

NIGERIA Elections Special Report III: President Goodluck Jonathan regains lost momentum, but opposition still poised for landslide upset win in cliffhanger historic poll



Goodluck Jonathan regains lost momentum, but General Buhari still poised for upset

Nigeria, Africa’s most populous country, largest economy and geopolitically most important state, is set to hold its first truly competitive free and fair democratic national elections this Saturday, 28 March. Despite jettisoning the outward trappings of autocratic military rule 15 years ago, the country’s politics largely retained the substantive autocratic diktats of quasi-military rule under the dominant People Democratic Party (PDP). In 1999, 2003, 2007 and 2011 Nigeria held mostly rigged, pre-ordained, non-free, non-fair and non-competitive elections. However due to major electoral reforms, launched by the late President Umaru Yar’Adua, particularly promoting the exclusive use of secure biometric voter ID cards, and unique security verification, the country is poised to hold its first truly open, transparent, free and fair polls on March 28.

Regardless of who wins the March polls, Nigeria’s politics is poised for a dramatic change if the electoral commission is able to stand firmly behind its decision to insist that only those voters who are biometrically registered and verified can vote. That simple bold act by the electoral commission, will powerfully finally transfer political power in Nigeria from the brazen ‘Tammany Hall’ corrupt political and corporatist elites, who spend all their time in Abuja, the country’s capital, sucking the state dry, -- to the ordinary citizens in the 36 federal states to create ‘a government by the people, for the people and of the people.’ The fundamentally altered dynamic of the citizens of Africa’s most populous and largest economy, being empowered to truly have the right, choice *and chance*, to regularly freely change their leaders when they do not deliver socio-economic goods and security will help to powerfully transform Nigeria into ‘the China of Africa,’ an economic behemoth, that much like China’s role in Asia, help to catalyze a complete economic transformation of the African continent.

The six week postponement of Nigeria’s originally scheduled February 14 presidential elections allowed embattled President Goodluck Jonathan to take several pragmatic steps to claw back lost electoral momentum. However Jonathan’s valiant efforts notwithstanding, after several simulations, DaMina Advisors’s proprietary VERITAS Frontier Markets Electoral Forecast Statistical Model, (*reproduced below*) continues to still give the odds of an upset victory to opposition leader Retired General Muhammadu Buhari. Despite the bi-variate model’s heavy discount on frontier markets political challengers and favoring incumbency, Buhari still emerges on top.

Jonathan in late February bypassed the dispirited Nigerian army and authorized regional forces from neighbors Chad, Cameroon and Niger and foreign mercenaries to enter Nigerian territory and dismantle known Boko Haram camps. Additionally, Jonathan sensing that the ethnic Yoruba, will be the ‘swing voters’ in the forthcoming election has spent the past few weeks wooing ethnic Yoruba chieftains and business elites. Finally, Jonathan’s campaign has sought to convince many disgruntled wealthy political and business elites that Buhari election will trigger a ‘Putin-style’ anti-oligarch campaign aimed at sending many of them to jail to retrieving questionable funds and corrupt investments. Despite all these efforts the larger centrifugal forces of the forthcoming election are still running against the government and favoring ‘change.’

SENIOR ADVISORS:

Lord Paul Boateng*

Fmr. UK Chief Secretary to the Treasury & High Commissioner to South Africa
(*International Legal Counsel to DaMina Advisors LLP)

