

Africa: In Search of Good Governance

1. Acknowledgements
2. Introduction
3. Section A: On Africa
 - Mo Ibrahim Prize: Africa, Where Are You Going?
 - Cote d'Ivoire: Laurent Gbagbo Against the World
 - Is EITI part of a Western Agenda?
 - Africa's Rocky Road to E-Democracy
 - First Oil: Will Ghana Learn from the Mistake of Nigeria and Angola
4. Section B: On Nigeria
 - Open Letter to President Jonathan on Oil Theft
 - Making the Niger Delta Amnesty Work
 - Nigerian Petroleum Industry Perambulation
 - Political Financing, Incumbency and Free and Fair Elections
 - NEITI: After Validation, What Next?
 - Ekiti State: 2011 Elections and the Power of Civil Society

Africa: In Search of

Good Governance

Essays and Analyses

By

Uche Igwe

Introduction by Steve McDonald

To the memory of Alaere Alaibe; a woman of FREE spirit, foresight and discipline.

Acknowledgements

It may actually be surprising that a lean volume such as this received contributions from so many people. Be that as it may, let me quickly say that despite all the support I received, all the commissions and omissions in this book are entirely mine.

My journey into the research and writing world is something relatively recent, though I started dreaming of it as a child, many years ago. I can recall vividly that I had very little energy for farm work and my mother always scolded me as a lazy child. I began to think then that if I will ever affect society positively, it will be through my brain. And so I went off to school reading everything I could lay my hands on from the peripheral to the important. But as I grew older, the usual dose of challenges of a growing rural child came upon me. At a point, I even became very frightened as circumstances almost forced me grudgingly into other directions. But, here am I today taking the first step of what in my view, may become a lifetime journey.

Against this background, let me say that anyone who contributed directly and indirectly in assisting me break this inertia towards realizing this childhood dream naturally has a special place in my heart.

In October 2009, I met Professor Peter Lewis, head of Africa Program at School of Advanced International Studies at the Johns Hopkins University, at the conference on “The Prospects of Nigeria” at Ditchley Foundation in Oxford, England. He expressed, to my utmost surprise, how deeply honored he was to have met me. Unknown to him, I was charmed by his depth of knowledge on Nigeria and the quiet humility that enveloped him. When I got fed up with my job and thought it was time to try something else, I approached Peter and he was quick to offer

me a position as a Visiting Scholar at the Africa Program. I owe many aspects of my academic sojourn so far to his optimism and generosity.

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- **Uche Igwe**, Washington, DC

Introduction

In 2010, the Africa Program of the Woodrow Wilson Center for International Scholars received a grant from the Open Society Institute for a “New African Voices” scholarship. This allowed us to bring two scholars from the continent to Washington, DC for a six-month fellowship. The selection criterion was for Africans who are mid-level professionals in academic, civil society, community activism, or other leadership roles who have not had extensive exposure to and interaction with the US policy community. The Center offered them an office and access to the Library of Congress, Smithsonian, and other research facilities, as well as the opportunity to participate in public/policy events throughout the city. While each was asked to concentrate on a certain policy area, no specific “product” was demanded of the scholars.

Uche Igwe, a Nigerian community activist, teacher and writer, who has been the Civil Society Liaison Officer for the Extractive Industries Transparency Initiative (EITI) in Nigeria since 2005, was selected as one of our scholars. While here, Uche conducted research on two issues, the role of China in Africa and the compliance with EITI. He was also active as both a participant and presenter at conferences in Washington and other states. I was struck by Uche’s activism and energy, and his prolific writing capacity. I cannot cite the exact number of articles he penned in his six months, but it was close to two dozen. We were able to offer him some space on our website and tried to assist in placing his articles and op-ed pieces in the American print media. But, he was persistent in reaching out to Nigerian newspapers, blogs, online newsletters, etc., to publish pieces on the issues he was focused on in his research, as well as other topics that were on his mind, such as the state of leadership in Africa, environmental concerns on the continent, oil politics, or the elections in Nigeria this year.

His writing elicited wide-ranging responses. One African reader, seeing his piece on oil theft in Nigeria, said: “To borrow the good words of Mr. Uche Igwe, Nigerians are calling on the President to match rhetoric with action by exposing the perpetrators of these crimes on our nation and dealing with them.” Another, reading Uche’s article on leadership and the dearth of candidates for the Mo Ibrahim Africa Leadership prize said: “I wonder if Nigerian Presidents are even challenged by or are aware of the Mo Ibrahim Prize. I would like to know what drives our Presidents, because it is interesting to know that Presidents of Botswana and Mozambique have won this award. Where the heck is Nigeria on the list?”

I felt, therefore, that it would be valuable for the Wilson Center family to be aware of the remarkable output of this scholar, but also of the kind of thoughtful examination of issues that has been taking place in Africa, and of the fact that these “voices” of reason and calls for action are being heard on issues that concern us all. We are proud, therefore, to present this compilation of articles written by Wilson Center Scholar, Uche Igwe. Most of them are reprints of previously published works, but all were written during his time at the Center.

- **Steve McDonald**, Consulting Director, Africa Program

Mo Ibrahim Prize 2010: Africa, Where Are You Going?

Fifty years after independence, Africa still conjures the image of bad governance in the minds of many. Events in and out of the continent seem to point clearly in this direction. The US President Barack Obama recently did not hide his disapproval for African “strong men” when he celebrated the fiftieth anniversary of Africa’s independence in Washington without inviting any past or present leader to join him.

Barely two months ago, had the Mo Ibrahim Foundation for governance announced that it had not selected a winner for the Mo Ibrahim Prize for Good Governance in Africa in 2010. This will be the two years since the prestigious prize has not found a worthy winner on the continent.

For close observers of Africa, this is quite unsettling but not surprising. It leaves many unanswered questions on the progress of good governance and so-called dividends of democracy in the Africa continent.

The Mo Ibrahim prize was founded by the UK-based Sudanese business mogul and founder of Celtel, Mr. Mohammed Ibrahim. The prize consists of a cash award of \$5 million over ten years (€76 million annually) and \$200,000 annually (€30.4 million) for life thereafter. It is awarded to a democratically elected former African head of government who has served their term in the office within the limits set by the country’s constitution and has left office in the last three years. So far only two Africa leaders – Festus Mogae of Botswana and Joachim Chissano of Mozambique have been able to win the prize, in 2007 and 2008 respectively. Former President Nelson Mandela was however given an honorary award in 2007.

The financial award and prestige that accompanies this prize has made it the most outstanding prize ever to be won by any African, living or dead. However the fact that no winner has qualified in the last two years signals the kind of governance deficit and decay that has inflicted our dear continent.

Good governance is the effective exercise of power and authority by government in a manner that serves to improve the quality of life of the population. According to a foremost African scholar, Tunde Obadina, “a ruling class that sees the state solely as a means of expropriating public resources is incapable of good governance. Such a class will by its character, abuse power.” Governance deficits litter the African continent and manifest a multiplicity of traits including “political repression, corruption and ethnic sectarianism”. From autocratic regimes to sit-tight dictators who desperately seek legitimacy through shady elections, many African states are failed states just waiting to happen.

It is noteworthy to say that the Mo Ibrahim committee screened some credible candidates in 2009 but could not select a winner. Among them was the former Nigerian President Olusegun Obasanjo who had just left power. Obasanjo is an outstanding African statesman who championed economic reforms and handed over peacefully to a new government. However what ruined his chances apparently was the fact that towards the end of his second tenure, he attempted unsuccessfully to alter the constitution of Africa’s most populous country to give him another term of office, thereby joining the infamous club of African sit-tight rulers. What a shame! Former President Festus Mogae once put this problem succinctly “when good leaders stay too long, something goes wrong with them. They lose their vision, betray their mission and destroy their legacy”.

