

*Background Guide*  
*Princeton Interactive Crisis Simulation 2005*

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**Executive Corporate Summit for Trade & Development  
in Central Africa**

*Chair:*  
*Director: Antonio Lacayo*

International Relations Council  
Princeton University  
February 17-20, 2005.

Dear Delegates,

My name is and it is as at my invitation that we shall be meeting in Lagos in a few weeks time for the Executive Summit for Trade and Development in Central Africa. As fellow captains of industry, you no doubt recognize the huge economic potential that the region holds; indeed, you saw it earlier than most. But Central Africa has fast developed into a political and economic minefield that must now be navigated and tackled with great care and some amount of innovation if commerce and industry are to continue and flourish there. It is to face this challenge head-on that we are convening in this most unusual of consortiums. (A quick word of caution – in a climate of domestic suspicion and press scrutiny, it is critical that our deliberations remain discreet. I urge you to keep this sheaf of papers as secure as possible.)

On a lighter note, let me introduce Antonio, my committee director and myself. I'm a junior, majoring in Economics though I'm sure you never guessed that! I grew up in Mumbai, India, went to high school in the middle of the Welsh countryside, and finally ended up in cold and wet New Jersey, something I've been complaining about ever since. I enjoy a good snooze, crass American TV shows, Indian food and any kind of water sport. At Princeton, I'm focusing academically on economic development, international trade and finance, with tangential interests in intelligence, applied math and history. I was also the President of Princeton's International Relations Council when PICSim began last year.

Antonio is a sophomore studying Civil and Environmental Engineering, possibly with a certificate in the Woodrow Wilson School. His academic interests include international economic relations, bribery, and all things Latin American. A native of Managua, Nicaragua, his irrepressible enthusiasm more than compensates for my periodic fits of irritation and whininess. Antonio is a member of the International Relations Council too, and practices Capoeira, a Brazilian martial arts/dance combination that we hope he will regale us with during the course of the conference.

Jokes aside, we are both really glad that you have chosen to be on this committee. Economics is something that most people shy away from, out of sheer ignorance or uninformed spite. But when wars are fought not just over ideology but resources, and money becomes a surrogate for power, politics becomes all about economics. You don't have to be an econ nerd to see this...take one hard look at Central Africa and you will realize that this committee lies at the heart of its troubles. Each of you represent individuals and organizations that possibly have more power and influence than the nation states themselves that this simulation rests on. Each of you also has different motivations, different inclinations and different methods of exercising that power. Will we find common ground in our deliberations? Irrespective, one thing is for sure – they will change the face of this region.

See you in a few weeks,

Antonio Lacayo

Chair  
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Director  
[alacayo@princeton.edu](mailto:alacayo@princeton.edu)

*Contents*

1. Background to the Conflict in Central Africa
  - “Africa’s World War” – the struggle for resource control in the DRC
  - Diamonds
  - Coltan
  - Oil
  - Commodity prices
  - Humanitarian and development issues
  - Private Military Companies
  
2. The Inner Workings of the Executive Corporate Summit
  - Committee Goals
  - Structure of Decision Making
  - Committee Dynamics
  - Resources and Constraints
  - Secrecy
  
3. Committee Positions
  
4. Useful Links For Further Research

**Background to the Issue**

**(Please check back in 12 hours for this, we sincerely apologize for the delay!)**

## **The Inner Workings of the Executive Corporate Summit**

The Executive Corporate Summit on Trade and Development (ECS) is easily the most unique committee at this year's PICSim, in terms of both structure and operation. Each delegate will be representing an individual who is either a current director of a transnational company with significant interest in the region, or someone with loose corporate affiliation who has been significantly involved in the region's commerce.

The summit, based out of Lagos, has been called at my invitation so let me introduce myself. A retired Belgian aristocrat, I have had a strong interest in Central Africa for many years now. A keen investor, between myself and my nominees I hold minority stakes in a number of companies involved in trade in the region, and sit on several of their boards in an honorary capacity. My personal relationships with a select group of these companies and certain individuals who have pioneered a new era of African commerce has finally brought the idea of this summit to fruition.