Dr. Babacar Ndiaye

Fmr. President of the African Development Bank

Dr. Ablasse Ouedraogo

Fmr. Foreign Minister of Burkina Faso

H.E. Kabine Komara

Fmr. Guinean Prime Minister

Hon. Victor Kasongo Shomary

Fmr. DR Congo Dep Minister of Mines

H.E. Isaiah Chabala

Fmr. Zambia Ambassador to EU; UN

Dr. Ousmane Sylla

Fmr. Guinean Minister of Mines

H.E. Mamadouba Max Bangoura

Fmr. Guinean Minister of Planning

Mr. Bismark Rewane

Fmr. Advisor to late Nigerian Pres. Yar’Adua’ Economic Team

Ms. Rita Gail-Johnson

Fmr. Senior Executive at Big-4 Accounting/Consulting Firm

Mr. David Ensor

Fmr. Chief Credit Officer, AIG-Chartis

Mr. Scott Korman

CEO, Nashone Inc

Hon. Conrad Enill

Fmr. Trinidad & Tobago Energy, Finance Minister

Mr. Elias Masilela

Fmr. CEO, South Africa’s PIC

AFRICA DUE DILIGENCE, RESEARCH, POLITICAL, GEOPOLITICAL, REGULATORY RISK ADVISORY SERVICES

CONTACT:

Sebastian Spio-Garbrah

Managing Director & Chief Analyst, sebastian@daminaadvisors.com
Tel: +1 647 808 9671

Nicole Elise Kearse Esq.

Deputy Managing Director, Head of Transactional & Cross Border Risks
nicole@daminaadvisors.com
Tel: +44 7415 131102

ABOUT THE COMPANY

DaMina is a preeminent independent frontier markets risk advisory, research and consulting firm. With a special focus on African capital markets, DaMina provides exclusive, objective, highly-tailored, 360-degree and around-the-clock regulatory and political risk advisory and consulting services to a range of marquee global companies and investment firms. DaMina Advisors is registered in the UK, NY, Canada, Australia and Ghana.

www.DaMinaAdvisors.com

DaMina Advisors Nigeria Elections VERITAS Model

State	2006 Pop Census	2015 INEC Registered Voters	PVC (Permanent Voter Cards Collected by Voters)	% of Pop with PVCs	2003 Turnout	2011 Turnout	DaMina VERITAS MODEL Likely 2015 Turnout	DaMina VERITAS MODEL Likely 2015 PDP Vote Share	DaMina VERITAS MODEL Likely 2015 APC Vote Share	DaMina Advisors Analytic Comment
Abia	2,845,380	1,396,162	1,183,127	42%	59.80%	77.95%	69%	692,647	122,232	Abia and most of the pan-ethnic Igbo eastern states to firmly re-elect Jonathan
Abuja (FCT)	1,406,239	881,472	569,109	40%	43.70%	42.19%	40%	100,163	127,480	Capital Abuja to tilt towards Buhari
Adamawa	3,178,950	1,559,012	1,381,571	43%	77.60%	49.98%	60%	298,419	530,523	Boko Haram attacks; PDP elite confusion and unpopular Ribadu governorship quest
