



UNITED STATES INSTITUTE OF PEACE www.usip.org

SPECIAL REPORT

2301 Constitution Ave., NW • Washington, DC 20037 • 202.457.1700 • fax 202.429.6063

ABOUT THE REPORT

This report, sponsored by the Centers of Innovation at the US Institute of Peace (USIP), draws on the experiences of the author and Stakeholder Democracy Network (SDN) over the past four years in the Niger Delta. During this period, conflict has escalated significantly while governance indicators, for the most part, have stubbornly refused to improve.

The first steps in this report were taken more than a year ago, well before ill health weakened and then led to the death of former President Umaru Musa Yar'adua. At present, few things are certain about Nigeria or the Niger Delta, and stability is a key concern for international actors. This report argues that the quest for stability is counterproductive. The region has not been trapped in the fossilized state that has crumbled only recently in North Africa. Change from the status quo is inevitable; the question is whether the region will be trapped in deepening cycles of violence or whether sundry actors can assist in making a remarkable break with the recent past.

ABOUT THE AUTHOR

Chris Newsom is an adviser on strategy and research for Stakeholder Democracy Network. Working with local organizations and emphasizing community empowerment, SDN is a young nonprofit organization that seeks to improve leverage and human rights standards for communities affected by the extractive industries in the Niger Delta, Nigeria. It focuses on research, analysis, and capacity building.

The author would like to thank Aaron Sayne for his energetic editing and shaping skills. A far longer list of civil society counterparts and colleagues deserves thanks for their willingness to spend breakfasts, evenings, and weekends discussing the challenges of the Niger Delta. Thanks also go to colleagues at SDN and all those at USIP who have been very patient and supportive with the formulation of this paper.

© 2011 by the United States Institute of Peace.
All rights reserved.

SPECIAL REPORT 271

JUNE 2011

CONTENTS

Recommendations for Future Engagement 2
Conclusion 16

Chris Newsom

Conflict in the Niger Delta

More Than a Local Affair

Summary

- Neither Nigeria nor foreign donors are investing enough to end violent conflict in the Niger Delta. While Nigerian officials opt to buy short-term cease-fires, such as the 2009 amnesty process, other governments spend too little in money and manpower to grow local civil society, engage core conflict issues, or adequately understand the region's problems.
- All parties likewise fail to focus on deeper trends when planning their anticonflict strategies. This causes them to undervalue the potential costs of ongoing violence, as well as the importance of a peaceful Niger Delta to Nigeria's economic development and global energy security. A tragedy of the commons results.
- The situation in the delta remains fragile and will likely return either to intermittent conflict or full-blown insurgency within six to eighteen months if a "business as usual" approach is taken to interventions. The amnesty process opened a door for stabilization but did not reduce the long-term potential for violence or deal with root conflict issues.
- Governance is both at the heart of the conflict and the best place to seek solutions. To best help catalyze peace in the region, donors should invest heavily in democratization and learn lessons from a decade of setbacks and poor investment choices.
- International support for governance reform in the delta must start at the grass roots. The key is to lay a foundation to support and argue for better government practices higher up. Civil society is already having some success promoting accountability at the community level. Obstacles are high and progress is slow, making longer commitments from donors a must.
- Reformers in the Niger Delta also have operated too much in isolation. Local and international actors need a multilateral strategy allowing them to combine levers and use each other's momentum. They must ground this strategy in deeper analysis of the region's problems and a unified theory of change.

ABOUT THE INSTITUTE

The United States Institute of Peace is an independent, nonpartisan institution established and funded by Congress. Its goals are to help prevent and resolve violent conflicts, promote postconflict peacebuilding, and increase conflict management tools, capacity, and intellectual capital worldwide. The Institute does this by empowering others with knowledge, skills, and resources, as well as by its direct involvement in conflict zones around the globe.

BOARD OF DIRECTORS

J. Robinson West (Chair), Chairman, PFC Energy, Washington, D.C. • **George E. Moose** (Vice Chairman), Adjunct Professor of Practice, The George Washington University, Washington, D.C. • **Anne H. Cahn**, Former Scholar in Residence, American University, Washington, D.C. • **Chester A. Crocker**, James R. Schlesinger Professor of Strategic Studies, School of Foreign Service, Georgetown University, Washington, D.C. • **Kerry Kennedy**, President, Robert F. Kennedy Center for Justice and Human Rights, Washington, D.C. • **Ikram U. Khan**, President, Quality Care Consultants, LLC., Las Vegas, NV • **Stephen D. Krasner**, Graham H. Stuart Professor of International Relations at Stanford University • **Jeremy A. Rabkin**, Professor of Law, George Mason University, Fairfax, VA • **Judy Van Rest**, Executive Vice President, International Republican Institute, Washington, D.C. • **Nancy Zirkin**, Executive Vice President, Leadership Conference on Civil Rights, Washington, D.C.

MEMBERS EX OFFICIO

Michael H. Posner, Assistant Secretary of State for Democracy, Human Rights, and Labor • **James N. Miller**, Principal Deputy Under Secretary of Defense for Policy • **Ann E. Rondeau**, Vice Admiral, U.S. Navy; President, National Defense University • **Richard H. Solomon**, President, United States Institute of Peace (nonvoting)

The views expressed in this report do not necessarily reflect the views of the United States Institute of Peace, which does not advocate specific policy positions.

To request permission to photocopy or reprint materials, e-mail: permissions@usip.org

- Donors should also complement their support of governance reform in the delta with funding for innovative local development work. Ideas and best practices should be sought from other countries, with flexibility for keying in to promising government initiatives.

Starting in mid-2009, the international community watched as the Niger Delta took a break from violence. The decision to cease hostilities was shared. Militia leaders were taken aback by government raids on the camp of Tompolo, a powerful rebel commander.¹ The Nigerian government was losing billions of dollars in oil revenues to militia attacks.² Community sympathies for militancy were waning as battle fatigue and the costs of conflict grew. By October, most of the major militia leaders accepted an amnesty offered by the federal government, which guaranteed fighters freedom from prosecution and a disarmament, demobilization, and reintegration (DDR) process with monthly stipend payments.³

Soon, however, it seemed all was not well. The personal involvement of then president Umaru Musa Yar'adua gave the process an early boost, but political attention to the amnesty dropped off significantly and was dealt a further blow after illness took the president to Saudi Arabia for treatment.⁴ In the six-month political crisis caused by his absence, progress largely stalled. A presidential amnesty committee was constituted, but it accomplished little beyond establishing procedures to pay 20,192 registered former militants their monthly stipends of \$430.⁵

In one of his first speeches after taking office in May 2010 following Yar'adua's death, President Goodluck Jonathan named the strife in the Niger Delta as one of his administration's three top priorities.⁶ A new amnesty coordinator, Timi Alaibe,⁷ was appointed and eventually set up a camp offering two weeks of militant "reorientation training" conducted by a U.S. organization and a Nigerian partner nongovernmental organization (NGO).⁸ Alaibe has claimed "graduates" will be matched to suitable further study and jobs, but evidence of this is slight so far.⁹ Attacks on oil installations dropped close to zero after the 2009 amnesty was announced, and somewhat normalized economic activity resumed in the delta. Yet the government still has not produced a credible work plan to address the many complex and holistic issues of demobilization and development needed to achieve peace. Few practitioners would defend a two-week course as likely to reorient armed group members, particularly if follow-up remains in doubt. And apart from early token handovers, there has been no serious effort at disarmament, nor any real acceptance that militias have handed in a significant portion of their arsenals.

