

CONFIDENTIAL

# 10 DOWNING STREET

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FILE TITLE:

Relations

SERIES

Nigeria

PART:

4

PART BEGINS:

17 May 2000

PART ENDS:

13 October 2000

CAB ONE:

~~Part~~

~~Closed~~

Labour Administration

PREM 19/1519

CONFIDENTIAL

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**PART**  
*4*  
**CLOSED**

**DATE CLOSED**

*13 OCTOBER 2000*



Series : NIGERIA

File Title : Relations

Part : 4

Date	From	To	Subject	Class	Secret
02/06/2000	FCO	FA/APS	Nigeria: letter from PM to President Obasanjo	C	0
08/06/2000	FA/APS	DETR	Nigeria: Letter from PM to President Obasanjo	U	0
14/06/2000	Nigeria/Pres	PM	(H) First Anniversary in Office	U	0
15/06/2000	FCO	FA/APS	Reply to the letter from the President to the PM	C	0
21/06/2000	DPM	PM	Visit to Nigeria and Sierra Leone	U	0
23/06/2000		HO	From Request for International Mutual Assitance in Criminal Matters	U	0
26/06/2000	FA/APS	DETR	Visit to Nigeria and Sierra Leone	U	0
29/06/2000	FCO	FA/APS	Nigeria: Visit by President Obasanjo	R	0
29/06/2000	Nigeria/Pres	PM	(H) Repatriation of Nigeria's Stolen Funds	U	0
30/06/2000	HO		Request for International Mutual Assitance in Criminal Matters by the	U	0
04/07/2000	Nigeria/HMHC	FCO	Nigeria: Stolen Funds	U	0
05/07/2000	DID	FA/APS	Visit of the Deputy Prime Minister to Nigeria and Sierra Leone	U	0
06/07/2000	FA/PS	FA/APS	"Nigeria criticises UK over SBA"	U	0
14/07/2000	Nigeria/Pres	PM	(H) Visit of President Obasanjo to UK	U	0
14/07/2000	DID	FCO	Visit by President Obasanjo	C	0
17/07/2000	FCO	FA/APS	Nigeria: Recovery of Stolen Assets	U	0
20/07/2000	FCO	FA/APS	Draft Reply to President Obasanjo: Revised Version	U	0
25/07/2000	FA/APS	FCO	Nigeria: Visit by President Obasanjo	U	0
28/07/2000	DETR	FCO	Visit by President Obasanjo	C	0
31/07/2000	FCO	FA/APS	Nigeria : visit by President Obasanjo	U	0
01/08/2000	FA/APS	FCO	Letter from PM to Obasanjo	C	0
01/08/2000	PM	Nigeria/Pres	(H) Repatriation of Nigeria's Stolen Funds	U	0
08/08/2000	FA/APS	HMT	Nigeria: IMF Board's approval of a stand-by credit	U	0
23/08/2000	FCO		Nigeria: Visit by President Obasanjo 13-16 September	R	0
23/08/2000	FCO	DETR	DPM's breakfast with G77 Leaders: Nigeria and Sierra Leone	R	0
24/08/2000	DID	FCO	Visit by Presidnet Obsanjo - Possible outcomes	C	0
06/09/2000	Telegram/OUT		To Abuja 154; Scene-Setter; visit of President Obasanjo	R	0
08/09/2000	FA/APS	PM	Nigeria: Your Meeting with President Obasanjo next week	R	0
08/09/2000	FCO	FA/APS	Nigeria : Visit By President Obasanjo 13- 16 September 2000 Outco	R	0
08/09/2000	ECGD	MS/DTI	UK Share of possible Paris Club Deal with Nigeria	R	0
11/09/2000	FCO	FA/APS	Nigeria: Visit by President Obasanjo: Meeting with the PM 13 Septe	R	0
12/09/2000	FCO	FA/APS	Obasanjos Visit	S	0
12/09/2000	FA/APS	PM	Nigeria: Your meeting with President Obasanjo	U	0
12/09/2000	EST	MS/DTI	ECGD Cover for Nigeria	U	0
13/09/2000	FCO		Nigeria: Visti by President Obasanjo - briefing	U	0
13/09/2000	FCO	FA/APS	Background on Nigerian Oil Production-PMs meeting with President	U	0
13/09/2000	SS/DID	MS/DTI	ECGD Cover for Nigeria	U	0
13/09/2000	FA/APS	FCO	(M) Nigeria: Prime Minister's meeting with President Obasanjo	R	0
15/09/2000	DID	FA/APS	Nigeria-Call on President Obasanjo	R	0
20/09/2000	Nigeria/Pres	PM	(H) Letter of Thanks and Reviewing recent meeting	U	0
25/09/2000	MS/FCO	MS/DTI	ECGD Cover for Nigeria	U	0
29/09/2000		MS/DTI	From Steve Dodgson Director of underwriting; ECGD Cover for Niger	U	0
09/10/2000	HO	FA/APS	Nigeria: Prime Ministers Meeting with President Obasanjo	U	0
13/10/2000	HO	FA/APS	Draft Letter from Prime Minister to President Obasanjo	U	0



01712733965



# Home Office

Home Secretary's Office

50 Queen Anne's Gate, London SW1H 9AT  
Switchboard +44 (0)20 7273 4000 Direct Line +44 (0)20 7273 3585/4647 Fax. 273 3965  
email: mara.goldstein@homeoffice.gsi.gov.uk

# FAX

To:

Anna Wechsberg

No. 10

From the Private Secretary:

Mara Goldstein

Date:

13 October 2000

Fax number:

Number of pages:  
(including this one)

3

If any part of this fax is unclear please telephone: 020 7273 3585

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## DRAFT LETTER FROM PRIME MINISTER TO PRESIDENT OBASANJO

Sorry for the delay. We have made a couple of revisions, and the draft has been cleared by leading Counsel.

As I said on the 'phone, this is such a good letter now, you may come across it years from now being used as a teaching exercise in the Home Office.

MARA GOLDSTEIN  
PRIVATE SECRETARY

---

BUILDING A SAFE, JUST AND TOLERANT SOCIETY



11. OCT. 2000 17:33

01712733965

NO. 7528 P. 1

Verity



10 DOWNING STREET  
LONDON SW1A 2AA

Mara,  
Checked by leading Counsel  
Lorna Hand 13/10  
Fax to Mara Goldstein,  
HO

cc Frank Baker, FIO.

THE PRIME MINISTER

DRAFT

Mara - grateful for  
comment on this asap.  
Hope I haven't gone too  
far... Also would welcome  
any thoughts from Frank or  
Graham Butler on presentation,  
give him much this matter  
to Obarajo - thanks,  
Anna  
11/10

It was a great pleasure to see you in September. I especially appreciated  
the opportunity to get your advice on handling our fuel crisis!

We discussed a number of important issues, including mutual assistance in  
recovering money stolen from the Nigerian Government. I promised to look into  
this and write to you.

You were very concerned about the delay in taking action to freeze bank  
accounts, and the risk that funds might be removed from the United Kingdom  
while we considered the request for assistance. I understand this, and we will act  
as quickly as we can to help. But there are two legal hurdles we have to  
overcome.

First, United Kingdom law only allows the freezing of accounts in a  
situation ~~where proceedings have been instituted or are about to be instituted in the near~~  
~~where a criminal prosecution is under way or immediately in prospect~~ future.

~~("immediately in prospect" means that the person in question is due to be~~  
~~charged in the next 2-3 days)~~ This means that the Nigerian authorities need to  
~~bring a criminal prosecution against the Abacha estate before we can act~~  
give us written confirmation that they have begun  
criminal proceedings ~~against the Abacha estate~~, or are  
about to do so, before we can act.

~~relating to the Abachas~~  
against members of the Abacha family and/or  
their associates



11. OCT. 2000 17:33

01712733965

NO. 7528 P. 2

- 2 -

Second, as I think you know, the Abacha family's lawyers have submitted a series of legal objections against the UK offering assistance. Normally this problem would not arise: cases are treated as highly confidential, so suspects do not have time to hide evidence or remove assets from UK jurisdiction. But in this case there was considerable publicity, and that alerted the Abacha family to the possibility of challenging your Government's request. Now that these objections have been submitted, our lawyers' clear advice is that we must look into them before we can act. We are doing so as fast as we can. The next step in this is for your Government's lawyers to reply to the Treasury Solicitor's letter of 27 July (sent to Kingsley Napier, <sup>key</sup> the London solicitors appointed by your Government's Swiss lawyers). If there is anything you can do to speed up the reply, that will help us to act more quickly.

I realise that this must be terribly frustrating for you, particularly given that the Swiss authorities have been able to act more quickly than us. I am afraid this is a function of differences in our legal framework, which we have to live with. But if a criminal prosecution is brought ~~against the Abacha estate~~, and if we can get a <sup>full</sup> reply to the 27 July letter, we will move ahead as quickly as possible. I can assure you that we will do everything we can to help Nigeria recover stolen assets.

His Excellency President Olusegun Obasanjo



From: THE PRIVATE SECRETARY



Ms Anna Wechsberg  
Private Secretary  
Prime Minister's Office  
10 Downing Street  
LONDON  
SW1A 2AA

HOME OFFICE  
QUEEN ANNE'S GATE  
LONDON SW1H 9AT

89 OCT 2508

*Faxed*

*Dear Anna,*

**NIGERIA: PRIME MINISTER'S MEETING  
WITH PRESIDENT OBASANJO**

Thank you for copying to Hilary Jackson your note of 13 September to Tim Barrow.

President Obasanjo raised concerns about the apparent lack of action on the part of the United Kingdom authorities in response to a request for legal assistance and restraint of assets and you asked for a background note and draft letter to President Obasanjo. These matters are dealt with in the Home Office by the United Kingdom Central Authority. I hope the enclosed draft for the Prime Minister to send to President Obasanjo, which has been checked by leading counsel and approved by the Home Secretary, is self-explanatory.

I would be grateful if you would let me know if you wish to make any substantial changes to the draft, or have any queries.

I am copying this to Tim Barrow (FCO), Peter Unwin (DETR), Chris Austin (DFID), Tom Scholar (HMT), Brooke Hoskins (DTI), Nicky Moffat (MOD), Richard Abel (Cabinet Office) and Sir Graham Burton (Abuja).

*Yours ever,*

MARA GOLDSTEIN



President Obasanjo

**DRAFT REPLY FOR SIGNATURE BY THE PRIME MINISTER**

During our recent meeting, you raised with me your concern to ensure the freezing of bank accounts thought to contain the proceeds of money stolen from the Nigerian Government.

I have made enquiries with the Home Office, the Government department responsible for dealing with such matters, and, as a result and as I promised, I am able to give you this report.

In June this year, the Home Office received, via your Government's Swiss lawyers, your Government's very detailed request for 'mutual assistance' (the gathering of evidence and the freezing of bank accounts) in connection with the investigation into the activities of Mr Abacha and his associates. In complex cases, our legislation permits the Home Secretary to seek the assistance of our Serious Fraud Office, which has special powers to obtain evidence. Steps were quickly taken to obtain that assistance. The United Kingdom's main prosecution agency, the Crown Prosecution Service, were also alerted to the possibility that 'restraint orders' (a form of freezing order, applicable to criminal proceedings) would be required.

Communications to this Government requesting assistance in respect of criminal investigations are usually treated as highly confidential, amongst other reasons so that the suspects do not have the chance to hide evidence or to remove assets from this jurisdiction. However, in this case there has been, regrettably, considerable media publicity about this request.



As a result, the Abacha family learned that a request had been made and many details of that request. Their lawyers (Dechert) wrote to the Home Office on 11 and 24 July raising a large number of legal objections to your Government's request being executed. The 24 July letter referred to a large number of documents, copies of which were requested and were provided by the Abacha lawyers on 2 August.

The Home Office was – and remains – of course anxious to comply with your Government's request but, as you will naturally understand, it has to ensure that any action taken is in accordance with United Kingdom law, and, since the matters raised were complex, it sought immediate advice from leading counsel as to the way forward, so as best to ensure that any action taken by the Home Office would not be the subject of legal challenge.

Leading counsel advised that the Home Office could not proceed to take action upon your Government's request without at least considering the very detailed legal objections made by the Abacha lawyers and without inviting your Government's representatives to comment upon those objections.

The Treasury Solicitor wrote on behalf of the Home Office to Kingsley Napley, the London solicitors appointed by your Government's Swiss lawyers, on 27 July, referring to the advice received from leading counsel, providing them with a copy of the letter from Dechert raising legal objections, and asking for their response or comments as soon as possible. That letter concluded with these words:

'Your clients may be assured that it is the Secretary of State's desire to provide all proper co-operation to the Nigerian Government. He is advised, however, that to proceed without considering Dechert's representations is liable to be open to challenge by judicial review and that his ongoing duty requires consideration of those representations. As you – and, I hope, your clients – will readily understand, the Secretary of



State must exercise his discretion lawfully and with due care. Nothing in this letter should be taken to infer that the Secretary of State has reached any view as to the veracity of the allegations made by Dechert; but they must be investigated.'

I understand that the Home Office is still awaiting a response to that letter.

It is wholly understandable that you and your Government are anxious to freeze – and to repatriate – any moneys stolen by the previous administration. One of the problems faced by the Home Office is that, under United Kingdom legislation, there is no legal power to freeze accounts except where a criminal prosecution is under way or in prospect. As far as my officials understand at the moment, there are no such proceedings currently under way in Nigeria, although there may be an ongoing criminal investigation. In the circumstances, therefore, we are unable to take the action you request unless and until proceedings are instituted.

This is one of the matters which the Treasury Solicitor has drawn to the attention of your Government's London representative. I can assure you that, as soon as the Treasury Solicitor or the Home Office receives a satisfactory response to the objections raised, there will be no delay in taking action as quickly as our legal processes permit.



John

yes - it affects  
ECG... support  
individual projects  
it couldn't check  
weren't eligible for



File

Anna

I haven't heard  
of this scheme  
before? Is it suited

full cover. **10 DOWNING STREET**

Best suited to include  
projects - oil, gas, some  
infrastructure - where you can

to Nigeria?

be pretty  
sure about

the revenue stream.

John Senses

so it's a good idea. But no harm in  
waiting a couple of months,

Dick Cuthbert is anxious.

& we should try to get some credit with  
the Algerians if we do go ahead.

to get a steer from  
Anna  
10/10

No. 10 on Nigeria.

Would you favour an  
early introduction of  
EPDM support?

W. L. W.

cc. Anna W.





SECRETARY OF STATE FOR  
TRADE AND INDUSTRY

Geoffrey,

Richard Caborn will be  
interested in your views on  
this submission about  
cover for Nigeria. There is a  
question about whether we  
should wait for Paris Club  
debt rescheduling before  
putting Nigeria on the  
Good Projects in Difficult Markets  
scheme.

Thanks Brooke.

**dti**



Reference:

To: Minister for Trade

Copy: Secretary of State  
Sir David Wright  
Mr V Brown ECGD  
Mr Weiss "  
Miss Woods "  
Miss Gay "

From: S R Dodgson  
Director of Underwriting  
Europe, Central and South Asia and  
Sub-Saharan Africa

Tel: 020 7512 7655

Date: 29 September 2000

## ECGD COVER FOR NIGERIA

### Issue

1 Treasury, FCO and DfID Ministers have now responded to your letter asking for views on whether ECGD support should be provided for Nigeria under the 'Good Projects' (GPDM) scheme. There is a common view of Nigeria's problems but slight differences over the timing for opening up GPDM cover.

### Recommendation

2 That we should accept the majority view that a decision on the introduction of GPDM support should await the outcome of Nigeria's performance under its current IMF Stand-By Arrangement and proposed the expected Paris Club rescheduling.

### Timing

3 Routine.

### Background

4 Following my submission to you on 16 August, you wrote to Ministerial colleagues to seek their views as to whether ECGD should provide support for UK exports to Nigeria under the GPDM scheme. They have all now replied.

5 A common theme runs through all the responses that Nigeria

- continues to operate a discriminatory debt policy: they are defaulting on repayment of official debts, while some private sector creditors are still getting paid
- is failing to implement economic reform
- is risky



6 DfID feel strongly that the opening up of GPDM cover should wait until Nigeria proves itself under the current IMF backed economic programme and the outcome of the Paris Club debt negotiations is known. The FCO also share the view that the time is not yet ready for GPDM support and have suggested a further look at the end of the year. Rather grudgingly, the Treasury have said they will accept GPDM cover being made available now subject to a number of conditions including the FCO being content - which, by definition, they are not since they want to wait a little longer.

7 Where do we go from here? ECGD shares the views of other Departments. The timing is not yet right and we would prefer to see Nigeria establish a real track record of getting its house in order. I am keen that the Paris Club position is established *before* we introduce GPDM cover since this will inform the risk of new projects getting caught up in future Paris Club debt restructurings which, in turn, will decide whether or not the business can be supported under Account 2. Also, we are fearful of misleading exporters given the difficulty of achieving underwriteable structures which will provide the requisite protection against the payment/political risks.

8 With the President of Nigeria's visit out of the way, the immediate driver for an announcement has passed - without comment from anybody, including the Nigerians, about the lack of an ECGD initiative. I do not think much would be gained from making a further appeal to Departments at this stage. My recommendation therefore is that we should go along with the FCO suggestion and see how things pan out over the coming months and then revisit the issue in the light of what has happened. I will, of course, put a further submission to you at that time.

S. Dobby  
STEVE DODGSON





Foreign &  
Commonwealth  
Office

25 September 2000

Rt Hon Richard Caborn MP  
Minister for Trade  
Department of Trade and Industry  
1 Victoria St  
London  
SW1H 0ET

London SW1A 2AH

*From The Minister of State*

Dear Minister,

Thank you for copying to me your letter of 30 August to Stephen Timms. I have also seen Melanie Johnson's reply of 12 September, and Clare Short's of 13 September.

I agree that extending the Good Projects in Difficult Markets scheme (GPDM) to Nigeria is worth considering. This is the type of market for which this scheme was set up. And it would send an important signal of support to the Nigerian government.

One of the themes of President Obasanjo's visit to the UK last week was the need to attract inward investment. This is crucial to the revival of Nigeria's flagging economy. While there are already many UK companies involved in Nigeria, new companies also need to be attracted to the market. But Nigeria is seen as risky. And while I understand that GPDM cover is unlikely to be available for projects in some of Nigeria's priority sectors, its extension to Nigeria would act as a confidence building measure.

I agree with Clare Short, however, that it is significant that Nigeria has paid private sector debt while defaulting on official debt. But I understand that it is becoming increasingly likely that the private sector will need to bail in to any rescheduling deal for Nigeria. There may therefore be even more need to build some confidence in Nigeria as a market.

I also agree that Nigeria needs to show some progress on economic reform. Little has been done so far, and there are few indications yet on performance under the IMF programme. And I think we should be sure that Nigeria will fulfil its commitments to service its debt after its Paris Club rescheduling.

I do not think that this would be difficult to handle presentationally, provided we are clear in any announcement what can and what cannot be covered.





It is still early days, I therefore think we should wait until performance under the SBA and following Paris Club is clearer before coming to a decision. Might I suggest we should revisit this towards the end of the year?

Yours sincerely

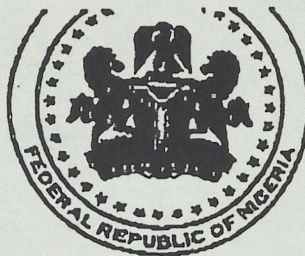
A handwritten signature in dark ink, appearing to be 'P. Hain'.

PH

Peter Hain

(Agreed by the Minister and signed in his absence by his Assistant Private Secretary)





PRESIDENT,  
FEDERAL REPUBLIC OF NIGERIA

*Anna o.R.*  
*I've told fco to*  
*reply to f2s.*

*u.*

*cc: Michael Tatham,*  
*No 10*

PRES/15

September 20, 2000

His Excellency,  
Rt. Hon. Tony Blair, MP  
Prime Minister of Great Britain  
Northern Ireland,  
No. 10 Downing Street,  
London, United Kingdom.

Post-it Notes 7699	To:	<i>Private Office</i>	→ Telefax
	Fax:	<i>2144</i>	
	From:	<i>Steve Townsend</i>	Pages: <i>3</i>
	Date:		

*Dear Prime Minister,*

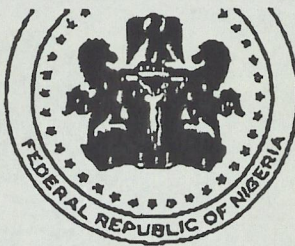
I wish, on behalf of my wife and the rest of my entourage, to thank you and the entire government of the United Kingdom for the warm reception and wonderful hospitality extended to us during my recent visit.

I am indeed very delighted about the extensive and frank exchange of views that we had during the visit. We had frank and fruitful exchanges throughout our visit. It is better to engage in such a truthful exchange than to submerge one's feelings in diplomatic niceties.

On debt issue, I need not say that we welcome criticisms that point at our inadequacies because it puts us on our toes, making us anxious to prove that we can meet our obligations. Of course, when others who are not so friendly with us as the United Kingdom is, hear such criticisms, it might have the effect of reinforcing their opposition to grant Nigeria any remission.

We are aware that you are most exposed to us on the issue of debt remission and that you have been doing your best to plead our cause. We are also conscious of the fact that debt relief is not a panacea or the only solution to all our problems. This, I believe, is acknowledged by all.





There are so many other areas that we need the help of Britain, and vice versa, that we ought to be pursuing without allowing the issue of debt relief to become an incubus or a blind spot we are unable to overcome.

Because we are friends, that was why I posed the two questions I put to you during our meeting. The questions encapsulate what we need to further concretise our relationship, namely, what are we doing, which we ought not to do and, second, what are we doing, more of which we ought to do.

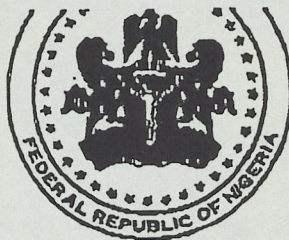
On the general situation – ECOMOG, Sierra Leone and the rest of the World, I believe, we are in broad agreement. It is my view that we continue to pursue peace and stability in Sierra Leone in a steadfast manner, discouraging adventurism on the part of neighbouring countries, either for diamonds or for any other selfish schemes. We must rapidly seek a course for occupying and securing the diamond fields in preparation for handing them over to the Sierra Leone authorities. I especially commend your government for helping Sierra Leone to retrain its police and armed forces.

We must continue to work closely on Cote D'Ivoire, Democratic Republic of Congo (DRC), Burundi-Rwanda, Uganda-Sudan, Eritrea-Ethiopia and Somalia.

I look forward to your visit to Nigeria soon with a contingent of British private sector operatives and businessmen. We hope that our ongoing efforts to make Nigeria attractive to foreign investors will continue to receive your blessing so as to increase Foreign Direct Investment flows to our country. This is a pre-requisite to sustainable development and economic revival in Nigeria.

I had useful discussions on cultural co-operation, environment, aid, investments, transportation and utilities with the Deputy Prime Minister, Chancellor of the Exchequer, Secretary of Trade, and the





Secretary of State for Overseas Development. I would be grateful indeed if you would encourage them to continue, even expand, the existing programmes of co-operation with Nigeria. We met some members of the CBI and it was instructive.

The visit to Wales and a call on the Prince of Wales at his farm added a refreshing dimension to the visit.

As I indicated to you in the course of our exchange of views, we intend to host a major international conference on HIV/AIDS, tuberculosis and other infectious diseases next year. We look forward to British assistance and participation in the conference.

I have no doubt that we are both committed to building further on the grounds covered during my visit, and that the channels of communication we have sought to maintain will continue to be kept open in the coming months.

Once again, thank you very much for the wonderful reception and generous hospitality extended to my delegation and myself during the visit.

*Yours sincerely,*

*Olusegun Obasanjo*  
OLUSEGUN OBASANJO





**PRESIDENT,  
FEDERAL REPUBLIC OF NIGERIA**

PRES/15

September 20, 2000

*on file / B in box?*

*AJ  
cc: SS  
Prem.*

His Excellency,  
Rt. Hon. Tony Blair, MP  
Prime Minister of Great Britain &  
Northern Ireland,  
No. 10 Downing Street,  
London, United Kingdom.

*Dear Prime Minister,*

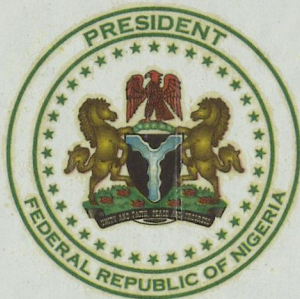
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Once again, thank you very much for the wonderful reception and generous hospitality extended to my delegation and myself during the visit.

*Yours sincerely,*

*Olusegun Obasanjo*

OLUSEGUN OBASANJO



RESTRICTED



*for Sept?*

**DFID** Department for  
International  
Development

94 Victoria Street, London SW1E 5JL

Telephone: 020-7917 0419

E-mail: [chris-austin@dfid.gov.uk](mailto:chris-austin@dfid.gov.uk)

*From the Private Secretary*

Anna Wechsberg  
10 Downing Street  
London SW1A 2AA

15 September 2000

*Dear Anna,*

**NIGERIA: CALL ON PRESIDENT OBASANJO**

The Chancellor and my Secretary of State spent 45 minutes with President Obasanjo yesterday. Obasanjo was flanked by 13 advisers, including Prince Bola Ajibola (High Commissioner) and Chief Phillip Asiodu (Chief Economic Adviser). Sir John Vereker, Barrie Ireton and Paul Spray attended from DFID; Gus O'Donnell and Melanie Knight from HMT; and Sir Graham Burton (HC Abuja) was also present.

IMF/Debt

Obasanjo repeated his unhappiness at the tough line taken by the UK in the recent IMF Board meeting. He was under the impression that the UK had opposed the Stand-By Arrangement. It was all very well talking frankly amongst friends, but we should sort out any issues in private beforehand. The Chancellor and my Secretary of State pointed out that the UK had supported the Stand-By Arrangement, and explained that the discussion had focused on areas where Nigeria would need to demonstrate progress over the coming year. Specifically, in the areas of budget transparency and fiscal discipline; and use of anticipated extra oil revenues. Obasanjo maintained that this did not square with his account of proceedings, nor indeed did he concede that reform was moving slowly, but after repeating his unhappiness he agreed that officials should meet quickly to discuss any outstanding concerns.

Responding to my Secretary of State, Obasanjo confirmed that the Debt Management Office, which started work on 4 Sept, would be on top of the detail before Nigeria came to the Paris Club. The Chancellor reassured Obasanjo that the UK had been supporting Nigeria's case, but others were yet to be persuaded that Nigeria had the necessary track record. We would continue to argue Nigeria's case. My Secretary of State noted that Nigeria had some small arrears to the African Development Bank and the European Investment Bank. These may prove an obstacle to Paris Club consideration of Nigeria's case. Obasanjo promised to look into this (taking his own notes).

\ UK Development Assistance

RESTRICTED



RESTRICTED

UK Development Assistance

Obasanjo expressed gratitude for the increase in UK bilateral assistance, and recalled warmly my Secretary of State's visit to Nigeria earlier this year. In good-humoured manner, he then asked what progress there had been in identifying the four states that we proposed to focus our efforts in. My Secretary of State said that Benue, Jigawa and Ekiti had already been selected, and that we were considering a state in the east. Obasanjo suggested Ebonyi.

Bilateral Development Assistance

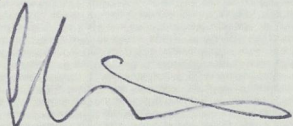
My Secretary of State raised the Police Reform Programme, which has just started. She expressed concern at plans for a massive recruitment of new staff ahead of reforms of the administrative structures. Obasanjo agreed that management reform was necessary, but argued that this should not delay recruitment for new officers given the gross under-policing at present. It was agreed that officials would consult closely about how best to manage and train the new intake in the context of the ongoing reform efforts.

My Secretary of State stressed the importance of Nigeria developing a Poverty Reduction Strategy Programme, in an open and transparent manner. We saw this as critical for ensuring that the benefits of economic reform were brought to poor people. The UK was ready to provide whatever support required. DFID was establishing an office in-country, to improve the depth and speed of dialogue. Obasanjo warmly welcomed this, saying that he (and his government) would determine their priorities themselves.

Comment

The atmospherics were reasonably friendly, although Obasanjo was disappointingly unfocused and seemed surprisingly dogmatic (and poorly briefed) about the IMF Board discussion issue. Jon Cunliffe and Barrie Ireton will meet Nigerian officials today to follow this up.

I am copying this letter to Tom Scholar (HMT), Patrick Davies (FCO), Sir Graham Burton (Abuja), Richard Abel (Cabinet Office) and to Stephen Pickford (UK Executive Director, IMF/World Bank).

Yours ever  


Chris Austin  
Private Secretary

RESTRICTED



Deco-for file. Anna/  
19/9

**NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500: CHEQUERS, 13 SEPTEMBER**

**Key points**

- Much appreciated your help in securing the release of the Channel Four journalists from Liberia.
- Know you share our concern about the influence of President Taylor of Liberia, and his continuing support for the RUF. What are you doing to persuade Taylor to get out of Sierra Leone?
- We favour a graduated approach. Subject to report of UN Experts, have in mind package of carefully targeted additional UN sanctions, including a diamond ban and travel restrictions.
- Recognise sacrifices made by Nigerian military in defence of people of Sierra Leone. Welcome your readiness to deploy further reinforcements. Progress of US train and equip programme for Nigerian troops?
- Keen to see growth of regional organisations to improve the economic and political security of their region. How do you see ECOWAS developing?
- Keen to build on momentum last week in New York behind increased international focus on tackling Africa's problems. We would like to develop trilateral dialogue with South Africa with a view to a summit next year.
- Know your domestic priority is a comprehensive reform programme. Need to work towards poverty eradication and delivery of "democracy dividend" to ordinary Nigerians. Next steps?
- Welcome the great improvements that you have made in human rights. Other countries in the region have much to learn from your example. Perhaps our governments could take this forward together.
- Welcome the agreement on the IMF programme. Sustained progress on reform will support our efforts to persuade sceptical creditors to be generous to Nigeria in future. Will help pave the way to future debt cancellation.
- UK has worked hard to deliver a generous debt rescheduling for Nigeria. Our proposed approach was the earliest, and remains the most radical, solution to Nigeria's debt problems.
- Delighted that you will be inaugurating the UK/Nigeria Bilateral Forum with the Deputy Prime Minister on 14 September.
- We want to help recover misappropriated assets. Nigeria letter of request passed to the Serious Fraud Office for investigation. Legal process must be followed.
- Increased delays in processing of some visa applications caused by large increase in numbers of applications. Steps being taken to remedy this.



**NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

**Sierra Leone/Liberia**

1. Nigeria is the key regional player in efforts to secure lasting peace in Sierra Leone. President Obasanjo was a leading architect of the Lome Peace Agreement, signed on 7 July 1999. He has since invested much time and effort in trying to keep the peace process on the rails. He has been instrumental in the efforts of ECOWAS to encourage the RUF to stop fighting and disarm. He visited Freetown and Monrovia in late August with Konare (Mali, ECOWAS Chair) to engineer the appointment of Issa Sessay as RUF leader, in succession to Sankoh. Sessay appears committed to the ECOWAS plan of gradual RUF withdrawal and disarmament. Obasanjo is aware of our own "red lines" for any future negotiations between the Government of Sierra Leone and the RUF; he has said the Nigerians are not saying anything different.
2. Nigerians formed the bulk of the regional ECOMOG forces, which finally left Sierra Leone in April just before the RUF launched its attack on UNAMSIL. The Nigerians suffered around 1000 dead during their leadership of the ECOMOG operation. There are some 3,200 Nigerian troops in UNAMSIL. They have major equipment and logistic deficiencies; have failed to follow orders; and are ineffective and prone to corruption. But Obasanjo claims they would be willing to take on the RUF, and push it out of the diamond fields.
3. Unlike most other troop contributors, the Nigerians claim to be committed to a peace enforcement role for UNAMSIL. Obasanjo argues that this will be essential if the RUF are to be defeated. The Nigerians continue to hanker after a West African (ie Nigerian) Force Commander to replace Jetley (India) (but this would not help UNAMSIL's effectiveness). The Nigerians are willing to contribute to the additional 3000 troops pledged to UNAMSIL by ECOWAS. The Americans have started a train and equip programme for five Nigerian battalions (President Clinton announced details during his recent visit to Nigeria). But they are starting from a low base, and the first of these are unlikely to come on stream for UNAMSIL before the start of next year. The meeting provides an opportunity to probe on the likely timescale for deployment to Sierra Leone.
4. The UN Secretary-General has called for a UN force of 20,500 (from 13,000) to undertake the first two phases of UNAMSIL's forward deployment. This would enable UNAMSIL gradually to deploy towards the east, backfilling behind the Sierra Leone army (being trained by the UK). Subsequent phases could entail UNAMSIL deploying throughout the country. We hope that our draft UN Security Council resolution supporting the increase in force size can be adopted on 15 September; we are keen to move quickly to avoid giving the RUF the impression that the UN is dithering.



5. ECOWAS Foreign Ministers are due to meet UN representatives in New York on 11 September, as part of the UN's efforts to improve co-ordination with ECOWAS.
6. We have passed to the Nigerians a paper giving our assessment of President Taylor's role in Sierra Leone. Obasanjo is one of the few leaders to whom Taylor listens. Obasanjo recently visited Monrovia to deliver a very blunt message to Taylor that his support for the RUF must end. Obasanjo has said he wants to teach Taylor a lesson when the time is right. But Obasanjo may be reluctant completely to isolate Taylor from the region. We should therefore take him through our graduated strategy for stepping up international pressure on Taylor. If our strategy is to work, we will need Obasanjo's support.
7. We will continue to disseminate evidence of Taylor's wrong doings. Following the report of the UN Expert Panel on the links between arms and illicit diamonds in October, and if Taylor's support continues unabated, we plan to introduce into the Security Council a draft resolution imposing further sanctions on Liberia. The package might include: a blanket ban on the export of Liberian diamonds; a ban on military contacts and training; a flight ban and a ban on maintenance and insurance services in relation to all Liberian registered aircraft; targeted travel restrictions on Taylor and his cohorts; measures to target the revenue Liberia receives from its shipping register; a ban on the import of Liberian timber and timber products.
8. Obasanjo raised with Taylor the detention of the Channel Four journalists for "spying" during his visit to Monrovia on 21 August. Obasanjo telephoned Taylor several times during his subsequent visit to London to urge Taylor to release the men. His interventions were crucial in ensuring a successful outcome to a very delicate situation.



**NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

**ECOWAS** (Economic Community of West African States)

1. Nigeria was instrumental in the creation of ECOWAS. It is the oldest surviving group in Africa, dating from 1975. This 16-member organisation made glacial progress in its first 15 years. The treaty objectives were vague aiming to promote cooperation and development in the sub-region but stopping short of calling for a full-fledged economic community. There were many reasons for its slow development - political instability in member states, the lack of political will of the leaders, shown by their reluctance to ratify agreed measures in national parliaments, and the consistent failure of members to pay their dues. Economic recession in the also played a part.
2. In the early 1990s ECOWAS decided to re-invent itself with more precise targets - the creation of a common market (by an unspecified date) and a common currency (by 2000). This led to the signature of a new Treaty in 1993 with a new emphasis on political objectives. These included, and as yet unrealised, the creation of a West African Parliament and an ECOWAS Court of Justice.
3. ECOWAS has been most active in the area of conflict management. It has thrice sent a regional peacekeeping force, ECOMOG, into conflict areas - to Liberia, Sierra Leone and Guinea Bissau. These were ad hoc interventions, largely driven by Nigeria. Two years ago, ECOWAS leaders decided to regularise its intervention policy. To this end, ECOWAS adopted at its last Summit in December 1999, a Mechanism for Conflict Prevention Management Resolution Peacekeeping and Security. Its key body, the Mediation and Security Council, meets regularly to discuss ECOWAS reaction to the Sierra Leone crisis and other regional problems.
4. But the economic part of the ECOWAS agenda continues at a slow pace. The capacity of the ECOWAS Secretariat (in Abuja) to service the integration process remains severely limited. However, at the most recent ECOWAS Summit, Nigeria and Ghana committed themselves to spearhead "fast-track" integration. Driven largely by Nigeria's renewed interest in regional cooperation, the idea is for those countries with the political will and economic power to push ahead leaving the others to catch up at their own pace. The fast track group aim to achieve free trade by the end of 2000 and a single monetary zone by 2003. Nigeria and Ghana also aim to concentrate on the development of regional infrastructure and the promotion of regional private sector investment. It remains to be seen whether these ambitions will be achieved.
5. ECOWAS members are: Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo. Mali is currently in the Chair.



**NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

**UK/South Africa/Nigeria cooperation**

1. During the UK/South Africa Bilateral Forum in May the Prime Minister and President Mbeki agreed to work together with other senior leaders including Obasanjo, to generate a new political vision for Africa. Our aim is to initiate trilateral co-operation in international fora. We want to establish a working group at senior official level to identify areas where we can co-operate and to agree a statement of principles to form the basis of our future relationship.
2. The Prime Minister could pursue this idea with President Obasanjo during this month's Guest of Government visit and with President Mbeki during his State visit in early 2001. We aim to hold a UK/South Africa/Nigeria heads of state/government summit in Abuja in mid-2001.



## **NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

### **Internal Political**

1. Nigeria has been under military rule for much of the period since independence. But following the first democratic civilian election for over 15 years, President Obasanjo was sworn in as President on 29 May 1999.

### **Reform Programme**

2. President Obasanjo's priorities for his government are economic reform and diversification, democratisation of the military, police reform, the re-introduction of universal education, tackling corruption and poverty eradication. He has placed respect for human rights at the centre of his policy making. But despite a good start progress has been slow. This is due to a number of factors, including: the legacy of complete institutional collapse of the Abacha regime; the lack of commitment to reform of some of Obasanjo's team; Obasanjo's sometimes autocratic style of government; the pork-barrel politics practised by many National Assembly members.

### **National Assembly**

3. Relations between the National Assembly and the Presidency are poor. There is no party discipline. Assembly members act as individuals rather than working together as party members. The President is unhappy about the amount of time that the National Assembly is taking to pass legislation, and their insistence on significantly amending much of the legislation that he sends to them. Some of the first pieces of legislation he sent in June 1999 have only recently been signed into law.
4. One of the fiercest arguments was over the FY 2000 Budget. President Obasanjo's original Budget was amended by the National Assembly, and greatly increased from about \$5.6billion to \$6.7billion. One of the largest additions was the allocation for the National Assembly. After negotiation, the President agreed to sign the Budget Bill, on the understanding that he was only signing into law certain agreed portions and the other disputed parts of the Bill would be subject to talks between the National Assembly and the Presidency. There is still some confusion over the exact status of the Budget.
5. There is increasing public disillusionment with the National Assembly. There is a growing public perception that the Assembly spends more time looking after itself rather than the issues of national importance. The removal of two Senate Presidents (one for corruption), and one Speaker of the House of Representatives has done nothing to improve public confidence.



### Sharia Law

6. The imposition of Sharia Law has caused concern in the Christian community in Northern Nigeria. Nigeria's Constitution enshrines Nigeria as a secular state, but contains provision for Sharia courts to deal with issues of Islamic personal law. It has existed in this form for many years. However, Zamfara State, in the North-West, formally imposed Sharia Law for criminal cases on 27 January 2000. Seven other Northern States have now followed. The population of these States is predominantly Muslim; although in one, Kano State, it is more cosmopolitan. The Governors of these states have been careful to stress that the non-Muslim population have nothing to fear from the legislation: non-Muslims will not be subject to Sharia Law unless they choose to be.
7. This issue has led to violence. In Kaduna on 21 February, a demonstration by the Christian community against Sharia Law clashed with Muslims. The situation quickly deteriorated with Christians and Muslims burning properties, businesses and places of worship. It is estimated that four hundred people were killed. There were subsequent serious outbreaks of violence in the South, triggered by the return of the bodies of the Kaduna victims to their home States. The death toll here was put at about five hundred.
8. Since then, there have been moves by the two communities to find ways of reducing tensions. The Nigerian Inter-Religious Council, co-chaired by the Sultan of Sokoto (the senior Muslim traditional ruler in Nigeria) and the President of the Christian Association of Nigeria has met. Both sides reaffirmed that there should be no imposition of any religion on the state or the individual: the right of freedom of worship was enshrined in the Constitution. Similar inter-religious councils have been set up in individual States. The governors of the nineteen northern states have agreed to establish a panel to examine how Sharia Law can operate under the existing Nigerian penal code.
9. Violence flared up in Kaduna again in May, in which it is reported that about two hundred people died. The immediate causes of this violence are unclear, but it is not thought to have been directly related to religious differences.
10. The Federal government has tried to avoid raising the temperature of the debate. The constitutionality question will have to be decided by the courts. A test case is before the Zamfara State court.

### Niger Delta

11. The Niger Delta is the main oil-producing area of Nigeria. But it has suffered from many years from economic under-development, environmental degradation, inter-ethnic tensions and deterioration of the security situation. One of President Obasanjo's first acts was to introduce a Bill to establish the Niger Delta Development



Commission (NDDC) to oversee the development needs of the area. This Bill has only recently been passed, and the President has announced that the NDDC will be established before 1 October.

#### Corruption

12. President Obasanjo has made the fight against corruption one of the main priorities of his administration. Amongst his first acts after his inauguration were to establish panels to examine all uncompleted contracts, and all contracts signed between January and May 1999. One of the first pieces of legislation that he put before the National Assembly was an Anti-Corruption Bill. This has only recently been passed.

#### Ethnic Tensions

13. The tensions and conflicts between various tribes in Nigeria are deep-rooted, and long-standing. Under military regimes, a lid had been kept on tensions. But since President Obasanjo withdrew the military from law enforcement, violence has increased. The under-trained and under-resourced police are not able to deal with this. State Governors have been instructed to encourage dialogue between the various tribes to attempt to prevent future conflict.



## **NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

### **UK Development Assistance**

1. Poverty persists in Nigeria, because of poor management and corruption in both public and private sectors. Two thirds of population of 120m live below poverty line. To help reduce these high levels DfID's Country Strategy Paper (CSP) focuses on:
  - helping government drive forward the reform programme at federal level with emphasis on poverty reduction strategy, key economic reforms implementation and justice sector strengthening (including police);
  - collaboration with four reforming State Governments to demonstrate that reforms deliver practical benefits for the poor;
  - making the fight against HIV/Aids special priority. Urgent action needed to prevent the spread of the disease.

This will only happen as part of a co-ordinated co-operative international effort, owned by the FGN and acceptable to donors. The major IFIs need to work hard to achieve this outcome. The next two years are critical.

2. Nigeria is developing a Poverty Reduction Strategy linked to a possible medium-term facility with the IMF. There is considerable confusion within the FGN, (but also within the IFIs) around Nigerian planning for poverty reduction. We have a £750,000 fund to support this process. An interim poverty strategy is being drafted in time for Consultative Group meeting end October in Paris.

### **Economic Reform/Accessible Justice/state Level Reform**

3. The DfID-funded project to strengthen debt statistics management delayed by internal divisions within federal government over long periods. Recently, very welcome steps to establish Debt Management Office were finally achieved. This is important for Nigeria's credibility with Paris Club.
4. The government is committed to improving the shattered justice system, including the police, so that it becomes responsive to the poor. DfID technical assistance will help build capacity in the police and justice systems through broad-ranging programme with a value of up to £26m. But Obasanjo's drive to recruit 40,000 police annually is unsustainable until management including training systems are in place.
5. We continue to support civil society to improve its capacity to hold government to account. Work starts soon on the State and Local Government project in Jigawa, Benue and Ekiti. Fourth state will be selected next year. States are responsible for health and education. This project is worth around £20 million.



## **HIV/Aids**

6. Our assistance has helped increase access to barrier contraception and the promotion of behaviour change through social marketing and working with civil society to support high risk and vulnerable groups. We are exploring a long term programme likely to be worth around £70 million over 7 years. We will support the Government's multi-sectoral response and are participating in the development of a national interim action plan. The President is personally involved through chairmanship of high-level National Action Committee on Aids. Urgent action is required to prevent epidemic reaching the appalling proportions evident in other parts of sub-Saharan Africa.

## **DfID Nigeria**

7. The opening a new office in Abuja expresses our confidence in and support for the country's commitment to reform.

## **Security Sector Reform**

8. FCO/MOD and DfID are involved in developing a programme to support President Obasanjo's objective to reform the military. He wants to achieve professional armed services, which support democracy rather than threaten it. Our programme will include: advice on carrying out a strategic defence review, development of training programmes, and advice on transparency in procurement. Progress has been limited because of the length of time it takes the Nigerians to respond to offers.



## **NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

### **Human Rights**

1. Under previous regimes, especially that of General Abacha, Nigeria's human rights record was very poor. Nigeria was suspended from the Commonwealth following the execution of the Ogoni activists, including Ken Saro-Wiwa. But President Obasanjo has put great emphasis on improving Nigeria's human rights record, continuing the process begun by the transitional government of General Abubakar
2. President Obasanjo set up a tribunal to review cases of human rights abuses dating back to 1960. The panel has received over 10,000 complaints. The Nigerian government has also taken a number of initiatives to reduce prison over-crowding and to improve conditions in prisons. For example over 2,500 prisoners have been released under prison decongestion schemes. We have supported PRAWA, a Nigerian NGO, in their work on prison conditions.
3. The Nigerian Government has recently announced a national policy on women's rights, to ensure that the laws are in accordance with all their international obligations. They have also announced a review of the legislation covering the trafficking of women and children, with the stated aim of strengthening it. In addition, they have established a programme aimed at eliminating child labour in Nigeria.
4. President Obasanjo has issued guidelines to the police and military on the need to respect the human rights of the civilian population.
5. In June, Nigeria was elected as one of the members of the UN Commission on Human Rights (CHR) sub-panel on the protection and promotion of human rights.
6. Although the Nigerian Government's policy towards human rights has been encouraging, there have been isolated incidents after which we have raised our concerns.

### **Regional Dialogue**

7. We are keen to set up dialogues on human rights issues with key countries. These dialogues would cover regional human rights issues, and would be designed to encourage like-minded countries to take more forward positions on human rights in their regions and in international fora. They could be held either as separate talks or in the margins of existing meetings such as the UN Commission for Human Rights.
8. Nigeria would be a key target, given its regional influence and its role within the Africa Group in the UN and the CHR. If the Nigerians are interested in establishing a dialogue, Mr Hain will take forward discussion when he next visits Nigeria.



## **NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

### **Economy/Debt**

#### **IMF/Economic reform**

1. Nigeria's one-year IMF Stand-By Arrangement (SBA) was approved on 4 August. It was originally planned to start in January this year but was considerably delayed while the government tried to reconcile Budget figures agreed with the IMF with those proposed by the National Assembly.
2. Prior to agreement with the IMF Nigeria made only limited progress on reform. We hope the SBA will encourage the President to push ahead with a more ambitious and faster-moving reform agenda. In terms of Nigeria's hopes of debt relief, building a sustained track record of economic reform through adherence to this, and then a medium-term IMF programme, is the only way Nigeria will convince other creditors that it is serious about reform and that it deserves debt cancellation.

#### **Debt**

3. Nigeria's external debt burden is around \$30bn (data is inexact). The majority of this is owed to the Paris Club group of government creditors. The total is mainly made up of arrears and penalty interest payments imposed because previous regimes failed to repay their debts.

Obasanjo argues that Nigeria is not responsible for debts taken out, and squandered, under previous regimes. He has therefore pressed repeatedly for cancellation of this debt.

#### **UK position**

4. The UK is Nigeria's largest creditor. We are owed \$6bn. Early last year we decided that if Nigeria could demonstrate that it would devote its resources to economic reform and poverty eradication, we would not press for full repayment of our debt. We proposed a two-stage approach:

- first, a generous debt rescheduling while Nigeria completed an IMF programme and built a track record of reform; and then,
- once Nigeria had demonstrated its commitment to change, and if a debt sustainability analysis showed that it was needed, the UK would consider the possibility of debt cancellation.

5. We were the first creditor to make this commitment, a demonstration of our faith in the new government before it had put actions to its promises of economic reform. No other creditor has gone further and only the US, a minor creditor, has matched our position. We are still in the first stage of this process. Now that the IMF programme



has finally been agreed, Nigeria will come to the Paris Club for a rescheduling in October.

### **Paris Club rescheduling**

6. The UK has worked hard to persuade other creditors that Nigeria deserves a generous rescheduling. Nigeria owes the Paris Club around \$3bn this year. It has offered around \$700m. Other creditors argue that Nigeria should pay more. It has not honoured its debts to public sector creditors for many years while continuing to pay the private sector in full. They have seen little evidence of Nigeria's commitment to reform and they do not believe they should reward what may turn out to be empty promises of change. Moreover, the high world oil price means that Nigeria can continue to service its debt.

7. The UK has used its position as largest creditor to persuade the Paris Club to accept the Nigerians' offer. This has been difficult to do and the deal is not completely assured even now. We have used up much negotiating capital to achieve this. And if they start to ask for even more generous terms at the rescheduling, they are likely to lose the current deal.

### **Why not debt cancellation?**

8. Debt cancellation is not an option at present, given the opposition of other creditors. It would also be very difficult to justify to the HIPC countries (Heavily Indebted Poor Countries) who have had to complete three year IMF programmes to demonstrate their commitment to reform before they received debt relief. President Clinton visited Abuja last month. He was pressed on the subject of debt cancellation but did not support it. This is the right line. We are not in a position yet to persuade other creditors to support debt cancellation. Unilateral cancellation would be extremely expensive and would remove our leverage to encourage the Nigerians to continue to reform and to argue their case with other creditors.

### **HIPC**

9. Nigeria is not a HIPC country because it does not meet the technical criteria (it is not an IDA-only country). However, the two-stage treatment of Nigeria's debt which the UK has proposed could potentially lead to debt cancellation more quickly than the HIPC process.

### **Way forward**

10. Debt and economic reform are inextricably linked. Nigeria needs to put its promises into action before it will persuade others of the case for debt relief. It has not yet done so. It has instead argued that without debt cancellation it cannot improve its country's standard of living. This is not the case. Nigeria is making very few debt payments at present and debt cancellation alone will not prove a panacea. Only real action on reform and rebuilding of institutions will help Nigeria. The UK is helping here with technical assistance programmes but the key step is for Nigeria to complete the IMF programme fully and push on with reform.



## **NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

### **UK/Nigeria Relations**

1. Our strong stance against the former military Head of State Sani Abacha has stood us in good stead with the Obasanjo administration. The UK led international opposition to the Abacha regime, including the call for imposition of EU sanctions, and supported its suspension from the Commonwealth in 1995.
2. Following Abacha's death, we supported the transition process to democratic civilian rule under General Abubakar, and gave logistical and technical assistance during the elections. After the elections, we pressed to EU sanctions, and the Commonwealth suspension, to be lifted.
3. The Prince of Wales represented HM The Queen at the inauguration of President Obasanjo on 29 May 1999.

### **UK/Nigeria Bilateral Forum**

4. President Obasanjo and the Deputy Prime Minister will formally inaugurate the first UK/Nigeria Bilateral Forum on 14 September. The Forum will strengthen and deepen the relationship by bringing together government, academics and the private sector to share knowledge across a wide range of issues. The Fora are also designed to help establish new links between UK and Nigerian NGOs and academic institutions.
5. The theme of the first forum will be the environment. After the formal opening, there will be an opening plenary co-chaired by Mr Meacher and Alhaji Daura, the Nigerian Minister for the Environment. Break-out sessions will then discuss climate change, desertification, waste management and oil pollution and gas flaring. The chairs of the discussions will report their group's conclusions to the closing plenary, which will adopt a Concluding summary of the discussions. Mr Meacher and the Nigerian Environment Minister will close the final plenary by signing a Joint Ministerial Statement.
6. The next Forum will be held in Nigeria. The Nigerians would like it to concentrate on education. The date is not yet decided; but it is likely to be in autumn 2001.

### **Chevening Scholarships**

7. There are currently 38 Chevening scholars from Nigeria in the UK. We expect that number to increase to 41 this year.

### **40<sup>th</sup> Anniversary of Independence**

8. On 1 October 2000, Nigeria will celebrate its 40<sup>th</sup> anniversary of independence.



## **NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

### **Recovery of Assets**

1. A bilateral asset confiscation agreement was signed between the UK and Nigeria on 18 September 1989 and entered into force on 30 October 1993. This allows the UK to assist Nigeria – and vice versa – in tracing the proceeds of all criminal activities, restraint of property liable to confiscation, and the enforcement of Nigerian confiscation orders where proceeds are located in the UK.
2. But certain pre-conditions must be met before such assistance can be offered. Where a request is made by Nigeria for the restraint of assets which are located in the UK, it must be accompanied by a certificate that confirms that criminal proceedings have been instituted against an individual/s – or that those proceedings are about to be instituted but have not yet been concluded. There must also be detail of the specific property to be restrained and its connection to the individual/s against whom the charges have been made. The request for restraint must then be recognised by the UK High Court, although where such detailed information as is specified above is provided, this is not usually a problem.
3. We are unable to act on requests for restraint where such requests are thought to be merely “fishing expeditions” where criminal charges are unlikely to follow or a criminal investigation is only being initiated.
4. There is however provision for Nigeria to seek assistance in identifying, locating and assessing the value of property believed to be within the UK. Such requests for the tracing of the proceeds of crime must contain details as to the nature and location of the property, and as to any person in whose possession the property is believed to be.
5. President Obasanjo wrote to the Prime Minister in July 1999, asking for our assistance in tracing and restraining stolen assets held in the UK. The Prime Minister replied, offering help. The Nigerian Government's Swiss lawyers formally presented a letter of request to the Home Office in July 2000. They sought HMG's assistance in restraining assets belonging to members of the Abacha family and their associates. This letter of request has been passed to the Serious Fraud Office for investigation.
6. In parallel, President Obasanjo wrote again to the Prime Minister asking for his assistance in speeding through the request. The Prime Minister replied on 1 August, reiterating that we were prepared to help but emphasising that we had to follow due legal process, which would take time.
7. The solicitors to the Abacha family claim the Nigerian Government's assertion that they will pursue a criminal case against their clients is bogus. They maintain that the real aim is to get help to recover funds. They have threatened to apply for a judicial review of the case, which would delay it considerably. The Home Office have repeatedly assured the lawyers that this is not the case, but have



agreed to consider carefully the documents submitted by the lawyers. They have undertaken to give the lawyers seven days notice of any decision to execute the Nigerians' request for assistance.

8. We should not make any public comment about the Abacha case as it relates to ongoing criminal investigations.
9. The Swiss authorities have recently published a very critical report of how Swiss banks allowed the Abacha family to hold their assets in their accounts without sufficient checks on the source of the money. The report also points out that a large proportion of the money entered the Swiss banking system via the UK. The Cabinet Office have reviewed the UK's existing money laundering regulation, and aim to introduce new legislation soon.



## **NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

### **UK Visa Policy**

1. Nigerians need a visa before they travel to the UK. The Nigerian Foreign Minister, Lamido, has raised the question of visas in the past. During the visit of Mr Hain in January 2000, he was critical of UK immigration policy, the length of time it takes to issue a visa, and the number of visa refusals. US visa policy was similarly raised with President Clinton during his recent visit to Nigeria. The Nigerians also object to the "Entry Clearance Applied For" stamp being put into passports when an application cannot be dealt with immediately.
2. Our two entry clearance issuing posts in Abuja and Lagos issued a total of 60,782 visas during 1999. The number of applications being received in Abuja and Lagos during 2000 has increased by 43% and 10% respectively over the same period last year.
3. For the vast majority of prospective travellers (88% in Abuja and 77% in Lagos) a decision is taken on their application within 10 minutes of seeing an Entry Clearance Officer (ECO). Other prospective travellers, whose applications are judged by an ECO to be less straightforward, are asked to return to be interviewed in greater depth. This gives them the opportunity to make their case at greater length and to provide additional documents.
4. Entry Clearance Posts are expected to schedule in-depth visit interviews within 10 days of an application being made. This is not at present happening in either Lagos or Abuja where there are queues of 14 and 35 days respectively. Both Visa Sections were reviewed in October 1999. The reviews recommended staff increases and changes in working practices. When fully implemented, these measures should bring the queue lengths within the 10 day target.
5. When a visa application cannot be dealt with immediately (i.e. requires an in-depth interview), the Post routinely endorse the applicant's passport with an "Entry Clearance Applied For" (ECAF) stamp and write in a reference number so that the papers can be married up quickly for the interview. It would be time-consuming to search for papers by name; Lagos process over 50,000 visa applications each year. If the applicant is later refused a visa, the Post draw a line through the ECAF stamp as a signal to other Posts to whom he or she might apply. An ECAF stamp on its own, i.e. without either a line through it or evidence that a visa was subsequently issued, also serves



as a signal for caution. Other countries (e.g. USA and Canada) follow similar procedures. FCO Legal Advisers have recently confirmed that any applicant who applies for a UK visa must accept that his or her application will be dealt with in accordance with UK procedures, including applying an ECAF stamp, and, if necessary, drawing a line through it.

6. The fees are set to recover the cost of providing the entry clearance service worldwide, and no more. For the majority travellers visa fees form very a small part of the overall cost of the journey. The fee covers the cost of processing the application, irrespective of the outcome.
7. Nigerian Ministers and senior government advisers (and their normally large entourages) are usually issued visas on the spot.



**NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

**UK/Nigerian Cooperation on Law Enforcement**

1. There is a serious international problem with crime carried out by Nigerian nationals, especially drug trafficking and advance fee frauds. Under previous regimes little cooperation was possible between UK and Nigeria. But President Obasanjo is keen to take action to stamp out these crimes, and the Nigerian law enforcement authorities now want to improve relations with UK forces.

**Drug Trafficking**

2. The Nigerian government are very keen to clamp down on drug trafficking. Any Nigerian deported after serving a prison sentence for drug smuggling faces another trial for bringing the good name of Nigeria into disrepute.
3. The UK participated in an EU/US initiative on drug trafficking. A Customs and Excise officer was part of the team which visited Nigeria. Follow up action is under consideration.
4. We have donated drug test equipment to the Nigerian National Drug Law Enforcement Agency (NDLEA). The previous Head of the NDLEA and the Presidential Adviser on Drugs and Organised Crime have both visited the UK as Sponsored Visitors.

**Advance Fee Fraud**

5. Advance fee fraud is a massive problem. The usual format is an unsolicited letter (or fax or even e-mail) sent to individuals or organisations offering them a percentage of a large amount of money, if they will help the authors get the money out of Nigeria. The letters often claim to be from a Nigerian Ministry or parastatal. If the addressee responds to the letter, they will be asked to send money to pay for certain expenses, such as certificates, bribes, clearance charges or air tickets. The money in Nigeria does not exist. Proceeds of this crime are often used to fund drug trafficking.
6. Millions of these letters are sent out each year. Last year the Post Office intercepted about half a million. But NCIS FCO and DTI receive a steady stream of complaints from members of the public.
7. In the last few months NCIS have built up a good working relationship with Nigerian law enforcement agencies, facilitated by the Nigerian High Commission in London, and the Head of Interpol in Abuja.
8. NCIS have also been able to carry out preliminary investigations in Nigeria with the assistance of the Nigerian police and US Secret Service (who have a task force in



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Nigeria). This has led to recent arrests in Nigeria and in London, and the closure of a fraud letter "factory". No public comment can yet be made on these cases as they have not yet come to trial.

