Equatorial Guinea: a quick introduction

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Equatorial Guinea is often cited as a classic example of the 'resource curse' which can strike poor countries with weak formal institutions when oil is discovered. Its political elite, dominated by President Teodoro Obiang Nguema Mbasogo and his clan, is renowned for its repression and corruption. The vast majority of the population lives in extreme poverty. Critics argue that its oil wealth has protected Equatorial Guinea's political elite from the international opprobrium it deserves.

The capital, Malabo, is preparing to play host to the African Union (AU) heads of state and government summit. President Obiang is currently the president of the AU. Human rights organisations report that there has been a pre-emptive crack-down going on, designed to prevent expressions of dissent during the summit.

This note provides a brief introduction to Equatorial Guinea, including UK and EU relations with the country. It is not comprehensive and will not necessarily be periodically updated.

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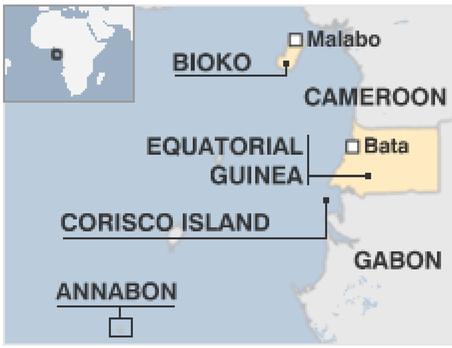
Overview

1.1 Key facts and figures

The best short profile of the country is provided by the BBC (last updated 4 May 2011):[1]



> Equatorial Guinea is a small country off West Africa which has recently struck oil and which is now being cited as a textbook case of the resource curse - or the paradox of plenty.
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> Since the mid 1990s the former Spanish colony has become one of sub-Sahara's biggest oil producers and in 2004 was said to have the world's fastest-growing economy.
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> However, few people have benefited from the oil riches and the country ranks near the bottom of the UN human development index. The UN says that less than half the population has access to clean drinking water and that 20 percent of children die before reaching five.
>
> OVERVIEW
>
> The country has exasperated a variety of rights organisations who have described the two post-independence leaders as among the worst abusers of human rights in Africa.
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> Francisco Macias Nguema's reign of terror - from independence in 1968 until his overthrow in 1979 - prompted a third of the population to flee. Apart from allegedly committing genocide against the Bubi ethnic minority, he ordered the death of thousands of suspected opponents, closed down churches and presided over the economy's collapse.
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> His successor - Teodoro Obiang Nguema Mbasogo - took over in a coup and has shown little tolerance for opposition during the three decades of his rule. While the country is nominally a multiparty democracy, elections have generally been considered a sham.
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> According to Human Rights Watch, the "dictatorship under President Obiang has used an oil boom to entrench and enrich itself further at the expense of the country's people".
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> The corruption watchdog Transparency International has put Equatorial Guinea in the top 12 of its list of most corrupt states. Resisting calls for more transparency, President Obiang has for long held that oil revenues are a state secret. In 2008 the country became a candidate of the Extractive Industries Transparency Initiative - an international project meant to promote openness about government oil revenues - but failed to qualify by an April 2010 deadline.
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> A 2004 US Senate investigation into the Washington-based Riggs Bank found that President Obiang's family had received huge payments from US oil companies such as Exxon Mobil and Amerada Hess.
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> Observers say the US finds it hard to criticise a country which is seen as an ally in a

[1] The US State Department has also produced a good background note on Equatorial Guinea.

volatile, oil-rich region. In 2006, Secretary of State Condoleezza Rice hailed President Obiang as a "good friend" despite repeated criticism of his human rights and civil liberties record by her own department. More recently President Barack Obama posed for an official photograph with President Obiang at a New York reception.

The advocacy group Global Witness has been lobbying the United States to act against the President Obiang's son Teodor, a government minister. It says there is credible evidence that he spent millions buying a Malibu mansion and private jet using corruptly acquired funds - grounds for denying him a visa.

Equatorial Guinea hit the headlines in 2004 when a plane load of suspected mercenaries was intercepted in Zimbabwe while allegedly on the way to overthrow President Obiang.

