

## AFRICA RISK CONSULTING

### Country briefing – Guinea

September 2013

#### Summary

*Rumours of a coup attempt on the eve of the 28 September legislative elections have little substance although given Guinea's history of military intervention in politics, the coup risk remains high. An unreliable political news sheet is recycling old information on a coup plot allegedly based on United States (US) and French intelligence involving Beny Steinmetz of BSG Resource (BSGR). The government picked up the story and accuses the opposition of involvement, increasing political tensions. There are no details of potential Guinea military cooperation in the alleged plot. Business activity in Guinea grinds to a halt due to the legislative elections. President Alpha Condé will have a two-year window before the 2015 presidential election to launch the economic recovery. There are several new multi-jurisdiction corruption investigations which now target BSGR and Steinmetz. The level of political and ethnic violence in the lead up to the elections was considerably less than during the 2010 presidential election. However, militant youth gangs are highly organised and violent. Violence will escalate during voting and following the announcement of votes.*

#### The long-overdue legislative elections arrive

Guinea will hold its first legislative elections since 2002 on 28 September 2013. The elections were originally scheduled for the first half of 2011. The **Assemblée Nationale** was suspended in December 2008 following a military junta coup. Five million Guineans will vote. There are 114 seats, including 38 members in single seat constituencies and 76 members by proportional representation. Members will be elected for a four-year term. They will act as law-makers, taking over from the temporary **Conseil National de Transition (CNT)** installed in 2010. However, the Guinean constitution allows for sweeping powers within the executive and decision making power will remain with Condé. The legislature will have a broad ethnic base, given the traditional spread of communities across the country. The **Peul**, who make up around 40-45% of the population will dominate seats in **Middle**



**Guinea.** Condé's **Malinke**, who comprise around 35%, will dominate **Upper Guinea**; the **Soussou**, with around 20% of the population, will secure seats along the coast while smaller indigenous communities will secure seats in the **Forestière** region.

Condé will have a “two-year window”<sup>1</sup> before the 2015 presidential election to launch the economic recovery. He will appoint a new government for this task following the election. He will face pressure to appoint opposition members to government if they perform well. Peul opposition leader **Cellou Dalein Diallo** is being mooted as a candidate but he will only take on the prime minister role.<sup>2</sup> Successful elections will unlock considerable foreign investment and \$190m (EUR140m) in **European Union (EU)** aid.

### **Coup rumours increase election eve tensions**

Rumours of a coup plot have increased political tensions in the lead up to the elections On 25 September the **French** weekly *Le Canard Enchaîné* ran a story allegedly sourced from **United States (US) Central Intelligence Agency (CIA)** and French intelligence that **Beny Steinmetz** of **BSG Resources (BSGR)** had backed a coup plot in Guinea. Security Minister **Madifing Diané** claimed Guinea was “*in danger*” from outside forces and that members of opposition leader Diallo’s **Union des Forces Démocratiques de Guinée (UFDG)** are supporting the coup plans.<sup>3</sup> *Le Canard Enchaîné* has an established name for political leaks, but they are focused on French politics rather than international affairs.

Alleged Steinmetz-backed coup rumours have been circulating in Conakry since 2012 and the sources are questionable.

*“There could be an element of circular reporting...I’m also suspicious about the sources for these stories which are going round and round. They also follow on from the stories of wire transfers from Steinmetz or his people to the opposition.”<sup>4</sup>*

*“This story is recycled... people have been talking about these rumours for months... I would like to know who Le Canard’s sources are. It looks like more imaginative scenario analysis from intelligence service.”<sup>5</sup>*

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<sup>1</sup> Source, West Africa correspondent, Guinea

<sup>2</sup> Source, Guinea human rights analyst, US

<sup>3</sup> Diané statements, 26 September 2013

<sup>4</sup> Source, Guinea human rights analyst, US

However, the same sources agreed that the alleged plot “*must be taken seriously*”<sup>6</sup> due to the history of military intervention in Guinea politics. It is alleged that the corruption investigations against BSGR (see below) were launched because there was intelligence of a possible Steinmetz backed coup and the US in particular needed to act to secure Guinea’s stability.<sup>7</sup> The article is also described as “*significant due to a few specific details.*” The article claims that street demonstrations could serve as a cover for Steinmetz-backed mercenaries. Three mercenaries were identified - **Victor Nassar**, **Patrick Klein** and **Steve Bokhobza**. A long-standing human rights analyst in Africa claims that at least two of these alleged mercenaries were part of a **South African** special operations battalion under apartheid which was disbanded after the 1994 elections. The source claims that Nassar, an **Israeli** national was involved in the 2009 coup in **Madagascar**. Klein was allegedly involved as a mercenary in an attempted coup in **Comoros** in August 1990.<sup>8</sup> The three allegedly contributed to the formation of a Guinean ethnic Peul movement named **Parti National pour le Renouveau (PNR)**, according to the article. **Alpha Souleymane Bah** heads the PNR. Bah and the party are not significant players in the political scene, although PNR is registered for the legislative elections.<sup>9</sup> Local rumour claims that Guinea security authorities allegedly interviewed PNR officials in August 2012.<sup>10</sup>

