

SIPRI YEARBOOK 2000
ARMAMENTS, DISARMAMENT AND INTERNATIONAL SECURITY
Appendix 5D. Military expenditure in Africa

WUYI OMITOOGUN

I. Introduction

Military expenditure in Africa has been increasing since 1997 after a relatively long period of decline. In 1999, the total calculable expenditure on military activities was about 22 per cent higher in real terms than at the low point of 1996. However, this new increase does not fully reflect the total amount spent on military activities in the region. For instance, because of great distortions in the economy and inconsistencies in the official figures (probably due to the ongoing war), Angola's military expenditure is not included in the regional total. If it were added the 1999 figure would be almost 50 per cent higher.

Over the seven-year period 1990–96 military expenditure in Africa fell by about 25 per cent in real terms. The main factors behind the decline were poor economic conditions, budget constraints and the demilitarization process in Southern Africa generally, and more specifically South Africa, the continent's major military spender. The decline was, however, not evenly distributed. Military spending in North Africa, for instance, rose throughout the 1990s, mainly because of increased military spending in Algeria. The reasons for the change in trend since 1997 are: (a) the persistence of many of the continent's conflicts and the involvement of several states in them;¹ and (b) the steady increase over the years in the military spending of some of Africa's major spenders, notably Nigeria, Algeria and Ethiopia.

In *Nigeria* the abolition in early 1999 of the dual exchange rate, which gave the military and some special arms of the government—mainly the presidency—access to much cheaper foreign exchange than the rest of the economy, led to an almost 100 per cent increase, albeit fictitious, in the country's official military expenditure for 1999. The special naira : dollar exchange rate, at 22 : 1 for imports and other purchases in dollar terms, was far below the market exchange rate of 85 : 1. The practice meant that the actual cost of the military budget (especially the capital vote) could be four times the officially reported defence budget figures, the remaining costs being hidden in the exchange rate subsidy. In *Algeria* the continued violence still ensures that the country's military expenditure remains one of the highest in the region. In *Ethiopia* the continuation of hostilities with neighbouring Eritrea means increased military spending; in 1999 it was more than three times the pre-war level. The involvement of *Zimbabwe*, *Namibia*, *Rwanda* and *Uganda* in the war in the Democratic Republic of Congo (DRC) also led to significant increases in their officially reported military expenditure. *South Africa*, whose reduction in military spending earlier in the 1990s was a major factor in the overall decline of the continent's military expenditure, is set to have another round of increases beginning from 1999. In September 1999 its cabinet approved an arms procurement programme worth about \$5 billion (29.9

¹ On the current conflicts in Africa, see chapters 1 and 2, and appendix 1B in this volume.

billion rand) over the next eight years² which will lead to significantly increased military expenditure over the next three years.³

² Heitman, H., 'South Africa signs orders for \$5 billion', *Jane's Defence Weekly*, 8 Dec. 1999, p. 3.

³ Engelbrecht, L., 'South Africa boosts defence spending', *Defence Systems Daily*, 29 Oct. 1999, URL <<http://defence-data.com/current/page5646.htm>>.

Table 5D.1. African military expenditure, 1990–99

Figures are in US \$b., at constant 1995 prices and exchange rates. Figures in italics are percentages. Figures do not always add up to totals because of the conventions of rounding.

Region ^a	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	% change 1990–99
Africa ^b	11.9	11.1	9.9	9.9	10.0	9.4	8.9	9.3	[9.5]	[10.6]	– 11
North	2.4	2.5	2.7	2.9	3.4	3.1	3.2	[3.5]	[3.7]	..	+ 54 ^c
Sub-Saharan	9.5	8.7	7.2	7.0	6.6	6.3	5.8	5.8	5.8	[6.6]	– 30 ^b
World	1 007	..	818	787	763	724	708	718	[704]	[719]	– 28.6

^a For the country coverage of the regions, see appendix 5A, table 5A.1.

