

Foreign Affairs Committee

Oral evidence: Implementing the Integrated Review in Nigeria, HC 202

Tuesday 20 July 2021

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Members present: Tom Tugendhat (Chair); Chris Bryant; Neil Coyle; Stewart Malcolm McDonald; Bob Seely; Henry Smith; Royston Smith; Claudia Webbe.

Questions 1-20

Witnesses

I: Aisha Raheem-Bolarinwa, Founder and Vision Director at Farmz2U, Yasmin Belo-Osagie, Co-Founder and Board Chair at She Leads Africa, and Director at FSDH Asset Management, and Onyeka Akumah, Co-Founder and Director at Plentywaka.



Examination of witnesses

Witnesses: Aisha Raheem-Bolarinwa, Yasmin Belo-Osagie and Onyeka Akumah.

Q1 **Chair:** Welcome to this afternoon's session of the Foreign Affairs Committee, which is being held virtually from Parliament, Glasgow and Kent, but most importantly from parts of Nigeria. I am going to turn now very briefly to our witnesses and ask them to introduce themselves, as they have very kindly agreed to come on.

Aisha Raheem-Bolarinwa: I am Aisha Raheem, founder of Farmz2U.

Onyeka Akumah: My name is Onyeka Akumah. I am co-founder and CEO of Plentywaka, a shared mobility start-up from Nigeria. It is nice to meet you all.

Yasmin Belo-Osagie: Hi, my name is Yasmin, and I am a co-founder of She Leads Africa. We are a digital community teaching African women business and career skills.

Q2 **Chair:** Fantastic. We are looking to learn a bit more about Nigeria and Britain's relationship to Nigeria, particularly through the Integrated Review, and we are particularly interested in areas where the UK can co-operate with Nigeria and seek to benefit both nations and promote both our interests. We are particularly interested, clearly, in this session in talking about business connections and areas in which we can work together. Could you each tell me a little bit about your business and how it works?

Aisha Raheem-Bolarinwa: Farmz2U is an agtech enterprise, and we help farmers farm better using data. Some 80% of our produce eaten is grown by smallholder farmers, yet they lack the expertise and resources to make that happen, and what we do is use data to provide them with technical expertise that is peer reviewed by academia and research institutions we work with. We also provide resources like affordable loans and high-quality *[inaudible]*, as well as a market to sell their produce, thereby making the process of farming easier. We also target the 18 to 35-year-old demographic.

Onyeka Akumah: The name "waka" behind "Plenty" means movement, and the concept is moving people better. We have built a mobile app, similar to Uber: people call us "Uber for buses". It allows people to select a bus that can take them from one bus stop to the other within a city, or take them from one city to another, with the aggregated platforms on our network. Today, we have a fleet size of about 831 buses on our network. We are just one year and six months old, and we have moved over 350,000 people already within Nigeria.

We are currently in a place where we are looking to use the same technology to provide data around how people move and how people can save the cost of travel within cities and across cities, and also provide data for the bus operators to make informed, intelligent decisions on how they continue to boost and improve their fleet within a city or within a country.



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We are currently operating out of Nigeria, but very soon we will start operating out of Ghana as well, within the next 60 days. That is Plentywaka.

Yasmin Belo-Osagie: She Leads Africa started out as a digital community for African women, providing them with content and various events to help them build their businesses or their career. The content that we share comes out daily through social media, our newsletters, and also things like YouTube and so on, and there we tend to focus on three content pillars. One is, again, "How do you think about building your business?" The second is "How do you think about building your career?" and the third is around financial literacy. We also focus a lot on holding events that allow women to come together, meet each other and learn, and those have gone all the way from 30 to 50-person workshops to a festival that right now is about 3,000 to 5,000 people.

What I think was unique about the way we built the organisation was that we tried to create a learning environment that would be very fun and of the generation of young African women who we typically serve. So the content tends to be simple; we use local references and local slang words. The whole idea is: how can you take these things around developing your career and developing your business and actually make it really simple for people? I myself have a consulting background and I know the ways in which it can be very intimidating for small business owners when they are thinking, for example, about setting up their finances. How do they actually think about hiring people? What do they think about a growth strategy? No one was breaking this down in ways that were just simple, so that it wasn't complicated and didn't have all the terminology—it was just simple and people could digest it.

We have a network of about 500,000 to 700,000 women across Africa. Our biggest markets are Nigeria and South Africa. After that, you have Kenya and Ghana, and after that, probably the Ugandas, Zimbabwes etc. of this world. Where we are moving now is that we are looking at building out a platform that could actually provide financial services to women. We are starting off with savings and investing and, of course, making sure that we marry that with the content that we create; we do believe that education is very interesting. But I think we would then want to be able to extend to credit and insurance as well. We focus on these three areas of financial services, because we believe that they are places where women meaningfully have different product needs and we think that we can serve them in a slightly more effective and efficient manner than other players in the market.