The timing of the alleged coup plot story is “*suspect.*”<sup>11</sup>

*“It could be manipulation. The opposition are saying that the government has used the story to prepare for post-election violence and put the opposition in a negative light.”*

*“It wouldn’t be the first time Le Canard was used for manipulation... they were used by the French left in the 1980s.”*<sup>12</sup>

Cellou Dalein Diallo rejected the claim that members of his UFDG were supporting the coup plans. He says it is part of President **Alpha Condé’s** “*campaign of intimidation.*”<sup>13</sup>

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<sup>5</sup> Source, Guinea security and political researcher, Senegal

<sup>6</sup> Source, Guinea human rights analyst, US

<sup>7</sup> Source, Guinea security and political researcher, Senegal

<sup>8</sup> United Nations (UN) Commission on Human Rights, 17 January 1996

<sup>9</sup> Source, francophone journalist, Guinea

<sup>10</sup> Source, Guinea security and political researcher, Senegal

<sup>11</sup> Source, francophone journalist, Guinea

<sup>12</sup> Source, Guinea security and political researcher, Senegal

<sup>13</sup> RFI, 26 September 2013



The alleged plot brings two questions to the fore. The first surrounds Steinmetz's strategy or "*long game*."<sup>14</sup>

*"It's obvious Steinmetz is displeased with Condé, everyone knows that. Steinmetz or his people have sponsored various YouTube clips and political commentary for some time now. But Guinea is under such scrutiny now...it would be difficult now."*<sup>15</sup>

*"Does he really want to be involved in fomenting violence? The wire transfer rumours are risky enough given that someone may trace them."*<sup>16</sup>

The second question concerns military cooperation. "*Who in the military would be willing to work with them? What is their modus operandi?*"<sup>17</sup> The article does not mention any military figures involved in the coup plot, which reduces the legitimacy of the story. Among Guinea watchers the usual speculation surrounds former military junta officials General **Sekouba Konaté** (President of the transition in 2010) and **Mussa Dadis Camara** (military junta leader 2008 – 2009).<sup>18</sup>

### **Business stalls for the elections as the net falls on BSGR**

Business activity ground to a halt in Guinea in the last month in anticipation of the legislative elections. The economic growth forecast for 2013 was cut to 2.9% from 4.5% due to political deadlock surrounding the delayed elections.<sup>19</sup>

The business sector is fixated on the multi-jurisdiction corruption investigations against BSGR and Steinmetz over its acquisition of the **Simandou** iron ore blocks 1 and 2. The following bodies are involved in investigations against BSGR and Steinmetz:

- **Comité Technique de Revue des Titres et Conventions Miniers (CTRTCM)** – Guinean government;
- **Federal Bureau of Investigation (FBI)** and the **Department of Justice** – US;
- **Serious Fraud Office (SFO)**, partly outsourced to an unnamed accountancy firm – **United Kingdom (UK)**;

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<sup>14</sup> Source, Guinea human rights analyst, US

<sup>15</sup> Source, Guinea security and political researcher, Senegal

<sup>16</sup> Source, Guinea human rights analyst, US

<sup>17</sup> Source, Guinea human rights analyst, US

<sup>18</sup> Source, Guinea security and political researcher, Senegal

<sup>19</sup> Ministry of Finance

- **Financial Investigation Unit in Guernsey;**
- **Swiss** and French police;
- **Geneva** public prosecutor;
- **Global Witness.**

The investigations now target Steinmetz. His lawyer **Marc Bonnann** claims that Swiss authorities searched his private jet and home in Geneva during August 2013.<sup>20</sup> Steinmetz agreed to be interviewed by Swiss authorities between 12 September and 12 October 2013.<sup>21</sup> Swiss police also raided the office of **Onyx Financial**, a company linked to BSGR, in relation to the US grand jury investigation into former BSGR agent **Frederic Cilins**.<sup>22</sup> The US investigation accuses Cilins of seeking to destroy contracts and other documents with evidence of bribes paid to **Mamadie Touré**, the wife of former president **Lansana Conté (1984 – 2008)** to secure the Simandou contracts. Cilins was denied bail in July 2013. His trial is scheduled for 2 December 2013.