### **Committee Goals**

Unlike the various national cabinets, delegates on ECS are neither part of natural "team", nor key functionaries of a well defined organization. Indeed, this is a pioneering effort to bring diverse interests in the region together to set and pursue goals collectively. As ECS delegates, you will have far greater freedom in defining the committee's goals than those in other committees. However, there are certain overarching issues that this summit has specifically been called to address. Most important among them, is the need for the participating companies/individuals to create a conducive economic environment for their business activities in the midst of the political and civil upheaval that the region is experiencing. Driven primarily by the motivation to secure their own operations, these players have come together in this somewhat unusual cartel to address this more effectively through their combined resources and capabilities.

## Structure of Decision Making

While the most effective cartels and other private economic arrangements work best through consensus, decisions in ECS will be made through a simple majority vote. Be warned, however, that there will be several factors that will make non-consensus based decision making tricky. A financing decision taken by the committee, for example, could lack bite if the representative from Lehmann Brothers wasn't on board. A mercenary directive could flounder if not supported by committee members with specific expertise with PMCs. In a potentially fractious committee such as ECS, there will be two spheres of decision making – directives passed by the committee, and action orders issued by individual delegates in their capacity as head of a corporation.

Note that the committee will be most successful when the two work to reinforce each other; ECS itself relies on the resources and powers of its members, and will be strongest when each member's actions are debated openly and coordinated with other members'. That said, keep in mind the fact that corporations and private economic players have other compulsions – operational secrecy, hidden agendas, management and shareholder interest, regulatory pressures – and that these will inevitably come into play at some point during the conference. It will be up to you to balance these compulsions with your larger role in the committee; how you choose to do so will significantly affect the cooperative dynamic of ECS.

## Committee Dynamics

Debate in PICSim is intended to be free flowing and fast paced; there will be no rules of parliamentary procedure or formal resolution writing. ECS will issue directives voted upon by its members that can, for example, take the form of:

- (i) press releases (official, disguised, for large scale or targeted consumption)
- (ii) public and clandestine communications (with other committees, delegates, or third parties)

- (iii) measures to align or utilize resources (raising capital, mobilizing personnel, acquiring intelligence)
- (iv) operational plans and commands (setting up refugee shelters, dumping of stock, closing deals with governments, defending business infrastructure)

Requests for information (RFIs) can also be submitted by the committee as a whole or by delegates in their individual or representative capacities. These can take the form of estimates into one's own capabilities and resources – which is the simplest kind of RFI – and investigations or intelligence collection initiatives that may require supporting directives if the capabilities to undertake these are not in place at the time.

Individual delegates can also issue private directives within their area of competence. For a committee that's inherently big on individuality and individual discretion, private directives will be essential to exploit the diverse resources and capabilities that ECS members bring to the table. However, balancing collective and individual action will be one of the biggest challenges to the ECS dynamic and to the fabric of cooperation that the committee hopes to create. Information and intelligence will flow in both to the committee as a whole and to individuals on specific issues; balancing trust-building openness and appropriate secrecy will further complicate this two-way challenge.

### **Resources and Constraints**

As you can see, the structure of this committee offers a lot of freedom, both in terms of target-setting and the committee dynamic. But while this simulates the inherent flexibility and uncertainty in economic relationships, you will not be able to escape the economic constraints that will have to drive a lot of these actions and decision-making. As corporate representatives, you will be constrained by the goals and operating methods of the organizations you represent, and by the resources at your disposal. Some of the individuals represented have fairly loose or ambiguous corporate affiliations (henceforth referred to as “free agents”), and derive their power more from personal assets, contacts and their areas of industry expertise. While they may have fewer concrete resources at their disposal, they are less constrained by organizational compulsions and thus would have more freedom to

operate. Corporate representatives, on the other hand, have the weight of their organization behind them. It would be dangerous, however, to completely disregard the possibility of internal dissent; all Directors on ECS are *representatives*, and adherence to company policy must be an important factor in their decision making.

