

EU Democracy Promotion in Nigeria: Between *Realpolitik* and Idealism



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Introduction

In recent years, both the EU and its member states have paid allegiance to the goal of democracy and good governance in Nigeria.¹ Like elsewhere in Africa, this pursuit - last reiterated at the recent EU-Africa summit of December 2007 - has met with limited success, as the recent, fundamentally flawed Nigerian presidential, parliamentary and state elections testify. This study examines how European democracy promotion has played out in Nigeria. In practice, to what extent has democracy been important for EU-Nigeria relations? How have EU countries and institutions worked on the ground to promote good governance? How is European democracy promotion perceived in Nigeria? After the debacle of the Nigerian elections of April-May 2007, in which the EU had invested heavily, where do EU-Nigeria relations stand? What, if any, has been the value added by EU monitoring of these elections?

Nigeria is an obvious patient for anyone aiming to eradicate the ills of inadequate governance in Africa. It is infamous for its corruption, which has been fuelled by the massive sums of money generated by oil. Corruption in Nigeria is not, most observers agree, an aspect of how the state bureaucracy works: it is in many cases the main activity of the state. Corruption and sleaze often leave the in-principle oil-rich Nigerians without basic education or health care.² Aside from corruption and electoral malpractices, other governance-related problems include a poorly administered system of justice, lack of state transparency, and widespread human rights abuses (such as extrajudicial executions, torture, destruction of homes, state officials' violence against women, intimidation and harassment of journalists and human

rights activists³). Underlying all of this is a state with shallow roots in a society marred by inter-ethnic, economic, political, and religious conflict.

The European Union, a traditionally important player in Africa and the world's largest donor, increasingly stresses governance in its relations with developing countries in general and Africa in particular. Hence, when the EU Parliament, Council, Commission, and member states in 2006 presented a common vision that will guide their future development actions, governance and democracy held a prominent place. They underlined that "progress in the protection of human rights, good governance and democratisation is fundamental for poverty reduction and sustainable development", and that, as a consequence, these issues will be mainstreamed throughout all EU development activities.⁴ The 2000 Cotonou Agreement, the most recent partnership agreement between the EU and the members of the African, Caribbean and Pacific (ACP) group of states, contains a similar provision.⁵ The EU Strategy for Africa of 2005, which provides a "comprehensive, integrated and long-term framework" for EU-African relations, also stresses "good and effective governance" as a "central prerequisite for sustainable development".⁶ Similarly, individual EU states increasingly emphasize governance in their bilateral development cooperation with African states.⁷

What, then, has been the effect of EU and EU member states' policies with regard to democracy in Nigeria to

³ Amnesty International (2007). *Amnesty International Report 2007: The State of the World's Human Rights* London <http://thereport.amnesty.org/eng/Regions/Africa/Nigeria>, United Nations, 2007. "Special Rapporteur on Torture Concludes Visit to Nigeria", Press Release HR/07/35 12 March.

⁴ "The European Consensus on Development", Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy (2006/C 46/01), paragraphs 86 and 101.

⁵ Partnership Agreement Between the Members of the African, Caribbean and Pacific Group of States, and the European Community and its Member States, signed in Cotonou, Benin on 23 June 2000.

⁶ *EU Strategy for Africa: Towards a Euro-African pact to accelerate Africa's development* SEC(2005)1255, Brussels, 12 October 2005.

⁷ For further details, see Youngs, Richard. "Fusing Security and Development: Just another Euro-platitude?" FRIDE Working Paper 43, September 2007.

¹ The author wishes to extend her thanks to the interviewees who took their time to answer a long series of questions. Without them, the report would not have been possible. Many thanks also to Richard Youngs and Gareth Williams for comments on earlier drafts. The responsibility for any errors remains with the author.

² For a thorough illustration of the effects of corruption in Rivers State, see Human Rights Watch, *Chop Fine: The Human Rights Impact of Local Government Corruption and Mismanagement in Rivers State, Nigeria*, New York: HRW January 2007.

date? Put simply, the main obstacles are: dependence on oil; lack of leverage; and lengthy assistance procedures. This study shows that the problems with European democracy promotion in Nigeria do not lie primarily at programme level - although improvements in project choice, design, or execution could be made. Instead, they are to be found in the wider relationship between Nigeria and the EU in which issues other than democracy are paramount. Unsurprisingly, energy - as well as, to a lesser extent, Nigeria's regional great power status and its fragile internal balance - have made EU leaders quite timid in their defence of democratic values in Nigeria. After the scathing EU criticism of the elections, EU states quickly returned to "business as usual" - to borrow the disillusioned words of the European Parliament. Upon Umaru Yar'Adua's swearing-in ceremony on May 29, many EU governments congratulated him on his election victory in one way or another.⁸ There have been no moves, beyond that of the European Parliament, to suspend aid or use other measures that the Cotonou Agreement would permit in such circumstances.

The lack of post-election actions notwithstanding, the decision of the EU to send an election observation mission to Nigeria in 2007, and the findings of the mission, received almost unanimous support among the Nigerian and international NGOs interviewed for this report. However, issues of timing (the mission should have started its work earlier) and coverage (questioning the decision not to cover the Delta, Bayelsa and Rivers states, considered too dangerous) have been raised. There are also regrets that the EU will not monitor the elections for local government councillors, to be held before the end of 2007. These elections are perceived as crucial for grassroots democracy to gain hold. Most observers agree that the writing was on the wall as regards fraud and irregularities very early on in the 2003-2007 electoral cycle. The question then becomes: could the EU have done more to influence the process in 2005-2006, when militias were armed, President Obasanjo was

seeking a constitutional amendment to win a third term, and misgivings regarding the Independent National Electoral Commission (INEC) grew stronger? Another question concerns how the international community, including the EU and EU states, treats Obasanjo in the future: if he were ostracised, this would send a strong signal to present and future Nigerian leaders that undemocratic behaviour is penalised.

Apart from election observation, what could the EU and EU states realistically do to strengthen their stance on Nigerian democracy? Firstly, it is important to stress that EU leverage is limited. Nigeria is Africa's most populous country, and its dependency on aid is low. Governance problems are massive and entrenched, although the situation is, arguably, improving slowly.⁹ Unless the EU decides to upgrade its relationship with Nigeria in a very significant way - Nigerian interviewees talked longingly of a pre-accession status for the country - expectations of visible results must be scaled down accordingly. But even with this in mind, changes could still be envisaged.

At the programme level, improvements could be made. EC funding mechanisms are slow, and hence cannot be responsive to political developments on the ground. Even when money has been granted, disbursement is at times delayed, which means that the Nigerian partners are left stranded. The cumbersome processes sometimes have the paradoxical effect of forcing administrators to spend the allocated money fast - which does not always mean well. The piecemeal approach, with many small projects on various governance-related issues, is also seen as problematic at times, including by people inside the European Commission. In their democracy assistance, both the EU and the UK Department for International Development (DFID) put emphasis on state institutions rather than NGOs: a discussion on whether the right balance between the two has been struck is warranted. The DFID does not have the same

⁸ The German government, for example, sent a message of goodwill, rather than formal congratulations.

⁹ Interview, Graham Gass, Social Policy Adviser, DFID, Nigeria 4 Sept. 2007; USAID. *Democracy and Governance Assessment of Nigeria*, prepared by ARD Washington, DC: USAID, December 2006.

administrative requirements as the EU. However, its close collaboration with the World Bank is not always perceived in a positive light, and the British alliance with the US in the war on terrorism has led to a certain apprehension regarding its motives for democracy assistance, which colours otherwise positive NGO assessments of the DFID's work. The German political foundations, although quite small in comparison, are mostly seen as nimble, credible, with good checks on how funds are spent, and a willingness to provide in-kind assistance to civil society organisations even if no funding is available.

EU and DFID financing of the UNDP-managed Joint Donor Basket Fund (JDBF) to support the 2007 elections receives strong criticism from Nigerian and international NGOs, not least for its work with the INEC. More generally, UNDP management of the JDBF is widely seen as late, hasty, wasteful, and undercutting the work of other international bodies by lax spending and supervision. Other projects are viewed positively, in particular service provision projects with an integrated governance component. EU support for the census has also received praise, even though results in some places (Lagos and Kano) are seen as politically motivated.

