

# East and East-Central Africa

Burundi, Democratic Republic of Congo, Djibouti, Ethiopia, Eritrea, Gabon, Kenya, Republic of the Congo, Rwanda, Seychelles, Somalia, Sudan, Tanzania, Uganda

*By Gitau Warigi*

## Introduction

War, civil strife and instability mar much of East and East-Central Africa's landscape, with Africa's 'first world war' in the Democratic Republic of the Congo (DRC), state collapse in Somalia, ethnic conflict in Burundi and civil war in Sudan. Ethiopia and Eritrea have just concluded a brief but bloody war. These conflicts each present opportunities for personal profiteering by military factions and elites, and threaten prospects for accountable and stable governance.

Levels of development are uneven and poverty high, with around 30 per cent of people living on less than US \$1 per day.<sup>1</sup> Corruption is a prominent feature of daily public life even in the region's more peaceful countries, and imposes high costs both at the local and national levels. While data is limited, the Kenyan government is thought to have lost more than Ksh475 billion (US \$6 billion) through corruption between 1991–97.<sup>2</sup> The country is now facing a credit squeeze from its foreign lenders, directly related to perceptions of institutionalised corruption. The NGO Uganda Debt Network estimated that Uganda lost the equivalent of US \$500 million to corruption over the last five years.<sup>3</sup>

Economies are dependent on foreign aid, much of which is paid out again to service crippling foreign debt.<sup>4</sup> Donors have largely shaped blueprints for privatisation and economic reform. But the trend of liberalisation that swept the region in the post-Cold War era, though designed to accelerate development and enhance governance, has presented its own opportunities for corruption.

Anti-corruption initiatives have largely been driven by donor conditionalities. Though national institutions and laws to tackle corruption are now in place in many countries, their achievements remain limited. A relatively free press and growing civil society activism over corruption have helped to expose graft in some countries, but there is an urgent need for careful reforms that are appropriate to the economic capacity and needs of the region. Governments and foreign actors alike must show themselves determined to execute reform and stamp out corruption, if its burden on development is to be reduced.

## News review

In December 2000 in Kenya, the High Court ruled that the Kenya Anti-Corruption Authority (KACA), a body created primarily at the behest of IMF and World Bank pressure, was unconstitutional. Donors promptly froze all lending, sending the economy reeling. A draft bill to create a new anti-corruption authority was published in May 2001 and is widely expected to win parliamentary support, though donors made it clear that they will issue funds only if the body is truly given teeth. The financial institutions also insist on greater transparency in the country's privatisation programme. In March 2001 a team of technocrats with an express mandate to curb official graft in the civil service was dismissed by President Daniel arap Moi with the explanation that 'the reform programme now needs to be supervised by others'.<sup>5</sup>

In the course of 2000, several top Tanzanian officials, among them the Minister for Tourism, were removed from office as a result of investigations under Tanzania's National Anti-Corruption Strategy. However, it seems that the strategy is faltering at a time when ongoing privatisation schemes present increasing opportunities for illegal self-enrichment. President Benjamin Mkapa gave his full support to the campaign on its launch in 1999, but observers are concerned that, faced with the choice of cracking down hard or alienating key supporters, his efforts are relenting. Corruption was recently identified by the head of the EU delegation to Tanzania as 'by far the biggest challenge for the government'.<sup>6</sup> The government's reticence over a controversial US \$150 million Malaysian-backed power investment in Tanzania, widely criticised as wasteful and corrupt, is a key area of concern. In 2000–01, senior officials of the ruling Chama cha Mapinduzi Party, as well as government officers, were implicated in the case.<sup>7</sup>

Until recently Uganda enjoyed an almost stellar reputation as one of Africa's most committed economic reformers. But the way in which the government carried out its privatisation programme sullied this image, and revelations of corruption and cronyism multiplied during the year.<sup>8</sup> A controversial UN report in April 2001 on the looting of natural resources in the DRC conflict incriminated members of President Yoweri Museveni's immediate family.<sup>9</sup> Petty corruption remains high, as elsewhere in the region. The general elections in March 2001 saw anti-corruption play a more prominent role in candidates' campaign rhetoric, though activists and the independent press highlighted examples of excessive party expenditure and questionable campaign methods.<sup>10</sup>