On a more practical note, what are the kinds of resources that ECS members can bring to bear on a particular issue or crisis? It would be helpful to organize your research in this area under two main headings:

1. ***Tangible Resources*** – this would broadly cover all the physical and monetary assets of your company that can be applied to the region, such as:
  - (i) Infrastructure – plants, communication networks, strategic services such as water or power supply to a region or to a local government. It will be particularly important to be aware of these as part of any defensive strategy in the event of civil unrest or violence in a particular region. Strategic services can be leveraged during negotiations with local governments, but are also ideal targets for attack from hostile elements.
  - (ii) Financial – It will be important to have an idea of the financial situation of your organization; this might both constraint or facilitate decision-making, and provide compulsions for certain kind of actions. If you are a free agent, have an idea of your own financial capabilities as well any access to capital you might have. Access to capital, often through “informal” channels, can be a big asset even to large corporations in such a situation
  - (iii) Personnel – this takes on particular importance in the case of PMCs. Note that ECS is the only committee at PICSim that does not have armed forces at its disposal. In the event of a security crisis, identifying and exploiting and leveraging mercenary resources could become critical to the survival of ECS.

What is important is to focus on qualitative estimates of these resources. We recognize that collecting exact information on the number of De Beers mines in South Africa or the market capitalization of Lehman Brothers is not only an arduous task, but a waste of your time. During the conference, if it is absolutely imperative that you know how many phone

lines you service in the eastern part of the DRC, you will have this information made available to you (within reason of course!). As policy makers at the highest levels, what you will need an *understanding* of how successful your company is in the region, where your most sensitive interests lie, whom you could raise money from, what kind of defensive resources you have at your disposal in the event of a crisis etc.

2. ***Intangible Resources*** – this would cover the contacts, channels of influence, and strategic access points that you will be able to leverage in different situations. You have been invited to be a member of the elite ECS not simply because of the might of your capital, but because of the interests you have in the region. You might be furthering these through political connections, both within the region and abroad, relationships with other organizations or individuals, or access to strategic resources related to money, defense, publicity etc.

In addition to your background research, you will be receiving a dossier at the start of the conference detailing some of these key resources as well any other information regarding your character or organization. So do not worry if you're research hasn't turned up much; as you might have guessed already, a lot of this information, especially the intangibles, isn't easy to come by. And there's a good reason why that's the case...

## Secrecy

Unlike most of the other committees in the PICSimverse, very little general knowledge exists about the Executive Corporate Summit for Trade & Development being held in Lagos this year. Local politicians and foreign observers have done their fair share of speculation, but most are clueless as to the exact composition and aims of the summit. As a committee, it is essential that we maintain this shroud of secrecy over our meeting, and especially over our operational methods and directives. As delegates, it is your responsibility to keep the dossiers completely confidential and reveal nothing that might jeopardize the success of our efforts, or compromise your positions as leaders of influential global organizations and individuals of note.

### Committee Positions

1. Nicky Oppenheimer  
*Main Shareholder and Chairman, De Beers*
2. Lev Leviev  
*Chairman, Lev Leviev Group*
3. John F. Akers  
*Director, Lehman Brothers*
4. Charles H. Price  
*Director, New York Times Company*
5. Niall Fitzgerald  
*Ex-Chairman and CEO, Unilever*
6. Eeben Barlow  
*Founding CEO, Executive Outcomes*
7. Anthony Buckingham  
*Chairman, Heritage Oil & Gas Inc.*
8. Jacques Friedman  
*Director, Total-Fina-Elf Company*
9. H. Laurance Fuller  
*Director, Cabot Corporations*
10. Dr. Josef Ackerman  
*Spokesman of the Board of Managing Directors, Bayer AG*

Delegates are strongly advised to have some understanding of all the individuals and firms represented within ECS. Brief descriptions of these can be found below, in addition to a few suggested links for further research into each. You will notice that the individuals on ECS have personal resources other than those of the organizations they represent – many are on the boards of other firms engaged in activity in Central Africa (ECS members and non-members) and other transnational entities. For the purposes of the conference, such resources will be treated as intangibles (see p. XXXXX) and further defined in the individual

dossiers; irrespective of your character's other corporate affiliations however, you should concentrate first on the representative role assigned to you in the list above. (E.g. John F. Akers' primary role in ECS will be that of representing Lehman brothers, while his directorship of the New York Times Company may be leveraged as the conference progresses. He would not, however, carry the same representative authority or practical level of access to the company that Charles H. Price, the official NYT representative to ECS, would.)

