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>>> Menas Algeria Politics & Security

1.0 Algerian crisis in the Sahel

Algerian troops moved into Mali

- > Algeria faces a crisis, partly of its own making, in the Sahel. On 20th December it sent some of its armed forces into northern Mali.
- > The move followed the announcement on a Mauritanian website five days earlier that the former *Tuareg* rebel leader, **Iyad ag Aghaly**, had formed a new jihadist organisation called *Ansar Al-Din ('The Supporters of the Faith')*. Iyad had been an accomplice of the *DRS*, as well as the US, over many years in a number of activities relating to the fabrication of terrorism in the Sahara. He was also involved in a number of hostage kidnappings.
- > Precisely what troops have been sent across the border is not clear. According to *Agence France Presse (AFP)*: "*Algerian troops have crossed into Mali to help government forces combat groups affiliated to Al-Qa'ida.*"
- > The Algerian government is trying to divert attention from its military involvement in Mali and only minimal coverage being given to it in the Algerian media. AFP quoted a high-ranking Algerian military official as saying that: "*Algerian troops are currently stationed in northern Mali to assist the Malian army in the fight against terrorism.*" He would not divulge the number of Algerian troops currently based in Mali or the expected length of their stay.
- > A diplomatic source told *AFP* on the condition of anonymity: "*We know there is a team of instructors [in Mali] of at least 15, including officers.*"
- > Customs officials told *AFP*, however, they saw a convoy carrying Algerian military between the northern towns of Kidal and Tessalit. Menas Associates' own sources in the region have also given us the impression that the Algerian movement into the Kidal region is certainly of "*convoy size*" and could be quite a substantial force.

- Algeria's allies, notably the US and UK, appear to be lost for words which is unsurprising, because their strategic involvements in the region appears to be unravelling at an extraordinary speed.
- **Magharebia**, which is the Pentagon-funded on-line news service, part-quoting a Malian military source in *AFP*, said that: *"Some Algerian officers are now present in northern Mali to 'offer support' by providing training to Malian combat troops and accompanying them in operations against Al-Qa'ida in the Islamic Maghreb (AQIM)".*
- Algeria's Foreign Minister **Mourad Medelci**, and Interior Minister **Dahou Ould Kablia**, have both refused to comment. A government official, on condition of anonymity, was quoted by *AFP* as saying that *"he would contact them if there is something to say."*
- The Algerian daily *El Khabar*, which is closely linked to the Algerian military, is clearly trying to close the story down. It quoted a *'senior Algerian military source'* as saying that *"Algeria had pledged to fund and train Malian troops specialised in tracking down abductors following a recent surge in kidnapping operations targeting westerners. However, the country's principle is 'not to intervene militarily on foreign soil'."*
- The same source went on to say that: *"Algeria completely refused to take part in any direct military action outside its own territory."* This is Algeria's standard response to such situations. It uses the pretext of its constitution to justify not sending its military outside its borders. While the constitution does indeed prohibit Algerian forces being deployed outside its borders, it is quite untrue to say that its military does not take part in any direct military action outside its own territory.
- Algeria's army was engaged against Moroccan force in the Western Sahara in battles around the oasis of Amgala in 1976. Three years earlier in 1973 Algeria sent three aircraft squadrons of fighters and bombers, an armored brigade and 150 tanks to Egypt to help fight Israel in the **Yom Kippur War**. In the last year alone, Algeria's own media has reported Algerian forces going into Niger on at least three occasions. We also have information on other unreported incursions.
- The reason why Algerian forces have not hitherto gone into Mali - other than to cordon *Tuareg* rebels in 2006 - especially to root out *AQIM*, is because *AQIM* in the Sahara-Sahel is a

predominantly Algerian construct. Its leaders in the region, **Abdelhamid Abou Zaïd, Yahia Djouadi and Mokhtar ben Mokhtar** all have links with the *DRS*.

