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Drops of oil in a sea of poverty

The case for a new debt deal for Nigeria



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**A Jubilee Plus report by Kwesi Owusu
with extra research by Michela Telatin and Simon Morley**

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Jubilee Plus is indebted to the Debt Management Office in Abuja for providing vital information on Nigeria's debt and for their kind and diligent assistance. The conclusions of this report are however, entirely ours.

Foreword

by Jubilee Australia

Chained to the treadmill

Nigeria is only one of many nations chained to a treadmill to service a never-ending stream of debt repayments. In doing so its people, especially the majority who live on less than a dollar (US) a day, have a debt noose around their necks. As this timely Report highlights, around fifty percent of the current total owed of US \$28 billion is attributable to a build up of arrears due to the inability to pay over many years.

Jubilee in Australia and around the globe has been fighting to end such financial madness and to see hope brought to poor indebted nations and their communities. Jubilee is driven by a desire to see poverty eradicated and new life come to the poor, as health and education flow.

As this Report argues, the demands of past debt on the new democratic government are handicapping its capacity to resolve growing internal social and ethnic tensions. Globally at this time we are very aware of the need to build peace and security. Lasting political security, at both a regional and global level, is in part dependent on all people having a basic measure of economic security. Poor people need food not promises. The ongoing debt crisis as highlighted, in this revealing Report on Nigeria, is a major impediment to political security.

This Report points out clearly that Nigeria is not wealthy in per capita terms. Oil revenue is only US \$100 per capita per year, insufficient to run the economy, repay old debts and meet health and schooling needs. It establishes the so-often-true reality that unless the funds currently spent on debt service are redirected to basic services, Nigeria has absolutely no chance of achieving the UN targets for halving poverty.

There is a new democratic government in Nigeria. Democracy and democratisation is one of the key elements that the developed world is looking to support in developing nations. The new government of Nigeria is carrying US \$5.6 billion of debt principle racked up by the previous military dictatorships. It is unjust to expect citizens who had no say in taking out these loans to bear the burden of repayment.

It is not fair that creditors act as judge, juror and jailor. The report argues that one clear way for the international community to rectify the plight of Nigeria and other similarly placed nations is to establish an independent arbitration mechanism that can deliver a fair go for indebted nations. It is essential that in the search for lasting solutions to the debt crisis new procedures be established.

Jubilee Australia is pleased to host the launch of this Report by Jubilee Plus (UK). We believe that this report is a contribution to the international community's task of finding real exits for countries from unsustainable debt. It is timely that this Report on a Commonwealth member is being released during the 2001 Commonwealth Heads of Government Meeting (CHOGM) in Brisbane, Australia.

Grant Hill

National Coordinator Jubilee Australia
Drop the Debt

Executive Summary

Jubilee Plus' exclusive report on Nigeria's foreign debt is submitted for publication as the death toll mounts in the plateau State capital of Jos, another tragic reminder of the incidences of sectarian violence that threaten Nigeria's young and fragile democracy.

Poverty is a significant root cause of the ethnic and religious conflicts in Nigeria, as the struggles over scarce resources intensify within local communities.

Nigeria is a very poor country with a GDP per capita of US\$853 per person compared with US\$24,575 for Australia, US\$26,251 for Canada and US\$22,093 for the UK. Yet it is forced to divert US\$1.7 billion of its meagre resources annually to rich western creditors as repayment for US\$28.5 billion debts.

Nigeria's oil revenues have provided welcome relief to the country's hard pressed finances but they cannot be said to enrich Africa's most populous nation. Revenues net of production costs and foreign company earnings are approximately US\$11 billion per annum, which for a population in excess of 111 million people equates to net revenues of only US\$100 per person, per annum; or 27 cents per day.

Jubilee Plus has had exclusive access to data on Nigeria's debt. This leads us to conclude that:

- A massive 65% of projects, accounting for 76% of the value of funds loaned to Nigeria in our survey have failed. These account for loans totalling \$2.6bn, approximately 10% of Nigeria's outstanding debt value, or 20% of outstanding principle.
- About 50% of the total debt (US\$14 billion) can be attributed to the cost of Nigeria falling into arrears. These are 'phantom' debts, added to by creditors as punishment for non payment.
- Oil companies such as Shell, Mobil, Texaco and Chevron owe huge ecological debts to Nigeria

as a result of the degradation of the Niger Delta, the main oil producing area. Jubilee Plus is calling for an internationally led scientific study of the long term effects of oil pollution in Nigeria, as the basis for a fair and adequate assessment of compensation claims for ecological damage. Western consumers of Nigeria's high quality oil are heavily indebted to Nigerians.

- US\$5.6 billion of Nigeria's debts, approximately 40% of the outstanding principal of US\$14 billion are the result of loans given to Nigeria's military dictators; often given knowing that the money would be siphoned off and deposited in British, Swiss and US banks.

- Large amounts of Nigerian reserves are deposited in foreign banks as a result of capital flight. General Abacha, the infamous dictator stole and deposited US\$4 billion in Western banks – in London, Washington, Frankfurt and Zurich. His eldest son, Mohammed Abacha and his associates are also on trial for corruption and money laundering as part of a Swiss investigation.

Finally, Jubilee Plus is proposing a new concordat between Nigeria and its creditors, based on an independent and transparent process overseen by civil society. The concordat should recognise the great ecological debt owed to Nigeria, and the urgent need for a substantial and meaningful reduction of the country's odious and unpayable debts. The essential elements of the concordat must include a public agreement on what proportion of the outstanding debt must be immediately cancelled, what resources Nigeria should realistically devote to servicing the debt, what losses creditors should bear, including an equitable distribution of the costs amongst all creditors and arrangements to protect the poor and the environment.

Jubilee Plus proposes that the new concordat must be negotiated by the parties through an independent arbitrator committed to a fair and just resolution of Nigeria's debt crisis.

1 Drops of oil in a sea of poverty

Nigeria is a very poor country with stark social indicators. Health spending per capita for a population in excess of 111 million is a shocking US\$23 and 19 doctors care for every 100,000 Nigerians. This compares with 240 in Australia, 229 in Canada, and 164 in the UK. Life expectancy is around 51 years and 51% of the population do not have access to safe water. Maternal mortality is amongst the highest in the world, with 700 women dying out of every 100,000. 10% of infants die at birth and 35% of under five children are underweight.

GDP per capita is US\$853 per person compared with US\$24,574 for Australia, US\$26,251 for Canada, US\$ 8,908 for South Africa, and US\$22,093 for the UK. Nigeria ranks 151st out of 174 countries in the HDI poverty index. On current trends her government would find it very difficult to meet the development targets set by the United Nations to reduce poverty levels by 50% by 2015.

Oil revenues have provided welcome relief to the country's hard pressed finances but they cannot be said to enrich Africa's most populous nation. Revenues net of production costs and foreign company earnings are approximately US\$11 billion per annum, which for 111 million people equates to net revenues of only US\$100 per person per annum or 27 cents a day. In spite of being one of the world's leading oil producers, Nigerians still suffer from massive fuel shortages as a result of the low producing capacities of local refineries. In 1999, Nigeria spent US\$158 million on fuel imports.