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## **NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

### **UK/Nigeria Trade**

1. Nigeria is the UK's second largest export market in sub-Saharan Africa (after South Africa). UK exports in 1999 were worth £425 million (mainly industrial machinery and manufactures), slightly down on 1998. Imports for the same period were just under £125 million (mainly cocoa/coffee/tea and petroleum products). The UK's export market share in 1998 was 11.8% - second only to the US - and we remain one of the largest investors with assets worth over £1 billion. Major British companies active in Nigeria include Shell, Unilever, Guinness, British Airways, Standard Chartered Bank, Blue Circle, Glaxo Smithkline, Cadbury and BAT/Rothmans.
2. Despite a series of high level visits (Vice-President Atiku to the UK as a Guest of the Lord Mayor of London in February; the then Minister of Power and Steel, Bola Ige, in January; the Deputy Prime Minister to Nigeria in June), and a full programme of Chamber of Commerce Missions, exports have remained static. Much of this is due to a lack of conviction amongst British firms - many of whom were badly burned during previous military regimes (including Obasanjo's) - that the business climate (corruption, transparency, suffocating bureaucracy) has really changed for the better. Trade Partners UK is continuing to sensitise British industry to the commercial opportunities in Nigeria - the Duke of Gloucester is to lead a British Consultants' Bureau Mission in October, and Richard Caborn, Minister for Trade, is to visit in November, possibly with a group of British telecoms companies. But our competitors - notably the US - are more active, especially in sectors such as power generation and infrastructure development identified as priorities by the Nigerians themselves.
3. Obasanjo may express disappointment at the (perceived) reluctance of British firms to invest in the "new" Nigeria - a constant refrain from senior Nigerians. However:
  - Many of the major UK firms with extensive interests in Nigeria increasing investment, eg Shell investing \$8.5 billion over the next 10 years, Blue Circle bought the newly privatised WAPCO cement company. You are having private meetings with Shell, British Aerospace, Glaxo SmithKline, Rolls Royce.
  - Business round table on 14 September hosted by Stephen Byers will highlight British commercial expertise in range of sectors: telecoms (Marconi); oil and gas (AMEC); power (Rolls Royce, Alstom); infrastructure (Costain, Mott MacDonald).
  - Growing level of interest in Nigeria from small and medium-sized enterprises (SMEs), many of whom will be attending the dinner which the Deputy Prime Minister will host this evening.
  - But understandable that some firms are proceeding with caution, after so many years of economic mismanagement by the military. Will find pace of company activity gathers pace as Nigeria establishes track record of economic and political well-being.



- Commercial decisions based on a number of factors (eg security, risk of non-payment, infrastructure links). Globalisation forcing companies to concentrate resources on particular regions/countries. Nigeria competing with other developing countries – eg Asian tigers – for foreign investment.

- But UK can share our expertise at attracting inward investment. Your visit to South Wales an opportunity to see how we have regenerated a run-down area.

4. There is no medium/long term ECGD cover for Nigeria. The Nigerians will first have to reach agreement with the Paris Club, service their foreign debts on a timely basis and establish a track record of economic reform. This is likely to be some way off. The only ECGD cover currently available is the provision of contract frustration cover for exports of goods and services sold on short terms of payment. This is usually provided by a reinsurance to the private sector. This facility supports some £50 million of exports to Nigeria per annum.



**NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE  
PRIME MINISTER: 1500; 13 SEPTEMBER**

**Zimbabwe**

1. Violence and intimidation of commercial farmers and farm workers continue. The Government's accelerated land reform programme, now involving the acquisition of 3,041 farms, will be disastrous for the economy, threaten political stability and make ordinary Zimbabweans poorer. More than 2 million (almost a fifth of Zimbabwe's population) farm workers and dependants could be displaced. Commercial farming accounts for 19% of GDP and 40% of export earnings. Should acquisition of more than 3,000 farms go ahead, commercial farming activity will be halved within three years. There is widespread international recognition that this is economic and social madness.
2. A new economic stabilisation package, announce by Finance Minister Makoni on 3 August, is a good technical start, but has not been implemented. But more radical and sustained reform is needed to re-engage donors and the IFIs, and rekindle investor confidence; unambiguous political backing from the highest level is an essential requirement. An IMF mission is currently in Harare for Article IV discussions. The IMF team leader told our high Commissioner on 30 August that he found no sense of urgency within the Government, that their monetary policy was "insane" and that there was no real strategy for recovery.
3. President Obasanjo facilitated the meeting between the Foreign Secretary and Mugabe in Cairo in April. In the same month he sent his Foreign Minister to Harare on a fact finding mission. Although President Obasanjo has wanted to play a role in finding a solution to Zimbabwe's current problems, he has been kept from doing so by domestic concerns and events in Sierra Leone.



**NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE  
PRIME MINISTER: 1500; 13 SEPTEMBER**

**Reform of UN Security Council**

1. UK policy is to support expansion of Security Council from 15 to 24 to include five additional permanent seats (two for Germany and Japan plus three for developing countries in Africa, Asia and Latin America respectively) and four new non-permanent seats (one each for Africa, Asia, Latin America and Eastern Europe).
2. Security Council enlargement is debated in an Open-Ended Working Group that works on a consensus basis. A minority group of states known as the "Coffee Club" that opposes any new permanent members, (eg Italy, Canada, New Zealand, Argentina, Indonesia, Korea, Namibia) has blocked progress. But there appears to be a clear majority in favour of expanding both permanent and non-permanent membership. We are working with like-minded states (including Nigeria) on how best to achieve agreement on this principle.
3. Nigeria has called for early enlargement in both the permanent and non-permanent categories of membership, and has expressed interest in becoming a permanent Council member. Because we will have to work with any eventual new permanent members, our position has been not to endorse the claims of any one country in the region to hold a permanent seat.
4. The OAU has called for two permanent seats to be created for African countries (we support only one) and has agreed that these permanent seats would be occupied on a rotational basis (by countries to be determined at a later stage). Nigeria has strongly supported the OAU position, and has called for new permanent members to be given veto powers. Our policy has been that it would be for the countries in the region to decide on who would occupy any permanent seat allocated to them, although any decision would have to be endorsed by the General Assembly. The issue of whether to extend the veto to new permanent members is highly complex and contentious. It may be necessary to delay any decisions until after the new permanent members have been elected.



## **OBASANJO, General (Retired) Olusegun**

President wef 29 May 1999.

Born March 1937 in Abeokuta, Ogun State. Egba Yoruba. Catholic.

Educated at Abeokuta Baptist High School. Commissioned in the Nigerian Army (1959). Mons College (1960-61). Royal Engineers Young Officer's Course Shrivenham, and Indian Staff College Course (1965).

Commander Ibadan Garrison (1967-69). Commander 3 Marine Commando (1969-70) and concurrently Chief Engineer. Brigadier (1972). RCDS (1973-74). Federal Commissioner for Works and Housing (January 1975). Promoted Lieutenant General in January 1976.

Became Head of the Federal Military Government (Head of State) February 1976-79 following the assassination of Murtala Mohammed. Restored civil rule under a new constitution in 1979 and retired to run his large farm at Ota, Ogun State.

Following retirement he travelled extensively and took a close interest in international affairs. His African leadership forum attracted world leaders such as Ex-Chancellor Schmidt. He is a former Chairman of the anti-corruption body Transparency International and was a prime mover behind the African Human Rights organisation. He played a leading role as Joint Chairman of Commonwealth Eminent Persons Group, where his views were generally moderate and sensible. He entertained Nelson Mandela at his farm in May 1990. He visited South Africa in August 1990 at Banbangida's behest. Failed in his bid as an African candidate for UN Secretary-General in 1991.

In March 1995 he was detained for alleged involvement in a coup plot to topple Abacha's government. He was subsequently tried and convicted by the (Aziza) military tribunal. He was sentenced to 25 years imprisonment, which was later commuted to 15 years.

He was released from prison in June 1998 within a week of Abubakar's installation. He joined the People's Democratic Party (PDP) and won the Presidential election on 27 February 1999.

He met the Secretary of State and Mr Lloyd in London on his first post-prison visit outside Nigeria, in July 1998. The Secretary of State called on him at his farm in Nigeria in March 1999. HRH the Prince of Wales attended his inauguration.

Attended CHOGM in Durban in November 1999, where he had an Audience of HM The Queen, and had talks with the Prime Minister.

Several traditional and legal marriages. One estranged wife was murdered in 1987.



**Prince Bola Adesumbo AJIBOLA, KBE**

Nigerian High Commissioner to the Court of St James since 30 November 1999.

Born March 22, 1934 in Owu, Abeokuta, Ogun State. Yoruba, Muslim

Educated at Owu Baptist Day School, AgoOwu, Abeokuta, Nigeria (1942-1949), and Baptist Boys' High School, Oke Egunya, Abeokuta, Nigeria (1950-1955). Studied at Holborn College of Law, University of London (1959-1962), and at Lincoln's Inn, London (called to the Bar on 27 November 1962)

Legal practice 1962-1985. President, Nigerian Bar Association, 1984 – 1985.

Appointed Attorney-General and Minister of Justice, September 1985 – December 1991 (under General Babangida).

President and Founder of "African Concern", a non-political, non-religious, non-profit making and non-governmental organisation registered in Lusaka, Zambia on 8 May 1995.

Prince Ajibola has held a number of international judicial positions including; Judge of the International Court of Justice, The Hague (1991 - 1994); Judge of the World Bank Administrative Tribunal ; Judge of the Constitutional Court of the Federation of Bosnia and Herzegovina (Sarajevo); Member of the Panel of Commissioners of United Nations compensation Commission. He is also a member of the Permanent Court of Arbitration, The Hague.

Prince Ajibola was awarded the KBE in May 1989, on the occasion of the State Visit of President Babangida. Awarded an Honorary Degree (LL.D) of the University of Buckingham 1996.

Married – wife not currently in the UK.



**LAMIDO, Sule (Alhaji)**

Minister of Foreign Affairs since 30 June 1999

From Jigawa State, in northern Nigeria, Hausa, Muslim

Attended Birmin Kudo Primary School and Barwa College, Zaria

Former Chief Executive of Nigerian Agricultural and Commerce Bank.

He was a member of the House of Representatives in the Second Republic (1979-83). He was the National Secretary of the Social Democratic Party (SDP) at the time of the annulment of the June 1993 elections. He was one of the convenors of the All Politicians Summit in 1995. One of the leaders of the Social Progressive Party, which was denied registration in the Abacha elections. He was later arrested and detained without trial for ten months. A member of the Ekwueme led Group of 34, who were opposed to Abacha's self-succession bid, and which went on the form of the nucleus of the PDP.

Ran for Jigawa State Governor twice: the Babangida regime disqualified him in 1991 and the APP candidate in the January 1999 election defeated him. He is said to have fallen out with the leading Emirs in the state who backed his APP opponent.

January 2000



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FM FCO

TO PRIORITY ABUJA

TELNO 156

OF 061117Z SEPTEMBER 00

AND TO PRIORITY LAGOS

INFO ROUTINE WASHINGTON, PARIS, UKMIS NEW YORK, ROME

INFO ROUTINE CABINET OFFICE, HM TREASURY, DFID, DTI, ACTOR

INFO ROUTINE WHIRL

From Sir Graham Burton (on leave)

SUBJECT: VISIT OF PRESIDENT OBASANJO: 13-16 SEPTEMBER: SCENE-SETTER

SUMMARY

1. The visit, seen by some as belated, follows an apparently successful Clinton visit to Abuja. First 15 months frustrating both politically and economically for Obasanjo. But he has been lucky with the price of oil. Debt, loot, inward investment and, possibly visas will be on his agenda. And he will be looking for more material help from us to buttress Nigeria's democratic revival.

DETAIL

2. President Obasanjo will arrive in Britain still on a high from the Clinton visit to Abuja and following what he expects to be a successful Millennium Summit and no doubt an elegantly flattering visit to Italy. Nonetheless he and his accompanying suite of ministers, governors and businessmen will be up for the UK, responding to what many Nigerians believe to be a long overdue invitation. We are among the last of the major countries to receive him and some, like Chirac and Clinton, have returned the compliment.

3. After fifteen months in office, Obasanjo remains generally popular at grass-roots level, perhaps surprisingly given the frustratingly slow pace of change he has been able to achieve. Almost constant friction with the legislature has been the principal cause of this in a system modelled on the US separation of powers. It is now clear that, following Abacha's death and in the Western-supported rush to reinstate democracy, too little time and attention were allowed for the establishment of a meaningful party structure. Consequently, although in theory there are three political parties, in practice none has any clearly defined ideology. All are peopled in the main by politicians of the old order motivated by little other than self-aggrandisement and enrichment.

4. It was inevitable therefore that, given his own autocratic style and his wish quickly to produce a democracy dividend for his people, Obasanjo would run into problems with his largely venal legislature. His less than adroit attempts to influence the appointments of senior office holders has not helped and in its first year of operation we have seen two Senate Presidents and one House Speaker removed for reasons of corruption or political expediency. The only consolation for Obasanjo has been that rank and file Nigerians probably expected nothing different from the types of politician

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who found their way by one route or another into the National Assembly. They have blamed them rather than Obasanjo for the problems.

5. The economy continues to be Obasanjo's Achilles' heel. His touch in matters economic remains less sure than his political feel. He has delegated much of the responsibility to his ambitious Vice-President, himself possessed of a somewhat murky reputation. In fairness, due in no small measure to the activities of the National Assembly and other vested interests, it has taken much longer than was reasonable to create the basic conditions for an agreement with the IMF - believed by many to be a prerequisite for economic improvement. When the latter was finally concluded a month ago it was born as much out of political pragmatism as economic realism. Where Obasanjo has been lucky is in the price of Nigeria's principal source of foreign exchange, oil. This has remained at some three times the price at the time of his election. He needs now to use this good fortune to produce some results for his long-suffering people. To do so he might be well advised to curb his self-evident love of foreign travel and concentrate more on economic and security matters at home.

6. Law and order remains a headache for him and with the welcome disappearance of the armed forces from public view the pitifully ill-equipped police force is in no state to cope. The number and variety of ethnic hostilities continue to underline the fragility of Nigeria's federation. But in recent months, Obasanjo and his government appear to have developed a slightly surer touch in handling these matters. And, though still undeniably worrying, they seem to be attracting less frenzied attention both at home and abroad than was the case twelve months ago.

7. The principal objectives of Obasanjo's foreign travels - and we shall be no exception - have been debt relief, the return of monies looted by former governments and the stimulation of inward investment. He knows that the last is the responsibility almost entirely of his own government but remains frustrated with the Western legal apparatus preventing the early return of Nigerian assets.

8. On debt relief though he clearly understands the stance of the international community (which will have been helped by President Clinton's recent statement of principle), he nonetheless finds it difficult to resist his instinctive reaction, shared by his African brother leaders, that the whole issue has been unfairly handled by the major powers. He frequently complains about the iniquity of a situation in which a country like Nigeria can at some stage borrow five or six billion dollars, repay some eighteen billion at admittedly infrequent intervals, and still be left with a bill for thirty-two billion. There is a head of steam in Africa on this subject and I would expect Obasanjo to return it with both the Prime Minister and the Chancellor.

9. As with the Americans, Obasanjo might also complain to us about what most Nigerians see as the unfairness of our visa system. Nigerians love Britain and visit it whenever they can. It is for most a principal ambition and the perception that we place as many obstacles in their way as possible makes for one of the more touchy

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areas in our relationship. That Mr Clinton has reportedly agreed to review his country's visa policy towards Nigerians will only act as a spur.

10. President Clinton said recently that "the transition to democracy in Nigeria is the most important event in Africa since the crumbling of apartheid in South Africa". True or not this view it will have strengthened Obasanjo's belief that the international community and particularly the likes of the former colonial master should be more fully committed and materially involved in supporting his attempts to rehabilitate his country. For his part he believes he has been helpful to us with Mugabe and Sierra Leone and certainly played a positive role in the release of the Channel 4 hostages. We shall doubtless need his help again both in the region and the continent in general. We ourselves have quite a good story to tell including Ms Short's welcome decision following her visit in the spring to give Nigeria more priority. But the Oliver Twist syndrome is at least as evident in Nigeria as anywhere else and Obasanjo will certainly be hoping for more from us. And Nigerians in general will be equally expectant.

COOK

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ECPOL	0
GIRG	0
HRPD	0
INFO D1//BRIEFWR/VERB	0
INFO D2//BRIEFWR/VERB	0
LEG ADV	0
MENAD	0
NEWS D	0
NAD//HD	0
NPD	0
PLANNERS	0
PC MW	0
PC PP	0
PC PS	0
PROTOCOL RHS//PALACE	0
RABD	0
SECURITY	0

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**DFID** Department for  
International  
Development

94 Victoria Street, London SW1E 5JL

Telephone: 020 7917 0134  
E-mail: c-short@dfid.gov.uk*From the Secretary of State*Rt Hon Richard Caborn MP  
Minister for Trade  
Department of Trade and Industry  
1 Victoria Street  
London SW1H 0ET

13 September 2000

Dear Minister,

**ECGD COVER FOR NIGERIA**

I have seen your letter of 30 August to Stephen Timms, copied to George Foulkes.

I agree entirely that we must do all we can to encourage and support President Obasanjo to undertake reform in Nigeria and join the international community. Certainly, there have been improvements in Nigeria's human rights record since he came to power, but the picture on its debt obligations is mixed. Although Nigeria is meeting its private debts, it continues to default on its official debts. This is not, therefore, the time to be offering a new debt facility, and I believe that, in keeping with our step by step approach, we need to see more evidence of progress before signalling our support through the Good Projects in Difficult Markets (GPDM) scheme. In particular, I believe that we should wait until Nigeria establishes a track record of economic reform, and a Paris Club agreement is in place, before any announcement is made. The SBA recently agreed with the IMF provides Nigeria with an opportunity to demonstrate that it is serious about reform.

Furthermore, we need to be seen to be acting consistently in our application of the criteria by which countries are assessed for inclusion under the GPDM scheme, if we are not to be open for accusations and double standards. As you may recall, when Kenya was under consideration for possible participation in this scheme, my Department objected to its inclusion on grounds of its lack of effort to reform. Given that the GPDM eligibility criteria are in the public domain and that one high profile country has been excluded, my view is that, for the time being, ECGD should not consider doing business in Nigeria under the GPDM scheme.

I am copying this letter to Peter Hain, Sir Richard Wilson and Stephen Timms, and to George Foulkes here.

CLARE SHORT  
(Agreed by the Secretary of State  
and signed in her absence)



CE: SS.  
O.P.O.  
Press.

FROM: Guy Gantley  
ME/NA Economic Adviser  
Economic Policy Department

DATE: 13 September 2000

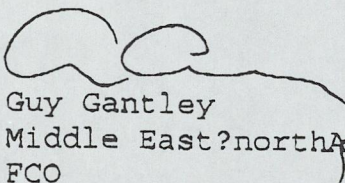
Ms Wexburg, No 10

PM'S MEETING WITH PRESIDENT OBASANJO: BACKGROUND ON NIGERIAN OIL PRODUCTION

1. Nigeria produced about 2.0mbd of oil last month. Best estimates (International Energy Agency) suggest it could in normal times sustain production of 2.2mbd - viz an increase of about 200,000bpd from last month. By itself this would be a small amount in world market terms (about 0.3% of world supply) and only make a worthwhile contribution to getting prices down as part of a wider increase involving in particular Saudi Arabia.

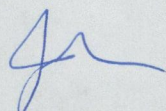
2. In any case the scope for an early increase in production may actually be even more limited. Nigeria - never normally a country to hold back - in fact produced below its OPEC quota (2.09mbd) last month, suggesting difficulty in getting production up. More seriously for the immediate future, Shell, the major foreign oil producer in Nigeria (750,000bpd), yesterday announced a 130,000bpd cut in output following another pipeline spill.

3. Obasanjo's administration has ambitions to raise production substantially in the next few years (to 3mbd by 2003 and 5mbd by 2010). This is no comfort in present circumstances but does mean Obasanjo will be receptive to the case for keeping oil prices at sustainable levels (generally reckoned to be in the \$15-25 range compared to the mid-\$30s now) rather than risking very low prices as the market rebounds.

  
Guy Gantley  
Middle East/North Africa Economic Adviser  
FCO  
7270-2724

*Points for Obasanjo:*

- Good time to produce to the maximum.
- How best to get OPEC to increase production further at the 26-28 Sept OPEC Summit?
- How do OPEC pressures bear on the Saudis?





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10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

13 September 2000

Dear Tim

**NIGERIA: PRIME MINISTER'S MEETING WITH PRESIDENT  
OBASANJO**

The Prime Minister spent an hour with President Obasanjo this afternoon. Obasanjo was accompanied by Prince Bola Ajibola (High Commissioner), Duben Onyia (Minister of State) and Patrick Dele Cole. The Prime Minister was grateful to Peter Hain and Sir Graham Burton for attending. John Sawers and I also sat in.

Oil

The meeting began with Obasanjo offering the Prime Minister some advice on handling fuel crises, based on his own recent experience. The Prime Minister asked how Obasanjo saw the process in OPEC. Obasanjo said OPEC were committed to keeping the oil price within the target \$22-28 range, and would act to increase production if necessary. But he noted that the current crisis was not just OPEC's responsibility: other oil-producing countries (including the UK) could increase production, and major consuming countries were also part of the problem. The Prime Minister said anything that OPEC could do to boost production would clearly help.

Reform/investment

Obasanjo said Nigeria's physical and human infrastructure had been badly run down when he came to power. He was making progress now – tackling priorities such as water and electricity. But while democracy was accepted, its underpinnings remained weak (eg Nigeria's political parties were internally divided). The Nigerian Government needed to show the people a democracy dividend. But they could only do this if they could (a) reduce Nigeria's debt service, and (b) recover stolen funds from abroad (see below).

Obasanjo said foreign investment was starting to return to Nigeria. Graham Burton agreed. British companies had been some of the most reluctant to return – because they had suffered most last time round. But Obasanjo was turning perceptions around. The Prime Minister said it was crucial for Nigeria to send a

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clear message on its commitment to reform. The key was to get credible legal and commercial systems in place. People wanted to invest in Nigeria. But they needed to be sure of the integrity of the system. The Prime Minister promised to bring a business delegation with him when he (eventually!) visited Nigeria.

#### IMF/Debt

Obasanjo said he had been very deeply disappointed by the line the UK had taken in the IMF Board discussion of Nigeria's Stand-By Arrangement. The Chancellor and the Prime Minister had both assured him that they were Nigeria's friends. But this had not been reflected in our interventions in Washington. The Managing Director had been prepared to stick his neck out to support Nigeria, but we had not supported him. Clinton could always blame Congress for not being able to deliver on his promises. But the Prime Minister had no such excuse! The Prime Minister said he would look into this.

On debt, Obasanjo made a strong general plea for help; but he did not press for immediate debt cancellation. He said the Italians had told him that they would start bilateral discussions after the next Paris Club meeting, assuming there was general agreement on restructuring. John Sawers said we would do the same.

#### Recovery of assets

Obasanjo argued forcefully that stolen Nigerian assets held in UK banks should be frozen now. This was what the Swiss had done. He was worried that unless the assets were frozen funds could be siphoned off (Peter Hain's points about due legal process were clearly not enough to satisfy Obasanjo). The Prime Minister promised to look into this carefully and write with a full explanation.

#### Sierra Leone

Obasanjo congratulated the Prime Minister on the release of the hostages. But we would have another big problem in Sierra Leone early next year. Elections were due in February 2001, and Kabbah had told him privately that he was not going to stand again – he wanted to become a father to the nation, which meant having someone else as chief executive. All this meant renewed instability. So the faster we could restore security now, the better. The priority was to disarm and demobilise the RUF.

The Prime Minister agreed. But we also needed to gain control of the diamond fields. And we needed to give Taylor a clear warning to back off.



Obasanjo said he had met some of the RUF foot-soldiers. They did not want to fight. They feared for their lives. They were not bad boys. What they needed was an orderly way out. Unless we could give them such a route, Taylor (driven by his own greed) would control them, and then we could expect war for years to come. So we needed to direct the RUF towards Kabbah and the peace process, and away from Taylor. Obasanjo said he was discussing with Kabbah and Konare a plan to put 12 liaison officers into Sierra Leone to provide a link between the RUF and Kabbah, and to prevent them turning to Taylor.

Obasanjo asked whether we were equipping the Sierra Leone army as well as training them. John Sawers said yes, but we had to ensure that the build-up of the Army kept in step with the development of the civilian administration which would control it. Otherwise we risked creating a coup.

#### Africa partnership initiative

The Prime Minister outlined his ideas for a new partnership for Africa, based on an informal group of Western and African leaders, perhaps including Clinton. He was thinking about a first meeting of such a group in January. He stressed the need for informality, to avoid getting bogged down in diplomatic bureaucracy. There would need to be agreement on an agenda for change which involved action on both sides. He encouraged Obasanjo to keep in touch with Mbeki on this.

Obasanjo welcomed the idea – he had already been briefed by Mbeki, and knew that the South Africans were working on some specific ideas. Privately, Obasanjo expressed his concern to the Prime Minister that this should not be just more words: we needed action.

#### G77/G8

Obasanjo said he thought the meeting between G8 and G77 Heads in Tokyo prior to the Okinawa Summit had been useful. He hoped it could become a regular eve-of-Summit event. The Italians had told him they were well disposed to the idea. The Prime Minister said that some sort of informal dialogue was a good idea (though he did not commit himself to a specific format).

#### Other African conflicts

Obasanjo ran quickly through other conflict countries. On the DRC, he asked for views on a possible visit to Kinshasa. Peter Hain said he thought this would be useful – Kabila was becoming a real problem, and Nigeria was one of the few players not seen as partisan. On Sudan Obasanjo was persuading Moi to put



together a group of African partners. On Ethiopia/Eritrea Meles had told him the war was over, and he believed him: Meles and Afwerki were cousins, and they would not want to fight. Obasanjo thought Mandela would be disappointed with the outcome of the Arusha process on Burundi; Peter Hain said the priority now was to secure a ceasefire.

Comment

A useful meeting, with Obasanjo on good form. The atmosphere was good; but Obasanjo made very clear his disappointment with our attitude on the SBA and on recovering assets. The Prime Minister promised to look into both issues.

I would be grateful if HMT could provide a draft letter for the Prime Minister to send to Obasanjo on IMF/debt (after the Chancellor and Development Secretary's meeting tomorrow), and if the Home Office could provide a background note and draft letter on recovery of assets, addressing in particular why we cannot freeze assets now if the Swiss have – are the assets de facto frozen while the legal process works its way through? **Grateful for advice on both points by 21 September.**

I am copying this to Peter Unwin (DETR), Chris Austin (DFID), Tom Scholar (HMT), Hilary Jackson (Home Office), Brooke Hoskins (DTI), Nicky Moffat (MOD), Richard Abel (Cabinet Office) and Sir Graham Burton (Abuja).

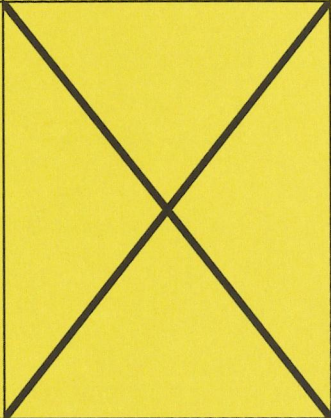
*Anna Wechsberg*

ANNA WECHSBERG

Tim Barrow  
FCO



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MINISTER FOR TRADE  
OFFICE

15 SEP 2000

271

Treasury Chambers, Parliament Street, London, SW1P 3AG

The Rt Hon Richard Caborn MP  
Minister for Trade  
Department for Trade & Industry  
1 Victoria Street  
London  
SW1H 0ET

FOR THE SECRETARY OF STATE  
ADVISE (AND  
REPLY IF  
DATE)  
BY:  
25 SEP 2000

① Minister  
② Andrew

Ward  
88

12 September 2000

Dear Dick,

ECGD

72915

### ECGD COVER FOR NIGERIA

Thank you for your letter of 30 August to the Financial Secretary which suggested extending ECGD's Good Projects in Difficult Markets (GPDM) scheme to Nigeria.

As you say, the UK has been at the forefront of international moves to normalise Nigerian relations with the international financial community. I believe it is important to remain supportive while encouraging the Nigerians to implement the IMF economic reform programme.

I note your view that there is currently no prospect of 'normal' medium term ECGD cover for Nigeria. However, you propose that we extend ECGD's GPDM scheme to Nigeria. This would allow ECGD to consider medium term credit cover for particular projects where the country risks could be mitigated through the use of hard currency accounts held offshore.

Although this could reduce the credit risks to the Exchequer to more standard levels, we need to consider the presentational points carefully. In particular, Nigeria has not been paying its Paris Club debt (of approximately \$30 bn) for around 10 years, while it has been paying its private sector creditors in full. We have been encouraging Nigeria to meet its international obligations through a generous Paris Club rescheduling agreement. However, repayments under this agreement are not due to commence until October and it is too early to tell if Nigeria will adhere to its commitments. If our efforts are unsuccessful it could appear hard to justify any actions which increased Nigeria's debt further under the GPDM scheme. Nigeria's debt is already clearly unsustainable and ECGD will also bear the full risk of these loans





being included in any future multilateral debt reduction.

I also share your concern that an extension of the GPDM scheme could be seen as cosmetic. Given the technical nature of GPDM projects the flow of contracts supported under it has been slow and ECGD would need to avoid criticism that this was a false gesture.

There are therefore important risks related to the extension of the GPDM scheme to Nigeria which need to be considered carefully. However, if you believed this move would be in the overall best interests of the UK then I would not stand in your way. If you decide to proceed, it would be important to continue to review the GPDM scheme in Nigeria to ensure it is consistent with its debt repayment performance. It is also important that the Foreign Office are content with the approach you propose and that exporter expectations and any policy announcements are handled carefully.

I am copying this letter to George Foukes, Peter Hain and Sir Richard Wilson.

*Best wishes,*

*Melanie*

MELANIE JOHNSON MP



File

In DCO Inbox + Private Office  
(email)

**From:** Anna Wechsberg  
**Date:** 12 September 2000

**PRIME MINISTER**

**cc:** Jonathan Powell  
John Sawers  
Tim Livesey

### **NIGERIA: YOUR MEETING WITH PRESIDENT OBASANJO**

Obasanjo is coming here at 3pm for talks with you (originally tea and talks at Chequers). He has meetings with Gordon Brown, Clare Short and Stephen Byers later in the week, and launches the UK/Nigeria forum with the DPM on Thursday.

He will be accompanied by his Foreign Minister (Lamido) and the Nigerian High Commissioner (Ajibola). Peter Hain and Graham Burton (our man in Abuja) will sit in, with John and/or me. Mrs Obasanjo is coming at the same time for tea with Cherie. It would be good if you could meet them together at the door.