^b Total military expenditure in Africa and Sub-Saharan Africa is much higher than indicated in this table because of the exclusion of Angola from these totals. Because of the effect of war on the Angolan economy, it is impossible to make a time series in constant dollars for Angola. Its official military expenditure may be as high as \$5–6 billion in 1996–97, which would mean that total Sub-Saharan military expenditure was twice the figure in the table above.

^c Change over the period 1990–98.

Source: Appendix 5A, table 5A.1.

However, SIPRI figures, which are based on officially reported data, do not fully represent the total resources committed to military activities in Africa because of the hidden cost of armed conflict that is pervasive in the region. Continuing conflicts in different parts of Africa in 1999 have involved the diversion of vital resources to military purposes in far more countries than at any other time in the recent past. The magnitude of expenditures and costs related to armed conflicts, although important and probably increasing, is difficult to estimate as they are not reflected in official budgets, partly because of the emerging pattern of financing many of the wars on the continent. What is certain, however, is that the costs of war to the belligerents have been considerable and, in view of the stark poverty on the continent, a diversion of scarce resources. With little prospect of an early end to many of the conflicts and the involvement of some African states in distant conflicts for reasons that range from the logic of the regional security complex⁴ to economic motivations, this new increase is set to continue for some time.

This appendix describes some of the costs involved in armed conflicts on the African continent, for three categories of countries: (a) those on whose territory conflict is taking place; (b) those siding with factions in a conflict; and (c) those involved in regional peacekeeping missions. It begins with a general description of the new mechanisms involved in the financing of armed conflict.

II. The financing of armed conflict

In conditions of war and armed conflict, the financing of military activities takes extraordinary forms. This is particularly the case in many developing countries endowed with valuable natural resources such as diamonds, emeralds, oil and copper. During war these resources are exploited by whoever can provide protection. Those

⁴ Buzan, B., *People, States and Fear: An Agenda for International Security Studies in the Post-Cold War Era* (Harvester Wheatsheaf: Hemel Hempstead, 1991), pp. 190–93.

who are able to provide protection, especially in the new types of war,⁵ are the different fighting units, public and private, state and non-state, including regular armed forces, remnants of paramilitary groups, self-defence units, foreign mercenaries and regular foreign troops. Mary Kaldor has categorized the sources of funding these new wars into four types. These are: (a) 'asset transfer'—the redistribution of existing assets to benefit the fighting units (e.g., looting, robbery, hostage-taking and deriving profits from control over market prices); (b) 'war taxes' or 'protection' money from the production of primary commodities and various forms of illegal trading; (c) external assistance, in particular for imports, such as remittances from abroad to individual families, direct assistance from the diaspora living abroad or assistance from foreign governments; and (d) the diversion of humanitarian assistance for governments' or warring factions' own use. For countries involved in this type of war, data on government military expenditure are irrelevant for measuring military expenditure. This is illustrated by the current scenarios of armed conflict in Africa.

Even more important is the set of social relationships formed by these systems for financing wars—a factor that works strongly against ending wars.

III. Countries on whose territory conflict is taking place

The costs of war to those actually in conflict are for obvious reasons difficult to determine or estimate. This section provides examples which serve to illustrate the magnitude of these costs and the mechanisms for financing these wars.

The *DRC*, with the most intractable of the wars, cannot offer any reasonable figure for its military expenditure because of the continuing conflict, but nearly all government receipts are diverted to the prosecution of the war with the rebels, even as those receipts continue to decline as a result of rebel activities.⁶ The cost to the DRC of hired mercenaries—mainly from Russia and Ukraine—is also unknown, but they are constantly engaged in flying the DRC's fighter aircraft.⁷ In addition there is the cost of arms imports. The DRC Government owes the Government of Zimbabwe about 100 million Zimbabwean dollars (ZD) (US\$2.6 million) for arms imports and recently stopped paying the monthly instalments of the agreed phased repayment scheme on these supplies (arms and munitions) from Zimbabwean Arms Industries (ZDI).⁸

A major problem of the government is that it is not effectively in control of the country, particularly in some of the mineral mining centres. This has opened up sources of financing for other armed factions. The main diamond mining area at Mbuji-Mayi in central DRC is virtually surrounded by the Rwandan-backed Rassemblement Congolais pour la Démocratie (Congolese Rally for Democracy, RCD) rebels, while the Ugandan-backed faction of the RCD collects customs duties on the north-east border of the country. The continued presence of different countries in the DRC is not unconnected with the vast resources the country possesses. To many of the belligerents and their supporters war will remain attractive as long as the profits of violence outweigh the gains of peace.