Oil prices have risen recently, from an average of US\$18 per barrel in 1999 to a forecast of US\$29 per barrel in 2001. These have resulted in significant increases in export earnings and windfall gains, amounting to US\$4 billion or 10% of GDP in 2000¹. At the same time, the decline in non oil exports from US\$406 million to an all time low of just US\$211 in 1999, appears not to have been reversed.

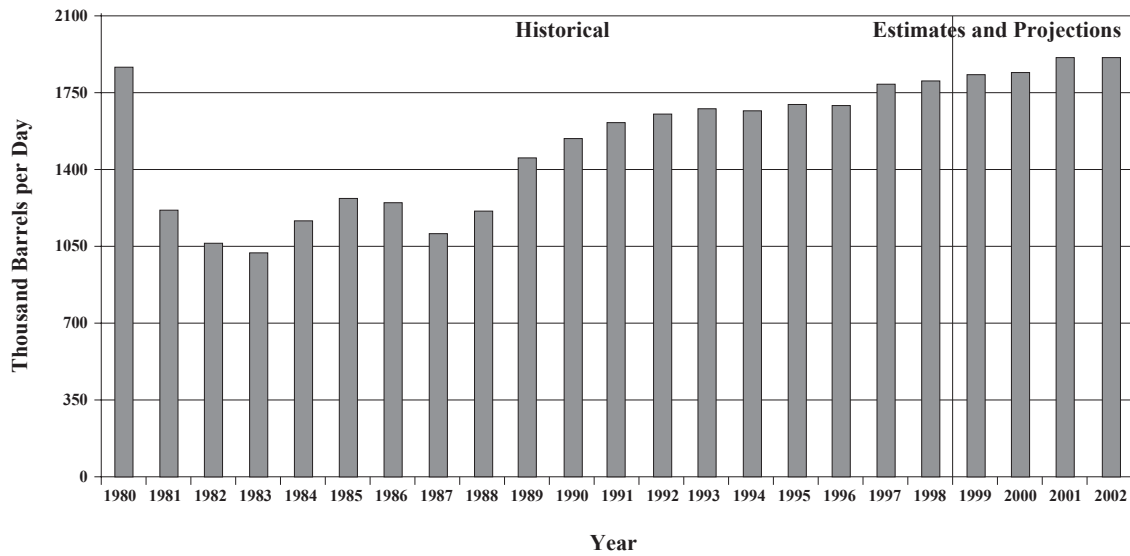
Human Development Indicators

	Nigeria	Australia	Canada	S. Africa	UK
Population (million)	110.8	18.9	30.5	42.8	59.3
Life expectancy (1999)	51.5	78.8	78.7	53.9	77.5
GDP per capita PPP (US\$)	853	24,574	26,251	8,908	22,093
Doctor per 100,000 people	19	40	229	56	164
Persons living with HIV/AIDS (% age 15-49) 1999	5.06	0.15	0.3	19.94	0.11
Health expenditure per capita (PPP US\$) 1998	23	1,980	2,391	623	1,532
Infant mortality rate per 1,000 live births 1999	112	5	6	54	6

Source: Human Development Report 2001
For Canada and the United Kingdom health expenditure refers to 1999.

¹ Windfall gains are defined as revenue in excess of US\$20 per barrel.

Nigerian's Net Oil Exports (1980-2002)



Source: Energy Information Administration

President Obasanjo's new government has divided up the windfall gains equally between the federal state and subfederal governments, setting a unique precedent in Nigeria's political history. The new federal constitution gives subfederal governments automatic right to their shares (13%) of the country's oil revenues, amounting to US\$2 billion, or 5% of GDP in 2001.

Jubilee Plus calculates that for Nigeria to meet poverty reduction targets set by the United Nations for the year 2015, it needs to spend about US\$11 billion per year on services – well above present levels and nearly double what we consider to be reasonable given the taxing capacity of its poor population.

In the coming years, Nigeria will be expected to spend around US\$1.7 billion per annum on debt service to rich western creditors, whilst it will be spending only US\$300 million a year on health. This in a country with a developing Aids/HIV crisis, and where cholera, malaria, meningitis and other life-threatening diseases have taken root.

Oil is liquid gold to Nigeria's creditors but not to its people.

Even if Nigeria's debt is entirely written off, it will still need additional aid to meet the internationally agreed poverty targets for 2015. However, there is no sign that rich and powerful creditors are going to relinquish their grip over the poorest people of Nigeria. They continue to demand that Nigeria's scarce resources are transferred from the poorest to much richer financial institutions in western creditor nations.

2 *New democracy, old phantom debts*

“It is simply not possible to speak of any significant measure of development, for as long as we are obliged to allocate so much of our lean resources to debt servicing. It is morally unjustifiable for the poor people of Nigeria to suffer any longer.”²

President Olusegun Obasanjo, March 2000

Olusegun Obasanjo took office as president of Nigeria after democratic elections in May 1999. This event marked a significant watershed in the political history of Nigeria as it diverted Africa’s most populous nation towards multi party democracy after 20 years dominated by brutal military dictators. The preceding epoch had been characterised by destruction of civil institutions, widespread corruption and gross economic mismanagement. Between November 1993 and June 1998, Nigeria was ruled by the infamous dictator, General Sani Abacha who was accused of blatant human right violations and of systematically looting Nigeria’s central bank and public funds.

Western banks hold Nigeria’s looted billions

General Abacha stole and deposited US\$4 billion in Western banks – in London, Washington, Frankfurt and Zurich. In March 2001, 15 British, American and Australian/New Zealand banks including, Barclays, HSBC, Standard Chartered, Citigroup, Merrill Lynch, Australian & New Zealand Banking Group, and the First Bank of Boston were censured by City regulators for flouting anti money laundering rules after investigating accounts linked to the late dictator³. By June 2000, US\$450 million

of the looted monies had been recovered, whilst US\$1.2 billion was frozen in banks in Switzerland and Luxemburg pending further court action.

Mohammed Abacha, the general’s eldest son and his associates are also on trial for corruption and money laundering as part of a Swiss investigation. It is claimed that banks such as Goldman Sachs, Merrill Lynch and Citibank were involved in the transfer of US\$512 million of Nigerian funds between 1996 and 1997⁴. One private banker, Alain Ober, working for Citibank in the US managed more than US\$110 million of these monies until his death in 1998. A US senate hearing in 1999 into international private banking heard Senator Carl Levin state that... ‘we can’t have it both ways... We cannot condemn corruption abroad and then tolerate our banks making fortunes off that corruption.’⁵

We at Jubilee Plus recommend that measures against looted wealth and capital flight in general should be supported by both creditor and debtor countries and that governments and the international banking community should agree on effective measures to recover monies obtained by theft or embezzlement.

Reforming Nigeria

President Obasanjo pledged to restore democracy and overturn the entrenched culture of nepotism and corruption. He also promised to heal the bitter ethnic conflicts that had plunged the country into a brutal civil war in the late 1960s and was once again threatening the stability of the country, and to correct regional imbalances by devolving economic power from the bureaucratic centre of the federal state.

² Speaking at a meeting with Kwesi Owusu, head of Jubilee 2000 Africa Initiative, in Abuja on Tuesday 21 March 2000.