Akwa Ibom	3,902,051	1,680,759	1,587,566	41%	80.50%	76.22%	83%	1,185,912	131,768	Presidential stalwart Gov Akpabio to ensure PDP victory
Anambra	4,177,828	1,963,173	1,658,967	40%	48.20%	57.52%	55%	775,567	136,865	New Gov Obiano and pan-Igbo APGA party rooting heavily for Jonathan
Bauchi	4,653,066	2,054,125	1,967,081	42%	81.60%	63.80%	77%	151,465	1,363,187	PDP Party Chairman Muaazu's home state, but the anti-Jonathan wave strong
Bayelsa	1,704,515	610,373	548,585	32%	97.00%	85.61%	95%	469,040	52,116	Jonathan to win home state massively, but Buhari to make small in-roads
Benue	4,253,641	2,015,452	1,607,800	38%	71.10%	43.82%	55%	495,202	389,088	Senate President Mark stays in PDP and rallies state for Jonathan
Borno	4,171,104	1,934,079	1,407,777	34%	62.00%	49.46%	45%	82,355	551,145	Heart of Boko Haram insurgency; PDP will get very few votes
Cross Rivers	2,892,988	1,175,623	983,968	34%	96.00%	63.24%	85%	736,008	100,365	Cross Rivers and other pan-ethnic Igbo eastern states are firmly behind Jonathan
Delta	4,112,445	2,275,264	1,939,952	47%	72.90%	68.82%	75%	1,309,468	145,496	PDP Gov Uduaghan to assure Jonathan victory with large margin
Ebonyi	2,176,947	1,074,273	848,392	39%	80.50%	47.87%	66%	481,547	78,391	Ebonyi firmly behind Jonathan; but PDP Gov Elechi unpopularity to give APC room
Edo	3,233,366	1,779,738	1,224,608	38%	78.00%	37.52%	55%	383,915	289,620	Popular Gov Oshiomole will pull large parts of state to APC, but PDP still strong
Ekiti	2,398,957	732,021	522,107	22%	43.20%	34.24%	40%	98,156	110,687	Ekiti despite recent PDP governorship gain will tilt towards APC
Enugu	3,267,837	1,429,221	1,223,606	37%	77.40%	62.46%	70%	735,874	119,793	Enugu, a major ethnic Igbo state is firmly behind Jonathan
Gombe	2,365,040	1,120,023	1,070,198	45%	80.00%	58.41%	73%	218,748	562,496	Buhari to carry Gombe as he did in 2011; Boko Haram sinks Jonathan further here
Imo	3,927,563	1,803,030	1,707,449	43%	64.60%	83.56%	78%	599,315	732,496	Opposition Gov Rochas Okorochas cottails to help Buhari
Jigawa	4,361,002	1,831,276	1,757,658	40%	70.10%	56.64%	65%	434,142	708,336	Gov Lamido is in PDP, but heart is with Buhari/Obasanjo; APC wins
Kaduna	6,113,503	3,407,222	3,174,519	52%	83.60%	65.81%	75%	904,738	1,476,151	Opposition to topple PDP in Kaduna with pro-Buhari Muslim wave

