

AFRICA RISK CONSULTING

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Nigeria Summary 29 January 2021

President Muhammadu Buhari (2015-present) has replaced the security service chiefs in response to a worsening security outlook, paving the way for a new generation. Buhari took care to draw the selection of the new chiefs of army, navy and air force from Nigeria's key regions. The social, political and security situation is febrile as the economic crisis deepens. The security chiefs face a tumultuous security environment: Islamist extremists operate with impunity in the north-eastern states, armed pirates plague coastal waters in the Gulf of Guinea with equal impunity, and arterial routes that link states are frequently beset with banditry. Nigeria's Covid-19 infections have accelerated, prompting Buhari to enshrine in law new measures to enforce social distancing, limit gatherings, quarantine those infected, and mandate that masks be worn in public. The Petroleum Industry Bill (PIB), Nigeria's most significant economic reform in a generation, has made it to the national assembly – just as the world moves to a post-oil era. Politicians' "feeding frenzy" of corruption gives Buhari's presidency an air of fin de regime. Nigeria has dropped two places in Transparency International's corruption rankings. It ranks as the 149th most corrupt country of 180.

Buhari changes the guard

President **Muhammadu Buhari** (2015-present) has finally replaced his service chiefs in a belated move to address some of **Nigeria's** chronic security problems. The move follows two major security incidents in recent months that have left the government reeling. **Islamist** extremist group **Boko Haram** kidnapped some 300 schoolboys in **Kankara (Katsina State)** on 15 December, only to release them two days later after negotiating a release with the state government. Earlier, Boko Haram and its splinter faction, the **Islamic State in West Africa Province (ISWAP)**, led a massacre against farmers in **Koshebe (Borno State)**, north-eastern Nigeria, in November that killed "tens of civilians".¹ The attackers came and fled on motorbikes.

Pressure had been mounting on President Buhari to act against the security chiefs for some time as Islamist extremist violence added to high levels of criminality and banditry to make the northern border regions across several northern and north-eastern states ungovernable. Buhari was propelled to power on the promise to tackle entrenched corruption and to restore security to the northern borders. Buhari – a former military dictator – has proven weak, indecisive and slow to react. Sources close to him report he is ill, weak and often disorientated, which has allowed for a cabal of insiders to vie within the presidency for power and influence. Pressure intensified when security chiefs were at the heart of the public and military response to the broadly peaceful, civil society-led **#EndSars** campaign (see *ARC Briefing Nigeria Oct-Dec 2020*). The crowdfunded and social media-led campaign brought several thousand people onto the streets over a two-week period in October protesting against a brutal **Special Anti-Robbery Squad (SARS)** that human rights groups had for years accused of extortion, harassment, torture and murders. The service chiefs were reportedly behind the decision to quell protest in **Lagos State's Lekki** peninsula with deadly consequences. The military opened fire on protesters, killing as many as 12 people. **United Kingdom (UK)**-based non-governmental

¹ Reuters, 29 Nov 2020

organisation **Amnesty International** claims that across Nigeria at least 50 people were killed during the protests.²

Buhari announced on social media platform **Twitter** the changing of the guard, which involved both retiring and sacking members of the top brass. It reflects the continued internal battles between key members of the presidential staff. Buhari named **Major General Leo “Lucky” Irabor** as chief of defence staff; **Rear Admiral Awwal Zubairu Gambo** as chief of naval staff; **Air-Vice Marshal Isiaka Oladayo Amao** as chief of air staff and **Major General Ibrahim Attahiru** as chief of army staff. Notably it represents a partial shift to a new generation of military leaders but also nods to the careful balance between regional representation:

- Major General Irabor comes from the **South-South Delta State**. He is a trained engineer and as Chief of Defence Staff, he becomes Nigeria’s most senior ranking officer;
- Rear Admiral Gambo is from **Nasarawa (Kano State)**, northwest Nigeria. He has served in the navy since 1984 and has an intelligence background. He was formerly director of procurement for the space defence administration;
- Air Vice Marshal Amao was born in **Enugu**, eastern Nigeria, and hails from **Oshogbo (Osun State)** (**Yoruba**-speaking south-west Nigeria). Amao joined the **Nigerian Air Force** in 1984. Among other roles he served as deputy defence adviser at the **Nigerian High Commission in London (UK)**.

The new top team has its hands full, and problems are set to intensify as the security situation deteriorates. The political and social atmosphere is febrile as the effects of a global economic downturn, **Covid-19** pandemic and the federal government’s response to it, bite.

In addition to the Islamist threat and the loss of control on the north-eastern borders, the **Nigerian Navy** has lost control of Nigeria’s coastline on the **Gulf of Guinea**. Nigeria’s coastal waters have overtaken **Somalia** as the continent’s worst affected area for piracy. Onshore, **Niger Delta** militants in the southern oil producing states are getting restive as the national assembly discusses new petroleum dispensation (see below).

