

>>> Menas Nigeria Politics & Security

1.0 Introduction

Removal of president's special adviser bolsters oil minister

- > Sources have revealed that the hold of Petroleum Resources Minister **Diezani Alison-Madueke** on the country's oil and gas industry has been further strengthened with the effective removal of a key rival. According to these sources, Special Adviser to the President on Petroleum Resources **Emmanuel Egbogah** has been quietly dropped and is no longer a member of President **Goodluck Jonathan**'s cabinet.
- > No one has yet been appointed as Egbogah's replacement. This means that Alison-Madueke calls all the shots. With no deputy and without a Presidential Special Adviser to gainsay her, she has become considerably more powerful in making decisions in the administration of Nigeria's oil and gas sector.

Bayelsans seek removal of National Security Adviser

- > *Nigeria Politics & Security* sources have revealed that a number of Bayelsa State people close to Jonathan have been pushing for the dismissal of National Security Adviser (NSA) Lt. Gen. **Andrew Owoye Azazi** and his replacement by Gen. **Martin Luther Agwai**.
- > Former chief of defence staff, Agwai retired from the army in December 2009. Prior to his appointment as Chief of Defence Staff, he was Chief of Army Staff until he was replaced by Gen. Azazi – the current NSA.
- > Agwai has enjoyed a stellar military career. He led the **United Nations-African Union** peacekeeping forces in Darfur, Sudan – the largest of its kind with over 20,000 troops and 6,000 police officers.

New Chief Justice may not have long

- > Reports state that the acting Chief Justice of Nigeria (CJN) Justice **Dahiru Musdapher** may not hold office for more than

six months. This despite the fact that Musdapher, who took over as CJN from the controversial Justice **Aloysius Katsina-Alu**, is set to be screened by the Senate in order to confirm him as CJN. According to sources, Musdapher may soon be replaced by Justice **Aloma Mariam Mukhtar**, one of the few female Justices of the Nigerian Supreme Court.

- > If Mukhtar is appointed, she will make history as the first female CJN. In contrast to the general perception of Musdapher as Katsina-Alu's man, Mukhtar is considered capable of turning around the declining reputation and integrity of the Judiciary, which has been seriously undermined by the open warfare between now-former CJN Katsina-Alu and the erstwhile President of the Court of Appeal, Justice **Isa Ayo Salami**.
- > This conflict continues to reverberate through the political system. Sources have now revealed the involvement of Chairman of the Senate Committee on Justice, Senator **Umaru Dahiru**. His purported involvement is related to the Sokoto State gubernatorial election tribunal, which was the basis for the allegations made against Katsina-Alu by Salami.

Representatives finally capitulate on House leader role

- > The leadership of the House of Representatives has finally capitulated to the wishes of the *Peoples Democratic Party (PDP)* and the presidency by announcing that **Mulikat Akande-Adeola** from Oyo State in the South-West will be House Leader.
- > Akande-Adeola had been the *PDP* leadership's favoured candidate for the position of Speaker but was spurned by the members of parliament who preferred their own choice – Speaker **Aminu Waziri Tambuwal** from Sokoto State in the North-West and Deputy Speaker **Emeka Ihedioha** from Imo State in the South-East, thereby skewing the *PDP*'s well-laid zoning plans.
- > Since the June election of the Speaker, Deputy Speaker and other principal officers, the House leadership had repeatedly delayed naming the new House Leader (who is effectively third-in-command of the lower house).
- > The House leadership finally capitulated after the *PDP* repeatedly insisted on Akande-Adeola's appointment.
- > Another concession the House leadership seems to have made is to appoint the favoured candidate of former president

Olusegun Obasanjo, Muraina Ajibola (also from Oyo State in the South-West), as Chairman of one of the most influential Committees in the House – the Petroleum Committee (Upstream).

- > The House has also finally assigned members, chairmen and deputies to its various committees. As expected, loyalists of the House leadership were assigned to the 'plum' jobs and most influential posts.
- > That said, considering that newly elected members of the house nearly outnumber the returning members, it is no surprise that a number of new members have been appointed to chair a number of influential committees.