Q3 **Chair:** Fantastic. Thank you very much for that introduction. You have all shown enormous determination in starting businesses anywhere but particularly in Nigeria, and I am just wondering what the particular obstacles are to starting one and to being an entrepreneur in Nigeria. I know you all have experience of working in other countries, so if you wouldn't mind comparing with whichever country you also have experience of, I would be extremely grateful; that would be very handy.



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For no particular reason, Yasmin, why don't you start? We'll go the other way round this time.

Yasmin Belo-Osagie: Although I went to school outside Nigeria, both in England and in the States, most of my working experience was actually in Nigeria. It was a bit different. I used to work at McKinsey in Nigeria, which was a pretty interesting experience of working in an international community but in the Nigerian context. In leaving that system and then trying to start a business, there were a couple of things that were big challenges.

The first one is talent—access to the right types of talent at the right price. This is becoming an even bigger problem in Nigeria, just given the number of highly educated people who are trying to leave the country. So it's very, very difficult to retain the best talent and the best staff. Funding is also a problem that a lot of businesses have. It is something that we managed to get around, but there is an issue around access to funding and different types of funding, whether venture or affordable credit—just thinking about how you actually get the money that you need to run your business.

The third thing that we have found is general infrastructure challenges: things like slow internet and people trying to get to the office and having trouble just physically getting there—just the day-to-day things. The business that we run is in Lagos, which I think is unique in and of itself, even in Nigeria.

I would say those were the three big challenges that we faced and that I definitely accentuated when I started my business: talent, and funding in some ways, but also general infrastructure.

Onyeka Akumah: I will just add to what Yasmin said—those are some of the major points that have been obstacles. I think the only thing that I will add is change in policies that affect start-ups, whether it's policies around regulating a start-up that is coming up in a very innovative way, or in relation to how problems have been solved and not finding the right kind of policy to support this. Or policies come into play that hinder the growth of that start-up. That can present itself as a challenge for many businesses that are looking to start in sectors like what we have in Nigeria.

There is another thing. While there is the challenge of talent, I also see a challenge with mentoring. The ecosystem is still growing. We have gone through three phases: the 2000-10 phase, the 2010-15 phase and 2015 to where we are now. The 2000-10 phase had very few start-ups, so you had very few entrepreneurs who young people could look up to and learn from or get mentoring from. From 2010-15, we had our first unicorn out of Nigeria, and we started seeing a lot more businesses that entrepreneurs would come out of and build their own business, with better experience to do that. From 2015 to now, we see more entrepreneurs coming out of those start-ups and building theirs. The experience and mentoring space does not match what you have in Europe or the US, but it is gradually getting there. There is still space for mentoring and for guidance. We still



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do not have a very robust accelerator or incubator system in which you match with the right kind of expertise to expose businesses here.

The last thing is how much we do about exporting what we have built locally in Nigeria. Whether it is because of the policies in place, entrepreneurs being bold enough to take the stand or needing an ecosystem that supports so much around growth, I have not seen many Nigerian start-ups that start something in Nigeria and look very quickly at replicating that model in other African countries. We have not seen so much around that yet. To that extent, it then affects how much people invest their time in building their start-ups locally and have a vision for how to build strong solutions that will affect other parts of the continent. In addition to talent and infrastructure, it is also mentoring, scaling and change of policies.

Aisha Raheem-Bolarinwa: Both Yasmin and Onyeka have touched on key points, particularly policy changes, which there have been a few of in Q2, that actually disrupted a few start-ups. In addition, I also think there was a lack of co-ordination within the industry. I have experience of working in asset management in the City of London for many years, where there is a lot of co-ordination. For instance, the FCA, now the FSA, works a lot with steering committees of asset managers before they come up with a new policy. There are a lot of roundtable discussions before a new policy comes. There is not really that practice in Nigeria.

I also think it is because the companies themselves are not working in a cohesive way. For instance, if you think about the agriculture sector, not a lot of companies are working together to think about what they want from a policy perspective and how to work with the Government to support the industry. You do have that relationship between telcos in Nigeria, as well as in banking, but it has not really spread to other industries. I think that is something that is lacking, and if we had that, there would be less disruption from the Government with regard to policy.

I also think that currency volatility is a key problem, particularly because a lot of things are imported. Oil prices—oil remains one of the biggest contributors to foreign reserves—have been volatile, in terms of pricing, for the last few years, which has been compounded over the period of covid. What someone earns today, even with salary increases, is most times a lot lower than they were earning five years ago. Things like that are probably accelerating the brain drain that we are seeing, with lots of people relocating outside Nigeria.

In addition to the other points that were made, the lack of co-ordination at an industry level via steering committees and the currency volatility are huge contributors. In terms of currency volatility, I think more exports out of the Nigerian economy and reducing the dependency on importation will definitely help with that challenge. Those are the things that I see, in addition to the points already made by my fellow witnesses.

