

AQIM and the Growth of International Investment in North Africa

By Geoff D. Porter

IN THE COMING YEARS, North Africa's Sahara and the Sahel regions will become more populated, easier to navigate and more interconnected with the rest of the world. Both the Sahara and Sahel are experiencing rapid population growth and even faster urbanization. The spread of technology, both low and high, has made it easier for people to move throughout the region and communicate with others outside it. Moreover, energy and mining companies' pursuit of new natural resource opportunities will expand the international presence. These factors also mean that the Sahara and Sahel will present a wider array of targets for violent actors and armed groups, such as al-Qa`ida in the Islamic Maghreb (AQIM).

In conjunction with the assumption that the Salafi-jihadi ideology that motivates AQIM will persist for the foreseeable future, these trends suggest that Islamist political violence (as well as related banditry and criminality) will likely intensify in the coming years. Moreover, AQIM has shown a preference for foreign targets or targets linked to foreign companies, in addition to conventional targets such as representatives of state security services. As a result, increased international investment in the region will likely become a target for AQIM.

This article examines the near-term future of energy and infrastructure growth in the Sahara and Sahel regions.¹

¹ This analysis leaves aside discussions of the durability and the appeal of Salafi-jihadi Islam in contrast to more prevalent Saharan and Sahelian Islamic interpretations that favor Sufi practices or conventional Maliki and Ashari ones. Instead, the analysis assumes that Salafi-jihadi ideology will persist in some form among a small section of the population. The persistence of the jihadist component of the ideology means that Islamist-inspired violence targeting non-Muslim foreigners in the Sahara and Sahel will continue. In addition, this analysis will not tackle issues such as the proliferation of small-arms in the Sahara and Sahel or the evolution of insurgent or terrorist tactics, such as the increasingly widespread use of improvised explosive devices. The analysis will project out from the current profile of AQIM activities in the Sahara and Sahel and try to anticipate how the introduc-

tion of a wider array of targets in the region will affect the group's activities.

Energy and Infrastructure Growth

A brief overview of energy projects recently underway in the Sahara and Sahel and projects that have been announced or are planned indicates that the presence of multinational energy firms—including oil, gas, and alternative energy—is likely to increase dramatically in the coming years.

Oil and Gas

The Sahara and Sahel states are likely to experience a mini-boom in oil and gas interest.² While the pace of activity and the volume of production is not remarkable on a global context, its importance is amplified by the scarcity of industrial activity in the region at present. Even small scale activity markedly changes the landscape.

Libya, the Sahara's largest oil exporter, has shifted approaches from expanding foreign firms' access to new acreage to maximizing oil production from maturing fields. Nevertheless, acreage that was licensed to foreign firms in 2005 is only just being explored and new production from any discoveries would likely become operational in the coming years. In particular, Libya auctioned new acreage in the Murzuq basin in southwestern Libya in 2005. Libya is also likely to return to a strategy of offering new acreage to foreign firms in the future and this would only further increase foreign firms' presence in unpoliced areas in the Libyan Sahara. The Libyan Islamic Fighting Group has

² The push into the Sahara and Sahel is driven by several trends. For oil, a shrinking oil patch in what looks like a sustained new price band that makes exploration and production possible in new areas. Gas exploration is pushed by the European Union's desire for cleaner burning fuels and growing concern about Russia's increasing monopolization of European gas supplies. Brussels is keen to diversify European gas supply to avoid being at Moscow's mercy, and encouraging North African gas development is a key component to this.

not been effective in Libya for more than a decade, but it is foreseeable that Libyan veterans of the wars in Iraq and Afghanistan could infiltrate Libya and pose a risk to new potential targets.

Neighboring Algeria is more aggressively pushing exploration in remote parts of the country. In addition to ongoing exploration in the militarized zone in Algeria, the French oil company Total has announced that it is expecting gas production from its

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recently acquired Timimoun acreage in 2013. Timimoun is in southwestern Algeria in an area that has historically been a clandestine trans-Saharan route. It runs alongside National Route 6, which travels from the border with Mali north of Kidal to the Moroccan border town of Figuig. Algeria's state-owned energy company, Sonatrach, and Gaz de France-Suez announced that they expect gas production from their Touat block, near Adrar, sometime between 2013 and 2014.³ A key cornerstone of Algeria's aggressive energy plan is the development of Ahnet, to the northeast of Tamanrasset, which attracted the interest of U.S. oil and gas companies in 2008 and is up for auction again in December 2009.⁴ Algeria has done a remarkable job protecting its energy infrastructure from security threats in the north and east of the country, but it remains an open question whether it has the capacity to expand its counterterrorism efforts into new areas such as the southwest.