Obasanjo has been here very recently: he came to No.10 during August for a breakfast hosted by the DPM for visiting developing world leaders (meeting in London prior to the UN Summit). The main topic then was how developing countries could interact more effectively with the G8.

There are three main points to raise with Obasanjo on this visit: Sierra Leone/Liberia, Africa generally, and Nigeria's own economic reform programme. You might also want to talk about oil. In addition, Obasanjo will want to talk about debt, and may raise stolen assets and visa applications.

Nigeria remains the largest troop contributor in Sierra Leone, and Obasanjo was personally very helpful in securing the release of the Channel 4 journalists in Liberia during the summer (you should thank him for that). But we think Obasanjo – who is influential in the region - **could do more to persuade Charles Taylor to stop supporting the RUF**. You might ask him about this. You should also ask **how he sees prospects for peace in Sierra Leone**. If Kabbah strikes a deal with the RUF now, how can we be sure that peace will last, and what about the diamonds? The



key point is that any peace agreement must allow GoSL to govern properly throughout the country, including using its natural resources to finance a rebuilding of the country.

It would be good to get Obasanjo's reaction to your concept of a partnership for Africa. Nigeria will be an important player - strategically important, and Obasanjo himself is well-respected. You should **encourage Obasanjo to keep in touch with Mbeki**.

On domestic reform, Obasanjo faces real problems: desperately weak public administration, poor relations with the National Assembly, endemic corruption, ethnic unrest and divisions over the introduction of Sharia law. We are helping, eg through the aid programme. But it will be a hard battle. You should **assure Obasanjo of our support, and encourage him to keep going**.

You might also want to raise oil. You could **encourage Nigeria to increase production** - good for the oil price and good for Nigeria's finances.

Obasanjo will press you on cancellation of Nigeria's debt. The UK is Nigeria's largest creditor (\$6bn of a total \$30bn). We are **pressing hard for generous treatment for Nigeria in the Paris Club**, and have gone further than everyone else by saying that we are prepared to consider debt cancellation if Nigeria continues with its reforms. **But cancellation now is not an option**. Other creditors simply would not wear it: Nigeria has no track record of reform (they have only just agreed an IMF programme), and the high oil price means Nigeria could afford to service their debt. Unilateral cancellation would be risky for us, and would mean losing our leverage with other Paris Club creditors. Obasanjo will be disappointed by this, but not surprised: Clinton said the same during his visit to Nigeria in August.

Obasanjo may ask for help in tracing stolen assets held in UK banks. We are doing all we can to help; **but legal process must be followed**. You should avoid been

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drawn into the detail (for legal reasons). On visa applications, you can reassure Obasanjo that we are taking action to put right previous delays in issuing visas.

Attached are a checklist; summary of recent intelligence on Nigeria; scenesetter telegram and a draft partnership statement which you and Obasanjo are expected to endorse (it's fine - no need to look at it if you don't have time).

*Signed : Anna Wechsberg*

*12/09/2000*

**ANNA WECHSBERG**



## **PRESIDENT OBASANJO: CHECKLIST**

- Sierra Leone (thanks for help with Channel 4 journalists; more pressure on Taylor; peace prospects)
- Africa partnership (reactions?)
- Oil (increase production)
- Domestic reform (keep going; prerequisite for debt relief)
- Debt (we will help but cancellation now is unrealistic)

(if raised)

- Stolen assets (need to follow legal process)



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Foreign &  
Commonwealth  
Office

11 September 2000

*Surax / trust!*

London SW1A 2AH

*Dear Ama,*

**Nigeria: Visit by President Obasanjo: Meeting with the  
Prime Minister: 1500, 13 September**

President Olusegun Obasanjo of Nigeria will visit the UK as a Guest of Government from 13 - 16 September. The President will have talks with the Prime Minister at Chequers at 1500 on Wednesday, 13 September. I attach briefing.

Our main objectives for the meeting should be to:

- thank Obasanjo for his continuing help in Sierra Leone and to press him over his plans for dealing with Liberia;
- probe his thoughts on developing Nigeria's regional role;
- encourage him to continue implementation of his reform programme. The Prime Minister might like to agree the attached Joint Partnership Statement with the President.

President Obasanjo's main objective is likely to be to secure support for debt relief. He may raise the recovery of looted assets, and visas. He may also issue an invitation for the Prime Minister to visit Nigeria.

President Obasanjo is the leading regional player in efforts to achieve peace in Sierra Leone. Nigeria is that largest troop contributor to UNAMSIL. Obasanjo himself is widely respected, and one of the few leaders to whom President Charles Taylor of Liberia will listen. He recently intervened with Taylor to secure the release of the Channel 4 journalists.

We should press Obasanjo on his plans for getting Taylor to end support for the RUF, while seeking backing for our own strategy, including possible UN sanctions on Liberia. The meeting will enable us to seek a read-out on the US train and equip programme for Nigerian reinforcements to UNAMSIL.

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More widely, Nigeria is the pre-eminent power in West Africa. Co-operation with Nigeria is therefore essential in achieving UK objectives in the region. The Prime Minister might ask about Obasanjo's plans for increased regional co-operation, especially in ECOWAS. We also want to work closer together in international fora on issues such as debt, trade, and conflict prevention. In this context the Prime Minister will want to raise with Obasanjo the idea he discussed with Mbeki and others in New York for mobilising the international community to tackle Africa's problems.

We should use this opportunity to urge Obasanjo to press forward with his internal reform programme and probe on his next steps. He made a good start. His own commitment is not in doubt. But progress has been slow. If the benefits of democracy are not delivered to the people, Nigeria's prosperity, stability and civilian government will be threatened. The UK is helping: our technical assistance programme for Nigeria totals £15 million this FY.

Obasanjo has made significant efforts to improve human rights in Nigeria. We would like to develop a dialogue, with the aim of using Nigeria's experience to influence other regional states.

President Obasanjo will want to use the meeting to call for debt cancellation for Nigeria. We should underscore the link between achieving economic reform and reaching a lasting solution to Nigeria's debt problem. We should also stress how much we have already done. Following the approval in early August of a one-year IMF programme, we need to secure Obasanjo's renewed commitment to implementing the reform programme agreed with the international community. The President will see the Chancellor of the Exchequer and the Secretary of State for International Development on 14 September for a detailed discussion on debt.

Obasanjo may also solicit help for tracing and recovering assets misappropriated from Nigeria (especially during the Abacha regime), and which may now be in UK banks. Nigeria has submitted a formal request for help. A criminal investigation is underway. But should stress the need to follow due legal process. And we cannot help to trace and recover assets when there is no intention to institute criminal proceedings. Recent publicity has been unhelpful, and it may jeopardise future prosecutions here.

Obasanjo may also raise the UK's visa system. He raised US visas with President Clinton. His ministers have been critical of the length of time it takes to get a UK visa. Most successful applicants are usually informed within 10

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minutes of seeing an Entry Clearance Officer. But the large increase in applications means queues for in depth interviews have grown. We are remedying this.

Finally, the Prime Minister might like to welcome the launch of the UK Nigeria Bilateral Forum. The first, on environmental issues, will be opened on 14 September by President Obasanjo and the Deputy Prime Minister.

We have also supplied briefing on UK/Nigeria relations, the internal political situation (including Sharia Law), UK/Nigeria trade, co-operation on crime, Zimbabwe and UN Security Council reform.

*Yours ever,*  
*Tim*

(Tim Barrow)  
Private Secretary

Ms Anna Wechsberg  
10 Downing Street

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**UK NIGERIA JOINT PARTNERSHIP STATEMENT**

Nigeria and the UK enjoy robust traditional links. We want to move forward together to build on this strong base in the first years of the new millennium.

We have two main aims: to work together to address the key international issues facing the world today, and to help advance the development of Nigeria, the region, and the African continent as a whole.

We have agreed:

- That our partnership will be carried forward by a Bilateral Forum which will be launched tomorrow. The Forum is special: it brings together top members of our two governments, but also leading members of the NGO, academic and business community. This time we will discuss Environmental issues; next time, in Nigeria, Education will be the theme.
- to our continuing commitment to work with President Obasanjo's his government drive forward its reform programme and reduce poverty.
- to the UK's commitment to working with Nigeria to promote its economic reform agenda, and find a lasting solution to Nigeria's debt problem.
- to work together to tackle the spread of HIV/AIDS in Nigeria.
- to strengthen co-operation in our joint fight against drugs and crime.
- that our trade ministers will meet to discuss how bilateral trade can be encouraged and increased, and how we can co-operate on international trade policy issues.
- that we will expand activity to promote opportunities for co-operation in telecommunications, power generation, water, health, oil and gas, agriculture and infrastructure.
- that we will devise a programme of events designed to share the UK's expertise in attracting inward investment.
- to work together on tackling international issues such as Climate Change: Nigeria, as the Chair of the G77, has a key role in this.
- to continue to co-operate on issues such as Sierra Leone and to work together on conflict prevention.

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- to cooperate actively in the UN, the Commonwealth and International Financial Institutions and other multilateral bodies on our shared agenda.

- and to sustain our high level dialogue on all issues of concern to our peoples.

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**CALL ON THE PRIME MINISTER BY PRESIDENT OBASANJO OF NIGERIA:  
CHEQUERS 13 SEPTEMBER**

Key Points

UK/Nigeria Joint Partnership Statement

**Index of Briefs**

- Sierra Leone/Liberia
- ECOWAS
- UK/South Africa/Nigeria Cooperation
- Internal Political
- UK Development Assistance to Nigeria
- Human Rights
- Economy/Debt
- UK/Nigeria Relations
- Recovery of Assets
- UK Visa Policy
- UK/Nigerian Cooperation on Law Enforcement
- UK/Nigeria Trade
- Zimbabwe
- Reform of UN Security Council

Personality Notes

- President Olusegun Obasanjo
- Foreign Minister Alhaji Sule Lamido
- High Commissioner Prince Bola Ajibola

Scene Setter



**NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500: CHEQUERS, 13 SEPTEMBER**

**Key points**

- Much appreciated your help in securing the release of the Channel Four journalists from Liberia.
- Know you share our concern about the influence of President Taylor of Liberia, and his continuing support for the RUF. What are you doing to persuade Taylor to get out of Sierra Leone?
- We favour a graduated approach. Subject to report of UN Experts, have in mind package of carefully targeted additional UN sanctions, including a diamond ban and travel restrictions.
- Recognise sacrifices made by Nigerian military in defence of people of Sierra Leone. Welcome your readiness to deploy further reinforcements. Progress of US train and equip programme for Nigerian troops?
- Keen to see growth of regional organisations to improve the economic and political security of their region. How do you see ECOWAS developing?
- Keen to build on momentum last week in New York behind increased international focus on tackling Africa's problems. We would like to develop trilateral dialogue with South Africa with a view to a summit next year.
- Know your domestic priority is a comprehensive reform programme. Need to work towards poverty eradication and delivery of "democracy dividend" to ordinary Nigerians. Next steps?
- Welcome the great improvements that you have made in human rights. Other countries in the region have much to learn from your example. Perhaps our governments could take this forward together.
- Welcome the agreement on the IMF programme. Sustained progress on reform will support our efforts to persuade sceptical creditors to be generous to Nigeria in future. Will help pave the way to future debt cancellation.
- UK has worked hard to deliver a generous debt rescheduling for Nigeria. Our proposed approach was the earliest, and remains the most radical, solution to Nigeria's debt problems.
- Delighted that you will be inaugurating the UK/Nigeria Bilateral Forum with the Deputy Prime Minister on 14 September.
- We want to help recover misappropriated assets. Nigeria letter of request passed to the Serious Fraud Office for investigation. Legal process must be followed.
- Increased delays in processing of some visa applications caused by large increase in numbers of applications. Steps being taken to remedy this.



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- to the UK's commitment to working with Nigeria to promote its economic reform agenda, and find a lasting solution to Nigeria's debt problem.
- to work together to tackle the spread of HIV/AIDS in Nigeria.
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- that our trade ministers will meet to discuss how bilateral trade can be encouraged and increased, and how we can co-operate on international trade policy issues.
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- that we will devise a programme of events designed to share the UK's expertise in attracting inward investment.
- to work together on tackling international issues such as Climate Change: Nigeria, as the Chair of the G77, has a key role in this.
- to continue to co-operate on issues such as Sierra Leone and to work together on conflict prevention.

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- to cooperate actively in the UN, the Commonwealth and International Financial Institutions and other multilateral bodies on our shared agenda.

- and to sustain our high level dialogue on all issues of concern to our peoples.

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**NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

**Sierra Leone/Liberia**

1. Nigeria is the key regional player in efforts to secure lasting peace in Sierra Leone. President Obasanjo was a leading architect of the Lome Peace Agreement, signed on 7 July 1999. He has since invested much time and effort in trying to keep the peace process on the rails. He has been instrumental in the efforts of ECOWAS to encourage the RUF to stop fighting and disarm. He visited Freetown and Monrovia in late August with Konare (Mali, ECOWAS Chair) to engineer the appointment of Issa Sessay as RUF leader, in succession to Sankoh. Sessay appears committed to the ECOWAS plan of gradual RUF withdrawal and disarmament. Obasanjo is aware of our own "red lines" for any future negotiations between the Government of Sierra Leone and the RUF; he has said the Nigerians are not saying anything different.
2. Nigerians formed the bulk of the regional ECOMOG forces, which finally left Sierra Leone in April just before the RUF launched its attack on UNAMSIL. The Nigerians suffered around 1000 dead during their leadership of the ECOMOG operation. There are some 3,200 Nigerian troops in UNAMSIL. They have major equipment and logistic deficiencies; have failed to follow orders; and are ineffective and prone to corruption. But Obasanjo claims they would be willing to take on the RUF, and push it out of the diamond fields.
3. Unlike most other troop contributors, the Nigerians claim to be committed to a peace enforcement role for UNAMSIL. Obasanjo argues that this will be essential if the RUF are to be defeated. The Nigerians continue to hanker after a West African (ie Nigerian) Force Commander to replace Jetley (India) (but this would not help UNAMSIL's effectiveness). The Nigerians are willing to contribute to the additional 3000 troops pledged to UNAMSIL by ECOWAS. The Americans have started a train and equip programme for five Nigerian battalions (President Clinton announced details during his recent visit to Nigeria). But they are starting from a low base, and the first of these are unlikely to come on stream for UNAMSIL before the start of next year. The meeting provides an opportunity to probe on the likely timescale for deployment to Sierra Leone.
4. The UN Secretary-General has called for a UN force of 20,500 (from 13,000) to undertake the first two phases of UNAMSIL's forward deployment. This would enable UNAMSIL gradually to deploy towards the east, backfilling behind the Sierra Leone army (being trained by the UK). Subsequent phases could entail UNAMSIL deploying throughout the country. We hope that our draft UN Security Council resolution supporting the increase in force size can be adopted on 15 September; we are keen to move quickly to avoid giving the RUF the impression that the UN is dithering.



5. ECOWAS Foreign Ministers are due to meet UN representatives in New York on 11 September, as part of the UN's efforts to improve co-ordination with ECOWAS.
6. We have passed to the Nigerians a paper giving our assessment of President Taylor's role in Sierra Leone. Obasanjo is one of the few leaders to whom Taylor listens. Obasanjo recently visited Monrovia to deliver a very blunt message to Taylor that his support for the RUF must end. Obasanjo has said he wants to teach Taylor a lesson when the time is right. But Obasanjo may be reluctant completely to isolate Taylor from the region. We should therefore take him through our graduated strategy for stepping up international pressure on Taylor. If our strategy is to work, we will need Obasanjo's support.
7. We will continue to disseminate evidence of Taylor's wrong doings. Following the report of the UN Expert Panel on the links between arms and illicit diamonds in October, and if Taylor's support continues unabated, we plan to introduce into the Security Council a draft resolution imposing further sanctions on Liberia. The package might include: a blanket ban on the export of Liberian diamonds; a ban on military contacts and training; a flight ban and a ban on maintenance and insurance services in relation to all Liberian registered aircraft; targeted travel restrictions on Taylor and his cohorts; measures to target the revenue Liberia receives from its shipping register; a ban on the import of Liberian timber and timber products.
8. Obasanjo raised with Taylor the detention of the Channel Four journalists for "spying" during his visit to Monrovia on 21 August. Obasanjo telephoned Taylor several times during his subsequent visit to London to urge Taylor to release the men. His interventions were crucial in ensuring a successful outcome to a very delicate situation.



**NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

**ECOWAS** (Economic Community of West African States)

1. Nigeria was instrumental in the creation of ECOWAS. It is the oldest surviving group in Africa, dating from 1975. This 16-member organisation made glacial progress in its first 15 years. The treaty objectives were vague aiming to promote cooperation and development in the sub-region but stopping short of calling for a full-fledged economic community. There were many reasons for its slow development - political instability in member states, the lack of political will of the leaders, shown by their reluctance to ratify agreed measures in national parliaments, and the consistent failure of members to pay their dues. Economic recession in the also played a part.
2. In the early 1990s ECOWAS decided to re-invent itself with more precise targets - the creation of a common market (by an unspecified date) and a common currency (by 2000). This led to the signature of a new Treaty in 1993 with a new emphasis on political objectives. These included, and as yet unrealised, the creation of a West African Parliament and an ECOWAS Court of Justice.
3. ECOWAS has been most active in the area of conflict management. It has thrice sent a regional peacekeeping force, ECOMOG, into conflict areas - to Liberia, Sierra Leone and Guinea Bissau. These were ad hoc interventions, largely driven by Nigeria. Two years ago, ECOWAS leaders decided to regularise its intervention policy. To this end, ECOWAS adopted at its last Summit in December 1999, a Mechanism for Conflict Prevention Management Resolution Peacekeeping and Security. Its key body, the Mediation and Security Council, meets regularly to discuss ECOWAS reaction to the Sierra Leone crisis and other regional problems.
4. But the economic part of the ECOWAS agenda continues at a slow pace. The capacity of the ECOWAS Secretariat (in Abuja) to service the integration process remains severely limited. However, at the most recent ECOWAS Summit, Nigeria and Ghana committed themselves to spearhead "fast-track" integration. Driven largely by Nigeria's renewed interest in regional cooperation, the idea is for those countries with the political will and economic power to push ahead leaving the others to catch up at their own pace. The fast track group aim to achieve free trade by the end of 2000 and a single monetary zone by 2003. Nigeria and Ghana also aim to concentrate on the development of regional infrastructure and the promotion of regional private sector investment. It remains to be seen whether these ambitions will be achieved.
5. ECOWAS members are: Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo. Mali is currently in the Chair.



**NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

**UK/South Africa/Nigeria cooperation**

1. During the UK/South Africa Bilateral Forum in May the Prime Minister and President Mbeki agreed to work together with other senior leaders including Obasanjo, to generate a new political vision for Africa. Our aim is to initiate trilateral co-operation in international fora. We want to establish a working group at senior official level to identify areas where we can co-operate and to agree a statement of principles to form the basis of our future relationship.
2. The Prime Minister could pursue this idea with President Obasanjo during this month's Guest of Government visit and with President Mbeki during his State visit in early 2001. We aim to hold a UK/South Africa/Nigeria heads of state/government summit in Abuja in mid-2001.



## **NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

### **Internal Political**

1. Nigeria has been under military rule for much of the period since independence. But following the first democratic civilian election for over 15 years, President Obasanjo was sworn in as President on 29 May 1999.

### **Reform Programme**

2. President Obasanjo's priorities for his government are economic reform and diversification, democratisation of the military, police reform, the re-introduction of universal education, tackling corruption and poverty eradication. He has placed respect for human rights at the centre of his policy making. But despite a good start progress has been slow. This is due to a number of factors, including: the legacy of complete institutional collapse of the Abacha regime; the lack of commitment to reform of some of Obasanjo's team; Obasanjo's sometimes autocratic style of government; the pork-barrel politics practised by many National Assembly members.

### **National Assembly**

3. Relations between the National Assembly and the Presidency are poor. There is no party discipline. Assembly members act as individuals rather than working together as party members. The President is unhappy about the amount of time that the National Assembly is taking to pass legislation, and their insistence on significantly amending much of the legislation that he sends to them. Some of the first pieces of legislation he sent in June 1999 have only recently been signed into law.
4. One of the fiercest arguments was over the FY 2000 Budget. President Obasanjo's original Budget was amended by the National Assembly, and greatly increased from about \$5.6billion to \$6.7billion. One of the largest additions was the allocation for the National Assembly. After negotiation, the President agreed to sign the Budget Bill, on the understanding that he was only signing into law certain agreed portions and the other disputed parts of the Bill would be subject to talks between the National Assembly and the Presidency. There is still some confusion over the exact status of the Budget.
5. There is increasing public disillusionment with the National Assembly. There is a growing public perception that the Assembly spends more time looking after itself rather than the issues of national importance. The removal of two Senate Presidents (one for corruption), and one Speaker of the House of Representatives has done nothing to improve public confidence.



## Sharia Law

6. The imposition of Sharia Law has caused concern in the Christian community in Northern Nigeria. Nigeria's Constitution enshrines Nigeria as a secular state, but contains provision for Sharia courts to deal with issues of Islamic personal law. It has existed in this form for many years. However, Zamfara State, in the North-West, formally imposed Sharia Law for criminal cases on 27 January 2000. Seven other Northern States have now followed. The population of these States is predominantly Muslim; although in one, Kano State, it is more cosmopolitan. The Governors of these states have been careful to stress that the non-Muslim population have nothing to fear from the legislation: non-Muslims will not be subject to Sharia Law unless they choose to be.
7. This issue has led to violence. In Kaduna on 21 February, a demonstration by the Christian community against Sharia Law clashed with Muslims. The situation quickly deteriorated with Christians and Muslims burning properties, businesses and places of worship. It is estimated that four hundred people were killed. There were subsequent serious outbreaks of violence in the South, triggered by the return of the bodies of the Kaduna victims to their home States. The death toll here was put at about five hundred.
8. Since then, there have been moves by the two communities to find ways of reducing tensions. The Nigerian Inter-Religious Council, co-chaired by the Sultan of Sokoto (the senior Muslim traditional ruler in Nigeria) and the President of the Christian Association of Nigeria has met. Both sides reaffirmed that there should be no imposition of any religion on the state or the individual: the right of freedom of worship was enshrined in the Constitution. Similar inter-religious councils have been set up in individual States. The governors of the nineteen northern states have agreed to establish a panel to examine how Sharia Law can operate under the existing Nigerian penal code.
9. Violence flared up in Kaduna again in May, in which it is reported that about two hundred people died. The immediate causes of this violence are unclear, but it is not thought to have been directly related to religious differences.
10. The Federal government has tried to avoid raising the temperature of the debate. The constitutionality question will have to be decided by the courts. A test case is before the Zamfara State court.

## Niger Delta

11. The Niger Delta is the main oil-producing area of Nigeria. But it has suffered from many years from economic under-development, environmental degradation, inter-ethnic tensions and deterioration of the security situation. One of President Obasanjo's first acts was to introduce a Bill to establish the Niger Delta Development



Commission (NDDC) to oversee the development needs of the area. This Bill has only recently been passed, and the President has announced that the NDDC will be established before 1 October.

#### Corruption

12. President Obasanjo has made the fight against corruption one of the main priorities of his administration. Amongst his first acts after his inauguration were to establish panels to examine all uncompleted contracts, and all contracts signed between January and May 1999. One of the first pieces of legislation that he put before the National Assembly was an Anti-Corruption Bill. This has only recently been passed.

#### Ethnic Tensions

13. The tensions and conflicts between various tribes in Nigeria are deep-rooted, and long-standing. Under military regimes, a lid had been kept on tensions. But since President Obasanjo withdrew the military from law enforcement, violence has increased. The under-trained and under-resourced police are not able to deal with this. State Governors have been instructed to encourage dialogue between the various tribes to attempt to prevent future conflict.



## **NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

### **UK Development Assistance**

1. Poverty persists in Nigeria, because of poor management and corruption in both public and private sectors. Two thirds of population of 120m live below poverty line. To help reduce these high levels DfID's Country Strategy Paper (CSP) focuses on:
  - helping government drive forward the reform programme at federal level with emphasis on poverty reduction strategy, key economic reforms implementation and justice sector strengthening (including police);
  - collaboration with four reforming State Governments to demonstrate that reforms deliver practical benefits for the poor;
  - making the fight against HIV/Aids special priority. Urgent action needed to prevent the spread of the disease.

This will only happen as part of a co-ordinated co-operative international effort, owned by the FGN and acceptable to donors. The major IFIs need to work hard to achieve this outcome. The next two years are critical.

2. Nigeria is developing a Poverty Reduction Strategy linked to a possible medium-term facility with the IMF. There is considerable confusion within the FGN, (but also within the IFIs) around Nigerian planning for poverty reduction. We have a £750,000 fund to support this process. An interim poverty strategy is being drafted in time for Consultative Group meeting end October in Paris.

### **Economic Reform/Accessible Justice/state Level Reform**

3. The DfID-funded project to strengthen debt statistics management delayed by internal divisions within federal government over long periods. Recently, very welcome steps to establish Debt Management Office were finally achieved. This is important for Nigeria's credibility with Paris Club.
4. The government is committed to improving the shattered justice system, including the police, so that it becomes responsive to the poor. DfID technical assistance will help build capacity in the police and justice systems through broad-ranging programme with a value of up to £26m. But Obasanjo's drive to recruit 40,000 police annually is unsustainable until management including training systems are in place.
5. We continue to support civil society to improve its capacity to hold government to account. Work starts soon on the State and Local Government project in Jigawa, Benue and Ekiti. Fourth state will be selected next year. States are responsible for health and education. This project is worth around £20 million.



## **HIV/Aids**

6. Our assistance has helped increase access to barrier contraception and the promotion of behaviour change through social marketing and working with civil society to support high risk and vulnerable groups. We are exploring a long term programme likely to be worth around £70 million over 7 years. We will support the Government's multi-sectoral response and are participating in the development of a national interim action plan. The President is personally involved through chairmanship of high-level National Action Committee on Aids. Urgent action is required to prevent epidemic reaching the appalling proportions evident in other parts of sub-Saharan Africa.

## **DfID Nigeria**

7. The opening a new office in Abuja expresses our confidence in and support for the country's commitment to reform.

## **Security Sector Reform**

8. FCO/MOD and DfID are involved in developing a programme to support President Obasanjo's objective to reform the military. He wants to achieve professional armed services, which support democracy rather than threaten it. Our programme will include: advice on carrying out a strategic defence review, development of training programmes, and advice on transparency in procurement. Progress has been limited because of the length of time it takes the Nigerians to respond to offers.



## **NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

### **Human Rights**

1. Under previous regimes, especially that of General Abacha, Nigeria's human rights record was very poor. Nigeria was suspended from the Commonwealth following the execution of the Ogoni activists, including Ken Saro-Wiwa. But President Obasanjo has put great emphasis on improving Nigeria's human rights record, continuing the process begun by the transitional government of General Abubakar
2. President Obasanjo set up a tribunal to review cases of human rights abuses dating back to 1960. The panel has received over 10,000 complaints. The Nigerian government has also taken a number of initiatives to reduce prison over-crowding and to improve conditions in prisons. For example over 2,500 prisoners have been released under prison decongestion schemes. We have supported PRAWA, a Nigerian NGO, in their work on prison conditions.
3. The Nigerian Government has recently announced a national policy on women's rights, to ensure that the laws are in accordance with all their international obligations. They have also announced a review of the legislation covering the trafficking of women and children, with the stated aim of strengthening it. In addition, they have established a programme aimed at eliminating child labour in Nigeria.
4. President Obasanjo has issued guidelines to the police and military on the need to respect the human rights of the civilian population.
5. In June, Nigeria was elected as one of the members of the UN Commission on Human Rights (CHR) sub-panel on the protection and promotion of human rights.
6. Although the Nigerian Government's policy towards human rights has been encouraging, there have been isolated incidents after which we have raised our concerns.

### **Regional Dialogue**

7. We are keen to set up dialogues on human rights issues with key countries. These dialogues would cover regional human rights issues, and would be designed to encourage like-minded countries to take more forward positions on human rights in their regions and in international fora. They could be held either as separate talks or in the margins of existing meetings such as the UN Commission for Human Rights.
8. Nigeria would be a key target, given its regional influence and its role within the Africa Group in the UN and the CHR. If the Nigerians are interested in establishing a dialogue, Mr Hain will take forward discussion when he next visits Nigeria.



## **NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

### **Economy/Debt**

#### **IMF/Economic reform**

1. Nigeria's one-year IMF Stand-By Arrangement (SBA) was approved on 4 August. It was originally planned to start in January this year but was considerably delayed while the government tried to reconcile Budget figures agreed with the IMF with those proposed by the National Assembly.
2. Prior to agreement with the IMF Nigeria made only limited progress on reform. We hope the SBA will encourage the President to push ahead with a more ambitious and faster-moving reform agenda. In terms of Nigeria's hopes of debt relief, building a sustained track record of economic reform through adherence to this, and then a medium-term IMF programme, is the only way Nigeria will convince other creditors that it is serious about reform and that it deserves debt cancellation.

#### **Debt**

3. Nigeria's external debt burden is around \$30bn (data is inexact). The majority of this is owed to the Paris Club group of government creditors. The total is mainly made up of arrears and penalty interest payments imposed because previous regimes failed to repay their debts.

Obasanjo argues that Nigeria is not responsible for debts taken out, and squandered, under previous regimes. He has therefore pressed repeatedly for cancellation of this debt.

#### **UK position**

4. The UK is Nigeria's largest creditor. We are owed \$6bn. Early last year we decided that if Nigeria could demonstrate that it would devote its resources to economic reform and poverty eradication, we would not press for full repayment of our debt. We proposed a two-stage approach:

- first, a generous debt rescheduling while Nigeria completed an IMF programme and built a track record of reform; and then,
- once Nigeria had demonstrated its commitment to change, and if a debt sustainability analysis showed that it was needed, the UK would consider the possibility of debt cancellation.

5. We were the first creditor to make this commitment, a demonstration of our faith in the new government before it had put actions to its promises of economic reform. No other creditor has gone further and only the US, a minor creditor, has matched our position. We are still in the first stage of this process. Now that the IMF programme



has finally been agreed, Nigeria will come to the Paris Club for a rescheduling in October.