Q4 **Chair:** We all know that there are major challenges in the UK with entrepreneurs and particularly entrepreneurs in the tech sector being



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mostly men—it is a very disproportionate environment. The barriers to entry for women are, sadly, significant. Is the same true in Nigeria? What are the things that would make a difference?

Aisha Raheem-Bolarinwa: Yes, it is just as challenging in Nigeria being a woman. It is very much a patriarchal system. Ageism as well is something that entrepreneurs struggle with.

In terms of the dynamics of investors, they tend to be male. So, as you can imagine, as a female, that can create complexities.

Currently in Lagos state, the Lagos state government have done quite a lot. They set up something called LASRIC, which is the Lagos State Science, Research and Innovation Council, where they are providing grants for entrepreneurs.

Long term, one thing that has been a challenge for entrepreneurs is that any time an administration changes, the vision also changes, at state level and at federal level. One of the things that the Lagos state government is trying to do is to have masterplans that span several administrations, so that there is less disruption at least.

As a female founder, those sort of experiences have helped me navigate the challenges of being female and an entrepreneur. [*Inaudible.*] Apart from, of course, a lack of funding, which [*Inaudible.*]

Q5 **Chair:** I am very sorry, but the connection is appalling. I'm afraid we can't hear you, Aisha. The connection is too bad; we simply can't hear you.

Yasmin, go for it.

Yasmin Belo-Osagie: I guess your question was about women in technology. I think you will see the same problem and the same issues. I think when I look at these problems, I would break them up into two: to what extent do you have women who are actually getting technology skills and then, to what extent do you have women who are starting technology businesses, whether that might be in partnership with someone else?

The problem is different, depending on which space you are in. In terms of women getting technology skills, I assume this is probably a pipeline problem. Like when you go into colleges, how many women are actually studying computer science? Typically, the problems start from there and then they get worse and worse as people go into the workforce.

There are interesting things that people are doing around training female software developers. More of that type of work needs to be done.

If I am trying to train more female software developers, or whether it is software UX—pick whatever part of technology you are speaking about—what would be important in designing that system is ensuring that you are also pairing it with specific professional skills development, whether that is around negotiation or around finding the right jobs. You would want to make sure that you pair the technical skills with the professional,



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motivational and “you can do it too” type models. It is very interesting. One of the things that I found when we started She Leads Africa is that we thought that this was going to be a skills issue and like, “Hey, I just teach you the skills, and you figure it out and go forth.” One of the things that we found is that, actually, for a lot of women, there are challenges around being comfortable putting yourself forward for opportunities, challenges around confidence, and challenges around going for specific opportunities, because you might not have seen people like you occupying those positions. Making sure that you are actually pairing the teaching of technical skills with this more professional life motivation—they are a bit soft, but I think that they are also very important in making sure that that comes together.

When you think about women starting technology businesses, unfortunately one of the statistics that you will find is that a lot of people who started the most successful technology businesses have technology backgrounds themselves. There are some exceptions, but if you have the pipeline problem, they are naturally not going to be starting as many technology businesses. It is like one plus one is two. What would be interesting to do is if you could see more opportunities to connect potential female founders with people who have technology skills—for example, they might be able to come together as co-founders or partners. There are very interesting things that could be done around there.

We have also seen that if you reframe what technology is used for, you can actually engage more women. I think there was a study at Berkeley in which they did a computer science class and then measured the percentage of women who signed up versus men. They did another one there that was on computer science for social good, or something like that. It was more around what technology can do, and they found that reframing it in that way made women much more comfortable and much more excited about applying for some of these things. Yes, it is a problem, and there are different and nuanced ways that you might want to tackle it. I am not sure if that answered your question specifically.

Chair: Thank you; that was very helpful. Aisha, forgive me, the line was absolutely appalling before, and we simply could not hear you. I don’t know whether you have anything to add.

Aisha Raheem-Bolarinwa: I suppose what I was trying to convey earlier is that yes, I believe female founders face additional challenges in Nigeria, in the sense that funders and investors tend to be male, and key decision makers at stakeholder institutions with whom they may be speaking—particularly as a B2B business, which Farmz2U is—tend to be male, so those dynamics can be quite challenging. In Lagos state, where I currently am, there has been a lot of support from the government locally. They have set up something called LASRIC—the Lagos State Science and Research Innovation Council—where they are offering grants to support entrepreneurs, and quite a few of the beneficiaries, of whom I have been one, are female. Those sorts of initiatives definitely help. Apart from Lagos state, Ogun state is also doing a few interesting things. It is about getting



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those sorts of things whereby you are levelling the playing field—whether male or female, at least you can access finance from those sorts of institutions. That is certainly one way.

I briefly heard what Yasmin said about cross-collaboration. On a local level, that definitely helps. Also, the UK Nigeria Tech Hub have been offering quite a lot of support in terms of accessing funding for us. As a female-led company, that has also been quite useful. Those sorts of initiatives definitely help address the challenges of being female and trying to navigate an environment that is quite problematic with a lot of obstacles to running a business. Yes, I think those sorts of things definitely help.