In Ethiopia, draft legislation for an Ethics and Anti-Corruption Commission was completed in 2000 and subsequently approved by the House of People's Representatives. It forms part of a wider strategy that calls for a multi-pronged assault against corruption, involving not just the government but the private sec-

## Corruption in Uganda's judiciary and police

Each morning they wake at six and walk 16 miles handcuffed together to the district magistrate's court. In the evening, they walk back past fields of crops and homesteads to prison, tired out after a day without food. They return to their common cell in time to eat the single meal of the day – maize porridge, boiled beans and water.

Police investigations into these men's cases are still incomplete several months after they were first remanded. These are the prisoners of Kamuge prison in rural Pallisa, eastern Uganda. Designed to accommodate remand prisoners, it has no facilities for long-term imprisonment, no transport, no basic sanitation and is in dire need of repairs.

John Oulo is suspected of stealing a bicycle; Issa Wabwire, a taxi-driver, is suspected of knocking someone over; Moses Kirya was involved in a land dispute; Sam Mugote defaulted on tax payments; and another inmate is accused of using a fake card to vote.

The longest serving is Hassan Dankaine, a sickly 70-year-old, suspected of cheating a local cotton trader. He recently fell ill and was unable to walk the distance to court, thus incurring a further penalty.

'They ask us for some money if we want our freedom. We do not have money. That is why they keep us here. Even then, our families have to come regularly to give them money. Or else they torture us and make us dig each morning before walking to court,' claim the inmates.<sup>1</sup>

Local police and the District Magistrate Henry Haduli deny the allegations. 'We are trying our best to deliver justice,' Haduli said. The authorities say they donated a car to transport inmates to and from prison, though both wardens and inmates deny it.

The police and judiciary are the institutions considered most corrupt by ordinary Ugandans. In a survey by the country's Ombudsman, 63 per cent of respondents claimed to have bribed a police officer, while

50 per cent had bribed a court official. Fifty-seven per cent of people interviewed thought corruption was getting worse, not better.<sup>2</sup>

Speaking at a recent anti-corruption workshop, the country's principal judge, Justice J.H. Ntagoba, spoke of the difficult working conditions facing the judiciary, particularly in its lower ranks: 'No decent accommodation is provided and officials have families to feed, clothe and educate. They have limited support staff. Responsibility for collecting court fees and fines without proper accounting systems invariably results in a temptation to pocket the money, mainly as a means of survival.'<sup>3</sup>

The Auditor General found in 1999–2000 that over US \$147,428 had been spent without authority from revenue collections by nine courts. In three courts, bail deposits of US \$4,914 had been diverted, lent out or utilised in office, contrary to the law.<sup>4</sup>

In the last two years, the judiciary has launched efforts to clean up its image. 'The public must be encouraged to report anyone who solicits a bribe,' says Justice Ntagoba. 'At present people don't believe such cases would ever be heard.'

A recent government inquiry into the police recommended dismissals and forced resignations of top officers. But it will take time before the police win any respect from the public. Kampala taxi driver Mohammed Mugisha said: 'All I need to know for my work is the name of the traffic officers on duty. Each time they stop me, I just give them something and they let me go.'

Uganda's police earn on average Ush120,000 per month (US \$68). According to Mugisha, police officers will continue to take bribes until the government improves their wages.

**Erich Ogoso Opolot**

- 1 Interviews with author.
- 2 Ugandan Inspectorate of Government, 'National Integrity Survey,' 1998.
- 3 J.H. Ntagoba, 'The Challenges of Fighting Corruption in the Judiciary and the Way Forward,' presentation to Anti-Corruption Coalition Building Workshop, Entebbe, 2000.
- 4 Auditor General of Uganda, 'Report to Parliament on Public Accounts,' 30 June 2000.

