

Written evidence submitted by Ervine S. Okuboh (IRN0011)

Introduction

I am Ervine Sylvester Okuboh, a UK-Nigerian national, semi-retired, London based economic development practitioner. Born in Liverpool UK, of Nigerian-Barbados parentage, I am the son of the late Chief Martin Okuboh, from Esanma, Delta State, Nigeria, a Nigerian-British national. Both my parents lived and worked in Liverpool from 1950 until my father passed away in 2008. My mother has since retired to Barbados.

I worked in the diplomatic service for the Nigeria High Commission in Liverpool, as an information and consular officer from 1975 till 1984. Subsequently, I embarked on a career in the economic development sector and became one of the UK's first enterprise agency directors in the United Kingdom. Since 1989 I have also held many senior managerial positions within UK local, regional and central government departments, for urban regeneration projects managed and funded by various local authority, regional government and central Government departments including the Departments of Environment, Business Enterprise and Regulatory Skills (BERR), delivering over £12.3 billion worth of regeneration programmes in Liverpool, Manchester, Leeds and London.

During my career I successfully led numerous UK companies through start up to business growth and skills development at the forefront of the UK's largest business, skills and economic regeneration programmes over the aforementioned 30 years. In addition, I have undertaken major consultancy and business development programmes in Nigeria, Barbados USA and Jamaica, bringing trade and investment to these regions.

As a member of the Nigeria diaspora community, I am therefore passionate about the possibility of the UK and Nigeria forging a long lasting political and economic partnership/relationship, which will provide commensurate benefits for the nationals of both countries, hence the reason for this submission. Such benefits would include the establishment and sustainability of new jobs and the consolidation of existing jobs. Targeted and focussed investment and stable economies for both countries.

Evidence

1.0.What are the emerging opportunities for aid and investment in the science and technology sectors in Nigeria ?

TECHNOLOGY

Fintech

1.1.Nigeria has a burgeoning and swift growing financial technology services market (fintech). It is liberally noted that today up to 40% of Nigeria's population of 200 million people, do not possess a bank account, or have/maintain direct access to banking facilities. This is a stark reality.

1.2.The development of the fintech industry has been a beacon of light in the currently beleaguered Nigerian economy, even allowing for the COVID-19 pandemic. The sector has grown exponentially, as innovative companies react to the huge demands of clients increased technology penetration in the mainstream banking industry.

1.3.Nigeria offers significant opportunities for fintechs across the consumer spectrum, notably within the small and medium-sized enterprise (SME) and affluent segments and also in the mass-market segment

1.4.Fintech companies have led with innovation in product development, designing useful, convenient and affordable financial products and services for millions of Nigerians. From 2018 to 2021, fintech investments in Nigeria have spiralled by nearly 200% percent, the majority of which have been foreign investments.

1.5.It is envisaged that economic growth will stem from massive revenue growth, thereby attracting further foreign direct investment to the country, although fintech development in Nigeria is still at an early stage. This is exemplified by the fact that investment into the Nigeria fintech sector was \$460 million in 2019, which was effectively miniscule, compared to \$36 billion invested in the industry on a worldwide basis.

1.6.Chances therefore exist for those who can find ways to deliver new and better services to the underserved and unbanked. Nigeria still faces a significant challenge, since more than 40 percent of the country's population of around 200 million people are still without a bank account.

Renewable Energy

1.7. Off-grid (or stand-alone) applications are typically used where there is no electric grid or when the cost of connecting to the grid is high. Applications are normally smaller than other operational types and are often used for small-scale projects in rural regions, as a solution in emerging economies, as well as for residential households willing to disconnect from the grid (usually not the most economic or efficient option)

1.8. Off-grid renewable energy facilities offer rapidly deployable, reliable and often the most sustainable option to address the need for energy access. They often efficiently increase the resilience of energy systems, improve energy security, empower communities, reduce local and regional CO₂ emissions and enable energy price decreases. Due to its modular and distributed nature, solar PV can be adapted to a wide range of off-grid applications and to local conditions, ranging from lanterns to household systems to village-powering mini-grids.