Looking more carefully at the continent, from Harare to Kigali, Kampala to Nairobi and from Lome to Libreville, it appears that the Mo Ibrahim prize committee will still find it difficult to select a winner in the next few years. That is, unless they review the requirements for the prize. But why would they do that? Why must the recipe for good governance be diluted? What is wrong with Africa?

According to Mo Ibrahim, “governance is a basket of political goods that governments are responsible for delivering to their citizens”. And so why is this basket a wanted commodity in Africa? The Mo Ibrahim foundation also compiles an index of governance in Africa prepared with the prestigious Kennedy School of Government at Harvard University. The last figures I saw

were in 2008 and to date it has not changed a lot. The index measured the so called essential political goods which remain very scarce in Africa: Safety and security; rule of law; transparency and corruption; participation and human rights; sustainable economic opportunity and human development.

Many Africa countries performed terribly in the areas measured. Again not surprisingly, Nigeria my country of birth ranked 39 out of the 48 countries measured. As one of the bottom ten countries, Nigeria was positioned along side countries like Guinea, Eritrea, Cote d'Ivoire, the Central African Republic, Angola, Sudan, Chad, Democratic Republic of Congo and Somalia. All of these are outright failed states or countries at war or emerging from war. But with these troubling statistics what do we do?

Non state actors in Africa have increasingly been identified as catalysts of good governance. Africa's future is too important to be left in the hands of government and politicians alone. The tiny spots of democratic rule we enjoy in Africa today can be attributed to the resilience and doggedness of organized civil society. I submit therefore that the vision of Mo Ibrahim in Africa will be accomplished faster by employing a multi stakeholder approach. A similar prize endowment could be put forward for non state actors including the media in Africa who play roles that are verifiable and complimentary to good governance objectives. Another Africa is possible.

Cote d'Ivoire: Laurent Gbagbo Against the World

The situation in Cote d'Ivoire is extremely sad and disturbing. Since the results of the November 28th run-off election was made public by the Independent Electoral Commission, outgoing President Laurent Gbagbo has defied international pressure and is clinging tenaciously to power. The Economic Community of West African States (ECOWAS), the European Union, the United States of America, France, China and the United Nations Security Council have all backed Alassane Ouattara, a former Prime minister who was named winner with 54.1 percent of the votes. But, Gbagbo has refused to budge, preferring instead to foist a national crisis on his country, shutting down almost all the media and closing the national borders. He has gone ahead to swear himself in as a President for another term.

I used to admire the television clips of Abidjan on Cable News Network (CNN) as a growing young boy. I had very beautiful pictures of the city in my mind and always longed for something to take me there. However, sometime in May this year, I visited Cote d'Ivoire for the annual meeting of the African Development Bank (AfDB). It was my first visit to that country and I must say that I was extremely disappointed with what I saw right from the airport. Those images in my childhood television clips are now obviously lost. Abidjan city wore an entirely different look with the unpleasant scars of war imprinted on every nook and cranny. Desolation and fear were on the faces of citizens. Land lords refused to renovate their houses, apparently for fear that they might be destroyed if hostilities resume. Even the famous Hotel d'Ivoire where we were staying was still being reconstructed even as such an important meeting was going on inside. It was the then President Laurent Gbagbo (now former) who came to declare the meeting open. Even though the atmosphere in the city was palpably tense, he openly boasted that peace had returned to Cote d'Ivoire and invited all those international organizations like the AfDB who once resided in Abidjan and relocated their headquarters at the peak of the war, to return to Abidjan.

A Deeply, Politically Divided Society.

One will not know how deeply divided Cote d'Ivoire is, and how explosive internal criticism can be until you engage in a political conversation with the citizens. During one of the AfDB meetings with civil society, I inadvertently stepped onto that dangerous ground. In the course of my interventions, I had a reason to crack a joke and made jest of the so-called "Ivorization" policy. The immediate response I got from my predominantly Ivorian audience shocked me and I had to quickly move over to a different topic altogether. A colleague of mine from Mali, who knew the fragility of the situation better, later warned me never to ever joke about that kind of thing during my stay.

The 'Ivorization' policy is a politically motivated tribalistic policy introduced by the now 76 year old deposed former President Henri Konan Bedie, after the death of the former President and father of Cote d'Ivoire, Felix Houphouet-Boigny. His main objective was to solidify power as Houphouet-Boigny's successor. The policy sought to deny Ivorian citizenship to people who were born in and had lived in Cote d'Ivoire, but who had either one or both parents born in a neighboring country such as Burkina Faso, Mali, Senegal or Niger. It was an unjust policy that was primarily designed to prevent the now newly elected President Alassane Ouattara from contesting for the Presidency in July 1999, because he was a "foreigner." That policy made it easy for Konan Bedie, who was then President of parliament to retain Presidency of the country in a flawed election process. The cancerous consequences of that single virulent political seed has followed that country ever since. It metamorphosed into bitter divisions that ended up in an armed conflict in 2002 after Gbagbo continued with ethnocentric politics to retain power and control the economy. Cote d'Ivoire is rich in cocoa, coffee, timber, petroleum, cotton, and palm oil. The access to the lucrative proceeds of these natural resources has been a contributory factor in the Ivorian crisis.

Laurent Gbagbo Must Be Stopped

In response to the election of Ouattara, the Chairman of ECOWAS, Nigerian President Goodluck Jonathan, convened an ECOWAS meeting of ECOWAS Heads of government on December 7 2010 in Abuja, where the leaders unanimously backed the President-Elect and asked Gbagbo to

step aside. The African Union (AU) also sent an envoy, former President Thabo Mbeki of South Africa, to meet with and persuade the defeated President to step down, but that seems to have failed. After the report back of Mbeki, the AU announced its suspension of Cote d'Ivoire's membership. Many other major powers, including multilateral agencies, are threatening other forms of sanctions if the Ivorian strong man continues to be obdurate and claims a hold on the presidency. The former university-lecturer-turned President has rebuffed all of these actions as "western intrusion." He seems impervious to mounting international pressure and willing to risk an impending international isolation and internal conflict just to ensure that he defiantly clings to power.

Two issues come to my mind amidst this dangerous political drama. The first is the need for Nigeria to step up and re-energize her prominence in the affairs within the African continent. It falls on President Jonathan's shoulders to rally around other African Heads of government to make it categorically clear in an ultimatum to Gbagbo that he cannot continue to hang onto power. Press releases and shuttle diplomacy can no longer suffice. And so, more needs to be done. The other issue is the need for politicians in Africa to understand the fundamental tenets of democracy. Kenya was recently plunged into an avoidable conflict when Mwai Kibaki refused to allow his rival Raila Odinga to form a government, when it was crystal clear that he had been defeated. So did Zimbabwe, where the strong man Robert Mugabe lost the election but refused to resign and allow his rival Morgan Tsvangirai to take over. Enough of these, African strong men! These are exactly the kind of men the US President Obama says we do not need. Africa needs strong institutions instead.

African leaders must learn to accept defeat with equanimity and put national interest and continental prosperity above selfish quest for power.

To sit down with Laurent Gbagbo and to consider a unity or coalition government as has been done in Zimbabwe and Kenya is tantamount to denying the democratic process and the legitimate voice of the Ivorian people expressed overwhelmingly on November 28. Africa must for once confirm to the world that we can get it right. The Cote d'Ivoire logjam must not be allowed to degenerate into war.

Is EITI Another Western Agenda?

It has increasingly become a consensus that the abundance of natural resources does not necessarily produce rapid development in countries where they are found. Instead they paradoxically produce poverty, conflict and corruption whose consequences become increasingly widespread and impact development in an interconnected world. The rapidly globalizing world means that these consequences transcend boundaries and threaten stability of both the developed and developing world. It is therefore common sense that a search for the reversal of this disturbing trend becomes a global collective. And therefore when the former British Prime Minister Tony Blair took the extractive industries transparency initiative (EITI) to the world summit for sustainable development (WSSD) in Johannesburg in 2002, the world applauded.