There is agreement across EU institutions, bilateral donors, and NGOs that in the future, democracy assistance should be more "bottom up", with a focus on state and local levels (although work there is often more challenging than on the federal level because of political resistance). Given the instability there, the Delta states need specific attention. Corruption continues to be an obvious target, with support for transparency and accountability in public finance. Other future priority areas on which there is relative consensus include constitutional and electoral reforms, the strengthening of the rule of law, and institutional and civil society capacity building. Benchmarks for measuring and comparing results have proved successful in Nigeria, and could usefully be utilised in the future as well, including for future election preparations. Similarly, including a governance aspect in service provision is a good way forward, as many

governance problems can only be dealt with in conjunction with actual public policies.

On a more general level, it seems important that the EU pursues and intensifies its shift from fossil fuels to renewable energy, not only to help halt global warming, but also to avoid double standards on democracy and human rights vis-à-vis energy powers such as Nigeria. It should also give incentives to European energy corporations, very active in Nigeria, to do the same. Today, international democracy promotion is not viewed with the same scepticism in Nigeria as it is in the oil-rich Middle East or Russia, for example. The EU and EU states can hence hope to make an (albeit modest) impact, both with their assistance projects and at the political level. However, the balancing act between *Realpolitik* and idealism is a risky one, and prospects for democracy promotion could quickly dwindle. In this respect, there also is a need for an EU-wide discussion on the ethics of EU states promoting national businesses in the third world: in a liberalised and globalised economy, to what extent should states protect private business interests abroad? Also, should the same set of rules for corporate social and environmental responsibility apply in Nigeria as in the EU? As regards corruption, although efforts have been made in recent years, some EU states could still do more to prevent money illicitly gained from corruption in Nigeria ending up in European banks, and to return the so-called "Abacha funds".

This study is based on interviews with representatives from the EC Delegation to Nigeria, the European Parliament, the European Commission in Brussels, EU member state diplomatic representatives and development organisations, and Nigerian and international NGOs. Moreover, declarations, agreements, statistics, and other material from EU institutions and EU member states, as well as secondary material, have been used to complete the study.

EU-Nigerian relations: A balancing act between two unequal giants

Democracy promotion is not a top priority in EU-Nigerian relations. Oil is widely regarded as paramount, followed by trade relations. Concerns over migration, Nigeria's role as a regional power, its fragile internal balance, and attainment of the Millennium Development Goals¹⁰ fill out the list. Given Nigeria's size, oil and gas wealth, and regional importance, EU-Nigerian relations are more multifaceted than those that Europe maintains with many other African countries. At the same time, and precisely because the relations cover so many policy areas, they can help illustrate a number of issues relevant to relations with other countries across Sub-Saharan Africa.

As is the case with many Sub-Saharan African countries, relations between the EU and Nigeria have been rocky since the latter gained its independence from Britain in 1960. In the course of the second period of dictatorship after Nigerian independence (1984-1999),¹¹ relations between Nigeria and EU countries gradually soured. In 1993, the results of the Nigerian presidential elections (which were supposed to re-introduce democracy in the country) were annulled. As a consequence, the EU suspended military cooperation and training, introduced travel restrictions for members of the security forces and their families, and restricted high-level visits.¹² In the aftermath of the execution of Ken Saro-Wiwa and other Ogoni leaders in late 1995 for their protests against Shell

operations in the Niger Delta, political relations came to an almost complete standstill. The EU reinforced travel restrictions, imposed an arms embargo, and suspended most development cooperation with Nigeria.¹³ The Shell connection notwithstanding, there was no oil embargo and no freezing of Nigerian leaders' assets in Europe. EU companies, including oil companies such as Shell and Total, also continued operating in the country. The EU measures were lifted after the elections in May 1999, following the death of the military dictator Sani Abacha in 1998.¹⁴

With the return to democracy, political relations between the EU and Nigeria were resumed, and the charismatic new leader President Olusegun Obasanjo quickly became something of a Western darling. Development cooperation was quick to take off. In 1999, a EUR 100 million EU quick-start assistance package covering 1999-2000 was granted, but due to managerial problems on both sides, the first project only started in the summer of 2001.¹⁵ In 2000, Nigeria was one of the APC signatories of the Cotonou Agreement. Following the quick-start package, a country support strategy was signed between the EU and Nigeria in 2002. The country strategy covered the period 2001-2007 and was worth approximately EUR 600 million.¹⁶ This was the largest sum available to any ACP country during that period, but among the smallest on a per capita basis.¹⁷ Nigerian aid dependency is generally low: net aid disbursements to Nigeria during 2000-2004 averaged just 0.6% of GDP, much less than most African countries.¹⁸ In

¹³ Ibid. Exceptions were made for Nigerian participation in regional projects and funding for democracy, human rights and decentralised poverty alleviation activities (Nigeria-European Community Country Support Strategy and Indicative Programme for the period 2001-2007 p.18 <http://www.delnga.ec.europa.eu/docs/CountryStrategy.pdf>).

¹⁴ Council Decision of 17 May 1999 concerning Nigeria (1999/347/CFSP).

¹⁵ European Community Country Support Strategy op cit, p.19.

¹⁶ This sum includes uncommitted balances of earlier EDFs (Nigeria - European Community Country Support Strategy op cit, p.31).

¹⁷ EC Delegation Nigeria "EU Nigeria Cooperation: Working together to reduce poverty" http://www.delnga.ec.europa.eu/eu_and_country/cooperation.htm

¹⁸ Utomi, Pat, Duncan, Alex, and Williams, Gareth. "Nigeria Strengthening Incentives for Economic Growth: The political economy of reform", Oxford: The Policy Practice, 27 July 2006, pp-29-30.

¹⁰ Interviews conducted with EU officials, European diplomats and aid agencies, international and national NGOs for this study.

¹¹ According to certain classifications second and third periods, as the 1993 interregnum is labelled the Second Nigerian Republic.

¹² Common position of 20 November 1995 defined by the Council on the basis of Article J.2 of the Treaty on European Union, on Nigeria 1995/515/CFSP.

2005, Nigeria received US \$2 per capita in development assistance, while the African average was US \$28 per capita.¹⁹ This means that donors cannot set policy priorities in Nigeria, but instead must follow the government's lead, and be "strategically opportunistic", by reinforcing whatever positive policies the Nigerian federal and state governments decide on. "This is never going to be Malawi", as one interviewee put it.²⁰ Debt relief was one of President Obasanjo's priorities when he came to power in 1999, and in 2005 the government reached an agreement on debt owed to Western states (the so-called Paris Club), whereby US \$18 billion was forgiven and US \$12.4 billion was reimbursed.²¹ Democracy assistance was among the first priorities of development aid. The quick start package included EUR 6.6 million in support of national and state assemblies, and EUR 7 million for the promotion of democracy and human rights. EUR 5 million was given to support the 2003 elections.²² Apart from the EU and DFID, other donors were not quick to move in, however, and even today few EU states have a strong presence in Nigeria. One reason is probably oil wealth - Nigeria was until recently classified as a "blend" rather than "IDA-only" country, which meant that it was not considered as among the poorest or "worthiest" of the developing countries.²³ Another reason evoked by interviewees is that EU countries are wary of Nigeria, which tends to get bad press, with a stereotyped image as a corrupt and "impossible" place.²⁴

In the military domain, cooperation also resumed quickly. Arms exports to Nigeria began anew within a couple of years after the end of dictatorship, and the

UK rapidly became the leading exporter, followed by Italy and Germany. In 2004, EU countries licensed exports of military equipment, such as ground vehicles, aircraft, and large calibre firearms, to Nigeria worth EUR 82 million, and for 2005 - the latest official EU figure available - the figure was EUR 86 million.²⁵ Military cooperation has also resumed, although the United States is a crucial Western player in this respect.²⁶ The UK has provided funds and expertise for military training and training facilities through its African Peacekeeping Training Support Programme.²⁷ For the first time in history, France and Nigeria have established military collaboration, including through RECAMP (Reinforcement of African Peacekeeping Capacities).²⁸ Since 2001, a small group of soldiers, the German Technical Advisor Group (G-TAG), has been stationed in Nigeria. Its main activities are related to equipment maintenance and renovation of the military hospital in Kaduna.²⁹ Development of security cooperation stems in part from the European view that Nigeria is crucial to peace and security in West Africa and beyond.³⁰ As demonstrated by the recently replenished EU-funded African Peace Facility (a fund made available to pay for African peacekeeping operations), Europeans would like to see

²⁵ Seventh Annual Report According to Operative Provision 8 of the European Union Code of Conduct on Arms Exports (2005/C 328/01), p.140. http://eur-lex.europa.eu/LexUriServ/site/en/oj/2005/c_328/c_32820051223en00_010288.pdf, Eighth Annual Report According to Operative Provision 8 of the European Union Code of Conduct on Arms Exports. (2006/C 250/01) p.168 http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/c_250/c_25020061016en00_010346.pdf

²⁶ For a description of US activities in and around Nigeria, see Lubeck, Paul M, Watts, Michael J, and Lipschutz, Ronnie. *Convergent Interests: US Energy Security and the "Securing" of Nigerian Democracy*, International Policy Report, Washington: Center for International Policy, 2007, pp. 10-20.