³ Liès Sahar, “Sonatrach et Total vont investir 1,3 milliard de dollars,” *El-Watan*, October 8, 2009.

⁴ Simon Martelli, “Tough Investment Climate Darkens North African Upstream Prospects,” *Middle East Economic Survey*, November 2, 2009.

While offshore Mauritanian production has disappointed expectations, international oil companies are pushing ahead with onshore exploration. Total recently announced that it has begun drilling test wells in Mauritania's Taoudeni basin, near the Algerian and Malian borders, with expectations of possible production there in 2015.⁵ On the other side of the border, Sonatrach is exploring Block 20 in Mali's northern Taoudeni basin.⁶ As recently as late September 2009, seven Mauritians and Malians suspected of being AQIM members were arrested in this area.⁷

Energy Infrastructure

In addition to the newly undertaken and pending exploration activity, the Sahara and Sahel may witness the growth of energy infrastructure such as oil and gas pipelines to transport production to markets. Most significant is the Trans-Sahara Gas Pipeline, which could bisect the Sahel and Sahara by 2015 and would be the world's longest pipeline. As its name suggests, the trans-Sahara pipeline would transport Nigerian gas across the Sahel and Sahara to the Algerian border, where it would link up with that country's infrastructure and head north to Europe. In all, the gas would travel approximately 3,000 miles—600 across Nigeria, 500 across Niger, 1,600 across Algeria, and about 300 across the sea.

The pipeline is far from a certainty. In addition to the enormous distances that leave the pipeline exposed to security risks,⁸ the current tight credit environment and Nigerian debates about dedicating captured gas for the domestic industry versus exporting it mean that the pipeline's construction is likely to be delayed beyond the target date, if it is built at all.⁹ In addition to

5 Ismael Aidara, "Total reprend en main le bassin de Taoudenni en Mauritanie," *Les Afriques*, October 16, 2009.

6 Abdoul Karim Kone, "Le Ministre des Mines en visite au Bloc 20 du Bassin de Taoudeni," *Journal l'Indépendant*, June 1, 2009.

7 "Mauritanie: sept membres présumés d'Al-Qaïda toujours interrogés," *lakoom-info.com*, October 5, 2009.

8 Benoit Faucon, "Nigeria Militants: Will Attack Trans-Sahara Pipe If Built," *Dow Jones Newswires*, July 4, 2009.

9 Sebastian Spio-Garbrah, "Nigeria Sliding into Resource Nationalism with New Petroleum Law," *Business Day*, November 2, 2009.

the Trans-Sahara Gas Pipeline mega project, gas projects in southwestern Algeria such as Timimoun, Touat and Ahnet would require the construction of pipeline networks to connect the remote gas fields to gas hubs further north. To protect these new feeder pipelines, the Algerian government would be required to expand its militarized zone that now encompasses the Hassi Messaoud gas fields, putting an additional strain on Algiers' already stretched military capacity in the Sahara.¹⁰ New discoveries in Libya's Murzuq basin would require the construction of new pipelines to bring crude to ports on the Mediterranean coast, and Total would be forced to build pipelines from the Mauritanian interior to the coast were it to make discoveries in Taoudeni.

Alternative Energy

Europe is also looking to foster alternative energy in North Africa as a way of decreasing carbon emissions, increasing renewable energy and reducing the risk of Russian gas supply disruptions. In particular, the Berlin-based Desertec Foundation is exploring ways to develop solar and wind power in the Sahara. The plan, which has the support of German, Swiss and Spanish companies, envisions the construction of solar and wind power generation hubs throughout the Sahara. Wind generation would be concentrated on the Atlantic coast, with solar arrays installed along the Algeria-Morocco border, but also in Algeria's Hoggar and Adrar provinces. Desertec, however, faces challenges similar to those of the Trans-Sahara Gas Pipeline project. In addition to cost (transmission lines alone are expected to cost more than \$60 billion) and regulatory hurdles, such as coordinating electricity pricing regimes, the plan faces security risks.¹¹ Wind farms and solar arrays would be easy targets for AQIM, which could profit from the publicity generated by attacks on these structures.