tor and civil society.<sup>11</sup> In March 2001, corruption was at the centre of a major split in the Tigray People's Liberation Front (TPLF), the dominant party in the ruling coalition. Ato Tamirat Layne, a former prime minister and close associate of Prime Minister Meles Zenawi, was jailed for 18 years for corruption and embezzlement.<sup>12</sup> A former defence minister and one of Zenawi's rivals, Siye Abraha, was also accused of pocketing commissions from weapons procurement linked to the war with Eritrea and was subsequently arrested.<sup>13</sup> His allies in the TPLF's central committee responded by challenging the integrity of close family members of government leaders.<sup>14</sup> Around 20 government officials, bankers and businessmen have also been arrested on corruption charges since the government's anti-corruption campaign began.<sup>15</sup>

In Rwanda, Pasteur Bizimungu resigned as president in March 2000, officially for 'personal reasons'. In reality, his exit came amid a purge of top officials accused of personal corruption, profiteering and abuse of office that provided political cover for a consolidation of Tutsi elite power around post-genocide strongman Paul Kagame.<sup>16</sup> Patrick Mazimpaka, a powerful cabinet minister and ally of Bizimungu, was earlier pushed out of office when he was the target of an embarrassing parliamentary anti-corruption probe. And Prime Minister Pierre-Célestin Rwigema was fired in February 2000 following the 'Schoolgate' scandal, which involved the misappropriation of millions of dollars earmarked for education by the World Bank's International Development Association.<sup>17</sup>

In Burundi, a parliamentary commission of inquiry reported in January 2001 that 'theft, fraudulent management, corruption and embezzlement are rampant in the public sector'.<sup>18</sup> Among those named was President Pierre Buyoya's wife, who was mentioned in connection with sugar import fraud. According to information provided by the Inspector General's office, over BFr12 billion (US \$16.5 million) have been embezzled since the civil war erupted in 1993.

In oil-rich Gabon and Congo-Brazzaville, oil and political pay-offs define the landscape of corruption. An ongoing investigation in France has focused on the secret slush funds allegedly run by state-owned oil giant Elf Aquitaine in order to pay top officials in both countries, as well as in France.<sup>19</sup> Elf continues to be the largest oil producer in Gabon and Congo-Brazzaville.

## **Conflict and opportunities for corrupt profit**

Uganda and Rwanda reacted with outrage when a UN special committee released a report on their role in exploiting resources during the DRC conflict.<sup>20</sup> The report documented the activities of their respective forces in eastern DRC, and showed in stark detail how senior military officers and their business associ-

ates took advantage of the war to enrich themselves. It was candid about the personalities involved. Heading the list was Caleb Akandwanaho, otherwise known as Salim Saleh, who is President Museveni's younger brother, and his wife Jovia. Also mentioned was General James Kazini, commander of Ugandan forces in the DRC until last year. On the Rwandan side, the report named Colonel James Kabarebe, the army's Chief of Staff. Other officials of the ruling Rwandan Patriotic Front were also incriminated.

Despite official denial of the allegations by Uganda and Rwanda, information gathered by the UN committee indicated that the two countries recently became exporters of gold, diamonds and coltan – commodities that they do not actually produce. Opposition MPs in Uganda corroborated this information.<sup>21</sup> The UN report estimated that Rwanda earned some US \$20 million from looted coltan every month. 'Let's make one thing clear,' said businessman Mokeni Ekopi Kane, head of the Federation of Congolese Enterprises in Kisangani, 'this is a war of plunder, looting and exploitation.'<sup>22</sup> Though the report recommended that sanctions be imposed on Rwanda and Burundi, political analysts are not placing much store by this, as the report was dismissed by the US, a close ally of both countries.

A web of conflict and corruption is evident throughout the war-ravaged region. In Burundi, disfigured by a slow-motion civil war since 1993, the temptations to take advantage of conflict for purposes of self-enrichment have increased since 1995 when Kenya, Tanzania and Uganda imposed an economic blockade on the country. To circumvent it, officials in Burundi, with their government's tacit support and the connivance of foreign businessmen, resorted to smuggling oil and consumables across the region.