⁵ Kaldor, M., *New and Old Wars: Organized Violence in a Global Era* (Polity Press: Cambridge, 1999), chapter on financing wars, pp. 101–107.

⁶ 'War stifles economy', *Africa Research Bulletin*, 16 Mar.–15 Apr. 1999, pp. 13835–36, and 'Investment: a hostage to Kabila's capriciousness', *Africa Research Bulletin*, 16 Aug.–15 Sep. 1999, p. 14021.

⁷ 'The DRC air force loses another "bomber"', *Defence Systems Daily (South Africa and Southern Africa)*, 18 Nov. 1999, URL <<http://defence-data.com/current>>.

⁸ Mutsakani, A., 'Arms firm in desperate bid to get Kabila to pay up', *Financial Gazette* (Harare), 29 July 1999, URL <<http://www.africaonline.co.zw/fingaz/99/stage/archive/990729/national4213.html>>.

In *Sudan*, with Africa's most enduring civil war, according to some sources the government spends over half of the state budget every year⁹ on the civil war it has waged since 1989 with the Sudan People's Liberation Army (SPLA) and other rebel factions. If this is true the military expenditure of Sudan will be four times higher than officially reported annually since 1989. Estimated government expenditure for 1999 is \$1.09 billion.¹⁰ This diversion of budget resources, according to President Omar el-Bashir, makes it impossible for the government to 'provide the minimum limits for survival for the Sudanese' and 'puts even ministers and government officials below the poverty line'.¹¹

The *Angolan* Government has been engaged in armed conflict with different groups in the country since independence in 1975. The most resilient of the groups is the União Nacional para a Independência Total de Angola (National Union for the Total Independence of Angola, UNITA). It has engaged the government in several bitter wars, the most recent being from 1998. The government is also involved in the wars in the DRC and the Republic of Congo (Congo-Brazzaville), primarily with the aim of closing all channels of supplies to UNITA. Faced with an external debt burden of \$11 billion and depressed world oil prices from 1998, in 1999 the country resorted to mortgaging its future oil sales to pay for military equipment.¹² This became necessary because of the increased and successful UNITA attacks on the outskirts of the capital, Luanda, towards the end of 1998 and in the early part of 1999. This put the government in a desperate situation, forcing it to withdraw its forces from the DRC to support the war effort at home. It is difficult to estimate how much the government is committing to the war effort, but given its open declaration in April 1999 that it had exhausted its savings (apparently on the war) this may well be over three-quarters of the annual state budget.¹³ Angola derives four-fifths of its government income from oil exports¹⁴ and the diversion of resources to war in 1999 has had a severe impact on social provision for its citizens. The rise in oil prices since June 1999, the military successes recorded by the government since late 1999 against UNITA and the effect of UN sanctions against UNITA have, however, recently provided the needed relief to the government.

In *Algeria* conflict which started in 1992 when the election that the Front Islamique du Salut (Islamic Salvation Front, FIS) was poised to win was cancelled is still continuing, if at a reduced rate. The normality promised by the election of Abdelaziz Bouteflika as President, in April 1999, was in jeopardy by the close of the year, with increased violence around the capital, Algiers, culminating in the killing of Abdelkader Hachani, a senior leader of the FIS. Bouteflika's promised amnesty for jailed Islamic militants who renounced violence by 15 January 2000 appeared not enough to prevent a spiral of violence in the country. This was probably behind his inclusion of persons who had committed other offences in the new general amnesty

⁹ Economist Intelligence Unit, *Country Report, Sudan*, 2nd quarter 1999, p. 20.