Since 2009 the chances for converting the amnesty into something more than a temporary cease-fire have largely eroded. The kidnapping industry in the delta persists, with a broadening of targets crossing new social and geographic divides on a monthly basis.¹⁰ An uptick in sea piracy since August 2010 and a series of armed raids on offshore oil platforms in November 2010 suggest some armed groups feel it is time to return to their previous activities.¹¹ Incentives for violence in the region have not changed fundamentally, and profitable pursuits such as crude oil theft have not dried up. Mounting rumors talk of a large arms buildup like those seen ahead of the 2003 and 2007 elections, even as, starting in late summer 2010, elections have drawn political attention away from the Niger Delta yet again (though the October 1 car bombings in Abuja forced a brief return to the limelight). Most signs suggest a fresh crop of militants are likely to emerge within the next twelve months to demand their share of the resources being tapped from the region—unsurprisingly, when the amnesty process has not addressed root conflict issues or the region's persisting economy of violence.

The international community has found it difficult to key into the sketchily defined amnesty process effectively. Several of Nigeria's strategic partners made appropriately cautious early offers of technical assistance, such as with the DDR process. Diplomatic actors also

genuinely tried to understand the amnesty's evolving actors and dynamics, though many had complicated briefs that limited the time they could spend on them. But when the Nigerian government rejected outside help, international engagement on the delta was left struggling. To their credit, foreign governments have so far refused to back the amnesty with blank checks; limited support remains open through the United Nations Development Programme (UNDP). Yet there may not be much for them to do until greater political will emerges, which has led some to adopt a wait-and-see approach, effectively treating the amnesty as reason to keep their distance from the delta. As the amnesty appears to be slowly deteriorating, the challenge for international actors is to make plans for two distinct scenarios: a late recourse to action by the Nigerian government or another surge in violence, probably within six to eighteen months, which must be navigated and followed by the next opportunity for a lasting peace. The April 2011 elections also presented something of a wild card.¹²

Recommendations for Future Engagement

The following seven points are offered to stimulate conversation about international support for anticonflict and broader reform work in the Niger Delta. They are not put forward to draw a comprehensive roadmap or strategy, but to highlight lessons learned from the limited interventions of recent years in stabilization and development assistance, suggesting key points for a more viable way ahead.

Diplomats and donor personnel with experience in the delta may bristle at the idea of an increased international role. For years the Olusegun Obasanjo, Yar'adua, and Jonathan administrations have responded to countless outside offers of assistance with indifference and even stiff resistance. It is not hard to imagine why: Issues of security and stability in the Niger Delta quickly run into thorny questions of sovereignty and vested interests. Nigerian reluctance to allow international support for stabilization, conflict, and governance work in the region is not likely to change swiftly, and this will continue to limit the possible scope of interventions. However, the potential long-term gains from greater investment, together with the costs of inaction, are too high for the international community not to operate more robustly in the space allowed.

Many of the points apply even to the spending of oil companies operating in the delta. Although at least some of the recommended steps are inappropriate—supporting democratization, for instance, or funding local civil society—the low return on investments in stabilization the oil majors have seen to date suggests a desperate need for new ideas and strategies.

Focus on Long-Term Trends and Priorities

Too often, outsiders to the Niger Delta focus on cyclical manifestations of area conflict rather than deeper trends. Since the return of democracy in 1999, the basic cycle of violence in the delta has become loosely tied to the electoral cycle, with the worst outbreaks starting in the months after polls close. Around both the 2003 and 2007 Nigerian elections, the mechanics of violence moved through several discrete phases. Political actors recruited and armed youths in the months before elections. On election day, youths used violence and intimidation to influence the results. Some youths emerged as militants within six to twelve months of polls, and thereafter, new militant violence began to affect oil production, capturing fresh political attention for the delta. A cease-fire or amnesty was declared, typically holding for six to eighteen months. Afterward, political attention drifted, and patronage and corruption eroded short-term gains until elections loomed and the cycle reset itself.

The violence, however, has deepened with each cycle—a trend that the Nigerian government and international actors tend to undervalue. Acquiring new hardware and modes of

As the amnesty appears to be slowly deteriorating, the challenge for international actors is to make plans for . . . a late recourse to action by the Nigerian government or another surge in violence.

attack, militants have been able to cause more damage than before, only to find that new levels of destruction are required each time they move to leverage government attention. In 2004, clashes between militant leader Asari Dokubo and the Rivers State government or proxy militias spanned communities south of Port Harcourt. Groups of five to twenty people armed with AK-47s, dynamite, and small arms carried out the attacks, with spectacular effect on confidence in the region but limited effect on overall day-to-day production. Most attacks deferred less than 25,000 barrels a day of production. In 2005, assaults on oil pipelines intensified. The effect on production again was limited, but the shock factor added several dollars to the global price of oil. Oil companies scaled up security and withdrew nonessential staff as the number of kidnappings grew. In 2007, postelection raids on Port Harcourt by competing militias were repelled by security forces using helicopter gunships inside the city. Regular oil production fell by 500,000 barrels per day or more. In 2008, fresh clashes across Delta, Rivers, and Bayelsa states slashed production to 1.2 million barrels per day from an average of about 2.2 million barrels in the months before the conflict.¹³ Several days of airborne bombardment and gunfire exchanges on waterways destroyed the camp of Tompolo, a leading militant, and emptied surrounding areas. By then, it was routine for militants to use rocket-propelled grenades, heavy-caliber weapons, helicopter gunships, and armored personnel carriers. In 2010, a double car bombing on October 1 in Abuja marked the second time attacks occurred outside the region, following a raid on oil facilities in Lagos in 2009. Militant clashes recurred briefly in the delta, but threats of further action subsided.

The relatively limited losses in life and oil infrastructure to date reflect militants' assessments that incidents should remain within what appear to be the acceptable bounds of an established economy of violence. In their attacks, the militants intend to command attention and extort goods from government, not cause long-term material damage.¹⁴ Five years of multiple attacks on installations, pipelines, and staff have destroyed only a single flow station. Less than half a dozen foreigners have died in more than 350 expatriate kidnappings,¹⁵ each accidentally. There are more than 7,000 kilometers of largely unguarded pipelines in the delta, and nearly the entire Nigerian onshore oil industry could be stopped by bombing five key points. This has not happened, however; and militia leaders are seeking to maximize an incident's ability to extract leverage while keeping any damage at levels that will not attract brute-force reprisals from oil-company security and government forces.

That said, all signs suggest that the stability gained through the 2009 amnesty is now eroding in line with past cycles—which, given the increase in violence with each election, is cause for concern. In more than one Niger Delta state, the cycle now sits between the first and second phases. In other states, actors may be attempting a hesitant break with the past. Focal points and hot spots may have shifted from past election cycles, but the basic mix of political and rent-seeking violence remains the same. Once again attention also seems to have drifted away from the region, as political actors have developed an unsettling confidence that militants can be bought off or suppressed if their activities become too costly. The precise outlets for renewed violence are not easy to predict, but preparations seem to be well under way.

In planning its response, the international community must look beneath the cycles to the deeper trends and issues that fuel the Niger Delta conflict. There is a need for conflict resolution and mediation interventions by organizations with sufficient capacity and local knowledge to respond effectively to immediate crises, but it is crucial that such conflict Band-Aids are secondary to a more sustained intervention. Through all the surface chaos and cease-fires of recent years, there has been no real change in what drives violence across the region. Culprits include resource issues, such as local control over a share of oil and gas income; corruption and institutionalized patronage that effectively block development gains; multiple political drivers, including the use of violence by political actors; the established political

Focal points and hot spots may have shifted . . . but the basic mix of political and rent-seeking violence remains the same.

economy of violence as well as criminal economies, primarily crude oil theft; environmental damage from industry and oil spills; failure or neglect of local economies and infrastructure; a culture of impunity, particularly for political and militant actors; lack of representative and accountable government; and poor government service delivery. Donor programs and initiatives must engage with this deeper bedrock of issues—particularly governance and economy of violence issues—to help bring long-term peace to the Niger Delta.