The emergence of Iyad ag Aghaly as a key *DRS* player

- A key player in the *DRS* strategy in the Sahel, Mali in particular, has been Iyad ag Aghaly. He came to prominence in 1988 when he founded a rebel secessionist movement in northeast Mali called the *Mouvement Populaire pour la Libération de l'Azawad (MPLA)*. He led the uprising that began at Ménaka in June 1990, and was regarded as being the main leader of the 1990s rebellion. His subsequent *Mouvement Populaire de l'Azawad (MPA)*, which was predominantly drawn from his own politically dominant *Ifoghas* (a.k.a. *Iforas*) *taoussit* (tribe), was dissolved at the 1996 Timbuktu peace ceremony. During this period, Iyad came into close contact with the Algerian authorities, and the attention of the *DRS*, who gave considerable humanitarian assistance to the region's *Tuareg* throughout the rebellion.
- Iyad became a convert of the pacifist *Tablighi Jama'at* in around 1999 and his newfound religiosity became the butt of many jokes and the subject of some academic interest.
- His first involvement with the *GSPC/AQIM* was in 2003 when he facilitated the movement of **El Para's** remaining hostages to Mali, where he was instrumental in the negotiations for their release. At this time he worked closely with Abdelhamid Abou Zaïd, who was then El Para's second-in-command, and the *DRS*. Iyad had, by this time, also acquired a '*love for money*', in which the *DRS* clearly indulged him. Iyad began to become a wealthy man.
- His main assistance to the *DRS* and the Americans was in 2006. He agreed to lead a 24-hour rebellion on 23rd May 2006 in Kidal and Ménaka which the Algerians were able to use as a way of ejecting **Colonel Qadhafi's** Libya from the region. Algeria also negotiated the removal of Mali forces from the region's frontiers, thereby giving Algiers effective control of cross-border movement over the Algerian-Malian frontier, which has been essential to Algeria's installation of *AQIM* in the region.
- In late 2006, Iyad was paid handsomely by the *DRS*, with US complicity, for his fighters to participate in two fabricated attacks on alleged '*terrorist*' traffickers. The incidents were used by the Americans to ramp up their GWOT and propaganda

and by all parties concerned to justify the *GSPC's* name change to *AQIM*. By now, Lyad was fully in hock to the *DRS*.

- With renewed rebellion in the region in 2007, Mali's president, **Amadou Toumani Touré (ATT)**, realised that the region might be more manageable if Lyad was removed from it. Lyad was accordingly appointed as Consul General to Saudi Arabia and dispatched to Jeddah where he appears to have furthered his religious interests but this time gravitating from the pacifism of the Tablighi to the jihadism of more radical sects. He was prematurely returned to Mali having been deported, so it was strongly rumoured, for alleged subversive activities.
- On returning to Mali, he clearly aligned himself with the *AQIM* and the *DRS*. Through his first cousin, **Abdelkrim**, he worked closely with *AQIM* leader Abou Zaïd, who himself is a *DRS* agent. As a local 'dignitary' he busied himself in the hostage liberation business and took a large percentage cut of the ransoms. Others taking such cuts were the then head of Mali state security and other prominent Malian dignitaries. They also took their percentages from the trans-Saharan cocaine trafficking business.

The Libyan factor

- All of this was well known to most of the Western intelligence services but it was also unsustainable. Two things were not factored in by the *DRS* and their allies: the Libya rebellion and simple mistakes.
- One outcome of the Libyan rebellion is that a large number of *Tuareg* members of Qadhafi's army, along with a few mercenaries, have been forced to return to Mali. A substantial force of heavily armed and angry *Tuareg* fighters is now amassed in the Abeïbara district to the east-northeast of Kidal. Estimates put the number of fighters at between 2,000 and 4,000. They have been joined by fighters belonging to former rebel leader **Ibrahim ag Bahanga**.
- Unverified reports indicated that former *Songhai* militiamen, who were previously the enemies of the *Tuareg*, have also joined up with the *Tuareg* under the name of the '**Liberation Brigade**'.
- Lyad joined this large body of men on 23rd November - possibly as its leader. The next day, on 24th November, two Frenchmen were kidnapped from Hombori, which is a small town on the main road from Mopti to Gao in eastern Mali, some 60 kms

north of the Burkina Faso border. On the following day, heavily armed gunmen drove into the main square of Timbuktu and, in the first ever attack on Westerners in the city, seized four tourists at gunpoint - a German, a Swede, a Dutchman and a South African - from a restaurant in the centre of Timbuktu. The elderly German, who resisted, was shot dead.