- Nigeria has the largest economy in Sub-Saharan Africa (GDP of £286 billion), has 206 million people, and a burgeoning-diverse economy.
- A significant amount of the economy is powered largely by small-scale generators (10–15 GW) and almost 50% of the population have limited or no access to the main power grid.
- Nigerian consumers and businesses spend almost £9.8 billion annually on inefficient, unreliable power generation, which is not cost effective, £ 0.28/kWh, of poor quality, noisy, and polluting energy
- Developing off-grid alternatives to complement the grid creates a £6.4billion/year market opportunity for mini-grids and solar home systems, which will save £3.1 billion/year for Nigerian homes and businesses.

- Achieving off-grid solutions to scale and commercial viability in Nigeria will unlock an enormous market opportunity in Sub-Saharan Africa, across 350 million people in countries with smaller demand and/or less-robust economies.
- The Rural Electrification Agency (REA), tasked with developing the Nigerian off-grid power market, has created the Off-Grid Electrification Strategy, which is part of the Power Sector Recovery Programme (PSRP).
- There are 19 licensed mobile money service providers, comprising of banks and non-banks, in Nigeria. Despite having the highest number of mobile money service providers in the world, there are just under 13 million mobile money accounts, which compared to the total population of 200 million people, is relatively small

1.9. Regular and sustainable energy for all is therefore crucial if Nigeria is going to achieve its projected economic growth, power its industries and embark on a major programme of infrastructure redevelopment. *The UK can and should play a significant part in this regenerative task by providing direct investment to local energy providers*

2.0.SCIENCE

2.1.Nigeria is blessed with huge bioresources across all ecological regions, including, rainforests, savannah and mangrove/swamp. However these natural resources are not being effectively utilised. Nigeria uses the new Information Technology (IT) domain of bioinformatics to drive the growth and development of modern biotechnology in the country, however this function requires effective investment and management.

2.2.In a ten year period, the Nigeria National Office for Technology Acquisition and Promotion (NOTAP) (responsible agency for Tech transfers) facilitated 1237 technology transfer agreements in Nigeria, however none of these agreements was in the biotechnology industry. The UK government should consider promoting/implementing direct investment into the Nigeria biotechnology sector, preferably through a private sector platform, in order to plug the underfunding of the biotech industry.

2.3.Previous public sector investment in the industry were inadequate if vaccines are to be produced or if pharmaceuticals can achieve commercial value, given that the cost of vaccine production from pre-clinical level to final development is usually around £215 million pounds.

2.4.Currently, Nigeria has twenty-five bioresources centres, set up to discover and nurture natural resources for biotech research and development. Over the years the absence of a concerted investment drive has triggered only a few international investments in these centres. *This level of investment is viewed as disparate and UK government-institutional investment could fill this gap, thereby providing the opportunity for Nigeria to become a serious player in the biotechnology field and justify any investment by UK Government or investors.*

3.0. How should and is the FCDO encourage investment in these sectors, including in small and medium sized enterprises ?

3.1. FCDO should encourage investment into these sectors by showcasing current activities in the sectors. Such showcasing should include investor-investee events, linking-introducing corporate bodies and SME companies for direct engagement.

3.2. The FCDO may wish to consider investment in these sectors in a new and innovative way. Previous interactions through long standing networks and various public sector sources have yielded limited returns. *Direct investment to individual companies may prove to be more beneficial.* Selection could be implemented via a competitive selection process involving UK institutional financial/corporate bodies in partnership with local Nigerian chambers of commerce. This would ensure that there is a fair, open and transparent process in place, when selecting companies for investment.

3.3. Direct Investment

3.4. Investment from UK Government direct to Nigerian SME companies in the respective industries or via British corporate companies, based in Nigeria. Key features to consider are as follows ;-

- Develop and nurture entrepreneurs in the biotechnology centre
- The ability to pool and mine unconventional data to create new scoring and evaluation algorithms will be central to unlocking the next wave of innovation and investment
- Business models in financial services will be data-driven as the Nigerian fintech sector continually evolves
- Fintechs partner with larger-private sector bodies (banks-financial institutions) to provide digital solutions to customers

4.0. What opportunities and challenges do the UK's historic links with Nigeria pose, when considering the future partnership between the two countries ?