10 The militarized zone is an area encompassing Algeria's most important hydrocarbon assets and requires a special permit issued by the security services to visit. The zone has a strong military presence and is patrolled by four-wheel drive vehicles on the ground and by helicopter in the air.

11 Charu Malik, "Enolcon on the role of trust in Desertec Industrial Initiative," *CSP Today*, August 26, 2009.

Mining

Gold mining is intensifying throughout the Sahara and Sahel. Mauritania has succeeded in attracting active gold mining operations, particularly in the relatively ungoverned central region of the country, an area that the French Ministry of Foreign Affairs has highlighted as a security risk. Burkina Faso has also witnessed an increase in gold mining along the border with Niger, near the area where several

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diplomats were taken hostage by AQIM in February 2009. Burkina Faso aims to become Africa's fourth-largest gold producer within the next three years, placing it just behind neighbors Mali and Ghana. Algeria is the newest addition to Sahara gold producers with a remote mine located several hundred kilometers to the west of Tamanrasset.

Tenacious Chinese and Indian demand for natural resources is encouraging multinational mining companies to acquire mineral rights in previously unexplored areas. For example, several multinationals are considering investments in northern Mauritania, close to the Moroccan (Western Saharan) border, in an area that has registered AQIM activity in the past two years. In fact, the group of alleged AQIM members who were arrested near Mauritania's Taoudeni basin where Total has begun drilling test wells came from Zouerate in northern Mauritania, near the area where multinationals are considering iron-ore mining operations.¹²

12 Aidara.

Population Growth and Urbanization

In addition to the increasing presence of foreign firms in the Sahara and Sahel and the spread of energy-related infrastructure throughout the region, the Sahara and Sahel states' populations are booming, more than doubling in the last 50 years.¹³ The Sahel's and Sahara's few cities are bearing the brunt of this population growth, as persistent drought and government settlement plans decrease the overall proportion of the population that still maintains a nomadic lifestyle. It is expected that by 2025, 43% of the Sahel population will be urban.¹⁴ There are few statistics for most Sahel and Sahara cities, but even the few existing data points tell an urgent story. The Nigerien town of Agadez had approximately 10,000 residents at the beginning of the 20th century. The population gradually grew to 50,000 by 1988. By 2001, there were 78,000 people living in Agadez and by 2005 the number had risen another 100,000, not including a "transient" population of approximately 20,000 people. The famous uranium mining town to the north, Arlit, has undergone similar growth. In 1988, Arlit had a population of 35,000.¹⁵ The 2001 census shows that the population grew to 69,000, which rose to 80,000 by 2006. Tamanrasset is also indicative of the region's urbanization and population growth; it had only between 4,000-5,000 residents in the 1960s. Today, the town has grown to more than 100,000 people.¹⁶ Kidal in Mali is similar. In 1998, Kidal had a population of slightly more than 13,000. In 2007, it was approximately 24,000.¹⁷ According to one study, Kidal's and Agadez's annual population growth rates are between 10-20%. Arlit's growth rate is more than 20%.¹⁸

13 M. R. Mulford, "Government, Population and Ecology in the Sahel: A Study in Disaster," 1994.

14 This is based on a report released by the International Union for the Conservation of Nature in 1992.

15 Y. Decroix and Martin J. de Saint, "Seroprevalence of HIV Infection in Arlit, Northern Niger," *Transactions of the Royal Society of Tropical Medicine and Hygiene* 84:1 (1990).

16 Geoff D. Porter, "Curtailing Illicit and Terrorist Activity in Algeria's Tamanrasset," *CTC Sentinel* 1:9 (2008).

17 "Plan de Securite Alimentaire Commune Urbaine de Kidal," Commissariat à la Sécurité Alimentaire and USAID-Mali, July 2007.