### **Street unrest will likely escalate in the post-election period**

The level of political and ethnic violence in the lead up to the 28 September 2013 legislative elections was considerably less than during the 2010 presidential election. The campaign period saw sporadic and isolated incidents in Conakry. On 22-23 September clashes between rival supporters and security forces resulted in the death of a trainee gendarme and 70 injured.<sup>23</sup> The incidents were mainly confined to ethnic Peul opposition strongholds including **Hamdallaye, Bambeto, Koza** and **Taouya**. A heavy security presence continues in these areas.<sup>24</sup> Militant youth gangs on the side of the government and Peul opposition are highly organised and violent. A West Africa correspondent witnessed a number of arson attacks on houses in **Ratoma** on 25 September. No significant incidents were reported in the rest of the country. The military stayed away from the streets. Political leaders refrained from inflammatory speech; Condé has taken a more conciliatory tone in particular.

*“It’s fairly predictable so far. We are talking about Guinea Conakry... in 2007 – 2008 around 30 people were killed in every demonstration.*

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<sup>20</sup> Bloomberg, 13 September 2013

<sup>21</sup> Bloomberg, 12 September 2013

<sup>22</sup> The Guardian, 4 September 2013

<sup>23</sup> RFI, 23 September 2013

<sup>24</sup> Jeune Afrique, 25 September 2013

*The tone is comparatively very quiet. There is nothing extreme, not like in 2010. Legislative elections are easier than a presidential election... it's not win or lose."* <sup>25</sup>

The opposition's lack of trust in the **Commission Electorale Nationale Indépendante (CENI)** increases the risk of street unrest. There is a "*lot of incompetence*" in CENI.<sup>26</sup> However, EU and **African Union (AU)** observer missions will give the vote some credibility.

*"It's going to be difficult to rig it in this climate but there will be still some room to manoeuvre. Some major problems have been resolved in the last two weeks and there is a lot of scrutiny with the observers there. The results should be better quality than 2010."* <sup>27</sup>

An emerging security trend is the growing influence of hardliners within Cellou Dalein Diallo's UFDG. The UFDG is split between the moderate Diallo and a more militant wing led by **Oury Bah**. The government alleged Bah was in some way involved in the alleged 19 July 2011 assassination attempt on Condé. He spends his time between **Senegal** and **France**.

*"Diallo is not confrontational by nature. He hasn't pulled out of the election and there is so far not much talk of a boycott. If he wanted to foment violence he would have.*

*Bah is a nasty guy...diplomacy is not his forte. He takes advantage of the disgruntled young unemployed Peuls on the street. This split is one to watch."*<sup>28</sup>

## Implications

The coup plot remains unverified and questionable. A successful foreign-led coup in Guinea is unlikely, particularly given the country's deep resentment of foreign involvement. In addition, Guinea's democratic transition has secured the support of leading security players in the region – the US and France. International or regional players will not support any coup scenario.

Political violence will escalate during voting and following the announcement of votes. The population remains nervous particularly due to the date of the vote, the anniversary of the stadium massacre during an anti-military junta protest in 2009. United Nations (UN) and human rights monitors

<sup>25</sup> Source, Guinea security and political researcher, Senegal

<sup>26</sup> Source, West Africa correspondent, Guinea

<sup>27</sup> Source, Guinea security and political researcher, Senegal

<sup>28</sup> Source, Guinea human rights analyst, US



confirmed that ill-disciplined soldiers under the junta command murdered over 150 civilians. However, several sources claim it is unlikely to escalate into nationwide unrest. *“There are always the rumours about weapons etc but they are usually from Guineans who have a particular bias.”*<sup>29</sup> Regional leaders will be expected to intervene to reduce tensions if street unrest escalates.

Successful legislative elections will mark a crucial point in Guinea’s reconciliation process. Power will remain in the executive, although parliament will offer the opposition a platform. Condé is unlikely to gain a majority in the legislature, and some momentum may shift towards Diallo in the lead up to the 2015 presidential election if he performs well. This will increase pressure on Condé to secure foreign investment and improve the economy. A poor showing may also force Condé to bring members of the opposition into government, which will further improve reconciliation prospects.

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<sup>29</sup> Source, Guinea security and political researcher, Senegal