Since then, EITI has grown to become a truly global framework for transparency, participation and good governance in the natural resources sector. Up till date EITI have been embraced voluntarily by thirty countries out of which nine are from sub-Saharan Africa.

Evidence of governance deficits abound in my continent Africa and these are creating unbearable social, economic and environmental problems. African people are responding to their continuous alienation from the information on the quantum of resources they have, by greed and antics of tiny parasitic elite and their collaborators. Their response has mostly been multi-directional violence. And so any initiative that will shed light on this hitherto dark alley will be most welcome by Africans and will certainly contribute to peace in our troubled continent.

In Nigeria where I come from, since the discovery of oil in the tiny town of Oloibiri, the flow of billions of petrodollars have been shrouded in secrecy and opacity. The resultant effect is there now for the world to see. Deep social conflicts, militancy and insecurity have not only affected global oil supplies from the Gulf of Guinea but have unprecedented diminishing effects on our national earnings, mainly oil derived. But the depth and magnitude of these mistakes will never have become evident if not for EITI implementation in Nigeria. The Nigerian government became the first signatory to the EITI initiative in 2003. The Nigeria EITI had conducted an audit of the Nigerian oil and gas sector between 1999-2004. The audit which was known to be the most comprehensive in the fifty years of oil exploration in Nigeria revealed systemic capacity weaknesses and measurement inadequacies in the oil and gas sector of Africa's most populous oil rich nation. The Chairman of Nigeria EITI Prof Asissi Asobie was recently quoted as saying that "Nigeria still does not know the amount of oil it produces per day". In today's digital world nothing can be insulting. Nothing can be unacceptable! The Nigeria EITI audit also led to discovery of several millions of dollars in under payments and errors of computation. The positive impact of EITI in Nigeria have been widely recognized and led to inclusion of a fundamental clause in the proposed Petroleum Industry Bill (PIB) on compliance of all industry operations with NEITI 2007.

In nearby Ghana where oil was recently discovered, the hope of that citizens will derive maximum benefit from their oil wealth derives from the atmosphere of openness and disclosure created by EITI implementation. The same goes for Liberia, the first and only EITI complaint country in AFRICA so far, where according to civil society "government and extractive

industry companies are opening up to constructive dialogue with civil society for the benefit of citizens”.

And that leads me to what I call the unique selling point of EITI: Its multi stakeholder approach. For the first time governments, business and civil society are sitting around the table as equal partners to debate on matters of citizen’s interest. In many African countries where sit tight regimes and military dictatorships have been the order of the day; this is a considerable break through that could sharpen the direction of good governance in years to come.

But governance skeptics who do not wish Africa well have fuelled reluctance to EITI in many African countries. They have labeled it a western agenda. They are led by many countries where extractive industry business are dominated by non western countries especially China. Angola is good examples of such countries in Africa who have continuously suppressed the voice of citizens in management of their natural resources. The tendency for politicians in such scenario will be to abuse such situation for primitive accumulation and corrupt enrichment.

For governance to improve in Africa, all potential and actual partners of Africa must rise to the challenge of openness, transparency and openness. This is good for business also as the unfortunate aftermaths of opacity will affect everyone in the long run. The so called principle of non interference which means sitting in mute indifference or cold complacency can no longer suffice. It is not sustainable and can never be.

The extractive industries transparency initiative (EITI) offers natural resource rich African countries another opportunity to ask questions, challenge corrupt leadership in a manner that will produce continental prosperity. The biggest challenge of the continent is to transparently

and effectively utilize the abundant natural resource under our feet to jump start and diversify African economy.

The United States, a leading consumer of oil from Africa, has just recently passed a national legislation binding all US companies to comply with disclosure and openness. This is leadership by example. China whose oil imports from Africa are rising daily should naturally be the next on the row!

Africa's Rocky Road to E-Democracy

Technology revolution is here. Information and communication technologies have turned the world to a 'global village'; rendering national boundaries and traditional sovereignties that we are used to irrelevant. Bill Gates predicted an increasingly interconnected world built on inexpensive communication and computing (tools or technologies) in his book *The Road Ahead*, which was published in 1996. He described the information superhighway, the World Wide Web and all the modus of the internet. He foresaw a revolutionary effect to amplify individual and business potentials and breakdown barriers. Barely fourteen years later, the internet has become the most important single development in the world of computing, having profound and overwhelming effects on the way we work and live. Today more and more people look up to the internet for an increasing volume of the information they use. Statistical predictions indicate that half of the world will be online in the next four years or even more; at least in the developed world. Side by side the internet hype was the invention of online social and professional networks like Face book, LinkedIn, YouTube and Twitter. When Mark Zuckerberg and his fellow students were inventing Facebook in October 2003 ahead of its official launch in February 2004, it was obvious that they could not have imagined that a few years later five hundred million people would have connected and twenty million people in the US alone

The Prospects of E-Democracy

Responsive and responsible government must increasingly connect with its people, at least in principle. And so in a world where the internet is increasingly playing a central role it has

become increasingly fashionable for government to tow the line. This gave birth to e-democracy. Simply put, e-democracy is the combination of the word electronic and democracy. It is a form of direct democracy that utilizes information and communications technology for political and governance processes. It is believed to increase participation and generate a more robust public debate. For instance, going online to access government services is a common place for so many years in countries like Estonia and Singapore. In many countries today examinations results and bills are paid through the internet and mobile phones. The outstanding campaign of President Barack Obama was conducted through the use of internet and mobile phones. It was said that the US president then a candidate announced the choice of his running mate Joe Biden through a text message. In selected African countries like Kenya and Nigeria, the use of the internet particularly among the young elite is changing the face of politics. During the just concluded constitution review referendum in Kenya, many politicians campaigned using the internet. Hon Martha Karua, a presidential aspirant in 2012 and Justice and constitutional affairs minister Mutula Kilonzo used the Face book extensively to canvass for a new constitution for new constitution for the people of Kenya. Back home in Nigeria, a few days ago incumbent President Goodluck Jonathan announced his decision to contest for the Presidency first on Face book. The president and many Nigerian politicians are known to regularly use Face book to share information and interact with citizens. Governor Chibuike Rotimi Amaechi of the oil rich River state is known to be continuously interacting with citizens both at home and abroad on the Face book platform. The e-democracy is even striking a gender balance in Nigeria with many high ranking female politicians, public officers and gubernatorial aspirant not left out in the deployment of social media. Senator Gbemisola Saraki, a PDP

gubernatorial aspirant for Kwara State is an example. Talking of e-voting, Finland, Australia, Austria, Belgium has tried and is using electronic voting via internet and mobile phones. The government of Estonia has recently announced that citizens will be able to vote through their mobile phones in the next elections. And so the dawn of internet democracy is rapidly changing the way young people especially participate in democracy worldwide.

Obstacles to E-Democracy in Africa

Proponents of e-democracy have argued that it is a fast and inexpensive way to disseminate information and get across to constituents. Much as this potential exists there seem to be a huge gap to realize this in Africa. Digital democracy can only reach a tiny segment of the African society as at today. In a country like Ethiopia with a population of 88 million people, only 450,400 people have been connected to the internet as at June 2010. Sierra Leone with more than 5 million people, only 14,900 people, a tiny 0.3 percent of the population currently has access to the internet. Nigeria has made considerable progress in internet access and mobile telephony in the past ten years. However only 23 million out of 150 million people still have internet access in my country of birth. If robust e-participation must be driven by these figures, this clearly means Africa is still locked up in a sad digital divide. This is not unconnected with absence or decay of infrastructure in a continent with a huge, promising and beckoning market. In Nigeria, for instance, because of electricity challenges many of those who have mobile phones are not able to charge them when batteries run down and internet cafes in rural communities depend on expensive generating sets to run their businesses. This self power generation comes at an unsustainable cost and when transferred to clients, makes internet

access unaffordable to rural communities' residents. With the increasing fame of digital democracy one is forced to ask whether it is a viable option for Africa at the moment to give voice to the voiceless.

