

# A Strategic U.S. Approach to Governance and Security in the Gulf of Guinea

A Report of the CSIS Task Force on  
Gulf of Guinea Security

**Cochairs**

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# The Work of the Task Force and Acknowledgments

The CSIS Task Force on Gulf of Guinea Security was launched in October 2004 under the leadership of J. Stephen Morrison, director of the CSIS Africa Program, and David Goldwyn, president of Goldwyn International Strategies, LLC, and former assistant secretary for international affairs with the Department of Energy. The task force's honorary chair is Senator Chuck Hagel (R-Neb.). This task force report follows on the heels of a preceding CSIS task force on "Rising U.S. Energy Stakes in Africa," which successfully completed its work in the spring of 2004. The Gulf of Guinea Security Task Force proceeded on a nonpartisan, inclusive basis, focused on generating a better understanding of the evolving security environment in the Gulf of Guinea, what is at stake for U.S. foreign policy, and what U.S. policy options are most feasible and valuable in improving the gulf's security. In identifying priority policy initiatives, the task force carefully weighed likely obstacles to effective implementation and requirements to ensure workable partnerships with the African oil-producing states.

The task force relied on the active participation of a diverse group of members, comprising Africa policy experts, administration and intelligence officials, energy company representatives, congressional staff, human rights advocates, nongovernmental advocacy and policy groups, and academics. It held 11 working sessions (see Annex 1). Key agencies, most notably the Department of State, the Central Intelligence Agency, U.S. European Command, the U.S. Coast Guard, and the U.S. Navy generously provided expert substantive input throughout the task force's work and at its conclusion provided extensive comments on repeated drafts. None of these agencies was asked to take a formal position on the specific findings and recommendations contained in this final report.

Task force members were encouraged to endorse the final report in their individual capacities. The task force findings and policy recommendations were reached by a strong majority consensus, in which members endorsed the overall policy thrust and judgments contained in the report, but did not necessarily embrace each finding and recommendation.

The task force is especially grateful to a number of individuals who offered expert presentations to the working sessions: Major General Scott Gration, U.S. European Command; Kenneth Moorefield, former U.S. ambassador to Gabon and São Tomé and Príncipe; Phillip Van Niekerk, Good Governance Group; Peter Lewis, American University; Roger Diwan, Monica Enfield, and Jason Nunn, PFC Energy; John Campbell, U.S. ambassador to Nigeria; George Staples, former U.S. ambassa-

dor to Cameroon and Equatorial Guinea and current political adviser to the commander of the U.S. European Command and Supreme Allied Commander of Europe; Ian Gary, Catholic Relief Services; Nikki Reisch, Bank Information Center; Mahamoud Adam Bechir, Chadian ambassador to the United States; Dobian Assingar, the Chadian Petroleum Revenue Oversight and Control Committee; Alan Eastham, Office of Central African Affairs, U.S. Department of State; Jerome Chevallier, World Bank; Andre Madec, ExxonMobil Development Project; Timothy Daniel, Kendall Freeman London; Robert Smith, Office of Oceans Affairs, U.S. Department of State; Derek Smith, LeBoeuf, Lamb, Greene & MacRae, LLP; Deborah Avant, George Washington University; Michael Farmer, Global Security Group, ExxonMobil; Elizabeth Reicherts, British Petroleum; Admiral Gregory Johnson (ret.), former commander of the U.S. Naval Forces Europe and Africa and Commander in Chief, Allied Forces Southern Europe; Robert Houdek, National Intelligence Council; Makila James and Evan Feigenbaum, Office of Policy Planning, U.S. Department of State.

Finally, the task force wishes to thank Jessica Kruger and Esther Cesarz, program coordinator and research assistant, respectively, with the CSIS Africa Program, and Erika Kowalzyk, Africa Programs Associate with Goldwyn International Strategies, for their extensive contributions, organizationally, logistically and substantively, to the success of the project and the quality of the final report.

# Executive Summary

An exceptional mix of U.S. interests are at play in West Africa's Gulf of Guinea. The region starkly illustrates both the challenges and the promise of efforts to foster democracy, respect for human rights, poverty alleviation, counterterrorism, regional conflict prevention and peacekeeping, and to curb HIV/AIDS and other infectious diseases, organized crime, corruption, and instability. Also at stake are rising U.S. interests in the region's energy sector, already prominent and set to expand even further in the coming decade. At the same time, many countries in the region are vulnerable to instability and violence, stemming from vast internal disparities in wealth, poor governance, a lack of state capacity, and rising criminality.

In the past two years, the U.S. European Command (EUCOM) has drawn considerable U.S. attention to the Gulf of Guinea, identifying major gaps in the region's security forces and emphasizing the vulnerability of U.S. interests to terror, criminality, and instability. EUCOM's assertions have stirred a valuable and constructive debate in Washington on the nature of regional threats and on how best to address them. The CSIS Task Force on Gulf of Guinea Security, launched in October 2004, assembled a broad array of expertise and interests—including corporations, human rights and activist groups, military experts, academics, diplomats, and energy analysts—to move this debate forward and to craft forward-looking, practical recommendations for U.S. policymakers.

Among the Task Force's principal recommendations:

- The United States should make security and governance in the Gulf of Guinea an explicit priority in U.S. foreign policy toward Africa and promulgate a robust, comprehensive policy approach to the region.
- Toward this end, the U.S. administration should name a special assistant to the president and secretary of state to coordinate U.S. policy and support the efforts of U.S. ambassadors to the Gulf of Guinea, a position that could be modeled on the existing special adviser for Caspian Basin energy. At the same time, the United States should bolster its diplomatic presence in the countries of the region.
- The United States should take a long-term, well-resourced, and comprehensive approach that offers incentives and support for good governance, transparency, and democracy-building, and strengthen regional and country-level capacities to manage maritime environments, protect fisheries and energy infrastructures, and curb criminality. One component of this approach could be a regional stabilization and governance account, initially set at \$50 million per year, comprising development assistance, foreign military financing, transitional

funds, and other accounts, flexible enough to respond to the region's diverse challenges.

- The United States should work to strengthen promising regional initiatives like the International Maritime Organizations cooperative arrangements with the region's ports, the Food and Agriculture Organizations efforts to deter illicit fishing in the region, and the nascent Gulf of Guinea Commission.
- Finally, the United States should make Gulf of Guinea policy and regular agenda item in high-level discussion with the European Union, the G-8, and with China, whose presence in the region is growing apace.

An important opportunity exists for the United States to take a lead role in an integrated and multilateral strategy that can bring greater stability, security, and prosperity to the Gulf of Guinea, to the ultimate benefit of both the region's people and to U.S. interests there.



# A Strategic U.S. Approach to Governance and Security in the Gulf of Guinea

*David L. Goldwyn and J. Stephen Morrison*

## Overview

The Gulf of Guinea is a nexus of vital U.S. foreign policy priorities. Every U.S. foreign policy interest in Africa—democracy, respect for human rights, poverty alleviation, terrorism, HIV/AIDS, organized crime, energy security, strengthening regional peacekeeping capacities and regional political integration—is significantly at play there. The region is a diverse mix of energy-rich countries, from continental power and regional hegemon Nigeria, to sub-regional power Angola, to microstates such as Equatorial Guinea and São Tomé and Príncipe, to small states including Chad, Cameroon, and Gabon. Today, the region offers reason for both hope and trepidation.

Hope lies in nascent political reform efforts in many of the region's transitional governments, key regional personalities who have spearheaded changes in the African Union and the West African body ECOWAS, dramatically increased government earnings from rising energy prices and historic expansion of energy production, and heightened attention to transparency in the management of national wealth. There is rising awareness that successful management of oil revenues for poverty reduction will reduce instability and security threats over the long term.

Hope for Africa has visibly risen in 2005. This year's G-8 summit in Gleneagles and the upcoming Millennium Summit in September at the United Nations have significantly elevated international attention paid to Africa and poverty alleviation, emphasizing both the need for improved governance in Africa—especially with regard to corruption—and the imperative for higher volumes and improved quality of external assistance, including international debt relief and more favorable global terms of trade. Just prior to Gleneagles, Nigeria concluded a debt relief arrangement with the Paris Club donor states (among them the United States) that reduced

by two thirds the face value of Nigeria's \$36 billion debt overhang, cleared \$6 billion in arrears, and promises to eliminate the entire debt within three years. These steps dramatically rewarded Nigeria's anti-corruption, reform and extractive industry transparency efforts. The G-8 also agreed to the cancellation of \$40 billion in multilateral debt to 18 well-performing poor countries (14 in Africa), with the promise to expand the reach of the program in the future to other qualifying countries in Africa and elsewhere.

Trepidation arises from the region's vulnerability to instability and disruption—a function of malgovernance and corruption, weak state structures, and limited regional integration (especially in the maritime sphere), the presence of large criminal syndicates based in Nigeria, organized mercenary groups able to project themselves from South Africa into the Gulf of Guinea, the threat of armed insurgency in Nigeria's Niger Delta, the possibility of radical Islamist action rooted in northern Nigeria or the Sahel, and uncertainty in the future succession of several autocratic governments. Independent civil society groups remain weak.

In contrast to the world's other fast growth, offshore energy zones—Brazil, the Caspian, the U.S. Gulf of Mexico—the volatile mix of factors seen in the Gulf of Guinea is striking and exceptional. The risk is that the opportunity for positive change in the region will pass, reform efforts will fail, hydrocarbon revenues will again be squandered, and the grinding poverty and malgovernance that undergird instability in the region will persist. If violence in oil producing areas escalates, causing significant volumes of production to be shut-in or abandoned over the long-term, the impact on both the region's future and global energy markets will be harsh.

The CSIS Task Force on Gulf of Guinea Security, launched in late 2004, set out to examine whether U.S. interests are at risk in the Gulf of Guinea, whether heightened U.S. engagement is warranted, and if so, what U.S. policy strategy might best advance U.S. interests. The task force is the successor to a previous 2003-2004 CSIS study, *Promoting Transparency in the African Oil Sector*, which detailed the vital and rising stakes the United States has in West and Central Africa.<sup>1</sup> The task force's focus on security in the Gulf of Guinea's energy sector was prompted by multiple, sharp reminders of the region's endemic instability.

Armed militia attacks on expatriate oil workers in Nigeria led to the temporary shut-in of production of 800,000 barrels per day (b/d) in March 2003 and over 100,000 b/d thus far in 2005. Elaborate coup attempts were launched against the governments of Equatorial Guinea (2004) and São Tomé and Príncipe (2003), each involving a far flung array of international adventurers in league with internal partners. A coup attempt in Chad in 2004 emanating from within its own security forces failed. In 2005, reports surfaced of further coup plotting against Equatorial Guinea, allegedly using mercenaries recruited from the Niger Delta. Credible

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1. *Promoting Transparency in the African Oil Sector*, a report of the CSIS Task Force on Rising U.S. Energy Stakes in Africa, cochaired by David L. Goldwyn and J. Stephen Morrison (Washington, D.C.: CSIS, March 2004), <http://www.csis.org/africa/GoldwynAfricanOilSector.pdf>

reports also allege that in 2004–2005 there were coup plots in the junior officer ranks of the Nigerian military against President Obasanjo.

