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# Nigeria: From Goodluck Jonathan to Muhammadu Buhari

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# Introduction

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Nigeria has experienced a political changeover due to the presidential and parliamentary elections on 28 March 2015, enabling Muhammadu Buhari – a retired general who was in power between 1983 and 1985 – to return to office. The deadline of 2015 represented for him a fourth attempt after his consecutive failures in the 2003, 2007 and 2011 presidential elections. It is impossible to understand why Nigerians voted for him in recent elections if we do not review the presidency of Goodluck Jonathan. The latter led the country after the death of the acting president, Umaru Yar'Adua, before being elected in 2011. Therefore, he was in office from 2010 to 2015. This period, unique in many respects, largely explains why Muhammadu Buhari came to power.

This paper<sup>1</sup> will start with an analysis of Goodluck Jonathan's presidency, highly criticised in the West as well as in Nigeria. We will see that his personality, as well as his entourage did not particularly contribute to the success of his term in office. We will also examine the records of the former president: were these five years unsuccessful for the entire country, or did some sectors really manage to benefit from the growth of the newborn leading power on the continent, ahead of South Africa? The second objective of this paper is to provide a short-term prospective analysis, particularly drawing on Muhammadu Buhari's initial decisions and appointments. Specific attention will be given to the sectors which he has identified as priorities: the fight against Boko Haram, the fight against corruption and legal penalties against corrupt politicians. Finally, we will suggest analytical perspectives on how the current administration intends to manage both the fall in oil prices and the fact that the Federation does not have financial reserves.<sup>2</sup>

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1. This paper is partly based on interviews conducted in Abuja in September 2015.

2. The reserves shortage is mainly due to the lack of a long-term strategy in the decade of high prices (2003-2014).

## Goodluck Jonathan, a President by accident

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Former president Goodluck Jonathan always suffered from a lack of legitimacy. His political career has been marked by a set of fortunate circumstances. In 1999, he was Deputy Governor of the state of Bayelsa in the Niger delta region (southeast-located, where he is originally from) and he became Governor in 2005 after his predecessor, Diepreye Alamieyeseigha, was removed from office for money laundering. In 2007, President Olusegun Obasanjo influenced the choice of the Umaru Yar'Adua/Goodluck Jonathan partnership which would replace him at the head of the country. In his autobiography, *My Watch*,<sup>3</sup> published in 2015, Olusegun Obasanjo denies endorsing this duo, composed of a sick President (Yar'Adua died in office in 2010) and a particularly weak and impressionable Vice President. However, all the politicians we met in Abuja, including those from Goodluck Jonathan's party, the *People's Democratic Party* (PDP), confirmed the reasons why Obasanjo had chosen this ticket: he wanted to maintain his influence after the end of his two terms in office and promote the accession of impressionable men to power.

Subsequently to Umaru Yar'Adua's death in May 2010, Goodluck Jonathan became acting president until the end of the term, in 2011. Goodluck Jonathan's personality, his ethnicity and geographical origins began to be an issue in the course of nominating the PDP's candidate for the 2011 elections. For the PDP cadres originally from the North of the country, the fact that Umaru Yar'Adua could not complete his term of office required the party to appoint a candidate from their region. Indeed, according to Olusegun Obasanjo's wishes, the party had imposed "zoning", i.e. alternating between northerners and southerners since the advent of the Fourth Republic in 1999. After eight years of Olusegun Obasanjo in office – who was originally from the southern state of Ogun – it was therefore up to a Northerner to lead Nigeria for the next eight years. Umaru Yar'Adua did not complete his term; thus a candidate from the North had logically to be appointed in the 2011 elections.

In addition to a lack of institutional legitimacy, related to his regional origins, Goodluck Jonathan also suffered within the party because of his ethnicity. Indeed, he comes from the Ijaw minority,

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3. Olusegun Obasanjo, *My Watch*, Kachifo Limited, 1<sup>st</sup> publication, 2015.

which represents 10 million Nigerians. During our interviews in Abuja, a number of PDP cadres, from the three major ethnic groups in the country (Yoruba in the South-West, Igbo in the South-East, and Hausa in the North) emphasised the illegitimacy of Goodluck Jonathan, who has supposedly relied on the powers available to him as head of the Federation to "force" his candidacy.