³ According to Nigerian sources, Guardian Unlimited March 9 2001

⁴ Africa Confidential, February 2000.

⁵ Africa Confidential, op cit.

The new administration aimed to re-establish government institutions that serve the public, to revive the economy and to ease infrastructural bottlenecks. It also pledged to reduce chronic unemployment and to improve education, health and other basic public services. Significantly, President Obasanjo declared his intention to work with the international community to reduce poverty and social deprivation by delivering what he called a 'democratic dividend' to his people.

The new administration stressed that it was their highest priority to reduce poverty as rapidly as possible, sufficient to meet the United Nation's target of halving absolute poverty by 2015. Considering the country's extreme poverty levels, reflected in its human development

indicators 70% of Nigerians earn less than a dollar a day – Obasanjo's promise to the Nigerian people stands as a critical test of the democratic transition.

The new administration moved decisively towards restoring macroeconomic stability, adopting steps to reduce institutional corruption and initiating structural change. A special anti corruption commission appointed by the president reviewed 4,000 public contracts awarded during previous administrations and recommended the cancellation of 1700 contracts worth about US\$1 billion, and the renegotiation of others valued at US\$4.6 billion. The economic policy implemented during June and December 1999 was monitored by IMF staff. Most of the financial targets were met although structural

External debt stock – according to the Nigerian Debt Management Office (DMO)

Category	Principal (1) Balance	Principal (2) Arrears	Interest Arrears (3)	Late Interest	Debt Stock* (1+2+3) (4)	% Shared of Total (5)
Paris Club						
Rescheduled Debt						
Medium & Long Term	1,015,637.00	7,631,426.14	2,993,559.36	2,740,382.02	14,381,005	
Short Term (Std Priv)		2,358,714.75	663,728.98	974,780.15	3,997,223.87	
Non Prev Reschd	67,773.00	1,527,357.24	420,421.11	1,026,270.31	3,041,821.67	
Post Cuf off date	316,699.00	155,149.40	317,088.07	37,687.55	826,624.03	
Sub Total	1,400,109.00	11,672,647.53	4,394,797.52	4,779,120.04	22,246,674.09	75.74
Multilateral						
IBRD	1,656.48	0	0		1,656.48	
IDA	600.45	0	0		600.45	
IFAD	30.84	0	0		30.84	
A.D.B. Group						
ADB	751.48	0	0		751.48	
ADF	88.66	0	0		88.66	
ECOWAS Fund	0.49	0	0		0.49	
EIB	47.45	0	0		47.45	
Sub Total	2,744,564.08				2,744,564.08	9.35
London Club	2,043,210.00				2,043,210.00	6.96
Promissory Notes	1,372,330.08				1,372,330.08	4.67
Non Paris Club						
Bilateral	12,225.00	273,312.40	205,106.53	356,944.15	847,588.08	
Commercial	42,768.00	40,847.73	26,013.74	4,951.39	114,580.86	
Sub Total	54,993.00	314,160.12	231,120.27	361,895.54	962,168.94	3.28
Total	7,615,206.16	11,986,807.66	4,625,917.79	5,141,015.58	29,368,947.18	100
Less Lumpsum Payment Made to Paris Club 2000-2001					1,138,097.00	
Less Lumpsum Payment Made to Other non Paris Club 2000-2001					30,454.00	
Grand Total					28,200,396.18	

Source: Debt Management Office

* Provisional

These amounts are subject to change as a result of ongoing reconciliation process with creditors.

Nigeria: External Public Debt – according to the IMF (1)

In millions of US dollars	2000
Multilateral	3,778
World Bank	2,611
African Development Bank	1,114
Other	53
Bilateral	24,573
Paris Club (2)	24,435
Pre-cutoff	23,101
of which: consolidation of arrears and penalties	20,982
of which: capitalised moratorium interest	607
Post-cutoff	1,334
of which: consolidation of arrears and penalties	516
of which: capitalised moratorium interest	17
Other bilateral	138
Commercial	3,584
Par bonds	2,043
Promissory notes	1,541
Total	31,935

Source: Nigerian authorities; Paris Club; and staff estimates in IMF Country Report No. 01/132 p. 52

Notes

- (1) As reported by creditors. These figures are tentative pending the reconciliation of Nigeria's obligations with Paris Club creditors.
 (2) Including late interest as reported by the Paris Club and capitalised moratorium interest as estimated by staff.

reforms were delayed⁶. Excessive spending by the previous administration was also brought under control, especially through the halting of payments on large and wasteful projects.

The IMF is more critical of the performance of the Obasanjo administration in its latest review. They note that 'although there has been a rebound in economic activity, this is likely to prove temporary in the wake of....serious macroeconomic imbalances, double digit inflation levels and instability in the foreign exchange market.'⁷

Nigeria's odious debts

Nigeria is Africa's biggest debtor and owes US\$28.5 billion to its external creditors according to the Debt Management Office (DMO), set up by the Nigerian government to

verify individual loan accounts with creditor statements and improve the efficiency of debt management.⁸ The debt represented 75% of GDP or 186% of export earnings at the end of December 2000.

The IMF puts the stock of debt at US\$31.9 billion at the end of 2000, reflecting Paris Club debt reported by creditors. The IMF figure is made up of obligations to Paris Club creditors (US\$24.4 billion) with Britain, Germany, Japan and France the largest creditors; US\$140 million to multilateral creditors and commercial creditors (US\$3.6 billion). An amount of US\$140 million is also owed to non Paris Club bilateral creditors. Among the multilateral institutions, the World Bank (IBRD and IDA) and the African Development Bank (ADB and ADF) are the largest creditors.

⁶ Nigeria 2001 Article IV Consultation - Staff Statement, and Public Information Notice on the Executive Board Decision. June 2001

⁷ Nigeria: 2001 Article IV Consultation -Staff Report; Staff Statement; and Public Information Notice on the Executive Board Discussion. June 2001

⁸ The DMO is currently examining for correctness and for comparison with creditor statements all outstanding loans to creditors. It is expected that full reconciliation of its figures with those of Nigeria's creditors will be completed by the end of 2001.

The discrepancy in the Nigerian and IMF figures, has led to a public row, with both the Nigerian government and creditors making claims and counterclaims⁹. It is hoped that the dispute will be resolved when the DMO completes its reconciliation exercise by the end of 2001. Failing that only an independent arbitrator can bridge the gap between the disputed parties.

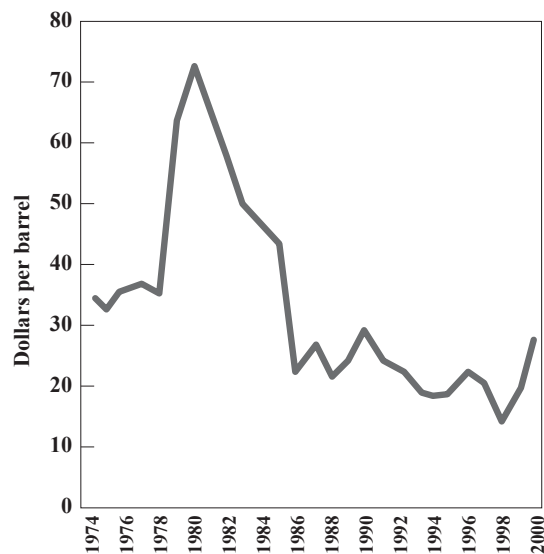
Corrupt dictators and the oil boom

A large proportion of Nigeria's debt, US\$5.6 billion, approximately 40% of the outstanding principal of US\$14 billion (the remaining US\$14 billion is largely interest arrears and penalties) was incurred during the time of the military dictators, particularly during the late 1970s and 1980s when prolific borrowing reflected the boom

period of exceptionally high oil prices early in the decade. The heavy borrowing continued in an attempt to offset and postpone the effects of the collapse in oil prices that followed.