### **Paris Club rescheduling**

6. The UK has worked hard to persuade other creditors that Nigeria deserves a generous rescheduling. Nigeria owes the Paris Club around \$3bn this year. It has offered around \$700m. Other creditors argue that Nigeria should pay more. It has not honoured its debts to public sector creditors for many years while continuing to pay the private sector in full. They have seen little evidence of Nigeria's commitment to reform and they do not believe they should reward what may turn out to be empty promises of change. Moreover, the high world oil price means that Nigeria can continue to service its debt.

7. The UK has used its position as largest creditor to persuade the Paris Club to accept the Nigerians' offer. This has been difficult to do and the deal is not completely assured even now. We have used up much negotiating capital to achieve this. And if they start to ask for even more generous terms at the rescheduling, they are likely to lose the current deal.

### **Why not debt cancellation?**

8. Debt cancellation is not an option at present, given the opposition of other creditors. It would also be very difficult to justify to the HIPC countries (Heavily Indebted Poor Countries) who have had to complete three year IMF programmes to demonstrate their commitment to reform before they received debt relief. President Clinton visited Abuja last month. He was pressed on the subject of debt cancellation but did not support it. This is the right line. We are not in a position yet to persuade other creditors to support debt cancellation. Unilateral cancellation would be extremely expensive and would remove our leverage to encourage the Nigerians to continue to reform and to argue their case with other creditors.

### **HIPC**

9. Nigeria is not a HIPC country because it does not meet the technical criteria (it is not an IDA-only country). However, the two-stage treatment of Nigeria's debt which the UK has proposed could potentially lead to debt cancellation more quickly than the HIPC process.

### **Way forward**

10. Debt and economic reform are inextricably linked. Nigeria needs to put its promises into action before it will persuade others of the case for debt relief. It has not yet done so. It has instead argued that without debt cancellation it cannot improve its country's standard of living. This is not the case. Nigeria is making very few debt payments at present and debt cancellation alone will not prove a panacea. Only real action on reform and rebuilding of institutions will help Nigeria. The UK is helping here with technical assistance programmes but the key step is for Nigeria to complete the IMF programme fully and push on with reform.



## **NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

### **UK/Nigeria Relations**

1. Our strong stance against the former military Head of State Sani Abacha has stood us in good stead with the Obasanjo administration. The UK led international opposition to the Abacha regime, including the call for imposition of EU sanctions, and supported its suspension from the Commonwealth in 1995.
2. Following Abacha's death, we supported the transition process to democratic civilian rule under General Abubakar, and gave logistical and technical assistance during the elections. After the elections, we pressed to EU sanctions, and the Commonwealth suspension, to be lifted.
3. The Prince of Wales represented HM The Queen at the inauguration of President Obasanjo on 29 May 1999.

### **UK/Nigeria Bilateral Forum**

4. President Obasanjo and the Deputy Prime Minister will formally inaugurate the first UK/Nigeria Bilateral Forum on 14 September. The Forum will strengthen and deepen the relationship by bringing together government, academics and the private sector to share knowledge across a wide range of issues. The Fora are also designed to help establish new links between UK and Nigerian NGOs and academic institutions.
5. The theme of the first forum will be the environment. After the formal opening, there will be an opening plenary co-chaired by Mr Meacher and Alhaji Daura, the Nigerian Minister for the Environment. Break-out sessions will then discuss climate change, desertification, waste management and oil pollution and gas flaring. The chairs of the discussions will report their group's conclusions to the closing plenary, which will adopt a Concluding summary of the discussions. Mr Meacher and the Nigerian Environment Minister will close the final plenary by signing a Joint Ministerial Statement.
6. The next Forum will be held in Nigeria. The Nigerians would like it to concentrate on education. The date is not yet decided; but it is likely to be in autumn 2001.

### **Chevening Scholarships**

7. There are currently 38 Chevening scholars from Nigeria in the UK. We expect that number to increase to 41 this year.

### **40<sup>th</sup> Anniversary of Independence**

8. On 1 October 2000, Nigeria will celebrate its 40<sup>th</sup> anniversary of independence.



**NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE  
PRIME MINISTER: 1500; 13 SEPTEMBER**

**Recovery of Assets**

1. A bilateral asset confiscation agreement was signed between the UK and Nigeria on 18 September 1989 and entered into force on 30 October 1993. This allows the UK to assist Nigeria – and vice versa – in tracing the proceeds of all criminal activities, restraint of property liable to confiscation, and the enforcement of Nigerian confiscation orders where proceeds are located in the UK.
2. But certain pre-conditions must be met before such assistance can be offered. Where a request is made by Nigeria for the restraint of assets which are located in the UK, it must be accompanied by a certificate that confirms that criminal proceedings have been instituted against an individual/s – or that those proceedings are about to be instituted but have not yet been concluded. There must also be detail of the specific property to be restrained and its connection to the individual/s against whom the charges have been made. The request for restraint must then be recognised by the UK High Court, although where such detailed information as is specified above is provided, this is not usually a problem.
3. We are unable to act on requests for restraint where such requests are thought to be merely “fishing expeditions” where criminal charges are unlikely to follow or a criminal investigation is only being initiated.
4. There is however provision for Nigeria to seek assistance in identifying, locating and assessing the value of property believed to be within the UK. Such requests for the tracing of the proceeds of crime must contain details as to the nature and location of the property, and as to any person in whose possession the property is believed to be.
5. President Obasanjo wrote to the Prime Minister in July 1999, asking for our assistance in tracing and restraining stolen assets held in the UK. The Prime Minister replied, offering help. The Nigerian Government's Swiss lawyers formally presented a letter of request to the Home Office in July 2000. They sought HMG's assistance in restraining assets belonging to members of the Abacha family and their associates. This letter of request has been passed to the Serious Fraud Office for investigation.
6. In parallel, President Obasanjo wrote again to the Prime Minister asking for his assistance in speeding through the request. The Prime Minister replied on 1 August, reiterating that we were prepared to help but emphasising that we had to follow due legal process, which would take time.
7. The solicitors to the Abacha family claim the Nigerian Government's assertion that they will pursue a criminal case against their clients is bogus. They maintain that the real aim is to get help to recover funds. They have threatened to apply for a judicial review of the case, which would delay it considerably. The Home Office have repeatedly assured the lawyers that this is not the case, but have



agreed to consider carefully the documents submitted by the lawyers. They have undertaken to give the lawyers seven days notice of any decision to execute the Nigerians' request for assistance.

8. We should not make any public comment about the Abacha case as it relates to ongoing criminal investigations.
9. The Swiss authorities have recently published a very critical report of how Swiss banks allowed the Abacha family to hold their assets in their accounts without sufficient checks on the source of the money. The report also points out that a large proportion of the money entered the Swiss banking system via the UK. The Cabinet Office have reviewed the UK's existing money laundering regulation, and aim to introduce new legislation soon.



**NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE  
PRIME MINISTER: 1500; 13 SEPTEMBER**

**UK Visa Policy**

1. Nigerians need a visa before they travel to the UK. The Nigerian Foreign Minister, Lamido, has raised the question of visas in the past. During the visit of Mr Hain in January 2000, he was critical of UK immigration policy, the length of time it takes to issue a visa, and the number of visa refusals. US visa policy was similarly raised with President Clinton during his recent visit to Nigeria. The Nigerians also object to the "Entry Clearance Applied For" stamp being put into passports when an application cannot be dealt with immediately.
2. Our two entry clearance issuing posts in Abuja and Lagos issued a total of 60,782 visas during 1999. The number of applications being received in Abuja and Lagos during 2000 has increased by 43% and 10% respectively over the same period last year.
3. For the vast majority of prospective travellers (88% in Abuja and 77% in Lagos) a decision is taken on their application within 10 minutes of seeing an Entry Clearance Officer (ECO). Other prospective travellers, whose applications are judged by an ECO to be less straightforward, are asked to return to be interviewed in greater depth. This gives them the opportunity to make their case at greater length and to provide additional documents.
4. Entry Clearance Posts are expected to schedule in-depth visit interviews within 10 days of an application being made. This is not at present happening in either Lagos or Abuja where there are queues of 14 and 35 days respectively. Both Visa Sections were reviewed in October 1999. The reviews recommended staff increases and changes in working practices. When fully implemented, these measures should bring the queue lengths within the 10 day target.
5. When a visa application cannot be dealt with immediately (i.e. requires an in-depth interview), the Post routinely endorse the applicant's passport with an "Entry Clearance Applied For" (ECAF) stamp and write in a reference number so that the papers can be married up quickly for the interview. It would be time-consuming to search for papers by name; Lagos process over 50,000 visa applications each year. If the applicant is later refused a visa, the Post draw a line through the ECAF stamp as a signal to other Posts to whom he or she might apply. An ECAF stamp on its own, i.e. without either a line through it or evidence that a visa was subsequently issued, also serves



as a signal for caution. Other countries (e.g. USA and Canada) follow similar procedures. FCO Legal Advisers have recently confirmed that any applicant who applies for a UK visa must accept that his or her application will be dealt with in accordance with UK procedures, including applying an ECAF stamp, and, if necessary, drawing a line through it.

6. The fees are set to recover the cost of providing the entry clearance service worldwide, and no more. For the majority travellers visa fees form very a small part of the overall cost of the journey. The fee covers the cost of processing the application, irrespective of the outcome.
7. Nigerian Ministers and senior government advisers (and their normally large entourages) are usually issued visas on the spot.



**NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

**UK/Nigerian Cooperation on Law Enforcement**

1. There is a serious international problem with crime carried out by Nigerian nationals, especially drug trafficking and advance fee frauds. Under previous regimes little cooperation was possible between UK and Nigeria. But President Obasanjo is keen to take action to stamp out these crimes, and the Nigerian law enforcement authorities now want to improve relations with UK forces.

**Drug Trafficking**

2. The Nigerian government are very keen to clamp down on drug trafficking. Any Nigerian deported after serving a prison sentence for drug smuggling faces another trial for bringing the good name of Nigeria into disrepute.
3. The UK participated in an EU/US initiative on drug trafficking. A Customs and Excise officer was part of the team which visited Nigeria. Follow up action is under consideration.
4. We have donated drug test equipment to the Nigerian National Drug Law Enforcement Agency (NDLEA). The previous Head of the NDLEA and the Presidential Adviser on Drugs and Organised Crime have both visited the UK as Sponsored Visitors.

**Advance Fee Fraud**

5. Advance fee fraud is a massive problem. The usual format is an unsolicited letter (or fax or even e-mail) sent to individuals or organisations offering them a percentage of a large amount of money, if they will help the authors get the money out of Nigeria. The letters often claim to be from a Nigerian Ministry or parastatal. If the addressee responds to the letter, they will be asked to send money to pay for certain expenses, such as certificates, bribes, clearance charges or air tickets. The money in Nigeria does not exist. Proceeds of this crime are often used to fund drug trafficking.
6. Millions of these letters are sent out each year. Last year the Post Office intercepted about half a million. But NCIS FCO and DTI receive a steady stream of complaints from members of the public.
7. In the last few months NCIS have built up a good working relationship with Nigerian law enforcement agencies, facilitated by the Nigerian High Commission in London, and the Head of Interpol in Abuja.
8. NCIS have also been able to carry out preliminary investigations in Nigeria with the assistance of the Nigerian police and US Secret Service (who have a task force in



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Nigeria). This has led to recent arrests in Nigeria and in London, and the closure of a fraud letter "factory". No public comment can yet be made on these cases as they have not yet come to trial.

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## **NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE PRIME MINISTER: 1500; 13 SEPTEMBER**

### **UK/Nigeria Trade**

1. Nigeria is the UK's second largest export market in sub-Saharan Africa (after South Africa). UK exports in 1999 were worth £425 million (mainly industrial machinery and manufactures), slightly down on 1998. Imports for the same period were just under £125 million (mainly cocoa/coffee/tea and petroleum products). The UK's export market share in 1998 was 11.8% - second only to the US - and we remain one of the largest investors with assets worth over £1 billion. Major British companies active in Nigeria include Shell, Unilever, Guinness, British Airways, Standard Chartered Bank, Blue Circle, Glaxo Smithkline, Cadbury and BAT/Rothmans.

2. Despite a series of high level visits (Vice-President Atiku to the UK as a Guest of the Lord Mayor of London in February; the then Minister of Power and Steel, Bola Ige, in January; the Deputy Prime Minister to Nigeria in June), and a full programme of Chamber of Commerce Missions, exports have remained static. Much of this is due to a lack of conviction amongst British firms - many of whom were badly burned during previous military regimes (including Obasanjo's) - that the business climate (corruption, transparency, suffocating bureaucracy) has really changed for the better. Trade Partners UK is continuing to sensitise British industry to the commercial opportunities in Nigeria - the Duke of Gloucester is to lead a British Consultants' Bureau Mission in October, and Richard Caborn, Minister for Trade, is to visit in November, possibly with a group of British telecoms companies. But our competitors - notably the US - are more active, especially in sectors such as power generation and infrastructure development identified as priorities by the Nigerians themselves.

3. Obasanjo may express disappointment at the (perceived) reluctance of British firms to invest in the "new" Nigeria - a constant refrain from senior Nigerians. However:

- Many of the major UK firms with extensive interests in Nigeria increasing investment, eg Shell investing \$8.5 billion over the next 10 years, Blue Circle bought the newly privatised WAPCO cement company. You are having private meetings with Shell, British Aerospace, Glaxo SmithKline, Rolls Royce.

- Business round table on 14 September hosted by Stephen Byers will highlight British commercial expertise in range of sectors: telecoms (Marconi); oil and gas (AMEC); power (Rolls Royce, Alstom); infrastructure (Costain, Mott MacDonald).

- Growing level of interest in Nigeria from small and medium-sized enterprises (SMEs), many of whom will be attending the dinner which the Deputy Prime Minister will host this evening.

- But understandable that some firms are proceeding with caution, after so many years of economic mismanagement by the military. Will find pace of company activity gathers pace as Nigeria establishes track record of economic and political well-being.



- Commercial decisions based on a number of factors (eg security, risk of non-payment, infrastructure links). Globalisation forcing companies to concentrate resources on particular regions/countries. Nigeria competing with other developing countries – eg Asian tigers – for foreign investment.

- But UK can share our expertise at attracting inward investment. Your visit to South Wales an opportunity to see how we have regenerated a run-down area.

4. There is no medium/long term ECGD cover for Nigeria. The Nigerians will first have to reach agreement with the Paris Club, service their foreign debts on a timely basis and establish a track record of economic reform. This is likely to be some way off. The only ECGD cover currently available is the provision of contract frustration cover for exports of goods and services sold on short terms of payment. This is usually provided by a reinsurance to the private sector. This facility supports some £50 million of exports to Nigeria per annum.



**NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE  
PRIME MINISTER: 1500; 13 SEPTEMBER**

**Zimbabwe**

1. Violence and intimidation of commercial farmers and farm workers continue. The Government's accelerated land reform programme, now involving the acquisition of 3,041 farms, will be disastrous for the economy, threaten political stability and make ordinary Zimbabweans poorer. More than 2 million (almost a fifth of Zimbabwe's population) farm workers and dependants could be displaced. Commercial farming accounts for 19% of GDP and 40% of export earnings. Should acquisition of more than 3,000 farms go ahead, commercial farming activity will be halved within three years. There is widespread international recognition that this is economic and social madness.
2. A new economic stabilisation package, announce by Finance Minister Makoni on 3 August, is a good technical start, but has not been implemented. But more radical and sustained reform is needed to re-engage donors and the IFIs, and rekindle investor confidence; unambiguous political backing from the highest level is an essential requirement. An IMF mission is currently in Harare for Article IV discussions. The IMF team leader told our high Commissioner on 30 August that he found no sense of urgency within the Government, that their monetary policy was "insane" and that there was no real strategy for recovery.
3. President Obasanjo facilitated the meeting between the Foreign Secretary and Mugabe in Cairo in April. In the same month he sent his Foreign Minister to Harare on a fact finding mission. Although President Obasanjo has wanted to play a role in finding a solution to Zimbabwe's current problems, he has been kept from doing so by domestic concerns and events in Sierra Leone.



**NIGERIA: VISIT BY PRESIDENT OBASANJO: MEETING WITH THE  
PRIME MINISTER: 1500; 13 SEPTEMBER**

**Reform of UN Security Council**

1. UK policy is to support expansion of Security Council from 15 to 24 to include five additional permanent seats (two for Germany and Japan plus three for developing countries in Africa, Asia and Latin America respectively) and four new non-permanent seats (one each for Africa, Asia, Latin America and Eastern Europe).
2. Security Council enlargement is debated in an Open-Ended Working Group that works on a consensus basis. A minority group of states known as the "Coffee Club" that opposes any new permanent members, (eg Italy, Canada, New Zealand, Argentina, Indonesia, Korea, Namibia) has blocked progress. But there appears to be a clear majority in favour of expanding both permanent and non-permanent membership. We are working with like-minded states (including Nigeria) on how best to achieve agreement on this principle.
3. Nigeria has called for early enlargement in both the permanent and non-permanent categories of membership, and has expressed interest in becoming a permanent Council member. Because we will have to work with any eventual new permanent members, our position has been not to endorse the claims of any one country in the region to hold a permanent seat.
4. The OAU has called for two permanent seats to be created for African countries (we support only one) and has agreed that these permanent seats would be occupied on a rotational basis (by countries to be determined at a later stage). Nigeria has strongly supported the OAU position, and has called for new permanent members to be given veto powers. Our policy has been that it would be for the countries in the region to decide on who would occupy any permanent seat allocated to them, although any decision would have to be endorsed by the General Assembly. The issue of whether to extend the veto to new permanent members is highly complex and contentious. It may be necessary to delay any decisions until after the new permanent members have been elected.



## **OBASANJO, General (Retired) Olusegun**

President wef 29 May 1999.

Born March 1937 in Abeokuta, Ogun State. Egba Yoruba. Catholic.

Educated at Abeokuta Baptist High School. Commissioned in the Nigerian Army (1959). Mons College (1960-61). Royal Engineers Young Officer's Course Shrivenham, and Indian Staff College Course (1965).

Commander Ibadan Garrison (1967-69). Commander 3 Marine Commando (1969-70) and concurrently Chief Engineer. Brigadier (1972). RCDS (1973-74). Federal Commissioner for Works and Housing (January 1975). Promoted Lieutenant General in January 1976.

Became Head of the Federal Military Government (Head of State) February 1976-79 following the assassination of Murtala Mohammed. Restored civil rule under a new constitution in 1979 and retired to run his large farm at Ota, Ogun State.

Following retirement he travelled extensively and took a close interest in international affairs. His African leadership forum attracted world leaders such as Ex-Chancellor Schmidt. He is a former Chairman of the anti-corruption body Transparency International and was a prime mover behind the African Human Rights organisation. He played a leading role as Joint Chairman of Commonwealth Eminent Persons Group, where his views were generally moderate and sensible. He entertained Nelson Mandela at his farm in May 1990. He visited South Africa in August 1990 at Banbangida's behest. Failed in his bid as an African candidate for UN Secretary-General in 1991.

In March 1995 he was detained for alleged involvement in a coup plot to topple Abacha's government. He was subsequently tried and convicted by the (Aziza) military tribunal. He was sentenced to 25 years imprisonment, which was later commuted to 15 years.

He was released from prison in June 1998 within a week of Abubakar's installation. He joined the People's Democratic Party (PDP) and won the Presidential election on 27 February 1999.

He met the Secretary of State and Mr Lloyd in London on his first post-prison visit outside Nigeria, in July 1998. The Secretary of State called on him at his farm in Nigeria in March 1999. HRH the Prince of Wales attended his inauguration.

Attended CHOGM in Durban in November 1999, where he had an Audience of HM The Queen, and had talks with the Prime Minister.

Several traditional and legal marriages. One estranged wife was murdered in 1987.



**LAMIDO, Sule (Alhaji)**

Minister of Foreign Affairs since 30 June 1999

From Jigawa State, in northern Nigeria, Hausa, Muslim

Attended Birmin Kudo Primary School and Barwa College, Zaria

Former Chief Executive of Nigerian Agricultural and Commerce Bank.

He was a member of the House of Representatives in the Second Republic (1979-83). He was the National Secretary of the Social Democratic Party (SDP) at the time of the annulment of the June 1993 elections. He was one of the convenors of the All Politicians Summit in 1995. One of the leaders of the Social Progressive Party, which was denied registration in the Abacha elections. He was later arrested and detained without trial for ten months. A member of the Ekwueme led Group of 34, who were opposed to Abacha's self-succession bid, and which went on to form the nucleus of the PDP.

Ran for Jigawa State Governor twice: the Babangida regime disqualified him in 1991 and the APP candidate in the January 1999 election defeated him. He is said to have fallen out with the leading Emirs in the state who backed his APP opponent.

January 2000



**Prince Bola Adesumbo AJIBOLA, KBE**

Nigerian High Commissioner to the Court of St James since 30 November 1999.

Born March 22, 1934 in Owu, Abeokuta, Ogun State. Yoruba, Muslim

Educated at Owu Baptist Day School, AgoOwu, Abeokuta, Nigeria (1942-1949), and Baptist Boys' High School, Oke Egunya, Abeokuta, Nigeria (1950-1955). Studied at Holborn College of Law, University of London (1959-1962), and at Lincoln's Inn, London (called to the Bar on 27 November 1962)

Legal practice 1962-1985. President, Nigerian Bar Association, 1984 – 1985.

Appointed Attorney-General and Minister of Justice, September 1985 – December 1991 (under General Babangida).

President and Founder of "African Concern", a non-political, non-religious, non-profit making and non-governmental organisation registered in Lusaka, Zambia on 8 May 1995.

Prince Ajibola has held a number of international judicial positions including; Judge of the International Court of Justice, The Hague (1991 - 1994); Judge of the World Bank Administrative Tribunal ; Judge of the Constitutional Court of the Federation of Bosnia and Herzegovina (Sarajevo); Member of the Panel of Commissioners of United Nations compensation Commission. He is also a member of the Permanent Court of Arbitration, The Hague.

Prince Ajibola was awarded the KBE in May 1989, on the occasion of the State Visit of President Babangida. Awarded an Honorary Degree (LL.D) of the University of Buckingham 1996.

Married – wife not currently in the UK.



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FM FCO

TO PRIORITY ABUJA

TELNO 156

OF 061117Z SEPTEMBER 00

AND TO PRIORITY LAGOS

INFO ROUTINE WASHINGTON, PARIS, UKMIS NEW YORK, ROME

INFO ROUTINE CABINET OFFICE, HM TREASURY, DFID, DTI, ACTOR

INFO ROUTINE WHIRL

From Sir Graham Burton (on leave)

SUBJECT: VISIT OF PRESIDENT OBASANJO: 13-16 SEPTEMBER: SCENE-SETTER

SUMMARY

1. The visit, seen by some as belated, follows an apparently successful Clinton visit to Abuja. First 15 months frustrating both politically and economically for Obasanjo. But he has been lucky with the price of oil. Debt, loot, inward investment and, possibly visas will be on his agenda. And he will be looking for more material help from us to buttress Nigeria's democratic revival.

DETAIL

2. President Obasanjo will arrive in Britain still on a high from the Clinton visit to Abuja and following what he expects to be a successful Millennium Summit and no doubt an elegantly flattering visit to Italy. Nonetheless he and his accompanying suite of ministers, governors and businessmen will be up for the UK, responding to what many Nigerians believe to be a long overdue invitation. We are among the last of the major countries to receive him and some, like Chirac and Clinton, have returned the compliment.

3. After fifteen months in office, Obasanjo remains generally popular at grass-roots level, perhaps surprisingly given the frustratingly slow pace of change he has been able to achieve. Almost constant friction with the legislature has been the principal cause of this in a system modelled on the US separation of powers. It is now clear that, following Abacha's death and in the Western-supported rush to reinstate democracy, too little time and attention were allowed for the establishment of a meaningful party structure. Consequently, although in theory there are three political parties, in practice none has any clearly defined ideology. All are peopled in the main by politicians of the old order motivated by little other than self-aggrandisement and enrichment.

4. It was inevitable therefore that, given his own autocratic style and his wish quickly to produce a democracy dividend for his people, Obasanjo would run into problems with his largely venal legislature. His less than adroit attempts to influence the appointments of senior office holders has not helped and in its first year of operation we have seen two Senate Presidents and one House Speaker removed for reasons of corruption or political expediency. The only consolation for Obasanjo has been that rank and file Nigerians probably expected nothing different from the types of politician

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who found their way by one route or another into the National Assembly. They have blamed them rather than Obasanjo for the problems.

5. The economy continues to be Obasanjo's Achilles' heel. His touch in matters economic remains less sure than his political feel. He has delegated much of the responsibility to his ambitious Vice-President, himself possessed of a somewhat murky reputation. In fairness, due in no small measure to the activities of the National Assembly and other vested interests, it has taken much longer than was reasonable to create the basic conditions for an agreement with the IMF - believed by many to be a prerequisite for economic improvement. When the latter was finally concluded a month ago it was born as much out of political pragmatism as economic realism. Where Obasanjo has been lucky is in the price of Nigeria's principal source of foreign exchange, oil. This has remained at some three times the price at the time of his election. He needs now to use this good fortune to produce some results for his long-suffering people. To do so he might be well advised to curb his self-evident love of foreign travel and concentrate more on economic and security matters at home.

6. Law and order remains a headache for him and with the welcome disappearance of the armed forces from public view the pitifully ill-equipped police force is in no state to cope. The number and variety of ethnic hostilities continue to underline the fragility of Nigeria's federation. But in recent months, Obasanjo and his government appear to have developed a slightly surer touch in handling these matters. And, though still undeniably worrying, they seem to be attracting less frenzied attention both at home and abroad than was the case twelve months ago.

7. The principal objectives of Obasanjo's foreign travels - and we shall be no exception - have been debt relief, the return of monies looted by former governments and the stimulation of inward investment. He knows that the last is the responsibility almost entirely of his own government but remains frustrated with the Western legal apparatus preventing the early return of Nigerian assets.

8. On debt relief though he clearly understands the stance of the international community (which will have been helped by President Clinton's recent statement of principle), he nonetheless finds it difficult to resist his instinctive reaction, shared by his African brother leaders, that the whole issue has been unfairly handled by the major powers. He frequently complains about the iniquity of a situation in which a country like Nigeria can at some stage borrow five or six billion dollars, repay some eighteen billion at admittedly infrequent intervals, and still be left with a bill for thirty-two billion. There is a head of steam in Africa on this subject and I would expect Obasanjo to return it with both the Prime Minister and the Chancellor.

9. As with the Americans, Obasanjo might also complain to us about what most Nigerians see as the unfairness of our visa system. Nigerians love Britain and visit it whenever they can. It is for most a principal ambition and the perception that we place as many obstacles in their way as possible makes for one of the more touchy

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arms in our relationship. That Mr Clinton has reportedly agreed to review his country's visa policy towards Nigerians will only act as a spur.

10. President Clinton said recently that "the transition to democracy in Nigeria is the most important event in Africa since the crumbling of apartheid in South Africa". True or not this view it will have strengthened Obasanjo's belief that the international community and particularly the likes of the former colonial master should be more fully committed and materially involved in supporting his attempts to rehabilitate his country. For his part he believes he has been helpful to us with Mugabe and Sierra Leone and certainly played a positive role in the release of the Channel 4 hostages. We shall doubtless need his help again both in the region and the continent in general. We ourselves have quite a good story to tell including Ms Short's welcome decision following her visit in the spring to give Nigeria more priority. But the Oliver Twist syndrome is at least as evident in Nigeria as anywhere else and Obasanjo will certainly be hoping for more from us. And Nigerians in general will be equally expectant.

COOK

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GIRG	0
HRPD	0
INFO D1//BRIEFWR/VERB	0
INFO D2//BRIEFWR/VERB	0
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NPD	0
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PC MW	0
PC PP	0
PC PS	0
PROTOCOL RHS//PALACE	0
RABD	0
SECURITY	0

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## RESTRICTED - POLICY

To: 1 Minister for Trade  
2 Secretary of State

Copy: PS / Minister for Trade  
PS / Secretary of State  
Mr Brown  
Group Directors  
Mr Ormerod  
Mr Ogleby

From: Linda Woods  
Director, International Debt Division  
ECGD  
Harbour Exchange Square

Tel: 020 7512 7728

Date: 08 September 2000

Special Advisers  
**MINISTER FOR TRADES  
OFFICE**

DATE IN 08 SEP 2000

**DTI**

# **UK SHARE OF POSSIBLE PARIS CLUB DEAL WITH NIGERIA**

## Issue

1. To update you on Nigeria's relations with the Paris Club and the possible consequences for ECGD of the forthcoming rescheduling.

## Recommendations

2. That you note that ECGD currently expects to receive about \$15m from the anticipated Paris Club rescheduling with Nigeria, and that there is still the possibility of a worst case scenario of no recoveries at all from this agreement.
3. That you endorse our view that even the worst case scenario would be an acceptable outcome, and that ECGD should not jeopardise the rescheduling for the modest amounts at stake at this time. This Paris Club Agreement would be only the first step towards full regularisation of Nigeria's debt position, the latter stages of which should result in much more significant recoveries for ECGD.

## Timing

4. Urgent. If you believe the UK should take a very tough line, this will have to be cleared with the Chancellor by 11 September, for preliminary discussions in Paris on Tuesday 12 September.

## Detail

5. My submission of 7 July (copy attached) briefed on the then position with the IMF and the Paris Club. The IMF Board finally approved the proposed one-year stand-by-arrangement for Nigeria on August 4<sup>th</sup>. Following the recent appointment of debt advisers, we expect Nigeria to attend the Paris Club for a debt rescheduling in October.
6. Nigeria's budget and IMF programme assume an FY2000 payment to Paris Club creditors of \$700m, of which \$300m has already been transferred to a Bank of England account. Paris Club discussions in July on the allocation of the \$300m


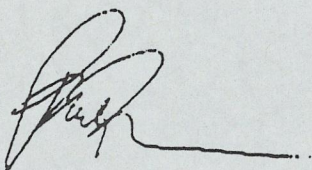


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amongst creditors were very difficult and unresolved, with considerable support for a German formula under which the UK would get nothing. The key reasons are:

- \$700m is considerably less than the amount due;
- Nigeria's payment record amongst Paris Club creditors is one of inequality and inconsistency; and
- there is considerable animosity on the part of some Paris Club members towards the UK, for its generous attitude towards Nigeria.