FACTS

Full name: The Republic of Equatorial Guinea

Population: 693,40 (UN, 2010)

Capital: Malabo

Area: 28,051 sq km (10,830 sq miles)

Major languages: Spanish, French

Major religion: Christianity

Life expectancy: 51 years (men), 53 years (women) (UN)

Monetary unit: 1 CFA (Communaute Financiere Africaine) franc = 100 centimes

Main exports: Petroleum, timber, cocoa

GNI per capita: US $12,420 (World Bank, 2008)

Internet domain: .gq

International dialling code: +240

LEADERS

President: Teodoro Obiang Nguema Mbasogo

Mr Obiang Nguema is currently Africa's second-longest serving leader - after Libya's Muammar Gaddafi - and has been in power for three decades.

In 1979 he seized power from President Francisco Macias Nguema, who was the leader at independence and whose rule prompted a mass exodus and thousands of deaths. The former leader was tried and executed.

The new president relaxed some of the restrictions of his predecessor - such as a ban on the Catholic Church - but kept the absolute control he inherited.

President Obiang is Africa's second longest serving leader

Officials said Mr Obiang won more than 97% of the vote in presidential elections in December 2002. Opposition candidates had withdrawn from the poll, citing fraud and irregularities. Officials reported similar results following the November 2009 presidential elections.

A French judge announced in May 2009 that he would launch a landmark investigation into whether President Obiang and two other African leaders plundered state coffers to buy luxury homes and cars in France. It became known as the case of "ill-gotten gains".

A complaint filed by Transparency International France, accused the leaders, who denied any wrongdoing, of acquiring millions of dollars of real estate in Paris and on the French Riviera and buying luxury cars with embezzled public money.

However, a French appeal court threw out the case saying the activists couldn't act against foreign heads of state. A subsequent ruling, in November 2010, authorised an investigation into the charges.

President Obiang, who is currently also president of the African Union, is from the Esangui clan of the mainland Fang tribe. His government consistently reflects this bias, but real power is reportedly concentrated in the 'Family Council of Elders' that draws its members almost exclusively from the home town of the president, Mongomo. One analyst has described the arrangement as "family caudillismo" analagous to the Duvaliers in Haiti or the Somozas in Nicaragua. In the past, Obiang has faced challenges from within the Esangui clan over rival claims to Equatorial Guinea's oil resources.[2] Outsiders have also sought to overthrow the regime, as happened in 2004.

1.2 Human rights and corruption

The country's poor human rights record is illustrated by Amnesty International's annual report 2011 entry. Below is the summary:

Four people abducted from Benin by Equatorial Guinean security personnel were executed immediately after being sentenced to death by a military court in August. The same court sentenced two prisoners of conscience to long prison terms, although a civilian court had already acquitted them of the charges. Prisoners of conscience were convicted after unfair trials; several were released in a presidential

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[2] G. Wood, "Business and politics in a criminal state: The Case of Equatorial Guinea", *African Affairs*, 103/413, 2004

> pardon. There were further reports of politically motivated arrests and harassment of political opponents. Soldiers and other security personnel unlawfully killed, tortured and ill-treated detainees and others with impunity. Freedom of expression and the press remained restricted.

According to Amnesty International, there is currently a wave of arrests taking place in the capital, Malabo, ahead of the African Union heads of state/government summit there.

Here is a link to the Human Rights Watch Annual Report 2011 entry and to a July 2009 report by the same organisation, "“Well oiled. Oil and Human Rights in Equatorial Guinea”, which

> details how the dictatorship under President Teodoro Obiang Nguema Mbasogo has used an oil boom to entrench and enrich itself further at the expense of the country's people. Since oil was discovered there in the early 1990s, Equatorial Guinea's gross domestic product (GDP) has increased more than 5,000 percent, and the country has become the fourth-largest oil producer in sub-Saharan Africa. At the same time, living standards for the country's 500,000 people have not substantially improved.

The report goes on to detail the high level of involvement of US companies in Equatorial Guinea’s oil industry, as well as growing Chinese investment in the country’s economy.

In a press release issued in February 2011, Global Witness described another example of the conspicuous consumption of the president and his coterie – the planned purchase by his son of one of the world’s most expensive yachts.