²⁷ Malan, Mark. "The European Union and the African Union as Strategic Partners in Peace Operations: Not Grasping the Planning and Management Nettle", Kofi Annan International Peace Keeping Training Center Paper No.13, 2006.

²⁸ Hughes, Jean-Paul, "France-Africa Military Cooperation: The big turnaround", Ministry of Foreign Affairs, France http://www.diplomatie.gouv.fr/en/country-files_156/subsaharan-africa_1962/military-cooperation-the-big-turnaround_2067.html, "Field PK training" http://www.un.int/france/frame_anglais/france_and_un/france_and_pea cekeeping/field_pktraining_eng.htm

²⁹ Embassy of the Federal Republic of Germany, *Partnership and Cooperation: An Overview of German Development Cooperation with Nigeria*, Abuja, May 2007.

³⁰ See for example EU-Nigeria Ministerial Meeting, Final Communiqué, Abuja, 18 May 2004.

¹⁹ World Bank and DFID. *Country Partnership Strategy for the Federal Republic of Nigeria (2005-2009)*. Report No. 32412-NG 2 June 2005, p.3.

²⁰ Interview, Graham Gass, Social Policy Adviser, DFID, Nigeria, 4 Sept. 2007.

²¹ Paris Club. "Nigeria: Paris Club agrees on a comprehensive treatment of Nigeria's debt", Press Release October 20, 2005. The agreement did not cover Nigeria's much smaller debt to private and multilateral institutions. <http://www.clubdeparis.org/sections/services/communiqués/nigeria9937/switchLanguage/en>

²² Youngs, Richard (forthcoming).

²³ World Bank and DFID, 2005, *op cit*, p.4.

²⁴ Interview, Graham Gass, Social Policy Adviser, DFID, Nigeria 4 Sept. 2007.

more African-dominated peacekeeping on the continent. Ever since independence, Nigeria's peacekeeping forces have been among the largest and most active on the continent. Nigerian forces form the backbone (approximately 70 per cent) of ECOMOG, the ECOWAS non-standing military force. It ranked ninth among the top-UN contingencies worldwide during 2006 and first half of 2007. Nigeria has personnel in 12 of 14 current UN peacekeeping operations. The bulk, however, is in Liberia.³¹ Moreover, some 2,000 Nigerian troops serve in Sudan, and a further 850 are to be deployed in Somalia in African Union peacekeeping missions.³² Security cooperation is also motivated by Western interests in securing a steady oil supply (for further details see discussion on GGESS below). Security sector reform has lagged behind European countries' efforts to boost Nigerian military capacity, however. To date, no European security sector reform (SSR) programmes, or programmes to improve the democratic control of the armed forces exist in Nigeria, its military-dominated past notwithstanding. However, the inclusion of an SSR component in the 10th European Development Fund is currently being discussed.³³

Nigeria is the largest African country in terms of population. Hardly surprising, it is also the Sub-Saharan African country from which the largest number of migrants leaves every year. A share of these, especially women and children, are trafficked for sexual exploitation, and end up in countries such as Italy, Spain, Belgium, and the Netherlands.³⁴ The flow of migrants has led the European Union and individual EU states to make readmission agreements with Nigeria. The Cotonou Agreement includes a provision stating that "each of the ACP States shall accept the return of and readmission of any of its nationals who

are illegally present on the territory of a member state of the European Union, at that member state's request and without further formalities".³⁵ Nigeria has concluded bilateral readmission agreements with a number of individual EU states, such as Italy, Ireland, Spain, and the UK.³⁶ Critics claim that with the focus so squarely on repatriation, EU states and Nigeria have overlooked ensuring better conditions of admittance and residence for migrant labourers.³⁷ EU countries are regularly criticised by UN bodies, the Council of Europe, and NGOs for their lack of respect for human rights - such as the prohibition of torture, inhuman or degrading treatment, right to due process, the right of access to a lawyer, the principle of non-refoulement, etc - in their handling of Nigerian and other migrants.³⁸

Many EU countries have strong and long-standing commercial and economic ties to Nigeria. Oil and gas extraction form the backbone of this relationship, but other industries, such as infrastructure and services, are also present in the country. The UK is one of the largest investors. Over more than half a century, Shell has invested several billion euros in the Nigerian oil and gas sector. Other large British companies with activities in Nigeria include British Airways, British-American Tobacco, Cadbury, GlaxoSmithKline, Guinness, Unilever, and Virgin Atlantic.³⁹ Similarly, the French presence is strong: cumulated French investments in Nigeria are as large as those made in all other West African countries taken together.⁴⁰ This is

³⁵ Cotonou Agreement, Art.13; see also EU-Nigeria Ministerial Meeting-Final Communiqué, Abuja, 18 May 2004.

³⁶ Ijeoma Nwogu, Victoria, op cit, Legislation online, "Ireland: International Cooperation on Migration. <http://www.legislationline.org/?iid=26&less=false&tid=141>

³⁷ Ijeoma Nwogu, Victoria, op cit.

³⁸ Committee for the Prevention of Torture (CPT). *The CPT standards* Strasbourg: Council of Europe, 2006; CPT. *13th General Report on the CPT's Activities (2002-2003)*, Strasbourg: Council of Europe, 2003; United Nations High Commissioner for Human Rights. Statement by the Special Rapporteur of the Commission on Human Rights on Torture, 26 October 2005; Webber, Frances. *Border Wars and Asylum Crimes*, London: Statewatch, 2006.

³⁹ Foreign and Commonwealth Office, UK "Nigeria Country Profile: Trade and Investment with the UK".

⁴⁰ "La France et le Nigeria: Relations économiques" [http://www.diplomatie.gouv.fr/fr/pays-zones-geo_833/nigeria_353/france-nigeria_1196/rerelations-economiques_4121/relations-economiques_10432.html](http://www.diplomatie.gouv.fr/fr/pays-zones-geo_833/nigeria_353/france-nigeria_1196/rerelations-economiques_4121/rerelations-economiques_10432.html)

³¹ All information from UNDPKO, "Monthly Summary of Contributors of Military and Civilian Police personnel" <http://www.un.org/Depts/dpko/dpko/contributors/>

³² www.amis-sudan.org/military.html

³³ Interview, Thierry Barbé, Desk Officer West Africa, EuropeAid Cooperation Office, 20 September 2007.

