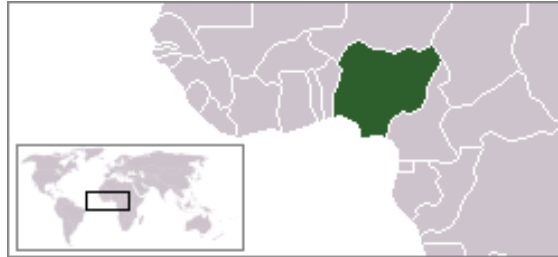


## REGIONAL REPORT – NIGERIA – FEBRUARY 2010

Report on Projects & Project Management  
in Nigeria

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**Project Management Issues in the Current Nigerian Political Climate**

It is probably necessary to start with a brief objective description of the current Nigerian political situation. Since November 23, 2009, the Nigerian President, President Umaru Musa Yar'Adua, has been away from the country, reportedly receiving medical treatment in Saudi Arabia. We shall touch briefly on the issues around his absence as much as they affect developments in the country. It should be equally relevant to assess how the current political situation impacts on projects and project management.

**Current Nigerian Political Climate**

There is no attempt here to get involved in a comprehensive analysis of the current political situation. Rather, the intention is to present an objective description of some of the facts, which could be considered as highlights, of the political impasse.

1. By the allegedly flawed Section 145 of the Nigerian Constitution, it is intended that the President should inform the National Assembly of his absence and also appoint the Vice President to act in his absence. However, he did not and has not done this.
2. The Senate took a decision on President Umaru Musa Yar'Adua's absence on Wednesday, January 27, at the end of a marathon two-day closed-door debate. It decided to request him to notify the Senate in writing about his 65-day medical vacation [1].

3. The Senate directed its 44-member Constitution Review Committee to put in place all legislative measures to resolve what it has described as flaws in section 145 of the Constitution.

4. But the Federal Executive Council (FEC) on the same day, Wednesday, January 27, in Abuja declared that despite his long absence for medical treatment in Jeddah, Saudi Arabia, President Yar'Adua was capable of discharging the functions of his office.

5. On Thursday, January 28th, 2010, a group described as “the Eminent Elders Group”, comprising former Heads of State, Presidents, Vice-Presidents, Chief Justices of Nigeria (CJNs) and other elder statesmen urged Yar'Adua to transmit a letter to the National Assembly to enable Vice-President Goodluck Jonathan to step in as Acting President[2].

The elders group, led on the visit by Second Republic President, Alhaji Shehu Shagari, met separately with Senate President David Mark and Speaker of the House of Representatives, Rt. Hon. Dimeji Bankole, behind closed-doors to present to them a letter containing its resolutions on the state of the nation. Some members of the group were former President Shagari, Dr. Alex Ekwueme Second Republic Vice-President; former CJN, Justice Idris Legbo Kutigi; former Governor of Plateau State, Chief Solomon Lar; former Minister of Defence, Lt. Gen. T.Y. Danjuma; former Minister of Information, Prof. Jerry Gana; and a member of the Senate (1999-2007), Senator Jonathan Zwingina. former Head of the defunct Interim National Government (ING), Chief Ernest Shonekan; etc.

6. Foreign ministers of some Western nations also commented on the impasse on Thursday, January 28th, lamenting the “uncertainty” caused by his absence. The message is: “Nigeria is going through a period of uncertainty because of the prolonged illness of President Musa Umaru Yar’ Adua,” said a joint statement by the US, EU, UK and France. The powers said they welcomed constitutional efforts in Nigeria to “resolve the question of governing authority in the president's prolonged absence”. “Nigeria’s stability and democracy carry great significance beyond its immediate borders given its importance as a global oil producer and stabilising force in West Africa,” said the statement. It was signed by US Secretary of State Hillary Clinton, British Foreign Secretary David Miliband, France's Foreign Minister Bernard Kouchner and European Union High Representative Catherine Ashton [2].

## **Impact on Industry and Projects**

### **1. The Oil Industry**

Following the unconditional amnesty granted last October by the Nigerian Federal Government to militants, oil production levels started improving toward the end of the

year. Also, the liquefied natural gas business is performing well, as explained by Voser. Mr. Peter Voser is the Chief Executive of the Royal Dutch Shell PLC, Nigeria's biggest oil company. As stated in the next paragraph, the industry has started to suffer damages as a result of militancy.