When we questioned the Ijaw from the Niger delta who are serving in senior positions within the government, researchers, or journalists based in Abuja, it is easy to see how the President's origins were an obstacle in the conduct of affairs, after his election in 2011 with 58% of the vote.<sup>4</sup> The Northerners did not really make the task easy for him: neither the Yoruba nor the Igbo really supported him. This political configuration also reinforced an identitarian withdrawal from power. Therefore, the Ijaw took a prominent place in the decision-making apparatus. The oil industry, which represents 90% of Nigeria's exports, has been run entirely since 2010 by the Minister of Petroleum Resources, Diezani Alison Madueke, an Ijaw from Bayelsa. Goodluck Jonathan appointed another Ijaw, Andrew Azazi, to the position of *National Security Adviser* (responsible for intelligence and co-ordinator of the national defence forces) between 2010 and 2012. Due to Andrew Azazi's lack of results, particularly on the Boko Haram issue in the North-East of Nigeria, and mainly because of the pressure from Northerners who considered that strategic positions were too concentrated in the hands of Ijaw individuals, Goodluck Jonathan decided to replace Andrew Azazi with a retired colonel originally from Sokoto (North-West), Sambo Dasuki.

### ***The excesses of a President turned in on himself and his closest advisers***

Upon his accession to the presidency, critics of Goodluck Jonathan's government emerged from all sides and the chiefs of the PDP only paid lip service to the President.<sup>5</sup> The few voices that continued to defend the President came from those who had managed to benefit from the countless government contracts. This particularly affected the security sector where the budgets of the Ministries of Defence and Interior were significantly increased. During his five years of power, more than 4.62 trillion nairas were spent (about 20.7 billion euros).<sup>6</sup> Yet the results on the ground only started to bear fruit around

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4. It should be noted here that his main opponent, Muhammadu Buhari (*Congress for Progressive Change*) obtained 31.2% of the votes and he was elected in 2015 with 54% of the votes.

5. Apart from the usual defenders such as the party's Spokesperson, Olisa Metuh.

6. More information at: <[www.premiumtimesng.com](http://www.premiumtimesng.com)>.

February 2015.<sup>7</sup> Until then, the lack of equipment and motivation of the soldiers to go to the front while some of them had not been paid, as well as the total lack of confidence of the military in Goodluck Jonathan ruined any chance of success. The failure of the strategy of combatting Boko Haram was also accentuated by the many defections of soldiers who had no wish to die in Borno, while their pay was sometimes retained by the colonels and generals who were far from the field in the Army headquarters based at Abuja. In addition, the young Christian soldiers coming from the southern part of the country did not in any case want to die fighting in the North, while there was no clear military strategy and the vast majority of Boko Haram's victims were Muslims in the North. It appears legitimate to ask where the billions of dollars spent on training and armament contracts went during the first four years of Jonathan's term. This matter is currently in the hands of the new regime. Nonetheless, the military that benefited from these contracts (at the Ministry of Defence or in the *National Security Adviser Office*) undoubtedly supported the President's strategy of increasing spending. The historic oil prices, reaching around \$100 dollars per barrel during Jonathan's presidency, allowed Nigeria to spend freely.

The other group which benefited from the generosity of public money is made up of militants from the Niger delta. A group of them (around 30,000) accepted an amnesty in 2009 and they were awarded contracts for the security of oil installations – land oil and gas pipelines – or in Nigerian territorial waters.<sup>8</sup> Since 1958 – the start of oil production in Nigeria – most local private companies which were partners of the Western *majors* on the blocks, were held by businessmen from the North, from the *Middle Belt* (all the Northern regions of the country), or from the Lagos region,<sup>9</sup> but never by men from the Niger delta oil region which however includes the nine oil-producing states in Nigeria. Yet the Ijaw, who are the majority in the oil-producing states of Bayelsa and Rivers, have largely benefited from Goodluck Jonathan coming to office by obtaining large allocations of crude oil that they could sell. The income generated

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7. Goodluck Jonathan's former Communications advisers that we met stated that the effectiveness of the Nigerian army in recent months in the fight against Boko Haram was mainly due to President Goodluck Jonathan's wish to be re-elected. The election was additionally postponed six weeks later as the opinion polls conducted indicated a very large victory for Muhammadu Buhari. Thus, the government used this period to achieve some goals on the security level.

8. This is particularly the case for Government Ekpemupolo alias Tompolo or even Ebikabowei Victor-Ben alias Boyloaf, former leaders of the *Movement for the Emancipation of the Niger Delta* (MEND) which prevailed between 2006 and 2009 and which lowered oil production through violent attacks on the transport and production infrastructure. See Benjamin Augé, "Pillage et vandalisme dans le delta du Niger", *Hérodote* 3/2009 (No.134), p. 151-175 and Augé Benjamin "Le pétrole au Nigeria, instrument de puissance et miroir d'une fragilité étatique", *Hérodote*, 4/2015 (No.159).