### **De Beers Group – Nicky Oppenheimer**

Africa has for many years been the World's supplier of diamonds, under the market domination of the South African Company De Beers. Until the mid 1990s De Beers controlled over 80% of the World supply of diamonds. However, in the last decade, alternative mining fields have been found in Canada, Australia & Russia, where companies such as BHP Billiton, Rio Tinto & Alrosa have been fighting De Beers dominance, who at the moment controls around 45% of the World supply. Nevertheless, Africa is still the origin of the world's most valuable gems and in 2003 De Beers' produced healthy profits of \$676 million.

Nicky Oppenheimer is the main shareholder and chairman of De Beers, owning 40% of the De Beers Group directly and part of the 45% owned by Anglo-American.

Links:

[http://www.economist.com/displaystory.cfm?story\\_id=2921462](http://www.economist.com/displaystory.cfm?story_id=2921462)

<http://www.iblf.org/csr/CSRWebAssist.nsf/Unique/JUSS592KFK>

<http://www.iss.co.za/PUBS/PAPERS/57/Paper57.html>

### **Lev Leviev Group – Lev Leviev**

The Lev Leviev Group is currently the world's largest cutter and polisher of the precious gems with factories in Armenia, Ukraine, India, Israel and elsewhere, and a primary source of rough stones to other cutters, polishers and jewelry makers around the globe. For

the last decade, the Group has been challenging De Beers hegemony in the diamond trade and presently owns the 2<sup>nd</sup> biggest fleet of clanking mining ships after De Beers.

Lev Leviev, an Israeli of Uzbek descent, is the sole owner of the Lev Leviev Group and once a sight holder, one of a few exclusive direct buyers of De Beers rough diamonds. He also owns a Yehud, an Israel-based conglomerate whose holdings include: commercial real estate in Prague and London; Gottex, a swimwear company; 1,700 Fina gas stations, 173 7-Elevens in New Mexico and Texas; a 33% stake in Cross Israel Highway, that nation's first toll road; and an 85% share of Vash Telecanal, Israel's Russian-language TV channel.

Links:

[http://www.economist.com/displaystory.cfm?story\\_id=2921462](http://www.economist.com/displaystory.cfm?story_id=2921462)

<http://www.iblf.org/csr/CSRWebAssist.nsf/Unique/JUSS592KFK>

<http://www.iss.co.za/PUBS/PAPERS/57/Paper57.html>

[http://www.forbes.com/free\\_forbes/2003/0915/108.html](http://www.forbes.com/free_forbes/2003/0915/108.html)

### **Lehman Brothers Holdings Inc. – John F. Akers**

Lehman Brothers Holdings Inc.'s principal activities are to serve institutional, corporate, government and high net worth individual clients and customers throughout the world. In the last decade, many reports have related Lehman Brothers to underwritten loans, financing known predatory lenders facing major lawsuits, regulatory action and even bankruptcy. Lehman Brothers also owns part of Citizen's Energy International.

John F. Akers is a shareholder of Lehman Brother's and is currently on the board of directors. He is also a shareholder and director of the New York Times Company, director of PepsiCo Inc., Director of W.R. Grace & Co, Director of Hallmark, Director of Zurich Insurance Company, Director of Spring Industries and retired Chairman and CEO of IBM.