What Africa Truly Needs?

When US President Barack Obama visited Africa, he affirmed that "Africa needs strong institutions and not strong men." Africa needs a climate of governance where communities, traditional processes and the voice of the people inform decision making. Reshaping Africa must involve the genuine participation of African people and must reflect peoples' needs. And for people to participate, they must be empowered. This empowerment can only take place if our institutions are rebuilt and urgently! Africans, need an environment with adequate infrastructure, security, freedom, confidence and opportunity to unleash and harness our energies, skills, enterprise, enthusiasm, talent and experience for productive purposes. The challenge for African leaders is to create an enabling institutional environment for all these potentials to flourish and translated into realities. A new generation of young Africans back in 'the continent' and elsewhere are increasingly demanding for increasing participation and making inputs in ensuring change comes to the continent. Digital democracy offers us that great opportunity. But we must not rely on Facebook, mobile phone and twitter to get the views of many rural Africans in our communities whose opinion matter so much in an inclusive democracy. And so, while we wait and hope that infrastructure makes a leap that will eliminate the digital divide, African politicians must not disenfranchise the ordinary citizens who are

marginalized technologically. We cannot choose between a vocal minority and a silent majority.

It is not only “our” democracy; it is “their” democracy too.

Oil Boom: Will Ghana Learn from the Mistake of Nigeria and Angola?

Since Wednesday the 15th of December, the government and people of Ghana have been thrown into celebrations as they join the global league of oil producing countries. Ghanaian President John Atta Mills himself opened the valve at the Jubilee field where oil was discovered in commercial quantity in 2007. The field has about 500 million barrels proven reserves and a potential of over a billion barrels. The first phase on the production has begun with about 55,000 barrels per day with a potential increase of 120, 000 barrels in January 2011.

The jubilee partners include Tullow Oil plc (37.7 percent), Anadarko Petroleum Corp (23.49 percent) Kosmos Energy (23.49 percent), and Ghana National Petroleum Corporation (GNPC) (13.75 percent) Sabre Oil and Gas (2.81 percent) and E.O. Group (1.75 percent). Oil production has a potential of supplying 400 million dollars worth of revenue to Ghana's 2011 budget and one billion dollars annual income in subsequent years. However there is widespread fear that events may go the way they have gone in many other oil rich African countries especially neighboring Nigeria except something is done urgently.

Neither Legislation, nor Regulatory Regime

Though it has been more than three years since oil was discovered in Ghana, there is still no legislation to regulate the sector. The Ghana Petroleum and Exploration Bill 2010 are still being debated in the parliament. As the valve opens for oil to flow, Ghana may depend on an *ad hoc* regulatory architecture until the Bill is passed into law. As a country with no oil production experience, Ghana will need to build up a brand new bureaucracy man power for the sector to take off. With apparent lack of indigenous man power, an option may be to import personnel from neighboring Nigeria while an aggressive man power development is launched. Many civil society activists believe that a particular clause in the Bill that seeks to prevent government from securing oil backed loans has been excised. Speculations are therefore rife that these gaps will provide opportunities for multinational oil companies who are in partnership with the Ghanaian National oil company to have a field day. In many African countries like Nigeria and

Angola, this is the case. Multinational oil companies have ripped of many host governments because such governments lack the requisite capacity to negotiate favorable agreements. What has, therefore, happened is that the agreements entered into most times turn out to be unusually skewed in the favor of these companies.

Cursed by the Devil's Excrement

The so called natural resource curse is something Ghanaians must watch out for. Former Venezuelan oil minister and co-founder of Oil Producing and Exporting Countries (OPEC), Joan Pablo Perez Alfonzo once predicted that oil was the devil's excrement that will only bring ruin to countries where they are found.

He was referring to a situation where many countries that are rich with natural resources have not managed to get their development right. Such countries depend on oil exports and overtime become economically troubled, often becoming authoritarian and conflict ridden. A very important symptom of the resource curse is increased appetite for spending due to oil boom. A former Nigerian military Head of State, General Yakubu Gowon was quoted as saying on the national television during the oil boom of the 1970s that "fellow Nigerians our problem is no longer money but how to spend it". There is also the case of volatility of oil prices and fiscal indiscipline which hampers growth and poverty alleviation. In such countries, the flow of petro-dollars replaces more stable and sustainable revenue streams exacerbating patronage and encouraging development as well as accountability deficits. The situation makes it difficult for local manufacturers to compete while incentives become distorted. The Ghanaian economy has shown very commendable positive growth signs recently and must strive not to allow her growth trajectory to be distorted by the flow of petrodollars.

What Is To Be Done?

One of the greatest weaknesses of the Africa's extractive industry is the lack of a strong regulatory environment. This may sometimes be due to capacity weakness or corruption. Ghana has an opportunity to insist on a regulatory environment that equates international best practice. Ghana National Petroleum Corporation must strive to be everything that Nigerian

National Petroleum Corporation (NNPC) is not. It is a locus of lubricating the wheel of patronage politics in Nigeria. A recent study the program on Energy and Environment at Stanford University describes NNPC as “neither a real commercial entity, nor a meaningful oil operator. It functions as instrument of patronage. Each transaction generated by its profuse bureaucracy provides an opportunity for well connected individuals by being gate keepers whose approval must be secured in contracting processes. It ties oil operations to massive red tape which increases cost and uncertainties (corruption) and deters investment”.

In occasions like these multinational oil companies are the biggest beneficiaries as they implement their ‘famous’ double standards. While they are happy to enforce a different standard in their home country, they insist on an entirely porous standard in host countries in Africa in active connivance with government official. From the out dated fiscal systems in the Nigerian oil, hasty oil – for – infrastructure deals in Angola, Ghana must be vigilant to enter into business deals that can better the lot of her people.

Most importantly Ghana needs to look left at the human poverty, infrastructural deficit and ecological catastrophe in the Niger Delta region to wake up from their slumber and thread with care!

Open Letter to President Goodluck Jonathan: End Oil Theft and Make History

President Goodluck Ebele Jonathan Ph.D., GCFR

Presidential Villa Abuja, Nigeria

14th October 2010

End Oil Theft and Make History

Our Dear President,

I bring you warm greetings and heartfelt regards at this auspicious time in the history of our nation. Fifty years ago, our founding fathers undertook this bold journey into nationhood for the world's most populous black nation. It has been a long and tortuous journey but let me say that we have emerged a united, strong and prosperous nation. Thank you for the sacrifices that all of you our leaders have made and are still making to move Nigeria forward.

As a Nigerian, I share your disappointment at the embarrassing bombing that almost marred our fiftieth anniversary celebrations in Abuja. I also share your grief at the painful loss of innocent lives through that unfortunate incident. I am confident that all concerned security agencies would uncover the perpetrators and prosecute them according to the laws of the land.

I equally share your optimism in the speedy restoration of peace and sustainable development in the Nigeria Delta region and indeed other parts of the country that are still witnessing pockets of unrest.

My main purpose of writing you at this time is to seek your intervention on the **menace of oil theft** in Nigeria. It is a well known fact that hundreds and thousand of barrels of our crude oil leave our shores illegally to the international market daily.

The clandestine nature of the trade has made reliable statistics impossible. However, estimates leave the number of stolen barrels to an alarming **four hundred thousand daily**. At the current crude rate of 82USD per barrel, this would amount to a whopping **32.8 million USD (4.920 billion naira)** daily worth of revenue lost to criminals. It is believed that Nigeria has lost close to **25 billion USD** in the last ten years (an assertion by one of the major players in the oil industry in Nigeria). Indeed the loss is simply unquantifiable in real terms

This hemorrhage is not only embarrassing but unacceptable.

As an indigene of Otueke community from Ogbia extraction, same as Oloibiri where oil was first discovered in commercial quantity, this sad reality must be twice worrisome to you your Excellency.