In 2004, the International Maritime Organization rated the Gulf of Guinea second only to the Straits of Malacca in number of piracy attacks. These waters are among the world's richest marine ecosystems, yet the region's fisheries are among the most weakly protected and are extremely vulnerable to illicit commercial fishing and overfishing. This marine basin is also home to crime syndicates that have successfully stolen large volumes of Nigerian crude oil since 2000. Estimates of theft have run as high as 200,000 to 300,000 b/d in early 2004, falling to around 80,000 b/d during periods of relative stability, with a concomitant loss of at least \$1.5 billion in revenue. This grand enterprise, emanating from the Niger Delta, has led directly to the proliferation of weapons throughout the region, the enlargement of armed militias with considerable lethal fire power, extensive and sophisticated money laundering capacities, and alleged linkages to Nigerian political parties. Its growing menace prompted Nigerian President Olusegun Obasanjo in early June 2005 to appeal personally to both President George Bush and British Prime Minister Tony Blair for cooperation in curbing illicit oil sales, arms trafficking, and money laundering.

In terms of global infectious disease, the Gulf of Guinea region is the most active site for outbreaks of hemorrhagic fevers. Ebola outbreaks occurred in Congo-Brazzaville and the Democratic Republic of Congo in 2004 and 2005. Beginning in October 2004, Angola experienced the largest, most sustained outbreak in history of Marburg fever. More generally, there is a lack of functioning elementary public health systems across the Gulf of Guinea, which impedes treatment and control efforts for a range of high-incidence infectious diseases, most importantly malaria, tuberculosis, and HIV/AIDS.

### **Other Principal Findings**

Multiple U.S. interests in the sub-region remain high. In the energy sphere, U.S. stakes have risen sharply in the past year due to strong global demand for oil, shrinking worldwide excess capacity for oil (reaching an historic low of less than one million barrels per day), significantly increased energy prices, and rising concern over any major disruption.

Competition for influence in the gulf is fierce. European interests, official and commercial, remain fully engaged. China, India, and other Asian interests have swiftly enlarged their engagement along multiple lines, with both positive and negative results, as explained later. One conclusion: if the U.S. is to positively shape future outcomes in the gulf, it not only requires essential partners among reformist regional leaders, but also an active multilateral dialogue on security and governance with European and Asian interests, and a new concept of cooperation.

Nigeria is the most pivotal nation to the region's future. It is both the locus of the most promising political and economic reform efforts in the Gulf of Guinea, and at the same time an inherently fragile state whose demise has the potential to destabilize the region. No progress can be made to better integrate the region,

improve its governance and security cooperation, and curb criminality unless the Nigerian government is prepared to lead, in earnest and on a sustained basis.

Nigeria is the most important destination for the estimated \$50 billion in international investment in the region, the current source of 10 percent of U.S. oil imports (expected to rise significantly in coming years), and the country where organized crime, piracy, ethno-religious divisions between a Muslim-majority north and a Christian-majority south, and weak internal security capacity pose the most urgent risk. Nigeria accounts for just over 50 percent of the Gulf of Guinea's oil production and 70 percent of proven reserves.

Nigeria's fate also has the greatest impact on the Gulf of Guinea region itself. On the one hand, Nigeria is currently the dominant regional peacekeeper and peacemaker, a generator of business and investment, and a key interlocutor on debt and continent-wide initiatives such as the African Union-led negotiations and peace operations in the Darfur region of Sudan. On the other hand, an alternative scenario in which Nigeria is wracked by internal conflict, or unable to manage crime and violence within its borders, could lead the country to become a major exporter of refugees, criminal activity, and in the most extreme case, a haven for terrorism in its northern states.

The United States also has important interests in other countries in the region. Angola provides four percent of U.S. oil imports, and since the mid-1980s been a priority focus of U.S. conflict resolution in Africa. Today, following the end of its three decade-long internal war, it has the potential to contribute significantly to its own reconstruction and regional peacekeeping, as it doubles its energy production in the next five years. Angola is currently under increasing domestic and international pressure to liberalize its rule in the run-up to elections scheduled to begin in 2006. Equatorial Guinea, the third largest producer in the Gulf of Guinea and the third largest site of U.S. investment in Africa, is generating increasing energy revenues, but lives under the uncertainty of which direction its autocratic family-based rule will evolve. U.S. companies have significant investments in Gabon, while the Chad-Cameroon pipeline is both a source of new oil supply and a test case for oil revenue management. Similarly, São Tomé and Príncipe, a fragile, fledgling democracy, may see large U.S. investments if exploration and production are successful. The country would then have to manage sizeable energy revenue streams, in the shadow of strong Nigerian influence.

Across the region, poor governance is a common threat—the failure of governments to reduce poverty and provide opportunity in the face of rising expectations and the instability that failure generates. A secondary, related vulnerability emanates from the region's weak internal security forces, which are under-trained, poorly equipped, incapable of effectively policing internal waters or maritime boundaries, and badly in need of education on human rights.

In the short-term, a sudden, violent disruption in the Gulf of Guinea will strain but not break U.S. energy security or other major U.S. interests. Less clear is for how long the United States could comfortably withstand a severe and sustained inter-

ruption of oil and gas supplies from the gulf, and what the long-term consequences of persistent disruption would be for the region.

Another spike in violence in the Niger Delta in Nigeria might again remove several hundred thousands of barrels of oil per day from global markets and drive oil prices up by \$10 or more per barrel; but that impact would be manageable if past patterns hold and most production resumes after a brief period. An act of terrorism against a major installation, such as an LNG liquefaction plant, supertanker, or oil platform, could also create a spike in oil prices, raise global insurance rates, and damage production for some period. However, the Gulf of Guinea does not yet have a central node analogous to Saudi Arabia's Al Qaiqa processing center where a single concentrated attack could disrupt millions of barrels of oil per day. Nevertheless, as Nigeria's LNG sector matures in the coming years, large multi-billion dollar facilities will create conspicuous new potential targets. The numerous maritime and land border disputes throughout the region are being addressed to varying degrees through diplomatic processes, with low prospects that they will evolve into major armed violence. Radical Islamists may be plotting to strike at U.S. officials or private interests. However, expert opinions vary significantly on this score, there is no clear consensus, and it remains difficult to estimate the true threat. Such an attack, were it to occur today, would not likely be catastrophic.

The Gulf of Guinea is strategically located with direct access to U.S. East Coast refineries, avoiding more costly and dangerous routes. The region's light, sweet grade crude articulates closely with U.S. environmental considerations and the design of U.S. refineries. These same high quality crude oil supplies are also highly prized by other markets, notably China.

It is over the long-term that the region's vulnerabilities may threaten U.S. national interests. In the next five years, an additional 2-3 million barrels of oil per day will come into production. An additional \$33 billion in investment will come on stream. The development of natural gas will advance and result in the construction of fixed, high-value facilities, which, if attacked, would be harmful to the region's economy and investment climate. The expansion of the region's critical infrastructure, essential to sustain the region's economy (port facilities, production rigs), also raises vulnerability issues from a security perspective. According to the U.S. National Intelligence Council, the United States, in diversifying its sources of oil, can be expected to increase its reliance on Gulf of Guinea oil from the current level of 15 percent to 25 percent of U.S. oil imports by 2015. The question these projected changes raise: will the regional leadership, in concert with the United States and others, form partnerships to ensure that governance within key states and region-wide integration improve in this period? Or will the present endemic instabilities persist, or worsen? At a minimum, sustained interruptions would increase U.S. oil dependence on the Middle East, threaten the viability of U.S. investment in the Gulf of Guinea and possibly American lives, and draw the United States into increasing involvement in crime control, peacekeeping, and other security programs in the region.

Unless the governments of the region support a program of reform, no amount of U.S. aid or relief will effect change. Leadership from within the region remains

the essential precondition to change and to the ability of the United States and others to shape events constructively.

The moment does appear ripe for serious consideration of how the United States, international organizations, and other major powers can work in concert with regional leaders to improve the governing environment within the Gulf of Guinea. The Blair Commission for Africa, completed in the lead-up to the July 2005 G-8 summit in Gleneagles, Scotland, laid out compellingly the imperative to address Africa's enduring poverty, and the need for a new compact in which African leaders curb corruption and improve governance, assisted by new, innovative forms of external support. It rightly put a focus on the special governance challenges present in oil-rich countries in Africa. Other promising recent developments include the early formation of a Gulf of Guinea Commission by several of the sub-region's leaders, including Nigeria's President Obasanjo, the reaffirmation of the global priority to promote growth and stability in Africa by the World Bank's new President, Paul Wolfowitz, and the growing ambitions and capacities of the African Union.

For its part, the U.S. government has taken several important steps that hold the potential for bringing major benefits to the Gulf of Guinea.

In September 2002, in the National Security Strategy Statement, the U.S. government designated Nigeria a strategic partner in Africa, emphasized the rising significance of energy security to U.S. national interests, and warned of the dangers that corruption, HIV/AIDS and other infectious diseases, and abject poverty posed to global security. The government pledged to reorient its foreign policy around these challenges.

Since that moment, the U.S. European Command (EUCOM) has become increasingly active in West Africa. It has concluded multiple access agreements, and in 2003 began to implement a counterterrorism training program designed in cooperation with the Department of State, initially involving four Sahelian countries, with very modest start-up funding of \$6 million. In 2005 this evolved into the Trans Sahara Counter-terrorism Initiative, involving eight countries, including Nigeria, and funded at \$100 million. In 2004 and extending into 2005, EUCOM began the development of a coastal security program entitled the Gulf of Guinea Guard. By force of these different initiatives and its new presence in the region, EUCOM set off an extended interagency debate in Washington, not yet resolved, over EUCOM's estimations of vulnerabilities and threats in the Gulf of Guinea and elsewhere in West Africa, and its call for a robust security response by the United States.

On several other fronts, the U.S. government has moved forward programmatically. It worked with Congress to refine and extend the Africa Growth and Opportunity Act (AGOA). It introduced the President's Plan for Emergency AIDS Relief in January 2003. That initiative is now moving forward rapidly, with Nigeria one of its largest recipients. The Millennium Challenge Corporation (MCC), announced in 2002, became operational in mid-2004 and holds the promise of delivering major flows of resources to capable, reforming governments among least

developed countries. In for the run-up to the G-8 summit in July 2005, the U.S. acquiesced to major debt reduction and debt elimination agreements for a number of African countries. In recent years, the administration has increased its diplomatic engagement with Equatorial Guinea and São Tomé and Príncipe and supported, within the UN Security Council, a dramatic expansion of UN peacekeeping that helped stabilize Ivory Coast, Liberia, Sierra Leone, and the Democratic Republic of the Congo, among other African conflicts. Quick response in March 2005 by the U.S. Centers for Disease Control and Prevention (CDC) to the first official declaration by Angola of a Marburg outbreak proved critical to national control efforts to break the chain of transmission. At the G-8 summit, the U.S. government launched a \$1.2 billion malaria initiative that targets Angola as one of its three initial priority countries.

## Recommendations

Recent U.S. policy progress notwithstanding, a much higher and more coherent level of effort is required if the United States is to truly advance its interests in the Gulf of Guinea effectively. Most African oil-producing states are not eligible for the MCC or the G-8 multilateral debt relief package. U.S. diplomatic capacities in the region are thin. Given these realities, the complex vulnerabilities at play in the region, and the multiplicity of U.S. interests, the United States requires an integrated strategy of intensified engagement that takes account of the special constraints that may operate on U.S. influence and has as its key goal improving the security and governance of the Gulf of Guinea. Its priority actions should be to better address human capacity, development, governance, and security; to identify priority threats and a feasible multilateral strategy for redressing them; to take account of enduring European and expansive Asian interest in the region; and to build on multiple regional and multilateral institutional initiatives. To accomplish these goals will require a strategic approach that is long-term, grounded in realism, partnership-focused, region-wide in its scope and focus, multilateral in design, led at a senior, diplomatic level, and sufficiently resourced to demonstrate U.S. resolve and ability to convert good ideas into concrete programs and initiatives.