At the height of the oil boom, the military dictators encouraged a wasteful consumption boom premised on the persistence of high oil prices. For the most part, Nigeria's debts were not contracted on concessionary terms hence the grant element is very small. Also, Nigeria's military dictators effectively broke off working relationships with Paris Club creditors during the 1990s leading to the accumulation of large amounts of high interest on arrears and penalties. The IMF estimates Nigeria's arrears at US\$21.3 billion at the end of July 2000. The NPV of debt to export ratio reached 207% in 2000¹⁰.

Oil prices – 1971-2000



Source: UNCTAD Trade and Development report 2001

⁹ The row broke out during the International Conference on debt sustainability in Abuja in May 2001.

¹⁰ Nigeria 2001 Article Consultation, op cit

3 *Western debt to Nigeria*

Nigeria's economy is heavily dependent on oil which makes it highly vulnerable to external shocks, particularly fluctuations in world oil prices. Crude oil constitutes 80% of government revenues and 90% of foreign exchange earnings. Nigeria has estimated oil reserves of 22.5 billion barrels. In spite of the huge potential of utilising oil revenues to lift living standards, nearly 30% of the national income is used to service the foreign debt, whilst the high productivity and profitability of the oil companies have severely damaged the environment. Until the early 1990s, there were no standards of how oil companies should operate with respect to the environment in the Niger Delta and Nigerian oil has the reputation in the oil industry worldwide of being the cheapest to produce at a cost of under US\$2 per barrel compared to up to US\$8 per barrel elsewhere.¹¹

Ecological debt is owed to Nigeria.

Oil companies such as Shell, Mobil, Texaco and Chevron owe huge ecological debts to Nigeria as a result of the degradation of the Niger Delta, the main oil producing area. Environmental degradation in Nigeria is estimated at US\$5.1 billion¹². A great proportion of this relates to the Niger Delta which has been severely damaged by oil pollution.

Statistics from the Nigerian Department of Petroleum Resources indicate that between 1976 and 1996, a total of 4,835 incidents resulted in the spillage of at least 2,446,322 barrels (102.7 million US gallons), of which an estimated 1,896,930 barrels (79.7 million US gallons; 77% were lost to the environment.¹³ Nigeria's largest spill was an offshore well- blow out in January 1980 when an estimated 200,000 barrels of oil (8.4million US gallons) spewed into the Atlantic

Ocean from a Texaco facility and destroyed 340 hectares of mangrove.¹⁴

The small size of the oilfields in the Niger Delta with its extensive network of pipelines between the fields, as well as numerous small networks of flowlines has severely compounded the rapid deteriorating ecology in a region inhabited by over 7 million people. It has brought brackish water into fresh water areas and the flooding of farmlands and rain forest areas. Together with the dredging of waterways by oil companies moving heavy equipment to various operational locations, there is now cause for serious concern. 'The Niger Delta is sinking' pleads Governor Alamiyeseigha of Bayelsa State.¹⁵ Significantly, Nigeria flares more gas than any other country in the world – about 75% of its total gas production, contributing a high percentage of the world's total emissions of greenhouse gases.¹⁶

By the end of February 1998, about 14,000 claims for compensation for oil related damage had been submitted from individuals and groups and communities to Nigerian courts, totalling an estimated US\$100 million. Considering the extent of ecological damage, this is a gross underestimate of the potential claim. Jubilee Plus is calling for a serious internationally led scientific study of the long term effects of oil pollution in Nigeria as a basis for a fair and adequate assessment of compensation claims. These claims should be ruled by an independent arbitrator and set against creditor claims for debt servicing.

11 Johnson Abisoye, oil industry analyst – see reliefweb, op cit.

12 Interim Poverty Reduction Strategy Paper, Drafting Group of the National Core Team for the PRSP Project, 5 August 2001

13 The price of oil, Human Rights Watch – www.hrw.org/reports/1999/nigeria991-05.htm

14 The price of oil, op cit

15 See www.reliefweb.int/IRIN/wa/countrystories/nigeria/20000711a.phtml

16 The price of oil, op cit.

4 Failed foreign loan projects

Jubilee Plus has had exclusive access to a representative sample of Nigerian projects funded by foreign loans. These show that only 1 out of 63 projects, 2% of the total loan value, has repaid its original investment and continues to function effectively.¹⁷

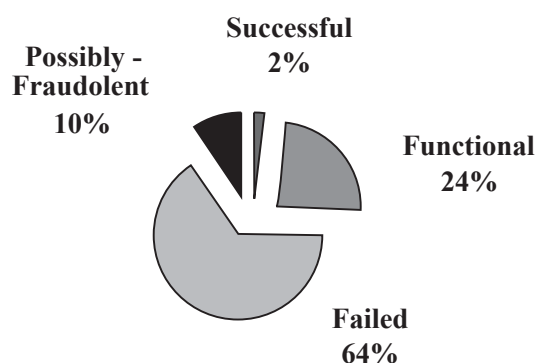
Of the remainder, only about a quarter of the projects (15) can be said to be reasonably functioning as they continue to face a number of operational difficulties – from lack of working capital and foreign spare parts to competition from cheap imports. Most of the projects appear to be dependent on foreign inputs such as equipment and technical support and consequently are frequently beset by maintenance and repair problems.

Significantly, a massive 65% of the projects, accounting for 76% of the value of funds loaned can be deemed to have failed.

Our research accounts for loans totalling the equivalent of \$2.6bn, which is approximately 10% of Nigeria's outstanding debt value, or 20% of outstanding principal, as almost 50% of current debt stock is interest arrears and penalties.

Six projects funded by Austria, Banque National Depairs, Crefin SA bank, Allgemeine Bank and a consortium of European banks, Lazard Bros Co Ltd and Morgon Grenfell appear to be fraudulent. Three of them exist only on paper and two were apparently delivered to some extent, but there is little or no sign that any value was ever delivered. The projects range in value from US\$6 million to US\$70m million.

Foreign loan projects



Total loans US\$2.6bn (10% of Nigeria's total debt)

17 Methodology

The data on the sample of funded projects is based on the document, Report of the Evaluation of States & Federal Projects Financed With Foreign Loans/Credits" produced by a team tasked in 1996 by the Federal Minister of Finance with reporting on the progress of externally funded projects. The document, "contains outline reports on 63 projects up until 1996. The projects secured funding from a wide range of countries. Loans are denominated in ten different currencies -French Francs, Swiss Francs, Deutschmarks, US Dollars, Austrian Shillings, Sterling, Yen, Danish Krona, Dutch Guilders, and Belgium Francs. Each loan has been converted into US\$, arbitrarily taking the exchange rate on 22 August 2001. The projects themselves range in size from \$1.7m to £237m. In most cases it was possible to take the higher of either the proportion of the loan repaid, or an estimate of the original capacity currently being utilised, which in many cases is provided in the original report.