In November 2010, a judicial investigation was authorised into alleged embezzlement of public funds by a number of African leaders and their families, including that of President Obiang. Some of its findings were leaked earlier this month. According to a recent press article:

> The biggest spender was Teodoro Nguema Obiang, the 41–year–old son of Equatorial Guinea's president and current African Union president. Customs police established that in November 2009, he bought 26 luxury cars and six motorbikes for €12million (£10.6m), which arrived at a French airport from the US en route to Equatorial Guinea. These included seven Ferraris, four Mercedes, five Bentleys, four Rolls–Royces, two Bugattis, a Lamborghini and a Maserati. Last year, he bought another Ferrari and Bugatti for "€1.5–2 million".
>
> Obiang junior's tastes have recently widened to high art. According to Tracfin, France's anti–fraud government cell, he spent almost €18.5million on 109 lots at the auction of the late Yves Saint Laurent's private art collection.
>
> The items he acquired in the sale in February 2009 included a 16th–century bronze figure of Hermaphrodite by Gianfranco Susini for €744,000. All the works were bought by Somagui Forestal, a forestry company controlled by Mr Obiang, who is the country's farming and forestry minister. Tracfin suspected that, given the company he used, the goods were "acquired illegally".
>
> As for properties, Mr Obiang owns a $35million (£21.4m) mansion in Malibu, and a four–floor abode on Paris's chic Avenue Foch, including "a dining room made of coral and a Turkish artwork made of Lalique glass panels".
>
> No recent acquisitions, however, are to be included in the probe as a French prosecutor has rejected a request to extend it to the present day, a decision which

was criticised by William Bourdon, a lawyer for Transparency International.

> Before his election, President Nicolas Sarkozy said he wanted to distance himself from dictators such as Mr Bongo, calling for a "healthier relationship" with Africa.[3]

2 UK and EU relations with Equatorial Guinea

Britain's diplomatic relationship with Equatorial Guinea is limited. Relations are mainly conducted through the EU under the auspices of the Cotonou Agreement. British diplomatic representation is conducted from the High Commission in Nigeria. Relations were further complicated for a few years by the trial and conviction by a court in Equatorial Guinea of British citizen. Old Etonian and former army officer Simon Mann, who was found guilty in 2008 of leading an attempted coup against Obiang in 2004. There are claims that the British Government of the time was aware of the coup plot and that Mann has had links with MI6. He was released early in 2009 as a result of a presidential pardon on humanitarian grounds. On his release, Mann said that he had agreed to become an advisor to President Obiang. But little has been heard from him since then.

The most recent parliamentary exchange on Equatorial Guinea took place in the House of Lords on 7 July 2010 (c198-200). It was prompted by a campaign for the withdrawal of a UNESCO prize in the name of President Obiang. Below are extracts:

> *Asked by **Baroness Falkner of Margravine***
>
> To ask Her Majesty's Government whether they will make representations to the regional electoral group representing the United Kingdom's interests on the United Nations Educational, Scientific and Cultural Organisation (UNESCO) executive board regarding the withdrawal of the UNESCO-Obiang Nguema Mbasogo International Prize for Research in the Life Sciences in the light of the human rights record of the Government of Equatorial Guinea.
>
> **Baroness Verma:** My Lords, we have made representations at ambassadorial and ministerial level to the EU, Regional Electoral Group 1, the Commonwealth group and the director-general of UNESCO, calling for this prize to be withdrawn. We shall continue to press this point until a final decision is reached. We welcome the executive board's decision on 15 June to work on a new set of rules for prizes and, in particular, to examine this prize more carefully.
>
> **Baroness Falkner of Margravine:** I thank my noble friend for that reply. She will know that in the scientific and human rights communities, a UNESCO-Obiang Nguema Mbasogo prize for scientific achievement is roughly the equivalent of a Robert Mugabe-UN prize for democracy and freedom. How can we, the United Kingdom, UNESCO's fourth largest donor, convince its executive board by its next meeting in October that it should try to salvage UNESCO's credibility by not voting for this award?
>
> Will the Minister assure the House that media reports suggesting that the US, France and other western countries are not taking this issue up with other UNESCO members for fear of upsetting the Africans are incorrect, and that we in the UK will do all that we have to to prevent this from happening? [...]
>
> **Baroness Morris of Bolton:** My Lords, in assisting Equatorial Guinea and wider Africa to reach the minimum standards of human rights that the world rightly