Links:

[http://www.notwithourmoney.org/04\\_lehman/lending6.html](http://www.notwithourmoney.org/04_lehman/lending6.html)

<http://legalminds.lp.findlaw.com/list/communitydevelopmentbanking-l/msg00876.html><http://www.allthingspass.com/uploads/doc-33Hidden%20Agendas.doc>

### **New York Times Company – Charles H. Price**

The New York Times Company is the leading media company (2003 revenues of \$3.2 billion) that publishes The New York Times, The International Herald Tribune, The Boston Globe and 16 other newspapers; owns eight network-affiliated television stations and two New York radio stations; and has more than [40 Web sites](#), including [NYTimes.com](#) and [Boston.com](#). During the last decade, the New York Times Company has been often accused of doing selective and biased coverage of conflicts and relief operations in the Central Africa.

Charles H. Price is a shareholder of the New York Times Company and is currently on the board of directors. He is also a shareholder and director of Chevron-Texaco, Director of Hanson PLC, Director of U.S Industries Inc. and former Chairman of the Mercantile Bank of Kansas City.

Links:

<http://www.allthingspass.com/uploads/doc-33Hidden%20Agendas.doc>

### **Unilever - Niall Fitzgerald**

Unilever is one of the world's three biggest firms in food and personal care products. Moreover, Unilever has significant market share in the production and processing of agricultural commodities globally , being at the moment the world's largest tea producer. It has also provided extensive humanitarian support in crisis affected areas.

Niall Fitzgerald is a shareholder and Ex-Chairman and Chief Executive Officer of Unilever. In the early 1980's he served as the CEO of Unilever's food business in South Africa. He has also served as Financial Director, Foods Director and Detergents Director. He is also shareholder and director of Ericsson and Merck.

Links:

<http://www.allthingspass.com/uploads/doc-33Hidden%20Agendas.doc>

<http://www.newint.org/issue172/planting.htm>

### **Eeben Barlow**

Eeben Barlow was the founding Chief Executive Officer of Executive Outcomes. He is also a former member of the euphemistically named Civil Co-operation Bureau, a crack state security squad of the apartheid government.

Executive Outcomes (EO), founded in 1989, is considered to have been the forerunner of modern Private Military Companies (PMCs). The main body of EO was comprised of demobilized SADF (South African Defense Forces) personnel. EO claimed to be able to supply up to 2000 trained and disciplined troops, which has caused some to refer to it as the world's first "full-fledged private army." It was officially closed down in 1999.

Links:

<http://www.caat.org.uk/information/issues/mercenaries-1999.php>

<http://www.geocities.com/CollegePark/Square/6130/olvol03/michael1.htm>

[http://www.sourcewatch.org/index.php?title=Executive\\_Outcomes](http://www.sourcewatch.org/index.php?title=Executive_Outcomes)

### **Heritage Oil and Gas, Inc. - Anthony Buckingham**

Heritage Inc. is an international oil and gas corporation, with principal properties situated in the Republic of Congo, Oman and Uganda. Formerly British, now registered in the Bahamas and heavily involved in the development of Angola's offshore oil, in co-operation with the state oil company and another Canadian company called Ranger Oil.

Anthony Buckingham, a former officer in the Special Boat Squadron, is the main shareholder and Chairman of Gas & Oil Heritage Inc. He is Chairman and Chief Executive of Branch Energy, a company, registered in the Isle of Man, that owns mining properties in Angola, Namibia, Sierra Leone and Uganda. It was sold in 1996 to Diamond Works of

Vancouver, in which it holds a 30 per cent stake. He was also an advisor to Executive Outcomes and Patron of recently-closed Sandline International, whose webpage reads at the moment - “On 16 April 2004 Sandline International announced the closure of the company's operations. The general lack of governmental support for Private Military Companies willing to help end armed conflicts in places like Africa, in the absence of effective international intervention, is the reason for this decision. Without such support the ability of Sandline to make a positive difference in countries where there is widespread brutality and genocidal behavior is materially diminished.”