Chair: Thank you very much. Aisha, forgive me, but do you mind switching off your camera? I hope it improves the bandwidth. I know it is not ideal, but your words are more important than the image. It would be very kind if you would do so.

Aisha Raheem-Bolarinwa: Okay—hopefully it does.

Chair: That is already better.

Q6 **Royston Smith:** May I ask a bit about financing businesses, particularly the barriers investors face when considering financing tech start-ups and small and medium-sized businesses in Nigeria?

Onyeka Akumah: One of the things I have noticed that tech start-ups face in attracting investment from outside the country is that, from the investor perspective, it has been a case of understanding the market size and building solutions that have, to a great extent, received some level of traction that makes the start-up really attractive. For example, an entrepreneur has built a solution and it serves a market in Lagos, it serves a market in Abuja, and has the potential to scale across the country. That entrepreneur has been able to build a solution to a point where he can showcase it to an investor in the language that investor understands, in the way the investor understands; present his data and the details the investor needs; and convert that part of the conversation into an investment in his business.

That level of detail in understanding how to present to an investor is knowledge that is missing for many entrepreneurs in Nigeria, where we are not experienced enough to understand the different things that investors want to see to present a case for us to win deals. Gradually, that is changing, the exposure is coming into place and people are understanding better, but that was a major barrier to showcasing the entrepreneurs of businesses out of Nigeria to investors outside the country. That is one thing.

The second thing has been that every time an investor wants to invest in a start-up locally in Nigeria, one thing I hear is, “Which local investor has already invested in you?” They always want investors on the ground to have already made their play in that start-up, so entrepreneurs now have to focus on how they set up their business to attract local investment



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within the country before they go for external investment from Europe or the US.

What then happens is, at the very early stage when the business is trying to raise that kind of funding, valuation conversations come up—a lot of conversations come up around what size the deal should be. If the entrepreneur is not able to convince a local investor quickly, it becomes a struggle. What we have seen happen with many entrepreneurs is that they then get into accelerator programmes like Techstars, Y Combinator or 500 Startup, and they are able to get some level of validation, which makes it easier for investors to invest in them, because they have got into the accelerator programmes. That is one of the easiest ways for a lot of entrepreneurs to attract foreign investment into start-ups in Nigeria.

The third thing has been where the start-up registered. If the start-up is registered in Nigeria, there are a lot more barriers than for start-ups that have their holding company in Delaware, London or Toronto. If the holdco is in Lagos, investors find it a lot more difficult to trust that they can invest in the start-up. That barrier to entry for investors outside the country, depending on where the start-up is registered, has been something that entrepreneurs have had to deal with in the past.

From my experience, those are the three main things that have been a barrier for investors from outside investing in Nigerian start-ups and a hold-up for local entrepreneurs in attracting foreign investment.

Yasmin Belo-Osagie: I think there are probably two or three things that I would add to that. One thing for most investors, especially when it comes to technology start-ups, is that there will always be the question of what an exit for this business looks like. I think it is really only in the last three to five years that we have seen not just the one-off, but at least two, three, four or five successful exits. Hopefully, the more of those you have, the more international investors have the comfort that they will at some point be able to have some sort of liquidity event when they put money in.

The second thing that I notice for a lot of international investors is making sure that they have the right research data and information. In the States, or even in England, you tend to have a lot more information about things available, from different databases or wherever, so you can make different judgments even though you are not necessarily in market. In Nigeria, especially when you are trying to separate—I think you will find this for a lot of places on the continent—the good businesses from the ones that are just selling a good story, which is so much of what investing is about, if you do not have a lot of local knowledge and the local understanding to say, “This just doesn’t make sense,” that is another one. It is exciting, though, that you are seeing more research and media companies that are coming up and being able to speak about the ecosystem in a way that people can understand.

A third challenge that a lot of international investors will face will be how they deal with devaluation. That has probably been a more exacerbated



problem in Nigeria than in some other countries, but if you are a foreign investor putting money in, whether in pounds or dollars, you are going to want that to retain value over time. That also limits the types of businesses that you can invest in, because you can only invest in businesses that are growing faster than devaluation. For you to, for example, invest in a bricks and mortar business might be a bit more challenging because it may not have the growth rate that you need to counteract the reduction in value that you are going to be getting from devaluation in any currencies. If you are not investing in naira, it is also going to be a challenge to wrap your head around how you manage that.

Aisha Raheem-Bolarinwa: I would add the challenge of regulation. For instance, in April a few Central Bank of Nigeria circulars went out that stopped some businesses, in the sense that what they could do yesterday they cannot do tomorrow. That is a key risk because it questions the longevity of a business. Lots of lobbying is to be done in terms of working very closely with the Government to try to mitigate that risk.