Results

For the purpose of this analysis, four categories are distinguished, namely successful, functional, failed and fraudulent.

Successful

This category includes 1 project out of 63, which has repaid its loan and continues to be successful. It is a Yen1.5bn textile factory. The Export-Import Bank of Japan was the funder. The original contract was signed on May 5th 1968, and redeemed in full in February 1978. As a proportion of the sample, this project accounts for 2% of the projects, and 1% of their value.

Functional

Sixteen projects are in this category, amounting to approximately 25% of the total of 63, so around a quarter, 19%, of the loan value. Projects cover the range of sizes from \$1.47m down to \$4m. These projects continue to be functional., though not without operational difficulties.

Failed

There are forty-one projects in this category, 65% of the 63, as well as being 76% in terms of loan value. Individually their loan value ranges \$237m to \$1.7m. These are projects that have failed to meet their original expectation. A wide variety of reasons help to account for these failures, including intermittent breakdowns, through to hardly any visibility of value delivered.

Fraudulent

Six projects funded by Austria, Banque National Depairs, Crefin SA bank, Allgemeine Bank and a consortium of European banks, Lazard Bros Co Ltd and Morgon Grenfell appear to be fraudulent. Three of them exist only on paper and two were apparently delivered to some extent, but there is little or no sign that any value was ever delivered. The projects range in value from US\$6 million to US\$70 million.

Nigeria's foreign loan projects

Ref. Para	Project	Currency	Rate	Loan Amount	US\$ Equiv	Lender	Operational value	Success value	Assessment
40	United Nigeria Textile Ltd	Yen	120	1,512,000,000	12,600,000	Export-Import Bank of Japan	100.00	12,600,000	Project in good condition, loan redeemed.
					12,600,000				
41.8	Kwara Rural Water Scheme pt 1	GBP	0.69	101,630,000	147,289,855	Morgan Grenfell	100.00	147,289,855	Sites visited functioning
52.19	Boeing Aircraft	USD	1	64,340,000	64,340,000	Eximbank USA	100.00	64,340,000	Aircrafts serviceable, except one that crashed in Kaduna in 1995
53.4	Niger State Rural Hospitals	ATS	14.9	670,101,000	44,973,221	Osterreichisch Lander Bank Aklingsesells	100.00	44,973,221	Projects facing technical problems like broken air conditioners
41.9	Kwara Rural Water Scheme pt 2	USD	1	38,790,000	38,790,000	Degremont	100.00	38,790,000	Sites functioning
54.7	Lower Ogun Irrigation Project	USD	1	34,940,000	34,940,000	Eximbank USA	100.00	34,940,000	Equipment procured and work going on
54.8	Oso Iwopin Road	USD	1	28,000,000	28,000,000	Citi-Corp Int. Bank	100.00	28,000,000	Tarred, capable of carrying heavy duty vehicles
51.2	Lagos Six Mini Waterworks	DDK	8.09	215,560,000	26,645,241	Danish Export Finance Corporation	100.00	26,645,241	Functioning. DKK123.2m repaid
54.4	IJEBU-ODE Market Project	GBP	0.69	13,400,000	19,420,290	Royal Bank of Scotland	100.00	19,420,290	Functioning. GBP4.02m repaid
54.2	Ota Hotel	GBP	0.69	12,900,000	18,695,652	Bank of Scotland	100.00	18,695,652	Project completed. GBP3.87m repaid
51.3	Lagos Four Mini Waterworks	NGL	2.39	39,240,000	16,418,410	Bank Mears and Hope	100.00	16,418,410	Functioning. Servicing and maintenance problems.
31.3	Imo Rural Electrification Phase I pt 2	USD	1	15,630,000	15,630,000	Lloyds Bank PLC	100.00	15,630,000	Functioning. Taken over by NEPA. Loan not subsequently serviced
31.2	Imo Rural Electrification Ph I pt 1	GBP	0.69	8,340,000	12,086,957	Lloyds Bank PLC	100.00	12,086,957	GBP 3571380 repaid. Taken over by NEPA. Loan not subsequently serviced
54.6	Abeokuta External Line Project	DEM	2.12	25,130,000	11,853,774	KFW Germany	100.00	11,853,774	Functioning
41.1	Arewa textile Expansion Project	Yen	120	1,260,000,000	10,500,000	Export-Import Bank of Japan	100.00	10,500,000	Project still in production
54.5	Gateway Hotel	GBP	0.69	4,900,000	7,101,449	Royal Bank of Scotland	0.00	7,101,449	Hotel functioning. GBP1.089m repaid.
54.1	Kuto Market	GBP	0.69	2,840,000	4,115,942	Royal Bank of Scotland	100.00	4,115,942	Functioning.
					500,800,791			500,800,791	
53.2	Niger State Water Supply	GBP	0.69	163,490,000	236,942,029	Morgan Grenfell	90.00	213,247,826	Projects functioning, frequent breakdowns
32	Mbaise/Obowo Reg. Water Scheme	USD	1	53,746,000	53,746,000	Amsterdam - Rotterdam bank	90.00	48,371,400	Breakdowns impossible to repair. Insufficient income to amortize loan
54.3	Ogun State Water Treatment Plants	BEF	43.8	274,470,000	6,266,438	CCI Belgium	90.00	5,639,795	Machines functioning. Maintenance problems
16.2	Hotels	DEM	2.12	358,000,000	168,867,925		83.33	140,723,270	N42m on 6 hotels, all but 1, which cost N7m, still functioning
52.15	Egbin Thermal Power Station - civic works	FRF	7.12	1,074,000,000	150,842,697	Societe Generale Paris	80.00	120,674,157	Problems with shortage of gas and maintenance
41.3	Jebba Hydro Electric Plant	FRF	7.12	1,044,000,000	146,629,213	Banco Nationale de Paris	80.00	117,303,371	Maintenance problems require working capital
51.6	Adiyvan II Scheme	FRF	7.12	501,430,000	70,425,562	Societe Generale Paris	80.00	56,340,449	In need of funds for routine maintenance
15	Anambra and Enugu rural electrification	DM	2.12	144,367,837	68,098,036	Brown Boveri & CRR A.G.	80.00	54,478,429	Continuing problems with vandalism and access to bulk supply
51.5	Adiyvan I Intake	FRF	7.12	363,520,000	51,056,180	Banque Francaise Du Commerce	80.00	40,844,944	In need of funds for routine maintenance
35.6	Zaria Pharmaceutical Company	ATS	14.9	389,470,000	26,138,926	Bank fun Aussen	80.00	20,911,141	Capacity only 35% due to strong competition from imports
27	Inyishi Aluminium Extrusion Ind. Ltd	FF	7.12	108,581,727	15,250,243		80.00	12,200,194	Production continues, though not without problems
9	Akwa Ibom Water Supply	USD	1	11,764,706	11,764,706	Eximbank USA	80.00	9,411,765	Lack of funds for local materials used in drilling operation