9. This is the case, for example, of Sapetro led by Theophilus Danjuma (Taraba state) or of Oando, founded by Wale Tinubu (Lagos) or even of Afren whose leading figure is the former Minister of Petroleum Rilwanu Lukman (Kano).

enabled them to acquire stakes in the blocks. Benedict Peters (Aiteo), Igho Sanomi (Taleveras) and Timi Aladetimi (Tempo Energy), who bought back the block called OML 29 for \$2.58 billion from Shell, Total and ENI,<sup>10</sup> can be included. The traders and businessmen, belonging to the Ijaw ethnicity and close to the Minister of Petroleum Resources, considered that it was completely legitimate to get rich quick. They considered this money, which had previously been denied them, as their due. A number of Ijaw businessmen regarded the fact of having a President from their community as an opportunity for revenge against the relative economic deprivation that they had been subjected to since Independence; a more than limited access to the oil wealth and to government contracts; as well as low development of their region, while almost all of the country's oil is concentrated there. This discourse on "economic revenge" resulted in real organised plundering of state resources concomitant to the five years of Goodluck Jonathan's presidential term. Goodluck Jonathan allowed his entourage to do this resource capture either through resentment against the other dominant ethnicities that have run the country since independence, or through weakness of character. While this phenomenon is not new or unique to Nigeria, it seems indeed to have become particularly extensive during the last presidency. Goodluck Jonathan is described by all the ambassadors that we were able to interview, as well as by his colleagues in the presidency, as an extremely impressionable person, unable to say no to his entourage. This feeling of revenge in his entourage is incomprehensible if you do not take into account the geopolitical dimension of Nigeria and the impact of the different community groups within the economy. This interpretation is important in order to understand the highly criticised term of Goodluck Jonathan, particularly because of a level of corruption rarely reached before in the oil and construction industries, according to some investors that we were able to interview.

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10. *Africa Energy Intelligence*, No.732, 21 October 2014.

## ***What should be remembered from the Jonathan administration's record?***

If the failures were obvious in terms of security (Boko Haram) and corruption, particularly in the hydrocarbon sector, some successes are nevertheless to be attributed to Goodluck Jonathan. Firstly, some people – usually technocrats – were able to conduct their role at the head of some key ministries without political interference. This is the case for the Minister of Agriculture, Akinwumi Adesinan, who remained four years in office and who set a certain number of reforms in motion. He holds a PhD in Agrarian Economics from Purdue University, and he has notably set up insurance providing compensation during the floods and droughts which regularly ruin small farmers.<sup>11</sup> He also developed the *Agricultural Transformation Agenda* (ATA) with related experts, which aims to improve agricultural productivity by increasing local production by 20 million tonnes to become self-sufficient in rice by 2015.<sup>12</sup> It is difficult to say at this time whether this reform will have tangible results, but the Nigerian minister has been sufficiently credible on this issue to be elected President of the African Development Bank (AfDB), a role which he has occupied since September 2015.

The other striking figure from Goodluck Jonathan's term of office is Ngozi Okwonjo Iweala, Minister of Finance from 2011 to 2015, after being Managing Director of the World Bank from 2007 to 2011. In January 2012, she was particularly successful in reducing the fuel subsidies, which destroyed the government accounts because of the large sums allocated to importers of petrol in exchange for a regulated price. Indeed, more than \$10 billion (2,000 million Nairas) was spent on this item in 2011 alone.<sup>13</sup> Hence, the price per litre increased from 67-97 Nairas (43 euro cents at the time). Despite all the difficulties mentioned above, she also succeeded in giving credibility to Nigeria on economic issues, particularly through her tight budgets, as well as through her knowledge of the international monetary system. However, many observers consider that she supported a regime in which corruption exploded. One of the financial scandals which marked this term of office is that billions of dollars of oil revenue disappeared in 2013. This event was brought to public attention by the Governor of the *Central Bank of Nigeria* (CBN), Sanusi Lamido, in a letter sent to President Goodluck Jonathan, emphasising a difference of several tens of billions in revenues from the national oil company (NNPC) between January 2012 and July

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11. *The Sun*, "Climate change: 15m farmers to get crop insurance by 2017", Adesina, 8 October 2014.

12. *This Day*, "Understanding the Transformation Agenda in Agriculture Sector", 1<sup>st</sup> February 2015.

13. *Africa Energy Intelligence*, No.669, 14 February 2012.