³⁴ Nigeria-European Community Country Support Strategy op cit, p.21; Ijeoma Nwogu, Victoria. "Nigeria: human trafficking and migration" *Forced Migration Review* No.25, May 2006. <http://www.fmreview.org/text/FMR/25/20.doc>

especially noteworthy given France's traditionally strong ties to francophone West Africa. Again, the oil and gas sector dominates (Total, Technip), but other sectors such as manufacturing (Air Liquide, Lafarge, and Michelin), services (Accor, Air France, SDV-Bolloré, and Sodexo), and infrastructure (Alstom, Areva, Bouygues, Groupe Eiffage, and Schneider) are also represented.⁴¹ Italian companies, mainly in the energy sector, construction, and shipping, are also present. Italy has been involved in the Nigerian petroleum industry since 1965, through The Nigeria Agip Oil Company (NAOC) of the Eni group. The main Italian construction companies operating in Nigeria are the Impregilo Group, Cappa D'Alberto, Salini, Gitto Construction, Borini Prono, AG Ferrero, Eagles Construction, and Stabilini. Italian shipping companies such as Ignazio Messina, Grimaldi Shipping Company, Lloyd Triestino, Comet Shipping Line, and the Mediterranean Shipping Company handle more than 30 per cent of the entire Nigerian maritime traffic.⁴² About fifty German companies operate in Nigeria, with offices or production facilities. The largest construction company in Nigeria, Julius Berger, is partly German-owned and directed. Other large German firms include Siemens and Deutsche Bank. German direct investment in Nigeria has declined steadily in recent years, from EUR 298 million in 2001 to EUR 75 million in 2004 (latest available figures).⁴³

As the eleventh largest producer in the world, the Nigerian economy is dominated by oil. Oil accounted for nine tenths of government revenue and 99 per cent of its exports in 2005.⁴⁴ In its shadow, other previously important industries such as agriculture (cash crops and staple foodstuffs alike) and manufacturing have either shrunk or disappeared outright. Oil exports are set to grow, as the rate of new discoveries is high and

production is growing faster than in other regions of the world. Oil extraction is technically easy in Nigeria, and the quality of the crude oil is high.⁴⁵ Hardly surprising, energy accounts for the bulk of EU-Nigerian merchandise trade: in 2006 close to 95 per cent of EU imports from Nigeria derived from the energy sector. However, EU dependency on Nigerian oil is limited: Russia, Norway, Libya, Saudi Arabia, Algeria, Iran and Kazakhstan all provide the EU with more oil, gas and other sources of energy than Nigeria does.⁴⁶ The EU is also not the main Nigerian energy customer. At EUR 10 billion, European energy imports are dwarfed by those of the US, which were approximately double that figure in 2006.⁴⁷

Europe plays an important role nevertheless, as European companies are very active in oil and gas extraction in Nigeria. As noted above, Shell, Total, and Agip, together with US-based Exxon Mobil and Chevron Texaco, dominate the Nigerian energy industry. Although technically easy, oil production in Nigeria has become increasingly difficult at the societal and political levels. Oil revenues have helped fuel massive corruption while ordinary Nigerians continue living in the deepest misery. According to World Bank sources, approximately 80 per cent of oil revenues are concentrated in the hands of 1 per cent of the population.⁴⁸ This, in turn, has created deep resentment and a breeding ground for both political contestation and violence, in particular in the Niger Delta. As political protest has been unsuccessful and violence has often proved to pay, the insurgency (often targeting oil installations) has escalated in recent years.⁴⁹ Inequalities, environmental degradation (due

⁴⁵ Ibid.

⁴⁶ Eurostat, "Extra-EU27 trade by main trading partners: mineral fuels, lubricants and related materials (SITC 3)", 2006 figures. http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1996,39140985&_dad=portal&_schema=PORTAL&screen=detailref&language=en&product=Yearlies_new_exttrade_eu27_by_product&root=Yearlies_new_exttrade_eu27_by_product/F7/tet00043

⁴⁷ DG Trade "EU-Nigeria trade analysis", August 2007. http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113427.pdf

⁴⁸ Cited in Lubeck (et al) op cit, p.7.

⁴⁹ There is very little reliable data on the number of conflict-related deaths in the Niger Delta. One recent report claims that such deaths are relatively few (Nigeria Watch, 2007). *First Annual Report on Public Violence (2006-2007)*. http://www.nigeriawatch.org/annual_reports/annual_reports.html

⁴¹ "La France et le Nigeria: Relations économiques", op cit.

⁴² Embassy of Italy in Abuja: Political and Economic Bilateral Relations: An Overview http://www.ambabuja.esteri.it/Ambasciata_Abuja/Menu/I_rapporti_bilaterali/Cooperazione_politica/

⁴³ German Embassy in Nigeria: "Bilateral relations: Economic relations" <http://www.auswaertiges-amt.de/diplo/en/Laender/Nigeria.html#L1>, interview, German Embassy 20 Sept. 2007.

⁴⁴ IMF figures cited by Lubeck et al, op cit, p.5.

to oil spills, the flaring of gas when extracting oil, etc.), political alienation, and the destruction of the social fabric have also helped fuel small-scale oil thefts, arms dealing, protection rackets, and kidnappings. Large-scale oil thefts, in contrast, are undertaken with the help of high-ranking military officials, politicians, and businessmen. Insecurity has led to important disruptions of production. According to Alhaji Baba Gana Kingibe, a high-level government official, Nigeria lost about US \$40 million daily when 500,000 barrels of crude oil was shut in the Niger Delta, and cost escalations ranged from 30 to 40 per cent.⁵⁰ The response of federal politicians has been to send in the security forces. Local politicians have turned to armed gangs - which are often involved in criminal activities - for protection. Hence, as in many other countries living off extractive industries, oil has drastically worsened governance problems in Nigeria.⁵¹ As a consequence, analysts and people from the donor community alike stress the importance of working in the Delta region, as instability there is a threat to the stability of Nigeria as a whole.⁵²

Although the links between (bad) governance and extractive industries have been clear for a number of years, the policy community has only started to address the issue in earnest relatively recently. Hence, an EC official said that it was in 2004 that they "discovered" it was impossible to separate the Delta communities and the oil companies, and that no solution can be found without the involvement of all stakeholders.⁵³ The issue of policy coherence has also become more

prominent in the last half decade,⁵⁴ although up until now it seems to have led to more concrete results in the financial sector (see below) than in the Nigerian energy sector.

Over the years, the Nigerian government has created a number of different mechanisms to return some of the oil money to the Delta region. As a rule, these have not been very effective, and have often even been counterproductive: very little money has reached the poor, and corruption at the state level has remained as widespread as ever. The same is true for the "community outreach" activities of the multilateral oil companies.⁵⁵ Internationally, perhaps the most important collaborative effort to "secure" the Delta for oil production came in 2005, when Nigeria, the United States and the UK set up the Gulf of Guinea Energy Security Strategy (GGESS) to coordinate efforts to stamp out oil theft, illegal small arms dealings and money laundering. Since then, Canada, France, Netherlands, Norway, and Switzerland have joined.⁵⁶ For Nigeria, this has meant that it now receives assistance to equip and upgrade its amphibious capacity, and that a tagging mechanism, preventing stolen oil from being easily sold internationally, has been developed. Although GGESS has recently set up a working group on sustainable development, there is no governance dimension to this initiative.⁵⁷ With its strong focus on energy security, there is disagreement as to the value of GGESS. As one European Commission official put it: "this is not the right way forward".⁵⁸

More promising from a governance perspective is the Extractive Industries Transparency Initiative (EITI).

⁵⁰ Oyibosonline: "Nigeria adopts security marks to check oil theft" <http://www.oyibosonline.com/cgi-bin/newsscript.pl?record=2337>

⁵¹ The political situation in the Niger Delta is well described in a number of reports. See for example: Lubeck et al op cit; ICG, *Fuelling the Niger Delta Crisis*, Africa Report N°118, 28 September 2006; Stakeholder Democracy Network. *The Triple Threat: Growing violence in the Niger Delta poses risks to a broad range of stakeholders in the region*, 2006; Best, Shedrack Gaya and Dimieari Von Kemedi. "Armed Groups and Conflict in Rivers and Plateau States, Nigeria" *Armed and Aimless: Armed Groups, Guns, and Human Security in the ECOWAS Region*. Geneva: Small Arms Survey, 2005.

⁵² Interview, Joseph Hurst Croft, Stakeholder Democracy Network 2 July 2007, interview, Attilio Pacifici, Desk Officer Nigeria, EC Directorate-General for Development 20 Sept. 2007, Stakeholder Democracy Network, op cit, Lubeck et al op cit.

⁵³ Interview, Attilio Pacifici, Desk Officer Nigeria, EC Directorate-General for Development 20 Sept. 2007.

⁵⁴ "Policy coherence" means that the EU will take development into account in all its activities affecting developing countries. As stated in the European Consensus on Development op cit Section 6.

⁵⁵ Stakeholder Democracy Network, op cit, p.10.