Links:

<http://www.caat.org.uk/information/issues/mercenaries-1999.php>

<http://www.geocities.com/CollegePark/Square/6130/olvol03/michael1.htm>

[http://www.sourcewatch.org/index.php?title=Executive\\_Outcomes](http://www.sourcewatch.org/index.php?title=Executive_Outcomes)

### **Total-Fina-Elf Oil Company – Jacques Friedman**

Total-Fina-Elf is the world's fourth-largest oil and gas company and a world-class chemicals manufacturer. After a scandal of corruption Elf was jointed with Total-Fina and continued operating extensively in the Central Africa Region. TotalFinaElf is one of the main operating oil companies in Angola and the Republic of Congo, especially in the Angolan region of Cabinda.

Jacques Friedmann is a shareholder and is currently a Director of TotalFinaElf Oil Company. He is also shareholder and Director of Alcatel.

Links:

[http://www.globalwitness.org/press\\_releases/display2.php?id=212](http://www.globalwitness.org/press_releases/display2.php?id=212)

### **Cabot Corporations – H. Laurence Fuller**

Cabot Corporations is the World largest coltan refiner. Coltan, short for Columbite-tantalite is a metallic ore comprising Niobium and Tantalum, found mainly in the eastern

regions of the DRC (some can also be found in Uganda & Rwanda). When refined, coltan becomes a heat resistant powder, metallic tantalum which has unique properties for storing electrical charge. It is therefore a vital component in the capacitors that control current flow in cell phone circuit boards, laptops, pagers and other electronic devices. For the last decade, Cabot Corporations has been connected with the coltan reserves of the Democratic Republic of Congo, which have been a major factor in fuelling the region's conflict.

H. Laurance Fuller is a shareholder and Director of Cabot Corporations. He is also a retired Chairman and Chief Executive Officer of BP and is currently director of Motorola, Abbot Laboratories and JP Morgan Chase & Company.

Links:

[http://www.ssn.flinders.edu.au/global/africa/johflood/d\\_r\\_c\\_6.htm](http://www.ssn.flinders.edu.au/global/africa/johflood/d_r_c_6.htm)

<http://www.american.edu/TED/ice/congo-coltan.htm>

<http://www.iblf.org/csr/CSRWebAssist.nsf/Unique/JUSS592KFK>

<http://www.bulatlat.com/archive/029congo.html>

### **Bayer AG – Dr. Joseph Ackermann**

Bayer AG is a German based pharmaceuticals and chemicals manufacturer. It has recently acquired Aventis' controversial crop science business, making it a key player in the development, commercialization and sale of GM crops. One of Bayer's subsidiaries, C. Starck of Goslar, is the second largest processor of coltan and is said to be one of the main, if not the main, buyer of coltan from the Democratic Republic of Congo.

Dr. Josef Ackermann – Spokesman of the Board of Managing Directors and Chairman of the Group Executive Committee of Deutsche Bank AG

Links:

<http://www.corporatewatch.org.uk/profiles/bayer/bayer1.html>

[http://www.ssn.flinders.edu.au/global/africa/johflood/d\\_r\\_c\\_6.htm](http://www.ssn.flinders.edu.au/global/africa/johflood/d_r_c_6.htm)

<http://www.american.edu/TED/ice/congo-coltan.htm>

<http://www.iblf.org/csr/CSRWebAssist.nsf/Unique/JUSS592KFK>

<http://www.bulatlat.com/archive/029congo.html>

### Useful Links for Further Research

- Global Issues – *Conflicts in Africa* – May 2004 –  
<http://www.globalissues.org/Geopolitics/Africa/Intro.asp>
- Human Rights Watch World Report 2004 – *Engine of War: Resources, Greed, and the Predatory State* – <http://www.hrw.org/wr2k4/14.htm>
- UN Office for the Coordination of Humanitarian Affairs – *ANGOLA: Cabindans blame oil for their woes* – March 22<sup>nd</sup> 2004 –  
[http://www.irinnews.org/report.asp?ReportID=40181&SelectRegion=Southern\\_Africa&SelectCountry=ANGOLA](http://www.irinnews.org/report.asp?ReportID=40181&SelectRegion=Southern_Africa&SelectCountry=ANGOLA)
- CIA World Factbook for stats on all the countries involved in the conflict.