Added to this is the recurring security threat – perceived and real – of the **Fulani** nomads. Security analysts suspect that Islamist extremists are targeting northern, Muslim Fulani in Nigeria and elsewhere in the wider region including in neighbouring **Niger**. In times of heightened political tensions, violence frequently breaks out between Fulani nomadic herders and settled farmers, resulting in the death of hundreds of people at a time. States such as **Benue, Plateau, Adamawa, Nasarawa** and **Taraba** are most affected. The movement of nomads adds to and fosters religious violence. Nigeria’s Fulani herdsman are mainly Muslim and settled farmers are frequently Christian. Over the last 20 years Nigeria has been gripped by an increase in religious fundamentalism, both Christian and Muslim, which has fostered violence and political instability. Climate change has seen the degradation of pasture with Fulani herdsman moving their cattle beyond traditional borders in the northern states to the south-western states – which are predominately Christian. Violence erupted most recently in **Igangan (Oyo State)** on 22 January when a popular Yoruba activist, Chief **Sunday Adeyemo**, also known as **Sunday Igboho**, reportedly stormed the Fulani settlement in the town to eject herdsman accused of fuelling security problems in the area.³

President Buhari signs COVID-19 Health Protection Regulations

The second main issue facing Nigeria is the accelerating Covid-19 crisis. As news emerged of a more aggressive and potentially more dangerous mutation of the Covid-19 virus, President Buhari stepped up the federal government’s campaign to combat the virus, signing into law new health protection regulations. The law makes provisions for the following:

- physical distance of at least two metres between people;

² Sky.com, 20 Oct 2020

³ Sahara Reporters, 23 Jan 2021

- gatherings limited to 50 people, except for religious purposes, with only 50% of the space used;
- mandatory face masks in all public places for which managers of facilities are responsible;
- Managers of such facilities to ensure that suspected cases of Covid-19 are promptly and appropriately separated from others and are reported to medical officers;
- Compulsory isolation in the case of a positive Covid-19 test;
- Breach of any of the regulations constitutes an offence punishable by a fine or imprisonment;
- **Nigeria Police Force, the Nigeria Security and Civil Defence Corps, the Federal Road Safety Corps, the Nigeria Immigration Service, the Federal Airport Authority of Nigeria, and other relevant local government, state and federal government agencies are authorised to enforce the act.**

Nigeria saw the level of new infections increase sharply after the Christmas holidays when sources report that several of Nigeria's diaspora came home for weddings and other celebrations that turned out to be so-called 'super-spreader events'. In sharp contrast to the first lockdown in March last year, Nigeria reported a 52% increase in infections in December alone.⁴

Meanwhile Nigeria's preparation and resources to be able to roll out a comprehensive vaccination scheme are not credible. ARC sources report that the government has managed to secure 41 million doses of the Covid-19 vaccine for an estimated population of 200 million. Health minister **Osagie Ehanire** said the federal government had secured the vaccine through the **African Vaccine Acquisition Task Team (AVATT)** financed by the **Afrexim Bank**.⁵ The minister did not have a date or timetable for a roll out programme, saying it depended on the manufacturers. The vaccine roll out is likely to require significant logistical planning. There is already competition emerging between states governors to claim vaccines to roll out in their states – possibly with one eye on elections in 2023.

Oil sector reforms will look good in the rear view window

The Petroleum Industry Bill (PIB) has made it into Nigeria's national assembly. The bill represents the most significant potential political and economic reforms since nationalisation of Nigeria's oil sector in 1977. However, the bill makes it into the national assembly just as the oil sector, worldwide, is entering a sunset phase.

The bill sets out a series of reforms that will normalise Nigeria's oil sector. Although its provisions are very wide-ranging, its basic tenets are to separate the state-owned (and unaccountable) **Nigeria National Petroleum Corporation (NNPC)** into a commercial company with annual audited accounts, create a government regulator to manage the process of exploration and production, and dramatically reduce the control the president, oil minister and federal government have on the day to day running of the sector. If, and it is a big if, the national assembly passes the bill as it is, the law will take some five years to implement, by which time the world is likely to have greatly advanced in its transition away from fossil fuels to renewable and non-fossil fuel energy. As one energy consultant put it:

*"The PIB...ultimately fails to account for climate change acknowledgement, e.g. **Paris Agreement**, and address the need to diversification to adequately prepare Nigeria for energy transition that is already underway.... The PIB remains woefully unprepared for what is coming next. NNPC is way behind its peer national oil companies in planning energy transitions and its proposed successor is structured as a petroleum company rather than as a forward-looking energy company. **Equinor**, for example, **Norway's** national oil company, is an investor in **Oxford PV**, an innovator in solar panel production."⁶*

⁴ Al Jazeera, 24 Dec 2020

⁵ Channels TV, 28 Jan 2021

⁶ Najim Animashaun – partner, Gulf of Guinea Consulting; Columbia Centre for Sustainable Development

Either way, events and trends may overtake the PIB. Despite Buhari having control of both houses of parliament, discussion resulted in a fight breaking out in the **House of Representatives** between law makers and members of “host communities”, i.e. those from oil-producing states. The host communities were up in arms about the changes to the special and preferential arrangements that the PIB will make to pre-agreed allocations of funds to the oil-producing regions.