The task force recommends a strategy comprising five key elements:

1. **Promulgate a robust, coherent policy approach to the Gulf of Guinea.** The task force recommends that the U.S. government forcefully and explicitly state that a priority goal of U.S. foreign policy in Africa is improving the governance and security of the Gulf of Guinea in partnership with the region's member states. The U.S. approach should emphasize high-level, proactive U.S. engagement, a long-term approach that builds U.S. bilateral programmatic support for improved governance across the region, develops a carefully tailored, activist approach to security enhancement, and provides active support to IMF and World Bank poverty reduction strategies. It should aim to intensify U.S. bilateral engagement with multiple partners in the region: Nigeria, São Tomé and Príncipe, Gabon, Cameroon, Equatorial Guinea, Chad, and Angola.

2. **Create a far stronger diplomatic capacity.** The task force recommends that the president appoint an Ambassador for Gulf of Guinea Diplomacy, to provide an emissary with the time and commitment to address both governance and security issues in a sustained fashion and at a senior level. The U.S. should also upgrade its representation in Equatorial Guinea and São Tomé and Príncipe to full embassies with ambassadors and make special efforts to strengthen its embassy staffing across the region, if it is to amplify U.S. engagement on governance issues. It will be important to expand the presence of USAID missions in the region to manage programs in democracy, governance, and public health and resources management. To bolster policy coordination in Washington, the task force recommends that the U.S. establish a policy coordinating committee on Gulf of Guinea strategy led at a senior, diplomatic level.
3. **Ensure adequate U.S. resources for long-term impact, concentrated on governance, democracy building, maritime security and crime.** The U.S. should intensify its engagement in the gulf incrementally according to a 5-10 year plan of action. It should create a gulf regional stabilization and governance account, initially set at approximately \$50 million per year, comprising development assistance (DA), Foreign Military Financing (FMF), transitional funds (through USAID's Office of Transitional Initiatives) and other accounts.
  - (i) **Governance:** the United States should support increased technical assistance for thinly staffed reformers in Angola, Nigeria, and Equatorial Guinea. It should demonstrate commitment to transparency reform by moving beyond the four G-8 Compact countries and making a contribution to the World Bank Extractive Industries Transparency Initiative (EITI) Trust Fund, earmarking its contribution for efforts focused on anticorruption efforts in other countries. The task force supports prudent debt relief for Nigeria, in the form of the Paris Club debt repurchase agreement of June 29, to enable reformers to derive a dividend for progress in improved governance.
  - (ii) **Democracy Building:** the United States should support programs to strengthen civil society groups in the areas of human rights and transparency and help create the building blocks for well-run elections in Angola, Equatorial Guinea, Chad, Cameroon, and Nigeria, through the International Republican Institute, the National Democratic Institute, and other NGOs.
  - (iii) **Maritime Security:** the United States should strengthen bilateral capacities and regional capacity to manage the maritime environment, for the protection of fisheries and energy infrastructure, and as a means of curbing criminality. A multinational effort, involving EUCOM, to strengthen coastal marine capacities should be a central facet of this effort.
  - (iv) **Crime Prevention:** in its dealings with Nigeria, the United States should give priority to illicit oil sales, money laundering and arms trafficking centered in the Niger Delta. Through EUCOM, the U.S. should provide training, logistical support and, where appropriate, equipment to Gulf of Guinea states that are prepared to create a corruption-free anti-crime team. The U.S. should explore whether the G-8 anti-money laundering committee, Interpol or other interna-



tional institutions can be helpful in tracing money laundering and arms purchases. The task force supports creation of a pilot enforcement program that would bring surveillance ships and aircraft to Nigeria to work with identified teams in the Nigerian Navy. A special effort should be made to resolve outstanding issues relating to the presence of Charles Taylor in Nigeria, or selectively exercise national security waiver provisions to overcome legislative constraints on providing focused IMET and FMF funding to Nigeria.

4. **Expand U.S. support to promising regional initiatives.** The United States should focus on strengthening the International Maritime Organization's cooperative arrangements with the region's network of ports and the Food and Agriculture Organization's international plan of action to deter illicit fishing. The U.S. should pursue strengthening a region-wide body that could integrate efforts for environmental safety, maritime search and rescue, and cross-regional monitoring and surveillance of maritime traffic. The nascent Gulf of Guinea Commission might prove to be the best option over time. The African Union should be enlisted in support of this endeavor.
5. **Create a high-level dialogue with Asia and Europe on the Gulf of Guinea.** The task force recommends that the United States make Gulf of Guinea policy an agenda item for the U.S.-EU Senior-Level Dialogue, the G-8 money laundering working group, and the U.S.-China bilateral agenda.

## Advancing U.S. Interests in the Gulf of Guinea

U.S. global foreign policy priorities are fully present in the Gulf of Guinea, and very much under challenge.

### Democratization and Reform of Governance

The Gulf of Guinea region is diverse in the size of the countries, the nature of their governance and instability, and their importance to U.S. interests. Corruption is a pervasive challenge. The governance and stability of Angola and Nigeria, the subregion's top two energy producers, as well as the governance and stability of Equatorial Guinea, Chad, and Gabon, the next three most important suppliers, are essential to the success of U.S. multiple foreign policy goals—democracy, poverty alleviation, counterterrorism, regional integration and energy security.

As oil production rises and captures world prices far higher than ever anticipated, each of these states, to varying degrees, will see a massive inflow of cash earnings. In 2003, analysis by PFC Energy, commissioned by CSIS, projected that Nigeria was to take in more than \$100 billion in government earnings between then and 2010, based on \$28 per barrel. That estimate today is far higher, given the rise in the global price of oil. Angola in that same PFC analysis was estimated to take in more than \$40 billion. These historic windfalls may create cushions, or shock absorbers, that help facilitate reform. More likely, they will raise popular expectations, intensify internal debate on the lack of progress in alleviating poverty, rapidly skew incentives away from reform, and lessen external influence. In the short term,

there is a window for concerted engagement by the outside world on a reform agenda with these fragile, energy-rich transitional states.

Directly relevant to this question of reform is the question of the future for democracy in the Gulf of Guinea, which is being actively tested in Nigeria and Angola. That test will only intensify in the near term as these transitional democracies face new national elections—Nigeria in early 2007, Angola (projected) in 2006. In each, the preparations for elections are at an early point, and already fraught with hazards.

## Nigeria

Nigeria is a fragile democracy, riven by internal ethnic and economic divisions, notably a dangerous polarity between the Muslim-majority north and a largely Christian south. Corruption, organized crime, and thin governmental administrative capacity leave the country open to potential exploitation by indigenous radical Islamist groups, possibly in league with outside partners, intent on discrediting or damaging the current government and its Western ties. Unrest persists in the southern Niger Delta states where onshore production is concentrated, borne of years of under development, extreme poverty, and unrealized expectations. The suppression of dissent in the Delta, together with armed violence and the existence of armed militias, makes a potentially explosive combination. State governments, which enjoy significant revenues from federal revenue sharing and the complementary efforts of the Nigeria Delta Development Corporation, have shown little capacity to distribute these monies fairly or effectively.

Nigeria has begun a promising but still nascent program of reform to bring transparency to its fiscal management,<sup>2</sup> including the management of its energy sector,<sup>3</sup> and to root out public corruption.<sup>4</sup> The reform initiative has gained ground, and represents a genuine effort to address the foundations of malfeasance in government and the economy. Nigeria's Extractive Industries Transparency Initiative is undertaking a historic audit of the country's income and management of its hydrocarbons sector, including the operations of both international oil companies and state owned enterprises, publication of all revenues earned by hydrocarbon sales in taxes, royalties, and other payments, and a study of the processes by which Nigeria trades its oil for products. Given the potent legacy of official corruption and mismanagement, these initiatives face internal challenges—including high public expectations—and remain vulnerable to potential political reversals.

Memories of the fraud seen in the 2003 Nigerian elections remain alive, despite the recent Supreme Court ruling upholding President Obasanjo's victory, and fears of continued misconduct and violence create trepidation about the next elections,

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2. See Nigerian Finance Ministry, "Core Economic Reform Program: Preliminary Measures for Macro Economic Stability," [http://www.fmf.gov.ng/economic\\_reform\\_macro\\_economics.htm](http://www.fmf.gov.ng/economic_reform_macro_economics.htm).

3. Ibid., "Preliminary Measures for Fighting Corruption, Improving Transparency and Accountability," [http://www.fmf.gov.ng/economic\\_reform\\_fighting\\_corruption.htm](http://www.fmf.gov.ng/economic_reform_fighting_corruption.htm).

4. See Nigerian Economic and Financial Crimes Commission, <http://www.efccnigeria.org>.

scheduled for 2007. Since the transition to democracy in 1999, armed ethnic and religious militias have proliferated, and many have been courted and encouraged by politicians.

Nigeria's presidential elections in 2007 will be a public test of the integrity of their electoral process as well as a bellwether of the sustainability of these multiple reform efforts.

Successful reform requires that Nigeria overcome the handicap of thin administrative capacity. A small group of reformers is attempting to carry major changes in Nigeria's system of procurement, civil service reform and conduct of state owned enterprises. The World Bank, the British government, and the United States are contributors to these efforts. But Nigeria will need additional hands-on help to carry out its reform program in designing and procuring effective programs to curb money laundering, implement procurement reform, audit its public enterprises and root out the causes of crude theft.

## Angola

Today Angola appears minimally vulnerable to major instability. Outside Luanda, there is barely a functioning state in many outlying areas, and reconstruction has hardly begun. But there appears to be no question of the government's grip on power. Indeed, with a measure of leadership and vision, a reform effort and democratic liberalization could be effected at relatively low risk in Angola. On the other hand, if past patterns of concentrated, entrenched rule persist, the long-term risk for Angola will be worsening alienation at a popular level, among a younger generation of technocrats and elites, and among ever more vocal non-governmental activists.

In Angola, no elections have been held since the fateful elections of October 1992, which ushered Angola back into a war that lasted until the spring of 2002, with the death of Jonas Savimbi and the signing of a ceasefire agreement. Since the end of Angolan war, building cooperation and consensus between a militarily triumphant government and a debilitated UNITA has proven slow and exceedingly difficult. In 2002-2003, the chaos, humanitarian toll of the war, and challenge of demobilizing UNITA forces predominated. Since then, each side for its own separate reasons has been inclined to stretch the negotiation horizon in order to buy more time. Hence talks over constitutional reform and electoral laws and oversight arrangements have proceeded slowly. At present, elections are slated for 2006, though a date has not yet been set. If elections fail to be held in 2006 after repeated, earlier delays, this will cast a shadow over the government's stated commitment to the democratic process. When national elections do occur, it is likely a full 15 years will have passed since the first (and only other) democratic moment in Angola's tortured history. Internally, the climate within Angola has improved somewhat. Independent Angolan monitoring groups are able to function, the judiciary has been used less frequently to repress and intimidate dissent, and the Protestant and Catholic clergy have become far more activist in lobbying for reconstruction, accountability, respect of human rights, and attention to easing the abject poverty of most Angolan citizens.