⁵⁶ Ministry of Foreign Affairs, Netherlands. "Niger Delta conference held at Ministry of Foreign Affairs" Newsflash, 2 August 2007. <http://www.minbuza.nl/en/news/newsflashes,2007/08/Niger-Delta-conference-held-at-Ministry-of-Foreign.html>

⁵⁷ *This Day*. "Countries utter concern for Niger Delta" cited in *Alexander's Gas and Oil Connections* vol. 11, no 18, 27 September 2006. <http://www.gasandoil.com/GOC/news/nta63962.htm>; Oyibosonline op cit.

⁵⁸ Interview, EC official, Sept 2007, see also Lubeck et al op cit.

Its main goal is the verification and full publication of company payments and government revenues from extractive industries such as oil and gas. Nigeria was the first country to sign up, and is also at the forefront in implementing the EITI steps (ie: establishing multi-stakeholder committees, identifying a government “point person” to lead the process, drafting a national work plan, selecting auditors) and has published a fully audited and reconciled EITI report with data disaggregated by company. However, the picture is not perfect: Firstly, Obasanjo hand-picked the civil society representatives on the multi-stakeholder committee overseeing the process, and this committee has met irregularly, fuelling perceptions that civil society is being marginalised.⁵⁹ Moreover, some companies were “extremely slow” in providing information necessary for the report.⁶⁰ EITI was perceived positively by most people contacted for this study, although some inherent weaknesses are pinpointed: it focuses only on government income, leaving aside issues arising both prior to companies’ payments to governments (the distribution of rights of exploration, contracting, etc.) and those following them (such as budgeting and spending according to budgets).⁶¹ It also leaves out what oil companies pay to security providers and other non-government entities.

EU democracy promotion in Nigeria: idealism, pragmatism, and *Realpolitik*

As noted in the introduction, Nigeria’s ruling class is, with few exceptions, notoriously corrupt and unresponsive to societal problems and needs. Every

⁵⁹ Publish What You Pay/Revenue Watch Institute. *Eye on EITI: Civil Society Perspectives and Recommendations on the Extractive Industries Transparency Initiative*, October 2006.

⁶⁰ *Ibid*, p.24.

⁶¹ Interview, Thierry Barbé, West Africa Desk Officer, EuropeAid Cooperation Office 20 Sept 2007, Human Rights Watch, 2007, op cit, p.103.

year since 2001, Transparency International, an anti-corruption watchdog, has placed Nigeria close to the top of the list of countries perceived to be the most corrupt globally, and the World Wide Governance Indicators of the World Bank do the same.⁶² It is hardly surprising then, that governance-related assistance holds an unusually important place in the overall development assistance packages that the EU and EU states provide to Nigeria. At the same time, the role of Western—including EU—banks in handling the immense proceeds of corruption in Nigeria has not yet been given sufficient attention in all member states, although great improvements have been made.

The EU and Nigerian elections

The most visible of the EU activities to promote democracy in Nigeria have been election observation missions. The EU sent its first such mission to Nigeria ahead of the presidential, gubernatorial, national and state assembly elections in 2003, and then again in 2007. The EU assessment of the 2003 elections was severely critical. It found problems in almost all aspects of voting: election administration; voter registration; fraud and irregularities during the voting; media coverage; announcement of results, etc.⁶³ Early on in the following electoral cycle it became evident that the 2007 elections were likely to be marred by similar problems. Most interviewees said that their fears became strong more than a year before the 2007 elections, and many well before that. They cited factors such as INEC mismanagement, the arming of militias, and President Obasanjo’s attempts to tinker with the constitution so as to be able to stand for a third term. However, EU governments were not very active in trying to change the course of events. According to one

⁶² There has, however, been some improvement in recent years (Transparency International Corruption Perceptions Index (CPI), various years, World Wide Governance Indicators (WGI) “Control of Corruption” . <http://info.worldbank.org/governance/wgi2007/home.htm>).

⁶³ “Nigeria National Assembly Elections 12 April 2003, Presidential and Gubernatorial Elections 19 April 2003, State Houses of Assembly Elections 03 May 2003, European Union Election Observation Mission Final Report”. http://ec.europa.eu/external_relations/human_rights/eu_election_ass_observ/nigeria/rep03.pdf

EU official, "in practice, beyond attending briefing sessions that were INEC-led, EU member states did not exert political influence that was strong enough to change the direction in which the election preparations went".⁶⁴ There were discussions as to whether the EU should indeed monitor the 2007 elections. While the chief observer Max van den Berg would not want to call it hesitation, "it was a serious question to be researched" during the fact finding mission.⁶⁵ The team finally consisted of a ten-person core team, 66 long-term observers, and 62 short-term observers, watching over the elections in all states except Delta, Bayelsa and Rivers state, which were considered too dangerous.⁶⁶

Many within and outside Africa saw the 2007 Nigerian elections as a test for democracy, not only in that country, but also across the whole of sub-Saharan Africa. It was the first time in Nigerian history that power would be transferred from one democratically elected president to another. The dismay, although not the surprise, was great when most observers, including the Domestic Election Observation Group (with 50,000 Nigerian observers on the ground) and the EU mission declared that the elections had been blatantly rigged.⁶⁷ Even the normally very discreet ECOWAS noted "all the failings by INEC at all stages of the electoral process".⁶⁸ The immediate EU reaction was severely critical. The EU declared itself "disappointed" and "deeply concerned that these elections were marred by many irregularities and by violent incidents resulting in a high toll of victims". The EU stressed attempts at vote rigging, "serious organisational

problems" in many states, and distortion of results.⁶⁹ These views were echoed in the capitals of some EU members. For example, London stated that it was "deeply concerned".⁷⁰

At the same time, the EU post-election declaration sketched a cooperative way forward: It stressed its willingness to engage in dialogue with Nigeria in order to "support Nigeria to overcome post-elections difficulties and to take into account lessons learned in view of the next elections".⁷¹ Albeit with some delay, EU member states also chose to congratulate Yar'Adua before his swearing-in ceremony on 29 May. Such developments made the European Parliament fear that "the current 'business as usual' policy is damaging and defeats the credibility of EU Election Observation Missions". It demanded that EU aid to federal and state structures be withheld until new, credible elections had been held.⁷² The EU governments did not agree on any such freeze. Hence, Article 96 of the Cotonou Agreement, whereby the EU could have asked for special consultations or even unilaterally decided on "appropriate measures", was not invoked. Sanctions under this article have to date been used mainly against small states of little strategic importance.⁷³

Amongst NGO interviewees, the EU decision to send an election observation mission in 2007 receives unanimous support. As one interviewee put it: "I am proud of the European Union because it did not compromise."⁷⁴ The mission gave credence and moral

⁶⁴ Interview, Priscilla Ankut, Programme Officer for Good Governance and Institutional Reform, EC Delegation Abuja, 16 July 2007.

⁶⁵ Max van den Berg's answer to author's email questions, 30 July 2007.

⁶⁶ European Election Observation Mission, Nigeria 2007. <http://www.eueom-ng.org/>

⁶⁷ Chukwuma, Innocent, "An Election Programmed to Fail: Preliminary Report on the Presidential and National Assembly Elections Held on Saturday, April 21, 2007" on behalf of the Domestic Election Observation Group; European Union Election Observation Mission Federal Republic of Nigeria, 2007. "Statement of Preliminary Findings and Conclusions: Elections fail to meet hopes and expectations of the Nigerian people and fall far short of basic international standards", Abuja, 23 April.

⁶⁸ BBC News. "What Nigerian election observers say", 23 April 2007.

⁶⁹ "Declaration by the Presidency on behalf of the EU on the elections in Nigeria CFSP Statements 27.04.2007" http://www.eu2007.de/en/News/CFSP_Statements/April/0427Nigeria.html "Commissioner Benita Ferrero-Waldner supports the work of the EU Election Observation Mission in Nigeria" 23 April 2007.

⁷⁰ Cited in Albin-Lackey, Chris. "Nigerian debacle a threat to Africa", *Business Day*, May 15 2007.

⁷¹ "Declaration by the Presidency... ", *op cit*.

⁷² "European Parliament resolution on the recent elections in Nigeria", B6 0201 points 15 and 16.

⁷³ Since 2000, Article 96 has been used on ten occasions, against Haiti, Fiji, Ivory Coast, Liberia, Zimbabwe, Central African Republic, Guinea-Bissau, Togo, the Republic of Guinea and Mauritania (Laakso, Liisa, Timo Kivimäki and Maaria Seppänen. "Evaluation of Coordination and Coherence in the Application of Article 96 of the Cotonou Partnership Agreement", Conflict Transformation Service).