2013. The governor was dismissed in February 2014 for speaking out publicly about this problem. Sanusi Lamido said that he had been forced to resort to this process because of the lack of reaction from the presidency.<sup>14</sup> The Minister of Finance fully supported the sidelining of Sanusi Lamido and by the same token was highly discredited. However, she succeeded in changing her job by becoming in September 2015 the Senior Advisor for the Lazard investment bank, as well as Chair of Gavi (the Global Alliance for Vaccines and Immunization).<sup>15</sup>

Another success was the management of the Ebola crisis which occurred in 2014 with some cases in Lagos and the Niger delta. The Nigerian response was much marked by the diplomats and foreign observers. Indeed, the country reacted quickly and managed this issue well, which could have turned into a catastrophe if the epidemic had developed in the cities such as Lagos. The central government, as well as the federated states, enabled the country to become "*Ebola free*" in only a few weeks, in contrast to Liberia, Sierra Leone, and the Republic of Guinea which fought until the end of 2015. The diplomats' conclusion is that when the stakes are high, Nigeria has the means to deal with problems as quickly as can be. Goodluck Jonathan took the matter into his own hands very early and his scientific past (as a zoologist) probably contributed to making him aware of the severity of this disease and its transmission.

Additionally, another point which many observers agree on is that Goodluck Jonathan advanced democracy by requiring voters to register their fingerprints to prevent frauds. This approach, highly relied on by the Chairman of the *Independent National Electoral Commission* (INEC), Professor Attahiru Muhammadu Jega, helped to make the March 2015 elections the most credible of the Fourth Republic, or since 1999. This significantly reduced the massive fraud and prevented Goodluck Jonathan's *People's Democratic Party* (PDP) from forcing his victory, hence avoiding the usual post-election violence.

Additionally, Goodluck Jonathan is now setting up a foundation (Goodluck Jonathan *Foundation*), one of whose mainstays is the democratisation of Africa. Hence, he wants to promote his political exit and changeover of power in Nigeria. He has also been appointed Chief Observer by the *Commonwealth* organisation for the presidential and parliamentary elections on 25 October in Tanzania. Nevertheless, his image as a great democrat could make people smile, as in the last days of his election campaign, large sums of money were circulating to ensure a victory for the PDP. Additionally, there was extremely strong pressure from the United States, Great Britain, the European Union and the African Union, which convinced

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14. *Africa Energy Intelligence*, No.717, 25 February 2014.

15. More information available at: <[www.gavi.org](http://www.gavi.org)>.

Goodluck Jonathan, even before the official result of the elections, to congratulate his adversary on his victory.

# Muhammadu Buhari, an apparently strong president, but already weakened

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The coming of Muhammadu Buhari to power on 28 May 2015 was the result of a very long strategy for attaining power. As a career soldier, he participated in the 1966 putsch against the first President of Nigeria, Aguiyi Ironsi, resulting in his assassination. Then, he was accompanied by several future Presidents of Nigeria such as Ibrahim Babangida (1985-1993) and Sani Abacha (1993-1998). Muhammadu Buhari, colonel at the time, took part again with other soldiers in the coup against General Yakubu Gowon in 1975. He was then appointed as Governor of the North-East region. After having been successfully appointed as Minister of Petroleum, as well as first Chairman of the new Nigerian National Petroleum Corp (NNPC), he became president between 1983 and 1985, after overthrowing Shehu Shagari. He was deposed himself in 1985 by Ibrahim Babangida after 20 months in power.

He eventually became pro-democracy and won the presidential elections in 2015 (after three unsuccessful attempts in 2003, 2007 and 2011) with 15.5 million votes out of a total of 29 million electors. This means that only 23% of registered citizens voted for him. This percentage even falls to 16.9% if you take into account all citizens of voting age. Contrary to what a number of press articles have described, this makes him, a president elected on a very weak basis. Nigeria is a very imperfect democracy where the overwhelming majority of citizens do not travel during elections.

## ***The security sector, an indisputable advantage for the President***

Several diplomats that we met in Abuja mentioned their excitement about Muhammadu Buhari's election. In their statements, the adjectives "integrity", "steadfastness", and "selflessness" often recurred to describe the new President. Known as incorruptible and uncompromising with people from his entourage who abuse their position to pilfer government money, Muhammadu Buhari particularly earned this reputation when he was President in the 1980s. Apart from the fight against corruption, which he made one of his main