18 L. Olsson and L. Eklundh et al., "A Recent Greening of the Sahel - Trends, Patterns and Potential Causes," *Journal of Arid Environment* 63:3 (2005): pp. 556-566.

It is almost impossible for economic growth rates to keep pace with the increasing size of the population. As a consequence, it is likely that the cities' residents will be compelled to seek livelihoods outside formal sectors, with implications for the growth of the informal economy and illicit activities. Population growth on top of informal economies also strains municipal budgets because they do not benefit from increased tax revenue. Moreover, this challenges the municipal governments' ability to expand urban infrastructure to meet the needs of the growing population. Residents strive to meet their own housing needs

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by building shantytowns and other clandestine housing. There has often been a strong correlation between the presence of shantytowns and terrorism and criminality, although the causal nature of the correlation is disputable. Likewise, the rapid population growth rates in Sahel and Saharan cities introduce concerns about food and water security, increasing the likelihood of heightened social tensions and potential for unrest ensuing from struggles for access and control of resources.

Increasing Mobility and Communication

Not only will populations in the region be larger and test the limits of urban infrastructure in the coming years, but they will also be more mobile and interconnected. The introduction of handheld Global Positioning System (GPS) devices has made it easier for people to navigate the Sahara and Sahel

without relying on the few paved roads and established tracks even if they have limited familiarity with the terrain. For example, GPS has made it feasible for people not from the region to drive from Kidal in Mali to northern Algeria without ever traveling on an established road.¹⁹ In the last year, accessing GPS has become even easier. In October 2008, Algerie Telecom launched GPS service for much of southern Algeria, both via conventional GPS devices, but also for GPS-compatible cell phones.²⁰ In addition to facilitating peoples' ability to move along unconventional routes, GPS also allows people to remain out of contact with populated areas for longer periods of time by being able to locate pre-established caches of weapons, food and fuel.²¹ Cell phone coverage is also penetrating deeper into the Sahara and Sahel, increasing communication with other regions; this was historically limited to fixed lines or satellite phones.²² Now it is possible to reach Europe and the United States from the heart of the Sahara and Sahel. Cell phone penetration rates as well as the expansion of internet-enabled cell phones in the Sahara and Sahel is likely to continue for the foreseeable future, meaning that Saharans will be able to communicate with increasing fluidity with friends and family, colleagues and collaborators elsewhere in the world.

Growing Target Opportunities for AQIM

While AQIM activity in the Sahara and Sahel has increased in recent years, in the comparative context it is still extremely limited. One of the factors restraining the pace of AQIM's operations in the Sahara and Sahel has been the lack of targets and the inability of AQIM members who are not from the region to move throughout the desert.²³ Also, there are few Europeans and Americans in the desert, both of which are preferred AQIM targets either for ideological reasons or for the practical motive that they are likely to

19 Mulford.

20 "Une filiale d'Algérie Télécom dévoile de nouveaux services GPS et VoIP," *Magharebia*, August 4, 2008.

21 "Des 'trafiquants' arrêtés au Nord du Mali," *Journal Tabalil*, September 16, 2009.

22 Paul Hunter, "130 Days in Captivity; Canadian Diplomat Reveals Details of his Harrowing Time in Captivity," *CBC News*, September 9, 2009.

23 Salima Tlemcani, "Révélations sur une organisation en déroute," *El-Watan*, August 1, 2007.

afford higher ransoms. Moreover, while AQIM member Mokhtar Belmokhtar's marriage into local families allowed him to be a capable leader in the Sahara, he seems to be increasingly less motivated by Salafi-jihadi ideology and now harbors more conventionally criminal, for-profit aspirations.²⁴ His apparently ideologically rigorous counterpart, Yahya Djouadi, who was ostensibly appointed by AQIM leader Abdelmalek Droukdel to replace the wavering Belmokhtar, is from northern Algeria and is at pains to make alliances in the Sahara. As a result, he has been unable to carry out effective campaigns there.