DaMina Advisors Nigeria Elections VERITAS Model

State	2006 Pop Census	2015 INEC Registered Voters	PVC (Permanent Voter Cards Collected by Voters)	% of Pop with PVCs	2003 Turnout	2011 Turnout	DaMina VERITAS MODEL Likely 2015 Turnout	DaMina VERITAS MODEL Likely 2015 PDP Vote Share	DaMina VERITAS MODEL Likely 2015 APC Vote Share	DaMina Advisors Analytic Comment
Kano	9,401,288	4,975,701	4,112,039	44%	58.50%	53.17%	60%	789,511	1,677,712	Emir of Kano and Gov of Kano foes of President Jonathan
Katsina	5,801,584	2,827,943	2,620,096	45%	66.60%	52.43%	65%	255,459	1,447,603	Opposition leader Buhari hails from this state
Kebbi	3,256,541	1,470,648	1,372,630	42%	65.50%	56.41%	62%	340,412	510,618	Gov Dakingari and strong PDP leadership of state will prevent heavy losses in Buhari wave
Kogi	3,314,043	1,350,883	926,013	28%	77.60%	42.66%	53%	299,380	191,407	Jonathan to carry Kogi as he did in 2011
Kwara	2,365,353	1,142,267	889,067	38%	62.70%	35.99%	52%	254,273	208,042	Kwara despite strong APC winds will likely still see Jonathan winning there
Lagos	9,113,605	5,822,207	3,799,274	42%	42.50%	31.84%	43%	735,160	898,528	Heart of Opposition Empire, APC to win majority of votes
Nasarawa	1,869,377	1,242,667	1,048,053	56%	86.90%	49.99%	72%	369,753	384,845	State to split down the middle with just a small advantage for Buhari
Niger	3,954,772	2,014,317	1,682,058	43%	65.50%	46.85%	60%	282,586	726,649	PDP big wigs Babaginda, Abdusalami and Gov Babangida resigned to a Buhari wave
Ogun	3,751,140	1,829,534	1,053,230	28%	86.60%	28.01%	48%	202,220	303,330	Obasanjo home base; PDP in comatose confused state; Obasanjo votes against PDP
Ondo	3,460,877	1,524,655	1,118,479	32%	66.10%	30.12%	50%	335,544	223,696	Jonathan to carry Ondo, but by a smaller margin than in 2011
Osun	3,416,959	1,407,107	1,031,662	30%	57.30%	39.62%	48%	123,799	371,398	Osun under strong APC Gov Rauf Aregbesola to tilt strongly for Buhari
Oyo	5,580,894	2,415,566	1,639,967	29%	49.00%	33.57%	39%	255,835	383,752	State will flip to APC from PDP
Plateau	3,206,531	2,001,825	1,508,585	47%	80.50%	62.46%	75%	712,806	418,632	Retiring Gov Jang will marshal PDP votes in religiously divided state
Rivers	5,198,716	2,537,590	2,127,837	41%	95.50%	76.33%	83%	1,324,579	441,526	Opposition Gov Rotimi Amechi cottails
Sokoto	3,702,676	1,611,929	1,527,004	41%	68.90%	40.12%	59%	324,336	576,597	Feud between Gov Wamako and Ex Gov Bafarawa to split state; But Buhari to carry
Taraba	2,294,800	1,340,652	1,270,889	55%	89.90%	55.31%	80%	518,523	498,188	With no strong PDP governor in charge; Taraba will split tilting towards APC
Yobe	2,321,339	1,099,970	824,401	36%	66.50%	45.28%	48%	98,928	336,356	Yobe, under Boko Haram assault to vote heavily against Jonathan
Zamfara	3,278,873	1,495,717	1,435,452	44%	73.00%	51.67%	68%	146,416	829,691	Zamfara will fall vote even more decisively for Buhari than it did in 2011
Nigeria	140,431,790	68,833,476	56,350,776				62.86%	17,522,202 49%	18,156,806 51%	winning margin of 630,000 votes 2% (+/-) margin of victory
								PDP to win 25% in at least 31 states	APC to win 25% in at least 29 states	* The Nigerian constitution requires that a presidential election winner win at least 25% of the votes in 24 states.

The DaMina VERITAS model relies on traditional psychological assumptions that over time party voting patterns and preferences in any defined geo-political voting area remain largely consistent over time, and differ only slightly from election to election in terms of voter turnout, new voters and slight changes in the heteroscedasticity of voter preferences for particular outstanding candidates and platforms. The VERITAS bi-variate model, because it is targeted at frontier markets economies where incumbency is strong and political challenge weak, is tilted to favor reelections rather than opposition upsets. The model for Nigeria in 2015 is tilted to imply a large discount for ruling PDP votes in the Boko Haram insurgency states in the northeast; a surge in pan-Yoruba sentiment in the southwest for the opposition; only small voter shifts in the middle belt states against the ruling party and still strong support for the president in the southwest, south-south and somewhat in the middle belt. The known unknowns relate to turnout in the northeast where Boko Haram may prevent a vote altogether and the level of pan Yoruba support that the opposition can garner away from the ruling party. The level of historical support by the ethnic Igbo for Jonathan will also be a factor in the margin. Severe weather patterns and other exogenous variables may also skew the votes in some states especially where strong local races are also at play. Importantly whether the electoral commission sticks to its 'no biometric verification, no vote' mantra will be at the ultimate test of whether the elections will be free and fair or not. Finally, with the constitutional mandate to win at least 25% of the votes in 24 states, and the high prospects that some areas within certain may not be able to hold the vote, due to the Boko Haram insurgency, it is not inconceivable that the winner, may yet not get 24 states required for outright victory and the loser may get more than 24 states - triggering an expensive and acrimonious run-off.

For more in-depth analysis of the platforms of the various candidates and their policy preferences, please contact DaMina to schedule a private call or briefing.