3 "Dictator's son bought 28 cars and high art with state cash", *Daily Telegraph*, 10 June 2011

> expects, what is DfID doing to help to build the essentials of a civil society there, especially access to clean drinking water and programmes to end violence towards women?
>
> **Baroness Verma:** My Lords, my noble friend raises some important issues. A large proportion of DfID's funding goes on programmes and initiatives to fight violence against women and on challenging it through civil society and women's organisations. As my noble friend will realise, we support the MDGs; indeed, we are one of the countries that will meet the commitment on 0.7 per cent of GNI by 2013. Clean water is one of our major priorities in this respect.[...]
>
> **Lord Tomlinson:** My Lords, on the specific subject of the Question-Equatorial Guinea-where in the pecking order of issues for which we give assistance from our development funds do democracy, human rights and good governance figure? Are they near the top, near the bottom or somewhere in the middle of the list?
>
> **Baroness Verma:** My Lords, on the specific point about Equatorial Guinea, I should say that we have no presence there, although the high commissioner to Nigeria, Bob Dewar, visits twice a year. However, we completely agree that there needs to be transparency in what Equatorial Guinea is doing on human rights. That is what we will urge through all the multilateral agencies through which we supply our funds.

The prize was indefinitely suspended by UNESCO in October 2010.

The EU has on a number of times in the past expressed criticism of the human rights record of Equatorial Guinea, but the growing importance of the latter's oil industry has undoubtedly helped to ward off calls for international actors to take punitive steps against its government. However, Equatorial Guinea is one of the countries that has prompted G20 and other multilateral efforts to promote greater openness and transparency on the part of oil companies operating there. Following the passage of legislation in the US in 2010 (the Dodd-Frank Act) Britain has become a strong supporter of these efforts, as the extract from a February 2011 press article in the *Observer* below demonstrates:

> Britain is throwing its weight behind European efforts to force oil and mining companies to publish details of every penny they pay to governments in poor countries where they operate.
>
> George Osborne told his fellow G20 finance ministers in Paris yesterday that the coalition was keen to support an effort by the French president, Nicolas Sarkozy, to throw open the operations of the extractive industries in the developing world to public scrutiny.
>
> "As we enter a new decade when the resources of Africa are going to be heavily developed, I strongly believe it's in everyone's interests that mining companies and others operate to the highest standards," said Osborne. "That's the way to ensure some of the world's poorest benefit from the wealth that lies in the ground beneath them."
>
> When multinational resources firms move into African states they often bring the promise of economic development, but campaigners say the result is all too often a bonanza for a tiny elite, while most of the population sees few benefits. In oil-rich Equatorial Guinea, for example, GDP per head is $30,000, equivalent to that of Italy or Spain, but most of the population still live on less than $1 a day. Exports of oil, gas and minerals from Africa were worth $393bn in 2008, while the continent received $44bn in international aid, and natural resources accounted for almost a

> quarter of Africa's growth between 2000 and 2008.
>
> The long-running Publish What You Pay campaign, supported by a coalition of civil society groups worldwide, argues that if the scale of the payouts to host-country governments were revealed, voters would hold their leaders to account.
>
> Jane Allen, UK co-ordinator for the campaign, said: "Too often the potential for growth and development in countries rich in natural resources is squandered as vast sums of money are misused by governments and individuals.
>
> By committing to legally binding measures that will make these payments open to scrutiny, the UK and Europe can play a critical role in reversing this 'resource curse' by fighting corruption and poverty."
>
> Gordon Brown promoted a voluntary approach, known as the Extractive Industries Transparency Initiative, launched in 2002; but US politicians have now legislated to force American firms to be more transparent. Sarkozy wants Europe to follow suit.
>
> The business secretary, Vince Cable, will lead the government's push to secure a European agreement on the issue. A business department source said that legitimate firms had nothing to fear. "For businesses, it's something that they should support as well, in terms of creating a level playing-field," she said. A Treasury spokesman said: "George and Vince are working together on this."
>
> The One campaign's Bob Geldof recently met Osborne to urge the government to support a new law. Sarkozy has asked the European Commission to report by September on the best way to legislate at European level, and British backing will be critical, because many of the firms that would be affected, including the mining giant Anglo-American and Tullow Oil, are listed in London.
>
> Cable is keen to mend the government's reputation for ethics after its controversial decision to delay implementation of the anti-bribery bill, passed with cross-party agreement before the election, which would make UK companies liable for corrupt actions by their staff anywhere in the world.[4]