Invest More and More Wisely in Governance Programming

Analyses of the Niger Delta conflict increasingly and correctly see governance as both at the heart of the problem and the place to seek solutions.¹⁶ Service delivery across the region is appalling and heavily compromised by patronage and corruption. Nigeria has drawn more than \$400 billion in oil revenues from the delta since independence, around \$200 billion in the last decade alone. State governments are the main parties responsible for providing public services, and in the delta their resources are substantial, comparable to the national-level budgets of other developing countries. Annual budgets in the four main oil producing states of Bayelsa, Rivers, Akwa-Ibom, and Delta total \$7 billion, roughly Ghana's federal budget.¹⁷ However, though statistics are unreliable, there is consensus that around 51 percent of the Niger Delta's people still live on \$2 or less a day, only 49 percent have access to safe drinking water, there is one secondary school for every 14,679 children, and one child in five dies before his/her fifth birthday. When a UN-commissioned survey asked residents what they most disliked about the region, poor leadership, poor governance, and corruption were the top answers.¹⁸ All the main drivers of conflict listed previously have poor leadership practices more or less at their core.

The case for investment in governance reform has its caveats. The governance problems in the Niger Delta are partly symptomatic of a massive patronage economy that safeguards the dominance of existing Nigerian political elites in and outside of the delta. The very limited effect of technical transparency initiatives of the last decade should be instructive. It is vital to understand the scale of the various political economies at stake as well as the need for combined levers to bring about change, and to keep the bigger picture of economic interests in view at all times.

Seeing the True Scale of Costs and Opportunities The 2009 amnesty is only the latest instance of Nigerian and international actors treating conflict in the Niger Delta as a periodic regional headache rather than a serious threat to national and regional interests. In doing so, they systematically undervalue both the costs of inaction and the long-term benefits of peace. Regarding costs, on the Nigerian side, we project three basic scenarios for the most direct effect on oil production. In a low-intensity conflict, the effect and number of militias is relatively small, but attacks on trunk pipelines such as Nembe-Bonny or Trans Niger keep around 500,000 barrels per day out of production. This results in \$9.1 billion per year lost. In medium-level clashes, an increasing number of militias, occasional systematic attacks, and possible high-effect incidents keep an average of 1 million barrels per day out of production—roughly the situation for much of 2008 and 2009. This results in \$18 billion lost yearly. Finally, in a high-cost escalation scenario, the worst losses experienced in 2008 and 2009 are replicated and sustained over a long period, resulting in 1.4 million barrels per day, or \$34 billion per year, lost. These projections only count the immediate economic losses from decreased petroleum earnings. The full toll of deepening conflict on locals and Nigerians as a whole would be far greater in social, economic, and political terms, and the widening economic gap between another decade of conflict and one where Nigeria begins to stabilize its oil production will inevitably be measured in hundreds of billions of dollars in revenue.¹⁹

By focusing on short-term prevention or stabilization strategies, government officials and donors routinely undervalue how more visionary interventions could yield dividends well above any costs.

Opportunity is the other side of the coin. By focusing on short-term prevention or stabilization strategies, government officials and donors routinely undervalue how more visionary interventions could yield dividends well above any costs. They also fail to see how oil revenues are central to Nigeria's future economic development. Furthermore, better governance reduces capital flight from corruption and waste. As one recent report by Stakeholder Democracy Network (SDN) noted, "the Akwa Ibom State budget for 2010 is 289 billion naira (\$1.93 billion). A 10 percent reduction in corruption and inefficiency losses could deliver almost \$200 million in direct gains to the people of this state alone."²⁰ There is no other part of the economy where even moderate change from the status quo would have as much effect. There is likewise no other region in Nigeria where long-term peace would bring comparable rewards. After projecting losses forward over five years, the math in favor of investing in Niger Delta peace starts to look quite simple. A low-level intervention to improve governance that adds just 500,000 barrels per day in oil production compared to what would otherwise be the status quo could result in \$45 billion extra in funds for developing Nigeria. It is worth remembering here that despite its potential for oil production at over 3 million barrels per day, Nigerian production has stubbornly hovered between 2 and 2.5 million barrels for almost a decade. A medium-level intervention could create \$90 billion in extra development funds; a high-level intervention, \$150 billion extra. Inside Nigeria, such revenue could fuel critical changes in infrastructure—power-sector reform, for instance—or other basic social services. Better governance practices would also directly reduce capital loss from corruption and waste; given widespread corruption and patronage spending, the federal government is already running significant domestic deficits to achieve even the present levels of intervention across the country.²¹

However, transformative agendas would likely cost many times more than Nigeria could safely borrow, and these and other potential costs must be understood fully outside Nigeria. Violence in the Niger Delta routinely becomes a headline justification for spiking global oil prices when there is already upward pressure on markets. Nigeria is also fond of reminding the United States and others of the burden it shoulders for African peacekeeping. Officials claim national peacekeeping efforts in Liberia, Sierra Leone, Sudan, and other places have cost as much as \$10 billion and the lives of 2,000 soldiers in recent years. If the Nigerian military were forced to withdraw from Africa's various war fronts to address a worsening situation at home, the costs to the United States and other nations of stepping into the breach could be considerably higher. Further conflict in the delta could coincide with fragile economic recoveries and increasing global demand, once again creating disproportionate negative global effects.

A Tragedy of the Commons If peace in the Niger Delta promises such high returns, why is government and international investment so weak? For one view, consider the economic problem of the tragedy of the commons, first formulated in 1968, in which multiple parties enjoy the use of a limited resource—a shared forest, for instance. Acting solely in their own self-interest and in service of short-term goals, each decides to quickly deplete the resource even though a mixture of consumption and preservation would yield greater long-term gains. This inefficient use persists until there is either a widespread collapse or actors with sufficient leverage intervene to place shared strategic priorities over immediate selfish interests.

The amounts that Nigerian government or oil companies spend in the delta are not trifling. At the federal level, the postamnesty process is already set to consume at least \$400 million.²² Meanwhile the Niger Delta Development Commission (NDDC) expects to receive \$1.6 billion in 2010—an 80 percent increase over 2009—and the 2011 budget ceiling for the Federal Ministry of Niger Delta Affairs, \$472 million, is the nation's fifth highest, higher than the ceilings for the ministries of health, water, agriculture, or defense, and half

the size of the Ministry of Works. Over the last decade oil companies have also sought to fend off tensions with communities through increasing levels of direct community development and security spending, perhaps as much as \$500 million per year.²³

The main problem is extraordinarily poor expenditure quality. Development spending by all parties remains extraordinarily geared toward short-term goals, such as reinforcing patronage channels, increasing political leverage, or ensuring steady oil production. Immediate interests remain narrow and selfish; the outside limit for most planning and management decisions is two to four years, with larger strategic costs largely ignored. A Shell manager facing extortionate local demands at a facility in the western delta, for instance, has little incentive to consider the broader needs of the region. An NDDC director is not rewarded for awarding quality contracts instead of those that satisfy patronage demands. These practices encourage fundamental design flaws and confusion about what spending actually yields. Moreover, using cash and contracts to placate the violence becomes a self-defeating trap: Any deviation in patronage risks punitive actions, and appetites only grow over time.

The incredibly entrenched and lucrative economy of violence in the region keeps attentions even more focused on the short term. Although the costs of conflict in the region are numerous and have not been fully captured by any single recent public document, there are indications of direct costs that are believed to still apply, despite this being labeled a postconflict period. Combined budget allocations for security in oil-producing states now exceed \$160 million per year. Likewise, the extraordinary price for oil companies operating in the Niger Delta can be highlighted by some common individual direct costs. Levies or bribes imposed on commercial vehicles, taxies, local suppliers of goods, and boats at police or other check points come to between 75 cents and \$3 per journey. A two-vehicle escort with soldiers or police costs \$700 to \$3,500 per day. A round-trip escort from the Port Harcourt airport to a hotel in secure vehicle with soldiers costs \$18,000. Use of helicopters for security reasons costs at least \$4,000 per hour. Companies pay \$500 to \$5,000 per day to protection rackets and militant groups solely for permission to do business.²⁴ All parties suffer the consequences of violence, waste, and breakdowns in social cohesion.