Yet the increased presence of foreign energy and mining firms throughout the Sahara and Sahel in the coming years means that AQIM will have a richer target set. AQIM, in both the Sahara and in northern Algeria, has targeted foreign companies in addition to representatives of state security services. There are abundant examples of AQIM attacks against foreign firms in northern Algeria, where they have been historically more prevalent. Attacks against Brown and Root-Condor, a KBR subsidiary, in 2006 and subsequent attacks against Canadian engineering, procurement and construction firm SNC-Lavalin in 2008 and again in 2009 have made foreign firms extremely aware of the threat AQIM poses to their operations and personnel.²⁵ Foreigners in general are privileged AQIM targets. While not an exhaustive list, the kidnapping of German tourists in 2003 in Tamanrasset, the murder of French tourists in Aleg in Mauritania in 2006, the kidnapping of Austrian tourists in Tunisia who were transported to Mali in 2008, and the capture of Swiss and French tourists in 2009 are all indicative of this trend. Likewise, foreign diplomats and foreign installations in the Sahara and Sahel have been at the top of AQIM's target list, as exemplified by the capture of two Canadian diplomats in December 2008 and the suicide attack on the French Embassy in August 2009.

Even if firms minimize their expatriate personnel, AQIM has demonstrated that it views nationals working for foreign firms as legitimate targets. In addition, AQIM is likely benefiting from advances in navigation and communication technology. Further enhancement of GPS capabilities in the Sahara and Sahel are likely, and AQIM will use these improvements to facilitate movement around the desert and improve its ability to plan and carry out attacks. Similarly, cell phone penetration will make it easier for AQIM cells to communicate with one another and foster technology transfers such as how to build improvised explosive devices.

Aid that the U.S. and France are providing Sahel and Sahara states to enhance their counterterrorism capabilities is unlikely to allow local governments to keep pace with AQIM's increasing target opportunities and capabilities. France has provided military assistance to President Mohamed Abdel Aziz's government in Mauritania and the United States has given military aid to Mali, but the aid is calibrated to the threat that AQIM poses at the present and not its likely capabilities in the coming years. Algeria has refused U.S. counterterrorism assistance, even though the AQIM threat there is perhaps most acute and is likely to grow most significantly in light of Algeria's aggressive push to expand oil and gas exploration and production in the southwest of the country.

These factors mean that in the coming years, new investments in the Sahara and Sahel will come under increasing danger from criminals and bandits, along with fighters belonging to AQIM. Unfortunately, it does not appear that governments in the region are currently prepared to neutralize this growing threat.

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Hizb Allah's Domestic Containment and Regional Expansion Strategies

By Benedetta Berti

DURING THE PAST few months, Lebanese Hizb Allah has pursued two strategic priorities. Within Lebanon, the organization is focused on preserving the internal balance of power and preventing the international community from increasing its role within the country. At the same time, while concentrating its efforts on protecting its political and military power internally, Hizb Allah is investing significant political capital to improve its regional role and status, both politically and operationally.

This article will first analyze Hizb Allah's domestic strategy, showing how the organization is stifling the actions of the newly elected government while also curtailing the influence of the international community within Lebanon. It will then examine Hizb Allah's regional strategy, which includes becoming increasingly confrontational with "moderate" governments in the region, particularly Egypt.

Hizb Allah's Domestic Strategy

In the aftermath of its electoral defeat in Lebanon's June 2009 parliamentary elections, Hizb Allah has been relying on its popular legitimacy and political power to limit the elected government's freedom of political maneuver. Specifically, the Hizb Allah-led March 8 coalition stalled the formation of the new executive cabinet for months by demanding to be rewarded with at least 11 of the 30 available cabinet seats. If granted, this request would have both conferred the organization veto power over any substantial national reform that could threaten the group, and at the same time it would have weakened the elected majority.¹ In the end, the two camps agreed to form a "unity cabinet" composed of 15 members of the March 14 coalition, 10 members from the Hizb Allah-led opposition, and five independent candidates appointed by President Michel Suleiman.²

²⁴ Geoffrey York, "Diplomat Robert Fowler's Kidnaper has Powerful Terrorist Links," *Globe and Mail*, October 13, 2009.

²⁵ Bertrand Marotte, "SNC-Lavalin Won't Evacuate Workers," *Globe and Mail*, October 22, 2009.

¹ "PM Al-Sanyurah After Cairo Meeting: Third Blocking Experience Failed," Lebanese National News Agency, June 14, 2009.

² "Without National Consensus New Cabinet Will