34	Imo Irrigation Equpt	USD	1	10,633,000	10,633,000	Eximbank USA	80.00	8,506,400	<i>Project still under active development.Frequent delays</i>
51.7	Jju Waterworks	FRF	7.12	67,140,000	9,429,775		80.00	7,543,820	<i>Fluctuating power supply and shortage of working capital cause problems</i>
37	Ikara Food Processing	USD	1	4,363,910	4,363,910	Complex Hungarian Training	80.00	3,491,128	<i>Problems with working capital, water supply, power supply</i>
52.14	Egbin Thermal Power Station - constr.	JYP	120	209,170,000	1,743,083	Marubeni	80.00	1,394,467	<i>Problems with shortage of gas and maintenance</i>
52.2	Airbus Aircraft	USD	1	206,040,000	206,040,000	Societe Generale Paris	75.00	154,530,000	<i>Of four aircraft purchased, one crashed. 3 others serviceable</i>
13	Abakaliki Ring Road	USD	1	38,000,000	38,000,000	American Express Int. Bank Corp	75.00	28,500,000	<i>Lack of funds has militated against the repairs of this road</i>
33.2	Owerri Capital City Infrastructure	GBP	0.69	6,033,000	8,743,478		60.00	5,246,087	<i>Project Part completed. GBP3619800 repaid</i>
16	Enugu-Emene projects	DM	2.12	95,000,000	44,811,321		51.43	23,045,822	<i>One of three projects, now privatised.</i>
22	Warr/Benin road dualization project	USD	1	38,682,523	38,682,523		50.00	19,341,262	<i>About 50% of jobs done. Project abandoned by contractors</i>
29.1	Imo Rural Electrification Phase II pt1	GBP	0.69	25,751,600	37,321,159	Lloyds Bank PLC	50.00	18,660,580	<i>50% capacity utilisation, but no longer. Escalating cost of diesel.</i>
29.2	Imo Rural Electrification Phase II pt 2	USD	1	23,577,745	23,577,745	Lloyds Bank PLC	50.00	11,788,873	<i>50% capacity utilisation, but no longer, mainly due to escalating cost of diesel.</i>
28	Imo state physical and reg. master plan	SFR	1.65	18,056,000	10,943,030	Creafin S.A. Bank	50.00	5,471,515	<i>No funding to implement, no repayments made and plan now out of date</i>
14.1	Enugu irrigation	USD	1	5,528,575	5,528,575	Eximbank USA	50.00	2,764,288	<i>Serious financial constraints</i>
41.5	Jebba Paper Mill	USD	1	85,000,000	85,000,000	Arab Banking Corporation	40.00	34,000,000	<i>Not producing due to lack of working capital.</i>
24.1	Imo Poultry	USD	1	32,000,000	32,000,000		30.00	9,600,000	<i>Poor management and political interference led to complete close down</i>
25	Aboh Resin Paint Industries Ltd	FF	7.12	78,247,586	10,989,829		30.00	3,296,949	<i>Lack of working capital for raw materials and foreign exchange for spare parts</i>
2.2	Umuahia Water Scheme	FRF	7.12	382,147,250	53,672,367	Banco del Gorthardo - D	20.00	10,734,473	<i>Lack of spare parts and treatment chemicals, plus erratic power supply</i>
30	Imo Concorde Hotel	SFR	1.65	54,600,000	33,090,909	Banca Del Gottardo	20.00	6,618,182	<i>Facilities broken down and services poor</i>
26	Owerre-Eberrri Paper Packaging	FF	7.12	95,551,848	13,420,203	Banque Nationale De Paris	20.00	2,684,041	<i>5% capacity. Lack of working capital for raw materials and spare parts from abroad</i>
14.2	Enugu town water	USD	1	4,982,677	4,982,677	Eximbank USA	20.00	996,535	<i>Poor management. 3 pumps burnt during installation due to staff inexperience</i>
50.1	Kwara Specialist Hospitals	DKK	8.09	440,200,000	54,412,855	Private Banken	15.00	8,161,928	<i>Every item used in construction was imported, with consequent maintenance issue</i>
7.1	Qua Steel Products Limited	DM	2.12	73,080,000	34,471,698	Samuel Montagu Ltd and consortium	10.00	3,447,170	<i>Factory no longer in production - shortage of raw material, erratic power supply etc</i>
20.2	Edo-Delta Roads -1	GBP	0.69	23,609,504	34,216,672	ECCGD	10.00	3,421,667	<i>3 roads, 26 of 38k of one road completed, other 2 no work done at all</i>
8	Sunshine Batteries Limited	DM	2.12	62,330,000	29,400,943	Klockner Ina	10.00	2,940,094	<i>Parent company in Germany closed, technical advice ceased, lack of spare parts.</i>
51.1	Lapec Mini Steel Project	USD	1	28,110,000	28,110,000	Eximbank USA	10.00	2,811,000	<i>Equipment procured but possibility of making steel mill functional remote</i>
20.2	Edo-Delta Roads -2	USD	1	19,993,867	19,993,867	Eurodollar	10.00	1,999,387	<i>3 roads, 26 of 38k of one road completed, other 2 no work done at all.</i>
11	Warri Farms Project	GBP	0.69	9,578,1511	3,881,378	Lazard Brothers & Co Ltd	10.00	1,388,138	<i>Equipment purchased but the project never took off.</i>
54.9	Iwopin Paper Mill	USD	1	100,100,000	100,100,000	Morgan Grenfell	5.00	5,005,000	<i>Said to be operating at 5% capacity, but inspection team saw no production</i>
2.5	Arochukwu Ohafia Water Scheme	GBP	0.69	12,360,000	17,913,043	Lazard Bros & Co Limited	5.00	895,652	<i>No record to show alternative project on which this loan was utilised.</i>
				2,011,501,999				1,228,431,198	
17	Enugu and Abakaliki water project	DM	2.12	150,000,000	70,754,717	Consortium of European banks	0.00	-	<i>Loan was taken, but no information on projects</i>
52.17	F-28 Aircraft and parts	NGL	2.39	44,740,000	18,719,665	Algemeine Bank	0.00	-	<i>Seven aircraft delivered but disposed of due to frequent crashes of this brand</i>
2.4	Umahia supplemental loan	SFR	1.65	15,300,000	9,272,727	Creafin S.A. Bank	0.00	-	<i>No visible effect</i>
39	100 Buses for Kaduna State	FF	7.12	60,605,315	8,511,982	Banque National de Paris	0.00	-	<i>Ministry of finance has project on books but Kaduna State officials deny any knowledge</i>
10	International Biscuit Factory	ATS	14.9	86,520,000	5,806,711	Austria	0.00	-	<i>The factory closed down and the entire premises covered by 'bush'</i>
				113,065,803				1,741,831,989	
				2,637,968,593					

5 Debt and poverty in Nigeria

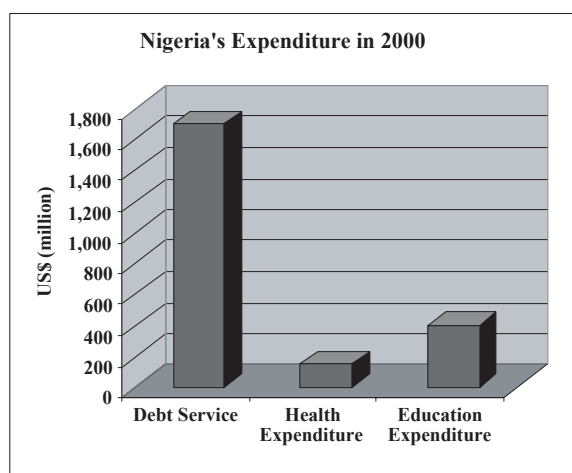
Over the last two financial years, Nigeria has paid its creditors a total of US\$1.4 billion per annum, less than the US\$3.6 billion which the Paris Club insists should be paid. Nigeria's position was formalised as part of the standby agreement on the rescheduling of debt under Houston Terms in December 2000. This agreement provides for rescheduling Paris Club debts of about US\$21.4 over an 18 to 20 year period. The capitalised Interest; US\$1.4 billion is now payable over five years. The agreement allows for no reduction in Nigeria's debt stock.