¹⁰ Clayton, A., 'Sudanese government counts cost of war', *Jane's Defence Weekly*, vol. 31, no. 6 (10 Feb. 1999), p. 6.

¹¹ Clayton (note 10).

¹² United Nations Office for the Coordination of Humanitarian Affairs (OCHA), Integrated Regional Information Network–Southern Africa (IRIN-SA), 'Government mortgages oil sales for military equipment', 11 May 1999, URL <<http://www.reliefweb.int/IRIN/sa/countrystories/angola/19990511a.htm>>.

¹³ Gordon, C., 'Angola's debt burden', *Daily Mail and Guardian*, 1 July 1999, URL <<http://www.mg.co.za/mg/news/99jul/1jul-angola2.html>>.

¹⁴ US Energy Information Administration, 'Angola', URL <<http://www.eia.doe.gov/emeu/cabs/angola.html>>.

announced on 12 January. The new announcement resulted in the immediate disbanding of the armed wing of the FIS but the other armed faction, the Groupe Islamique Armé (Armed Islamic Group, GIA) vowed to continue with violence. As a result of the continued insecurity, Algeria's military expenditure has been increasing. The 1999 defence budget of 122 billion Algerian dinars (AD) (\$1.9 billion) was 8.3 per cent higher in nominal terms than that in 1998. In the proposed budget for the year 2000 defence is the largest single item, exceeding the education vote for the first time. It is also 16.4 per cent higher than the allocation for fiscal year (FY) 1999 and 26 per cent more than the amount for 1998.¹⁵ Algerian military expenditure continues to be one of the highest in Africa and the security situation does not suggest a likely change of trend in the near future.

The costs of the border war between *Ethiopia* and *Eritrea* have been considerable to these two aid-dependent states. Ethiopia has reportedly spent over \$300 million and Eritrea close to the same amount on armaments and other military-related activities since the beginning of the war in 1998.¹⁶ To support their war efforts both have had to resort to extra-budgetary measures. *Ethiopia* diverted the proceeds of the privatization of state companies while cutting the allocations to other sectors of the economy, such as road repair.¹⁷ It has also imposed a surtax of 10 per cent on some imported commodities, purportedly to cover the budget deficit.¹⁸ The war has been aggravating the worsening food situation in Ethiopia by depriving the country of able-bodied peasants in the north, who have been enticed to enlist for the war as a result of the relatively high wages, about \$30–50 per month.¹⁹ Ethiopia's official military expenditure, which dropped sharply at the beginning of the 1990s, has been rising slowly again since 1994. With an estimated \$1 million currently being spent on the war per day, the government's target ceiling of 1.3 billion birr (about \$174 million) for military expenditure for FY 1998/99 was probably exceeded.²⁰ Although military spending was 3.2 per cent and 3.5 per cent of GDP in 1997 and 1998, respectively, the amount spent on arms will push that share in 1999 close to 12 per cent. *Eritrea* hopes to raise about \$400 million from donations from its citizens abroad in addition to revenues from increased taxes and treasury bonds to further finance the war.²¹

IV. Countries siding with a faction in war

A number of African states have had significant increases in their official military expenditure as a result of their involvement in conflicts other than their own. There

¹⁵ Daoud, A., 'Parliament begins FY00 budget in difficult conditions', *North Africa Journal*, issue 69, week ending 18 Nov. 1999, URL <<http://www.north-africa.com/archives/docs/111899A.htm>>. See also *SIPRI Yearbook 1999: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1999), p. 302.

¹⁶ 'Futile war in Africa', *International Herald Tribune*, 8 Feb. 1999, p. 8. See also 'The Ethiopian offensive: where does it end?', *Defence Systems Daily*, 9 Feb. 1999, URL <<http://defence-data.com/current/page3734.htm>>.

¹⁷ 'Ceasefire under threat', *Africa Confidential*, vol. 40, no. 22 (5 Nov. 1999), p. 2.