7. Since then, the UK has raised the matter with G7 Deputies, who have agreed to support a formula in Paris this month under which the UK would get about \$15m of the \$300m. This proposal is still subject to agreement in the Paris Club. The G7 line could be rejected if sufficient non-G7 creditors band together; this may happen, since several creditors have an even worse payments experience from Nigeria than the UK, which received some sizeable payments in the early 1990s.
8. No discussions have taken place yet on the distribution of the remaining \$400m, but it is likely that normal Paris Club principles will apply. This could mean that the UK will get nothing from this portion because of the less senior nature of the debt.
9. At present, therefore, the best case scenario seems to be \$15m of recoveries for the UK, with a reasonable prospect of a worst case scenario of nothing.
10. In February, when we flagged up to you the possibility of only modest recoveries, you agreed that ECGD's interests would be best served by the normalisation of Nigeria's relations with creditors, and thus its reintegration in the international financial system. We believe the same would still apply, even if the worst case scenario materialises. The forthcoming negotiations are only the first step in the process which, if successful (something still open to considerable doubt) should result in the recovery over time of a substantial proportion of our \$6.4bn Nigeria debt, even if Nigeria receives some debt write-off. Withdrawal from negotiations in September/October over a modest short term recovery would certainly delay, if not jeopardise entirely, the normalisation process.
11. Our focus on the long term position would be consistent with broader Government policy on Nigeria.



Linda Woods



**RESTRICTED - POLICY**  
Reference:

To: PS/ Minister for Trade

Copy: PS/ SoS  
Vivian Brown  
Group Directors  
Mr Dodgson  
Mr Radford  
Mr Faulkner  
Mr Redmayne  
Special AdvisersFrom: Linda Woods  
Director, International Debt Division  
ECGD  
Tel: 020 7512 7728

Date: 7 July 2000

**NIGERIA: DEBT AND COVER POSITION****ISSUE**

1 The Minister asked some time ago for an up-date on Nigeria. Despite significant activity, there has been little real progress to report. The following is therefore a summary of where matters stand with regard to Nigeria's negotiations on an IMF programme, the prospect of a Paris Club rescheduling, and ECGD's cover position.

**RECOMMENDATION**

2 That you note the contents and decide whether to pass it to the Minister. We will provide up-dates on the debt position, and a more comprehensive briefing note before the Minister's visit to Nigeria, pencilled in for the Autumn.

**TIMING**

3 Routine.

**BACKGROUND**

4 Nigeria is a severely indebted low-income country with an income per head of around \$280. It is highly dependent on oil which accounts for 95% of foreign exchange earnings. The prospects for the economy are therefore closely tied to the price of oil. Despite considerable oil wealth, poverty is widespread: basic social indicators place Nigeria among the 20 poorest countries in the world.

5 The Nigerian economy has experienced very low growth in the past few years, despite economic stabilisation policies that have reduced inflation from over 70% in 1994 to under 10% in 1998. Political uncertainty, poor governance, corruption, and inefficient state-owned firms have been the main factors contributing to poor performance.

6 Following President Obasanjo's victory in the February 1999 election, a civilian government was formed, ending years of military rule. The new government has instigated an economic reform programme, an anti-corruption drive and a poverty eradication plan.



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## Reference:

- 7 **Relations with the IMF** Key to re-establishing Nigerian international credentials is the conclusion of an agreement on an IMF programme. Negotiations have been protracted and the programme progressively diluted to accommodate Nigerian political realities. It is still not clear when a programme will be agreed, but discussions are in hand between the Nigerians and the Fund. It is still possible that the programme will go ahead, even though Nigeria does not need IMF funding, since this is necessary to pave the way to a Paris Club debt rescheduling.
- 8 **Paris Club** Nigeria's external debt burden is estimated at about \$30 billion, of which approximately \$24 billion is owed to the Paris Club. The UK, with around \$6bn, is the largest single creditor. Over the past decade, Nigeria's payment record has been very poor and it has persistently given preferential treatment to private sector creditors. Nonetheless, after prolonged debate, and with considerable reluctance, the Paris Club has agreed in principle to a two-stage debt treatment for Nigeria with Stage 1 involving a one-year non-concessional rescheduling. Stage 2 would involve some debt write-off, if this is proven to be economically necessary and subject to Nigeria establishing a reasonable track record of payment performance. The UK has been a leading proponent of such generous treatment for Nigeria, provided it is in the context of a rigorous reform programme.
- 9 At the urging of the UK, Paris Club creditors have also, reluctantly, agreed that payments from Nigeria this year should be limited to \$700m. This is a small amount compared to what is due, and debate is now concentrated on how it is to be divided up amongst creditors. Further discussions are due to be held at the next Paris Club meeting in July, but it is not certain that a decision will be reached. The Secretariat is still somewhat reluctant to anticipate the rescheduling negotiations which, in view of the delay in finalising the IMF programme, are not now expected before September at the earliest.
- 10 **Cover position** In view of Nigeria's poor record on implementing economic reform and regularising its debt position, together with the political situation, it is too soon to be thinking in terms of a resumption of medium term or Overseas Investment Insurance cover by ECGD. This is not seen as an impediment to UK companies, who have generally shown little interest in carrying on business in Nigeria. ECGD's cover position reflects that of other ECAs. Although USExim has declared a willingness to consider new deals with the private sector, it admits that there is little prospect of new business being underwritten, given the lack of creditworthy private sector entities and the weakness of the banking system.

Linda Woods



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Foreign &  
Commonwealth  
Office

London SW1A 2AH

8 September 2000

Dear Anna,

cc: SB  
OK  
pres.

Nigeria: Visit By President Obasanjo, 13 -16 September 2000:  
Outcomes

At your meeting with AD(E) on 23 August, the Department agreed to work up the proposed outcomes of the visit by President Obasanjo, and draw up a joint partnership statement, outlining the direction of the UK/Nigeria relationship in the medium term. I attach a draft.

The statement covers UK support for Nigeria's reform programme as well as other areas where the bilateral relationship could be strengthened, and where Nigeria and the UK could co-operate in international fora. Issues such as Climate Change and Conflict Resolution would be priorities. The paper covers the following areas:

- (i) UK Development Assistance is focussed on three main areas, set out in the Nigeria Country Strategy Paper drawn up in consultation with the Nigerians:
- to help the Government drive forward reform at the federal level, concentrating on developing an effective poverty reduction strategy, economic reform and strengthening the justice sector, including the police;
  - to work with reforming state governments to demonstrate that reform can deliver practical benefits to the poor. Work will start in the autumn in Jigawa State in the north and Benue State in the middle belt. Here, DfID are developing programmes in health, education water and rural livelihoods. The project will be expanded to Ekiti State in the south-west and one further state in the south-east, yet to be selected.
  - the fight against HIV/AIDS. This is a special priority. Urgent action is needed to prevent the spread of the disease. We are already one of the leading supporters of President Obasanjo's programme against AIDS. DfID plan to increase this support significantly.

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(ii) Development and deepening of the bilateral relationship through the UK/Nigeria Bilateral Forum. The aim is to develop people-to-people links and encourage greater non-governmental involvement in Nigeria. The first forum, on environmental issues, will be opened by President Obasanjo and the Deputy Prime Minister on 14 September. The second, on Education, will take place in Nigeria next year.

(iii) Drugs and Crime. We have already provided some equipment and training to help the Nigerians detect drugs traffickers at Lagos airport. NCIS are also working with the Nigerian police through Interpol to tackle organised crime and fraud. We want to find ways to increase co-operation in both areas.

(iv) Trade. Trade Ministers could agree to have regular discussions aimed at boosting bilateral trade, and at working together in international fora on issues of trade policy. This would be a fairly light arrangement, taking place within the usual framework of ministerial visits and contacts. The first opportunity for this would be the Minister for Trade's visit to Nigeria in late November.

(v) Trade Partners UK are also planning a series of missions and seminars over the next six months in addition to the general programme of events. These will concentrate on the Nigerians' priority sectors (telecoms, power, agriculture, health, water, oil and gas, infrastructure).

(vi) One of President Obasanjo's priorities is to achieve debt relief for Nigeria. However creditors, including other G7 countries (apart from the US), remain sceptical about Nigeria's commitment to change. This scepticism is reinforced by Nigeria's slow progress on economic reform and the high oil price. Fifteen months into the new government, Nigeria has only just concluded a one-year IMF programme. However, the UK has worked hard to persuade others to support Nigeria.

The first step towards a treatment of Nigeria's debt is a rescheduling at the Paris Club. This will take place in October. The UK has used its influence and leverage to press other creditors not to demand high payments at this rescheduling, but to keep within the total payments offered by the Nigerians. We have also helped establish an independent Debt Management Office for the Nigerian Government which is important for successful negotiations in the Paris Club. It has not been an easy task to persuade other G7 creditors of the case for generosity. But we think we have managed to do so for this rescheduling: and the Nigerians should recognise this.

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(vii) Nigeria needs to attract inward investment to help revive its economy. British Trade International could organise a visit to the UK for a number of key Nigerians. This would be designed to share our expertise on attracting inward investment. InvestUK and London First are potential partners.

DfID, HMT and DTI agree.

*Patrick Davies*

(Patrick Davies)  
Private Secretary

Ms Anna Wechsberg  
10 Downing Street

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UK NIGERIA JOINT PARTNERSHIP STATEMENT

Nigeria and the UK enjoy robust traditional links. We want to move forward together to build on this strong base in the first years of the new millennium.

We have two main aims: to work together to address the key international issues facing the world today, and to help advance the development of Nigeria, the region, and the African continent as a whole.

We have agreed:

- That our partnership will be carried forward by a Bilateral Forum which will be launched on 14 September. The Forum is special: it brings together top members of our two governments, but also leading members of the NGO, academic and business community. This time we will discuss Environmental issues; next time, in Nigeria, Education will be the theme;
- to our continuing commitment to work with President Obasanjo's his government drive forward its reform programme and reduce poverty;
- to the UK's commitment to working with Nigeria to promote its economic reform agenda, and find a lasting solution to Nigeria's debt problem;
- to work together to tackle the spread of HIV/AIDS in Nigeria;
- to strengthen co-operation in our joint fight against drugs and crime;
- that our trade ministers will meet to discuss how bilateral trade can be encouraged and increased, and how we can co-operate on international trade policy issues;
- that we will expand activity to promote opportunities for co-operation in telecommunications, power generation, water, health, oil and gas, agriculture and infrastructure;
- that we will devise a programme of events designed to share the UK's expertise in attracting inward investment;
- to work together on tackling international issues such as Climate Change: Nigeria, as the Chair of the G77, has a key role in this;
- to continue to co-operate on issues such as Sierra Leone and to work together on conflict prevention;

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- to co-operate actively in the UN, the Commonwealth and International Financial Institutions and other multilateral bodies on our shared agenda;
- and to sustain our high level dialogue on all issues of concern to our peoples.

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File

From: Anna Wechsberg  
Date: 8 September 2000

PRIME MINISTER

cc: Jonathan Powell  
John Sawers  
Tim Livesey

## NIGERIA: YOUR MEETING WITH PRESIDENT OBASANJO NEXT WEEK

You are seeing Obasanjo (for tea and talks) at Chequers on Wednesday 13<sup>th</sup> – after the Cabinet awayday. It's a good opportunity to follow up on Sierra Leone and on Africa more generally, post New York. There are three main blocks of issues to discuss:

- Sierra Leone: Taylor's support for the RUF and what more the West African States can do to help (can Obasanjo do more to use his influence over Taylor?)
- your ideas for a partnership with Africa. Nigeria will be a key player - eg through its role in providing security in West Africa.
- Nigeria's reform programme – economic reform, corruption, debt.

We will give you a full brief at the beginning of next week, but if you have time you might want to look through the attached background papers over the weekend:

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OF THE PUBLIC RECORDS ACT

- telegram reporting Clinton's visit to Nigeria at the end of August (where he announced training for Nigeria's army for peacekeeping in Sierra Leone. He also touched on oil price issues);
- scene-setter telegram for Obasanjo's visit, highlighting debt as a key issue (we won't be able to give Obasanjo all he wants on debt, though we and the US are his main supporters in the Paris Club).

You might also want to glance at the draft joint statement, which FCO propose you and Obasanjo endorse at your meeting. It's a helpful way of summarising the depth of our partnership with Nigeria, and our willingness to do more; and could also usefully record your commitment to continue to work together with Mbeki and others to tackle Africa's wider problems.

Anna.

ANNA WECHSBERG



**RESTRICTED**  
**VISIT OF PRESIDENT OBASANJO: 13-16 SEPTEMBER: SCENE-SETTER**  
**From: FCO**

TO PRIORITY ABUJA  
TELNO 154  
OF 061117Z SEPTEMBER 00  
AND TO PRIORITY LAGOS  
INFO ROUTINE WASHINGTON, PARIS, UKMIS NEW YORK, ROME  
INFO ROUTINE CABINET OFFICE, HM TREASURY, DFID, DTI, ACTOR  
INFO ROUTINE WHIRL

From Sir Graham Burton (on leave)  
SUMMARY

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DETAIL

2. President Obasanjo will arrive in Britain still on a high from the Clinton visit to Abuja and following what he expects to be a successful Millennium Summit and no doubt an elegantly flattering visit to Italy. Nonetheless he and his accompanying suite of ministers, governors and businessmen will be up for the UK, responding to what many Nigerians believe to be a long overdue invitation. We are among the last of the major countries to receive him and some, like Chirac and Clinton, have returned the compliment.

3. After fifteen months in office, Obasanjo remains generally popular at grass-roots level, perhaps surprisingly given the frustratingly slow pace of change he has been able to achieve. Almost constant friction with the legislature has been the principal cause of this in a system modelled on the US separation of powers. It is now clear that, following Abacha's death and in the Western-supported rush to reinstate democracy, too little time and attention were allowed for the establishment of a meaningful party structure. Consequently, although in theory there are three political parties, in practice none has any clearly defined ideology. All are peopled in the main by politicians of the old order motivated by little other than self-aggrandisement and enrichment.

4. It was inevitable therefore that, given his own autocratic style and his wish quickly to produce a democracy dividend for his people, Obasanjo would run into problems with his largely venal legislature. His less than adroit attempts to influence the appointments of senior office holders has not helped and in its first year of operation we have seen two Senate Presidents and one House Speaker removed for reasons of corruption or political expediency. The only consolation for Obasanjo has been that rank and file Nigerians probably expected nothing different from the types of politician who found their way by one route or another into the National Assembly. They have blamed them rather than Obasanjo for the problems.

5. The economy continues to be Obasanjo's Achilles' heel. His touch in matters economic remains less sure than his political feel. He has delegated much of the responsibility to his ambitious Vice-President, himself possessed of a somewhat murky reputation.



fairness, due in no small measure to the activities of the National Assembly and other vested interests, it has taken much longer than was reasonable to create the basic conditions for an agreement with the IMF - believed by many to be a prerequisite for economic improvement. When the latter was finally concluded a month ago it was born as much out of political pragmatism as economic realism. Where Obasanjo has been lucky is in the price of Nigeria's principal source of foreign exchange, oil. This has remained at some three times the price at the time of his election. He needs now to use this good fortune to produce some results for his long-suffering people. To do so he might be well advised to curb his self-evident love of foreign travel and concentrate more on economic and security matters at home.

6. Law and order remains a headache for him and with the welcome disappearance of the armed forces from public view the pitifully ill-equipped police force is in no state to cope. The number and variety of ethnic hostilities continue to underline the fragility of Nigeria's federation. But in recent months, Obasanjo and his government appear to have developed a slightly surer touch in handling these matters. And, though still undeniably worrying, they seem to be attracting less frenzied attention both at home and abroad than was the case twelve months ago.

7. The principal objectives of Obasanjo's foreign travels - and we shall be no exception - have been debt relief, the return of monies looted by former governments and the stimulation of inward investment. He knows that the last is the responsibility almost entirely of his own government but remains frustrated with the Western legal apparatus preventing the early return of Nigerian assets.

8. On debt relief though he clearly understands the stance of the international community (which will have been helped by President Clinton's recent statement of principle), he nonetheless finds it difficult to resist his instinctive reaction, shared by his African brother leaders, that the whole issue has been unfairly handled by the major powers. He frequently complains about the iniquity of a situation in which a country like Nigeria can at some stage borrow five or six billion dollars, repay some eighteen billion at admittedly infrequent intervals, and still be left with a bill for thirty-two billion. There is a head of steam in Africa on this subject and I would expect Obasanjo to return it with both the Prime Minister and the Chancellor.

UK + US are in the lead  
on debt relief for Nigeria,  
but we wait be able to  
give Obasanjo what he wants.

9. As with the Americans, Obasanjo might also complain to us about what most Nigerians see as the unfairness of our visa system. Nigerians love Britain and visit it whenever they can. It is for most a principal ambition and the perception that we place as many obstacles in their way as possible makes for one of the more touchy areas in our relationship. That Mr Clinton has reportedly agreed to review his country's visa policy towards Nigerians will only act as a spur.

10. President Clinton said recently that "the transition to democracy in Nigeria is the most important event in Africa since the crumbling of apartheid in South Africa". True or not this view it will have strengthened Obasanjo's belief that the international community and particularly the likes of the former colonial master should be more fully committed and materially involved in supporting his attempts to rehabilitate his country. For his part he believes he has been helpful to us with Mugabe and Sierra Leone and certainly played a positive role in the release of the Channel 4 hostages. We shall doubtless need his help again both in the region and the



continent in general. We ourselves have quite a good story to tell including Ms Short's welcome decision following her visit in the spring to give Nigeria more priority. But the Oliver Twist syndrome is at least as evident in Nigeria as anywhere else and Obasanjo will certainly be hoping for more from us. And Nigerians in general will be equally expectant.

COOK

**Sent by FCO on 06-09-2000 11:17**

**Received by No10 on 06-09-2000 19:18**





Top: FA/PS  
- FA/PS ok

**DFID**

Department for  
International  
Development

94 Victoria Street, London SW1E 5JL

Ms J Painting  
AD(E)  
FCO

Direct Line: +44(0) 20 7917 0167  
Direct Fax: +44(0) 20 7917 0491  
CTN: 0467  
Email: brian-thomson@dfid.gov.uk

24 August 2000

Dear Julia,

### **NIGERIA: VISIT BY PRESIDENT OBASANJO - POSSIBLE OUTCOMES**

At your meeting on 23 August, you asked me to flesh out expected outcomes on the development side.

2. Our key objective is renewed commitment from the President to implementing the reform programme agreed with the international community and, in particular, to putting in place the poverty reduction strategy which will form the basis for a follow-on facility with the IMF and World Bank.

3. This, of course, is closely related to the debt issue and we agreed to re-visit the precise wording of that objective in the light of the outcome of President Clinton's visit at the weekend.

4. A secondary outcome that we would anticipate is confirmation of the programme of collaboration with the Nigerians set out in our Country Strategy Paper. A final printed version will be available when the President visits. The strategy is, essentially, as presented by our Secretary of State when she visited in March. It has three themes:-

- to help the Government drive forward the reform programme at the Federal level with particular emphasis on developing an effective poverty reduction strategy, implementing key economic reforms and strengthening the justice sector, including the police. (We have recently agreed to increase our support for debt management in recognition of the Government's decision to establish a Debt Management Office. Also, I anticipate that the Secretary of State will approve shortly the initial phase of work on a 5-year project to improve safety security and justice working with the police, prisons and the courts.)



- We will collaborate with reforming state governments to demonstrate that reform can deliver practical benefits for the poor. (We are developing programmes in health, education, water and rural livelihoods in Benue State in the middle belt and Jigawa State in the North. The Nigerian Government has just agreed that the third State should be Ekiti in the south-west and we expect to choose a fourth state in the south-east next year.)
- We intend to make the fight against HIV/AIDS a special priority because urgent action is needed to prevent the spread of the disease. (We are already one of the leading international supporters of the President's national programme against AIDS and we plan to expand our support significantly.)

*Your ever,*

*Brian.*

Brian Thomson  
Head  
West & North Africa Department

cc Anna Wechsberg, No 10  
Sir Graham Burton  
Sue Jones, BTI  
Jonathan Ockenden, HM Treasury  
Stephen Lowe, DETR  
Paul Spray  
Wendy Phillips  
John Gibb



RESTRICTED



Foreign &  
Commonwealth  
Office

*File Nigeria  
of Sierra  
Leone*

23 August 2000

London SW1A 2AH

*Dear Peter,*

Deputy Prime Minister's Breakfast with G77 Leaders:  
Thursday, 24 August: Nigeria and Sierra Leone

I understand the Deputy Prime Minister would welcome an update on Nigeria and Sierra Leone before tomorrow's meeting.

Nigeria

Since his inauguration, President Olusegun Obasanjo's policy priorities have been: economic reform; an anti-corruption drive; reform of the military and police; poverty eradication; a return to universal primary education. Respect for human rights is at the centre of his policy making.

But Nigeria's complete institutional collapse, and the lack of commitment to reform of some of Obasanjo's ministers, have made progress difficult. Relations between the executive and the legislature are strained. The pork-barrel politics practised by some members of the National Assembly have also hampered progress.

An increase in ethnic tensions and the introduction of Sharia Law in some Northern States have diverted Obasanjo's attention away from his reform programme. This unrest has also initiated a debate on Nigeria's constitution and the future of the federal structure of the country.

We are supporting Obasanjo's reform programme with a carefully targeted package of technical assistance. Our aim is to help Nigeria use its own resources more effectively. Projects include economic management; state and local government level capacity building; security sector reform; and accessible justice (including police reform).

Obasanjo's focus with international partners is on debt relief. Nigeria owes around US\$30 bn. The UK is its largest creditor. The Nigerians have taken the first important step by signing up to a one year StandBy Arrangement (SBA) with the IMF on 4 August. They will go to the Paris Club for rescheduling in October. We will consider partial debt cancellation once Nigeria has established a track record of reform, and if a debt profile shows it to be necessary.

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RESTRICTED



Nigeria is a key partner for the UK. President Obasanjo will visit the UK as a Guest of Government on 13-16 September. His programme will include talks with the Prime Minister; the launch of the UK/Nigeria Bilateral forum (with the Deputy Prime Minister; and tea at Highgrove with The Prince of Wales.

### Sierra Leone

In Sierra Leone, the security situation remains volatile, but largely deadlocked between the pro-Government of Sierra Leone alliance and the RUF. Both sides are trying to regroup during the rainy season. Freetown and Lungi airport remain secure, UNAMSIL having taken over responsibility for the latter following the departure of UK forces in mid-June. The RUF has been consolidating its hold over the diamond fields in the east, but pro-Government forces have made some recent progress in these areas.

UNAMSIL, having successfully forced the release of all the UN detainees in July, has not managed to press home its advantage. The Secretary General's report on the future size and role of UNAMSIL is expected on 24 August. It is likely to recommend a force of 20,000 (there are over 12,000 troops there now).

We are making good progress in our short-term training programme for the new Sierra Leone army (SLA), to boost its capability against the RUF. The Defence Secretary has indicated that he is prepared to support a third short-term training team, which would produce a total of 3000 trained recruits. The SLA continue to suffer from logistic shortfalls, but we have provided quantities of weapons and ammunition, as well as other non-lethal kit. We are looking at what more we can give.

In July, the UN Security Council passed a resolution banning trade in rough diamonds from Sierra Leone, sponsored by the UK. An open hearing took place on 31 July, on the link between diamonds and illegal arms, which placed Liberia and Burkina Faso in the spotlight. On 14 August, a resolution was passed establishing a special court for those who have committed the worst human rights abuses.

I am copying this letter to Anna Wechsberg (No 10).

*Yours ever,*  
*Sherard*

(Sherard Cowper-Coles)  
Principal Private Secretary

Peter Unwin Esq  
PS/Deputy Prime Minister

RESTRICTED



20

File - DRAFT

PROGRAMME + OUTPUTS, as at 23/8/00.

Amc.

RESTRICTED

SUBJECT: NIGERIA: VISIT BY PRESIDENT OBASANJO: 13 - 16  
SEPTEMBER 2000

Draft Programme (7)

Wednesday 13 September

1000 Arrive from Nigeria *Span!*  
1200 - Lunch hosted by Mr Hain (Admiralty House,  
Whitehall)  
1330  
1500 - Tea and talks at Chequers with the Prime Minister  
(tbc) *+CB/msd?*  
1600 - Depart Chequers  
1930 - Guildhall dinner hosted by Lord Mayor of London

Thursday, 14 September

1000 - Launch UK/Nigeria Bilateral Forum (with Deputy  
1015 Prime Minister (1 Whitehall Place)  
1030 - Call by Deputy Prime Minister  
1100 [President returns to Mandarin Hotel]  
1130 - Call by Secretary of State for International  
1200 Development  
1230 - Lunch hosted Nigerian High Commissioner (Hyde Park  
1400 Lane International Hotel)  
[President returns to Mandarin Hotel]  
1430 - Call by Chancellor of the Exchequer  
1500  
1530 - Business Round Table with Secretary of State for  
1630 Trade and Industry  
1700 - Private Business Meetings  
1700 - British Aerospace (tbc)  
1730  
1830 - Royal Dutch/Shell  
Evening Dinner hosted by Nigerian High Commissioner

RESTRICTED



RESTRICTED

Friday, 15 September

0830 - Depart for RAF Northholt for visit to South Wales.  
Programme to include Welsh Assembly; Welsh  
Development Agency; Companies investing in Wales;  
and Agriculture related visits.

1700 - Visit to Highgrove followed by tea with HRH the  
1900 Prince of Wales

[Party returns to Cardiff for flight back to  
London]

Later Private Dinner (Abuja House)

Saturday, 16 September

am Events with Nigerian High Commissioner

1500 Depart for Nigeria

RESTRICTED



J. Oche-de

**SUBJECT: NIGERIA: VISIT BY PRESIDENT OBASANJO: POSSIBLE OUTCOMES**

+ deb  
+ lost

(i) Joint UK/Nigeria Partnership Statement outlining the direction of the UK/Nigeria relationship in the medium term (say, the next five years). This would cover UK support for Nigeria's reform programme as well as areas eg greater cooperation in international fora on issues such as Climate Change; G8; Commonwealth; Conflict Resolution. ✓ Africa

(ii) Development and deepening of the Bilateral Relationship through the launch of the UK/Nigeria Bilateral Forum. We would aim to develop people-to-people links and encourage greater non-governmental involvement in Nigeria. Announce the outcomes of the first forum (Environment), and that the second (Education) will take place in Nigeria early next year.

(iii) Commitment to Nigeria's reform programme through DfID's increasing engagement/involvement. Publication of DfID's Country Strategy Paper/launch of the State and Local Government Project. DfID Nigeria.

(iv) Agreement on and announcement of a Round Table on Privatisation/Public Private Partnerships to be held in Nigeria. (Comment: this follows the offers of help on privatisation we have made on several previous occasions, and was one of the main themes of the Deputy Prime Minister's visit.)

(v) A trade related outcome. This could perhaps be along the lines of Trade Ministers agreeing to have regular discussions on issues of mutual concern. [This would be a fairly light arrangement, taking place eg within the usual framework of ministerial visits and contacts.]

BC?

(vi) Cultural links. UK/Nigeria cultural links to be developed through, for example, theatre workshops/music events funded by major UK companies in Nigeria and/or Nigerian businessmen.

(vii) Sporting links. Football is the obvious choice. But the World Youth Cup in 1999 showed how difficult it is to persuade the FA and clubs to take an interest in Nigeria. Possible cricketing links?

\* (viii) Economy/debt?

(ix) Inward Investment. Visits/forum sharing UK expertise on attracting inward investment. InvestUK/London First potential partners.

Pcom/PT.





10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

8 August 2000

**FAXED**

Dear Tom

at 19:20pm  
8/8

NIGERIA

In the light of the IMF Board's approval of a stand-by credit for Nigeria, it would be helpful to have a quick update on the prospects for debt relief (I haven't yet seen UKDel's report of the discussion but it may not have been copied to us?).

I am copying this to David Prout (DPM's office), Chris Austin (DFID) and Andrew Patrick (FCO).

Yours ever

*Anna Wechsberg*

ANNA WECHSBERG

Tom Scholar  
HMT





10 DOWNING STREET  
LONDON SW1A 2AA

SUBJECT  
MASTER

1 August 2000

THE PRIME MINISTER

Dear Mr. President,

Thank you for your letter of 29 June attaching copies of the letter of request your lawyers have submitted to the Home Office.

As I said in my letter to you of 26 July 1999, I am keen to improve co-operation between our two countries in the fight against organised crime. The request for assistance that you copied to me has already been passed to the Serious Fraud Office. Once the experts there have finished examining the documents, they will contact your lawyers if they need anything else. They will also advise on the next steps necessary.

We have to follow due legal process which will take some time, but I can assure you that the matter will be dealt with as quickly as possible. I fully understand the importance of this issue to you and your government.

I look forward to seeing you in the autumn.

Yours ever  
Tony

His Excellency President Olusegun Obasanjo

AD





10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

1 August 2000

Dear Andrew

I enclose the top copy of a letter the Prime Minister has written to HE President Olusegun Obasanjo. I have not faxed a copy of the letter to his office and I should be grateful if you could arrange for it to be delivered as soon as possible.

I am copying this letter by fax to Graham Burton (Abuja).

Yours ever

*Signed : Anna Wechsberg*  
01/08/2000

ANNA WECHSBERG

Andrew Patrick  
FCO





Foreign &  
Commonwealth  
Office

London SW1A 2AH

124749

31 July 2000

Top-AW  
cc JS  
JPO  
KG  
AC  
GS  
JB

Dear Anna,

Nigeria: Visit by President Obasanjo: 13 - 15 September

Thank you for your letter of 25 July confirming that the Prime Minister will be able to offer tea to President Obasanjo on 13 September. I understand that this will also include an hour's substantive talks.

I recommend that the Prime Minister now writes again to President Obasanjo to issue the invitation to Chequers on that date. I enclose a draft.  
...

Yours ever,  
T.