- While Algeria and its Western allies immediately pointed the finger at *AQIM*, all the evidence pointed to the attackers being *Tuareg*, possibly back from Libya, and their motivation being revenge against France and **NATO** for their toppling of Qadhafi. There was also evidence that these attacks might signify the start of a new *Tuareg* rebellion.

Identifying the hostage-takers

- On 8th December the *Nouakchott News Agency (ANI)* in Mauritania and the *AFP* office in Rabat received communiqués in which *AQIM* claimed responsibility for the kidnappings. These communiqués were probably false. Indeed, on the previous day, on 7th December, *Ennahar*, the Algerian daily newspaper that is closely linked to the *DRS*, reported, quoting Malian security sources, that “*the men of Abdelkrim, head of a branch of AQIM, have conducted the abduction [of the two Frenchmen in Hombori].*”
- **Menas Associates** had also received information from our sources in the region confirming that the kidnappers were *Tuareg* and that *Iyad* was with the hostages “*in the camp of the salafists*” to ensure the safety of the hostages.
- On 8th December the Malian authorities had arrested four suspects who were accused of kidnapping the two Frenchmen. They had apparently discarded a used ‘pay-as-you-go’ cell phone card at the hotel where the Frenchmen were staying. Their arrest was not announced until 12th December, four days after their capture, with their identities being revealed the next day.
- Three of the four were local *Tuareg*, who were well-known in Kidal, while the fourth was a Mauritanian from Timbuktu. They were known to be ‘*close to Iyad*’, suggesting that *Iyad* might be closer to the kidnappings than merely ensuring their safety of the hostages.
- French intelligence services in Niamey had prior knowledge of *Iyad*’s activities. On 27th November the French newspaper, *Le Journal du Dimanche*, citing unnamed security experts in

Niamey, pointed the finger very firmly at “*the terrorist group being led by former diplomat and President[ial] negotiator lyad Ag Ghali.*”

- It appears that the arrest of the suspects may have forced lyad’s hand. Two days later, on 15th December, the news website *Tawassoul.net*, citing ‘*knowledgeable sources*’, reported that lyad had announced the establishment of a new popular jihadist group called *Ansar Al-Din*, (*‘The Supporters of the Faith’*).

Consequences for Algeria

- These developments have caused a domestic and international crisis for Algeria. We have already learnt that Western intelligence services and their governments are worried that Algeria is not as in control of the Sahel situation and *AQIM*s they had been led to believe.
- On the domestic front, Algeria is faced with severe challenges. If its troops become engaged in fighting with the *Tuareg* rebels, who are numerous and well-armed, it will almost certainly to trigger severe unrest amongst *Tuareg* in southern Algeria. As we recently reported the latter are very angry with the government and are threatening to take up arms over the ‘visa’ business and closure of tourism in the region. Such fighting would be likely to draw in the Niger *Tuareg* and could easily spread to southern Libya where the local *Tuareg* are under considerable pressure in the post-Qadhafi situation.
- Algeria will therefore have little choice but to try and negotiate a deal with the *Tuareg* rebels, whereby they would have to inject further funds to lyad ag Aghaly, guarantee the substantial money being promised by the EU, as well as negotiate a substantial degree of autonomy from Bamako. That could work out in Algeria’s longer-term interest. But reaching that point will be a very bumpy road, made more difficult by the fact that Algeria is now being perceived by its Western allies to have got itself into a ‘*mess*’.
- While Western countries may well try and save face by blaming everything on *Al Qa’ida* - a concept that now subsumes so much that it is almost meaningless - they will almost certainly start to reassess their positions and strategies in the region, and especially their relationship with and faith in Algeria.
- It is therefore hardly surprising that Mourad Medelci and Ould Kablia have nothing to say. (see Security)