The sums to be diverted by Nigeria to external creditors, US\$1.4 billion per annum (US\$1.7 billion according to the DMO) contrasts sharply with resources available for poverty alleviation. The new Poverty Alleviation Programme passed by the National Assembly amounts to US\$100 million – 0.3% of GDP. Health spending by the Federal Government is set at US\$150 million – 0.4% of GDP. Education spending has been fixed at US\$400 million – 1% of GDP. Despite the fact that Nigeria cannot pay US\$3.6 billion in debt service, creditors are still demanding 15 times in

debt service what the Nigerian government is able to pay in poverty reduction.

The annual debt service payments constitute a major impediment to the revitalisation of the economy and poverty reduction. Approximately half of the debt can be attributed to the cost of Nigeria falling into arrears during the time of the dictators. These are essentially 'phantom' debts, added to by creditors as punishment for non payment. Having lent money to military dictators, and having failed to collect the debts, external creditors are now putting pressure on the new democratic government to repay these odious and unpayable debts. The resultant strain on an already fragile social and political fabric poses a serious risk to Nigeria's nascent democracy.¹⁸

Whilst recurrent negotiations with the Paris Club have managed to pull Nigeria away from the financial brink, what is needed to free adequate resources for development is substantial debt reduction and not debt rescheduling as arrears continue to mount despite restructuring attempts in 1986, 1989 1999, and 2000.



¹⁸ According to Dr. Mansur Muhtar of DMO, Nigeria's debt crisis can only be tackled through substantial debt reduction

Paris Club rescheduling of Nigeria's debt

16th December, 1986

Amounts treated: \$7300 million.

Repayment profile: treatment under Classic terms.

3rd March 1989

Amounts treated: \$5700 million.

Repayment profile: treatment under Classic terms.

18th January, 1991

Amounts treated: \$3326 million.

Repayment profile: treatment under Houston terms.

13th December, 2000

Amounts treated: \$23400 million.

Categories of debts treated: treatment of arrears as of July 31, 2000, of maturities falling due from August 01, 2000 up to July 31, 2001.

Repayment profile: treatment under Houston terms :

- repayment of non ODA credits over 18 years, with 3 years of grace.
- repayment of ODA credits over 20 years with 10 years of grace.

Source: Paris Club web page

Notes: Classic terms: they are the standard terms applied to a debtor country coming to the Paris Club.

Houston terms:

- non-ODA repayment periods are lengthened to or beyond 15 years and ODA repayment periods are lengthened up to 20 years with a maximum of 10-year grace;
- ODA credits are rescheduled at a concessional rate;
- debt swaps can be conducted on a bilateral and voluntary basis.

6 The way forward

Between the devil and the deep blue sea

Nigerian government officials have argued that, at the minimum, debt restructuring should be negotiated under the 'Naples' Terms, introduced in 1994¹⁹. This provides 67% relief on the present value of the eligible external debt. They argue that it is essential for this to cover both flow and stock restructuring, in order to be meaningful and effective.²⁰ The IMF opposes this position stating that 'the Paris Club typically considers concessional reschedulings under Naples terms only for countries classified as IDA-only by the World Bank., a criterion Nigeria does not currently meet.'²¹

Why Nigeria was dropped from HIPC

Nigeria was one of the original HIPC countries, defined by the World Bank and the IMF as eligible for substantial relief. The country's GDP of \$300 per capita (1998) easily qualifies it for HIPC status but it was mysteriously dropped from the HIPC list in 1998 on the grounds that it was a 'blend' country – that it was eligible for non concessional loans from the IBRD; as well as concessional loans from the soft-lending arm of the World Bank, IDA. The irony of the creditor's position is that this was true for Nigeria when it

was included in the HIPC list in the first place. Nigeria has outstanding debts to the IBRD as well as IDA but this relic of the past is also true of 23 other HIPC countries. Nigeria has not borrowed from the IBRD since 1983. The truth of the matter is that Nigeria's creditors deem it too costly to write off its debts.

Were Nigeria to reach agreement with the World Bank that it should be IDA – only, Mathew Martin of Debt International argues that it would immediately be entitled to a cancellation of 67% of its debt service and after a certain track record of following IMF programmes, to cancellation of 67% of its debt stock at the decision point.²² Commercial creditors could also provide terms 'comparable' to those of the Paris Club – 67% as opposed to the only 20% reduction currently being negotiated. However, Martin concedes that after 67% reduction of the service due in the next three years, Nigeria's PV/export ratio could possibly fall below the HIPC threshold of 150%.

The projection below indicates that Nigeria could fall below the HIPC threshold after four years, depending on the level of oil prices over the next few years. But we in the Jubilee 2000

After assumed flow rescheduling with a 67% NPV reduction

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2002-04 average	2005-10 average
Public debt-to-GDP	81.1	82.5	79.5	73.9	71.4	68	65.5	62.2	58.5	54.5	78.6	63.4
NPV debt-to-export ratios	164.3	153.2	160.8	159.6	156	148.6	141.1	132.1	121.6	110.1	157.8	134.9
NPV debt to-revenue	158.9	176.6	168.6	154.3	151.8	146.6	132.5	123.9	114.6	104.6	166.6	129
Debt service to export	12.7	13.8	12.7	11.7	18.8	18.9	18	18.3	18.4	17.7	12.7	18.4

Source: IMF country report August 2001

NPV debt-to-export: in percent of a three-year average of exports of goods and non factors service

Debt service to export: in percent of current year exports of goods and non factor service

19 IMF Country Report No. 01/131 Nigeria:2001 Article IV Consultation –Staff Report; Staff Statement; and Public Information Note on the Executive Board Discussion.