A few years ago, an audit conducted by the Nigeria Extractive Industries Transparency Initiative (NEITI) revealed that the number of barrels of oil produced in Nigeria is yet **unknown** because of the absence of precision meters at flow stations. Currently what is known is the amount of oil exported as metering is only done at various export terminals. The report further reveals that all the losses of crude oil happen between the various flow stations and these export terminals. This also affects the current calculations of royalty and Petroleum Profit Tax (PPT) as defined in our laws. These revelations have been in the public domain since 2006.

A peep into global best practice reveals that precision metering can happen at various flow stations to get accurate hydrocarbon mass balance (actual number of barrels of oil produced) and that it is both technically and financially feasible to do same in Nigeria.

All concerned regulatory agencies are aware but for some reasons no one has dared to break the status quo and that is why I seek your kind intervention. The Norwegian government had

once offered technical assistance in this regard to deploy a technology in monitoring oil production in the Niger Delta. The institutional reforms proposed in the Petroleum Industry Bill (PIB) (currently awaiting passage) has done nothing to improve the metering regime. **This is an opportunity to make history by stopping these predatory activities, privileged criminality and economic sabotage.**

It may also please our Mr. President to note that it is widely believed by the public that the same route through which our barrels of oil leave, serves as the route of entry for all forms of arms and ammunitions that are currently used to perpetrate mayhem in many parts of our country today. From Jos to Maidugiri, from Aba to Bauchi the new wave of crime that we are witnessing today is a direct reflection of reckless inflow and stock piling of small arms and light weapons mostly received from external sources.

I respectfully ask you to take advantage of the goodwill that your government is enjoying internationally especially among energy partners in the gulf of guinea to ensure that this wicked economic crime is put to a stop. Late President Umaru Yar' Adua at the G8 summit in 2008 called on the world to "treat stolen crude as it treats stolen diamonds as both generate blood money"

Citizens deserve the maximum benefits that are possible from our natural resource endowment. Our oil will not last forever and so we must hurry to ensure that we use the revenue to diversify our economy. This will require rapid infrastructural development, industrialization and job creation. The beginning of this will be to plug any form of leakage in revenue to be able to finance these capital intensive long term projects. Generations yet unborn will not forgive us if we fail. No other Nigerian leader is better positioned than you, your Excellency, to match rhetoric with action in this regard.

I respectfully await your usual swift action which has endeared you to many, as a listening and responsive leader. May wisdom be stirred up in you to lead our country especially through free, fair and transparent elections in 2011.

Making the Niger Delta Amnesty Work

Since the bombings of October 1st 2010 that disrupted the 50th anniversary celebrations, many advocates of the Niger Delta amnesty program have found a reason to rethink their position. Critics have also turned to the interview aired on Aljazeera Channel a few weeks ago as a basis to insist that the claim by Nigerian government that the amnesty program is on course is doubtful and misleading. Instead, many were made to feel that the Niger Delta combatants were still active in the creeks and that there are stockpiles of new “equipment” for more attacks on oil installations. Tongues are already wagging. The renewed threat of the spokesperson of the Movement of Emancipation of the Niger Delta (MEND) Mr. or is it Mrs. Gbomo Jomo in well circulated press releases can easily lead one to a hasty conclusion. But there is a diversity of views on this, just as there exist different narratives on how best to approach the eradication of the conflict itself.

A Multi-Dimensional Conflict!

The complexities of the Niger Delta conflict, is something familiar to very many people. It has got multiple dimensions like an existential octopus - environmental, economic, and political developmental and even strategic. It took several years of denial and blame game before it now became an unavoidable monster. Many of us do recall how the agitations started in the 1990s and how the hostilities grew gradually and took a new astronomical phase in 2006-2008. The conflict escalated leading to massive destruction of oil installations, disruption of oil production, kidnapping of expatriate oil workers (and later indigenous ones), lawlessness and criminality. The national crude oil production figures dropped drastically from almost two

million barrels per day to less than one million barrels per day. This was the lowest figure in many years. As a major oil supplier in the Gulf of Guinea, the disruptions in Niger Delta distorted global crude oil supplies. Naturally the price of crude oil shot up within the period. As a country that depends on crude oil earnings for more than ninety percent of her foreign exchange, budgetary deficits were staring Nigeria straight on the face. Can we say that these combatants are freedom fighters, a bunch of criminals, and disgruntled members of the community or economic saboteurs?

A Sub-Regional Dimension...

As the Niger Delta conflict flourished, it also led to very disturbing regional consequences. The regional water ways in the Gulf of Guinea were no longer considered safe for any form of business including fishing. Mercantile ship movement reduced considerably. Those who dared our regional territorial waters did so with a lot of trepidation. They had to get additional security crew in preparation for any eventuality. It was even alleged that some of the Nigerian combatants based in the Niger Delta creeks were procured in a failed attempt to overthrow the government of Equatorial Guinea in Malabo on the 17th of February 2009. And the story continues.

How is the Amnesty Program Faring?

It took the decisive action by the Nigerian late President Umaru Yar' Adua to grant unconditional amnesty to Niger Delta combatants who renounced militancy and surrendered their arms late last summer. This at least provided a break and paved way for dialogue. Looking at the figures; one will say without equivocation and with a measure of statistical confidence

that the amnesty program has been a modest success. Reports from government indicate that oil export figures have improved from 800,000 barrels per day that it was during the hostilities in 2006-2008 to 2.3 million barrels per day in 2010. An increment of 1.5 million barrels per day means that revenue to national coffers increased by a whopping 120.45 million dollars everyday. Majority of the militants have dropped their arms and embraced amnesty – at least if the last Abuja meetings with government were anything to go by. They are now held in training camps where they are being oriented preparatory to re-integration back into civilian society. Kidnapping and hostage taking has considerably reduced. At least, in the Niger Delta, though it is in a rapid increase in the south east zone and other parts of the country.

It is my view that it is a remarkable achievement by the current administration in Abuja which has generated considerable goodwill for Nigeria among many international partners and friends. But many activists in the region still see it as a mere window dressing and at best a treatment of the symptoms without a comprehensive diagnosis and political will to decisively treat the systemic malady.

Overcoming Present and Future Challenges

No one is under any illusion that all the arms in the Niger Delta region have been surrendered. This is far from the truth and it would be simply naïve to think so. At least, if you look at the Al-Jazeera coverage even if it was prearranged and “make-believe.” The routes for oil theft from the Niger Delta are alleged to be the same through which small arms and light weapons are still being funneled into the creeks. An urgent and comprehensive mop up operation is essential to ensure that any residual stockpiles of arms in the Niger Delta communities are retrieved. Some

pundits believe that a United Nations assisted strategy may help as it did in Sierra Leone and Liberia. It is on record that Nigerian peace keepers working under the auspices of ECOMOG assisted in restoring peace in these countries. Though contextual issues might be different, there is a lot to learn from those experiences. Nigerian government can tap into the expertise, neutrality and professionalism of the United Nations in future phases of the amnesty program. Such intervention must have a comprehensive road map and realistic timelines. No doubt that the collection of guns does not immediately restore peace but there is always a starting point. This program as a matter of urgency must be insulated as much as possible from the vagaries of politics and fortified with both official courage and sincerity of purpose.

The repented combatants who have undergone or currently undergoing training must be immediately re-absorbed in areas where they have capacity and competence. A special fund should be set aside as start-up capital for those who are willing to start small and medium enterprises in line with what was agreed *ab-initio*.

