

## **European Union and Nigerian relations:**

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I must admit that on arriving to Nigeria in September 1998 I was saddened to see all the damage the almost two decades of military dictatorship had caused to the country: political instability, prostrate economy, weakened public institutions, corruption – often in collusion with foreign partners, of course - and persistent deterioration of the quality of common people's life. Nevertheless, I was at the same time encouraged by the rapid positive development that had taken place in Nigeria during the few months after June 1998. The transition towards a democratic system had begun and the establishment of the civilian rule in May 1999 would soon offer the Nigerians an important opportunity to make a fresh start. I returned to Nigeria at a moment that was full of promise for the future.

That moment was opportune also for the normalization of the relations between Nigeria and the European Union that had reached their lowest level in November 1995 when the execution of nine Ogoni leaders made it necessary for the EU to impose sanctions against Nigeria. These sanctions included, among other things, arms embargo, and suspension of development co-operation, visa restrictions for high level visits, and a sports boycott. These sanctions were repeatedly extended until October 1998 when the EU, in response to the change of government and the announcement of a timetable for democratic elections by the new government, adopted a new Common Position that eased the sanctions and made available a support package for the elections. Immediately after the elections in May 1999 the European Commission and the Federal Government of Nigeria issued a

Joint Communiqué in which they declared that the relations between the EU and Nigeria would now be entirely normalized and that also the development co-operation would be resumed.

It was very rewarding to follow this normalization process and be involved in it. Under the democratic government, Nigeria became again a respected member of the international community and assumed its natural role in important political and economic issues in international forums. Nigeria's heightened status in the world was reflected, among other things, in the upsurge of highest-level visits between the EU countries and Nigeria. Other forms of political and economic interchange increased and intensified as well. In the political arena, the European Union and Nigeria started regular political dialogue, also at a ministerial level. This dialogue is primarily taking place between the EU and the Federal Government but it can, in principle, associate also civil society. The political dialogue has been constructive but at the same time frank and open and it has encompassed all kinds of regional and domestic matters of mutual concern. Also on trade and other economic matters the EU and Nigeria, the region's trading giant, established a close dialogue. This dialogue has been intensive also during the so-called Doha world trade round in which Nigeria has an important role as a leading member of the developing nations' G-20 Club.

The dialogue and various official declarations are very important indications of the state of relations between the EU and Nigeria. Nevertheless, at this point I should say a few

words especially about development co-operation that traditionally has been a significant and concrete element in the relationship between the EU and Nigeria and at the same probably the most visible component of that relationship. I shall concentrate on the so-called Community aid that is administered by the European Commission. Before moving to this subject, however, I want to remind you that also several member states of the EU have their own programmes of co-operation with Nigeria. These programmes are managed separately even though the Commission and the member states strive to coordinate their support.

The process was not unproblematic. We had substantial funding available: under the rules of the Lome Convention that covered the co-operation with the ACP countries ("ACP" standing for "Africa, the Caribbean and the Pacific"), the funds frozen in 1995 remained available for Nigeria once sanctions were lifted. We realized that it was important to agree rapidly on some fairly quick and visible support programmes, also for the purpose of showing that the return to democracy made a real difference or, as President Obasanjo put it, brought "a democratic dividend". At the same time we knew that co-operation had to be very well prepared if it was to produce lasting results.

The solution found, in agreement with the Nigerian government, was to take a dual approach. For the smaller part of our funding, we agreed on several projects to be implemented in advance of a full-fledged new strategy. These projects were to be in the areas of support to the parliament and state assemblies, good governance, water supply and micro projects in the River Delta. We called these projects "a quick-start package" until we rather soon discovered it was a misnomer: to get those projects underway took longer than we had expected. It was a useful learning process. Regarding the bulk of the money available, we agreed to launch an extensive programming study that would provide guidance for the selection of the sectors where the European Commission would best assist Nigeria's development efforts. After the conclusion of this large-scale programming study, the European Commission and the Nigerian government would agree on the Country Support Strategy and the National Indicative Programme defining the areas of our support for the coming seven years. After rather long and complicated negotiations these two documents were finally signed in June 2002, right at the time I myself ended my tour of duty in Nigeria.

According to the agreement reached between the EU and Nigeria, the Community development funds available for Nigeria were approximately 650 million euro over the period of 2002-2007, more than for any other ACP country. This indicated the importance the European Union and its Commission attached to Nigeria and to its potential as Africa's most populous country and as the key actor in the political, economic and social development of West Africa.

The strategy incorporated in the current agreement reflects the unique challenges of Nigerian development. Nigeria has large resources of its own and considerable sums of money are available to the government, mainly from oil. Funding from all donors amounts to just about two or three percent of the government's own revenues. The main problem is that government programmes have in the past failed to translate into effective services to the Nigerian people – schools, healthcare, water supply, roads etc. – because of corruption and mismanagement. The transition to democratic rule provided a chance to bring about a change: the new government had assured its commitment to a reform and to the fight against corruption. Our approach, therefore, was to work with the Nigerian authorities to help turn their large funding into real services to poor people. In

other words, we wanted to support Nigeria's efforts to use its own funding better. This meant a departure from the past when we often organized stand-alone EC projects isolated from Nigeria's own structures. We realized now that such projects, however efficient they might be, would have less impact than even a small improvement in how Nigeria uses its own funds.