Donors and foreign governments have been largely passive and secondary in the tragedy. For too long the international community accepted government and corporate assurances that problems were being addressed, even when they knew better. Desires to operate freely in country and wishes for a stable-looking oil-producing partner in the Gulf of Guinea argued for relatively quiet diplomatic engagement in the face of quite outrageous behavior on the Nigerian side. At the same time, many relied on the economy of violence to keep conflict patterns in check, believing that the system would reset itself should conflict stray outside the bounds of shared elite interests. Lack of institutional memory has also fed into a weak international response.

Although the Niger Delta could still collapse in systematic failure, some intermittent signs suggest attitudes are changing. Key diplomatic and industry actors increasingly acknowledge the severe consequences of area conflict. Several oil companies are now investing substantial resources in improving their engagement with communities, whether on development or governance activities. Chevron's five-year, \$50 million Niger Delta Partnership Initiative is a notable example and will be a key test of whether heeding lessons from the recent past can yield better outcomes; at the time of writing, the US Agency for International Development (USAID) is also entering into a memorandum of understanding (MoU) to support the project.²⁵ The companies increasingly understand and acknowledge they are part of the Niger Delta conflict landscape, and that even partially successful reform would ultimately prove cheaper than the ever-escalating costs in security and payoffs associated with continued violence. Still, their local interventions need greater integrity, innovation,

and freedom from corruption and patronizing violent actors—as in the offering of lucrative security contracts to militia leaders.

The amnesty as a program also suffers from short-sighted planning and patronage contracting, but the evolving investment of over \$400 million, in stark contrast to the near-zero follow up of past cease-fires, demonstrates an emerging awareness that massive strategic gains can follow from stabilizing oil production. The challenge for the international community is to capitalize on any gains in shared understanding and will, preferably before the Niger Delta enters another cycle of violence.

Spending More, and More Wisely Although donor analyses of the Niger Delta crisis regularly echo those that view governance issues as key, investment in governance and conflict initiatives remains extraordinarily low, and the experience of the last decade suggests that simply increasing cash flows to the region solves few problems. During the 2000s, levels of violence and state revenues from oil actually rose across the delta in near-parallel formation. The way to ensure that greater oil revenues lead toward peace is to back them with governance measures that allow local economies and service delivery to improve. SDN and other organizations emphasize the importance of governance to produce genuine service changes and grassroots effects ahead of those tilted toward technical and paper compliance, which governments and agencies are increasingly adept at subverting. More government spending without reform will only further entrench patronage, corruption, and violence.²⁶ In a business-as-usual scenario, with oil prices holding in the \$70 to \$80 per barrel range, continuing piracy and militancy causes unpredictable disruption. Major international oil companies limit their exposure, meaning that oil and gas industry maintenance and investment are held back. Production stalls at between 1.6 million and 2 million barrels per day, leading to gross government revenue of \$41 to \$58 billion. In a reform and growth scenario, in which international oil prices hold their present level at \$90 or higher, improved governance and reduced militant activity leads to renewed investment. Development interventions finally set a positive trajectory, and the increased revenue drives economic growth. Production reaches 3 million barrels per day and the role of gas increases markedly. Gross headline government revenue increases to \$98 billion or more.²⁷

At present there are three major Western development spenders in Nigeria, with annual spending led by the United States (\$380 million), the European Union (\$148 million), and the United Kingdom (\$206 million).²⁸ Although their investments, specifically in the delta, are not always clear from national-level figures, levels of direct funding in 2009—which appear to be consistent with published data and projects known to be active within the region—are fairly low. The United States had one conflict project of less than \$5 million that closed in 2010.²⁹ The United Kingdom was spending under \$3 million per year on the conflict, mostly through one project.³⁰ The European Union was spending \$20 million per annum on a nine-state microproject strategy, with its present primary investment in the relatively calm Cross River State.³¹

Manpower and attention are also perennially in short supply. Not one donor has a conflict, development, or governance expert working full time on the Niger Delta. Most major embassies have a political attaché with a part-time brief on the Niger Delta, and the few who have anything approaching a full-time brief are charged with an array of security, economic, consular, and diplomatic responsibilities. The rotations of all keep them focused on the region for no more than two years.³² Many visit the oil-producing areas only once in a rotation, if at all. Most embassies impose extreme security protocols on staff or consultants travelling to the delta. In some cases a lone traveler must be shepherded by bulletproof, multicar armored motorcades and more than a half dozen armed guards. As a result, it seems no member of the UK Department for International Development or USAID staff has visited the main oil-producing states in the past two years.

More government spending without reform will only further entrench patronage, corruption, and violence.

The precautions even to visiting effectively cut off the region from direct international view. The Niger Delta's high state budgets, obvious corruption risks, and uncertain partners also convince some donors to spend their money elsewhere in Nigeria, where safety and deliverables appear to be safer bets. The experience of the past two decades and the logic of conflicting interests among politicians, oil companies, and government agencies, all of which have problems with corruption, suggest that establishing common ground on strategic goals for governance and development will not be easy.

That said, at the time of writing, there are signs that several major donors are preparing to move projects into the Niger Delta with investments that could reach \$50 million per year in the short to medium term. If that were to occur, it would mark a significant change to the pattern outlined above. However, the appetite for supporting difficult grassroots governance work is unclear, and the lessons from the limited engagement of the past decade will become even more important. The need for effective leverage of donor funds—which are much less influential than in poorer regions or countries—is highlighted by the scale of state government budgets and the patronage systems that hold the development of the region in check: \$50 million is around 1 percent of the 2010 budget of the Rivers State government, and it is still less than the \$60 million that Shell routinely claims to spend annually on development in the region.³³

After a decade of extraordinarily poor returns on development spending by all actors it is crucial that donors get the mix of investment right. Investing in civil society needs to evolve into a medium- to long-term part of an overall strategy that will allow it to develop its role within a complicated and often hostile environment. Some of the best opportunities for engagement lie in the most neglected areas: the real sectors of agriculture, forests, and fisheries. Obvious economic opportunities, such as developing the power sector, could deliver benefits to all levels of the local economy even in circumstances where efforts to reform governance and development are struggling. Robust and detailed baselines of actual conditions in rural communities are desperately needed, both to understand pressing needs better and to measure the real effects of interventions. Short-term setbacks are highly likely: With interventions starting at a point where further instability is predicted, they need to be able to survive outbreaks of conflict and insecurity and make the most of periods of calm.

Patronage Rules The influence of patronage on the political economy, private sector, and communities in the Niger Delta is overwhelming. Patronage is deeply entrenched, and systemic reform efforts that fail to understand its grip risk becoming ineffective. Patronage systems have also proven to be resilient adaptors to new technical measures that promote better governance. Outside actors should seek to better understand the nature of the challenge they hope to reform. Shifting emphasis from due process controls to the quality of actual services in health, education, and power and their viability would seem crucial. This shift does not suggest abandoning appropriate transparency measures, but instead ensuring that they are kept in the context of assessing the quality of the real services and outputs that are delivered.