2.0 Domestic Politics

Parliament rubber-stamps contentious reform package

- > Algeria's upper house, the *Senate*, approved a raft of contentious legislation on Thursday 22nd December that might questionably be referred to as 'reform measures'. These are the reforms proposed by **President Bouteflika** over the course of the last eight months and which have passed through the lower house *Popular National Assembly* during the course of the last few weeks.
- > These 'reforms' go back to April when Bouteflika promised Algerians a string of democratic and media reforms in the wake of the Arab Spring uprisings. As time moved on and the likelihood of an uprising diminished, so the reforms become more and more diluted to the point where they have offered nothing of any significance, other than to buy the regime a little more time.
- > The two main planks of the government's proposed reforms, the laws on media and association, which have been detailed in recent issues of *Algeria Politics & Security*, have drawn heavy criticism from almost all walks of Algerian political life, except the hard-core *Presidential Alliance*, whose own survival is heavily threatened by almost any sort of election.
- > Political opponents and observers alike have assessed the reforms as being either just cosmetic or, in some cases, even threatening some freedoms. For example, most media activists and journalists see the new media law as actually restricting freedom of expression.

Internal dispute emerging over elections

- > The latest signs are that the legislative elections, which are scheduled for the spring, are opening up fissures within the regime itself. Bouteflika, addressing legislators on Sunday 18th December, said that he wanted the spring parliamentary elections to be held amid "*unprecedented plurality*".
- > He also said that he wanted to invite the **United Nations, European Union, African Union, the Arab League** and other international organisations to come and supervise the elections. This of course begs the question, which is obvious, as to why Algeria can't supervise its own elections.

- > The elections, said Bouteflika, will be followed will be followed by a revision of the constitution. The spring elections are expected in the first half of May.
- > Bouteflika's talk about plurality is regarded by nearly all observers as delusional. The *FIS*, for instance, remains banned, and, as we commented last week, the likelihood of Algerians showing much interest in the elections is remote. The real turnout - rather than the government's 'official' turnout figures - is predicted to be as low as 15-25 per cent. Moreover the invitations to international observers are already 'out of time'. The EU, for instance, requires six months notice in order to be able to monitor voter lists and other such technicalities. It is also impossible to have observers controlling 53,000 polling stations.
- > Bouteflika's unrealistic openness is not going down well with some of his more die-hard ministers. **Abdelaziz Belkhadem** - who is a State Minister, the President's Personal Representative, and secretary general of the *FLN* - is unhappy with Bouteflika's '*plurality*'. Belkhadem, for instance, told *Echorouk*, that he wants the elections brought forward (possibly to March) to make it difficult, if not impossible, for new political parties to prepare for the election.
- > Bouteflika is taking the opposite view to Belkhadem in the hope that it will avoid the usual boycott. Bouteflika's naivety on this matter, along with Belkhadem's aversion to anything that smacks of democracy, will no doubt be expressed in various ways in the run-up to the elections. Either way, their views are likely to be of little consequence because it will take much more to overcome Algerians' propensity to boycott such charades.

3.0 Security

Fear that *Al Qa'ida* is infiltrated by *DRS*

- > As mentioned in our lead story, Algeria has a crisis on its hands with its management and manipulation of *AQIM* and its various supposed offshoots in northwest Africa.
- > A new *Al Qa'ida* offshoot called *Jamat Tawhid wal Jihad fi Garbi Afriqqiya (Movement for Oneness and Jihad in West Africa* or *MOJWA*) claims to be responsible for the Tindouf kidnappings on 23rd October of two Spaniards and an Italian hostage. Meanwhile Lyad ag Aghali has, as noted above,

established *Ansar Al-Din* in Mali. The names of one or two others are also going around the region.

