates how on the government side the process of military supply is mired in complex financial dealings, seldom meeting the requirements of transparency and accountability which benefit senior figures in the Angolan state, but not the Angolan people. Again, the role of particular middlemen have been identified, and in these cases business dealing in Angola are often a complex inter-mix between various sectors (arms, oil and diamonds) where an advantage in one area implies obligations in another.

Having examined the cases of Sierra Leone and Angola in some detail, the final section of the paper attempts to draw some common features and conclusions about supply networks to the two conflicts. Before concluding, a short examination of the implication of this analysis for the trade in conflict diamonds is provided.

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<sup>177</sup> Human Rights Watch, 'Oil Mortgaging', *The Oil Diagnostic in Angola: An Update*, March 2001.

<sup>178</sup> Human Rights Watch, 'Recent arms flows to the Angolan government', *op. cit.*

<sup>179</sup> While the scandal was covered in great detail in the French media, it received comparatively little coverage in the English speaking world. The best summaries are to be found in 'Winners and losers in Angolagate', *Africa Confidential*, Vol 43, No 3, 9 February 2001; and, 'The Angolagate scandal', *African Business*, May 2001.

<sup>180</sup> Interview, company intelligence officer, Johannesburg, December 2001. Also, Dietrich, *op. cit.*, 2001.

<sup>181</sup> Interview, owner and manger of small diamond company owner, Johannesburg, January 2002.

<sup>182</sup> *Financial Times*, 11 July 2001.

### **3.4. Understanding war supply networks in Sierra Leone and Angola**

The review of how the wars in Sierra Leone and Angola have been supplied suggest a number of important characteristics about the networks engaged in this activity. Ten important factors can be identified from the case studies in question. While they are drawn from the experience of Sierra Leone and Angola they are likely to be replicable in the case of other African resource based conflicts such as the war in the Democratic Republic of Congo.

1. Perhaps the most fundamental and obvious characteristic of supply networks is that they are driven primarily by profit. Individuals who have acted as brokers, interlocutors or middlemen are engaged in war supply because they can make money from it. One result of this motive has been how financial interest has blurred the distinctions between the world of ordinary business activity, criminal operations and the role of the state.
2. While profit remains a key motive, old allegiances and networks are central to who is involved and therefore the makeup of the supply networks under consideration. This is the reason, among others, that individuals from similar backgrounds and countries - for example, South Africa, Ukraine, Israel to name the most prominent - appear regularly through this account. One partial exception is that at least some support which originates in South Africa, and to a much lesser extent in Zambia relies on old allegiances between UNITA and the South African military. In almost every case of South African involvement, the middleman has been an ex-military officer with exposure to UNITA and often to Savimbi himself.
3. A key characteristic of these supply networks in respect of weaponry, and that includes in particular the role and motivations of individuals involved from the countries of the former Soviet Union and Eastern Europe, is that the market for armaments and military equipment for African conflicts are supply as well as demand driven. The stockpiles of weapons and the desire to earn foreign exchange in cash strapped financial circumstances have ensured that countries are eager to dispense with their ageing military hardware. At least part of the driving forces for these wars (and the scale that they have taken) is the failure to adequately dispose of the weapons of the former Soviet Bloc and to provide alternatives for the industries engaged in these activities.
4. In almost all cases the nature of the supply network and its engagements with the buyers extended beyond just military equipment and supplies in exchange for cash. Guns and supplies were exchanged for mineral concessions or for future advantage. This factor greatly increases the difficulty of analysing what individual middlemen deliver on a 'transaction' by 'transaction' basis, precisely because the nature of the phenomenon is to produce a complex web of interests, some of them visible, other unstated and not written down. Supplying the wars may have created obligations, for example, which have not yet been called to account and whose implications are as yet unknown.
5. On the available evidence it is likely that those who constitute the pinnacle of the supply networks are a comparatively small number of individuals, many of whom have been named in this report. Perhaps most significant in this respect is that some of the same individuals were instrumental in supplying both the conflicts in Sierra Leone and Angola, and/or worked with both sets of protagonists in each case. Interviews suggest that far from operating in isolation these individuals often know or have even worked with one another. The nature of

the supply networks is however not built as has been argued on trust but on the accumulation of profit, so that alliances built around particular transactions fall away and are replaced by another. Often the response in interviews to a question about the relationship between different people would be answered by saying something to the effect: 'Yes, Shefer and Rindel used to work together but they have had a falling out.'