Four years after the Human Rights Watch exposé on Rivers State, money still flows out the front door.³⁴ The transport budget for the governor's office has been trimmed from \$60,000 to \$40,000 per day, but few would measure this as a victory for reform.³⁵ As pressure has continued for due-process standards, the patronage system has adapted toward gross contract inflation, the subversion of tender processes, and insider dealing on public-private partnerships. The most striking examples of the new methods of paper compliance that overlay continuing extraordinary patronage can be found at the NDDC, but anecdotal indications are that the sophisticated perversion of contracting processes has been a feature of local contracts from oil companies for more than a decade.³⁶

With such persistent features of corruption, it is tempting to write off political actors in the Niger Delta as incorrigible. However, the story of Rivers State is instructive. After arriving in office through a complicated political battle that included his own prosecution for complicity in corruption, Governor Rotimi Amaechi spent heavily on roads, schools, and health centers while still leaving the door open for the significant patronage channels mentioned above. The question has become whether infrastructure can be correctly matched to services needed in communities, especially as the state government is tacitly admitting it has deployed a great deal of infrastructure with only limited staff and finances to sustain them. The Rivers State government is somewhat belatedly raising a levy³⁷ (states cannot officially raise taxes) to deal with the perennial problem of state investment, that is, the actual sustainability of some services after the bricks and mortars are delivered.

Make Democratization a Priority

Lack of democratization in Nigeria . . . has crippled even nascent efforts at reform, and the resulting social, economic, and political stagnation relates directly to the rising trend of violence.

The Missing Lever Democratization is the process of strengthening the public's participation in governance so that policies better match the people's wishes. This requires improved accountability and transparency. Since the return of civilian rule in 1999, lack of democratization in Nigeria, particularly in the oil-producing states, has crippled even nascent efforts at reform, and the resulting social, economic, and political stagnation relates directly to the rising trend of violence. Boosting accountability would weaken key conflict drivers, including elite corruption, the predominant use of violence to extract resources and leverage, and the culture of impunity. It would also increase opportunities for airing grievances peacefully, weakening the need and perceived social legitimacy of a resort to violence.

Potential gains aside, so far the international community has invested very few resources in democratizing the Niger Delta. Donors seem not to realize the full effects of democracy in the region collapsing more comprehensively—and for longer—than anywhere else in Nigeria, and the role of democratization as a lever for boosting accountability remains underexamined. Ironically, bad government is partly to blame. The disastrous rigging of the 2003 and 2007 elections, together with perceived lack of political will at the federal level, led to a gradual loss of faith in any improvement in the link between political office and a democratic mandate originating with local communities.

Every four years lip service is paid to the importance of free, fair, and credible elections in the delta, but then the expected poor results quickly drive donors' attention away from possible deeper engagement. Be it pragmatic or pessimistic, this international investment freeze has been dangerously shortsighted. Research has shown that requiring elections in low-income countries like Nigeria without fostering accountability tends to increase political violence and slow economic development.

The 2011 Elections and Beyond The grim state of electoral politics in the Niger Delta cannot be denied. Rigging, coercion, and fraud in the last three elections were so bad that the public has no recent experience of participating in a free vote at any level. High-stakes intimidation, corruption, and cooption have nearly wiped out any notion of credible independent opposition to the ruling People's Democratic Party (PDP). Time and much improved conditions will be needed before anything like stable opposition politics can emerge.

The 2011 elections were too close in time to expect abrupt changes at the local level. Moreover, because Nigeria's electoral system has been manipulated from the top down for more than two decades, the actions of the presidency go the farthest in determining how far the polls help democratize the delta. If genuine, President Jonathan's promises of electoral reform could yield real democratic dividends.³⁸ By appointing new leadership of the Independent Nigerian Electoral Commission (INEC) and backing it with adequate funds, the president opened the door to moderate gains in 2011 and possibly more substantial ones by

2015. The real test of the president's commitment will come in how security forces and his own party conduct themselves after a tense election that bears more resemblance to the standoffs of 2003 than the whitewash of 2007.

INEC reforms and improvements of the security of polls may have brought a significant turnout of voters who had the novel experience of seeing a significant proportion of their votes counted and reflected in results. This outcome will be more likely in some Niger Delta states than others, with a rerun governorship election highlighting both the potential and the tensions. In Delta State the ruling PDP lost eleven of twenty-five local government areas in an election, an unprecedented setback. In some areas, rural turnouts that effectively rescued the governor were at best implausible. But the election was noted for the commitment of voters who overcame technical problems to make their vote, and despite the cloudy outcome, a number of communities and the leading opposition candidate reported a first-time experience of being able to vote freely and see their contribution counted.³⁹ The shared experience of a freer, fairer election will create pressure from the grass roots for more participatory governance of community-level institutions. Given that both donors and the Nigerian government are increasingly looking to such institutions as development hubs, the positive effects for conflict of more accountable and transparent leadership there should be clear.

Civil society groups need to engage more positively with electoral institutions to see whether together they can move toward freer, fairer polls. Delta-based NGOs and other community groups should support INEC's work by reporting abuses and signs of progress.⁴⁰ Broad-based cooperation with monitoring on polling days is also crucial. Neither INEC nor civil society is strong enough to overcome entrenched electoral abuse alone, but a solid start in some areas will help lay the foundations for sustained progress. Finally, civil society and the donor community should make immediate strategic choices about where they can offer the most help. Now is the time for donors to create strategies that offer a clear path to building on gains without shying away from the need to support far greater accountability for the abuse and human rights violations that remain a significant risk associated with the polls.

Closing the Accountability Gap Niger Delta civil society will continue to struggle with leaders who are nominally elected but primarily concerned with rewarding the political bosses and networks that secured their places in office. At the federal level, numerous shallow efforts at reform have run up against deeper resistance: A freedom of information act has been stalled in the national assembly for years and the prevailing culture of impunity means that the risk of prosecution for in-office misconduct is low. In 2006, the Economic and Financial Crimes Commission, Nigeria's top anticorruption body, accused seven of the delta's nine then-sitting governors of grand corruption. Although five were eventually arrested or charged, only one conviction resulted. British officials are now doggedly pursuing another of the accused, former Delta State governor James Ibori, on money laundering charges. Multiple close associates have already been convicted, and Ibori may soon stand trial in the United Kingdom. In even weakened democracies the electoral consequences of such public waste and theft can be severe. In Ghana and the Philippines, those caught in the most outrageous scandals have lost at the polls. Yet not once in Nigeria has a politician actually lost his ballot spot due to corruption. Similarly, many Niger Delta politicians with terrible records of violence and other human rights abuses remain at large and in power.

Viewed at the state level, the situation can seem David and Goliath-like. Corruption within the states is widely perceived to be among the nation's worst; perhaps not coincidentally, the purchasing power of state governments is tremendous. For years Rivers State's spending on its annual Christmas party and associated gifts has topped the combined

budget of delta-based human rights organizations. State officials also regularly treat outside efforts to monitor their conduct with complete indifference. International NGOs have produced devastating accounts of state-level corruption and waste in the delta, but all have generated little beyond a short-term media stir.⁴¹ Likewise, efforts by local NGOs—the Rivers-based Social Action or the STAND⁴² project—that have led to revelations of shocking graft and misuse of funds have been met with government inaction.

Yet even with limited attention and resources, there has been progress. STAND has helped a small number of communities lobby successfully for improvements in health and education. Meanwhile several state governments are improving their spending in ways that could prove crucial to preventing or shortening another round of conflict. Akwa-Ibom and Rivers states have invested heavily in infrastructure over the past three years.⁴³ Much of the outlay has focused on roads and services in the capital cities, but significant health and education rebuilding has reached some rural areas. There are direct links between these gains and growing levels of diplomatic, federal, and popular pressure on government in both states. Relations between government and some communities have improved noticeably as a result.

At least one Niger Delta state is also showing increased willingness to levy taxes. It seems officials have become less comfortable relying on federal allocations of oil money, which in the past made up 80 to 90 percent of their revenue bases. Rivers is projecting 2010 tax receipts of \$513 million, or 18 percent of the total budget, and has announced a 3 percent levy on residents' incomes to help cover health and education services. Although modest and still little understood, such measures could open the door to greater questioning of public spending. Some local responses to the Rivers tax announcement have been surprisingly positive.⁴⁴

To best catalyze long-term peace in the Niger Delta, the international community must invest significantly in carefully designed democratization work as part of progovernance programming. Donors should prioritize programs that build local and international capacities to investigate and campaign for redress for human rights violations, poor service delivery and abuse of state funds, corruption, weak service delivery, and better elections.