campaign topics, the new Nigerian President has another characteristic as a former soldier: he knows how to command the respect of the troops as well as of the military hierarchy. This will be a decisive advantage in the fight against the Islamist movement Boko Haram, and for the reinstatement of the chains of command that were damaged during the Jonathan era. Moreover, Muhammadu Buhari's initial decisions have been directed at the Defence sector. The Federation chief first brought geographically closer the operational command against Boko Haram moved from Abuja to Maiduguri, the state capital of Borno and epicentre of actions by the sect since its foundation in 2002 by the preacher Mohamed Yusuf. This decision was announced during Muhammadu Buhari's inauguration speech.<sup>16</sup> One month after his swearing in, the first appointments were made public and unsurprisingly concerned the security and information sector. On 2 July 2015, Lawal Musa Daura became the head of the *Department of State Services* (DSS) and therefore in charge of domestic intelligence and protecting public figures. As Muhammadu Buhari, he is from the same state, Katsina, and the same area of local government, Daura. On 13 July, the decision was made to sideline the *National Security Adviser* (NSA), Sambo Dasuki, who coordinated all the intelligence services and the President's military strategy. He was replaced by Babagana Monguno who comes from Borno state. On the same day, Tukur Yusuf Buratai, also originally from Borno, became head of the army. Prior to this appointment, he had been appointed to head the *Multinational Joint Task Force* based at N'Djamena, whose mandate is to fight against Boko Haram through an alliance of contingents from Benin, Niger, Chad, Cameroon and Nigeria. Tukur Yusuf Buratai was replaced in this post by Iliya Abbah (from Nassarawa)<sup>17</sup> who has long been active in securing the Niger delta. Finally, the President appointed Sadique Bubakar (from Bauchi)<sup>18</sup> as *Chief Air Force*. A few months after the appointment of these military personnel, it is difficult to say that the results achieved in the field in Borno state are the result of a new strategy, or if there is a "Buhari effect".

The Nigerian observers who work in research centres or NGOs argue that the coming to power of a President characterised by his military establishment background, combined with the significant decrease in the withholding of soldiers' pay by officers, is contributing to the army's advance and to the virtual disappearance of areas fully controlled by Boko Haram.

A possible "Buhari effect" can only be measured in the long term, particularly when it comes to progress on a potential political negotiation with cadres from Boko Haram. President Goodluck Jonathan launched the *Presidential Initiative for the North East*

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16. More information available at: <[www.vanguardngr.com](http://www.vanguardngr.com)>.

17. Centre.

18. Centre North.

(PINE) in 2014, based in the premises of the *National Security Adviser*, whose purpose was the economic development of the Borno, Adamawa, and Yobe states.<sup>19</sup> The development of this programme must be monitored during the Buhari period, since Boko Haram is only the umpteenth manifestation of religious, social and economic unrest significant in this Northeastern region – particularly forgotten by the federal government since independence in 1960.<sup>20</sup> It is a long fight, which obviously cannot be reduced solely to the military dimension, even if the latter must remain central.<sup>21</sup> It must be ensured that this movement is not exploited by local politicians, like Ali Modu Sheriff, governor of Borno between 2003 and 2011. He owed his election to the founder of Boko Haram, Mohamed Yusuf, who preached during the campaign so that Ali Modou Sheriff won the governorship. Ali Modu Sheriff was then targeted by Boko Haram as he stopped supporting the group, following his election. The massacre of the sect members – nearly a thousand – including its leader Mohamed Yusuf, by the regular army in July 2009 put the movement in a new dimension. This violent strategy of fighting against Boko Haram is debatable and it will probably require a reform of the army to prevent retaliation against violent movements (Boko Haram type) completely degenerating and helping to strengthen their base by victimisation strategies.

### ***A very weak coalition put to the test with a fight against corruption***

The other promise from the candidate Muhammadu Buhari concerns the fight against corruption. The word was said three times in his inauguration speech. Yet this goal is particularly dangerous in Nigeria, and all the more so as the Nigerian President was elected on the basis of a political platform, *All Progressives Congress* (ACP), which combines several already existing parties.<sup>22</sup> Several leaders of this coalition became considerably richer in their previous roles. This is the case of the former governor of Lagos state, Ahmed Bola Tinubu, the former Vice-President, Atiku Abubakar, or even the

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19. The three states most affected by Boko Haram.

20. See on this subject, Marc-Antoine Pérouse de Montclos, "Boko Haram et le terrorisme islamiste au Nigeria: insurrection religieuse, contestation politique ou protestation sociale?", *Questions de recherche/Research Questions* – No. 40 – June 2012, CERI.

21. The *Presidential Initiative for the Northeast* (PINE) funds, for example, development and educational projects in the Borno, Adamawa, and Yobe states. Apart from the presidency, it is financed by the British DFID, the Islamic Development Bank, the World Bank, the Japanese JICA, the European Union, USAID and the UN.