⁷⁴ Interview, John Ikupaje, Senior Programme Officer, Centre for Democracy and Development, 28 September 2007.

support to Nigerians fighting for democracy. The report on the elections was, in their view, complete and credible. However, some Nigerian and international NGO representatives felt that the mission should have started its work earlier, and that the omission of Delta, Bayelsa and Rivers states (for security reasons) was unwarranted. Moreover, the focus on larger towns as opposed to remote rural areas was also perceived as unfortunate, although inevitable given the size of the mission and the logistical problems involved. There were also regrets that the EU would not monitor the elections for local government councillors, to be held before the end of 2007, which are perceived as crucial for grassroots democracy to take hold.⁷⁵

Many within the Nigerian establishment will admit, at least in private, that the elections were flawed.⁷⁶ Some also did so in public. Hence, Senate President Ken Nnamani said widespread irregularities would leave a "legacy of hatred and a crisis of legitimacy for the winner".⁷⁷ In his inaugural speech, Yar'Adua himself acknowledged that "our elections had some shortcomings" and has set up a 22-member panel to examine and reform the electoral process.⁷⁸ However, this did not prevent INEC from strongly criticising the EU final report, claiming the mission had acted contrary to the EU's own codes of conduct.⁷⁹

The EU's activities related to the Nigerian elections have extended beyond voting. A EUR 40 million project for the 2006-2011 period aims to strengthen the capacity of INEC (responsible for preparing and organising the elections) through advisory and

technical assistance, and to support civil society involvement in the electoral process.⁸⁰ The EU also contributed to INEC, as well as to NGOs (for voter education, gender monitoring and mainstreaming, domestic electoral observation and media monitoring), through the UNDP-managed joint donor basket designed to support the 2007 elections. Unsurprisingly, given that INEC was severely criticised for its incompetence, lack of preparation, and partisanship,⁸¹ EU support for this institution is regarded with scepticism. "Why invest in structures known to be flawed?" a source in the international NGO community asked. The EU delegation was aware of the problem, and only spent part of the money allotted: "it was very clear from the onset (from a technical assistance point of view) that we were dealing with an 'introverted' elections management body which though keen for international endorsement of the electoral process, was not interested in sharing information that was critical to election preparation and management", according to one EU interviewee.⁸² The reason for pursuing the project anyway was strategic: "The timing between one election and the next provides ample opportunity for the election administration body and other stakeholders to absorb lessons learned and focus on building capacities to better prepare for the next elections".⁸³ This has to be done "early, within the two years following the election. After that the situation heats up too much".⁸⁴ The EU is still awaiting a new, reformed INEC or another reliable partner before resuming assistance.⁸⁵ UNDP management of the joint donor basket has also been widely and severely criticised for being hasty, wasteful, and for undermining the work of other international bodies by lax spending and supervision. "Waste" and "money badly spent" are

⁷⁵ Interview, Joseph Hurst Croft, Stakeholder Democracy Network, 2 July 2007; interview, Hafsat Abiola, KIND, 18 September 2007; interview, Ismaila Zango, Centre for Democratic Research and Training, Kano 25 September 2007; interview Chibuike Mgbuehuruike, Programme Officer, Transition Monitoring Group (TMG), 27 September 2007.

⁷⁶ Interviews, EC officials for this report.

⁷⁷ Quoted in Ofeibe Quist-Arcton. "Nigerian Election Results Hotly Disputed" *Morning Edition*, 23 April 2007, taken from <http://www.iri.org/newsarchive/2007/2007-04-23-News-NPR-Nigeria.asp>.

⁷⁸ Inaugural Address of Umaru Musa Yar'Adua, 29 May 2007. <http://www.nigeriavillagesquare.com/index.php/content/view/6184/55>

⁷⁹ Interview, Attilio Pacifici, Desk Officer Nigeria, EC Directorate-General for Development 20 Sept. 2007, see also BBC News, "Poll report 'will incite Nigeria'", 24 August 2007.

⁸⁰ European Union-Nigeria Project Sheet Support to Nigerian Electoral Cycle 2006-2011 http://www.delnga.ec.europa.eu/projects/operations2_project%20sheet/Main_projects/PROJECT%20SHEET-%20Elections%202007.pdf

⁸¹ Chukwuma, Innocent, "An Election Programmed to Fail..." op cit.

⁸² Interview, Priscilla Ankut, Programme Officer for Good Governance and Institutional Reform, EC Delegation Abuja, 16 July 2007.

⁸³ Ibid.

⁸⁴ Interview, Marc Fiedrich, former Governance Adviser to the EC Delegation in Abuja, 29 June 2007.

⁸⁵ Interview, Thierry Barbé, Desk Officer West Africa, EuropeAid Cooperation Office; 20 September 2007.

recurrent NGO criticisms.⁸⁶ Most interviewees find it important to continue supporting the electoral process, however. The question is how. For future elections, it seems important to discuss the balance of pre-election support: should a larger share go to grassroots NGOs, political party development, the media, and the security services? How much support should the electoral institutions receive?

EU governance assistance projects

The European Initiative on Democracy and Human Rights (EIDHR) is the specialised EU fund for governance and human rights-related projects in developing and transitional countries. For 2003-2009, the resources allotted to Nigeria under this programme amounted to approximately EUR 18.3 million.⁸⁷ EIDHR micro- and macro-projects cover gender issues (including women in politics and gender in budget transparency and accountability), citizen participation and civil society capacity building, budget transparency and the role of the media in budget monitoring and combatting corruption, advocacy on the Freedom of Information Bill, issues related to sharia law, and human rights promotion. Funding for EIDHR projects in Nigeria generally amounts to a little less than a million euros each. They have been of varying effectiveness. EU officials stress the success of the media budget-monitoring project in particular.⁸⁸

The relatively modest EIDHR contribution - EUR 18.3 million for a country the size of Germany and France combined - does not tell the full story of recent EU support for Nigerian democracy and good governance. In fact, a number of other EU projects have a clear governance angle.⁸⁹ These include: the project to assist the Nigerian parliament and state assemblies, mainly

through training and the provision of material; the Support to Reforming Institutions Programme, focusing on improving management of public finances; and support to the EFCC (Economic and Financial Crimes Commission) and the judiciary in their fight against economic and financial crimes, including corruption. Still other projects have important implications for governance in Nigeria. The national census project is the largest of the EU projects in the country, worth EUR 116.5 million, and implemented together with the UNDP. It was designed to allow the government to improve economic planning and service provision, as well as provide a basis for electoral lists for the 2007 elections. The Economic Management Capacity Building Project aims to improve coordination of social sector statistics and their use for analysis at the federal level. According to one interviewee, the project to assist the Nigerian parliament has had only marginal effects. Such assistance might work better on a bilateral basis, because national administrations have a more directly political interest in using the relations that are thus forged, and, therefore, bilateral donors have shown quite some interest in working in this area.⁹⁰ Interviewees agree that support for the EFCC is crucially important, even though its reputation was somewhat tarnished during the election campaign, as it was accused of politically motivated prosecutions.⁹¹ EU support for the census has also received praise, even though results in some places (Lagos and Kano) are seen as skewed to help maintain Nigeria's delicate religious balance.⁹²

A governance aspect is also often built into more service-oriented projects. This follows the Nigerian government's own poverty reduction strategy, NEEDS (SEEDS on state level), which is founded on the pillars of empowering people, building a social contract, and changing the way government works.

⁸⁶ Interviews with international and Nigerian NGOs for this report.

⁸⁷ European Commission Nigeria: Project Timeplan. <http://www.delnga.ec.europa.eu/projects/Project%20TimePlan1.xls>

⁸⁸ Interview, Marc Fiedrich, former Governance Adviser to the EC Delegation in Abuja 29 June 2007.

⁸⁹ For details about the various EU projects, see: [http://www.delnga.ec.europa.eu/projects/Development_Cooperation_projects\(final\).htm#Institutional_economic_reform0](http://www.delnga.ec.europa.eu/projects/Development_Cooperation_projects(final).htm#Institutional_economic_reform0)

⁹⁰ Interview, Marc Fiedrich, former Governance Adviser to the EC Delegation in Abuja, 29 June 2007.