To best catalyze long-term peace in the Niger Delta, the international community must invest significantly in carefully designed democratization work as part of progovernance programming.

Encourage Local Ownership of Governance and Campaigning Processes

International support for governance reform in the Niger Delta must recognize that its sustenance relies on grassroots commitment. The key is helping to lay a foundation of institutions, skills, and community-level commitment to democracy from which responsive governance can grow. Unless these foundations for democratic accountability and resulting improvements in basic service delivery are forthcoming, the self-destructive cycle of political violence and militancy will continue to undermine reform initiatives and perpetuate the region's instability.

Empowering Communities If quality of public expenditure and service delivery are to improve in the Niger Delta, the present arbitrary, top-down mode of government development spending must shift to a model allowing locals to participate in identifying needs and priorities. In the delta the village is the crucial local entity in daily life and governance. It deserves a solid place in choosing and delivering social services, and cannot be ignored in any reform efforts. Over the past three years, Bayelsa State has signed up to a series of internationally sponsored budget and transparency exercises garnering some very positive reviews from overseas observers. The resulting reform, however, has been largely on paper only; lacking effective local oversight, the state government can champion its supposed procedural changes while spending its money elsewhere.

Too often, Niger Delta communities see themselves as having little influence over autocratic governments. Decades of conflict, oil-related corruption, and the divisive economy of violence have also broken down many village-level governance institutions. So far, however, local civil society has already helped empower some communities to advocate for better service delivery and an end to impunity. These new skills are already bearing some fruit, and donor spending should build them further. Donors can also help village-level institutions function better as defense mechanisms for communities and civil society in times of distress. Bringing more funds to the grassroots entails risks, however, as local structures must have the management and institutional capacity to handle them wisely and credibly. Even indigenous groups winning major victories have faced challenges here, whether in New Zealand, East Timor, or South Africa.

Supporting Local NGOs The most successful pro-reform efforts in the delta to date have been catalyzed by local civil society organizations enjoying some external help. Although civil society's importance to governance reform is amply demonstrated elsewhere,⁴⁵ the Niger Delta still lacks a phalanx of established human rights and governance groups with the resources, planning, and long-term security to serve their causes most effectively.

Donor spending habits carry part of the blame here. Agencies and oil companies working in the delta increasingly treat local organizations as subcontractors, implementing short-cycle programs designed in far-off offices. These programs, in turn, sometimes place bureaucratic or commercial goals, assumptions, and expectations above local needs. Similarly, the large, quick grants and contracts that investors prefer can tax local capacities to absorb funds constructively. Instead of building organizational skills, effects, or sustainability, sudden inflows of cash encourage poor planning, rent-seeking, waste, and corruption, with diminished returns in credibility and local buy-in. Skills such as legal aid, analysis, and advocacy tend to exist in pockets across organizations, all of them spreading their nets widely to survive the vagaries of donor interest.

Local NGOs and other organizations in the Niger Delta desperately need a sustained financial base and other strategic political support that allows them to plan multiyear initiatives at the village level, invest in permanent staff and infrastructure, build on gains from earlier work, and resist pressure and hostility and attacks by political elites when their work begins to be effective. Donors should take current limits in absorptive capacity as a challenge to plan better and offer more creative support, not as an excuse for inaction. They should put in place medium- to long-term funds, for which NGOs and other local groups can apply. Grants should cover overhead and other institutional development hurdles, not only project costs.

Committing for Longer and Keeping Faith Anticonflict strategies in the Niger Delta using local institutions as focal points must be backed by sufficient resources, spanning at least five to ten years. They must also enjoy enough political commitment to absorb early setbacks and successes. Having donors willing to take a longer view allows local institutions to overcome many of the systemic problems just described; short-sighted support slows progress. In democratization spending, quick-impact funds earmarked mostly for election-related activities show up as polls near, then vanish precisely when support is needed to push for deeper democratic processes and structures after the election. Whoever contributes funds should expect slow going. Drafters of any plans must be ready to start small and weather repeated trips to negotiation tables before key actors on the Nigerian side are ready to engage, a challenge familiar to the United States and Europe from conflicts elsewhere. But persistence is vital if deeper government accountability is ever to develop in the region.

Anticonflict strategies . . . using local institutions as focal points must be backed by sufficient resources . . . They must also enjoy enough political commitment to absorb early setbacks and successes.

Coordinate Efforts and Combine Levers

One of the main limits on recent governance-reform interventions in the Niger Delta is that most have operated in isolation. Efforts divide roughly into three categories. First is

government action, focusing on public or closed-door pressures from local and international corruption agencies or other government actors. Past efforts have included corruption and money laundering investigations and trials, asset seizures, travel bans, and public statements by foreign diplomats. Generally the political will for such activity has been low, and many instances are seen as politically motivated. Much high-level misconduct, such as rigging elections, has faced no censure. Second is independent public scrutiny, including research and reporting by local and international civil society, human rights groups, and the media. Key obstacles include lack of resources, access to information, and threat of intimidation or other punitive action. Third is grassroots pressure, the type of community-level actions discussed above.

The effects of all three types of action could grow exponentially if the international community, supportive government actors, and civil society combined their resources and influence as part of a coherent strategy. Civil society actors in particular need to build stronger ties to those rare reformers in government and help create political dividends for them through balanced reporting on progress as well as theft and waste. All actors in the delta likewise need a much better shared understanding of what steps the international community will take to combat corruption, oil theft, and other forms of criminality through which much of the oil profits are sent offshore. The United States has prosecuted a few individuals involved in the Halliburton Bonny liquefied natural gas bribery scandal under its Foreign Corrupt Practices Act (FCPA), but otherwise interventions remain minimal.⁴⁶ By its own terms the FCPA punishes only those who pay bribes, not those who receive them, and so far none of the Niger Delta politicians, known publicly to have considerable resources in the United States and elsewhere, have been charged with money laundering. The ongoing James Ibori trials in the United Kingdom may help change matters somewhat.

That said, the delta is already seeing examples of how overlapping pressures can accelerate change, such as the aforementioned improved performance of some state governments. Although loss of credibility with the federal government is arguably the main motivator for state governors, there was also awareness that local anger over impunity and outside knowledge of abuses were both reaching levels that made consequences unpredictable. The Niger Delta Technical Committee report is another instance of multiple levers overlapping. When President Yar'adua in late 2008 appointed a panel of mostly government officials to sift through and synthesize prior government reports on the delta, the end product was expected to be dull. Instead, committee members named civil society figures as their chair and secretary and stretched their mandate to include broad public consultations and a deeper search for innovative, meaningful recommendations.⁴⁷ The key to civil society's success in this case was quickly grasping a limited opportunity for participation in government and converting it into something more substantial.

Future scenarios and models for collaboration are many. Foreign embassies could issue travel visas for Nigerian officials only on evidence of a clean bill of conduct while in office, then maintain an open online portal where the public could post issues about official performance. Civil society could supply the portal with relevant information, both positive and negative. Donors could place fines collected from foreign corruption prosecutions—under the FCPA, for instance—into a special fund earmarked for governance and development work in the countries where offenses occurred.

Complement Governance Programming with Innovative Development Work

Currently donors understandably do very little traditional development work in the Niger Delta. Some vital lessons must be learned in the development sphere, however, if peace is to settle in the region. It is beyond the scope of this paper to delve deeply into economic

issues, but relying solely on the Nigerian government or oil companies to fix the Niger Delta's chronic underdevelopment will not suffice to end the region's cycles of violence; the overwhelming patronage and corruption associated with public spending in Nigeria means that innovation and quality in development have become largely irrelevant to key decision makers. Work on basic issues, such as health care, access to water, and education, can be years or even decades behind work seen elsewhere.