Reform in the management of Angola's oil wealth is centered, as it has been for years, in Angola's dialogue with the International Monetary Fund. That dialogue remains alive, focused on bringing about preliminary reforms prior to the introduction of an IMF staff monitoring arrangement. But recent developments have given Angola additional financial flexibility and room for maneuver. The entry of the Chinese, who in 2004 agreed to a \$2 billion low-interest, long-term facility for reconstruction, coupled with high oil prices, has made an agreement with the IMF more problematic.<sup>5</sup> The United States currently derives 4 percent of its oil imports from Angola. That number could double in the next five years.

### **The Smaller Oil-rich States**

Promoting enduring democratic reform and stability in Equatorial Guinea, Gabon, São Tomé and Príncipe, Cameroon and Chad is no less difficult.

Equatorial Guinea, a country of 535,000 people, has been ruled by the Nguema family since independence in 1968. President Teodoro Obiang Nguema survived an externally financed coup attempt in 2004, which appears to have been engineered by a group of South African mercenaries. There have been reports of continued coup plotting in 2005 involving mercenaries recruited out of the Niger Delta.

Equatorial Guinea (EG) has risen in a short time to be West Africa's third largest crude oil exporter. ExxonMobil, Amerada Hess Corporation, and Marathon are major U.S. investors, with nearly \$5 billion invested to date. This amount may double over the next five years. The country remains vulnerable to external coups due to its lack of defense capability, police, coast guard, or military. Clan divisions within the Fang (the Obiang family clan) pose internal threats. The United States has criticized the EG government for human rights violations, failure to invest in social spending, and trafficking in persons. Sustained U.S. efforts will be needed to encourage an open political space, now largely absent, for non-governmental groups to operate. A U.S. policy of engagement with the EG government has paid some early dividends: President Obiang welcomed the IMF to conduct a fiscal review of standards and codes (ROSC), a review of fundamental financial management practices, which is in its second year of operation. The government has launched an EITI program, facilitated by the World Bank that anticipates reporting aggregate revenues paid by oil and gas companies to the government. The U.S. State Department addressed the EG government's lack of capacity for identifying and developing sustainable social spending programs in a creative way. It funded a study recommending that the EG government recruit specialists who will help the ministries develop programs in health education and women's empowerment, with the intention of having them recommend programs to a board of advisers, with international participation. A Fund for Social Development, based on these recommendations, was inaugurated on July 7.

In São Tomé and Príncipe, there is a fledgling democratic system with a record of tolerance, but it remains highly fragile and is prone to periodic breakdown. Gov-

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5. "New Angolan loan rumors swirl around financial markets keen to feed Luanda's credit additions," *African Energy*, Issue 87 (June 2005), p. 10.

ernment capacity, for all intents and purposes, is virtually nil. Its oil sector, and overall national governing system, operates very much in the shadow of Nigerian influence. Beginning in 2003, popular anticipation of future oil wealth, fueled by the first bidding round and signing bonuses for the offshore blocks managed jointly with Nigeria, intensified inter-party rivalry and tensions and triggered a mercenary-led mutiny and coup attempt that was reversed following intervention by Nigerian President Obasanjo and others. Since that time, the country has passed through subsequent internal upheavals. It is unknown how much offshore oil wealth São Tomé possesses: estimates vary between 4 and 10 billion barrels. Regardless of what the actual level turns out to be, the country will remain a choice target of adventurers, and the management of wealth streams will remain a formidable internal challenge. The United States, Portugal, the World Bank, the UN, and Columbia University, among others, have all begun pilot efforts to assist in building capacity.

### **Terrorism**

The threat of anti-Western terrorism is credible and present, though opinions vary on the precise level and nature of the threat. Concern is concentrated in Nigeria's northern region. Some analysts fear that indigenous terrorist groups, abetted by radical Islamist groups following Osama Bin Laden's exhortation in early 2003 to focus on Nigeria, might seek to exploit rising discontent with the government in Abuja and its close ties with the West. Unemployment in the north has worsened, as textile and other industries have collapsed in recent years. Shari'a law in 12 of the northern states has delivered few gains, both with respect to local order and economic growth. There is a widespread sense of northern disenfranchisement that has advantaged southern non-Muslim interests. Human and material traffic is relatively unimpeded between northern Nigeria (via Chad) and Saudi Arabia, Yemen, and Sudan.

It is possible to imagine future scenarios in Nigeria that could be quite dangerous, to Nigerian interests as well as U.S. stakes. The threats emanate from different sources. In the Niger Delta, the threat arises not from Islamists or anti-Western terrorists, but from criminal syndicates and armed militias. If Nigeria lost control of the Delta region to armed gangs, it might lead to escalated attacks on land-based oil production facilities and new capacities to attack installations at sea. Extortion efforts might create sufficient danger onshore to shut-in more than a million barrels of oil, while potentially disrupting offshore installations.

An alternative challenge might arise from political instability. If a regime hostile or less well disposed to Western interests attained power (via elections or military intervention) the government could turn away from foreign investment, while possibly creating enough chaos in Nigeria's commercial sector to disrupt new exploration and production and interrupt investment in existing fields. This in turn could lead to Nigeria failing to fulfill its production potential, and drive world energy prices to heightened levels.

A third scenario is linked to potential activities of radical Islamists. A successful terrorist plot against Western interests in Nigeria, directed at diplomats, aid work-

ers, and business interests, might emulate violent terrorist actions seen in Saudi Arabia, Morocco, Tunisia, Yemen, and Indonesia. Indigenous groups might combine with outside supporters, with the aim of discrediting the Nigerian government and damaging its Western political and commercial linkages. This scenario could lead to an exodus of foreign workers, a reduction of Nigerian production operations and new investment, and an increase in world energy prices to levels that negatively impact the global economy. As Nigeria's LNG sector matures in the coming years, large multi-billion dollar facilities will create conspicuous new potential targets.

### **Global Infectious Disease**

The threat of global infectious disease is conspicuous and acute in the Gulf of Guinea, where HIV/AIDS, malaria, and hemorrhagic fevers pose grave challenges.

Nigeria, with HIV prevalence officially estimated at 5.1 percent of adults, is among the top three countries in the world (along with India and South Africa) in terms of the size of the population living with the HIV virus (Nigeria's population is estimated at 130-140 million). Its national control efforts are still at an early point, its national leadership in the past three years has been exceptional, but it is very difficult to predict how effective prevention, care, and treatment programs will ultimately be, including how committed state governors and local authorities will eventually become. Globally, Nigeria is the single largest and most ambitious program within the U.S. President's Emergency Plan for AIDS Relief. By 2008, that plan seeks to place 350,000 persons on life extending anti-retroviral treatment. The eventual investment by the U.S. in Nigeria on HIV/AIDS in the first five-year phase (2003-2008) could exceed a billion dollars. In Congo-Brazzaville and the Democratic Republic of Congo, there have been outbreaks of Ebola in 2004-2005. Since October 2004, Angola has been experiencing the single largest sustained outbreak of the Marburg virus. Across the board, U.S. agencies, including the U.S. Centers for Disease Control and Prevention (CDC) and USAID, have been at the center of the international response: to HIV/AIDS in Nigeria, to Ebola in the Congos, and to the Marburg virus in Angola.

### **Grand Crime**

Criminal enterprises, extensive and sophisticated, figure ever more prominently in the region—and as a critical concern of U.S. policy.

Organized crime syndicates operate a major crude theft operation from the Niger Delta in Nigeria, with alleged partners in regional refineries. They are backed by well-armed and increasingly well-financed militias which, growing ever larger and more coherent, have begun to operate with greater autonomy, destructively shaping host country politics and fueling adventurism and regional conflict. Such a pattern has already been seen in Colombia.

Armed militias have exploited ethnic and economic division in the Delta states by using a legitimate political banner as a cover for running these criminal enterprises. Estimates of the scope of this theft, often called illegal bunkering, range from

70,000<sup>6</sup> to 300,000 b/d.<sup>7</sup> At current prices 50,000 b/d of crude oil would generate over \$1.5 billion per year. These are ample monies to fund arms trafficking, political corruption, or both.

Rising oil revenues and new exploration are both a benefit and a potential vulnerability. The future of Nigeria's oil development is offshore, providing considerable insulation from onshore unrest. Platforms are so far located a considerable distance from shore, making casual attacks by unsophisticated pirates or bandits more difficult. But rising revenues will also bring rising expectations, and an expansive energy offshore infrastructure could become an increasingly attractive criminal target.

Based on reports from government officials, oil companies and analysts, the theft of crude appears to take place by a decentralized, but clearly organized system. Taps have been found on pipelines operating between wells and flow stations in Nigeria's far flung pipeline system. Oil is captured on barges and trucks, which in turn load their cargoes on to larger barges, which then float down one of two primary river systems to meet up with offshore tankers. While many parties could conceivably steal some quantities of crude and sell to intermediaries, the procurement of larger barges and their onward connection with tankers at sea implies high-level coordination. Any reform will require aggressive action by institutions responsible for the policing and supervision of rivers and maritime areas: the Nigerian Navy, port authorities, tanker owners, and senior Nigerian government officials.

There is anecdotal evidence that the failure to curb oil theft is based in part on internal tolerance of the practice. A Russian-registered ship, the MT African Pride, was interdicted with an estimated 110,000 barrels of stolen crude oil. After being held at a Nigerian naval boatyard near Lagos for just under a year it disappeared overnight. A subsequent investigation led to the cashiering of three Navy admirals.

If Nigeria chose to act, it could launch an interdiction effort to stop the practice. The CSIS task force was briefed by a retired senior U.S. Navy Admiral who estimated that a committed government could acquire the surveillance ships, planes, and logistical equipment to track and interdict ships at sea for approximately \$100 million.

## Peacekeeping and Conflict Resolution

On matters of war and peace in Africa, the United States has partnered with the region's leadership, both in support of multiple peace keeping operations launched by the West African body ECOWAS, spearheaded by Nigeria, and most recently, in providing over \$130 million in support to the African Union operations in Darfur, Sudan, again spearheaded by Nigeria. This pattern will persist: U.S. interest in building capacity within Africa to manage crises and peace operations will continue to carry Washington back to a dialogue with Nigeria, and to a lesser degree, with

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6. All Africa, quoting Basil Omiyi, managing director of Shell Petroleum Development Company, December 2004.

7. Reuters, quoting Delta State governor James Ibori, July 31, 2003.

Ghana, Mali, and Angola. Angola offers a particularly interesting opportunity for peacekeeping because of its large and battle-hardened military force.

## **Energy Security**

In today's world, the Gulf of Guinea has become a strategic supplier to the U.S. and global oil markets: new sources of oil supply are at a premium, U.S. investment in the region is substantial, the region itself remains open to foreign investment, and oil supplies can be delivered rapidly to the U.S. market. U.S. energy security is based on promoting a stable supply of oil, at affordable prices, from as diverse a set of suppliers as possible. A stable and well-governed Gulf of Guinea will advance those stakes. On the other hand, major or sustained instability in the Gulf of Guinea will over the long-term impair the diversity of global oil supply and therefore U.S. and global energy security.

Strains in the global oil market of 2004-2005 have elevated the importance of the Gulf of Guinea's oil supply to the world market. Global demand for oil has surged in the past two years, increasing by 2.5 million b/d in 2004. Chinese consumption alone rose by 900,000 b/d in 2004, but the rise in global GDP increased demand in every region of the world. Oil prices, which averaged, \$29 per barrel (Brent) in 2003, averaged \$38 in 2004 and breached \$60 dollars per barrel in 2005. Oil prices have also been driven to record levels by the "fear factor"—acute sensitivity to any sudden change, whether it be additional instability in the Middle East, a labor strike, or armed insurgency in Nigeria, conflict in Venezuela, or acts of terrorism in the Middle East or the high seas. Under present circumstances, any of these disruptions might interrupt supplies and send prices to even higher levels.