The programme in question is called "Support to good governance and water/sanitation in six focal states" and a total of 144 million euro has been allocated to it. As the name indicates, this programme is to support reform in all sectors and improve, in particular, water supply and sanitation, initially in six focal states: Abia, Cross River, Gombe, Kebbi, Osun, and Plateau. Funding may be transferred to other states if the forthcoming benchmarking exercise shows that the current focal states are not seriously committed to the reform and service delivery. The approach is both top-down - providing civil and public servants with the tools to do their jobs - and bottom-up - working with a coalition of NGOs and other civil society stakeholders to ensure that the authorities do their job of providing services properly, for example through monitoring and, where necessary, challenging budget preparations and implementation. One of the most important aims of this programme is to bring about changes needed to let the money flow through into real services and not be wasted or misappropriated. Once the quality of public finances has sufficiently improved, direct budget support to the deserving states will be considered.

I could talk on about a wide range of other EC projects in Nigeria, such as e.g. micro projects in the Niger Delta, support for the elections (also next year) and Nigeria's Census, immunization strengthening, prevention of blindness, economic management capacity building at the federal level, human rights and democracy micro and macro projects, prison reform etc. as well as about private business assistance programmes. For the time constraints, however, I refrain from that. Instead, I try to explain why the European Union is so interested in the developments in Nigeria and also so keen on co-operating with this country and has never even considered the possibility of turning its back on Nigeria even if the relations, naturally, have had their ups and downs. The views I now present are my own but I do not believe anything I say is against the European Commission's official line.

One of the reasons for our interest in Nigeria is, of course, that Nigeria is an important country to the European Union and to many of its major member states. In trade, Nigeria has had a significant role in exporting formerly agricultural products and later on especially petroleum products to Europe while it has also traditionally been a major importer of European products. Regionally, Nigeria is the leading country in West Africa and, with its great human and natural resources endowments, has the potential to become the region's engine for economic growth. Politically, Nigeria has for many years served as a stabilizing force throughout the West African region. We in Europe realize that the developments in Nigeria do not affect the living conditions of its own population only: they have impact far beyond the country's borders. In the interdependent world of today, the effects of turns of events in Nigeria are felt also in Europe.

In this context, I find it necessary to talk about the importance the EU attaches to the principles and values of democracy, the rule of law, respect for human rights, and good governance also in its external relations all over the world, including the African countries. These principles are fundamental components of the dialogue between the EU and its partners. This reflects the national experience of the member states of the EU. We sincerely believe in those values and their morality and want to make them more

and more part of the norms of the international society, not through force or confrontation but through constructive co-operation. However, we do not emphasize the commitment to democracy and its principles just because we ourselves like them. We also see it to be in the wider interest of the EU and its member states that we support the creation and strengthening of functioning pluralistic democracies in Africa and other continents.

We tend to believe that, in the long run, any effort to reach important national goals in any country, be those goals social, political, environmental, or economic, cannot be really successful and produce lasting results if the democratic and other related principles are not observed. Failing to maintain these principles can easily lead, for example, to political instability and conflicts, humanitarian crisis, mass migration and refugee problems as well as spread of international terrorism and crime. It can also cause economic problems such as disruption of trade and investment, discontinuance of raw material supplies, debt crisis and so on. Obviously, these kinds of developments can bring on political and security risks also for Europe and threaten the social and economic well-being of its people. Also for this reason we want to contribute to the sustenance and development of democracy and its values everywhere. Partly, it is a matter of self-preservation. The emergence of so-called failed states anywhere is detrimental to us all.

I should like to conclude this presentation with a note on the future prospects of Nigeria. The many problems of the country are well known and also diligently reported by Nigerian and foreign media and other observers that keep criticizing Nigeria's civilian government for failing to formulate and implement concrete plans of action to remedy the nation's situation. While largely justified as such, this criticism often fails to take into account "the Nigerian context", including the time perspective. More importantly, these observers mostly fail to give new insight into the ways and means through which to solve the often unique problems in practice. Just as often they offer simple and clear solutions to complex issues. I have noted with some amusement that the hardest criticism quite often comes from those western observers who were the most naïvely optimistic and euphoric about the change of regime in 1999.

Of course, the tasks before the Nigerians are formidable and I do not deny that the country can still go either way: along the path of real gradual reform toward stability and prosperity, or in circles, just maintaining the status quo and thereby risking major crises. Democratic forms alone do not solve the problems. Poverty alleviation, improvement in living standards, reduction of societal conflicts and other "democracy dividends" do not come overnight: they require hard work and often unpopular reforms. It is a tough learning process and it tries the nation's patience but it is the only viable formula for lasting success. I am confident that the Nigerians have what it takes to attain that success. And the European Union is ready to lend a hand.

Thank you.