(Tim Barrow)  
Private Secretary

Ms Anna Wechsberg  
10 Downing Street



D R A F T

.. July 2000

His Excellency  
President Olusegun Obasanjo  
Federal Republic of Nigeria

Thank you for your letter of 14 July. I am delighted that you that you are able to accept my invitation to visit the UK in September.

I will be travelling on 11 and 12 September, but I should like to invite you to have tea and hold substantive talks with me at Chequers on 13 September. This will give us an excellent opportunity to discuss a wide range of issues of mutual interest.

I also hope that you will be able to stay on in the UK until 15 September. I know that our officials have already been in touch about your programme for the rest of the visit.

I very much look forward to welcoming you to the UK in September.

Tony Blair

[Julia Painting, AD(E) - 270 2506]



F

OFFICE OF THE DEPUTY PRIME MINISTER  
FROM THE PRIVATE SECRETARY



Andrew Patrick Esq  
PS/The Rt Hon Robin Cook MP  
Foreign & Commonwealth Office  
LONDON  
SW1A 2AH

DEPARTMENT OF THE ENVIRONMENT  
TRANSPORT AND THE REGIONS

ELAND HOUSE  
BRESSENDEN PLACE  
LONDON SW1E 5DU

TEL: 020 7944 3011  
FAX: 020 7944 4399  
E-Mail: john\_prescott@detr.gsi.gov.uk

OUR REF: P/19351/00

28 JUL 2000

Dear Andrew

Aw  
SV  
PV  
BVP

**VISIT BY PRESIDENT OBASANJO**

Thank you for the copy of your letter to Anna Wechsberg about the plans for the Guest of Government visit by President Obasanjo.

We are keen to ensure that sustainable development issues are taken forward on an international and national basis and are pleased to note that Nigeria has requested that the proposed Forum should concentrate on environmental issues. Within these discussions we hope that we do not lose sight of the development and economic pillars of sustainable development.

There are clearly a number of areas where we can share experience and it is particularly apt timing with Nigeria holding the Presidency of G77 and with the sixth meeting of the Climate Change Convention of the Parties on the horizon. We look to work with them on this and on a range of other international sustainable development issues such as Rio+10.

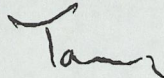
The Deputy Prime Minister is content in principle to take part in the proposed Forum and it would be helpful to have final confirmation of timings as soon as possible. You should note that the Deputy Prime Minister is not available on Wednesday 13 September. I am aware that our respective officials are in touch and I am sure that they will work together to ensure a substantive outcome.



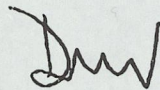


020 7944 4873

I am copying this letter to Anna Wechsberg (No. 10), Chris Austin (DFID), Tom Scholar (Tsy), Bernadette Kelly (DTI) and Sebastian Wood (Cabinet Office).



**DAVID PROUT**  
**PRIVATE SECRETARY**







10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

25 July 2000

Dear Andrew

**NIGERIA: VISIT BY PRESIDENT OBASANJO**

I owe you a response on dates for Obasanjo's visit. I understand the Nigerians have confirmed that the week of 11 September is good for them. The Prime Minister will be travelling on 11 and 12 September, but would be very pleased to offer Obasanjo tea at Chequers on Wednesday 13 September.

On the UK/Nigeria bilateral forum (your letter of 29 June), we are content with "environment" as the main theme, and strongly support the idea of involving the private sector in the forum along the lines you proposed. Given the Prime Minister's other commitments he will not be able to launch the forum himself, but he would be very pleased if the Deputy Prime Minister were able to do so. Education seems an excellent topic for the second forum.

I am copying this to Peter Unwin (DPM's office), Chris Austin (DFID), Tom Scholar (HMT), Bernadette Kelly (DTI), Nicky Moffat (MOD) and Sebastian Wood (Cabinet Office).

Yours ever

**ANNA WECHSBERG**

Andrew Patrick  
FCO



July

cc. by fax

M Tatham <sup>cc: JPO</sup> PRESS  
No 10

His Excellency President Olusegun Obasanjo  
President and Commander in Chief  
Federal Republic of Nigeria

*A revised version  
taking account of  
new Home Office legal  
concerns.*

Thank you for your letter of 29 June, attaching copies of the letter of request your lawyers have submitted to the Home Office.

*Andrew Patrick*  
*20/7*

As I said in my letter to you of 26 July 1999, I am keen to improve cooperation between our two countries in the fight against organised crime. The request for assistance that you copied to me has already been passed to the Serious Fraud Office. Once the experts there have finished examining the documents, they will contact your lawyers if they need anything else. They will also advise on the next steps necessary.

We have to follow due legal process which will take some time, but I can assure you that the matter will be dealt with as quickly as possible. I fully understand the importance of this issue to you and your government.

I look forward to seeing you in the autumn.

Tony Blair





Foreign &  
Commonwealth  
Office

London SW1A 2AH

17 July 2000

*File* *AW*  
*JS*  
*JPO*  
*DN*  
*Press*

*Dear Anna*

**Nigeria: Recovery of Stolen Assets**

President Obasanjo of Nigeria wrote to the Prime Minister on 29 June informing him that the Nigerian Government have submitted a formal letter of request to the Home Office. This asks for rapid action to restrain the assets of the Abacha family and their associates.

President Obasanjo first wrote to the Prime Minister about this on 10 July 1999. The Prime Minister replied on 26 July 1999, offering our assistance, and suggesting that officials from both countries meet to discuss how to take action forward. The Nigerians agreed, but despite continued prompting from us, they did not take up the offer.

In the interim, we have also handed over to Vice-President Atiku Abubakar a detailed note setting out the assistance we can give, and the legal steps that must be taken to enable us to act.

The Nigerian Government's lawyers contacted the Home Office in May, to discuss what was required for a letter of request. The lawyers have now submitted a letter of request, which the Home Office have formally referred to the Serious Fraud Office for action.

Courts in Switzerland, Luxembourg and Liechtenstein have already frozen accounts belonging to Abacha's family.

The recovery of stolen assets is one of President Obasanjo's priorities. We need to show that we are taking his request seriously and that we are prepared to be as helpful as possible. However, we also need to remind the Nigerians that we have to follow due legal process, and that this will take some time.

Copies of this letter go to Mara Goldstein (Home office), Chris Austin (DFID) and Sebastian Wood (Cabinet Office).

*Yours ever*  
*Andrew Patrick*

(Andrew Patrick)  
Private Secretary

Ms Anna Wechsberg  
10 Downing Street



**DRAFT MESSAGE FROM THE PRIME MINISTER TO  
PRESIDENT OLUSEGUN OBASANJO**

His Excellency President Olusegun Obasanjo  
President and Commander in Chief  
Federal Republic of Nigeria

Thank you for your letter of 29 June, attaching copies of the letter of request your lawyers have submitted to the Home Office.

As I said in my letter to you of 26 July 1999, we are very keen to help your Government trace and restrain any proceeds lodged in the UK by corrupt Nigerian officials.

The Home Office have now formally referred the papers to the Serious Fraud Office. Once the experts have finished examining the documents, they will contact your lawyers if they need anything else. They will also advise on the next steps necessary.

We have to follow due legal process which will take some time. But I do want to deal with this as quickly as we can because I know how important it is for Nigeria to get back these funds stolen from its people.

I look forward to seeing you in the autumn.

[Stephen Townsend  
AD(E) 2511]





**PRESIDENT,  
FEDERAL REPUBLIC OF NIGERIA**

PRES/15

**SUBJECT  
MASTEF**

July 14, 2000

His Excellency,  
Mr. Tony Blair,  
British Prime Minister,  
10 Downing Street,  
London.

*Dear Prime Minister,*

Further to my letter of 14<sup>th</sup> June, 2000, which was a response to yours dated 8<sup>th</sup> June, I write to formally inform you that the week of 11<sup>th</sup> September, 2000 will be suitable for my planned visit to the United Kingdom.

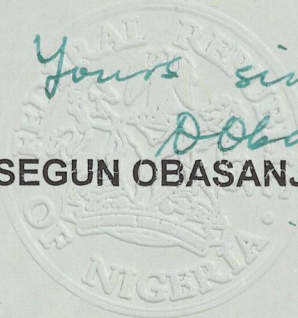
This acceptance has already been communicated to your High Commissioner. This letter is, therefore, merely a formal reply to your invitation.

I trust that the actual dates for the visit, and all the related arrangements can be worked out by our respective Foreign Ministers and their officials in due course.

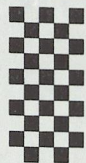
I very much look forward to the visit. In the meantime, we will continue to keep all channels of communication open.

*Yours sincerely  
Obasanjo*

**OLUSEGUN OBASANJO**







**DFID** Department for  
International  
Development

94 Victoria Street, London SW1E 5JL

Telephone: 020 7917 0409

E-mail: [howard-taylor@dfid.gov.uk](mailto:howard-taylor@dfid.gov.uk)

*From the Assistant Private Secretary*

Andrew Patrick Esq  
Private Secretary  
Foreign & Commonwealth Office  
London SW1A 2AH

*Handwritten notes:*  
✓  
SC:BS  
PP  
AZ  
GS

14 July 2000

*Dear Andrew,*

**VISIT BY PRESIDENT OBASANJO**

Thank you for copying to me your letter of 29 June to Anna Wechsberg. DFID is broadly content with the approach to the visit outlined and we look forward to the meeting of Whitehall officials next month to plan the visit in more detail.

In the context of adding impetus to President Obasanjo's reform programme, we should use this opportunity to bolster his commitment to economic reform and poverty reduction while reinforcing the UK line on debt. We should also explain further DFID's Country Strategy for development assistance as part of the international effort to support reforms.

It is important that the focus on environmental issues should generate some real progress. We should encourage the Nigerians to take a lead and identify with them some specific objectives for the forum. DETR will lead on climate change and other global issues. At the national level, our main interest is to encourage the Nigerian government to integrate environmental issues within their reform process and their poverty reduction strategy. DFID has a strong interest in all of the subjects proposed for the first three Forums and looks forward to playing a significant role in the process.

Outcomes from the visit should include further specific progress on our collaboration with the Nigerians on reform. We will need to judge what might be possible in the light of progress over the next month or so on the IMF programme, debt and related issues.

I am copying this letter to Anna Wechsberg (No.10), Peter Unwin (Deputy Prime Minister's Office), Tom Scholar (HMT), Bernadette Kelly (DTI) and to Sebastian Wood (Cabinet Office).

*Yours ever,*  
*Howard Taylor*

Howard Taylor  
Assistant Private Secretary



was attached to Q 00/71180 (Proc)  
617/00



Nigeria/UK:  
Nigeria Critiques  
UK over SBA

10 DOWNING STREET

Anna  
✓

Jerimus  
to see.

(P)

f

What, all this about?

We will need a ~~clear~~ clear brief

before TB sees Obarinjo in Tokyo.

John

John

I spoke to Graham Stegman (DAID).  
They'll make sure we have a brief  
before Okunawa. According to Graham,  
the problem is (a) the Nigerians have  
passed a budget way above what  
they'd agreed with the IMF, & (b)  
IMF staff look to the UK for analysis  
of Nigeria, & when we tell them  
honestly they take this on board but  
then tell the Nigerians it's the UK  
who're being difficult. ie we're the bad guy.





**DFID** Department for  
International  
Development

94 Victoria Street, London SW1E 5JL

Telephone: 020-7917 0419

E-mail: [chris-austin@dfid.gov.uk](mailto:chris-austin@dfid.gov.uk)

From the Private Secretary

Anna Wechsberg  
10 Downing Street  
London SW1A 2AA

*needed by 6am?*

*5* July 2000

*Dear Anna,*

**VISIT OF THE DEPUTY PRIME MINISTER TO NIGERIA AND SIERRA LEONE**

It is clear that the quality of public services provided to ordinary people in Nigeria, particularly the poor, is sadly lacking. Resolving this is one of the key concerns of the draft Country Strategy Paper, which we have just submitted to our Secretary of State after consulting the Nigerian Government (at all levels), other donors and civil society.

The proposed strategy is to work closely with the international community to help Government drive through its reform programme, with particular emphasis on developing an effective poverty reduction strategy, implementing key economic reforms and strengthening the justice sector, including the police. At the same time we will support four reforming State Governments in their efforts to deliver practical benefits to the poor and also focus on the nationwide fight against HIV/AIDS where urgent action is needed to prevent the spread of the disease. A DFID Nigeria office is being established to deliver this.

This note has been produced in consultation with the FCO.

I am copying this to Julian Miller (MoD), Tom Scholar (HMT), Sebastian Wood (Cabinet Office) and Andrew Patrick (FCO).

*Yours ever,*  
*Chris Austin*

*for* Chris Austin  
Private Secretary



COPY



British  
High Commission  
Abuja

Shehu Shagari Way  
Maitama District  
Abuja

Telephone: (09) 413 2010-11,  
413 2796, 413 2880, 413 2883,  
413 2887, 413 9817  
Facsimile: (09) 413 3552

04 July 2000

Ms Julia Painting  
AD(E)  
FCO

BY AIRTECH

1. ~~DX/SS~~ A  
2. file.  
6/7

1 23851/00

Dear Julia,

**NIGERIA : STOLEN FUNDS**

1. I attach a copy of a letter from the President to the Prime Minister regarding the repatriation of stolen Nigerian funds. The top copy and the voluminous enclosures follow by bag.
2. Enclosures for Lagos also by bag.

WML but Wisler,

Ker

Peter Newman  
Deputy Head of Mission

Copy to : Roger Kershaw, BDHC Lagos

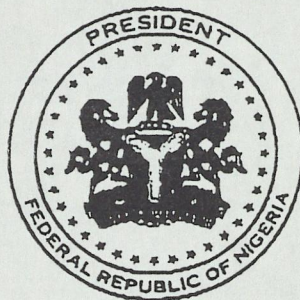
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then I will be  
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cc: BS  
GPo  
AC.

Mr Wechokung, No 10  
cc Mr Panning, AD(E)  
We will draft you  
a reply

Andrew Patrick 5/7





**PRESIDENT,  
FEDERAL REPUBLIC OF NIGERIA**

PRES/15

June 29, 2000

His Excellency,  
Mr. Tony Blair,  
British Prime Minister,  
10, Downing Street,  
London.

*Dear Prime Minister,*

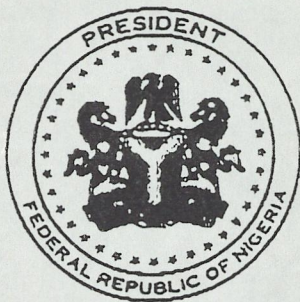
**REPATRIATION OF NIGERIA'S STOLEN FUNDS**

For the past one year, through the effort of our lawyers in Europe and investigations in Nigeria, we have been able to document criminal cases against the accomplices of the late Sani Abacha who have illegally and corruptly siphoned public funds out of Nigeria either to banks in Great Britain and or through banks there.

A copy of such documents has finally been forwarded by our lawyers in Geneva to the Home Secretary, the Right Honourable Jack Straw, and due acknowledgement has been received. The essence of the submission is to expedite action that will lead to the repatriation of the money in these accounts back to Nigeria. Where the money has passed through British banks, we would appreciate such information to help us trace their ultimate destination, always with one view in mind that stolen money should return to Nigeria.

I have attached a copy of the documents addressed to the Home Secretary to this letter. If other documents are required, our lawyers are willing to furnish them.





As you have indicated to me in our earlier correspondence on this issue, I rely on your expedited action to finalise this matter, so that we can put it behind us. It is an issue for whose outcome all Nigerians are waiting and the earlier it is resolved the better.

While we will have no hesitation to resorting to court action to recover looted money from Nigeria, we will be satisfied if the money can be repatriated to Nigeria without necessarily resorting to the courts.

*Yours sincerely*

*Olusegun Obasanjo*

**OLUSEGUN OBASANJO**





**Judicial Cooperation Unit**

50 Queen Anne's Gate, London SW1H 9AT  
Switchboard 020 7273 4000 Fax 4400 Direct Line 020 7273 2437

Date 30 June 2000

Dear Mr. Kaufman

Yours sincerely

Venty Ridge

## BUILDING A SAFE, JUST AND TOLERANT SOCIETY



RESTRICTED



Foreign &  
Commonwealth  
Office

29 June 2000

London SW1A 2AH

✓  
Dear Anna

cc: J P  
JS  
pers  
KA  
MC.

Nigeria: Visit by President Obasanjo

**Summary**

Plans for the forthcoming Guest of Government visit by President Obasanjo.

**Detail**

The Visit

On current plans the visit is due to take place during the week beginning 11 September. We await confirmation from the Nigerians (and you) of this timing.

The main objectives for the visit are:

- (i) To bolster Nigeria's return to democracy and its key role in President Mbeki's "African Renaissance". The visit will be used to add impetus to President Obasanjo's reform programme, helping the creation of stability and prosperity in Nigeria, and the region for example through co-operation on economic issues and conflict prevention;
- (ii) To launch the UK/Nigeria Bilateral Forum (a lighter version of the arrangement we already have with South Africa). This will strengthen and deepen the relationship by bringing together government, academics, NGOs and the private sector to share knowledge and experience across a wide range of issues;
- (iii) To increase UK influence. Nigerian support on issues such as of Sierra Leone and Zimbabwe has been invaluable. As Nigeria's stature grows internationally it will become an increasingly important partner (Nigeria already chairs G77 and is a member of the Commonwealth Ministerial Action Group. Possible future co-operation on subjects such as diamonds and small arms);
- (iv) To alert UK plc to opportunities in Nigeria, particularly through participation in Nigeria's privatisation

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programme: Nigeria needs inward investment to develop its potential and help get economy back on track. With a population of around 120 million it has great potential as a market for UK companies.

... I attach a paper with proposed main elements for the programme.

#### UK/Nigeria Bilateral Forum

... The aim is a twice yearly meeting at Ministerial level, focussing each time on a different theme of importance to both sides. I attach a copy of my letter of 9 February describing the proposed format.

... The Nigerians have asked that the Environment be the theme of the first. This is a relatively uncontroversial subject, and would be good for us too. Nigeria chairs the G77 and we need its support on issues like Climate Change. Working with the Nigerians on this, and their own environmental problems would be a good media story, (though we remain aware of possible negative publicity surrounding the involvement of some oil companies in the Niger Delta). The DPM would be well placed to start off these discussions after his successful trip to Nigeria. I attach a paper on how we propose that discussion at the forum will work.

The subject the Nigerians would prefer for the second bilateral forum (next Spring) is Education. Improving education is central to Nigeria's future, and a springboard to a strong economy. Today's successful Nigerians are the product of Nigeria's formerly high quality education system. They identify the collapse of that system, and the poor education now available to only a few Nigerians, as one of the greatest threats to Nigeria's economic and political security: and made this point directly to the DPM.

Another subject that would be good for both sides is privatisation and public/private partnerships. The Nigerians want help here. Our experience (which we have been offering to share with them for some time) could help the Nigerians and win contracts for the UK. But this is still a sensitive and controversial issue in Nigeria, and the Nigerians are not keen on a full blown bilateral forum on it. We therefore propose to handle it in a different way: to hold a round table in Nigeria involving officials and the private sector later this year. We could agree this with the Nigerians and announce it during the visit.

#### Outcomes

The main outcomes of the visit could be:



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- (i) A joint partnership statement detailing the way ahead for the UK and Nigeria (outline attached), to be delivered at a joint press conference;
- (ii) Development and deepening of the bilateral relationship through the launch of the UK/Nigeria Bilateral Forum: the development of people to people links.
- (iii) Commitment to Nigeria's reform process: (DFID's £20 million State and Local Government Project starts in the autumn);
- (iv) Agreement on and announcement of a Round Table on Privatisation/Public Private partnerships to be held in Nigeria.

It would be helpful to know whether you and the other Departments concerned are broadly content with this approach and, in particular, with arrangements for Ministerial involvement in the programme. We plan a meeting of Whitehall officials next month to take things forward.

I am copying this letter to Peter Unwin (Deputy Prime Minister's Office), Chris Austin (DFID), Tom Scholar (HM Treasury), Bernadette Kelly (DTI) and Sebastian Wood (Cabinet Office).

*Yours ever*

*Andrew Patrick*

(Andrew Patrick)  
Private Secretary

Ms Anna Wechsberg  
10 Downing Street

RESTRICTED



RESTRICTED

**GUEST OF GOVERNMENT VISIT TO THE UK BY PRESIDENT OBASANJO  
OF NIGERIA: SEPTEMBER 2000**

**Possible Elements for Programme**

- Official launch of the UK/Nigeria Bilateral Forum by the Prime Minister and President Obasanjo, followed by talks with the Prime Minister;
- Dinner hosted by the Prime Minister;
- Lunch hosted by HM The Queen, or an Audience of HM The Queen;
- Meeting with HRH the Prince of Wales, possibly at Highgrove (perhaps with a visit to Sandhurst en route);
- Official lunch or dinner at Lancaster House, possibly hosted by the Deputy Prime Minister;
- City lunch or dinner at the Guildhall;
- Talks with the Chancellor of the Exchequer, the Secretary of State for International Development and the Secretary of State for Trade and Industry (the Foreign Secretary will be at UNGA);
- Wreath-laying ceremony at Westminster Abbey;
- Interview on BBC World Service (both radio and TV). Interviews/articles for the Observer/FT;
- Call by Commonwealth Secretary-General;
- Business visits, and/or a visit to an area which has regenerated by attracting inward investment (eg South Wales, perhaps with Mr Hain if he is not in New York);
- Visit to Charismatic church in London;
- The Nigerian High Commission will probably want to organise an event for the Nigerian Community;
- Visit to the London Eye;
- Joint Press Conference;
- The President likes to have time for private business engagements;
- Mrs Obasanjo will require a separate programme. Her main interest is in disabled children.

RESTRICTED





Foreign &  
Commonwealth  
Office

9 February 2000

London SW1A 2AH

*Dear Philip*

Nigeria: UK/Nigeria Bilateral Forum

When Peter Hain was in Nigeria in January, he agreed with President Obasanjo that we should aim to set up a UK/Nigeria bilateral forum. We see this as an important tool in strengthening and widening the scope of our relationship with Nigeria. It would also complement our programme of support for President Obasanjo's government.

The forum should focus on issues particularly relevant to Nigeria and the UK (building commerce, fighting crime, helping build a democratic and prosperous Nigeria, etc). But the meetings should also have a regional or international flavour: Nigeria is one of Africa's superpowers and its potential to influence the region is immense. President Obasanjo is already developing his ideas for regional development and cooperation.

The traditional type of bilateral forum involves a number of Ministers, reporting to the Prime Minister/President, with discussions covering a range of issues, usually meeting annually. But for Nigeria we envisage something new, which would be lighter, faster and more flexible:

- a forum to take place twice a year, once in the UK and once in Nigeria. One main theme would be covered each time.

There would be two major substantive elements:

- (i) Special discussion of one major issue, agreed in advance. Potential themes are: building prosperity in Nigeria, Africa and the world; fighting crime and drugs; e-World; the role of the modern military; greening the environment; global/regional health issues (including HIV/AIDS); education in the 21st century;
- (ii) separate discussions, led by Mr Hain, on other regional, international and (as necessary) bilateral issues.





Each side would be led by a senior Minister, according to the subject chosen. Their teams would include a small number of officials and specialists in the subject to be covered. As a further novel departure, we might include representatives from NGOs, academia and the private sector. We would envisage a plenary session, jointly chaired by the leaders of each team. Smaller groups, discussing aspects of the theme in detail, would report to plenary.

The main advantages of this format over the more traditional one would be: the potential for real, detailed discussions; much wider input into discussions; more flexibility in developing areas of cooperation; the potential for more creative outcomes; greater opportunity to share knowledge and experience; opportunity to encourage cooperation at a range of levels across other government departments and other organisations; and less expenditure of UK Ministerial time. In sum, a greater rate of return with a much lighter burden on Ministerial diaries.

The Prime Minister could, if you agree, launch the forum when President Obasanjo visits the UK later this year. Prime Ministerial involvement would reinforce our theme of Britain backing success, a cornerstone of our Africa policy. Although subsequent fora would not be dependent upon his involvement, London meetings could be used for this if he were available. We would agree the first substantive theme with other Departments nearer the time.

If you are content with this proposal, we will take it forward with the Nigerians.

I am copying this letter to the Private Secretaries of other Cabinet Ministers and Sebastian Wood in Sir R Wilson's office.

*Yours  
Andrew Patrick*

(Andrew Patrick)  
Private Secretary

Philip Barton Esq OBE  
10 Downing Street



## NIGERIA: UK/NIGERIA BILATERAL FORUM

### September 2000: Environment

#### Introduction

Most Nigerians, especially the poor, are directly dependent in some way on land, rivers, lakes and forests for their livelihoods. But environmental degradation threatens health and economic well-being. Main concerns are: waste management; desertification; oil pollution and gas flaring; deforestation; coastal erosion and water pollution. Past poor governance and inequitable distribution of resources have contributed to environmental damage.

The Ministry of the Environment under Minister Hassan Adamu is being restructured to encourage cross sectoral integration of environmental issues. New environmental decrees will provide for greater involvement of local people in resource management and environmental protection. And a strong civil society community has emerged which has had some successes in advocacy and lobbying, and promotion of community-based approaches to environmental management.

The Environment will be a cross cutting concern in the UK's strategy for supporting the Nigerian government's reform programme. Together with others in the international community, DfID will help the government work out the environmental implications of its poverty reduction strategy. DfID will also support four reforming State governments to demonstrate that reform can deliver practical benefits to the poor. Environmental issues will be an important part of this process.

Many of the issues now facing the Nigerians are also of concern in the UK (waste management, pollution, coastal erosion and flooding, sustainable forestry).

#### Climate Change

Climate change is one of the most important challenges facing humankind. African countries, including Nigeria, are among those most vulnerable to the effects of climate change. As an oil-producing country, Nigeria is also concerned about the possible impact of response measures. The Forum could consider how Nigeria will balance the interests, recognising that Nigeria, as chair of the Group of 77, will play a key role at the Sixth Conference of the Parties to the Climate Change Convention in The Hague in November.



## Objectives:

To foster government/private sector/civil society co-operation in addressing environmental problems;

To share knowledge and experience of environmental issues affecting both Nigeria and the UK, aiming to find new solutions;

To share knowledge and experience on environmental management systems and approaches.

Duration: 1 Day

### Session 1

Plenary: Official Launch by the Prime Minister, and/or the Deputy Prime Minister and President Obasanjo followed by introductory remarks by Environment Ministers.

### Session 2

Break Out Sessions: Small groups discussing issues such as Climate Change; Waste Management; Water Pollution; Desertification; Deforestation; Coastal Erosion; Oil pollution and Gas flaring; urban noise and car pollution; Sustainable development. [Four or five of these will be selected after discussion with the Nigerians]

### Session 3

Plenary: Rapporteurs from each group will report back to plenary, chaired by Environment Ministers.

Joint Closing Press Conference

### Possible Outcomes:

New links between academic institutions and NGOs; new private sector involvement;

New impetus to the restructuring of the Nigerian Ministry of Environment, and in analysing the links between poverty and the environment;

Better Nigeria understanding of, and support for, the UK's objectives on global environmental issues such as climate change.



UK/NIGERIA SUMMIT, LONDON: POSSIBLE ELEMENTS FOR PRESS STATEMENT

The two sides have agreed to establish a new UK/Nigeria partnership - a partnership of equals.

That partnership will be carried forward by a Bilateral Forum which we launched today. The Forum is special: it brings together top members of our two governments, but also leading members of the NGO, academic and business community. This time we have discussed Environmental issues; next time, in Nigeria, we will discuss education.

We have two main aims: to work together to address the key international issues facing the world today, and to help advance the development of Nigeria and the African continent as a whole.

We have today agreed:

- to work together in tackling climate change. Nigeria, as the Chair of the G77, has a key role in this.
- on cooperation to tackle other environmental challenges: pollution, waste management, coastal erosion and sustainable forestry.
- to share experience on privatisation and public/private partnerships, which offer benefits for Britain, Nigeria and the world;
- on the way forward on Sierra Leone, Zimbabwe [and any other big African or international issues then active] through co-operation on foreign policy and conflict prevention.
- to cooperate actively in the UN, International Financial Institutions and other multilateral bodies on our shared agenda.
- on new initiatives in our joint fight against drugs, crime and terrorism [cooperation is already underway in these areas, but there may be more we can announce].
- and to sustain our high level dialogue on all issues of concern to our publics.





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11/7

**PRESIDENT,  
FEDERAL REPUBLIC OF NIGERIA**

PRES/15

June 29, 2000

His Excellency,  
Mr. Tony Blair,  
British Prime Minister,  
10, Downing Street,  
London.

**SUBJECT**

211-7

LAO  
cc: (letter to)  
SS  
Prm.  
DN

Dear Prime Minister,

**REPATRIATION OF NIGERIA'S STOLEN FUNDS**

For the past one year, through the effort of our lawyers in Europe and investigations in Nigeria, we have been able to document criminal cases against the accomplices of the late Sani Abacha who have illegally and corruptly siphoned public funds out of Nigeria either to banks in Great Britain and or through banks there.

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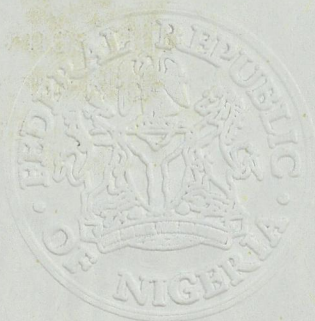


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While we will have no hesitation to resorting to court action to recover looted money from Nigeria, we will be satisfied if the money can be repatriated to Nigeria without necessarily resorting to the courts.

*Yours sincerely*  
*Obasanjo*

**OLUSEGUN OBASANJO**







10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

26 June 2000

Dear David

**VISIT TO NIGERIA AND SIERRA LEONE**

The Prime Minister was very grateful for the Deputy Prime Minister's minute of 21 June reporting his visit to Nigeria and Sierra Leone. On Sierra Leone, I understand the MoD are looking at equipment and uniforms for the Benguema trainees. On Nigeria, the Prime Minister believes we must continue to give President Obasanjo our full support, including by helping ensure that the Nigerian Government has the capacity to deliver essential public services. It would be useful to have a short note from DFID/FCO on how we are following this up, picking up any specific suggestions from the Deputy Prime Minister's visit.