Expansion of production in the Gulf of Guinea has been a global bright spot. One in five new barrels of oil that will enter the global market between 2005 and 2010 will come from the Gulf of Guinea. The region will enjoy over \$33 billion in onshore and offshore capital investment from 2005-2010, more than 40 percent of which will come from American companies. These new supplies will come from deepwater production in Nigeria, Angola, and Equatorial Guinea.

West Africa, projected to add between 2 and 3 million b/d to global oil supply by 2010, is a strategic supplier in a tight market. Its importance to the U.S. is due not only to the volume of U.S. investment, its 14 percent share of U.S. imports, and the U.S. citizens who help explore and produce those volumes, but to the fact that the gulf countries produce a high percentage of light, sweet crudes that are highly valued by the U.S. market, and which are a relatively short and distance from the United States. Gulf of Guinea producers are also of key importance to Europe and now to Asia, which seeks to balance its own dependence on Middle East crude oil with imports from Africa.

U.S. security of oil supplies is inextricably linked to the security and stability of the supplier. Supply security can be threatened by interruption for a sustained period or by a change in the patterns of supply and demand that can cause short-term constraints and impose higher costs on consumers. Major disruptions come from acts of war, severe internal unrest, or an act of terrorism. In just the past three



years the world has seen a 2002-2003 strike in Venezuela disrupt 2.7 million b/d of production; violence in Nigeria in March 2003 that shut-in 800,000 barrels a day (over 100,000 barrels have been shut-in thus far in 2005 by conflict); and the second Gulf War in 2004 that interrupted nearly 2.5 million b/d of Iraqi production. The impact arises not only from the supplies lost and not replaced, but also by the fear and speculation that follows as the market buys up future supplies for fear that the disruption will be sustained.

Demand shocks, such as China's 24 percent increase in demand for oil in 2003 and 14 percent increase in demand in 2004, or Europe's shift to diesel fuel from gasoline can also cause short disruptions as refiners scramble to find the quality of supply their consumers demand, and pay premium prices as they compete for access to it.

Advancing these multiple U.S. interests in the Gulf of Guinea requires that the United States effectively coordinate the agencies and offices that conduct programs with the countries of the region and effectively engage Gulf of Guinea countries at a high level and on a sustained basis. An integrated, disciplined policy that concentrates on improving the governance and security of the region can best be attained through the creation of a senior level policy coordinating committee, chaired at the deputy or under secretary level, along with the appointment of a special assistant to the president and the secretary of state, charged with leading U.S. diplomatic efforts in the region and accountable to the coordinating committee.

The model for this type of action is the U.S. approach to the Caspian Basin where a senior policy committee oversaw the work of a special assistant to the president and secretary of state, in addressing U.S. political, economic, and commercial objectives across a complex, diversified region. Though not free of implementation difficulties, this approach did muster the State Department, trade and investment agencies, Energy and Commerce Departments, the U.S. Agency for International Development, and defense and intelligence agencies behind a coordinated policy. It was able to assist in expediting the planning and construction of sensitive pipelines schemes, promote political and economic reform, and enhance the autonomy of the states of the region.

Equally important, U.S. policy progress in the region requires persistent high-level engagement with the region's leaders. In the Gulf of Guinea, the power to reform typically lies exclusively at the head of state level. It is not realistic to expect the U.S. president or secretary of state to engage the region's leaders on an intensive and sustained basis. Nor is it realistic to expect the U.S. government will get the reception it desires from the region's leaders through standard diplomacy. Rather, the United States should take exceptional measures to visibly augment its diplomatic capacities and signal to the region the seriousness of its intentions. One very important step is the appointment of a special envoy to the Gulf of Guinea, representing the president and the secretary of state, who will be received at the presidential level and has the responsibility to promote the issues of governance and security. In addition the United States should significantly strengthen its diplomatic capacities in other respects. Currently, U.S. embassies are thinly staffed, a situation which needs to be corrected through a deliberate, focused effort. Moreover, there is

a need for full embassies in each country of the region—including Equatorial Guinea and São Tomé and Príncipe. Across the region, there is a need for well-staffed and funded USAID missions to carry out the governance, democracy building, health, anti-crime, and other technical assistance programs that will be required to further U.S. objectives.

## Emergent Initiatives within the Region

In recent years, several potentially promising initiatives have originated within the region and from external actors to reduce regional tensions and strengthen security capacities. The key initiatives are 1) efforts to resolve cross border disputes, 2) a Nigerian-inspired Gulf of Guinea Commission, 3) an International Maritime Organization (IMO) port security program, and 4) a U.S. European Command (EUCOM) capacity building program concept entitled “Gulf of Guinea Guard.” While none of the latter three efforts has so far have yielded results due to a lack of regional buy-in, a lack of adequate resources, or too narrow a scope, we review these initiatives because they provide the building blocks for a comprehensive strategy.

### Boundary Dispute Resolutions

The recent successful negotiation of complex disputed maritime boundaries in the Gulf of Guinea demonstrates the ability of the region’s governments to deploy the political will and diplomatic skill to advance common economic interests through negotiation. This trend could enable cooperation among potential adversaries on issues ranging from customs enforcement and safety at sea to emergency oil spill response.

Historically, Gulf of Guinea nations have disputed numerous maritime and land boundaries. In many cases the disposition of fisheries or valuable undersea resources are at stake. In other cases the displacement of populations is at risk. Today 12 countries have active border disputes,<sup>8</sup> creating a source of tension among the countries in the region and in many cases impeding resource development. U.S. security objectives can be impaired if countries cannot agree on whose waters are being patrolled and who has the right to permit passage.

In recent years many of the disputes have been resolved or mediated by bilateral or multilateral dispute resolution fora. One major impetus is that under the Law of the Sea treaty, African states must by 2009 claim any part of their continental shelf that exceeds 200 miles and resolve any existing boundary disputes in order to make this claim. Nigeria’s desire to define its exclusive economic zone (EEZ) has been a major motivator of boundary dispute resolution. Under President Obasanjo’s leadership Nigeria over the past five years has settled disputes with Equatorial Guinea (by treaty and unitization agreement in 2000); São Tomé and Príncipe (by negoti-

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8. See Annex 3.

ation of a 60/40 split on oil and fishing rights and administration by a joint development administration in 2000); and Cameroon.

The Cameroon dispute over maritime boundaries and the ownership of the Bakassi Peninsula was settled by a 2002 decision of the International Court of Justice (ICJ) pursuant to a case brought by Cameroon in 1994 and joined by Equatorial Guinea. In a complex decision the ICJ awarded sovereignty of the peninsula to Cameroon, and took other measures that, de facto, respected the oil practice line established by existing concessions. Nigeria has been slow in implementing the decision, and hundreds of Nigerian troops remain on the peninsula. Discussions between Nigeria and Cameroon continue and the United Nations Secretary General has appointed an envoy to mediate implementation.

Other border demarcation disputes remain active, or held in abeyance by “gentlemen’s agreements” among current leaders. The most contentious dispute is between Gabon and Equatorial Guinea over the rights to the Corisco Islands. Both countries have licensed blocs in the disputed waters, but uncertainty has discouraged exploration activities. A UN Envoy is attempting to mediate the dispute. Gabon and Congo-Brazzaville have agreed to allow their maritime dispute to remain unresolved, although a change in leadership or new discoveries of hydrocarbons could alter the status quo. Angola and the Democratic Republic of the Congo dispute their maritime boundaries, however, Angola has licensed exploration in the disputed areas and permitted operations to commence.

### **Gulf of Guinea Commission**

The Gulf of Guinea Commission is a proposed regional organization conceived by President Obasanjo of Nigeria in 1999, and founded by member states Nigeria, Angola, Gabon, Equatorial Guinea, Congo, and Cameroon. As stated in a draft treaty from 1999, the purpose of the Commission is to: achieve mutual trust and confidence amongst member states; create an atmosphere of mutually beneficial economic cooperation in the region; provide a framework of monitoring and control of environmental degradation and harmonize the exploitation of natural resources, including petroleum, minerals, and fisheries; and coordinate and articulate common positions related to peace and stability in the region.

To enter into force, the treaty requires that two-thirds of its members ratify, but only Nigeria, and São Tomé and Príncipe have done so. Ratification is held up by boundary disputes among the members (Gabon-EG, final implementation of the Nigeria-Cameroon decision) and resistance by treaty members (notably Angola) to accept a Nigerian lead role.

The Commission, or a similar regional organization, has the potential to serve as a mechanism to prevent and resolve conflicts emerging from the economic and commercial exploitation of natural resources in the region.

## **International Maritime Organization (IMO) Alliance with Regional Ports**

The International Maritime Organization has recently forged an alliance to provide technical assistance to 26 Gulf of Guinea ports to promote compliance with the IMO's International Ship and Port Facility Security (ISPS) Code. The ISPS Code is a systematic risk assessment and management mechanism enabling the detection and deterrence of security threats, and collection and sharing of security information in maritime areas in an international framework.

Port security in the Gulf of Guinea is weak. Countries lack adequate surveillance or response capacity to check endemic theft of fisheries resources, piracy, and oil theft. The potential for assistance and cooperation with regional ports is promising, considering the relatively small sums of financial assistance required for the necessary infrastructure. Recently the Nigerian Port Authority launched a program of helicopter surveillance of the port of Lagos as a first step in ISPS Code compliance. According to press reports, during the inaugural flight in March 2005, the Minister of State for Transport reported seeing "50 or so vessels idling 10 miles off the port" which he surmised were awaiting stolen oil. Despite the publication of this report in several Nigerian newspapers, nothing was done about the situation. While surveillance continues, this example illustrates the both need for appropriate notification of authorities and enforcement officials and the political readiness to act on timely information.

The IMO program is based out of its liaison office in Accra, Ghana. It is staffed by a single naval officer assigned to the IMO liaison in Accra. The IMO does not have the capacity to provide enforcement vessels.

## **EUCOM Gulf of Guinea Guard Naval Proposal**

In 2003, the United States European Command (EUCOM), based in Stuttgart, Germany, built on past U.S. Coast Guard assistance programs and ongoing training cruises in proposing a comprehensive security concept for the Gulf of Guinea. EUCOM's Gulf of Guinea Guard proposal sought to address the unpoliced 2000 nautical-mile coastline of the region through assistance to improve control of littoral areas, enhancing physical security of national ports, and promoting collective and cooperative maritime security beyond littoral areas. In October of 2004 EUCOM assembled Gulf of Guinea Chiefs of Naval Operations, who had never before met as a group, for a Coastal Security Conference in Naples, Italy. This signaled the birth of a dialogue among naval officials in these countries, and produced a joint statement to support security in the region, improve cooperation, and engage in further discussions with follow-up meetings.

EUCOM's operational objectives consist of a maritime surveillance system, a regional maritime and control center, and interdiction-capable forces. They have identified the lack of maritime cooperation among the gulf nation and the absence of functioning navies in most of the states as major obstacles to regional security.

EUCOM has recognized the need for a holistic approach to security problems in the gulf, citing lack of governance and poverty as root causes of regional con-

flicts. They advocate a long-term solution requiring corporate participation in socially responsible investment and development as well as international partners such as France and the UK. Recognizing the need for any solution to be rooted in the region, they express preference for providing assistance to a regional organization.