Tinubu defiant in face of tribunal

- > Former Lagos State governor **Bola Ahmed Tinubu** was scheduled to appear before a *Code of Conduct Bureau (CCB)* tribunal on 21st September in relation to his alleged operation of several foreign bank accounts while he was governor from 1999 to 2007.
- > The hearing, however, was immediately adjourned upon opening until 26th October to allow for consideration of amended charges.
- > The operation of foreign accounts by public office holders is in contravention of Section 7 of the Code of Conduct Bureau and Tribunal Act, Cap 56 LFN, 1990.
- > For his part, Tinubu has repeatedly declared that he will not be intimidated by the *CCB* and claims that his summons is politically motivated. Tinubu – who now heads the opposition *Action Congress of Nigeria* – has questioned why it has taken the *CCB* this long to summon him over the alleged offence after leaving office well over four years ago.
- > Tinubu accuses the ruling *PDP* of seeking to damage the opposition by prosecuting him. The *CCB*, however, has insisted that Tinubu's summons is not politically motivated and that action against the former governor commenced in May 2007 but had been on hold temporarily, pending investigations.

2.0 Oil & Economy

Benchmark interest rates raised again

- > The ***Central Bank of Nigeria (CBN) Monetary Policy Committee*** has raised benchmark interest rates again. This time, the benchmark rate has been increased from 8.75 per cent by 50 basis points, to 9.25 per cent. This is the fifth time this year that it has been increased.
- > Analysts say that the increase in the benchmark interest rate is anticipatory, to forestall an increase in inflation caused by expected liquidity injection generated by the activities of the ***Asset Management Corporation of Nigeria*** and fiscal spending by the government. The increase in the MPR is also with a view to meeting the *CBN's* target of single-digit inflation rates for the country for this year.

2012 Budget expected in November

- > Minister of Finance **Ngozi Okonjo-Iweala** has announced that the 2012 budget will be ready by November. This is despite the fact that the 2011 budget was only fully passed and signed off in July this year and is believed to be way behind schedule in implementation.
- > It has been disclosed that the 2012 budget will be predicated on a crude oil benchmark price of US\$75 per barrel. Okonjo-Iweala has also re-commenced the publication of monthly payments to the three tiers of government from the ***Federation Accounts Allocation Committee (FAAC)***. It was a practice she pioneered when serving as finance minister under former president Obasanjo, but which ceased after she left office.

NNPC agrees to repay debts to federal government

- > The ***Nigerian National Petroleum Corporation (NNPC)*** has agreed to begin repayment of the N450 billion debt owed to *FAAC*. This has been disclosed by Minister of State for Finance **Yerima Ngama Lawan**, following an extraordinary meeting held with senior executives of *NNPC*.
- > The agreement by *NNPC* to begin repayment of the debt reportedly followed an explosive meeting of the *FAAC* in which members demanded that *NNPC* own up to its obligations. The issue of *NNPC's* debt to *FAAC* has been seriously controversial, infamously resulting in the 2010 removal of then-minister of state for finance **Remi Babalola** after he declared that *NNPC* had admitted to him that it was bankrupt.

- > According to Lawan, the debt will be repaid by *NNPC* in 32 instalments. The debt represents the contributions which *NNPC* is mandated to make to the Federation Accounts, but which it had defaulted in doing.
- > It is thought that the renewed insistence for *NNPC* to pay the N450 billion debt is connected to State government protestations that they could not afford to pay the new national minimum wage approved by President Jonathan in May this year.
- > State governors have been groaning about the weight of the expenses that will be incurred by paying the minimum wage and have tried different tacks to get their *FAAC* payments increased. These have included calls for the removal of petroleum subsidies and branding the *Sovereign Wealth Fund* – which has been set to replace the *Excess Crude Account* – as illegal.

New Chairman for Transcorp

- > The former managing director of *United Bank for Africa (UBA) Plc* and now Chairman of *Heirs Holdings*, Tony Elumelu, has further consolidated his hold over *Transnational Corporation (Transcorp) Plc*, through his appointment as Chairman of the board, following a meeting of shareholders recently in Abuja.
- > His predecessor, **Ndi Okereke-Onyulike**, was widely understood to have resigned her position but sources believe that her hand may have been forced. Her reputation has been severely tarnished following the debacle over her removal as the Director General of the *Nigerian Stock Exchange*.
- > One of Elumelu's protégées, **Manz Denga**, was recently appointed as *Transcorp's* managing director. Denga had worked closely under Elumelu when the latter was the MD/CEO of **Standard Trust Bank** prior to its merger with *UBA* in 2005. Denga continued to serve under Elumelu when he was at the helm of affairs at *UBA*.
- > Apart from holding several financial executive positions in the bank, Denga had also served as Elumelu's Chief of Staff and spearheaded *UBA's* entry into East Africa.