22. *Action Congress of Nigeria* (ACN, the party of the former governors of Lagos, Babatunde Fashola and Ahmed Tinubu), *Congress for Progressive Change* (CPC, Muhammadu Buhari's party), *All Nigeria People's Party* (ANPP, Muhammadu Buhari's former party) and *All Progressives Grand Alliance* (APGA).

current President of the Senate and former Governor of Kwara, Bukola Saraki. Furthermore, President Muhammadu Buhari did not wait for long before launching the first legal proceedings against the leaders of his own camp, first by targeting Bukola Saraki at the end of September 2015. The President of the *Code of Conduct Tribunal*<sup>23</sup> issued a warrant to appear against the new President of the Senate for false declaration of assets, as well as for twelve other charges.<sup>24</sup>

While conflicting voices are already criticising the slow pace of Muhammadu Buhari taking decisions, some diplomats are afraid that the fight against corruption is turning into a witch-hunt and that it is weakening his political platform. It is true that Muhammadu Buhari does not think of prosecuting himself and therefore is not afraid of losing the next election, but he does still need the members of Parliament and senators from the APC to pass the new laws and budgets necessary to progress reforms. Yet the APC has no political backbone. It is only a platform set up in 2013 to win the election against the party in power since 1999, the *People's Democratic Party* (PDP). Additionally, most of its leaders are defectors from this same PDP, such as Atiku Abubakar (he joined the APC in 2014), the former President of the National Assembly and the current Governor of Sokoto state, Aminu Waziri Tambuwal (member of the APC since 2014), the current President of the Senate, Bukola Saraki (APC since 2013), or even Rabiu Kwankwaso, former Governor of Kano and a current senator (member of the APC since 2013). It is highly likely that, in the event of a disagreement with President Buhari, some of the APC cadres will consider founding a new separate party or returning to the PDP. The support for the current head of the federation is opportunistic, and some politicians did not believe in Goodluck Jonathan's chances in 2015 and still wanted to be re-elected locally, or for some of them, to get an inauguration that they would not have had by staying in the PDP. Participation in a society project that would provide support to the APC or even Muhammadu Buhari has not always been the primary motive. This is the reason why the President has to be careful not to upset all his supporters and to largely include them in conducting affairs in Nigeria.

Dealing with corruption in Nigeria involves reforming the damaged legal system. Many investigations by the *Economic and Financial Crimes Commission* (EFCC) lead to a conviction, but few Nigerian politicians have served time in prison. The reason is simple: rich politicians or businessmen have the means to pay British or American advisers to demolish the too often approximate investigations of Nigerian authorities. They also postpone the holding of the trial while trying to buy possible witnesses. When a new President comes into power ever four or eight years, it is not

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23. This court is responsible for investigating civil servants and politicians and punishing them in the event of offences related to their office.

24. *Vanguard*, "Alleged False Declaration of Assets – Court Halts Saraki's Trial", 17 September 2015.

uncommon that pardons are granted. For example, this is the case for the former Governor of Bayelsa, Diepreye Alamiyeseigha, who Goodluck Jonathan pardoned in March 2013 for acts going back to the time when he was Governor, or before 2005.<sup>25</sup>

Several proceedings are currently ongoing outside of Nigeria, particularly involving Goodluck Jonathan's former Minister of Petroleum Resources, Diezani Alison-Madueke, who was prosecuted in the United Kingdom. It is likely that the President Buhari will not ask for her extradition in order to let the British justice settle the case, considering it might be more efficient to prevent errors that experienced lawyers could take advantage of in order to thwart proceedings initiated in Nigeria. The Nigerian Vice President, Yemi Osinbajo, a lawyer by profession and a former Minister of Justice for Lagos state, should probably be in charge of the reform of the federal government's legal system which is currently preventing any significant advance in the rule of law in the country.

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25. *Vanguard*, "No Apologies Over Pardon for Alamiyeseigha, Others – Presidency", 14 March 2013. The former Governor died in September 2015.

# **How does Muhammadu Buhari intend to finance his term in office?**

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## ***Return of misappropriated funds and borrowing***

The Nigerian economic situation is extremely fragile since the fall in oil prices began in 2014. The resources are almost gone and the civil servants in the federal states are already complaining about substantial wage arrears.<sup>26</sup> However, President Muhammadu Buhari is no longer totally helpless. During his first trips abroad – to Germany in June for the G7, to the United States at the end of July, and France in September – the Nigerian President has consistently sought help from his Western partners for their support in the repatriation of funds misappropriated under previous administrations. Furthermore, this topic was one of the main points discussed with the American Attorney General, Loretta Lynch, as well as with the French Minister of Finance, Michel Sapin, on 8 June. France made a commitment to the Nigerian President in this area, and the French Ministry of Finance's services will be mobilised and a French public representative will be sent to Abuja to work on this unique issue.<sup>27</sup> It is a difficult goal, as quick action must be taken due to the scale of the financial crisis observed in Nigeria. However, in this type of proceedings, several years can pass between the times when the funds are traced back and when the host country decides to release the money in order to repatriate it. Pending the "stolen billions", expedients will need to be found. The World Bank and the International Monetary Fund (IMF) are calling for the freezing of all subsidies, particularly for fuel, which remain despite their reduction in 2012. They are also calling for further devaluations of the local currency, the Naira, in order to promote the competitiveness of local products.