The EUCOM initial approach has encountered several obstacles. One is that the core threat it addresses is the weak capacity of regional governments for maintenance of internal order. This is a task on the fringe of EUCOM's primary mission and thus far eluded any U.S. government consensus in how it should be handled. Second, the threat of misuse of Gulf of Guinea ports, or an attack on U.S. infrastructure in the Gulf of Guinea by terrorist groups is not viewed as a serious threat by Washington-based agencies of the U.S. government. While there is little dispute about the lack of protection of offshore oil platforms and LNG plants, or the permeability of African ports, the view is that these are unlikely targets, and that even if they were targeted, they are not significant enough individually that they would seriously impact energy security, international commerce, or other U.S. interests. Third, there is no viable regional body to work with at the present moment. While a Gulf of Guinea Commission has been identified as a likely partner body, this treaty-based commission is unlikely soon to secure sufficient membership from within the region and commence activities. Fourth, regional governments suspect a U.S. hegemonic hand in any U.S. military led effort. Programs aimed to improve internal governance would be more acceptable if they were led by the Department of State.

EUCOM has done a considerable service in stirring debate, identifying major gaps in the capacity in the region's security forces, and eliciting the enthusiasm of the region's governments for improving them. EUCOM's convening power, and its ability to deploy ships and organize training missions can be a key tool in any effective Gulf of Guinea political strategy. The challenge is to form an overarching policy framework, and leverage the interest of the region's governments in security to advance U.S. policy goals. Up to now, however, EUCOM has not yet been able to enlist the support of key Washington departments and agencies to support the initiative. Moreover, resource competition, at a time when Iraq, Afghanistan, Sudan and other needs are drawing heavily on Defense Department, remains keen.

### **Nigeria's Recent Crackdown on Oil Theft**

Nigeria has countenanced theft of its crude oil for many years. However, the scale of theft reportedly increased to an estimated peak of 200,000 to 300,000 barrels per day in 2004 (10 percent or more of national production). U.S. analysts saw a rise in the lethality of armed militias in Nigeria, the inability of the Nigerian military to contain them, and reports of increased arms trafficking between the Niger Delta and conflicted areas such as Côte d'Ivoire.

Nigeria has made some major strides in attempting to curb the crude theft problem. A two-year crackdown begun in 2003 has yielded 95 seized vessels. Three rear admirals and several mid-ranking naval officials have been tried for oil theft activities, including facing the Economic and Financial Crimes Commission

(EFCC). These are concrete signs that the Nigerian government is taking oil theft seriously.

But the progress to date also reveals troubling aspects of the problem. The prosecutions confirm suspicions that oil theft activity infiltrates the highest echelons of the Nigerian navy and possibly similarly ranking officials in other parts of the Nigerian government. Enforcement has been mixed. There is also awareness that while oil theft has armed and politicized the Niger Delta, it has also generated significant cash wealth that has been used by authorities at the federal and state levels to keep the Delta under political control.

While Nigeria seems to be taking oil theft more seriously, it is hampered by the lack of an effective political strategy to combat oil theft and the lack of technical capacity.

U.S. naval experts concur that the Nigerian navy lacks the surveillance equipment and training to detect oil theft, intercept offenders, track vessels, and maintain security in their ports. They estimate that an interdiction capability could cost \$100 million, but most importantly would curb losses estimated at \$1 billion or more per year. U.S. sanctions prohibit U.S. export of such items to Nigeria at this time. Nigeria and other countries, which are likely recipients of stolen crude for their refineries, do not share intelligence in a way that would facilitate interception. There is clearly room for security assistance to combat oil theft and facilitation of training for a regional interdiction capability. In addition the U.S. has deep experience with international coordination and assistance to combat money laundering and other financial crimes. A U.S. pilot program to curb piracy and interdiction might test Nigeria's resolve and demonstrate the effectiveness of a coordinated interdiction program.

### **Nigeria's Leadership in African Union (AU) and ECOWAS on Crisis Management**

The task force believes that any regional approach to security and the formation of any regional organization to promote governance will require Nigerian participation, and to date, Nigeria's willingness to take on regional responsibilities had been prodigious and indispensable. However, the structure of any organization will need to balance the both the region's need for, and its wariness of, Nigeria's role.

It is not surprising that Nigeria, with resources and manpower that far outweigh any other state in the region, has assumed a leadership role in regional conflict management. Beginning in 1991 when Nigeria's deployment of troops into the Liberian conflict eventually coalesced into the West African ECOMOG mission—the first successful regional peacekeeping operation in Africa—Nigeria has initiated and supported peacekeeping organizations in Sierra Leone, Guinea-Bissau, Côte d'Ivoire, and most recently, Darfur. The "African solutions to African problems" mantra espoused by President Obasanjo and others has been welcomed by the UN, the U.S., and other developed nations opposed to sending their own troops to West Africa. In addition to military operations, Nigeria recently led the region (and the world) to denounce Fauré Gnassingbe's illegal succession to the

presidency of Togo on his father's death, calling for free and fair elections to counter what they (accurately) labeled a 'military coup'. President Obasanjo in 2004 summoned President Laurent Gbagbo and several regional heads of state to Abuja to pressure Gbagbo to end the conflict in Côte d'Ivoire.

Any future effort to make Nigeria a core part of a regional security strategy will require careful diplomacy. The U.S. continues to support Nigeria as one of five 'strategic partners' on the continent, although ongoing congressional concern regarding the presence of former Liberian President Charles Taylor in Nigeria results in continued sanctions on direct assistance to the Nigerian government, including security assistance. If the U.S. were to become part of a regional effort to use security assistance to curb piracy, interdict crude theft, or train police forces to maintain order in a humane fashion, waiver of those sanctions with respect to relevant equipment and training, and careful regular review will be essential.

## **Barriers to Effective Action**

Any strategy to improve the governance and security of the Gulf of Guinea will need to be grounded in realism, taking full account of multiple obstacles to success.

### **Government Capacity**

Despite promising statements by President Obasanjo and other leaders across the region, one thing remains quite clear and common: weak internal capacity. Virtually every state, for instance, has only a small cadre of capable administrators, little experience developing poverty reduction programs, and underdeveloped civil society groups to bolster reformers and enlarge political space and respect for human rights. The reformers in Nigeria and Angola are small in number. In Nigeria the public procurement, oil sector transparency and civil service reform efforts are not widely popular because the losses to those who benefit from the existing system are imminent and the benefits to society at large still seem remote. These reformers are strapped for staff and financial support. They are applauded by the international community but are not adequately supported in terms of resources.

On the security front each country lacks a functioning, effective coast guard or sophisticated customs service. Riverine transportation routes and land based pipelines systems are extensive and not well policed, and offshore oil and gas installations are largely unprotected. Lack of surveillance permits piracy and crude and product theft. There is no capacity for intelligence sharing that would be necessary to track illegal activity across borders. This implies that any strategy will have to be built from the ground up, incrementally, through a long-term 5 to 10 year effort.

Across the region, there is little evidence yet of political will on the part of energy-rich states such as Nigeria, Equatorial Guinea, and Angola, and potentially energy-rich São Tomé and Príncipe to commit substantial resources towards building a maritime or customs capacity. Equatorial Guinea has sought a license to train a coast guard, but its early purchases of equipment are for aircraft. Nigeria has

accepted excess U.S. defense articles, but its own spending priorities are for attack helicopters. This implies that any U.S. strategy will need to leverage, creatively and aggressively, higher commitments from these states, to some degree against the expectation that the United States and possibly other major powers will respond favorably to requests for access to equipment and expertise. That will require, on the U.S. side, sorting out licensing arrangements, and in the Nigerian and some other instances, selectively easing U.S. sanctions.

### **Nigerian Dominance**

Arguably, the most formidable barrier to effective action by the regional states is resistance to Nigeria's dominance.

The asymmetry of power between Nigeria and other states in the region is such that Nigeria towers over its neighbors. In addition there are questions by Nigeria's neighbors as to the legitimacy of Nigeria's leadership in areas where there are suspicions of corruption. There is awareness across the region of longstanding corruption within the Nigerian government, how state power in Nigeria can be used coercively against neighboring interests for personal gain, and concerns that Nigerian naval authorities and other highly placed individuals are implicated in oil theft schemes in the Niger Delta. Similarly, there is the legacy of fear and resentment that Nigeria provokes among its neighbors, most visibly with Cameroon over their still unresolved border dispute, and in São Tomé and Príncipe where Nigerian influence weighs heavily in the oil sector and where further instability could easily trigger the entry of Nigerian security forces. This factor has stalled the effectiveness of the regional Gulf of Guinea Commission proposed by Nigeria. As for Angola, its relationship with Nigeria is inherently different: Angolan and Nigerian competition for influence in São Tomé and Príncipe and elsewhere in Central Africa has gradually evolved, especially since the end of Angola's internal war in 2002, into rivalry for leadership and position within the Gulf of Guinea region itself. Gabon, with the longest sitting African head of state, chafes unhappily as well in Nigeria's shadow.

Nigeria poses an obvious quandary. There can be no future progress in improving governance and security in the Gulf of Guinea without Nigerian engagement and leadership. That is an unavoidable reality. But an expansive leadership role by Nigeria will also run the risk of scaring off other states and raise the specter that it may only create greater opportunity for corrupt gain. Efforts to tackle the oil theft syndicates, including money laundering, arms trafficking and illicit sales pose challenges of finding trustworthy interlocutors within the Nigerian government who will carry forward a program of reform in this sector, without compromise and with the power to resist threats from those individuals with substantial stakes in these criminal enterprises.

### **Lack of Actionable Intelligence on Crime**

One challenge before U.S. policymakers is how to better inform themselves of the internal workings of the Nigerian government and criminal enterprises and where these two spheres might coincide. The United States has little hard data on the scope of Nigeria's crude theft or the destination of the stolen crude. Any accurate



collection of this information would require a greater collection capability in the region itself. In the security field, the U.S. has also not yet addressed the issue of identifying reliable, trustworthy officials it can work with, as it has with other countries (such as counter narcotics officials in Mexico). A related diplomatic challenge is how the United States might help mitigate tensions between Nigeria and its neighbors, without appearing to be biased in favor of Nigeria.

At the center of the problem is the growing piracy and the menace of criminal syndicates, operating out of the Niger Delta and fed by large-scale theft of crude oil. Until recently, the issue has been treated primarily as an internal Nigerian issue. This may be changing, as evinced by Nigerian President Obasanjo's appeal for cooperation to President Bush and Prime Minister Blair in early June 2005. The chief reason for this shift may be evidence of how much these illicit operations are contributing to militarizing insurgent groups in the Delta. But until now, the large-scale theft of crude oil has not been treated as an urgent problem. It has harmed the nation and producers, and drained national reserves, but the long term nature of its costs created insufficient urgency, brought material benefits to many, and has had low visibility internationally. This reality implies that any U.S. strategy of engagement should concentrate on making the scope and true costs of these criminal enterprises more visible, while also developing cooperative international partnerships that can truly be effective in controlling the marketing of stolen oil, the laundering of cash earnings, and the flow into the Delta and elsewhere of large volumes of weapons. Any U.S. strategy has also to give priority to encouraging genuine development commitments by the Nigerian government in the Niger Delta.