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A parliamentary report released in January 2001 accused top officials of continuing the illegal smuggling long after the blockade was lifted in 1997.<sup>23</sup>

Conditions created by the conflict between Ethiopia and Eritrea have meanwhile allegedly allowed officials on both sides, particularly those involved in arms procurement, to line their pockets.<sup>24</sup> Somalia, with no formal government (apart from the secessionist Republic of Somaliland, whose self-declared independence has yet to be recognised), has become a bandit's paradise. Warlords and their militias prosper in the anarchy, leading many analysts to conclude that they have a vested interest in ensuring that the status quo continues.<sup>25</sup> Outside the network of clans and militias, humanitarian organisations such as the Red Cross and the World Food Programme are the most visible players. The resources they introduce to the local economy are often the object of intense fighting among the competing groups. A similar situation prevails in southern Sudan, a region devastated

by civil war that is in part sustained by the UN-backed Operation Lifeline Sudan humanitarian programme. Some analysts fear that the absence of solutions to the political disputes in Sudan and Somalia problematises relief work there, with the relationship between aid givers and recipients becoming a possible dynamic in perpetuating the conflict.<sup>26</sup> The corruption instigated by these conflicts is bound to persist as long as states remain in violent flux.

### **Developing anti-corruption institutions: donors, governments and civil society**

The creation of anti-corruption bodies has become a trend in the region over the past few years, as a key feature of post-Cold War donor conditionalities. Without such institutional anti-corruption measures in place, advocates say, economic restructuring programmes will come unstuck. But the external pressure for anti-corruption institutions has been more intense in some countries than others, usually in proportion to donors' financial exposure. Anti-corruption efforts in Kenya, Uganda and Tanzania, for example, have come under far sharper scrutiny than efforts in Burundi, Eritrea or the DRC. The former now have a body of laws, institutions and procedures in place for tackling corruption, although effective implementation is missing.

The Prevention of Corruption Bureau in Tanzania and the Inspectorate of Government in Uganda are carefully designed anti-corruption institutions with mandates to investigate public sector corruption, though their work is hampered by a lack of resources and skilled personnel. Ethiopia is currently seeking to develop an Ethics and Anti-Corruption Commission in collaboration with the World Bank, the UNDP, the EU and bilateral donors, all of which have funds available to boost capacity-building initiatives.

Foreign pressure has been particularly intense in Kenya, though developments there sound a warning note as to the limits of externally-driven institutional change.<sup>27</sup> The international financial institutions successfully pushed for the establishment of the Kenya Anti-Corruption Authority (KACA), an independent body that would bypass the notorious corruption that hinders the investigative machinery of the Kenyan police, in an attempt to bring corrupt politicians to book. KACA's independence was an absolute condition of the disbursement of a US \$220 million loan.<sup>28</sup>

KACA's prosecution of high-profile cases, including that of a cabinet minister and a permanent secretary, generated acute controversy and opposition among the political elite. From the first the authorities were opposed to the body's sweeping mandate. Kenyan parliamentarians were also ambivalent, as the body was



Ufisadi ni mzigo mzito kwa maskini (Corruption is a burden to the poor)  
**Samuel K. Githui**, Kenya

also not answerable to them. KACA ran in to its most serious difficulties following claims that its mandate undermined the Kenyan constitution, according to which only the Attorney General may authorise criminal and civil prosecutions. International pressure to enshrine KACA's autonomy not just in statute but in the country's constitution was seen to circumvent this exclusive authority. Opponents to KACA used this logic to block it. The High Court declared KACA unconstitutional in December 2000.

World Bank President James Wolfensohn had also pressured President Moi at a meeting in London in July 1999 to appoint a team of private sector technocrats to oversee reform of the corruption-ridden civil service.<sup>29</sup> Headed by prominent palaeontologist and wildlife activist Richard Leakey, the unit was

quickly dubbed the 'Dream Team' by the Kenyan press. The unit motivated KACA to bring controversial and high-profile corruption cases to the fore. It also tried to speed up the stalled privatisation of Telkom, the country's national telecommunications operator – another of the donors' conditionalities for a restoration of aid. But in March 2001, the team was disbanded amid the strongest possible indications that it had fallen out with Moi. Further accusations of infringement of sovereignty were made. Installing such a prominent figure as Leakey in the post of chief inquisitor of the entire state bureaucracy was seen as a challenge to the President himself.