⁹¹ Interview, Hafsat Abiola, KIND, 18 September 2007, "Nigeria: How to steal yet another election", *The Economist*, 19 April 2007.

⁹² Interview, international NGO operating in Nigeria. This was also confirmed by EC officials (interview, Attilio Pacifici Desk Officer Nigeria, EC Directorate-General for Development 20 Sept. 2007).

Hence, EU service provision projects work not only with the local governments, but also with civil society actors, whose capacity to monitor civil servants is strengthened. Thus, a participatory approach was built into the two micro-project programmes in Niger delta states (MPP3 and MPP6) that centred on water supply and sanitation, village transport, health centres, schools and income-generation. However, an NGO representative active in the region, while citing the project as one of the most successful he had encountered, found that the governance aspect had been minimal. A DFID representative close to the project echoes this, stressing that the project was “governance blind” in that it bypassed local and state governments entirely. While it had an impact on community cohesion and set an example for governments of how much little projects that are financially transparent can actually cost, it did not alter community-state relations.⁹³ Among EC officials, there seems to be unanimous support for combining governance and service provision, in particular as many governance problems cannot be dealt with in the abstract, but only in conjunction with actual public policies.⁹⁴ The support given to SEEDS benchmarking, where the performances of states were compared with regard to policy setting, budgeting, service delivery, and transparency, is often cited as among the best projects. Peer pressure, many interviewees agree, works well in Nigeria.⁹⁵ Such “bottom-up” projects with a focus on state and local levels are, as a rule, more challenging, as governance problems are even more severe than on the federal level and patronage networks are very dense. However, there is agreement across EU institutions, bilateral donors, and NGOs that in the future democracy assistance should increasingly target the more cooperative states and local governments.

⁹³ Interview, Graham Gass, Social Policy Adviser, DFID, Nigeria, 4 September 2007.

⁹⁴ Interview, Marc Fiedrich, former Governance Adviser to the EC Delegation in Abuja 29 June 2007, interview, Priscilla Ankut, Programme Officer for Good Governance and Institutional Reform, EC Delegation Abuja, 16 July 2007.

⁹⁵ Interview, Richard Butterworth, Governance Adviser DFID Nigeria, 31 August 2007, interview, Hafsat Abiola, KIND, 18 September 2007, interview, Marc Fiedrich, former Governance Adviser to the EC Delegation in Abuja 29 June 2007.

More generally, goodwill generated by EU election monitoring seems to spill over onto its assistance projects. The fact that the EU is multilateral also makes it less threatening to those fearful of political interference. However, some criticisms are recurrent. EU funding mechanisms are slow, which means that they cannot be responsive to political developments on the ground. At most it can withhold funds, as it did prior to the 2007 elections. Even when money has been granted to a project, its disbursement is at times delayed, which means that the Nigerian partners are left stranded, and cannot keep promises at their end. The cumbersome processes often has the paradoxical effect of forcing administrators to spend the allocated money fast — which does not always mean well. EU funding, as well as DFID funds, are less flexible than those of the World Bank, according to one interviewee: if an organisation wants to change the order in which it conducts certain activities, that often proves difficult. The piecemeal approach, with many small projects on various governance-related issues, is also seen as problematic at times, including by people inside the European Commission.

EU states’ programmes

Only a handful of EU member states have bilateral development cooperation programmes in Nigeria. Of these, only one, the United Kingdom, has a substantial governance programme with presence on the ground. However, although the German development agency (GTZ) is focusing on other issues, three of Germany’s political party foundations are working on democracy-related issues in Nigeria, the Friedrich Ebert Foundation (FES), the Heinrich Böll Foundation (HBF), and the Konrad Adenauer Foundation (KAS).⁹⁶

UK development assistance is the largest of the EU countries’ at GBP 213 million for 2004-2007, and

⁹⁶ These foundations are linked to three of the main political parties in Germany: the Christian Democrats (Konrad Adenauer), the Social Democrats (Friedrich Ebert), and the Green Party (Heinrich Böll).

increasing every year, from GBP 35 million in 2003-2004 to a planned GBP 100 million in 2007-2008. It is also the only country whose development cooperation agency, DFID, has a country office in Nigeria (since 2001 in Abuja, with regional offices in Lagos, Enugu, and Kano). The work of DFID is, at least in theory, squarely focused on governance issues. Of the three key objectives which govern all British assistance to Nigeria, two are governance-related: improving public expenditure management and service delivery (62 per cent of the programme budget) and empowering people to demand reform and building a social contract (19 per cent of budget).⁹⁷ For 2005-2009, the DFID and the World Bank have developed a joint Country Partnership Strategy, and some programmes are implemented jointly.⁹⁸

The DFID supports a number of governance-related projects, such as the EITI (see above), the State and Local Government Programme, which provides technical assistance in areas such as policy setting, public financial management and service delivery, the Security, Justice and Growth Programme, which focuses on community policing and improved access to legal services, and the Public Service Reform and Service Delivery Initiative, aiming to restructure federal ministries to improve service delivery and strengthening presidential oversight in this area. The DFID likewise supports efforts to strengthen the national assembly, through support for selected parliamentary committees and strengthening the links between the legislature and civil society, and Coalitions for Change (an initiative aiming to empower elements within the media, civil society, government, and the private sector to confront patronage and corruption), along with Supporting Transparency and Accountability in the Niger Delta (working with selected Delta communities on a combination of issues: service delivery, training, and empowerment vis-à-vis the government). The DFID was also one of the

partners in the UNDP-managed joint donor basket for the 2007 elections. There was also a separate, DFID-run programme to support the elections.

The DFID does not have the same administrative problems as the EU. Its programmes are often viewed positively: interviewees mentioned the Security, Justice and Growth Programme as successful, and Supporting Transparency and Accountability in the Niger Delta as promising.⁹⁹ However, its close collaboration with the World Bank is not always perceived in a positive light. The British alliance with the US in the war on terrorism and the latter's quest for alternative sources of oil supply have led to a certain apprehension regarding British motives for democracy assistance.¹⁰⁰

FES, HBF, and KAS all have permanent offices in Nigeria, and yearly budgets of approximately EUR 700,000 to EUR 1 million each. The bulk of the funding comes from the German Bundestag. FES has been active in Nigeria since 1978. It is working in four main areas: trade union cooperation, gender issues, human security, and the national parliament. In its work with the labour unions, FES' main activity, it attempts to build leadership and negotiation capacities, support the work of trade unions on labour standards, and help trade unions cope with privatisations and the impacts of globalisation on the workforce. It also tries to strengthen the influence of women in the trade union movement. FES works principally through training, capacity building, dialogue forums and study trips, mainly making use of human resources within Nigeria.¹⁰¹ HBF opened its Nigeria office in 2002, but has operated in the country since 1994. It has been active on governance issues, with a focus on human (and in particular women's) rights, civil society participation in politics, and conflict prevention. Specific projects have included attempting to improve knowledge and understanding of Sharia law

⁹⁷ The third objective is to promote sustainable pro-poor growth. See DFID (2004). *Nigeria: Country Assistance Plan (CAP) 2004-08*, London: DFID December, p.20. <http://www.dfid.gov.uk/pubs/files/nigeria-cap.asp>

⁹⁸ World Bank and DFID, 2005, op cit.

⁹⁹ Interview, Joseph Hurst Croft, Stakeholder Democracy Network, 2 July 2007; interview, Ismaila Zango, Centre for Democratic Research and Training, Kano, 25 September 2007.

¹⁰⁰ Interviews Nigerian NGOs for this study.