¹⁸ 'Surtax imposed to make up for budget deficit', *Addis Tribune*, 21 Jan. 2000, URL <<http://AddisTribuneOnline.Net/Archives/2000/01/21-01-00/Surt.htm>>.

¹⁹ Integrated Regional Information Network—Central and East Africa (IRIN-CEA), 'Ethiopia: separating humanitarian needs and political issues', 20 July 1999, URL <http://www.reliefweb.int/IRIN/cea/countrystories/ethiopia/19990710.htm>.

²⁰ Economist Intelligence Unit, *Country Report Ethiopia*, 2nd quarter 1999, p. 9.

²¹ 'Carnage on the plain', *The Economist*, 17–23 Apr. 1999, p. 35.

has been external involvement mainly in the war in the DRC but also in Guinea-Bissau and the Republic of Congo.

Of the countries involved in the DRC conflict, *Zimbabwe's* involvement has generated much controversy over the costs and objectives of intervention. Part of the initial reasons for President Robert Mugabe's sending troops to the DRC was the expected economic gains from the enterprise.²² The initial deal between presidents Kabila of the DRC and Mugabe, signed on 4 September 1998, providing for Zimbabwe's support was to pave the way for a self-financing involvement that would also benefit Zimbabwe economically. Under the agreement ZDI was to supply arms and munitions to the DRC troops and a Zimbabwean mining company, Ridgepointe, would get a minority share (37.5 per cent) and take over the management of Gécamines, the DRC state mining company which controls the country's copper and cobalt mines. The profit from the enterprise would be shared according to an agreed formula whereby the DRC Government put 20–30 per cent of its 62.5 per cent share into financing Zimbabwe's support in the war.²³

It is doubtful whether these revenues will cover the costs of maintaining 11 000 troops in the DRC, given recent revelations about the costs to the Zimbabwean Exchequer of staying in the DRC: the cost of lost equipment is estimated at 7.7 billion ZD or over \$200 million.²⁴ This is in addition to the money expected to be paid to the families of those who died in the war and the cost of providing succour to the injured. The Zimbabwean Government's estimate of the cost of this enterprise (\$3 million per month) was disputed by the International Monetary Fund (IMF) and the World Bank²⁵ who put on hold aid promised to Zimbabwe, amounting to \$340 million, which the government desperately needed.²⁶ The donors claimed that the total monthly cost of Zimbabwe's involvement was probably about \$27 million.²⁷ If this is true, then the official defence budget of Zimbabwe has been greatly understated since 1998 when the country entered the DRC war. The official defence budget has increased steadily over the past few years. The original budget for FY 1999, of 5.4 billion ZD, was supplemented by an allocation of 1.8 billion ZD later in the year, raising the total to 7.2 billion ZD (\$190 million)—an increase of close to 100 per cent over 1998. In the FY 2000 budget the government has allocated 9 billion ZD (\$237 million) to defence. This is at the expense of more pressing social issues such as health, especially the Aids epidemic in the country.

The increase in *Namibia's* military expenditure in the past two years has also been due primarily to its involvement in the DRC conflict. Its military expenditure rose from the original allocation of 443 million Namibian dollars (ND) in 1998 to 559 million ND (\$91 million) in 1999 and a contingency fund of ND 104 million from the Ministry of Finance is likely to be devoted to the additional cost related to the DRC war.²⁸ In January 2000, the government also announced a supplementary

²² 'Rhodies to the rescue', *Africa Confidential*, vol. 40, no. 22 (5 Nov. 1999), pp. 5–6.

²³ 'Rhodies to the rescue' (note 22). See also Mutsakani (note 8).

²⁴ Peta, B., 'Zim loses \$7b arms in DRC war', *Financial Gazette* (Harare), 25 Nov. 1999, URL <<http://www.fingaz.co.zw/fingaz/99/99/stage/archive/991124/national19163.html>>.