6. Important in understanding how supply networks have operated in respect of Sierra Leone and Angola is to recognise that the commercial arrangements involved included the use of both licit and illicit business. Thus, some of the individuals run companies (although the turnover of company registrations seems high), largely in the transport or minerals sectors which do engage in ordinary business but also in illicit activity. It is difficult on current evidence to estimate what the average proportion of illicit to licit activity would be, but in most cases investigators suggest, at least in the transport sector, that illicit business appear to be the primary function. One key determinant of whether transport companies in the trucking sector were engaged in illicit business, one investigator suggested, was that the price for doing the work was well below market average, because all the day to day illicit operations constituted the bulk of the company's profits.
7. A key characteristics of the supply networks is that the protagonists on the ground feed off opposing networks of supply. In both conflicts we noted evidence of barter between the opposing forces and, particularly in the case of the two rebel movements, the use of captured material. This factor should not be underestimated. Much of the attention of the international community, particularly through the policy of naming and shaming adopted in the UN reports, has been to identify clear chains of supply with the naming of the various interlocutors involved. A brief survey of the conflicts however suggest that a significant source of supply for both the RUF and UNITA has been the opposing government forces themselves.
8. The study has also sought to identify different levels of supply. Apart from focussing on the more sophisticated networks involved in flying or shipping in various equipment, attention should also be placed on more informal networks of supply. These can be identified in cross-border illicit trade in which communities which live in border regions or straddle the borders themselves have engaged in. War however, and the supply needs of the rebel armies in particular, have ensured a healthy market for even the most basic foodstuff. This has fuelled some of the cross-border trade or changed the commodities (for example, introducing drugs or small arms) which are sold or bartered.
9. Substantial evidence now exists of the interface between the war supply networks in Sierra Leone and Angola and 'pure' criminal activity, organisations and networks. While we have already noted that there is a cross over between licit and illicit business, the interface between the supply networks and activities such as the trafficking of illegal narcotics and the transport of stolen cars should also be noted. Some of these activities however are difficult to discern from interviews and available material, but the wide scale presence of drugs such as cocaine in Sierra Leone and increasingly in Angola suggest that this interface, while not very visible, should not be easily discounted. It is possible too that the increased focus of the international committee on the supply networks have forced them to shift even more underground, criminalising them further. Profits made from the smuggling of illegal narcotics can be laundered by buying diamonds, and stolen goods such as cars (in Angola four wheel drives) can be exchanged for weapons. It is perhaps these networks, focussed more on criminal

opportunity than ensuring the supply of the combatants, that will outlast the conflicts themselves. There should be no surprise that when they are exposed they involve many of the same individuals who were central to the conflict supply networks.

10. One last and important characteristic should be pointed to - the role of state actors. While the debate and literature around resource conflicts often tend to de-emphasise the role of state actors, given that the protagonists no longer have superpower backers and rely on local resource to fund their war efforts, the role of states, or at least key individuals within them, is central to understanding networks of supply. This will increase as the international sanctions regime seeks to create clearer paper trails for the transfer of war making equipment and supplies. The role of state within the supply networks can essentially be categorised into three. First, those countries which supply equipment essential to sustaining a war effort, in some cases this is done with the complicity of those in power or without as in the case of South African manufactured goods which have reached UNITA. Second, countries which provide essential 'transit' facilities for the movement of goods and weapons. The clearest examples in the two case studies is the role of Burkina Faso which has provided en user certificates for arms that were then dispatched to a rebel cause. Third, those states which provide a direct line of support to the rebel movement. The clearest example is of course Liberia in the case of the RUF, which provided the territory, training and supply conduit for the guerrilla incursion of Sierra Leone. Zambia now fills that role in relation to UNITA, although not obviously at the same level as the RUF. Senior Zambian officials have been involved in the supply of commodities such as fuel to UNITA, although the official policy of the Zambian government is to prevent such actions. In addition, it should be noted says one observer who worked closely with the UN panels, that while the intelligence services of Western countries often know who is involved they have sometimes been reluctant to hand over the information, presumably because it has some impact on their own national interest.<sup>183</sup>