The key to unlocking innovation in Niger Delta development is similar to that of governance reform. There must be sustained support for independent, core, local-level development institutions to establish the research, pilot, and education initiatives needed for substantive changes in development practice. This does not exclude cooperation with the Nigerian federal or state governments where genuine common interest and will are there, and should include adapting best practices from other countries. In Bangladesh, which has much lower household incomes than the delta, microfinance-driven schemes have bankrolled renewable energy in over a million homes. Several Latin American and South-east Asian countries have made impressive gains in sustainable forestry. Closer to home, significant inroads have been made in Kenya and South Africa with renewable energy and education.

Donors should support innovative development work directly and focus on establishing initiatives that can inspire more work in the region. Money could be channeled into one or more special Niger Delta development funds, to which prospective recipients could apply, but it is vital that adequate measures to prevent subversion and patronage are put in place. Apart from a few staple sectors often ignored by government—fisheries, sustainable forestry, agriculture—industry or sector-based investment should only be done on the basis of serious economic analysis. Donors should also devise flexible development strategies that allow them to key into promising domestic initiatives. For instance, if seriously implemented, President Jonathan's promise of electricity reform⁴⁸ could transform the delta's local economy, as freeing large and small businesses from their dependence on costly generators would provide a major economic boost. Once again, building a foundation of innovation at the local level can gradually pressure actors higher up to see development as something more than patronage or self-enrichment.

Strengthen Analysis

Perhaps one of the most overlooked lessons of recent years is that everyone working to end conflict in the Niger Delta needs better information and understanding about the problems the region is facing. In addition to funding groups investigating and reporting on poor governance practices in the region, it is crucial that the international community both support and contribute to fresh analysis, beginning with building a better knowledge base about critical issues in the Niger Delta. Despite the long civil-society, oil-company, and donor presence in the region, concrete, usable information on poverty, the environment, the local economy, and other key development indicators remains hard to find. Such information is crucial both for assessing current efforts and planning future spending. Rigorously measuring actual levels of services and other conditions is an obvious place to start, though more credible analyses of local economies, associated opportunities, and natural resources are equally important. Lessons from the past would suggest starting with smaller surveys that can provide swifter data, rather than grand exercises that fail to capture basics.⁴⁹

A deeper understanding is also needed of the nature of the Niger Delta conflict. Violence in the region is a complicated phenomenon. Many practices, motives, and actors intermingle, and conflict histories vary widely across the region. The analysis that occurs usually takes the form of conflict reviews, which donors commission every two to four years, and

The overwhelming patronage and corruption associated with public spending in Nigeria means that innovation and quality in development have become largely irrelevant to key decision makers.

the extent to which these can explicitly discuss the Niger Delta is sometimes limited by both political considerations and limited access to the region. Security rules for many countries still prevent diplomats and agency representatives from visiting. Meanwhile, the key oil-producing states of Delta, Bayelsa, and Rivers have all varied significantly in their levels of violence over the last decade, while Akwa Ibom, with its growing offshore production, has joined the ranks of troubled states. The international community and local civil society need a greater common body of knowledge about the conflict's drivers, sparks, actors, dynamics, and trends, as well as its local versus regional features.⁵⁰

Finally, donors with vital interests and a desire to intervene should develop a realistic unified theory of change for ending delta conflict. For all the slow progress being made, as with governance work, today most parties working on conflict in the area are working in isolation, with no well-signposted roadmap for how their efforts should change or be combined. Research should draw on their experiences, and from work outside Nigeria. Relevant questions to inform the resulting theory should include what effects the present reforms at the state and local levels are having; what development processes are positively affecting conflict trends; and what attempts at working together have and have not worked, and why. Answering these questions could ultimately inform the creation of a coordinated and multilateral strategy for a coalition to support anticonflict work in the region over five to ten years.

Conclusion

Over the last decade most stakeholders effectively treated conflict in the Niger Delta as a short-term risk to be managed. The Nigerian government, the oil industry, and the international community are increasingly feeling the consequences of this approach. As the value of the delta's oil climbs, potential gains and losses have increased massively from the grass roots all the way up to global markets. While some causes of the Niger Delta conflict remain localized, the days when violence in the region could be called a local issue are long gone. It is time the international community recognizes the need to engage more fully in this region, where effects are measured in millions of people and billions of dollars, in terms of both the continuing damage from violence and the benefits that could come from ending it.