I am copying this to Chris Austin (DFID), Andrew Patrick (FCO), Julian Miller (MoD), Tom Scholar (HMT) and Sebastian Wood (Cabinet Office).

*Anna Wechsberg*

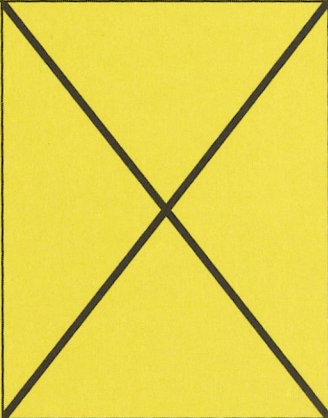
**ANNA WECHSBERG**

David Prout  
DETR

*DP*



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## 10 DOWNING STREET

Prime Minister

a good visit. JP is discussing  
follow up with Clare Short & Geoff  
Hoon. It's vitally important that  
we continue to support Obasanjo.  
Nigeria's reforms are still highly  
dependant on him as an individual.  
The introduction of Sharia law  
in Kano in the north of the  
country this week is a further  
challenge for Obasanjo.

Anne  
23/6

✓  
Let us follow  
up

File - letter & draft. A  
26/6





Deputy Prime Minister  
and  
Secretary of State  
for the Environment,  
Transport and the Regions

6th Floor, Eland House,  
Bressenden Place, London  
SW1E 5DU

Tel: 020 7944 3011

Fax: 020 7944 4399

JS  
cc: JPO  
AW  
Press

## PRIME MINISTER

**General consensus that Nigeria is better than it was, but is still chaotic and corrupt. Life has returned to normal in Freetown, but there are still major challenges to be met in creating a bigger, better army for Sierra Leone.**

I visited Nigeria and Sierra Leone from 11 – 15 June. The High Commissioners in Lagos and Freetown have reported on the details of the visit. I would like to give you some of my impressions.

## NIGERIA

The High Commissioner put together a very good programme which enabled me to see not only the President and Vice-President but also other commentators who gave me a deeper and broader sense of what is going on in Nigeria.

What I got from the President and Vice-President was a reconfirmation of their sincere commitment to democracy and reform. Almost coining a phrase Obasanjo said that they had done a lot, but there was still a lot to do. The President and Vice-President are also surrounded by advisers who sing the same tune and who are committed to a wide-ranging (but I think too Thatcherite and narrow-minded) privatisation programme.

I took my greatest encouragement, however, from the fact that while I was there the national strike over fuel prices was successfully and peacefully resolved by a negotiated compromise. There is perhaps no greater sign of a living democracy than that.

But as I began to scratch the surface it became increasingly clear that fine words and good intentions will not solve the problems of Nigeria.



Obasanjo himself said that the institutions and administrative structures in Nigeria were so 'corrupt' and 'rotten' that when he pulled the levers for change, nothing happened.

The civil liberties campaigners and business leaders I met confirmed that the pace of change had been glacially slow. They said corruption was every bit as bad as it had always been, although when I pressed them they admitted some improvement. The British business leaders also railed against corruption, but when pressed admitted that their profits had risen by 20% in the last year.

So there is good news, but there is also bad. The Nigerians I met were highly educated, articulate, sophisticated and cultured. It was more like meeting a group of Harvard lawyers than anything else. The bad news is that the educational infrastructure that created this class of educated businessmen no longer exists. The schools and universities have collapsed in the face of absurdly low salaries and lack of capital investment. 'The libraries are empty – there are no books' the High Commissioner told me. So in future, to put it bluntly, instead of the educated and corrupt – and the High Commissioner reminded me that the businessmen I met were corrupt – we face the prospect of the merely corrupt.

The decline of the educational system is symptomatic of all government infrastructure. It is simply incapable of delivering the most basic services. Even in war-torn Sierra Leone they collect the rubbish. In Nigeria they do not. The reason for this – confirmed by everyone from Obasanjo to the environmental NGOs – is that the government bureaucracy has collapsed. Under the old regime the generals saw the civil service as a threat. They stripped out the best civil servants and ran down their salaries so that today a permanent secretary earns the equivalent of £35 a month. Under those circumstances, no wonder it is corrupt. I was told at the British Council in Kano that they wanted to import a shipment of second hand English books, but hadn't done so because of the £80,000 import 'fee' that had been demanded.

Against that background it seems to me that one of the most important things we could do for Nigeria would be to offer help and advice on the creation of an effective and functional civil service. I am sure Clare is working in that direction, but I wonder if we could do more?



## SIERRA LEONE

While I was in Nigeria I heard a West African proverb that:

*"If you give a man a fish you will feed him for a day. If you give him a fishing rod, he will feed himself for life."*

In Sierra Leone we have given the fish to tide them over the immediate crisis. In the second stage we are trying to give them a fishing rod.

There is no doubt that the British service men and women we are now withdrawing have done a fantastic job. Their work has been a wonderful example of what we can achieve by the three services working together. I was deeply impressed by their sheer professionalism and it is clear that this not only secured their victory over the RUF but also gained the trust and respect of the people of Freetown.

I was greatly encouraged by what I saw at the Benguema military training camp. All afternoon as I toured the camp, the air rang to the sound of stamping feet and shouted orders as the trainees drilled on the parade ground. Several of the Royal Anglians said they were impressed by the quality of the trainees – about 90% of whom, I was told, have already had some form of military training or combat experience. The trainees were in fine physical shape and their morale was high. As they went back to their quarters in the late afternoon they sang as they marched along.

What is desperately lacking, however, is logistical support for the trainees. The air may have rung to the sound of stamping feet, but those feet were in flip flops and I could tell that the recruits were in excellent physical shape because they were dressed in shorts and vests of every imaginable size, colour and design.

The trainees need everything from uniforms to cooking pots and the army needs trucks, tents and communications equipment to put the trainees back into the field. This was a point made to me by the British officers showing me around, but it was obvious even to non-military observers. We need to build this in to our longer term approach and I mentioned this to Geoff when I saw him in the House yesterday.



I would like to make one other point, albeit again as a non-military observer. The trainees are full of enthusiasm and a sense of national duty, but I was worried by the SLA officers I saw around the camp. The trainees need to be well led as well as trained and it will be important, I think, to create a well-trained officer class and to forge a bond between the officers and other ranks. I know we are already training 40 young officers in Ghana, but I wonder whether more needs to be done.

- / I am copying this letter to Robin Cook, Clare Short, Geoff Hoon and the High Commissioners in Lagos and Freetown.



JP

21 June 2000

REPEAT





Foreign &  
Commonwealth  
Office

London SW1A 2AH

15 June 2000

*Dear Anna*

CC JFH  
Prem

Reply from the Prime Minister to President Olusegun  
Obasanjo of Nigeria

... I enclose a copy of a letter to the Prime Minister from President Obasanjo of Nigeria. In his capacity as current Chair of the G77, the President is requesting an opportunity to address G8 leaders at this year's G8 Summit in Okinawa. Mbeki (South Africa and NAM Chair) and Bouteflika (Algeria and OAU Chair) have made similar requests.

At the recent UK-South Africa Bilateral Forum (18 May), the South Africans requested UK support for this proposal. We expressed sympathy for their request but did not commit to anything.

At the last G8 Sherpa meeting (13-16 May), it was agreed that the Japanese would offer to send a special envoy to meet with Obasanjo, Mbeki and Bouteflika and that they would invite them to a meeting with Prime Minister Mori in Japan prior to the Summit. The Japanese have since written to Obasanjo and presumably the others accordingly.

... I enclose a draft reply to President Obasanjo from the Prime Minister. The draft is consistent both with our discussions with the South Africans and with the Japanese position. However, the Prime Minister may wish to add a manuscript PS congratulating Obasanjo on the successful G77 Summit in Havana.

*a bit  
late, since  
he's already  
written to  
Ob. since  
then.*

I am copying this letter to Pam Keenan (HM Treasury) and Chris Austin (DFID).

*Yours ever  
Andrew Patrick*

(Andrew Patrick)  
Private Secretary

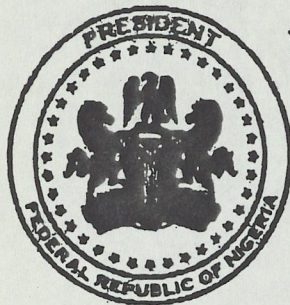
Ms Anna Wechsberg  
10 Downing Street



to note Heywood's comment - pls ask the Japanese to

provide a standard  
draft reply along  
the lines agreed  
at Igarawara.

13/5  
E: SS  
SP  
R  
P



**PRESIDENT,  
FEDERAL REPUBLIC OF NIGERIA**

VG- pls make sure you have  
seen record of Shiga discussion  
this weekend - sets out clear  
position. Could you then check  
with ~~the~~ SHD,

WIT and  
D(E) to

**PRES/15**

PN & MFF 090/145/00  
(Nigeria)

**May 2, 2000**

ee who  
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have that

line is  
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15/19/5

**His Excellency,  
Mr. Tony Blair,  
British Prime Minister,  
10, Downing Street,  
London SW1A 2AA.**

T. Blair - J, fix

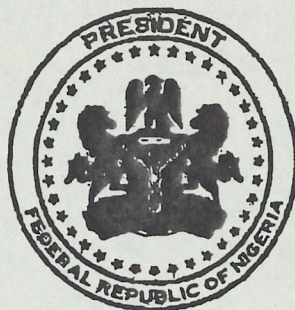
To T. Blair 10-11 pm. 10  
2 10-11 pm. 10  
9/5

**Dear Prime Minister,**

I have the honour to inform you of the outcome of the first ever Summit of the Group of 77, which I presided over in Havana, Cuba from 12 to 14 April 2000. This epochal South Summit was very well attended at the highest level of the member States and its deliberations were imbued with a distinct sense of purpose and determination to improve the lot of their countries and the welfare of their peoples through closer international cooperation.

The leaders of the G.77 were convinced that in order to achieve these objectives it has become even more crucial for them to participate effectively in the management of global economic change. They therefore adopted the Havana Declaration and Programme of Action to give practical effect to the decisions reached at the Summit. In this context, the G.77 Summit noted that the globalisation of the world economy presents fresh opportunities for developing countries but also felt strongly that this process bears its own risks and unforeseeable pitfalls. Indeed, the general view was that globalisation is working to the detriment of the South as evidenced by the growing disparities between the rich and poor countries. We therefore agreed that renewed North-South





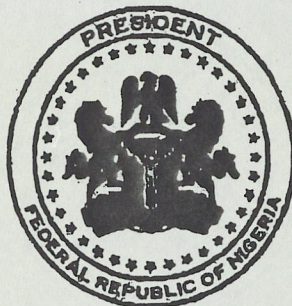
Dialogue is necessary to bring about more inclusive and participatory institutions for global economic governance.

The Heads of State and Government of the G.77 deliberated on other matters of mutual interest and concern including the problems posed by a huge debt burden and the volatility of short-term financial flows. Accordingly, they welcomed the Expanded Initiative in Favour of Highly Indebted Countries but called for more inclusive and wider solutions to the external debt problem as well as the adoption of an appropriate regulatory framework for international financial markets. My colleagues were convinced, moreover, that in order to restore confidence in the multilateral trading system, developed countries should fulfil their obligations made in the Uruguay Round and also take the interest of developing countries into account in the launching of a new round of negotiations.

I should stress that the South Summit believed strongly that the resolution of the debt problem is so crucial that it requires more imaginative solutions than have hitherto been proposed. My colleagues have therefore requested that I should convey the gravity of the situation and the depth of their feeling on the matter to the creditor nations and international financial institutions. While participants at the Summit were under no illusions that debt cancellation would solve all their development problems overnight, they were also convinced that economic development would remain elusive in their countries without debt cancellation.

It may be helpful in this regard to inform you of the suggestion that debt cancellation could be hinged on using the



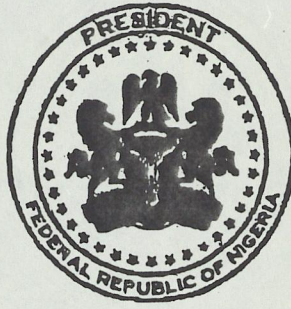


resources freed therefrom to pay for social programmes in the area of health and education. By the same token and to show the seriousness with which it took the challenges facing developing countries, the Summit adopted a South-South Health Care Delivery Programme under which Algeria, Botswana, Cuba, Libya, Nigeria and South Africa and other interested parties will provide health facilities for the people in the poorest of countries, particularly African countries.

I should add that the South Summit was fully cognizant of the need for member states to be more involved in the Knowledge and Technology Sectors and the importance of closer cooperation among themselves in these and other development matters. However, G.77 leaders were fully aware that the success of their efforts lies in obtaining the cooperation of the developed countries of the North for the emergence of a more enabling international economic environment to facilitate their efforts. They were nevertheless confident that they will receive the required cooperation from the countries of the North if only because we all have a vested interest in building a better world for present and future generations of our peoples.

It is for this reason, therefore, that I have been mandated to convey the message and decisions of the South Summit as contained in the Havana Declaration and Programme of Action to our development partners. Accordingly, I intend to travel to Japan for Summit of the Group of 7 + 1 in order to brief its members appropriately and resume the much-needed dialogue between countries of the South and North. I am aware that the Summit of the Non-Aligned Movement has also asked its Chairman, President Thabo Mbeki of South Africa, to carry out a similar assignment. We shall therefore work closely together

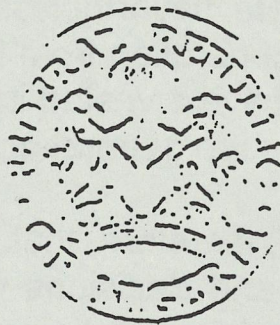




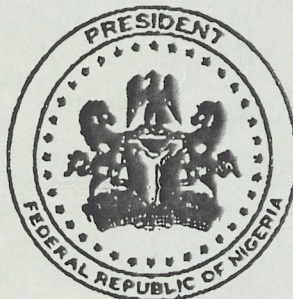
in order to convey faithfully the strong feelings of developing countries on these matters to the leaders of the G7 + 1.

Please accept, Your Excellency, the assurances of my highest consideration and personal esteem.

*Yours sincerely,*  
*Obasanjo*  
**OLUSEGUN OBASANJO**







PRESIDENT,  
FEDERAL REPUBLIC OF NIGERIA

PRES/15

14 June 2000.

His Excellency Mr. Tony Blair,  
Prime Minister of Great Britain  
& Northern Ireland,  
10 Downing Street,  
London SW1A 2AA,

SUBJECT  
MASTER

FILED OUT

*Dear Prime Minister*

I received your communication dated 8<sup>th</sup> June by which you graciously conveyed your congratulations to me on the occasion of the celebration of our First Anniversary in office, as a democratically elected government. In this regard, I wish to assure you that we treasure the support and assistance we continue to receive from friendly governments such as yours, without which it would have been extremely difficult to sustain our newly-won democracy. The celebration of our First Anniversary has imbued us with renewed vigour to consolidate the gains of democracy.

I also note with appreciation the views you expressed on the wide range of sub-regional, regional and bilateral issues addressed in the same communication. I am indeed encouraged by your positive sentiments about our role in support of the peace process in Sierra Leone both within the platform of ECOWAS and UNAMSIL. We intend to continue to contribute to the process of searching for, and consolidating, peace in that brotherly African country, to the best of our ability. In this connection, we thank you for the British Government promise of logistic and air support backing.





Ms Thelma

leave for & BONE Lagos  
and Ms Painting AO (E). The original  
will be forwarded to London by bag.

STATE HOUSE  
ABUJA,  
NIGERIA.

Reference: PRES/26

June 15, 2000

Min/Min

19.6.00.

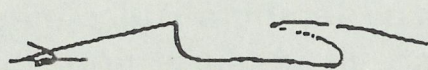
His Excellency,  
British Ambassador to Nigeria,  
British Embassy  
Abuja.

Dear Sir,

Reference:

A. Letter to H.E., Mr. Tony Blair, Prime Minister of Great  
Britain, London.

1. I am directed to forward reference A to you for onward  
transmission to its destination.
2. Humbly submitted for your urgent action, Sir.

  
OJO, A. Taiwo  
Personal Assistant to  
the President

Enclosure:

1. Copy of Reference A.

⇒ file.

Good. I agree.

4

John

(1) no reply needed I  
think to this v. nice  
letter. James Bevan is  
having a small mtg  
tomorrow (at my suggestion)  
to take stock of our  
dealings with Nigeria, including debt.

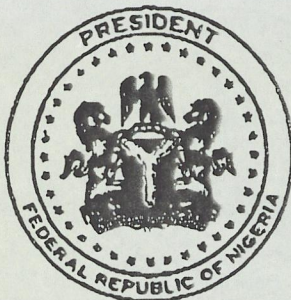
Annex 20/6

To: Private Office	
Fax: 2144	
From: AD (E)	Pages: 5
Date: 20/6	

Postmark: 1600

Telefax





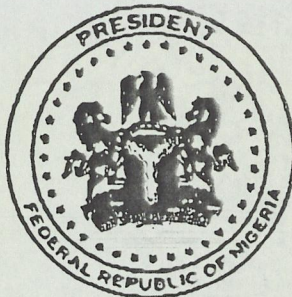
I have taken note of the decision of your government to pull out British troops in Sierra Leone, as well as your decision not to provide combat troops to UNAMSIL. There is no doubt that the military operations mounted by British Forces in Sierra Leone contributed in no small measure to saving lives and stabilising the situation in the wake of the latest rebel onslaught in that war-torn country.

The withdrawal of British Forces will, no doubt, create a vacuum which will be difficult to fill. Nevertheless, we take consolation in the pledge which your government has made to extend all other necessary support and assistance to enable UNAMSIL to succeed in accomplishing its renewed mandate. The strengthening of the capacity of the Sierra Leone Army to defend the country against the rebel forces is of utmost importance. Your planned contribution in this regard is fully appreciated.

We were only too happy to have contributed to the initiation of dialogue between Britain and Zimbabwe on the issue of land reform. We hope the process will continue despite the occasional difficulties that are bound to arise from time to time. What is needed is the spirit of give and take on both sides. The face-off between Zimbabwe and Britain on the land issue certainly does not augur well for the Commonwealth family. All efforts should, therefore, be made to resolve the outstanding issues amicably.

We in Nigeria are only too aware of the need for free and fair elections, having just embraced a new democratic dispensation. I am sure that President Mugabe is also very



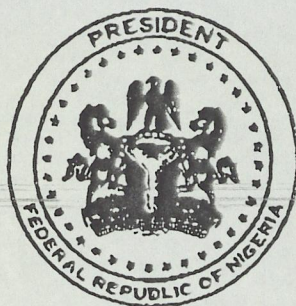


sensitive to the need for the forthcoming elections in his country not only to be seen as free and fair but to be manifestly so. Hence, his readiness to allow international observers to monitor the process. In General Abubakar, I can assure you that we have a credible leader of the proposed Commonwealth Observer team.

I sincerely welcome your government's support for the various reform programmes we are pursuing, including the poverty alleviation strategy, reform of the Nigeria Police Force (NPF) and stemming the spread of the HIV/AIDS pandemic. We very much look forward to the concrete programmes of support and assistance you have pledged to give in these and other areas.

The success of the various programmes to which we have committed our Administration will, to a large extent, depend on our ability to address the excruciating debt overhang which continues to undermine our efforts to deliver the much-needed democracy dividends to our people. We are working towards reaching agreement with the IMF for a Standby Arrangement. However, in the final analysis, there will be no escaping debt cancellation or forgiveness for Nigeria, over and beyond mere re-scheduling. We appreciate your Government's assurance of debt remission after we have concretized our agreement with the IMF. The fact of the matter is that the interest payments on some of these debts have amounted to more than the initial principal borrowed. We welcome the fact that Britain has remained our leading advocate in the Paris Club for generous debt remission. We appreciate this kind gesture.





I look forward to the arrival of your military personnel to be seconded as agreed. Military co-operation between our two countries date back a long time. It is only natural, and to our mutual benefit, that this tradition of military co-operation should be maintained and, in fact, strengthened.

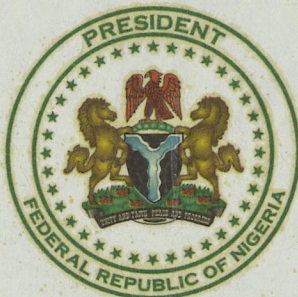
I was, of course, delighted to receive The Right Honourable John Prescott whose visit provided ample opportunity to exchange ideas on several issues of common concern. I am sure that he will have shared his impressions with you upon his return to the UK.

I very much look forward to my visit to the UK during which we shall, of course, cover a wide range of issues of mutual interest.

Finally, I wish to assure you of my highest consideration and esteem. I will not hesitate to get in touch with you as the need arises.

*Yours sincerely,*  
*Olusegun Obasanjo*  
OLUSEGUN OBASANJO





file - no Top-AW  
reply needed. CCJS  
JB  
AC  
GS

**PRESIDENT,  
FEDERAL REPUBLIC OF NIGERIA**

PRES/15

14 June 2000.

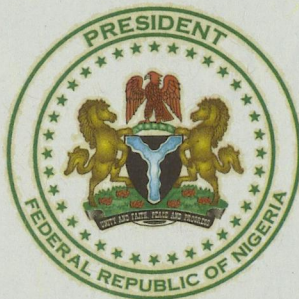
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10 Downing Street,  
London SW1A 2AA,

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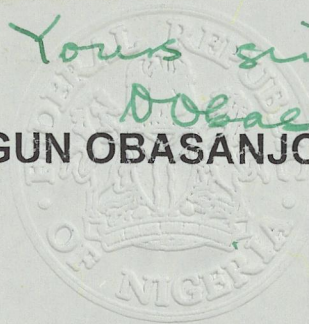
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I very much look forward to my visit to the UK during which we shall, of course, cover a wide range of issues of mutual interest.

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*Yours sincerely*  
*Obasanjo*

**OLUSEGUN OBASANJO**







10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

8 June 2000

Dear David,

**LETTER TO PRESIDENT OBASANJO**

I enclose the top copy of the letter from the Prime Minister to President Obasanjo, which I understand the Deputy Prime Minister will hand over during his visit. The letter proposes the week of 11 September as a possible date for President Obasanjo to visit the UK. As discussed, this looks the best timing on current plans, but the Prime Minister's diary for September is not yet finalised. We should be able to confirm the dates in the next couple of weeks.

I am copying this to Andrew Patrick (FCO) and Chris Austin (DFID).

How

Here

**ANNA WECHSBERG**

David Prout  
DETR

AS





bc HMA  
FCO  
DETR  
DfID

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

8 June 2000

Dear President Obasanjo,

I am delighted that John Prescott is able to visit Nigeria at this time. First and foremost, we would like to congratulate you on celebrating the first anniversary of your government. You are providing an excellent example for other African nations to follow.

I am also very grateful for your continued political and military action in support of peace in Sierra Leone. ECOWAS, through your leadership, has played a key role in the international reaction to the crisis. So too have the Nigerian forces on the ground in UNAMSIL. We hope that role will continue.

The current phase of our military operation in Sierra Leone will shortly come to an end. We have made clear that we do not intend to provide combat troops to UNAMSIL. But we will continue to do all we reasonably can to help UNAMSIL fulfil its mandate. We very much welcome the fact that ECOWAS countries, led by Nigeria, have shown their willingness to send additional troops to Sierra Leone to be deployed under the command of UNAMSIL. We will also redouble our efforts to help the Sierra Leone Army build up its capability to defend the country against the RUF rebel threat.

On Zimbabwe, I would like to add my thanks to those of Robin Cook for the constructive role you played in arranging a meeting between Robin and President Mugabe in Cairo and for encouraging President Mugabe to send a

AD



delegation to London. We have made clear our support for a land reform programme based on the principles agreed at the 1998 Land Conference.

I am pleased that President Mugabe has accepted international observers to the forthcoming elections and that General Abubakar will be heading the Commonwealth team. This is a crucial election for Zimbabwe and it is essential that the people of Zimbabwe are able to exercise their democratic right to vote. The international community must continue to press the Zimbabwe Government to bring about an end to the violence and intimidation so that free and fair elections can take place.

Following Clare Short's visit in March, our Department for International Development are about to produce the Country Strategy Paper for Nigeria. We want to support your strategy for reducing poverty, including particularly the economic and government reforms that you are introducing. As agreed, we are moving ahead with support for the police and developing partnerships with four States, starting with Benue and Jigawa. We will also continue to work closely with you to stop the spread of HIV and AIDS.

As you know, I strongly support the commitment to economic reform which you have made and encourage you to press ahead vigorously with its implementation. We have supported your negotiations with the IMF for a StandBy Arrangement. We hope that you will shortly be able to reach agreement with them on a programme which will enable you to build a track record of reform.



We want to continue to work with you to achieve a lasting solution to Nigeria's debt problem. We remain Nigeria's leading advocate in the Paris Club, lending our strong support for a generous debt rescheduling for Nigeria to deliver assistance over the next 12 months. Once Nigeria has built a track record of reform, and if the debt profile shows that it is necessary, the UK has made it clear that it would be willing to advocate partial debt cancellation. No other country has yet taken such a forward position towards Nigeria's debt, but we are pressing other donors to join us.

I also promised you assistance with the reform of your security sector. I am pleased that our military secondee will take up his appointment at your Defence Headquarters very shortly. We have much to learn from each other.

I very much look forward to welcoming you to the UK later this year. We have much of mutual interest to discuss. We spoke on the telephone about September or October. On current plans, the week of 11 September looks good for me. Would this fit in with your schedule?

Best wishes

Yours ever

Tony Blair

His Excellency President Olusegun Obasanjo



RESTRICTED



Foreign &  
Commonwealth  
Office

2 June 2000

London SW1A 2AH

*Dear Anna*

*AW  
e: JB  
JS  
GS.*

Nigeria: Letter from the Prime Minister to President Obasanjo

The Deputy Prime Minister will be visiting Nigeria on 11-14 June.

This visit will provide us with a valuable opportunity to build dialogue at the highest levels; encourage the Obasanjo administration to implement their stated commitment to economic reform and poverty eradication; and to thank the Nigerians for their support in Zimbabwe and Sierra Leone. It will also give us the opportunity to congratulate President Obasanjo on completing his first year in office as a civilian democratically-elected President.

A Prime Ministerial letter, handed over to President Obasanjo by the Deputy Prime Minister, would usefully reinforce these messages.

We should also aim to propose firm dates in the letter for the Guest of Government to the UK by President Obasanjo. This would follow up the Prime Minister's invitation at CHOGM in November, and their telephone conversation on 8 May. The Deputy Prime Minister's visit would be a very good time to do this.

...

I attach a draft letter.

*I am copying this to  
Peter Ummun in the DPM's office.*

*Yours ever*

*Andrew Patrick*

(Andrew Patrick)  
Private Secretary

Ms Anna Wechsberg  
10 Downing Street

RESTRICTED



RESTRICTED

MESSAGE FROM THE PRIME MINISTER TO:

His Excellency Olusegun Obasanjo  
President and Commander in Chief  
Federal Government of Nigeria  
Abuja

I am delighted that John Prescott is able to visit Nigeria at this time. First and foremost, we would like to congratulate you on celebrating the first anniversary of your government. You are providing an excellent example for other African nations to follow.

We are deeply grateful for your continued political and military action in support of peace in Sierra Leone. We have been following recent events with deep concern. ECOWAS, through your leadership, has played a key role in the international reaction to the crisis. So too have the Nigerian forces on the ground in UNAMSIL. We hope that role will continue.

The deployment of UK combat forces to Sierra Leone will shortly come to an end. We have made clear that we do not intend to provide combat troops to UNAMSIL. But we will continue to do all we reasonably can to help UNAMSIL fulfil its mandate. We very much welcome the fact that ECOWAS countries, led by Nigeria, have shown their willingness to send additional troops to Sierra Leone to be deployed under the command of UNAMSIL. We will also redouble our efforts to help the Sierra Leone Army build up its capability to defend the country against the RUF rebel threat.

On Zimbabwe, I would like to add my thanks to those of Robin Cook for the constructive role you played in arranging a meeting between Robin and President Mugabe in Cairo and for encouraging the latter to send a delegation to London. During our talks with the delegation, we reiterated our support for a land reform programme based on the principles agreed at the 1998 Land Conference.

I am pleased that President Mugabe has accepted international observers to the forthcoming elections and that General Abubakar will be heading the Commonwealth team. This is a crucial election for Zimbabwe and it is essential that the people of Zimbabwe are able to exercise their democratic right to vote. It is also important that the international community continue to press the Zimbabwe Government to bring about an end to the violence and intimidation so that free and fair elections can take place.

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RESTRICTED

Following Clare Short's visit to you in March, our Department for International Development are about to produce the Country Strategy Paper for Nigeria. This has been drawn up after extensive consultation with all levels of Nigerian society, and with other donors. We have agreed with you that our priority areas for British development assistance will be economic management and institutional reform at all levels of government, partnership with selected State governments to tackle poverty more effectively, HIV/AIDS and access to justice. Our established community-based programmes in primary healthcare, education, rural livelihood and water and sanitation will continue.

As you know, I strongly support the commitment to economic reform which you have made and encourage you to press ahead vigourously with its implementation. We have supported your negotiations with the IMF for a StandBy Arrangement. We hope that you will shortly be able to reach agreement with them on a programme which will enable you to build a track record of reform.

We want to continue to work with you to achieve a lasting solution to Nigeria's debt problem. We remain Nigeria's leading advocate in the Paris Club, lending our strong support for a generous debt rescheduling for Nigeria to deliver assistance over the next 12 months. Once Nigeria has built a track record of reform, and if the debt profile shows that it is necessary, the UK has made it clear that it would be willing to advocate partial debt cancellation. No other country has yet taken such a forward position towards Nigeria's debt, but we are pressing other donors to join us.

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I very much look forward to welcoming you to the UK later this year. We have much of mutual interest to discuss. Would the dates ..... fit in with your schedule?

Stephen Townsend  
AD(E), FCO

7270 2511

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**CONFIDENTIAL**

**CONFIDENTIAL**