Expatriate workers on hunger strike

- > Reports claim that 15 expatriate workers of the *Delta Steel Company (DSC)* are on hunger strike to protest the "refusal" of

the management of the *DSC* to pay their final salaries and allowances after they resigned from the company three months ago.

- > According to reports, the expatriate employees, who are all Indian nationals, resigned from *DSC* as the company – one of the privatised entities whose divestment was found wanting by the Senate's recent privatisation inquiry panel – was suffering a downturn in its fortunes.
- > The Senate panel found that owners of *DSC* - **Global Infrastructure**, a company owned by prominent business tycoon **Jimoh Ibrahim** (widely perceived as a crony of former president Obasanjo) – did not actually submit a bid for *DSC* at the time of the tender and only won the bid through the influence of the presidency.

3.0 Security

Leading *Boko Haram* figure assassinated by sect hardliners

- > **Babakura Fuggu**, the brother-in-law of **Yusuf Mohammed**, the late founder of extremist Islamic sect *Boko Haram* has been assassinated at his home in Maiduguri (Borno State). Fuggu's death is likely to complicate mediation efforts between the government and the sect, which claimed responsibility for a car-bomb attack against the UN Headquarters in Abuja in August.
- > The late Fuggu's father – **Baba Fuggu Mohammed** – was himself killed in the police and military offensive against *Boko Haram* members in 2009, reportedly after voluntarily turning himself in having been declared wanted by the security services. During this offensive, Yusuf Mohammed was also killed in police detention.
- > On 15th September - a few days prior to his assassination - Babakura Fuggu had been visited by former president Olusegun Obasanjo, in an apparent attempt to mediate with the family of Yusuf Mohammed and begin talks intended to put an end to *Boko Haram's* two-year campaign of violence in the north-east.
- > Expressing his pleasure at the visit, Babakura Fuggu had publicly stated that the former president's visit had been the

first time that any high profile person had visited with the family to commiserate with them. It seems likely that Babakura Fuggu's murder was ordered by hardline elements within *Boko Haram* opposed to any engagement with the Nigerian authorities.

- > Indeed, security agencies have named the suspected killer as one **Ustaz Mote**, who is described as an ardent follower of **Mamman Nur** – the man the authorities believe to have been the mastermind of the UN bombing.
- > Mote is said to have grown up in the Fuggu household. It is thought that Nur's hardline faction believed that Babakura Fuggu had been assisting security agents in their operation to apprehend *Boko Haram* leaders.
- > Meanwhile, Obasanjo's visit has been met with mixed reactions, especially in the wake of Fuggu's assassination. At the time, Obasanjo had declared that his visit to the family was a "*personal initiative*". However, most observers considered that he was likely to have been acting with the consent or "*direction*" of President Goodluck Jonathan.
- > In the same week as his visit to the Fuggu family, Obasanjo had also visited Jos, the capital of Plateau State, which has in the past few weeks witnessed a renewed surge of sectarian violence between the predominantly Christian Berom and the predominantly Muslim Fulani in the State.
- > It is not yet clear how Obasanjo's involvement will impact upon popular perceptions of Jonathan's leadership as regards these key regional issues. Obasanjo's insistence on the 'personal' nature of his involvement has invited unflattering comparisons between the former president's statesmanship and Jonathan's somewhat lacklustre response.
- > Others see Obasanjo's purported co-option into the process as a positive move from the incumbent head of state to reduce conflict by drawing in a wider array of interests: according to sources, Obasanjo's visit had been orchestrated by Northern civil rights campaigner **Shehu Sani**.
- > In a related development, the **State Security Services (SSS)** has announced a reward of N25 million for anyone who provides information which leads to the direct arrest of Mamman Nur.

- > An SSS statement reads: *"Attached herewith is the picture of Mamman Nur. He is still declared wanted. A reward of twenty five million (N25,000,000) is being offered for information that could lead directly to the apprehension or conviction of Mamman Nur. If you have any information concerning this person, please contact the nearest police station, military information centre or any other security agency".*
- > Sources have disclosed that although the official figure of the number of people who died as a result of the UN House bomb blast is put at 23, the more realistic number of fatalities is about 80.



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