Complaints about sovereignty reflect genuine sensitivities, although they can also be used as a pretext for resisting efforts to investigate corruption. Whatever the motivation, murmurs of discontent have been growing among the region's aid-dependent countries. A frequent objection is that the vigour with which donors pursue the fight against corruption tends to divert attention from the failures of earlier donor-driven adjustment programmes.<sup>30</sup> Donor conditionalities are often unrealistic, difficult to implement and, according to one expert, can lead to new opportunities for corruption, as has happened with decentralisation reforms in Uganda and Tanzania.<sup>31</sup>

Those involved in shaping anti-corruption initiatives increasingly realise that another set of issues needs to be addressed. Anti-corruption strategies will only work when civil society and the media are directly involved in their creation and monitoring. This is not a model easily accommodated by the top-down approach in which a deal is struck between a donor body and a government minister. Where civil society is strong, as in Kenya, Tanzania and Uganda, it is now recognised that the anti-corruption struggle is most effectively waged when its activists are involved.

The NGO Uganda Debt Network has been especially active, publishing a periodic roll call of corrupt public figures. In May 2001 it released a lengthy report on corruption that singled out Vice-President Specioza Wandira for allegedly misusing Ush3 billion (US \$2 million) in funds earmarked for dams. The group is also monitoring the proceeds of debt relief and other aid. Both the Forum Against Corrupt Elements in Tanzania (FACE-IT) and TI-Kenya play similar grassroots watchdog functions in their respective countries. Private sector groups like the Kenyan Association of Manufacturers are also beginning to take an interest. A vocal press in these three countries imposes a fierce scrutiny on the corrupt actions of public officials.

Civil society groups continue to grow in their determination to fight corruption in the more stable countries of the region, and donors are also beginning to adopt a more holistic approach. As World Bank President James Wolfensohn

## Kenyan football: time for a sporting chance

The outside world associates Kenyan sporting prowess with the rigours of medium and long-distance running, but football (soccer) is the country's favourite domestic sport, with a fan base of at least ten million. But Kenyan football has been plagued for decades by ethnic antagonism and political intrigue. Now, it has become clear that the game is also a hotbed of fraud and corruption. An initiative by concerned football clubs, in partnership with TI-Kenya, is seeking to give the game a new sort of 'fix' by tackling these problems.

Widespread mismanagement of the game in the office of its organising body, the Kenya Football Federation (KFF), has long been apparent. Gross incompetence and likely bribery of referees is all too common, and the embezzlement of KFF funds has also come to light. The KFF has not sent audited accounts to its member clubs for decades. In some KFF clubs and national teams, players and coaches go unpaid for months on end. Overloaded match schedules, arbitrary changes in the appointment of match officials, the abuse of rules and manipulation in the promotion and relegation of teams regularly disappoint fans.

Eight Premier League Clubs came together in December 2000 to create the Inter-Club Consultative Group (ICCG) to petition the KFF over these trends. The ICCG protest subsequently unravelled a complex web of financial intrigue in spite of KFF resistance.

A copy of the KFF audit for 2000 was leaked, revealing major irregularities in the Federation's bookkeeping. Only Ksh2.1 million (US \$26,923) was recorded for gate collections during 2000, although the year witnessed over 300 league, cup and international matches. Meanwhile, stadium expenses tripled from Ksh785,225 (US \$10,066) in 1999 to over Ksh2.3 million (US \$29,487) in 2000, although 150 fewer matches were played that year.

Official allowances and 'youth expenses' similarly rose massively, but inexplicably, during the same period.

In response to these alarming findings, the ICCG sent a letter to the KFF Secretary General in May 2001, asking the KFF to call a meeting of all clubs to discuss the audit issue and general levels of accountability. The letter was returned unopened with an annotation stating: 'Mail back. We do not know this group since they are not our members.' Direct appeals to the Confederation of African Football (CAF) and the International Federation of Football Associations (FIFA) also fell on deaf ears.