While these ten issues provide some framework within which to analyse supply networks and conflicts in Africa, one addition issue requires review - the role of diamonds in the conflicts and their connection to middlemen. In both Sierra Leone and Angola, as we have seen, the existence of diamonds has played a critical role as a resource for rebel groups and governments alike. Diamonds, because of their size, their value and the ease at which they can be transported have provided an important means to fund the conflicts. For the networks engaged in supply diamonds have also been a key commodity, other in the rough stones themselves or in the form of mining concessions obtained for assisting protagonists to the war. These factors have ensured that a vocal campaign on conflict diamonds has targeted gems which originate in conflict areas. These are necessary and appropriate interventions. However this examination of supply networks (and the criminal elements associated with them), suggest that an element of caution is required in the success that controls over conflict diamonds will have, at least in the short term.

#### *3.4.1. Implications for the trade in post-conflict diamonds*

This overview has if anything demonstrated the innovative and dynamic nature of those engaged in obtaining conflict diamonds and providing military supplies. It should be noted that war material was

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<sup>183</sup> Interview, Pretoria, December 2001.

provided, only because that was what was demanded. Should the conflicts end, as in the case of Sierra Leone, the demands for war supplies may simply be overtaken by other commodities, motor vehicles, illegal narcotics, food or cash. The point is that while the trade in conflict diamonds have been important to sustaining the war efforts of the RUF and UNITA, diamonds will continue to be mined, and used as a source of power and access to wealth, in the post-conflict zones. It has already been suggested, for example, that in Sierra Leone diamond mining in rebel areas has increased as young combatants have sought work in the diamond mining areas. While some freelance digging may occur, the authors' observations suggests that the process remains tightly controlled. This both increases the importance of the attempts at a certification system through the Kimberly process, but also suggests reasons why many attempts will be made to subvert the process. Drawing from the earlier analysis, four key and related elements must be considered in a debate on the effectiveness of any certification system around conflict diamonds.

First, is that the certification system established by both the governments in Sierra Leone and Angola will only be as good as the people who operate it and the dealers who feed diamonds into it. In other words, diamonds mined illegally (or for the benefit of rebel armies) can be laundered into the official system, while still providing resources (albeit at a much lower level) to those that these interventions wish to shut out. Evidence in this respect is not encouraging, and both the diamond control systems in Sierra Leone and Angola are highly susceptible to corruption given the resources involved. At a different level too, such control systems may simply ensure that the wealth is controlled by a different set of interest groups, rather than benefiting the populations as a whole. Thus, the diamond certification system is seen by at least one knowledgeable observer as a means to control the industry more effectively from the centre, excluding in Angola for example independent operators such as army generals, and by doing so strengthening the hand of those at the pinnacle of state power to dole out patronage (and thereby ensure higher levels of control) to the favoured few.<sup>184</sup> The history of Sierra Leone in particular has shown how control of the diamond fields has been central in both weakening the delivery capacity of the state for ordinary citizens and strengthening lines of patronage, where opponents are bought off and friends rewarded.<sup>185</sup> Central control of the marketing of diamonds by the governments involved may enhance rather than retard this process.