Meanwhile as tensions rise in Nigeria, reports continue that the political elite is on a ‘feeding frenzy’, which may herald in Nigeria a major political shift, and give Buhari’s presidency an air of ‘fin de regime’. The rumoured ‘engorgement’ feeds into **Germany**-based non-governmental organisation **Transparency International’s Corruption Perceptions Index** report, which presents a damning indictment of the Buhari regime. Buhari came into power on an anti-corruption ticket. Yet Transparency International reports that Nigeria has dropped two places in international corruption rankings. Its score (25/100) shows it remains in the red zone, the high corruption risk zone. It ranks as the 149th most corrupt country of 180.⁷

Planner

2023 (**Nigeria**) Presidential elections;

Chronology

27 Jan 2021 **Abuja (Nigeria)** *BBC*. President **Muhammadu Buhari** signs the **Coronavirus Disease Health Protection 2021** law, making the use of face masks in public compulsory;

26 Jan 2021 **Abuja (Nigeria)** *Financial Times*. President **Muhammadu Buhari** replaces the four heads of **Nigeria’s** armed forces after years of resisting widespread calls to do so, in a belated acknowledgment of the swiftly deteriorating security situation;

26 Jan 2021 **Istanbul (Turkey)** *Reuters*. Pirates kidnap 15 sailors from a **Turkish**-crewed, **Liberian**-flagged container ship in the **Gulf of Guinea**; the vessel was heading to **Cape Town (South Africa)** from **Lagos (Nigeria)**;

23 Jan 2021 **Abuja (Nigeria)** *Reuters*. **United States**-based oil major **Exxon Mobil** lifts a *force majeure* on Nigeria’s **Qua Iboe** crude oil export terminal;

22 Jan 2021 **Abuja (Nigeria)** *Reuters*. President **Muhammadu Buhari** approves release of \$16.94m to set up 38 oxygen production plant sites to help treat **COVID-19** patients;

21 Jan 2021 **Kano (Nigeria)** *Reuters*. A Nigerian court throws out two blasphemy convictions, freeing a teenager from a 10-year prison sentence and ordering a new trial for a man sentenced to death in two cases that had caused international outcry;

13 Jan 2021 **Abuja (Nigeria)** *This Day*. Senate president **Ahmad Lawan** says that despite forces “working desperately” to derail a long-delayed oil overhaul bill, lawmakers will push the bill through the **National Assembly**;

12 Jan 2021 **Abuja (Nigeria)** *Reuters*. Finance minister **Zainab Ahmed** says Nigeria expects inflation to decline to 11.95% by end-2021 from 14.98% in 2020;

12 Jan 2021 **Abuja (Nigeria)** *Bloomberg*. **Nigerian** solar energy provider **Daystar Power** raises \$38m to expand solar access across **West Africa**;

11 Jan 2021 **Lagos (Nigeria)** *Reuters*. Transportation minister **Rotimi Amaechi** announces **Portugal**-based civil construction group **Mota-Engil** has won the contract to build a railway line between Nigeria and **Niger**;

⁷ Transparency international 2020 Corruption Perception Index 28 January 2021.

7 Jan 2021 **London/Lagos (UK/Nigeria)** *Reuters*. State oil firm **Nigerian National Petroleum Corporation (NNPC)** is in talks to raise \$1 billion in prepayment with trading firms to refurbish its largest refining complex at **Port Harcourt**;

6 Jan 2021 **(Africa)** *AA*. **China's** state councillor and foreign affairs minister, **Wang Yi**, says China attaches high importance to its relations with **Africa**, during his second day of an official visit to **Nigeria** as part of a five-nation tour of the continent, including Nigeria, **Democratic Republic of the Congo, Botswana, Tanzania** and the **Seychelles**;

24 Dec 2020 **Abuja (Nigeria)** *BBC*. **Africa Centers for Disease Control and Prevention (Africa CDC)** says a new **Covid-19** strain has been found in **Nigeria**, separate from the new strains found in the **United Kingdom** and **South Africa**;

22 Dec 2020 **Abuja (Nigeria)** *Punch*. President **Muhammadu Buhari** extends the mandate of the **Presidential Task Force on Covid-19** until the end of March 2021 as the country faces a second wave of **coronavirus**;

21 Dec 2020 **Abuja (Nigeria)** *Reuters*. Parliament approves 2021 budget of \$35.66 billion, based on 3% annual economic growth, oil prices of \$40 a barrel and 1.86 million barrels a day of crude production;

About Africa Risk Consulting:

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