This lack of accountability and transparency left some ICCG clubs contemplating withdrawal from the KFF league. That would be a solemn day for Kenyan football, but it could also lead to the teams being banned by FIFA from foreign competition. The possibility of taking legal action against KFF might have a similar result if precedents are anything to go by, since FIFA actively discourages clubs from instituting legal proceedings.

The KFF and many Kenyan football clubs run a real risk of going bankrupt if efforts to improve transparency do not take place quickly. The obvious victims of this organisational and financial crisis are the players and coaches – who are often the main wage earner in their families – and, of course, the fans.

The recent emergence of corporate sponsorship and more ethnically diverse clubs in Kenyan football might give the game a fresh start. Tusker FC, sponsored by Kenya Breweries, together with 2000 Moi Golden Cup champions, the independent Mathare United FC (which gathers its players from one of Nairobi's poorest slums), are illustrative of a new direction. Together with efforts by the ICCG and TI-Kenya, these dynamics may yet save the day for Kenyan football.

**TI-Kenya**

acknowledged: 'A corrupt-free society cannot be legislated upon. Only a multi-pronged approach will do.'<sup>32</sup> The increased input of civil society should enable anti-corruption institutions to grow in scope and capacity.

### **Corruption in privatisation and foreign investment**

The process of privatisation has been problematic in the region. Where it has occurred, it has been complicated by limits both to local resources and political commitment to ensuring its transparency. By and large, privatisation is being administered with technical advice and financial support from donor institutions. But given the role of governments as the sole valuer of assets, divestiture can be easily manipulated.<sup>33</sup>

The Ugandan parliament and World Bank have criticised the country's privatisation programme for non-transparency, insider dealing, conflicts of interest and corruption.<sup>34</sup> The largest assets become concentrated in very few hands, usually those with ties to political power, as in the case of Major General Salim Saleh. Saleh has been the target of a parliamentary probe since the late 1990s, as well as regular denunciations in the media. Analysts alleged his purchase of the formerly state-owned Uganda Grain Milling Corporation was illegal and corrupt.<sup>35</sup>

One factor that undermines efforts to privatise is the dearth of sufficient local capital to absorb large acquisitions.<sup>36</sup> Capital in many countries is concentrated either within the circles of political power, or among a select group of traditionally wealthy citizens. A related impediment is the lack of capital markets. Only Kenya has a fairly well established stock exchange, though even there the trend of privatisation has been to sell to a single high bidder. Uganda and Tanzania are trying to develop their own bourses, but so far these remain rudimentary.

Without the necessary capital, many of the larger enterprises being divested are affordable only to elites or to foreign investors. Governments understandably want control to remain local, at least for what they consider strategic entities.<sup>37</sup> In Ethiopia, the state-controlled financial system remains off-limits to private investors, although other sectors are for sale. Kenya tentatively allowed private interests to venture into power generation, but has been reluctant to allow competition in electricity distribution. It is also considering partial privatisation of its ports, but to national investors only.<sup>38</sup> Gabon and Congo-Brazzaville intend to retain control over their vital oil sectors.

Retention of control based on strategic concerns may also mask baser reasoning: governments fear the loss of easy sources of political patronage. This rationale may have stalled the divestiture of Telkom Kenya. The pretext the government gave was that the price offered last year by a consortium led by South

African firm Econet Wireless was not high enough. Econet, the third largest pan-African telecom operator, made the highest bid of US \$305 million for the 49 per cent stake being divested from Telkom.

Analysts familiar with the dilapidated state of Telkom's assets are convinced a better offer could not be found. Nevertheless, the government said it intended to renegotiate with bidders for a higher price, before announcing in February 2001 its intention to turn to an Egyptian company that had made a lower bid.<sup>39</sup> In a further turnaround, it re-opened bidding but insisted that the minimum offer

**Governments may fear the loss of easy sources of political patronage as a result of privatisation.**

must be US \$350 million. Salomon Smith Barney, the merchant bankers advising on the privatisation, promptly withdrew in frustration, though they have since re-entered negotiations.<sup>40</sup> Analysts voiced suspicions that the government's bias against Econet had less to do with price than with the fact that the consortium refused to pay kickbacks.<sup>41</sup> Moreover, its

local representatives are businessmen from the Kikuyu tribe, which is largely identified with the political opposition.<sup>42</sup>