²⁵ Morris, H. and Fidler, S., 'Zimbabwe misled IMF over spending on war', *Financial Times*, 4 Oct. 1999, p. 1; and Hawkins, T., 'Zimbabwe's reform programme unwinds', *Financial Times*, 8 Oct. 1999, p. 9.

²⁶ Mutume, G., 'The economics of financing war in Africa', *Daily Mail and Guardian* (Johannesburg), 20 Oct. 1999, URL <<http://www.mg.co.za/mg/news/99oct2/20oct-war.html>>.

²⁷ 'World Bank suspends aid to Zimbabwe', *Financial Times*, 6 Oct. 1999, p. 6.

²⁸ Maletsky, C., 'DRC war to draw on contingency funding', *The Namibian*, 6 Aug. 1999, URL <<http://www.namibian.com.na/Focus/DRCcrisis/funding.html>>.

defence budget of ND 173 million.²⁹ The war is believed to be costing Namibia about \$150 000 per day³⁰ in addition to compensation worth about ND 250 000 (\$41 000) each to the families of those who lost their lives in the war.

The continued involvement of *Rwanda* and *Uganda* in military activities in neighbouring countries, especially in the DRC, is becoming a source of concern for donors, on whom both countries depend for the financing of part of their annual budgets. While their defence budgets appear to show some stability or modest increases over the last couple of years, their continued involvement in military activities is believed to be eating deep into their social budgets. The IMF decided to postpone the release of part of the agreed loan to *Uganda* in 1999 because of overspending of the defence budget in the first half of FY 1998/99.³¹ The *Rwandan* Government has had to use extra-budgetary funding, including reallocating civilian budgets such as teachers' salaries to defence purposes.³² The IMF disputed the official figure, reported by the *Rwandan* Government in 1998, of military expenditure accounting for 4.3 per cent of GDP.³³ It is estimated that the share of GDP taken by defence in 1998 is about 8 per cent, taking into account extra resources derived from incomes from semi-public companies and illegal trading in diamonds from the DRC.³⁴

Similarly, in *Uganda* funds ostensibly meant for the police in the state budget were diverted to the military to hide the expenditure from the aid donors and lending organizations, who insist on modest military expenditure.³⁵ In the draft state budget for FY 2000 the *Rwandan* Government has proposed a reduction of 62 million francs³⁶ (\$96 000) in defence spending. This is more symbolic than real since it is a mere 0.2 per cent reduction on the 1999 budget. However, the Speaker of the Parliament asked for financial support from all *Rwandans*, home and abroad, for the country's peacekeeping and security operations in view of the fact that 'our involvement in the Democratic Republic of Congo has caused a budgetary gap to be filled if this is not going to be an obstacle to our army's performance'.³⁷

Both *Rwanda* and *Uganda* claim that, in spite of these obvious gaps and their military activities, their government budgets are not unusually affected. This may be true, since both are reported to have shown up on the list of diamond exporters because of illegal mining in the DRC; they are not known as diamond producers.³⁸

²⁹ 'The NDF gets the lion's share of the additional budget', *Defence Systems Daily (South Africa and Southern Africa)*, 31 Jan. 2000, URL <<http://defence-data.com/com/current/pages6370.htm>>.

³⁰ IRIN-SA, 'Namibia will withdraw troops once UN peacekeepers in place', 25 Nov. 1999, URL <<http://www.irin.org.za/sa/countrystories/namibia/19991125.htm>>.

³¹ Andrew M. Mwenda and Agencies, 'Domestic debt record shs 100bn, IMF suspends aid to Uganda', *The Monitor* (Kampala), 13 Mar. 1999, URL <<http://www.africanews.com/monitor/freeissues/13mar99/front.html#anchor1>>.

³² *Libre Beligique*, 2 Nov. 1999, p. 10, in 'Military spending stalls Rwandan economy', Foreign Broadcast Information Service, *Daily Report-Western Europe (FBIS-WEU)*, FBIS-WEU-1999-1102, 3 Nov. 1999.

³³ 'Military spending stalls Rwandan economy' (note 32).