In addition to the challenge of policy, there is monetisation. Often investors might compare—especially international investors coming from the US for instance, where a company like Uber has IPO'd but still not made a profit to date. In terms of the amount of money that a company like Uber has raised, local companies are not necessarily given that kind of leeway. It is about trying to understand that the local dynamics are different. In the US, for instance, there is a lot more VC money to play around with and a lot more capital. That has a money multiplier effect. You do not necessarily have that locally, so it is for an investor to really understand what industry they are investing in to enter the local market, and to try to understand the dynamics, not necessarily comparing it to their own market, be it the European or American market.

Q7 Royston Smith: Those are things, from your expertise, that you are telling us could be challenges and barriers, but there are easier markets, or safer markets, to invest in perhaps than Nigeria, so when you are talking to investors do things like corruption come up? Is that a barrier to investment in Nigeria?

Yasmin Belo-Osagie: To be honest, not in my experience.

Onyeka Akumah: Same here. I have raised a lot of money for my start-ups. This is my fifth start-up, and I have exited two start-ups already. In all my time doing that, I have never had the question of corruption come up, so I don't think—

Q8 Royston Smith: Is that from external investors or from local investors?

Onyeka Akumah: External investors. With my last start-up that I exited, I had 90% external investors. I raised over \$70 million, and I never had the question of corruption come up. I think that, many times, these investors look at the entrepreneur, they look at the individual building the start-up, and they look at the market. What I have seen is that investors, especially those from outside the country, like start-ups that are disrupting industries and that are not dependent on the Government entirely. I think



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it just gives a sense of fairness and stability that goes beyond regimes, because you are not dependent on Governments to make a decision.

In all my time raising money, I have never had that question come up. The reputation of the team, the reputation of the entrepreneurs, the products, the market, the scale, the opportunity, the traction that the start-up has already had—these are the things that make it attractive. For instance, with Plentywaka, 9 million people commute daily with boxes in Lagos. If one person is paying \$1 for every trip and they have to commute twice in a day, that is \$18 million. They look at that first before they talk about corruption. It is about the market opportunities and the scale of the impact on the society. They look at that, and that is what they invest in first.

Royston Smith: That is really helpful. Thank you.

Q9 **Chris Bryant:** Many people would argue that the best way to have a vibrant economy, where lots of different kinds of businesses can flourish, is if you have a diverse workforce that is well trained, obviously, and highly skilled. Do you think that gay and lesbian people in Nigeria have difficulties finding employment and difficulties with the law, and does that affect economic viability?

Yasmin Belo-Osagie: I tend to separate the issue of diversity from an economic one. I understand why people try to link it, because I think that we want to feel that there is an economic reason for people to be incentivised to understand why it matters and to actually do it. I would separate it, because at the end of the day, there are countries that are homophobic and that still have bigger GDPs than Nigeria. Do you see what I mean? Obviously, there is a lot of growth that Nigeria could or could not have with keeping that homophobia, so I separate the economic issue from it.

To me, it is a human rights issue. We cannot really give much detail around this, because Nigeria is like, "We're on the wrong side of history. We're not doing it right." I don't really think that there is much additional to say. We all know what the laws are. I feel quite strongly about this piece, so it's an "it is what it is" situation. Do I think that we can connect it to how it is going to potentially affect the economy? Potentially, but I don't necessarily even feel that it needs to go that far. It is still a problem that we are not fully confronting in the continent. I think that you will have pockets. In some cities, maybe people are a little bit more comfortable being out, but it is not something that is in any way standard across the country. I think that that is because homophobia has a legal basis in Nigeria, so you are always going to have a problem around it.

Q10 **Chris Bryant:** How do big corporations cope? For big international corporations that are based in Nigeria, presumably their corporate rules would apply internationally, so how do they make that sit?

Yasmin Belo-Osagie: I don't know. I think it would depend on whether or not the person had come out. That would then be a discussion about how many people in Nigeria who are gay are openly gay, as opposed to



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people who might be gay and actually still get married, still have families and still have a separate life. I don't know the extent to which people are coming out such that corporates are then feeling like, "Okay, well, this is something we need to deal with." I don't think I have seen any corporates who are themselves pushing to say, "Hey, come out if you want to." I think that is also because it doesn't really matter what you think as a corporate when the law of the land is the law of the land. Even if you then start encouraging employees to come out, what do you do when you have also put their safety at risk? You are just a corporate—there is only so much that you do to change and influence rules around this.

I don't know if the other two panellists have stuff to add.

Onyeka Akumah: I think you are spot-on, Yasmin. It is a very sensitive topic. It is one where we are careful because we operate in Nigeria and there are laws in Nigeria that treat this topic. We just have to operate by those laws.

I have worked in organisations like the British Council. I have worked in Deloitte. I have seen corporates apply their rules to what happens within the building, but they don't come out to say that, because, if you do, you are breaking the law of the land where you are operating. Everyone pretty much has to abide by the rules.