The amnesty program must be seen by this administration as a quick win and a recipe for long term institutional resolution of the conflict in the Delta. A coordinated approach in collaboration with the Niger Delta state governments and the Niger Delta Development Commission (NDDC) will reduce duplication of efforts and maximize available resources for effectiveness. Civil society and community groups must be alert to report early warning signals of conflict or any sudden stock piles of new “equipment”. Residual conflict merchants and saboteurs must be fished out and punished accordingly. The looming eco-catastrophe in the Niger Delta region must be averted by a quick but comprehensive remedial strategy; where

those who contributed to the pollution must be made to pay back as it is done in other parts of the world with similar challenges. There is a complex web of issues and we must adopt a listening culture to appreciate how and where their interconnectedness. We must generate comprehensive baseline data to tell us exactly where we are and enable us track progress. Constructive and periodic reports to the media and public are crucial. Pro-activeness must replace reactionary conducts which may be counter productive especially as the 2011 elections approach.

Finally there is consensus that the Niger Delta Technical Committee Report summarizes the yearnings and aspirations of the people of the Niger Delta region. The same government that set up that committee must have the courage to publish a White Paper on its findings and commence earnest implementation of its recommendations.

Further inaction will threaten our national prosperity, regional stability and energy future. That is a luxury we cannot afford now. This amnesty program must not fail!

Nigerian Petroleum Industry Perambulation (PIP)

Nigeria's Senate President David Mark declared a few days ago that the National Assembly will not succumb to pressures from oil companies to pass a watered down version of the Petroleum Industry Bill (PIB). This sounds very positive and patriotic coming from the leadership of the Senate. But how true is this threat? Everything about the PIB has been controversial. One scholar aptly described the events as very "murky". The PIB potentially promises to deliver far reaching reforms to the Nigerian petroleum industry. The reforms include: transforming the Nigerian National Petroleum Corporation from a cost centre to a profit centre competing with Petrobras of Brazil and Petronas of Malaysia; deregulating the downstream sector; boosting funding to arrest decline in production; introducing globally competitive fiscal systems; increasing revenue streams through gas production; improving the overall transparency regime in the sector, etc.. But how can it go?

Since the draft bill was submitted to the National Assembly in 2008 by the late President, its consideration by the Parliament has been shrouded in utmost secrecy giving opportunities to all forms of speculation, rumors and uncertainty. More than three different versions of the same bill have been circulating raising anxiety about which version will finally become an Act. Even the Inter Agency Team which drafted the bill did a u-turn at some point by submitting a memorandum suggesting areas of amendment to what was their own bill. Both chambers of the National Assembly held a poorly coordinated public hearing sessions which attempted to collect memos from stakeholders. A few weeks ago, unconfirmed sources within the National Assembly indicated that a particular version gave multinationals in the oil industry significant concessions including juicy fiscal terms on gas and off shore investments.

Retaining Obsolete Confidentiality Clauses

The promise of the PIB to improve transparency in the sector is based on its compliance with the principles of the Nigerian Extractive Industries Transparency Initiative (NEITI). It prescribes that the reforms in the sector must comply with the NEITI Act 2007. Many observers are unaware that Section 14(a) of NEITI Act states that disclosure of audit information will only

happen if such information is not prejudicial to the proprietary interest and contractual obligations of the audited entity. With this clause in place, the NEITI Act retains the issue of confidentiality and so it is worrisome to make PIB compliant on such an Act.

Interestingly however, section 173(1) of the PIB states that “Confidentiality clauses or other clauses contained within any licenses, leases, agreements or contracts for upstream petroleum operations that are for the purpose of preventing access to information in respect of any payments ... shall be null and void.” Many observers believe that this clause in the initial draft might have been tampered with too.

The worrisome implication of this is that the so called reforms to be ushered in by the Petroleum Industry Bill when passed will likely accommodate a practice that has already been abandoned in the oil and gas industry worldwide.

Improved Metering Omitted

Of all the prescriptions of the PIB, the fundamental issue of crude oil metering is conspicuously missing. Very few suggestions on improved metering philosophy are contained in the Bill. It is public knowledge that the NEITI audit 1999-2004 recommended a change in the metering infrastructure to include measurements at the flow station to ascertain the number of barrels of oil Nigeria is currently producing and to compute royalties based on that figure as contained in many MOUs entered with the Joint Venture Partners. However, crude oil metering is currently done only at the export terminals which provide export figures only. Verifiable practice is that in many oil other producing countries, precision metering begins at flow stations, but not in Nigeria. The inter ministerial task team put together to implement the recommendations of the NEITI audit confirmed that it is both technically and financially feasible to install precision meters at the flow stations in Nigeria. Norwegian government at a point was willing to offer technical support, but such recommendations and support have been continuously rebuffed by the oil multinationals to date.

The silence of the PIB on metering means that the questions stakeholders are asking about the numbers of barrels of oil we produce per day will yet remain unanswered.

Resolving Niger Delta Issues?

Resolving the Niger Delta is biggest nightmare in the Nigerian petroleum industry. One of the most interesting aspects of the Petroleum Industry Bill was the introduction of equity payments to oil bearing communities. This fairly popular memo was introduced by the office of the Presidential adviser on Petroleum matters. It recommended the idea of 10 percent equity ownership of the Joint venture by oil producing communities. This sounds like a very great idea only if drafters could offer additional clarity and implementation suggestions. The idea took off as we were told as 10 percent of Joint Venture equity, later became 10 percent of profit and now finally 600 million dollars annually as host community dividends. Could this be another community windfall or the usual handout that will end up in the pockets of self appointed community leaders? What about the Niger Delta Development Commission (NDDC)? What concrete provision different from all that have not worked in the past will this bring, to reduce the Niger Delta conflict or will it escalate it instead?

National Interest or Personal Gains???

Our politicians and bureaucrats often tell us that their actions are in the promotion of “national interest”. But what really is national interest? Is it an amalgamation of patriotic actions that will promote national prosperity and wellbeing or have our “parasitic” elite appropriated this word and used it to advance personal gains instead? The oil and gas sector is one area where the so called national interest is daily misrepresented by those who are supposed to safeguard it. Government officials in most regulatory agencies have been often alleged to be deep in tokenism as nothing that will promote national interest has even been on their agenda. As soon as they receive hand out, they look elsewhere and allow the multinationals to do as they like.

The NEITI audits described these complexities as information asymmetry and capacity gaps. But that sounded too simple. They may well be as a result of a deliberate attempt to allow a convoluted process to be manipulated to permit preventable leakages from our national patrimony. A watered down PIB will mean reduced revenue to government at all levels, an export oriented oil and gas sector with minimal downstream multiplier effect on the economy

(poor local content), increased unemployment, low incentive for domestic gas utilization leading to hiccups in power generation and industrialization.

Despite the threats of Senator Mark and our “wise” parliamentarians, it is crystal clear that the Petroleum Industry Bill as it is being conceived and pursued cannot reform the Nigerian oil and gas sector. We are just undertaking another national adventure from point A. After spending so much energy, time and resources, we will suddenly find ourselves at the same point A where we began. It is called a national perambulation!

Political Financing, Incumbency and Free and Fair elections

Nigerian President Goodluck Ebele Jonathan has promised firmly that he will deliver credible elections come 2011. He seems to be working very hard to convince everyone that he means business. He is often very quick to brandish the impeccable credentials of the electoral umpire in the person of Prof. Attahiru Jega. Everyone agrees that Jega is eminently qualified for the position, but a functional system rather than an individual is what is needed to sanitize the Nigerian electoral process which has been a vehicle for electoral fraud over the years.

At the core of the malady is our electoral system, our dysfunctional political parties and campaign financing. Political parties are very essential ingredients in a democracy, I agree. I am told they connect (or are supposed to connect) the society to the state. They also serve as a platform (in countries where they function well) for recruiting political leaders for social integration, networking and seek political offices in a modern democracy.

Armed with this background I went to the INEC political party list and I saw 63 parties on the last count. Many of them, unknown. A few weeks ago they were 57. The interesting thing however is that many of them have incomplete addresses, no logo, no web site and some even have no phone numbers. Yet they are supposed to field candidates in the next coming weeks and win elections. Curiously, they had all their officers' names well written often reflecting the geo political balance. One will not look far to know that many of these so called parties exist on papers, among friends and families and dynasties. They are just waiting to collect the INEC subvention, share it and go underground again till the next election. But that is by the way.