One of the other ways to revive Nigerian economy is borrowing money. The federation's debt does not exceed 10.5% of its GNP according to figures from the *Central Bank of Nigeria*.<sup>28</sup> Thus, it

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26. *The Guardian*, "Cross River Civil Servants Embark On Indefinite Strike", 3 October 2015.

27. Interview, Abuja, September 2015.

28. More information at: <[www.tradingeconomics.com](http://www.tradingeconomics.com)>.

would not be impossible for Nigeria to borrow slightly in order to get through this difficult time, until oil prices rise again and the stolen funds (tens of billions of dollars) are returned to the Federation's coffers.

## **Reform of the oil sector**

Funding of the reforms and the government will also entail the revival of the oil sector. After the appointments to the head of the military and intelligence apparatus, the President made significant changes at the end of August to the head of the national company, the *Nigerian National Petroleum Company* (NNPC).<sup>29</sup> All the new executives' profiles were closely scrutinised by Muhammadu Buhari's advisors to avoid any debate about their probity. The new Managing Director of the NNPC group, Emmanuel Kachikwu, has a complimentary career. As a former Vice Chairman of ExxonMobil Africa, he has advised the group for nearly 20 years, both as a lawyer and a business law specialist on issues of compliance with the law and anti-corruption practices. He is very close to American business and political circles, which President Buhari wants to reconnect with after the many quarrels that occurred under Goodluck Jonathan's presidency. Emmanuel Kachikwu also has the enormous advantage of being from the Delta state in the Niger delta region. He should have a double role as he has just been appointed Minister of State for Petroleum in the government. All the NNPC department managers have also been replaced and new figures have emerged, such as Chidi Momah, former Executive Director of Total Nigeria (number two in the subsidiary) who will be responsible for reviewing all the contracts as "*Company Secretary & Legal Adviser*".<sup>30</sup> Moreover, in order to save money, the number of directors has gone from eight to four and there are no more than 83 managers instead of 122. The President has also replaced executives of other national oil institutions. This is the case for the *Pipelines and Product Marketing Co* (PPMC) which grants petrol import licences and where corruption exploded in the past five years, but also within the NNPC subsidiary, *Nigerian Petroleum Development Co* (NPDC), as well as the *National Petroleum Investment Management Services* (Napims) where Jonathan Okehs, who was very close to Goodluck Jonathan, has been dismissed.

This renewal of the public oil sector executives is the first step of many reforms which the President will have to tackle in the hydrocarbon sector. The first of these involves the *trading* sector where abuses were legion. The terms of *swap* contracts which enabled some company executives, close to Minister Diezani Alisson-

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29. *Africa Energy Intelligence*, "NIGERIA: Fresh team raring to go on the oil front", No.752, 1 September 2015.

30. This expression can be translated in French by "directeur juridique".

Madueke (Aiteo, Taleveras, Ontario, Sahara Energy and Trafigura), to get cargoes from the NNPC, up to 90,000 barrels per day in exchange for equivalent volumes of oil products, are currently being studied. The *Economic and Financial Crimes Commission* (EFCC) has already launched proceedings about the *swap* contracts that were cancelled several days after Muhammadu Buhari assumed office.<sup>31</sup> The new government hopes that the current renovation of Nigerian refineries (Kaduna, Port Harcourt, Warri) will help meet the domestic demand for petrol, around 250,000 b/d for a production of around 2 million b/d. The installed capacity of these refineries is 445 000 b/d, but they have never worked properly, and the traders' lobby has always managed to convince successive governments to thwart the renovation projects in order not to destroy their petrol import "business".

Similarly, the sales terms for Shell stakes in *onshore* and shallow *offshore* fields should be closely scrutinised by the new government. Possible cancellations are very likely in the coming months, before organising new, more transparent calls for tender. Finally, one of the other challenges in the oil industry for this administration is financing the NNPC stakes in *joint-ventures* with the *majors* (Shell, Total, Eni, Chevron and Exxon). The NNPC never pays its share (between 55 and 60%) on time for the development of the fields, which prevents the projects from being developed. The *majors* are then forced to lend money to the NNPC hoping to recover the funds at the start of production. However, most of these companies have arrears of several billion dollars with the NNPC obstructing the development of new projects... or sometimes cancels existing projects. This situation where the state-owned company holds its own industry hostage, is unable to set aside a part of its oil revenues for its own investments, is not sustainable in the long term as this prevents or at least delays investments by the *majors* who prefer to invest elsewhere than Nigeria. During Goodluck Jonathan's term of office, some sizeable companies left the country; this is the case of *ConocoPhillips* which sold its assets to a local firm (Oando) for \$1.65 billion. While the American independent company's wish was to invest more in shale oil in the United States, it is also clear that the Nigerian climate has greatly contributed to this decision.