- The pressure is on Algeria from its Western allies to explain what is going on. The truth, namely that the Tindouf operation may have been undertaken by Morocco's secret services, or possibly the *DRS* itself, or that Lyad ag Aghaly (and possibly also Abdelhamid abou Zaïd) has out-manoeuvred his *DRS* handlers, is very disconcerting for the *DRS* who are giving all the appearances of being on the brink of losing control over their own machinations.
- It is therefore always very interesting, in such times, to read the views of the *DRS*' chief media manipulator - **Anis Rahmani**. The latter's proper name is **Mohamed Mokeddem** who is described in the media as an '*Algerian analyst*'. He often strings for *Al Ahram*, under his proper name of Mohamed Mokeddem, as one way of getting the *DRS*' message into the international Arab press.
- *MOJWA* is quoted by *Al Ahram* and *AFP* as saying that it had broken away from *AQIM* but stressed that it was not at war with "*our Muslim brothers from other katibas (battalions)... We have the same goal: jihad.*"
- *Al Ahram*, quoting from an *AFP* article that, in turn quotes the '*Algerian analyst*' Mokeddem - who is really the *DRS*' media man - as saying that: "*This dissidence is a protest against AQIM's Algeria leadership by members from Mali and Mauritania, whose numbers have been growing within the organisation,*"
- Much more revealingly he went on to explain that the break was the result of "*suspicious that the group's Algerian leadership... is infiltrated by the Algerian security services.*" This last statement is clearly how Algeria and its *DRS* are going to explain to its allies, and the outside world, its apparent loss of control over the situation across the region.
- Ironically, Mokeddem's statement is remarkably true. *AQIM* is not merely infiltrated by the *DRS*; its Saharan-Sahelian operation was set up and has, until now, been orchestrated by the *DRS*.
- Mokeddem makes no mention of Lyad's *Ansar Al-Din*, which is probably because the *DRS* has not yet worked out how to manage this development. His views do, however, appear to be contradicted by the Mauritanian military which seems to be

denying any such fragmentation. Its source is quoted as saying that. While Mauritania may be correct in the case of the Tindouf kidnapping, it is unlikely to have much insight into what is happening in the Kidal region.

- We are likely to see a spate of disinformation coming from *DRS* sources, such as Anis Rahmani / Mohamed Mokeddem, in the next few weeks over the whole question of *Al Qa'ida* in northwest Africa, and especially in regard to these latest kidnappings and these supposed *AQIM* offshoots.

4.0 Economics

Petroceltic buoyed by Algerian sale

- Further to our report - *Algeria Politics & Security - 09.11.11* - on Petroceltic's excellent test results from the *AT-9* well in the *Ain Tsila* gas field in southern Algeria, it was reported on 19th December that the company had won approval from the Algerian authorities to sell an 18.375 per cent stake in its Algerian gas field to Italy's **Enel Trade SpA (Enel)** in a deal that could be worth up to US\$180 million.
- Petroceltic's CEO, **Brian O'Cathain**, said in a statement: "*We are delighted to announce that the final approval in Algeria of the Enel transaction has been granted which will allow for the deal's swift completion in the coming days.*"
- Enel is reported to have agreed to pay US\$36.75 million which equates to 24.5 per cent of all back costs incurred from signing the PSC in 2005 until the end of the exploration period in April 2010, and an additional contingent cash consideration of US\$75 million, depending on the success of the appraisal programme.
- The report states that under the terms of the agreement, Enel is committed to fund 49 per cent of the cost of the first six appraisal wells in an enlarged *Isarene* appraisal campaign and of a contingent additional well, of which costs are capped in total at US\$145 million.
- Once completed, Petroceltic will operate the permit with a 56.625 per cent interest, *Sonatrach* will maintain its 25 per cent interest, and Enel will hold an 18.375 per cent interest. Following the announcement, Petroceltic shares were seen to buck the trend in general market malaise with a rise of around eight per cent.

- > **Westhouse Securities'** analyst **Peter Bassett** was quoted as saying: "*Based on current reserves estimates, the Enel farm-in deal equates to around US\$3 per barrel of oil equivalent. But just as important is the nature of the farm-in partner. Since Enel is Europe's third-largest power utility, the offtake of gas from the Isarene PSC is now assured; [this] strengthens Petroceltic's commercial case for the field development and puts it on an equal footing with other major gas developments in Algeria.*"



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