Foreign investment is desperately needed in the region. Due to perceptions of instability, however, there are difficulties attracting it to most sectors, with the exception of oil and minerals. But foreign investment frequently comes at a price. French oil giant Elf Aquitaine, the dominant foreign investor in Gabon and Congo-Brazzaville, has come under investigation for allegedly offering political payoffs to top politicians<sup>43</sup> – though it is now moving to clean up its practices. Together with growing efforts at the international level to curtail bribery of public officials by foreign investors, the relative impunity of foreign bribery may largely be in the past. But kickbacks and corruption still continue to occur.

In the absence of local capital, and the reluctance of many foreign investors to commit to the region, 'South-South' investment is a favoured alternative. One of the most aggressive private sector players to take advantage of the liberalisation of energy in East Africa is the Westmont Group of Malaysia. In Tanzania, Westmont brokered a crucial stake in power generation, an area hitherto monopolised by Tanesco, the state-owned electricity supply utility. Westmont also has an electricity supply contract with Kenya.

The Westmont investment in Tanzania proceeded in spite of warnings by the anti-corruption agency that officials had been bribed. Press reports alleged vast kickbacks at very high levels.<sup>44</sup> The risk analysis of its large power project was poorly done, according to critics, and it imposed unnecessary costs by stalling development of a much cheaper power project, which would have exploited the country's abundant natural gas reserves.<sup>45</sup> Instead, Tanzania has been forced to

use scarce foreign exchange to import the diesel for the Westmont project. In Uganda, Westmont's name cropped up in the banking sector, where allegations emerged of wrongdoing in the privatisation of the Uganda Commercial Bank in 1999.<sup>46</sup>

Not all privatisations are characterised by such problems, but issues of equity and fairness in the way the process is implemented remain prominent. Not only do more transparent mechanisms need to be put in place, but without them, the whole process of privatisation risks unravelling, undermining the benefits of investment in the region.

## Conclusion

Discussing corruption publicly was once taboo across much of the East and East-Central Africa region. This has changed as the region opens hesitantly to globalisation and as citizens and donors enabled by democratisation and a freer press apply pressure for cleaner government. How much of the increased attention to corruption represents governments turning a new leaf is open to question. Ethiopia, Tanzania and to a lesser extent Uganda appear determined, despite setbacks, to move toward more open government. Other countries, notably Kenya and Gabon, whose leaders have each held uninterrupted power for over 20 years, are less sure. Somalia, meanwhile, is in too much turmoil to prioritise the issue of fighting corruption at all. There, as elsewhere in the Horn of Africa and the Great Lakes region, the most far-reaching networks of corruption appear to be related to conflict and aid.

Donor-inspired pressure to establish anti-corruption agencies with wide-reaching powers has perhaps inevitably led to cries of 'foreign interference', especially from governments that have much to hide. But every country in the region depends on foreign aid, and, as long as that situation prevails, donors will continue to exercise considerable influence.

Civil society groups, though still nascent, play an increasingly important role, while the media is ever more vocal. Large-scale, corruption-driven projects such as Kenya's Turkwell Gorge Project, completed in 1987 in defiance of popular and expert protests, would be unlikely to happen in today's climate, precisely because of the influence of civil society and the independent press.

The prospects for tackling corruption in the region are changing fast, as anti-corruption institutions continue to develop, civil society grows, and privatisation and investment procedures come under scrutiny. While peace is the priority for many East and East-Central African states, for others the war against corruption is now prominently on the agenda.

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- 8 *The Monitor* (Uganda), 12 September 2000.
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- 10 TI-Uganda, interview with author.
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- 12 BBC News, 14 March 2000.
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- 14 *Indian Ocean Newsletter* (France), 31 March 2001.
- 15 IRIN, 26 July 2001
- 16 *Mail & Guardian* (South Africa), 24 March 2000.
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- 18 IRIN, 26 January 2001.
- 19 Agence France Presse, 17 January 2001.
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