I don't see so much impact on the economy based on this fact. People go about their business. People are fair with people as they go about their business, irrespective of what their preferences are or what their lifestyles are like. I think that has not really been a major issue, in my own experience in the start-ups that I have worked with. It is something that one just really has to be careful about how we talk about it. I think Yasmin has done a great job talking to the point.

Q11 **Bob Seely:** What impact does the security situation have on the attractiveness of Nigeria and separate parts of the country as a place to establish a business?

Yasmin Belo-Osagie: I think the impact is there, right? At the end of the day, so much of investing in a country is about selling a story that gets people excited, and no one is excited about kids being kidnapped. There is a baseline that obviously it is not good, but I think it affects different industries slightly differently, depending on the extent of where most of the activities of that business happen.

If you have someone who is predominantly concerned with violence in the north, if you have a payment switch that is based in Lagos, most of the transaction volumes are probably going to be in major cities. It is not going to be as much of a concern for you.

I think if you are in other areas like mining, agriculture and things where people are located actually matters—if that is where the farmland is, and right now it is not secure, what do we do? If that is where the minerals are that we are needing to go and dig out of the ground and it is not safe—then you have a problem.



Yes, the issue of insecurity is headline problematic. People are excited to invest in a country when they feel like things are working. When people hear bad news, that does not get them excited about investing in a country. I think the industries that it affects are different depending on what those industries are and the extent to which those industries are affected by the headline violence that you get in Nigeria. I say the headline violence because most of what people hear about abroad would be what is going on in the north—they are not necessarily speaking too much about petty crime and so on.

- Q12 **Bob Seely:** Parking the issue of instability in the north, are there security issues that you worry about separately? Are these just the problems of living in a city anywhere in the world—crime, and getting mugged on the way home in the evenings—or are there separate security concerns, over and above the north?

Yasmin Belo-Osagie: Of course. I think when you live in a country with so much poverty, there are always going to be concerns around petty crime, robbery and all those sorts of things. That is just a fact of living in a place where there are a lot of people who do not have opportunities. Is it something that I think about? Most definitely. Is it something that has made me feel that I cannot live in Nigeria? Evidently not, but it is a concern.

- Q13 **Bob Seely:** The things that we are worried about—I have just been talking about security—are the sorts of things that outsiders might be talking about. Are these things that people in Nigeria are talking about to anything like the same extent? Are there other concerns that you would prioritise over the ones that we have been mentioning?

Yasmin Belo-Osagie: I will let some of the other panellists speak first, then I can go after them.

Bob Seely: Aisha, how do you feel about that?

Aisha Raheem-Bolarinwa: I live in Lagos, the most populous city, and yes, insecurity is definitely an issue. As Yasmin said, if you are in an area where there is so much poverty, of course these are things to be concerned about. It is just a city like London, where you could have random crimes, such as stabbings, here and there. Those things do happen, but it has not deterred me from wanting to continue building a business. It certainly has not deterred me from wanting to live here, because you know where not to go at night. You know that you should not drive on a road that is not well lit. It is about exercising common sense in terms of making sure that your day is going as per normal.

In terms of directly answering your question about people talking about the insecurity challenges, insecurity was definitely heightened during the End SARS debacle last year. There was lots of anger in the country, but things have certainly calmed down now. It is very much business as usual. At least in Lagos, there is a lot of heavy security presence. I was in Abuja a few weeks ago, where there was also a lot of heavy security presence trying to deter crime. I guess that is just the way things are, unless the



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economic situation improves and there is less unemployment. There is a high rate of youth unemployment in Nigeria at the moment. Addressing those sorts of things would help better address the security issues, but for now, it is something that people are continuing to manage.

Q14 **Bob Seely:** Onyeka, how do you feel about it?

Onyeka Akumah: When I had a start-up that focused on agriculture, we had half a million farmers in our network. The majority of those farmers were located in the northern part of Nigeria. There was an instance when I lost a couple of farmers to some of the insecurity issues in that part of the country. We immediately changed our risk analysis for that region, and we stopped investing. Even for us, as a local start-up, we stopped investing our resources in that part of the country, to avoid losing them to the insecurity in that area.

True to what Yasmin said, it depends on the industry. For us in the agriculture space, it was a no-no to invest, so it was a major concern. But if you ask me whether I feel that there are bigger issues beyond insecurity that should be tackled, there are two main things I will speak to. One is education, and the second is jobs. The more educated people are and the more skills they have, the more occupied they will be and the less impact the insecurity will have. The second thing is that the more jobs we continue to create for people, the more we get people out of poverty. If these two things are tackled properly in Nigeria, we would see significant progress. These are two things that I pay serious attention to. If we focused on them as much as we are focusing on security, we would see a tremendous impact—education creating jobs.

Yasmin Belo-Osagie: The only thing I would add to that as to things people speak a lot about, and that we haven't discussed yet, is infrastructure. We still do not have consistent power at a price that makes sense, more roads and the ports are really inefficient. Making sure you have the right infrastructure to move people and goods around the country is something people speak about a lot.

Bob Seely: Thank you.