President Jonathan recently and rather subtly announced automatic tickets for incumbent Governors under the Peoples Democratic Party (PDP). Never mind that the party denied it later in the day. But we could see through the ostrich game. Maybe there are serving Governors who deserve the ticket or who will emerge as "consensus" candidates but not all of them. Is it therefore fair to give both performing and non performing Governors automatic tickets? What

is the implication of this to the so called commitment to free and fair elections? Is free and fair primaries not part of it?

Another issue related to this that is most worrisome is the issue of opaque political financing. I have been told that new electoral law has some clauses on it but nobody seems to care in Nigeria. Granted, money is very essential for democratic competition but it turns out in Nigeria that it is one of the biggest sores of our democracy. Money can distort any electoral process and so the sources of the funds, distribution and management of political funds ought to be made transparent. A President committed to free and fair elections must not ignore this. Cash is a big political weapon for those who have it. Many political entrepreneurs doll out large sums of money, purchase the soul of political parties and expect huge rewards for such investment. Many political aspirants are supported by moneybags and power brokers (aka "Godfathers") who bank roll their campaigns. These transactions are kept secret and the amounts spent are hardly disclosed. Indeed sponsorship is seen as a business transaction in which a patron must at all costs recover his investments in form of contracts and appointment of cronies into public offices. We have heard of a situation in the past where a self acclaimed "godfather" imposed an irrevocable payment order (IPO) on a particular state in the south east. This is still one of the key sources of political corruption capable of distorting electoral contests no matter how well intended they may be.

Political offices are therefore 'zoned' to the highest bidder. Anyone who is unable to mobilize the huge funds required or convince a 'God father' cannot make any head way. The hazy political financing regime in Nigeria therefore gives undue advantage to incumbents as they will be most likely dipping their hands into public funds to finance their campaigns. One of the direct ways of emasculating opposition and a sure way to democratic caricature is through the so called security vote. This is an amount of money most times running into the hundreds of millions that public officers, especially governors deduct to service "security" matters. The expenditure of this amount is at the discretion of the public officer as he does not account need to render account to anyone.

A time has come to give transparent guidelines of the financial management of political parties, and on campaign financing, and on internal democracy within political parties. What are the sources of funding? Who are those that donated money? What has been spent and for what? What are the limits? President Jonathan must urge the new INEC to quickly look in this direction. He must lead the way by publishing all the donations he has received so far and who his donors are. His party, the ruling party must energize the contest restoring internal democracy within as a clear demonstration of his commitment to free and fair elections. He must not be seen to condone actions that run counterproductive to positions which he had canvassed openly and upon which the world will hold him accountable.

NEITI: After Validation, What Next?

Last October, the Nigeria Extractive Industries Transparency Initiative (NEITI) missed an opportunity to join other countries implementing the transparency initiative to be designated as compliant. This was after a committee constituted by the global board of the initiative based in Norway considered a validation report on Nigeria's implementation progress. At the end of the meeting in Dar Salam, NEITI was given a curious close-compliant status and handed a six months ultimatum to meet certain conditions in order to become an EITI compliant country.

Validation is an independent quality assurance mechanism that evaluates implementation progress in country and provides such report to the global EITI. Even though Nigeria signed onto in the last quarter of 2003 and started implementation in 2004, it is not yet compliant according to the laid down procedures by the global EITI board. Out of thirty two implementing countries so far, five countries (Azerbaijan, Liberia, East Timor, Ghana and Mongolia) have become compliant. However, countries like Nigeria, Kazakhstan, Democratic Republic of Congo, Mali, Mauritania, Niger and Peru have achieved the close to compliant status. The global EITI mandated NEITI to improve six aspects of her operations before the 15th of January in order to be awarded a full compliant status. The issues raised include a timely completion of 2006-2008 audit as well as a modus operandi (charter) for NEITI board. For a country that was once a poster child of transparency "effort" in the extractive industry worldwide, this is less than a satisfactory performance but that is beside the point.

The leadership of NEITI is in top gear working on the six issues raised by the global EITI and will most likely meet the deadline to become compliant come January 15th. No doubt this will be another opportunity for Nigeria to raise her voice on issues of transparency and good governance globally. It will nice to have something at this point in time that all we hear are tales of woes and massacre as if our dear nation is turning into a classical Hobbesian state. Pundits are speculating that momentum that will be raised will slowly disappear and the Nigerian extractive industry will return back to business-as-usual.

Beyond the expected “noise” that will accompany such a feat, what other tangible progress can that potentially or actually lead to in our “murky” extractive industry. Former President Obasanjo identified the manifestation of corruption in Nigeria while he spoke in Berlin in 2003. He identified the roots as “the collapse of governance, the subversion of due process, the erosion of accountability procedures, manipulation of existing laws and regulations, erosion of public confidence and a culture of contempt for the rule of law.” Symbolically, it was in that same meeting that he led Nigeria to sign into the Extractive Industries Transparency Initiative (EITI). The implementation of the initiative came like a big bag in Nigeria and many stakeholders were hopeful that light will be beamed to the dark alleys of the Nigerian extractive industry. But indeed very little has happened. The NEITI Act 2007 ambitiously gave NEITI a responsibility among other things to “eliminate all forms of corrupt practices in the determination, payments, receipts and revenues accruing to the Federal Government from the extractive industry companies.” This objective is at the core of the work of NEITI but seven years after EITI implementation in Nigeria the business as usual status still remains. NEITI 2005 audit reports confirm that “the amount of oil produced (at the well head) is not reliably known. The Department for Petroleum Resources (DPR) has no system of measuring production other than through monitoring terminal receipts. DPR has no data from which possible product losses between production point and the terminal can be estimated, measured or inferred.” Another curious revelation in the 2005 audit is the management of signature bonuses. The audit clearly states that “the management of signature bonus was not transparent.”

Many of these findings were also contained in the landmark 1998-2004 audit, carried out by NEITI. An inter-ministerial task team was put together in May 2005 but very little happened. Pundits therefore believe that the forthcoming 2006-2008 audit report will have the same lapses and as minimal remedial action has been carried out. One key aspect of remediation is the installation of precision meters at flow stations as recommended by the auditors. Despite intensive advocacy mounted about this and technical support offer by Norwegian government. The program did not manage to take off.

The oil and gas industry is the heart beat of our economy and so any effective reform must have a buy of government as the highest level. In the early days of NEITI many of the actions required presidential intervention to elicit adequate compliance on the part of companies. Any thing short of that will reduce NEITI to that dog that barks so hard and bites very little.

The Petroleum Industry Bill contains a few complimentary clauses that could strengthen NEITI, but no one can confirm its status as I write. If it has not been passed now, then the likelihood of that it will pass this legislative year is slim as law makers are now pre-occupied with elections. And time is ticking and millions of dollars are leaking away daily from our national patrimony.

Finally there is an urgent need to review and amend NEITI Act to tighten loose ends. For instance the procedure for the appointment of the Executive Secretary is faulty. The requisite qualifications are unclear and there is no horizontal accountability. This has given rise to political cronies and clueless individuals to be appointed into such sensitive positions. Sanctions clauses in the Act are a slap on the wrist and confidentiality clauses still remain.

It is my view that revenue transparency cannot be a standalone issue anymore. Every national EITI must reflect domestic realities on ground. NEITI must therefore be seen to affect poverty level especially in the delta region, contribute to conflict reduction and boost national prosperity. She must position herself to become a harbinger of change in the dark alleys of our extractive industry. This government must rise to their responsibility. Nigerians are running out of patience!

Ekiti State: 2011 Elections and the Power of Civil Society

Never doubt that a small group of thoughtful committed people can change the world.