Second, and related to the above point, is the key question is who actually controls the diamond mining areas. In the case of Sierra Leone it will be a significant challenge to win back these areas and control them effectively by the state. Large numbers of small scale illegal diggers, a network of buyers who are both licensed and unlicensed and the requirement for control over the diamond fields to require a degree of violence, point to the possibility that post-conflict states may inherit and then strengthen local forms of warlordism. Warlords in this context however should not necessarily be seen as independent operators, but could equally be state officials (such as army generals in Angola) who control a diamond patch and in theory report to the central government, but for all intents and purposes are masters of their local domain. Given the attempts to introduce a centralised process of certification and the possible motivations for doing so, power struggles between the central state and the diamond fields is set to continue and may even intensify when durable peace is achieved.<sup>186</sup>

Third, the distinction between conflict diamonds and illicit diamonds, while perhaps necessary given the scale of the task of regulation, is problematic. The Kimberly process essentially views

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<sup>184</sup> Dietrich, *op. cit.*, 2001.

<sup>185</sup> Reno, *Corruption and State Politics in Sierra Leone, op. cit.*

conflict diamonds as those gems which originate in conflict areas controlled by rebel groups.<sup>187</sup> While conflict diamonds constitute about 4 percent of total world diamond production (De Beers suggests that the figure is in fact lower than this), illicit diamond production constitutes about 30 percent of the total. While this distinction may make sense in theory, in practice, unless the problem of illicit diamonds can be resolved, there is in fact only a limited chance that the problem of conflict diamonds can be eliminated. Failing that, conflict diamonds will simply find their way into the illicit trade. To be fair the Kimberley process recognises this as a problem, but argues that a degree of realism is required as to what can be achieved in the area, and given that diamonds clearly fuel conflicts in Africa, this constitutes the most appropriate and manageable place to begin.<sup>188</sup>

Fourth, having made the three points above, it is necessary to emphasise that the ingenuity and dynamism of criminal groups should not be underestimated. The issues raised above suggest significant loopholes through which those intent on making a profit will seek to exploit. In addition, the durability of criminal networks and the experiences gained by those who have operated as sources of supply in exchange for the continent's mineral wealth should not be underestimated. These individuals have been as much on a learning curve as have those who seek to prevent conflicts through better resource management. In contrast however they rely only on individual initiative and are not constrained by ponderous bureaucracies.<sup>189</sup>

None of these issues should be read to imply that the initiatives around conflict diamonds currently underway are a waste of time and resources, on the contrary, there must remain a degree of realism about what can be achieved and such initiatives should not be considered the only resort. Increasingly important, given that this study has suggested that the pinnacle of the supply networks are occupied by only a few individuals, is regional and international police co-operation. This however will rely on the efforts of individual states, who for a variety of reasons may not be willing to pursue particular suspects. Nevertheless the threat of criminal prosecution (as opposed to just 'naming and shaming') may serve as a limited deterrent.

The sanctions regime in the case of both conflicts has sought to identify individuals who have continued to support and supply rebel movements. This has been a useful process, ensuring that the activities of those engaged in such activities have been exposed. The problem however, and this applies perhaps more to Angola than Sierra Leone, is that such investigations become ends in themselves, always searching for the next piece of detail and the next middleman. That may miss the point about why sanctions were applied in the first place - to assist in the process of ending the conflicts. Key now to international efforts in Angola must be to bring the protagonists to the negotiating table, and with international pressure, agree on a viable approach for ending the conflicts. The sanctions regime has, by the nature of its task, also been a relatively one sided instrument. With peace now having been achieved in Sierra Leone and tentative prospects for a cease-fire now a possibility in Angola, some focus should fall on the activities of the governments themselves. This report has suggested that in both cases the procurement of weapons for the governments of Sierra Leone and Angola have involved similar shady dealings as is the case with the trade in weapons to the

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<sup>186</sup> Reno has documented such a process in Sierra Leone during the 1970s and 1980s. Reno, *op. cit.*

<sup>187</sup> Interview, Abbey Chikane, Chairperson of the Kimberly Process and the South African Diamond Board, December 2001.