Chair: Claudia, you wanted to come in.

Q15 **Claudia Webbe:** I want to come in on the security issue and food insecurity. I am interested in what the panellists say about this and how to respond to it, as it is obviously a significant problem in Nigeria. We are talking about a serious problem of food insecurity, with seven states—seven local government areas—in a critical state of malnutrition. Twenty-one further local government areas are in a serious state of malnutrition, and only 14, out of 61 local government areas, are in an acceptable state in terms of food security. That is major for Nigeria because it suggests that more than half of the population, and significantly many, many children—millions—are in a state of poverty.

Therefore, the wealth disparities in Nigeria concern me, and I am sure that people externally will be looking at the inequality and high levels of



unemployment. When the notion of investment comes into play in Nigeria, what would encourage outside countries to engage in a situation that only widens that level of insecurity, deepens the wealth inequality, and services entrepreneurs who are not going to affect the bottom line of food insecurity and tackle poverty? What would you say?

Aisha Raheem-Bolarinwa: The last part of your question suggests that all entrepreneurs are solving problems not for the bottom half but for the 1%. That is not necessarily the case. For instance, Farmz2U works with smallholder farmers who are typically of low-income status, so it is a question of what type of solution¹. The assumption that the investors are contributing to, or investing in, a business that is contributing to that inequality gap, again, is not a representation of what is happening on the ground. For instance, She Leads Africa, led by Yasmin, which I have experienced myself, went to the National Youth Service Corps to speak with recent graduates completing their mandatory one-year service to the Government after finishing university. They work with young people who may not have job opportunities and try to support them. That supports the bottom of the pyramid, so it depends on what type of business we are referring to.

Yes, food security is certainly a challenge that needs to be addressed. Food inflation has gone up significantly—the price of a tuber of yam has gone up times three in the last few months. So affordability obviously has gone down for a lot of people. That is certainly an issue, and the things that are related to that include the insecurity that some owners of farms are facing. I know in Benue state lots of the farmers we work with are unable to return to their farms because of militants and insecurity issues. But again, that is not necessarily representative of the entire region. Food inflation, on a global scale, has been an issue, given covid. It is something that is being experienced at global level, although of course it is accelerated in Nigeria, given the dynamics of the challenges in northern Nigeria, where most of the farmlands are.

Those are my quick observations or responses to what you said. I think that the way to address these challenges is by better co-ordinating production, because whilst there are food security issues, that does not necessarily mean production is not happening. A significant percentage of the foods grown on the farms is actually wasted. During the height of covid last year, lots of our farmers lost the ability to sell to the market easily; there are logistic issues. It's not necessarily about production; a number of different challenges are contributing to this issue. Those are my responses; I don't know whether my colleagues want to add anything else.

Q16 **Claudia Webbe:** Can I just check something in your response? How many of those local government organisations are you working with?

Aisha Raheem-Bolarinwa: Do you mean generally—local government areas that we are working in?

¹ Note from witness: When saying "it is a question of what type of solution", I meant to say "it is a question of what type of solution is a business building".



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Q17 **Claudia Webbe:** Well, in those local government areas—well over two thirds of local government areas—where food insecurity is a problem; there are seven where it is critical. Of those ones where it is a problem—whether it is critical or severe, or there is an alert—how many are you working with?

Aisha Raheem-Bolarinwa: Is the data you are referring to something that has been done by the UK Government—

Q18 **Claudia Webbe:** There are only 14 local government areas in Nigeria where food security is at an acceptable level. That means that two thirds are having problems. When you are working on the ground and recognising the problem of food insecurity, recognising the levels of malnutrition, and recognising the impact this has on children growing up in Nigeria—notwithstanding all the other issues and concerns around security—to what extent are you therefore, in terms of the development of your entrepreneurship, working with those local government organisations? In what ways have you reached out to them so that perhaps your model can benefit the majority?

Aisha Raheem-Bolarinwa: I'll describe how we currently work. We are based in some south-west states. That's Lagos, Ogun and Oyo. We are based in some northern states, like Kano. We are working with some farmers in Niger state as well. We work with several local government areas. You have the state and then you have the local government and the LCDAs under state level. I'm not sure what report you are referring to specifically—*[Inaudible.]*

Yasmin Belo-Osagie: Do you mind if I just clarify something? The question was: given that there is food insecurity, why should investors—*[Inaudible.]*

Claudia Webbe: Sorry, there was a clash of sound there. We lost you completely, Aisha, and Yasmin was coming in just to clarify the question. Sorry, Yasmin.

Yasmin Belo-Osagie: Yes, I just wanted to clarify it. Your point was that there is food insecurity in Nigeria, so why should people invest in Nigeria? Was that the question?