¹⁰¹ Interview, Jens U. Hettmann, FES Resident Representative, 16 July 2007, FES Nigeria: "About Us" <http://www.fes-nigeria.org/aboutus.html>

with the aim of fostering Nigerian national cohesion, “Abacha loot monitoring” (ie: supporting NGO monitoring of how the Abacha funds returned from Switzerland were used), and training courses for women and men to prevent old and new discriminatory practices towards women.¹⁰² KAS reopened its offices in Nigeria in 2001, after having closed them down during the Abacha years. In 2006–2007, the Konrad Adenauer Foundation concentrated on the upcoming elections, through activities such as training of candidates for the state assemblies in four states, training for police to quell electoral violence, training for journalists, a radio programme *Vision Nigeria* with interactive political discussion that can be heard by people in northern Nigeria, etc.¹⁰³ The main problem for the three German foundations is size: many of the interviewees for this study did not know much about them. Those who knew the foundations were very positive, citing them as close to the ground, nimble, credible, with good checks on how funds are spent, and a willingness to provide in-kind assistance to civil society organisations even when no other funding was available.¹⁰⁴

The issue of consistency: looted funds and corruption proceeds in EU banks

Sani Abacha looted approximately US \$3-5 billion from the Nigerian people during his years in power.¹⁰⁵ After the return to civilian rule, the new government asked the international community for assistance in returning the funds. Swiss banks eventually returned USD 458 million to the Nigerian government in 2005.¹⁰⁶ Abacha also stashed money in banks in the

UK, Jersey, Lichtenstein, and Luxemburg, but due to lengthy litigation processes, so far, none of these countries have returned funds, which remain frozen. The UK Financial Services Authority refrained from publicising the names of the British banks involved, despite the fact that Swiss authorities did so for the Swiss banks implicated in the affair.¹⁰⁷ Given how “nastily” the Swiss were treated in the return process and how much bad publicity they got, other EU states will want to be sure that any return of funds from their countries is done discretely, according to a diplomatic source in Abuja interviewed for this report.

Illicitly attained money has continued flowing from Nigeria after the return to civilian rule. According to World Bank sources, 70 per cent of Nigerian private wealth is held abroad.¹⁰⁸ Before the 2007 elections, foreign exchange outflows reportedly increased dramatically. Analysts reckoned that part of this increase was due to so-called “politically exposed persons” sending illicit money abroad.¹⁰⁹ Moreover, records most likely underestimate the outflows, as illicit money is often expatriated outside official channels. Banks in Great Britain, the Isle of Man, Jersey, Lichtenstein, Switzerland, and, to a lesser extent, the US, are all important recipients of these funds.¹¹⁰ Non-Western destinations include Dubai, Malaysia, Singapore, and China.¹¹¹ While in the past not many Western states were supportive, countries such as the UK, Switzerland, and the US are now “extremely helpful”.¹¹² The watershed was not the Sani Abacha scandal, but rather the 9/11 terrorist attacks and the subsequent efforts to curb terrorist financing networks. The Metropolitan Police have restrained GBP 34 million in the last 3-4 years, and

¹⁰² <http://www.boellnigeria.org/projects.html>, interview Stefan Cramer, Director Böll Nigeria, 4 July 2007.

¹⁰³ KAS Länderbüro Nigeria: Über uns http://www.kas.de/proi/home/home/33/1/about_us-1/index.html, interview Klaus Paehler, Country Director KAS Nigeria, 17 July 2007.

¹⁰⁴ Interview, Hafsat Abiola, KIND, 18 September 2007; interview, Ismaila Zango, Centre for Democratic Research and Training, Kano, 25 September 2007.

¹⁰⁵ Africa All-Party Parliamentary Group, *The Other Side of the Coin: The UK and Corruption in Africa*, March 2006, p.45.

¹⁰⁶ For further information on how this money was used by the Nigerian government, see World Bank, *Nigeria - Utilization of repatriated Abacha loot: results of the field monitoring exercise*

Working Paper Report no. 39390, 1 December 2006, Ugolor, David (et al). *Shadow Report on the PEMFAR Monitoring Exercise*, Nigerian Network on Stolen Assets (NNSA), 2006.

¹⁰⁷ Africa All-Party Parliamentary Group, op cit, p.45.

¹⁰⁸ Cited in Lubeck, op cit, p.7.

¹⁰⁹ *Business Day*. “Huge outflow of forex pre-election period”, June 21 2007.

¹¹⁰ Interview, Dapo Olorunyomi, Chief of Staff, EFCC, 28 Sept. 2007, Interview, diplomatic source in Abuja, 28 Sept. 2007.

¹¹¹ Ibid.

¹¹² Interview, Dapo Olorunyomi, Chief of Staff, EFCC, 28 Sept. 2007.

money is sent back to Nigeria regularly.¹¹³ However, not all EU countries are equally quick to assist Nigeria: cooperation with France, for example, is slow and riddled with technical and communication problems.¹¹⁴

Through their pledge of “policy coherence”, EU countries have committed themselves to make sure that illicitly attained funds do not find their way into EU bank coffers. The EU and individual EU states also recognise the importance of the issue through their substantial support for the EFCC, an independent Nigerian state institution that investigates and prosecutes cases of corruption and other types of financial crimes. The EFCC collaborates with financial intelligence units internationally. European support is not only financial, but also moral. Recently, the government wanted to restrain the prosecuting powers of the EFCC, but reversed its stance in the face of strong criticism, including from the EU.¹¹⁵ As the problem of money laundering in EU banks is “not going to go away soon”¹¹⁶, these efforts need to be sustained, and remaining loopholes in legislation closed. Interviewees from the donor community for this study generally showed low levels of knowledge of EU and EU states’ efforts to combat money laundering. That is somewhat surprising, given its centrality to anti-corruption strategies.

Conclusions

The debacle of the 2007 Nigerian elections did not have any major impact on relations between the EU and EU governments, on the one hand, and Nigeria on the other. Political relations were not strained. As the electoral failure was widely predicted, the impact on governance assistance projects has also been minimal. The credibility of the EU has not, it seems, been diminished in Nigeria as a result of the apparent contradiction between the strong reaction of the EU election observation mission and the subsequent conciliatory approach of EU governments. There seems to be quite generalised agreement that, while democracy is not unimportant, it is not at the core of the relationship between Nigeria and Europe.

This pragmatic approach, with glimmers of idealism, may represent the art of the possible in the complex relationship between the European power bloc and the African giant. However, it is a delicate balance to keep. Today, international democracy promotion is not viewed with the same scepticism in Nigeria as in the Middle East or Russia, for example. The EU and EU states can therefore hope to make an (albeit modest) impact, both through assistance projects and politics. If European governments pursue their security and economic interests - including the interests of European oil giants active in the volatile Niger delta - too persistently and without regard for social and environmental concerns, this could change. As governance, peace and security, environmental degradation, poverty, migration, and energy security are all intertwined, the price to pay for tilting the balance too heavily in favour of the short term could be high.

¹¹³ Interview, Richard Butterworth, Governance Advisor, DFID Nigeria, 31 August 2007; interview, diplomatic source in Abuja, 28 Sept. 2007.

¹¹⁴ Interview, Dapo Olorunyomi, Chief of Staff, EFCC, 28 Sept. 2007.

¹¹⁵ Interview, Dapo Olorunyomi, Chief of Staff, EFCC, 28 Sept. 2007, interview Attilio Pacifici, Desk Officer Nigeria, EC Directorate-General for Development 20 Sept. 2007.

¹¹⁶ Interview, diplomatic source in Abuja, 28 Sept. 2007.

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In recent years, both the EU and its member states have paid allegiance to the goal of democracy and good governance in Nigeria. Like elsewhere in Africa, this pursuit - last reiterated at the EU-Africa summit of December 2007 - has met with limited success, as the recent, fundamentally flawed Nigerian presidential, parliamentary and state elections testify. This study examines how European democracy promotion has played out in Nigeria and asks to what extent has democracy been important for relations between the two? It finds that democracy promotion is not a top priority and that in reality oil is widely regarded as paramount, followed by trade relations. Concerns over migration, Nigeria's role as a regional power, its fragile internal balance, and attainment of the Millennium Development Goals are also considered important.

This pragmatic approach, with glimmers of idealism, may represent the art of the possible in the complex relationship between the European power bloc and the African giant. However, it is a delicate balance to keep. Today, international democracy promotion is not viewed with the same scepticism in Nigeria as it is in the Middle East or Russia, for example. The EU and EU states can therefore hope to make an (albeit modest) impact, both through assistance projects and politics. If European governments pursue their security and economic interests - including the interests of European oil giants active in the volatile Niger delta - too persistently and without regard for social and environmental concerns, this could change. As governance, peace and security, environmental degradation, poverty, migration, and energy security are all intertwined, the price to pay for tilting the balance too heavily in favour of the short term could be high.

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