Progress on this issue continues to be made. In May, the G8 endorsed mandatory disclosure of extractive industry payments to governments.

There is no UK-Equatorial Guinea bilateral aid relationship, although UK funds are provided to a number of multilateral agencies that operate there – for example, to anti-deforestation initiatives supported by the World Bank (HC Deb 15 June 2011 c808-9W).

Through its Governance and Transparency Fund, DFID funds a programme called the International Budget Partnership, which campaigns for increased official budgetary openness and transparency in parts of the world, including sub-Saharan Africa. In its latest assessment of the regime in Equatorial Guinea, it awarded it zero out of 100.

With regard to trade and development, the country profile on the website of the Foreign Office (last updated 2008) states:

> **Trade and Investment with the UK**

- UK exports to Equatorial Guinea were worth £108.84 million in 2003, dropping to £34.30 million in 2004, rising again to £38.88 million in 2005 and £45.43 million in 2006. UK imports from Equatorial Guinea were worth £7.97 million in 2003, rising to

[4] "Britain backs 'Publish what you Pay' rule for oil and mining firms in Africa", *Observer*, 20 February 2011

£11.31 million in 2004, £16.69 million in 2005 and £17.18 million in 2006.

Development

- Equatorial Guinea's human development index ranking has deteriorated in recent years, with a wide poverty gap despite massive oil revenues. There continues to be insufficient transparency and accountability, with wealth concentrated in the hands of the few. One of the biggest inhibitors to improved economic performance is the lack of educated or skilled personnel, stemming from years of under-funding for education. Managing the sudden influx of oil revenues is a major problem. Life expectancy is 51.7 years, there is an infant mortality rate of 101 deaths/1,000 live births and an estimated HIV/AIDS prevalence rate of 3.4%. The UK has no development programme in Equatorial Guinea.

According to UK Trade and Investment:

> There are no official services delivered on behalf of UKTI in this market to help British companies who wish to export or invest here. This means that no substantive commercial assistance is provided, although lobbying on behalf of UK companies may be carried out by the Head of mission on a case by-case-basis.

The European Commission provides this description of the EU-Equatorial Guinea relationship in the sphere of development:

> **Key issues in EU-Equatorial Guinea relations**
>
> The National Indicative Programme for the period 2008-2013 amounts to € 17.2 million, covering certain long-term development operations in the context of the country strategy paper, in particular:
>
> **one single focus area,** devoted to governance support. This will enable regular support in terms of good governance for each of the institutions proposed during the period covered by the 10th EDF. The total budget for this area is € 13.8 M. Particular attention will be paid to projects, results and achievements in the context of the previous EDFs (8th and 9th EDFs), which were also devoted to good governance.
>
> **one non-focal area,** devoted to institutional support, for an indicative amount of € 3.4 M. Three main areas of activity will be addressed: **(i)** the reinforcement of the productive capacities of businesses, **(ii)** air transport and **(iii)** enabling the country's interconnection with African broadband digital networks.
>
> Besides this, a Technical Cooperation Facility (TCF) will be financed in order to help implementation of the various programmes and to guarantee any technical assistance necessary (e.g. studies, expertise, seminars, evaluations, audits) contributing to the successful preparation of the various projects to be carried out under this programme. This facility will also enable specific initiatives to be supported in favour of ***non-state actors***, complementing the support already provided within the priority sector.

The European Development Fund (EDF) is the main instrument for providing Community aid for development cooperation in the Africa Caribbean and Pacific (ACP) States.