20 Dr. Mansur Muhtar, Director, DMO, Abuja.

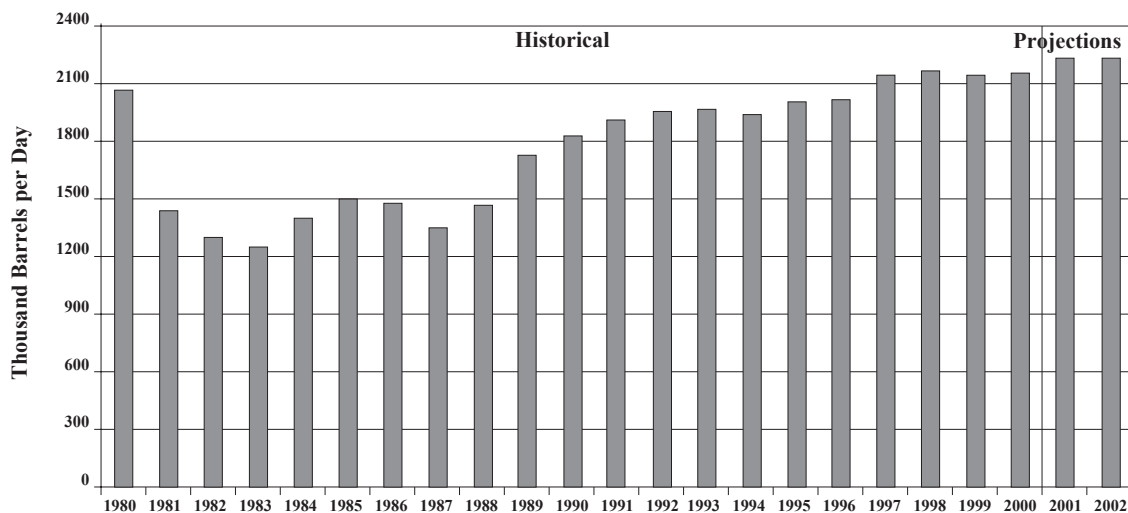
21 IMF Country Report No. 01/131 Nigeria:2001 Article IV Consultation –Staff Report; Staff Statement; and Public Information Note on the Executive Board Discussion.

22 Matthew Martin, Director Debt Relief International

movement have consistently criticised the debt to export ratio used by the IMF to calculate sustainability of debtor countries as inadequate. Nigeria for example, is not the beneficiary of all of its crude oil exports.

Prof Jeffrey Sachs of Harvard University estimates that with around 2 million barrels of oil per day, and the oil price around US\$20 per barrel (the price is currently US\$26), Nigeria's oil revenues are in the order of US\$14.6 billion per annum. The production cost is in the order of US\$4 per barrel, so that revenues net of production cost are approximately US\$11.7 billion.

Nigerian Crude Oil Production (1980-2002)



Source: Energy Information Administration

Foreign companies earn at least US\$2 per barrel on 43% of the oil exports, or US\$630 million. Revenues net of production costs and foreign earnings are therefore no more than US\$11 billion. With over 111 million people, this equates to net revenues of only US\$100 per person. (note that gross oil exports are only around US\$130 per capita)²³

23 Prof Jeffrey Sachs, briefing paper, Jubilee 2000, November 1999

7 Conclusion – debtors *must eat* (African proverb)

This brief outline of Nigeria's debt, based on our exclusive survey of a sample of the debts, leads us to the following conclusions:

- Nigeria is a very poor country that needs a substantial and meaningful debt cancellation to strengthen its nascent democracy.
- Debt service payments of US\$1.7 billion a year must be diverted towards poverty reduction, to ease the local and regional tensions that threaten the stability of the country.
- Nigeria is a key peace keeper within West Africa. It is vital for peace and security in the region that she continues to play this role.

Poverty is a significant root cause of the ethnic and religious conflicts in Nigeria.

- The large amounts of Nigerian reserves deposited in foreign banks as a result of embezzlement must be returned. Measures against looted wealth and capital flight in general must be supported by both creditor and debtor countries. Governments and the international banking community must agree on effective measures to recover monies obtained from debtor countries by theft or embezzlement.
- A full and proper audit of Nigeria's outstanding public debt, as currently being conducted by the Debt Management Office in Abuja is critical to effective debt management. We are hoping that the dispute over how much Nigeria owes to its creditors will be resolved when the DMO completes its reconciliation exercise. Failing that Nigeria must propose an independent arbitration on the lines supported by Kofi Annan, United Nations Secretary

General and backed by the latest UNCTAD report, to resolve the dispute²⁴.

Nigeria needs a new concordat with its creditors, based on an independent and transparent process overseen by civil society. The concordat should recognise the great ecological debt owed to Nigeria, and the urgent need for a substantial and meaningful reduction in the country's debt service obligations. The essential elements of the concordat must include:

- What proportion of the outstanding debt must be cancelled.

On the basis of the evidence presented here;

- a) US\$5.6 billion of Nigeria's debts, approximately 40% of the outstanding principal of US\$14 billion (the remaining US\$14 billion are largely interest arrears and penalties) are the result of loans given to Nigeria's military dictators; often given knowing that the money would be siphoned off and deposited in British, Swiss and US banks.
- b) About 50% of the total debt (US\$14 billion) can be attributed to the cost of Nigeria falling into arrears ie these are 'phantom', added to by creditors as punishment for non payment.
- c) A massive 65% of projects, accounting for 76% of the value of funds loaned to Nigeria in our survey have failed. This accounts for loans totalling \$2.6bn, approximately 10% of Nigeria's outstanding debt value, or 20% of outstanding principal, as about 50% of current debt stock is interest arrears and penalties. 6 projects appear fraudulent.

²⁴ Recent developments in the debt situation of developing countries –Report of the Secretary General; 26 September, 2000, Agenda item 92 (c). See Trade and Development Report, UNCTAD 2001

● What resources the debtor country should realistically devote to servicing the debt. Nigeria's foreign debt represents 75% of GDP or 186% of export earnings. These ratios are too high for Nigeria, a poor but highly strategic country in Africa.

Oil revenues have provided welcome relief to the country's hard pressed finances but they cannot be said to enrich Africa's most populous nation. Revenues net of production costs and foreign company earnings are approximately US\$11 billion per annum, which for 111 million people equates to net revenues of only US\$100 per person, per annum.

● What losses creditors should bear, including an equitable distribution of the costs amongst all creditors. We are also proposing an internationally led serious scientific study of the long term effects of oil pollution in Nigeria, as the basis for a fair and adequate assessment of compensation for ecological damage. Statistics from the Nigerian Department of Petroleum Resources indicate that between 1976 and 1996, a total of 4,835 incidents resulted in the spillage of at least 2,446,322 barrels

(102.7million US gallons), of which an estimated 1,896,930 barrels (79.7 million US gallons; 77% were lost to the environment.²⁵ Nigeria's largest spill was an offshore well blow-out in January 1980 when an estimated 200,000 barrels of oil (8.4million US gallons) spewed into the Atlantic Ocean from a Texaco facility and destroyed 340 hectares of mangrove.²⁶

● Arrangements that ensure Nigeria's access to the working capital required for the continuation of its operations. Nigeria's development partners have to recognise the different requirements of the country's highly capitalised oil industry and its social sector, which needs a certain level of 'soft' capital financing.

● Arrangements to protect the poor, including the exemption from debt service of certain social service expenditures, such as health and education.

● The new concordat must be negotiated through an independent arbitrator or body committed to a fair and just resolution of Nigeria's debt crisis.

²⁵ The price of oil, Human Rights Watch – www.hrw.org/reports/1999/nigeria991-05.htm

²⁶ The price of oil, op cit