### **Competition for Influence**

Competition for influence with the region's leaders can be a serious obstacle to a reform agenda. Historically the major external influences have been the United States, Britain, and France, who have impacted regional leaders through a combination of historical ties, commercial investment, and aid. Today, with the rise of China and India as major markets for crude oil, natural gas and products, and the expansion of national oil companies from China, Brazil, Malaysia, and India into overseas investment, the strategic context in Africa has changed, becoming far more intensely competitive. Achieving U.S. policy goals in the Gulf of Guinea requires taking full account of this emerging reality and building it into a strategic U.S. approach.

China's presence in Africa is significant, and strategic. Its role as an investor can be a welcome development, though its competitive impact in Africa on retailers and manufacturers has become controversial. Its competition at present with Western oil companies does not necessarily have a negative impact on global energy security, beyond temporary supply dislocations. China's political agenda so far does run contrary to many U.S. objectives, with the notable examples of Sudan and Zimbabwe. In certain instances, China has shown it is capable of being quite agile in leveraging its influence through multiple initiatives (in investment, security, and political allegiances).

China's presence in Africa is longstanding. China's dramatically expanded engagement in Africa today builds on 50 years of diplomatic involvement, grounded on support for African national liberation movements and its historical goal to prevail against Taiwan for recognition as one China. China's increased level of diplomatic activity is driven by its transformation from energy self sufficiency to the world's second largest importer of oil. China's energy security strategy, reminiscent of the West prior to the 1973 Arab oil embargo, is to try to lock up international supply by direct investment (Sudan), by offering loans or aid to countries in exchange for supply (Angola), by partnering with Western companies (with BP in Angola) and most recently by attempted acquisition of existing energy companies (for example, the China National Offshore Oil Corporation's June 2005 bid for Unocal). China's increased role is observable through the increase in the number of diplomats in Africa, increased bilateral dialogues with Nigeria, Gabon, and Equatorial Guinea, and its increased participation in UN Peacekeeping Operations (China now participates in six operations, with 600 peacekeepers in Liberia).

China's rising presence is strategic. As a global power it has access to any leader in the region and it has been effective in building solidarity with African leaders admiring of China's development achievements and rising global political sway. African leaders can now turn to the East for financial and political support, and to a lesser extent, for investment. China's investment in Sudan has limited the ability of the UN Security Council to utilize Chapter VII sanctions to address conflict in Darfur.

China's presence intensifies competition for political influence, but can also increase the potential for collaboration with the U.S. and Europe. China should have many of the same interests as the U.S. in Africa, based on a shared reliance on the workings of the global oil market, shared desire to diversify supplies way from the Middle East, and shared concern over volatile oil prices. Its willingness to take on reconstruction burdens is a welcome complement to Western assistance. We should share an interest in stability, economic frameworks that promote exploration and production, conflict prevention, and accountability for foreign assistance.

Chinese competition for exploration blocks in Africa is not expected to have serious negative impact on the global market, at least over the near term. Africa's major new exploration potential is offshore and the Chinese lack the deep water technology to develop it. Second, while the U.S. has commercial interest in promoting its own companies, the global oil market is neutral with respect to who produces oil for the market, so long as it is produced.

The real risk to U.S. interests is political, namely that U.S. interest in promoting political and economic reform will be undermined by Chinese competition for influence. Chinese engagement can be quite agile. China can "package" commercial, energy, and security diplomatic components under government guidance. The impact of China's oil demand on commodity prices is not lost on Africa's leaders. China's commercial decisions are opaque, supported by the fact that China calculates its cost of capital in a different way than companies accountable to shareholders, and can make decisions that would not be sustainable from an investment/profit standpoint. China does not place priority on human rights,

democratization or environmental protection to the extent the United States and Britain do. This complication is most evident in Angola, where China's willingness to offer Angola a \$2 billion low interest, long-term loan in return for preferential access exploration and production acreage, coupled with the high oil prices, has reduced pressure on Angola to reach an agreement with the IMF.

The future of U.S.-China relations in Africa has yet to be charted, but a focused direct dialogue is an essential starting point. The U.S. needs to be better informed of China's evolving influence, to engage China directly at a high level, and to develop a new concept of cooperation that bridges the common interests of Asia, Europe, and North America.

## Recommendations

The Gulf of Guinea is of rising importance to multiple U.S. interests, with the fulcrum of risk and opportunity in Nigeria. It is also a zone that is exceptional in the multiple and complex vulnerabilities at play, the range of vital U.S. interests implicated, and the projected deepening of U.S. interests in the coming years. This combination of factors sets the Gulf of Guinea apart from other fast growth, off-shore energy zones such as coastal Brazil, the Caspian Sea, and the U.S. Gulf of Mexico.

The great challenge now before U.S. policymakers, in the view of the task force, is to recognize that a successful policy must address economic development, governance and security, and move to a strategic approach to the Gulf of Guinea that is coherent, focused, well-led, adequately financed, and sustainable.

The task force recommends a strategic approach comprised of five key elements:

1. **Promulgate a robust, coherent policy approach to the Gulf of Guinea.** The U.S. government directs strategic policy efforts and forges coordination among its agencies by developing and issuing policy decision directives from the National Security Council. While the U.S. pursues many objectives and funds many programs in the countries comprising the Gulf of Guinea, it has not yet developed a comprehensive strategy toward the region.

The task force recommends that the U.S. government explicitly state that a priority goal of U.S. foreign policy in Africa be to improve the governance and security of the Gulf of Guinea. It should expressly link this step to the 2002 National Security Strategy Statement. Specifically, U.S. policy should emphasize how the United States can better address governance challenges (especially corruption), development needs, human capacity, and security needs as an integrated package.

The U.S. approach should emphasize high-level, proactive U.S. engagement, a long-term approach that builds U.S. bilateral programmatic support for improved governance across the region, develops a carefully tailored, activist approach to security enhancement, and provides active support to IMF and

World Bank poverty reduction strategies. It should aim to intensify U.S. bilateral engagement with multiple partners in the region: Nigeria, São Tomé and Príncipe, Gabon, Cameroon, Equatorial Guinea, Chad, and Angola

2. **Create far stronger diplomatic capacity.** The creative but disparate approaches of different components of the U.S. government towards the Gulf of Guinea in the past year alone demonstrate the need for senior policy coordination to muster the efforts of the Departments of State, Defense, Energy, Commerce, Justice, USAID, EUCOM and the Coast Guard behind a coordinated approach. Senior U.S. officials have not had the time or priority to engage the region's leaders intensively and, in the case of Nigeria, have needed to prioritize external issues such as Liberia and Sudan rather than internal issues.

An effective approach to the Gulf of Guinea could be modeled on that taken in the Caspian Sea area, in which the United States named a special assistant to the president and secretary of state for Caspian Basin economic development to serve as an ambassador to the region, a coordinator of U.S. policy, and a support to bilateral U.S. ambassadors. This effort ensured a sustained U.S. engagement at the presidential level that was not otherwise possible.

The task force reaffirms the recommendation contained in the 2004 CSIS report *Promoting Transparency in the African Oil Sector* that the president appoint an ambassador for the region—an ambassador for Gulf of Guinea Diplomacy—to provide an emissary with the time and commitment to address both governance and security issues in a sustained fashion and at a senior level. The United States should also upgrade its representation in Equatorial Guinea and São Tomé and Príncipe to full embassies with ambassadors and make special efforts to strengthen U.S. diplomatic presence in the region, including the expansion of USAID missions in oil-producing states, if it is to amplify U.S. engagement on governance issues, including robust implementation of the existing voluntary principles on security and expanded anti-money laundering efforts.

To bolster policy coordination in Washington, the task force recommends that the U.S. establish a policy coordinating committee on Gulf of Guinea strategy be led at a senior, diplomatic level in Washington—in the office of the Deputy Secretary or the Under Secretary of State for Political Affairs, and involving the Departments of Energy, Commerce, Defense as well as the Coast Guard, and USAID. These steps will signal the elevated seriousness of the administration's efforts and create pressure for an integrated U.S. policy vision that effectively combines diplomacy, security, intelligence, and foreign assistance. It will accelerate interagency deliberations in Washington, leverage the strengths of multiple executive branch agencies and U.S. embassies in the region, and facilitate the onset of a serious dialogue with the U.S. Congress.

3. **Ensure adequate U.S. resources for long-term impact, concentrated on governance, democracy building, maritime security and crime.** All the major U.S. policy objectives—democracy promotion, improved governance, reduction of corruption, enhanced security capacity—will take time to develop. It would be

a strategic error to wait for the region to show progress before investing in the programs that will help foster change. Preventive diplomacy calls for more active engagement now, both in countries that have made modest progress (such as Equatorial Guinea and Angola) and those where there are serious challenges in finding reliable interlocutors.

The U.S. should intensify its engagement in the gulf incrementally according to a 5-10 year plan of action. It should create a gulf regional stabilization and governance account, initially set at approximately \$50 million per year, comprising development assistance (DA), Foreign Military Financing (FMF), transitional funds (through USAID's Office of Transitional Initiatives), and other accounts, dedicated to diverse priorities such as rapid support to economic reform teams, anti-crime efforts, coastal maritime improvements, fisheries, reconciliation and development in the Delta, and encouragement of regional fora. That account should have the flexibility to leverage bilateral security support for maritime and anticrime measures against future continued improvements in governance. A special effort will be needed to selectively ease sanctions on bilateral security assistance to Nigeria, to allow for the use of IMET and FMF funding in anti-crime and coastal security programs for relevant equipment and training.

(i) *Governance.* The administration should intensify bilateral engagement with Nigeria, as its top priority, along with Angola, São Tomé and Príncipe, and Equatorial Guinea, focused on improving internal governance and stability. U.S. support for democratization in Nigeria and Angola has declined, and is nonexistent in Equatorial Guinea. Priorities have shifted to important areas, such as health, which have more quantifiable results.

The United States should support increased technical assistance for thinly staffed reformers in Angola, Nigeria, and Equatorial Guinea. It should demonstrate commitment to transparency reform by moving beyond the four G-8 Compact countries and making a contribution to the World Bank EITI Trust Fund, earmarking its contribution for efforts focused on anticorruption efforts in other countries. The U.S. should also ensure that concrete steps towards reform are rewarded. The task force supports prudent debt relief for Nigeria, in the form of the Paris Club debt repurchase agreement of June 29, to enable reformers to derive a dividend for progress in improved governance.

(ii) *Democracy Building.* The United States should invest in efforts to foster democracy and respect for human rights where the need is great. The U.S. should enlarge programs to strengthen civil society groups that protect human rights, promote transparency and accountability, and help strengthen electoral processes. Special attention should be paid to democratization challenges in Angola, Equatorial Guinea, and Nigeria, through the International Republican Institute, the National Democratic Institute, and other NGOs.

(iii) *Maritime Security.* The United States should strengthen bilateral capacities and regional capacity to manage the maritime environment, for the protection of fisheries and energy infrastructure, and as a means of curbing criminality. A

multinational effort, involving EUCOM, to strengthen coastal marine capacities should be a central facet of this effort.

(iv) *Crime Prevention.* Nigeria has the greatest domestic need to interdict criminals, but the international nature of smuggling requires a regional capacity to track ships when necessary. Equatorial Guinea and Angola could both improve their own rudimentary surveillance capabilities. While each of these governments should make a substantial investment in their own coastal security needs, from their own ample resources, the United States through EUCOM should provide training, logistical support and, where appropriate, equipment to select countries able to field competent enforcement team. Special care will be needed in identifying ministerial partners and officials in the naval or maritime services who are reliable and empowered to act.