Q19 **Claudia Webbe:** No, no, no. In my view, any country looking at the situation in Nigeria will want to ensure that any engagement does not widen wealth inequalities or cause further damage in terms of food insecurities, but they invest to benefit the majority. The question therefore is, given the levels of insecurity—I have highlighted food insecurity in Nigeria in particular because I think most people would agree that it is so stark—obviously we do not want to run away from the problem; we want to address the problem. You have local government bodies, regions and authorities. To what extent are you, as entrepreneurs, working with those bodies and organisations to see to what extent the offer that you have can benefit the whole and the majority, particularly in those regions where malnutrition is acute?



Yasmin Belo-Osagie: I think that all of us are in businesses that are somewhat social, but I struggle sometimes a little with the idea that every single African who is building a business needs to in some way also be a social actor, if that makes sense, and we are the ones who have to engage Government. I do not really think that that responsibility is placed on us. When Mark Zuckerberg started Facebook, I do not think that anyone was putting on him the responsibility to reduce inequality. It was just, "Go out and make money," which is what businesses do. When I think about investment, people who are coming to the continent, or to Nigeria specifically, should be coming with the idea that these are places where they are coming to make money. At the end of the day, we operate in a capitalist system, and that is what investors are seeking.

Where I think we need to do, or can do, a better job is in making sure that we also have an active civil society, for example, and NGOs and social people who are doing that work, but it is a tall order to ask all entrepreneurs on the continent to take that upon themselves. You can only solve so many problems at once, so I sometimes struggle to see how that can be done effectively. If a Government want to do stuff on social work around food insecurity, they should do that. They should invest in businesses that focus on that issue. They should invest in the social sector that is focusing on that, but to me, when it comes to connecting an entrepreneur who is doing something here, and I am investing in them, I just think that there are only so many problems that one can solve with investments. Let businesses do what they can do, but social and civil society also needs to do what it can. Business cannot do everything.

Claudia Webbe: Okay. I think we have lost somebody.

Q20 **Chair:** Yes, we have lost Onyeka. We are losing a bit of time. You have been extremely generous in staying on so late. The last point that I was going to ask, briefly, is simply what more Britain can do to help. What are the areas where you think the UK has a skill or any particular assistance that it can offer Nigerian start-ups and entrepreneurs?

Yasmin Belo-Osagie: There is a lot of work that can be done around skills development, and there are a lot of different and interesting ways in which you can cut that up, whether it is all the way from funding programmes that train people, or whether it is around building relationships, for example, with people here and people in the skilled sector in other areas. There is a lot of work that can be done there. Depending on how hands on people want it to be, it can be done in different ways.

A second big one is providing funding. I do not think that it needs to be all grant funding. I know that sometimes when CDC, for example, has invested in private equity companies, it has invested in venture capital companies—local ones—that will then invest in local entrepreneurs. There is a lot of work that can be done there. So much money is needed in the technology ecosystem—in all ecosystems, to be honest. A lot of work can be done there.



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The third thing is around sharing regulatory best practices. I definitely know and understand the ways in which start-ups in Nigeria can be very frustrated with regulators in Nigeria. I think a lot of the time there is concern that it is almost as if they are working with malicious intent. That may well be true sometimes. Often it is because we have overwhelmed regulators. You have spaces where things are moving very quickly and people might not, for example, understand certain things. Especially when you start thinking about bitcoin and crypto, I think that that was a lot of the issue driving it.

To the extent that we are able to get best practices and frameworks around how you regulate certain things, it means that the types of industry groups, for example, that I just spoke about actually have solutions on the table, so you are not just lobbying Government in an absence. You are actually saying, "Here are a couple of best practices that we might want to borrow from as a country." Helping us think through how we shape the regulatory environment in a way that actually promotes business is also an area where things can be done—so it is skills, funding and regulatory best practices for me.

Aisha Raheem-Bolarinwa: I will talk initially from my personal experience about some of the things that really helped in building a business. The UK-Nigeria Tech Hub recently ran a programme where two interns were with us for three months and they were funded by the UK Government. We actually kept one on. That was super-helpful. This was before getting funding and we were able to get skills in-house. It was a two-way street in the sense that we were able to get people to work with us, but we were also able to create a job at the end of the process. I think schemes like that are quite helpful.

Something else is the FCDO. I know that, given budget cuts, the team size has shrunk, but the work that it does is very important in terms of supporting growing businesses, building the relationship between the UK and Nigeria, and creating opportunities around the Commonwealth as well. Those sorts of relationships are super-helpful, particularly leveraging opportunities given lower trade within—*[Inaudible.]*—the European Union, and trying to see how Nigeria, as a Commonwealth country, could trade even more with the UK. Those are two things that I certainly benefited from, and that could be scaled to improve the situation in Nigeria through Britain's help.

Chair: Forgive me, the line keeps coming and going. I think I am going to leave it there. Your insights have been extremely valuable, and I am extremely grateful for all that you have done. May I add personal thanks for your entrepreneurialism and sense of adventure in starting businesses anywhere in the world? You have done an amazing job. Giving opportunities to many people is a fantastic achievement. Thank you very much indeed for speaking to us. I am extremely grateful for your insights and your time.