<sup>188</sup> *Ibid.*

<sup>189</sup> This point was made to the author by an individual engaged in the supply network. Personal communication, August 2001.

RUF and UNITA. In neither case have state actors used each of the countries considerable wealth to benefit their citizens.

Having made these points, and before concluding, it is important to pose and provide a tentative answer to an issue that stands at the centre of the little analysis that has been done on the issue of supply networks: Does war in the context of Sierra Leone or Angola drive the actions of the supply network, or does the supply network play an important role in driving the war? While this has not been the central analytical question of this study, which as rather sought to document and analyse those forms of war supply that do exist, this is a critical question from a policy perspective. The answer is probably that while supply networks exacerbate and prolong wars they do not on their own create them, and while attention on the supply networks is welcome in that it exposes the activities of unscrupulous and often criminal operators, it will not on its own end the wars. In short, the existence of supply networks is a necessary but not sufficient condition for the conduct of war. And, even so, given the variety of means through which supplies are acquired, both through high level commercial transactions and low level barter, stopping all supplies to those engaged in war (particularly when they have the resources to pay) will be a difficult if not impossible task.

## IV. Conclusion

While the actual conduct of war is often scrutinised and debated, the logistics of war efforts are thought to be of less importance, or at least attract less attention.<sup>190</sup> This is misplaced given that the effectiveness of war supply often determines the viciousness, extent, length and destructiveness of the conflict itself. Initially this was the case with the spate of wars that have plagued the African continent since the end of the Cold War. However, an increased focus on the resources that have driven conflicts and those individuals that have brought the requirements of buyers and sellers together, the ‘middlemen’, have now attracted increasing attention, not least of which through path-breaking work of a variety of NGOs and the various sanctions committees of the UN. These efforts have focussed considerable attention on how wars are supplied and what resources are used to fuel conflicts.

As part of this focus attention has also fallen on the supply networks that deliver war material to various parties and the people that make these transactions possible. Here, at least in the media, the focus is generally on a small number of individuals who are, as we have seen, come to be associated with war supply in Africa. Names like Victor Bout and Fred Rindel, as the use of an internet search engine will show, are now closely associated with the supply of the conflicts. These networks (as opposed to the resources which pay for their activities) however have attracted far less attention from academic analysts and there have been few if any attempts to determine their impact upon the conflicts themselves. This is a gap in the literature, which despite the research difficulties involved, should be filled.

The paper has identified a number of characteristics of these supply networks. These include that they are designed primarily for profit, that they rely on old networks and allegiances, that they involve relatively small numbers of people and cross the boundary between legal and illegal activities. The paper has also suggested however that war supplies gained either through informal trade or from the enemy themselves, through barter, purchase or capture, should not be discounted as an important source. As far as is possible on the available information, the paper has sought to identify links between ‘pure’ criminal networks engaged in the smuggling of illegal narcotics or stolen goods with the conflict supply networks. It is likely that such criminal associations will grow, not decline. If the war in Sierra Leone restarts or continues in Angola, partly because of the high level of scrutiny now from the international community, organised criminal elements may become the key sources of supply. Alternatively, should peace be achieved criminal networks, flexible to exploit new opportunities, will seek to profit from available mineral resources and the problems of governability which will plague these post-conflict societies.

The key point to recognise is supply networks, and the criminal elements involved in them, will not simply disappear once peace is achieved. They will instead turn to new activities and new opportunities which may hold great dangers for post-conflict societies. It is for this reason that continued focus is required on their activities, and why much more academic attention should be focussed on issues of organised crime and post conflict governance. It also suggests that despite their

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<sup>190</sup> Van Creveld, *op. cit.*

importance, exposing supply networks is only one component of a broader attempt to bring peace. Wars such as the prolonged conflicts in Sierra Leone and Angola can only be ended by negotiating workable peace settlements, providing exit options for leaders who stand in the way of such settlements and, to prevent further conflicts, ensuring that the natural wealth of the two countries are used for the benefit of all their people.