In addition, the United States should give priority to criminal syndicates and unrest in Nigeria's Niger Delta. That will require a concerted international effort, to end illicit sales of oil, arms trafficking, and money laundering. The task forces supports creation of a pilot enforcement program that would bring surveillance ships and aircraft to Nigeria to work with vetted teams in the Nigerian Navy. This program would demonstrate the kind of interdiction of crude theft Nigeria can implement for itself, and test Nigeria's willingness to step up enforcement. If successful, the United States could consider licensing the training and technology Nigeria needs to conduct this kind of interdiction itself. In addition, the U.S. should work bilaterally with Nigeria on its internal security issues, with a focus on measures to demilitarize the Delta and promote reconciliation and development efforts among disenfranchised Delta communities. The United States should explore whether the G-8 anti-money laundering committee, Interpol, or other international institutions can be helpful in tracing money laundering and arms purchases.

4. **Expand U.S. support to promising regional initiatives.** The United States should focus on strengthening the International Maritime Organization's cooperative arrangements with the region's network of ports (including the seconding of a Coast Guard officer to the regional IMO mission in Accra) and the Food and Agriculture Organization international plan of action to deter illicit fishing (the latter can be pursued in the U.S.-EU senior level dialogue). The United States should pursue strengthening a region-wide body that could integrate efforts for environmental safety, maritime search and rescue, and cross-regional monitoring and surveillance of maritime traffic. The nascent Gulf of Guinea Commission might prove to be the best option over time. The African Union should also be enlisted in support of this endeavor.
5. **Create a high-level dialogue with Asia and Europe on the Gulf of Guinea.** The United States cannot foster improved governance or security in the Gulf of Guinea unless it coordinates effectively with the other major powers competing for influence there. Important progress has been made in socializing the U.S., UK and World Bank and IMF approaches to transparency and governance in recent years and more can be done. The United States should also make Gulf of

Guinea policy an agenda item for the U.S.-EU Senior Level Dialogue, for the G-8 money laundering working group, and for the U.S.-China bilateral agenda.

## Conclusion

Significant U.S. interests in the Gulf of Guinea, as an increasingly important regional supplier of oil and a region of extensive internal conflict, require a coordinated long-term U.S. policy toward the region. States in the region have begun to combat chronic problems of crime syndicates, border disputes, disease, and corruption, but for the most part lack the capacity and resources to achieve measurable results. Nascent attempts by U.S. agencies and international organizations to address specific problems have faltered due to a lack of coordinated policy. There exists an opportunity for the U.S. to take the lead role in assisting the Gulf of Guinea achieve greater stability and security, for the benefit of both the region and U.S. interests there. It is our hope that this opportunity will not languish.





## Annex 1. CSIS Task Force Working Sessions

October 21, 2004	Launch of the Gulf of Guinea Security Task Force
November 18, 2004	Presentation by EUCOM
December 2, 2004	Gabon São Tomé and Príncipe The Niger Delta
January 5, 2005	Nigeria
January 24, 2005	Equatorial Guinea Cameroon
February 17, 2005	Public Forum on report by Catholic Relief Services: <i>Chad's Oil: Miracle or Mirage?</i>
March 22, 2005	Critical Energy Infrastructure in the Gulf of Guinea: March 31, 2005 Marine Boundary Disputes and Dispute Settlements in the Gulf of Guinea
May 9, 2005	Security Measures in the Private Sector
May 29, 2005	Shipping Lanes in the Gulf of Guinea and their Vulnerabilities
June 1, 2005	China's Expanding Influence in the Gulf of Guinea
June 14, 2005	Review of Report Outline
June 27, 2005	Review of Draft Report
July 20, 2005	CSIS Conference to Launch the Task Force's Final Report

## Annex 2. CSIS Task Force Members<sup>9</sup>

Senator Chuck Hagel (R-Neb.)  
*Honorary Chair*

James Forest  
*U.S. Military Academy*

J. Stephen Morrison  
*Africa Program*  
CSIS  
*Task Force Cochair*

Paula Freer  
*Marathon Oil Company*

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Michelle Gavin  
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Jim Andrews  
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Jennifer Cooke  
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CSIS

Brett Golden  
*U.S. Coast Guard International Affairs*

Anthony Carroll  
*Manchester Trade*

Paul Hare  
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Mary Ann Carter  
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Ludwick Hayden  
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Malik Chaka  
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Erika Kowalzyk  
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Monica Enfield  
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*Independent Consultant*

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9. Company names are listed for identification purposes only. All members have signed on to this report in their individual capacities.

Princeton Lyman  
*Council on Foreign Relations*

Bill Martin  
*Fluor Corporation*

Captain Stephen Metruck  
*U.S. Coast Guard*

Simeon Moats  
*ExxonMobil Corporation*

Kenneth P. Moorefield  
*Former U.S. ambassador to Gabon and  
Sao Tomé and Príncipe*

Michael Phelan  
*Senate Foreign Relations Committee*

Elizabeth Reicherts  
*BP*

Michael Samuels  
*Samuels International Associates*

Thomas Sanderson  
*Transnational Threats Program  
CSIS*

Phillip van Niekerk  
*Good Governance Group*

Frank Verrastro  
*Energy Program  
CSIS*

Robert Wells  
*Office of Vice President Richard Cheney*

Nicholas Welch  
*Shell Oil Company*

## Annex 3: Boundary Disputes in the Gulf of Guinea

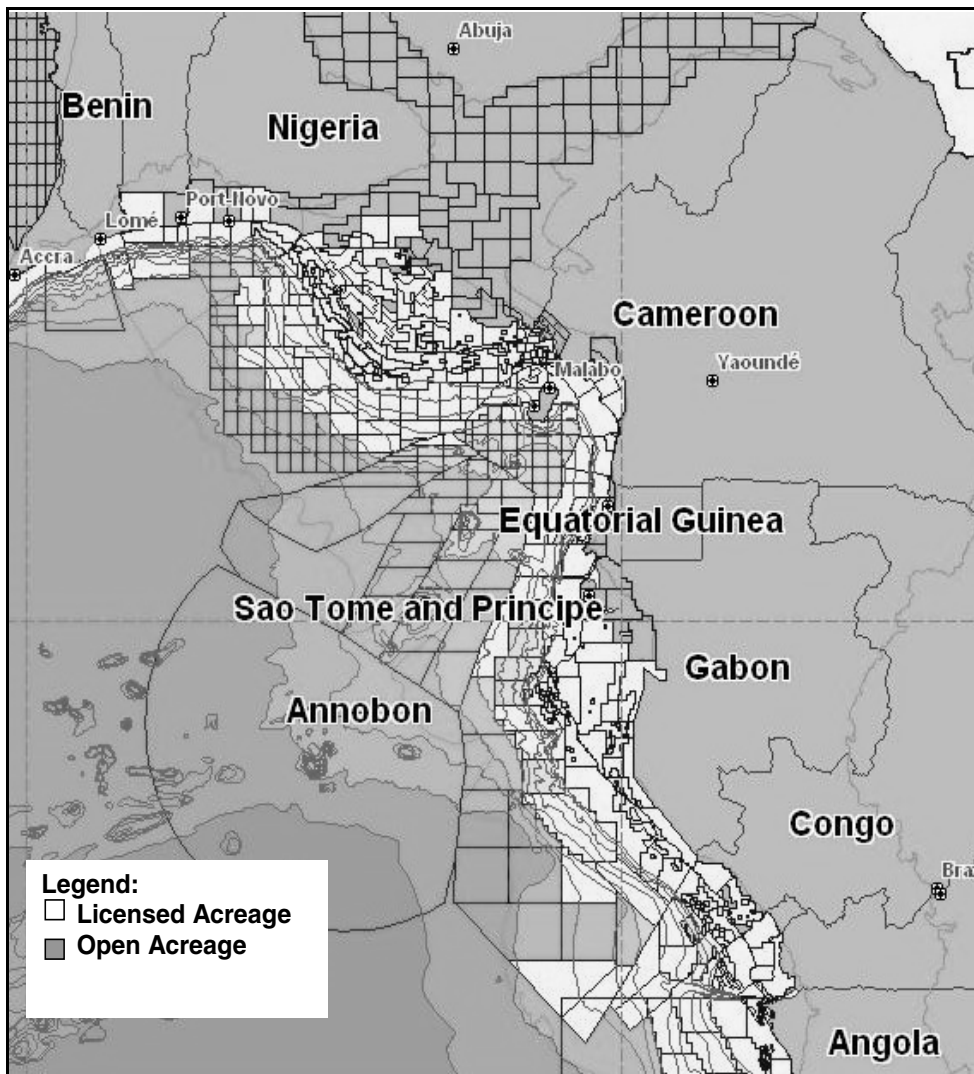
State	Party to LOS Convention	Territorial Sea	Contiguous Zone	Exclusive Economic Zone (EEZ)	Boundaries [potential in italics]	U.S. Reaction to Claims
Angola	6 Jun. 03	12	24	200	<b>Namibia-signed</b> , <i>Congo (Braz)</i> , <i>Congo(Kin)</i>	
Benin	16 Oct. 97	200			Ghana, Nigeria, Togo	Protested t-sea claim, 1989
Cameroon	19 Nov. 85	12			<b>Nigeria-ICJ Decision</b> , <i>Equatorial Guinea</i>	Protested straight baseline claim, 1963 and t-sea claim, 1968
Cape Verde	10 Aug. 87	12	24	200	Senegal-signed, Mauritania-signed The Gambia	
Congo (Braz)	No	200			Angola, Gabon	Protested t-sea claim, 1987
Congo (Kin)	17 Feb. 89	12		yes	Angola	
Cote d'Ivoire	26 Mar. 84	12		200	Ghana, Liberia	
Equatorial Guinea	21 Jul. 97	12		200	Sao Tome & Principe-signed <b>Nigeria-signed</b> , <i>Cameroon</i> , <i>Gabon</i>	
Gabon	11 Mar. 98	12	24	200	Sao Tome & Principe-signed Congo (Braz), Equatorial Guinea	
Gambia, The	22 May 84	12	18	200 (fish)	<b>Senegal-EIF</b> , <i>Cape Verde</i>	
Ghana	7 Jun. 83	12	24	200	Benin, Cote d'Ivoire, Nigeria, Togo	
Guinea	6 Sept. 85	12		200	Guinea Bissau (arbitrated) Sierra Leone	Protested straight baseline claim, 1964
Guinea-Bissau	25 Aug. 86	12		200	Guinea (arbitrated), Senegal-EIF	
Liberia	No	200			Cote d'Ivoire, Sierra Leone	Protested t-sea claim, 1977

Annex 3 (*continued*)

Mauritania	17 Jul. 96	12	24	200	Cape Verde- signed, Morocco- EIF Senegal	Protested straight baseline claim, 1990
Nigeria	14 Aug. 86	12		200	Cameroon (arbitrated)  Equatorial Guinea-signed  Sao Tome & Principe-signed  Benin, Ghana	
Sao Tome & Principe	3 Nov. 87	12		200	Equatorial Guinea-signed  Gabon-signed, Nigeria-signed	
Senegal	25 Oct. 84	12	24	200	Cape Verde- signed  The Gambia EIF, Guinea-Bissau- EIF  Mauritania	
Sierra Leone	12 Dec. 94	12	24	200	Guinea, Liberia	
Togo	16 Apr. 85	30		200	Benin, Ghana	Protested t-sea claim, 1984

Source: Robert Smith, geographer, U.S. Department of State.

## Annex 4: Oil and Gas Acreage in the Gulf of Guinea



Source: PetroView.