³⁴ 'Military spending stalls Rwandan economy' (note 32); and Mutume, G., 'The economics of financing war in Africa', *Daily Mail and Guardian* (Johannesburg), 20 Oct. 1999, URL <<http://www.mg.co.za/mg/news/99oct2/20oct-war.html>>.

³⁵ This was revealed by a *Ugandan* police officer at a public inquiry into police corruption in the country. 'Creative accounting in Africa: hidden skills', *The Economist*, 9 Oct. 1999, p. 64.

³⁶ IRIN-CEA, 'Rwanda: defence cuts in new budget', 11 Nov. 1999, URL <<http://www.reliefweb.int/IRIN/cea/countrystories/rwanda/19991111.htm>>.

³⁷ Panafican News Agency (PANA), 'Rwanda calls on citizens to make peace contributions', 11 Nov. 1999, URL <http://www.africanews.org/east/rwanda/stories/19991111_feat3.html>.

³⁸ Mutume (note 34).

Senegal, which is still grappling with its own internal rebellion in the Casamance region,³⁹ announced an increase in its annual budget as a result of the prohibitive cost of its intervention in the crisis in Guinea-Bissau in April 1998. The government estimated the cost of its support for the now ousted regime of President João Bernardo Vieira at 2.5 billion CFA francs (\$38 million).⁴⁰ This costly enterprise was financed from the proceeds of privatizing state-owned companies, especially the national telecommunications company.⁴¹

IV. Countries involved in peacekeeping operations

A third group of countries has had increased expenditures as a result of involvement in regional peacekeeping missions. *Guinea* and *Nigeria* in the last quarter of 1999 provided cost estimates of their involvement in the peacekeeping operations of the Economic Community of West African States Monitoring Group (ECOMOG) in Liberia and Sierra Leone. The cost of intervention in Lesotho by South Africa and Botswana to support Prime Minister Pakalitha Mosisili is also gradually coming to light.

Guinea officially estimates the cost of its involvement in ECOMOG at \$500 million.⁴² This is in addition to the effect of a large influx of refugees from Sierra Leone and Liberia, two countries bordering it and recently at war. The new democratic government in Nigeria estimated the cost of its leadership of ECOMOG in the period 1989–99 at over \$8 billion.⁴³ This is close to one-third of the country's foreign debt (estimated at over \$30 billion) and a big burden on the economy. How it was financed is not clear because the total official defence budget for the country during this period was just a little above the estimated expenditure for the cost of peacekeeping. The most likely explanation is that it was financed through the mechanism of the dual exchange rate. The near-100 per cent increase in Nigeria's military expenditure in 1999, the first year of a new civilian government, was to a great extent the result of the abolition of this practice. The defence budget for FY 2000 also reflects this harmonization of exchange rates, so that the budgeted total of 34 billion naira (\$340 million) represents a 47 per cent rise in nominal terms over the 1998 figure.

The cost of the seven-month (September 1998–March 1999) intervention of *South Africa* and *Botswana* in Lesotho has been estimated at about \$140 million, or \$4.9 million per week.⁴⁴ Although this does not appear to have had any adverse effect on the overall budget of either country, the question remains whether the Lesotho Government, which suffered severe economic reverses as a result of the crisis, will reimburse them.

³⁹ The government and the rebels agreed to put a halt to fighting in Dec. 1999 at peace talks in Banjul, Gambia, within the framework of a ceasefire signed in July 1993 but which never held.

⁴⁰ 'Neighbourly intervention does not come cheap', *Africa Research Bulletin*, 16 May–15 June 1999, p. 13908.

⁴¹ 'Neighbourly intervention' (note 40), p. 13908.

⁴² IRIN, 'Guinea: counting the cost of Sierra Leone's war', 15 Nov. 1999, URL <<http://www.irin.org.za/wa/countrystories/guinea/19991015.htm>>.

⁴³ 'A survey of Nigeria', *The Economist*, 15 Jan. 2000, p. 4.

⁴⁴ Economist Intelligence Unit, *Country Report Lesotho*, 3rd quarter 1999, p. 22.