- Margaret Mead

Many lovers of democracy worldwide are fascinated by the news coming from Ekiti State and the judicial action that restored Dr John Olukayode Fayemi as the new Executive governor. For many of us, this is a victory of the power of the silent majority against the predatory political class. “We the people” have spoken again. There are many reasons that make the victory of Dr Fayemi in Ekiti very symbolic and significant at this time in our national life. There are also many lessons we must learn as citizens from it. It is a model that can be quickly replicated in other parts of the country where directionless leadership still hold siege. We must commend and celebrate the courageous role that the judiciary played as a dependable island of integrity and the last hope of the common man. As we periscope these events, we must applaud the core role of civil society groups who provided the raw material that was turned to a finished product by the judiciary. Civil society remains the only segment of the Nigerian society that still possesses that declining quality of good conscience. In “modern day Nigeria,” these values are fast eroding, as centrifugal forces of religious fundamentalism; tribal hegemony and political parasitism continue to threaten competence and transformational leadership in our national life.

For those who do not know, Governor Fayemi cut his teeth first as a right cum development activist and founder of Center for Democracy and Development (CDD). He is a well respected and admired member of the civil society community from where he threw his hat into gubernatorial politics. When it was time for the re-run in Ekiti State therefore, many civil society activists all over the country abandoned their

duty posts and literally relocated to Ekiti. And I must say that the presence of civil society groups in their scores as observers during the elections spread across most polling booths became the “game changer”. It was very difficult for the other side to steal the votes of citizens before these “invasive trouble makers”. The end product is what we today celebrate. This is not the first time that civil society groups in an implicit alliance with the judiciary have dethroned the will of the few to enthrone the popular wish of the majority. We cannot forget the case of Edo state or even Rivers State. We must therefore pause and identify this symbolism pregnant with significance.

Scaling up Civil Society Impact?

Until sometime in the 1990s, civil society groups occupied a very tiny spot in the global policy. But these days, it is impossible to have a conversation about politics or public policy without mentioning the word civil society. And yet as you mention the word civil society it continues to conjure different things to different people. Some say it is a part of society. Others say it is a kind of society. While others insist that it a public arena defines the so called “ecology of associational life.” Others have hidden under it to carry out acts that are increasingly “uncivil.” Conceptual consensus therefore remains a pipe dream as prominent scholars like Micheal Edwards propose that a fog is threatening to envelope this terminology. But this fog never beclouds civil society’s relevance any where, anyhow.

While many suggest that anyone who is involved in any form of associational life that is “civil” qualifies to appropriate this space, others conclude that non-governmental organizations have a monopoly of this arena. Don’t they?

A few others resist any form of association with that world of “troublemakers” and regard them intruders in the governance space. Regardless of where you belong in this debate, you can neither deny the relevance of civil society in the arena of development and public policy, nor wish away its dynamism, complexity and heterogeneity. How can we tap into this ever vibrant arena? How can we amplify this

power and convert it to democratic advantage as was done in Ekiti recently. A change that Nigeria our dear country needs very badly at this time. The answers to these questions may as the magic touch that will provide our nation that launching pad to credible elections and sanitize our democratic space.

Democracy is about numbers and so one route towards scaling up the influence of civil society will be to deepen our collective understanding of the concept. And so who are the current occupants of this arena in Nigeria? Are they sufficient (in numbers) to galvanize the level of civic action, contagious enough to infect the Ekiti model across the country? Is it not time to broaden this arena to welcome new but relevant actors?

For so long, the civil society arena have been appropriated by non-governmental and not-for-profit organizations. While these are legitimate occupants of this arena, it will be more tactical to admit other groups into this space in order to form a formidable coalition for change and democratic relevance. And as we cogitate on it, one cross cutting feature may be that of civility. This can be a positive binding force and an umbrella under which civil society can be assembled. And so any person or group of persons who associate for things that are “civil” can be said to constitute civil society. And so anyone associated with any activity classified as “uncivil” cannot be admitted into the civil arena and cannot appropriate the word civil society. Whether they are governmental, non-governmental or quasi-governmental, any entity within the civil society must profess “civil” values and hold them sacrosanct. But that is by the way. Civil society actors must also as a necessity insist on distinct code of conduct for association and lawful expression. It can no longer be an all comer’s affairs.

The above hypothesis can form a preliminary basis for expansion of the civil society arena to include women groups, youth groups, professional associations, religious associations, community based associations, social clubs, individuals, foundations etc. All can be said to be part of civil society whether they meet virtually or physically. And it is important to underscore that the information age has made it

possible that many persons or groups can collaborate in catalyzing change even when they may not be physically present with one another. The volume of suggestions and discussions online are increasing daily and these constitute an important resource that can energize the civil society space and indeed our democracy. What of religious organizations? Many of them command sizeable population of potential voters that can be quickly converted to a democratic resource. Experience has shown that a lot can happen when these change voices are amplified through creative alliances in a religiously diverse country like Nigeria.

This critical cannot continue to turn a blind eye to the democratic process. The umbrella of civil society can be used to rally around many non state actors and can give civil society democratic velocity beyond monitoring of elections. At a time like this when the Independent National Electoral Commission (INEC) is the midst of time constraints in the conduct of 2011, civil society can offer helping hands in numerous ways.

Many Success Stories...

The lessons of Ekiti are here with us. Clearly civil society groups in alliance with the judiciary are becoming important apostles for change that can no longer be ignored. We should not forget that it took a marriage of prominent civil society minds in the Save Nigeria Group to spread the fragrance of freedom that emancipated Nigeria from the shackles of oppression. Who else could have foiled the coup of those disgruntled and selfish political viruses that constituted themselves to a cabal and attempted to hold Nigeria to ransom while our late former President was sick abroad? What about the infamous tenure elongation campaign that former President Obasanjo and his apologists thought was the best way for Nigeria? How can we forget that whatever we see today as electoral reforms is a product of a vigilant and insistent civil society who demanded the implementation of recommendations of the Electoral reform panel? Who says it cannot happen again... soon! Indeed the democracy we enjoy today

is as a result of the price paid by civil society. Non state actors can and will be able to do more: especially in areas like the Niger Delta where that has been insufficient “civil” progress. Many have attributed these failures to an infiltration of genuine “civil” struggle in the delta by an amorphous mass of cacophonous voices with mundane intensions masquerading as civil society, contaminating the arena with faulty and fragmented strategies that utilized predominantly “uncivil” approaches often to selfish ends. However genuine civil society mobilization remains the pathway for sustainable progress in the Niger Delta especially in the area of good governance at the state level.

Where Do We Go From Here?

A culture of naivety, in my view, has infected the Nigerian civil society arena for so long and is still prevalent today. It is the “do-gooder syndrome” and the “us-and-them” dichotomy. Many activists see themselves as do-gooders in society who cannot sit on the sidelines and criticize policies and politics. They have continued to remain in that spot long after that approach has become outdated and anachronistic. They desire a new result, yet they use an old method! This syndrome has robbed the Nigerian political space very many capable hands. Men and women who are reservoirs of sound policy intelligence that could re-position government but whom deliberately embraced political anomie absent mindedness. It has given an opportunity for many people who would never have come close to public office to hijack the political space and appropriate it to themselves. And so these miscreants now constitute that political obscenity that has invaded our various political parties, parliaments, government houses etc. While capable and competent civil society actors battle them helplessly and fruitlessly on the pages of newspapers. Granted, over dependence of donors by civil society groups remain a huge challenge that have often distorted civil society priorities, however Ekiti and Edo have proven that organized civil society can wrestle leadership for the sake of the oppressed and the marginalized. Many spots in the Nigerian political space are currently been infested by elite- inflicted

governance decay, infrastructural deficit, corruption, mindless profligacy and palpable poverty. Those intruders parading our governance space cannot vacate willingly. They will attempt again to manipulate elections with resources siphoned from public purse but organized civil society must resist them this time around. As in Ekiti, civil society must force them out.

A transparent political space as promised by the President and a vibrant and mobilized civil society is all the people need gird their loins and force them out. The power to make it happen lies within. Nigerian civil society Arise!