The oil industry is so crucial for Nigeria that President Muhammadu Buhari decided to manage this ministerial portfolio himself at least for the first year in order to carry out properly the structural reforms that he considers priorities (NNPC, organisation of calls for tender, legal proceedings against abusers from the previous system, etc.)

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31. *Africa Energy Intelligence*, "NIGERIA: Annulation des contrats swap: les perdants et les gagnants", September 1st 2015, No.752.

## Conclusion

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Goodluck Jonathan's term in office cannot only be summarised by its failures. Significant successes were recorded involving the quality of the election process, the fight against Ebola, the agricultural policy, or else the reliable budget. However, the management of the Boko Haram problem by his government and the many corruption scandals have completely tarnished his record. Many of our contacts in Abuja have emphasised the fact that Goodluck Jonathan was very impressionable, that he was unable to make himself respected and that he was manipulated by a certain number of Ministers, especially the one for Petroleum Resources. Goodluck Jonathan did not manage to surround himself with trustworthy people who had the situation under control and would have allowed him to succeed on more fronts. Communication, like lots of other areas, was consistently improvised and Nigerian citizens, used to strong leaders (Sani Abacha, Olusegun Obasanjo, etc.) obviously did not want to continue the policy. This presidency was a sort of "accident of history", and Goodluck Jonathan came into office by a set of circumstances and his defeat was a relief for him, but probably not for his entourage and even less for his wife, Patience Jonathan<sup>32</sup> who pushed hard for him to stand again.<sup>33</sup>

The conditions for Muhammadu Buhari assuming power are unique. He is portrayed as the opposite of Goodluck Jonathan: incorruptible, not interested in money, competent on security matters, able to command the respect of the army, and surrounded by qualified technocrats. However, while he may represent the "right man" for the job, he must still convince. With 16.9% of citizens of voting age who supported him in the last election, this cannot be qualified as a plebiscite. Muhammadu Buhari was welcomed by the major Western countries because he represents the exact opposite of Goodluck Jonathan, yet his victory demonstrates the difficulties of replacement for Nigerian politicians. At 72 years old, this former military dictator does not have an attractive profile for young Nigerians and he has lost the presidential election three times since the return of democracy before finally getting elected.

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32. This was confirmed by presidential executives, as well as by diplomats who met the president after his defeat.

33. According to presidential advisors we met in Abuja, September 2015.

Besides, Muhammadu Buhari obviously has friends in Nigeria. The PDP is sharply criticising his slowness and his alleged lack of economic vision. It took him four months to send the list of potential ministers to the Senate. However, this President has the virtue of clarity on this topic. He has always said that he would do a general audit of the situation before deciding the appointments. Additionally, he wanted all candidates for these positions to have an impeccable career before being able to perform their duties and studying the profiles takes time.<sup>34</sup> Finally, he understood that in Nigeria the ministers are not the core of the State apparatus. Qualified technocrats are required as well as advisors and loyal cadres. Thus, he has appointed technocrats and professionals – who had proved their worth in their previous positions – at the head of the Defence and security forces, the NNPC, and in other management roles. Clearly, the critics have already emerged regarding the excessive concentration of Northerners in senior positions. Muhammadu Buhari denies any geographical or ethnic bias in terms of appointments by stating that he works with people he is close to. However, he must ensure that this geo-ethnic dimension – so important in Nigeria – is taken into account. He must also ensure that his supporters do not turn against him when initiating legal proceedings, which could result in stalling his reforms in the National Assembly and the Senate.

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34. The list of ministers was finally made public on 11 November after a very long selection process by President Muhammadu Buhari, followed by several weeks of hearings in the Nigerian Senate. As with previous appointments: the profiles are rather more those of technocrats than politicians. Several heavyweights and former Governors make their appearance like Rotimi Amaechi (former Governor of Rivers) who will manage the transport portfolio; Babatunde Fashola (former Governor of Lagos) who will be in charge of power, housing, and works; or even Kayode Fayemi (former Governor of Ekiti), the new Minister for Mines. For the Minister of Finance, it is the ex-investment banker and Minister of Finance of Ogun State, Kemi Adeosun, who is taking the reins of one of the most sensitive sectors in this period of fairly low oil prices.