In addition, Royal Dutch Shell PLC, Nigeria's biggest oil company no longer looks to its Nigerian operations to drive growth in its oil and gas output, said Chief Executive Peter Voser in comments posted on the company's website. The statement reads: "Nigeria is still a heartland for Shell, but we no longer depend on it for our growth aspirations," said Voser. "This gives us more flexibility in deciding when and how to develop oil and gas resources in Nigeria" [4].

Shell, which has been the dominant force in Nigeria's oil industry for decades, may be looking to reduce its presence in the country. It is reportedly seeking buyers for 10 of its Nigerian onshore oil producing assets worth between \$4 billion and \$5 billion in total. This was supposed to have been published in the Wall Street Journal last month. Meanwhile, China National Petroleum Corp. (CNPC) has been reported as a possible buyer[4]. Already China has bought the formerly Canadian oil company, Adax Petroleum Company Nigeria Limited.

## **2. The Militants**

Despite the recent amnesty and a continuing truce between government forces and Niger Delta militants, violence is gradually creeping in. Last Tuesday, January 26th, some casualties were suffered by Shell. A Chevron Corp. oil pipeline was shut down following sabotage over the weekend. On the whole, there are confusing reports about how well the cease fire is holding. President Yar'Adua did a commendable job in arriving at a settlement with them. They would want him well and back to work.

## **3. Chinese and the Nigerian Railway Project**

Last Thursday, January 21, representatives of the Federal Government discussed the Lagos-Kano railway project with the delegation of China EXIM Bank, which will finance the project with \$500 million. The money is a concessional loan to the Federal Government.

The Finance Minister, Dr. Mansur Muhtar, explained that Nigeria had met all conditions for the loan which included provision of the counterpart funding, submission of feasibility report, environmental impact assessment and contract agreement for the project. Muhtar expressed the confidence that the visit of the Chinese will afford the technical teams from both countries to finalise arrangements for the drawdown of the \$500 million concessional loan.

## Concluding Comments

On the political situation, we wish to quote the statement attributed to the Retired Justice of the Supreme Court, Justice Kayode Eso, he said: “We do not know the facts but from what I know of the president, he will not condone any action that is contrary to the constitution if he is able to. President Yar’Adua that I know will not, by himself, do anything contrary to the constitution. I can tell you as much as that.

“But then, we do not know the rest of the facts and probably we will not be able to speak about the rest of the facts. What I can say is that there is this gap in the provisions of the constitution, particularly as regards Section 145 [3].”

The reason for quoting this statement attributed to the retired Justice Kayode Eso is because this writer shares the view that President Yar’Adua has presented and comported himself as a person who believes in the rule of law. The situation at present is confusing and difficult to explain, yet we still respect this view. Hopefully, in future with the unfolding of events, we may understand the present impasse better.

Without dabbling into any political minefield, to claim that President Yar’Adua is not being missed, in this writer’s view, is to demean and disparage his contributions. For example, to his credit, in his quiet and cautious approach, he was able to arrive at a peaceful settlement with the Niger Delta militants such that for the first time since 2006, when the kidnapping and violence by the militants became intensified, the nation enjoyed some peace. The peace was so all embracing that the militants talked about it and the man-in-the-street spoke of the return of peace in the troubled Niger Delta. What is more, the oil production level that was on a continual downward trend started creeping up, as stated by the Chief Executive of Shell Nigeria.

Currently, creeks and cracks are starting to appear in the settlement as violence is gradually returning. This development may not have occurred if President Yar’Adua had been around all this while. Vice President Goodluck Jonathan is from Bayelsia State in the Niger Delta area, yet at present he cannot do for the Niger Delta what President Yar’Adua from Katsina State in northern Nigeria can do. It is not only that the Vice President finds his hands tied politically at present but it is also that President Yar’Adua followed up the settlement with conviction, commitment, and drive. All these qualities have been missing in the handling of the resettlement of the militants since President Yar’Adua himself has been missing.

One clear consequence of his absence on projects is the fact that while some organisations are being reluctant in their investments, some others such as the Chinese are prepared to go on with their investments. They are even ready to takeover opportunities being relinquished, especially in the oil industry.

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