Notes

1. The clashes occurred in May 2009 when the Joint Task Force (JTF), a special military unit stationed in the delta, responded to the killing of a colonel and some soldiers operating on waterways in the Gbaramatu area of Delta State under circumstances that are still unclear. Some accounts suggested the initial clash between militants and the JTF stemmed from a falling out over benefits associated with oil theft nearby. Author conversations and interviews with local activists and researchers, 2009.
2. Energy Intelligence, a London-based trade publication, put the plausible low point of production dipping briefly to around 1.2 million barrels per day. Government data seems to concur, though politicians claimed numbers as low as 800,000 barrels per day. Assuming production stalled at 800,000 barrels per day, the gross losses before splits with companies could have been as much as \$84 million per day or \$30 billion per year, using a nominal production of 2 million barrels per day and oil at \$70 per barrel.
3. See Emma Amaize and George Onah, "Amnesty Deadline: Militants in Last Minute Rush to Surrender, *Vanguard*, October 4, 2009, <http://www.vanguardngr.com/2009/10/amnesty-deadline-militants-in-last-minute-rush-to-surrender/>.
4. When it was announced, the amnesty appeared to be a marked improvement over Yar'adua's prior attempts at handling the delta. These amounted to an aborted Niger Delta summit, failed moves to appoint a regional mediator, and the creation of a Ministry of Niger Delta Affairs with a weak budget and somewhat tired leadership.
5. The payment of allowances has been controversial from the outset, with credible allegations of corruption at multiple levels and consistent reports of militia leaders not paying onward full allowances to their followers. Protests have been frequent, including the trip to Abuja detailed in "Ex-Militants Cause Scare in Abuja Trip," *OnlineNigeria*, <http://news2.onlinenigeria.com/news/general/45131--militants-cause-scare-Abuja-trip.txt>.
6. The other two were electoral reform and improving Nigeria's electricity supply. See "The Inaugural Speech of President Ebele Goodluck Jonathan," http://wn.com/the_inaugural_speech_of_president_ebele_goodluck_jonathanwmv.
7. Alaibe had previously served as the finance director and then managing director of the Niger Delta Development Commission. He is from Bayelsa State and unsuccessfully sought the governorship there in 2007.
8. The University of Rhode Island's Center for Non-Violence and Peace Studies and the Foundation for Ethnic Harmony in Nigeria (FEHN), respectively.
9. Alaibe has sought between \$366 million and \$400 million for a program including an (unclear) menu of retraining and reorientation exercises. SDN has noted this would equate to a per capita spending of \$20,000 or more. See "FG Raises Post-Amnesty Budget," *The Nigerian Voice*, <http://www.thenigerianvoice.com/nvnews/12968/1/fg-raises-post-8211-amnesty-budget.html>.
10. Despite efforts by state governments to restrict the reporting of kidnappings by early 2010, the kidnapping of Nigerians had spread across both regional and social boundaries. Children, doctors, priests, and even actors have been targeted alongside politicians and their families, based increasingly on the sole criteria of relatives' abilities to pay ransoms that range from \$5,000 to \$1 million. Private interviews by the author suggest Abia State, just thirty minutes drive from Port Harcourt, appears to have suffered an influx of gangs who have found it temporarily more difficult to operate in neighbouring states.
11. At the time of writing, the Movement for the Emancipation of the Niger Delta had issued several statements declaring a resumption of attacks, including a warning of fresh attacks and bombings on March 13, 2011.
12. See e.g., U.S. Agency for International Development, "Politics By Other Means: Nigeria Conflict Assessment," 2010.
13. These figures are a simplification of estimates by analysts regularly contacted by the author. For official figures, see *Nigerian National Petroleum Corporation*, "Oil and Gas Statistics," <http://www.nnpcgroup.com/PublicRelations/OilandGasStatistics.aspx>.
14. There were no casualties in car bombings at Shell and Agip compounds, and militants departed from the Bonga oil platform sixty miles offshore when they were unable to gain access to control rooms without excessive force putting the platform at risk. See Nick Tattersall, "Nigeria Attack Stops Shell's Bonga Offshore Oil," *Reuters*, June 19, 2008, <http://www.reuters.com/article/2008/06/19/idUSL19612892>.
15. The tally of Nigerians killed is significantly worse, and it is telling that it is not systematically counted. Drivers and escorts of kidnap victims are frequently killed. Kidnappings of Nigerians are also underreported—although it is now obvious that the figures dwarf expatriate abductions—due to both government concerns over publicity and a lack of trust in police forces. Author interviews and conversations, 2008–10.
16. See e.g., World Bank Sustainable Development Department, Africa Region, "Republic of Nigeria: Niger Delta Social and Conflict Assessment," USAID, "Politics by Other Means."
17. Copies of recent budgets are available through Niger Delta Citizens Budget Platform, www.citizensbudget.org.
18. UNDP, *Niger Delta Human Development Report* (New York: UNDP, 2006); National Bureau of Statistics, Federal Republic of Nigeria, Social Development Indicators, 2008, <http://www.nigerianstat.gov.ng/>.
19. These are gross revenue figures by the author based on the simple mathematics of a 360-day production year. Final revenue will of course vary; Nigeria's onshore production costs reportedly vary between \$4 to \$11 per barrel, while the charges for offshore production are considerably higher. With prices for oil once again above \$100 per barrel at the time of writing, the author believes these estimates to be conservative.
20. Calculated by author in unpublished analysis of state budgets.
21. In 2010, the World Bank and others cautioned Nigeria on its rising domestic debt, which had climbed to \$26 billion by October. See "Why Nigeria's Debt is Rising," *Nigerian Tribune*, October 23, 2010.
22. Based on publicly disclosed estimates of 60 billion naira and interviews confirming these figures. See Richard Ihediwa, "N244bn N/Delta Budget Dwarfs Power Sector's," *People's Daily*, March 17, 2011, <http://www.peoplesdaily-online.com/news/national-news/8557-n244bn-ndelta-budget-dwarfs-power-sectors>; Emma Ujah, Ben Agande, Patience Saghana, "Education, Defence Top FG Budget with N933b," *Vanguard*, December 21, 2010, <http://www.vanguardngr.com/2010/12/education-defence-top-fg-budget-with-n933b/>. Federal budgets can be found at Budget Office of the Federation, Federal Republic of Nigeria, www.budgetoffice.gov.ng/.
23. Niger Delta Development Commission Appropriation Bill, 2010; Federal Ministry of Finance, "2011–2013 Fiscal Strategy Paper, 2010"; Oil Producers Trade Section, Lagos Chamber of Congress, Memorandum on the Review of S.B. 236 (The Petroleum Industry Bill), unpublished, May 2009.
24. Author interviews and private conversations, 2010.

25. Chevron, "Chevron, USAID Pledge \$50 Million to Improve Living Standards in Nigeria," press release, February 21, 2011.
26. These figures are based on straightforward gross revenue calculations for 365 days by barrels of production. The production costs in Nigeria are obscure, but analysts interviewed by the author say costs range between \$4 to \$11 per barrel onshore or inshore, with offshore oil production agreements giving more back to the oil companies. Production figures are constantly controversial and the best public discussion can be found at Nigeria Extractive Industries Transparency Initiative, www.neiti.org.ng/. The numbers used in this article are intended as indicative only and do not necessarily capture growing revenue streams such as gas.
27. Simplified calculations by author.
28. Based on published headline figures of development spending in 2010 sourced from the websites of respective agencies.
29. See USAID, *Mid-Term Evaluation of the Conflict Abatement through Local Mitigation Project* (Washington, DC: USAID, 2009).
30. SDN and its partners were the beneficiaries of the largest project, budgeted at just under £1 million.
31. See European Union, "Mid Term Review of Micro-Projects Programme in the Niger Delta: Final Report," 2009.
32. The United States has one diplomatic attaché whose primary focus is the Niger Delta. Others, including civilian military liaisons, keep a part-time brief on the region.
33. See e.g., Rivers State Government, 2010 Budget, Head 409; Shell Petroleum Development Corporation, *People and the Environment* (The Hague: Shell Corporation, 2003–06).
34. Human Rights Watch, *Chop Fine: The Human Rights Impact of Local Government Corruption and Mismanagement in Rivers State, Nigeria* (New York: Human Rights Watch, 2007).
35. Human Rights Watch, *Chop Fine*; Rivers State Government, Budget.
36. Based on interviews and research by author; individuals involved do not wish to be cited because of the risk of either threats from actors or prosecution.
37. For a discussion of the levy, see "Amaechi and the Social Services Levy," *Vanguard*, September 24, 2010, <http://www.vanguardngr.com/2010/09/amaechi-and-the-social-services-levy/>.
38. See Inaugural Address by President Jonathan and www.nigeria.gov.ng/.
39. See www.nigeriafirst.org/gov_documents.shtml for policies and promises of the present administration.
40. For example, the Rivers State-based NGO Centre for Environment, Human Rights and Democracy will be issuing ongoing monitor reports with assistance from the National Democratic Institute.
41. See Human Rights Watch, *Chop Fine*.
42. Stakeholder Democracy Network, www.stakeholderdemocracy.org/stand.htm.
43. Delta State has made lesser gains in this area, while Bayelsa State has lurched through a financial crisis limiting its ability to pay even government salaries on time.
44. Rivers State Government, 2010 Budget; author interviews and conversations, 2010.
45. Good examples can be found in the Legal Aid Institute of Kenya or the Institute for Democracy South Africa.
46. See e.g., *Criminal Information, US v. Albert Stanley*, U.S. District Court, Southern District of Texas, 2008; *Indictment, US v. Jeffrey Tesler and Wojciech Chodan*, U.S. District Court, Southern District of Texas, 2009.
47. A copy of the report is at <http://www.stakeholderdemocracy.org/special-reports.htm>.
48. See www.nigeriafirst.org/gov_documents.shtml for policies and promises of the present administration.
49. The author and other civil society counterparts have real problems with official data that suggest great improvements in service delivery, which is significantly at odds with the experiences of those working in communities. These data frequently find their way into other reporting on the delta, such as the periodic development assessments by UNDP.
50. The most recent UK reviews had a consultant visit the region, while the US review relied upon visitors reaching Abuja.

An online edition of this and related reports can be found on our Web site (www.usip.org), together with additional information on the subject.

Of Related Interest

- *Breaking the Cycle of Electoral Violence in Nigeria* by Ebere Onwudiwe and Chloe Berwind-Dart (Special Report, December 2010)
- *Faith and Politics in Nigeria: Nigeria as a Pivotal State in the Muslim World* (2008) by John N. Paden
- *Is Nigeria a Hotbed of Islamic Extremism?* by Stephanie Schwartz (Peace Brief, May 2010)
- *Blood Oil in the Niger Delta* by Judith Asuni (Special Report, August 2009)
- *Bringing Peace to the Niger Delta* by Kelly Campbell (Peace Brief, June 2008)



**United States
Institute of Peace**

2301 Constitution Ave., NW
Washington, DC 20037

www.usip.org