4.1. Set out below are some of the key issues which highlight the opportunities and challenges which prevail in the 21st century relationship between the UK and Nigeria.

Opportunities

- Develop educational partnerships in the biosciences sector
- Transfer of technology
- Business opportunities in numerous sectors (renewable energy, technology, science, agriculture, sports development)

Challenges

- Meeting the economic and educational aspirations of young Nigerians
- Security within Nigeria
- The UK perception of Nigeria
- Return of Nigerian artefacts and treasured arts

5.0. By what mechanisms could the UK Government support trade and private sector development in Nigeria and stimulate investment

Structures

5.1. In the mid-late 1980s the UK government's Department of Trade and Industry designed a pilot programme to promote trade between the UK and its Commonwealth member states.

5.2. This programme was established to provide support to African-Caribbean diaspora owned businesses, who needed to enter mainstream international trade. In simple terms the programme tried to assist these businesses to become major importers and exporters of goods, to and from their native countries.

The specific help included ;-

- *Business planning*
- *Trade regulations*
- *Access to finance*
- *Trade tariffs*
- *Import and export documentation and administration*

5.3.The objectives were laudable, however the depth and capacity of African and Caribbean owned businesses in the UK had not yet reached the level where they were able (financially-operationally) to compete competitively in the international trade sector

5.4.Three decades later, the sons and daughters of the 1980's entrepreneurs are more economically active, operate more competitive businesses and have a greater understanding and knowledge of international trade. *This programme could be resurrected and targeted at UK based Nigeria diaspora companies as a pilot programme.*

5.5.Knowledge Transfer

5.6.Numerous knowledge transfer projects have been set up in Nigeria to establish innovation in knowledge centres throughout the country, however tangible results have yet to be achieved. Coordination and transfer of knowledge is a key tenet of economic growth, which leads to economic competitiveness, business growth and sustainable development.

5.7.The reasons for palpable results can be attributed to limited funding for research, unclear policy. This is exemplified by the level of Nigeria's Gross Expenditure on Research and Development (GERD), which is paltry compared to other countries.

5.8.Nigeria needs to increase its research and development activities in order for it to remain competitive in the global market, especially when competing against other developing nations. *FCDO could broker UK Government investment in research and development, in partnership with Nigerian educational and professional institutions, given that research and development is crucial to knowledge transfer and technological development.*

5.9.Regulatory Coordination

5.10.*UK Government to advise on streamlined regulation, in order to assist and effect direct and meaningful engagements between Small and Medium Enterprises (SMEs) and Nigerian regulatory agencies.* Nigerian based SMEs and indeed many overseas companies, face a plethora of regulation when doing business in Nigeria.

5.11.For example in the electrification sector, any company delivering electricity services (of any description) will be required to adhere to the regulations of more than half a dozen regulatory bodies, some of whom duplicate their functions. *The UK Government could offer/provide a blueprint to streamline such regulation and ensure that irrelevant bureaucracy is ameliorated.*

5.12.Policy

- Develop awareness programme for members on latest development in science and technology.
- Advise Nigeria on strategies for the framework of developing major infrastructure projects/programmes, using UK Department of Treasury's Green Book example, which is being successfully adopted in other developing countries.
- Advise the council on matters of appropriate technology.
- Interface with relevant public sector agencies to promote indigenous technology development and adaptation

6.0. How should the FCDO take account of and mitigate potential inhibiting factors to investment (such as corruption, security, human rights abuses) ?

6.1. FCDO recommend an upgrade of existing programmes currently prevailing, which seek to eradicate corruption, security, and human rights issues in Nigeria. *UK should consider providing dedicated high level military training in counter terrorism, counter insurgency, intelligence, logistics, ordnance, surveillance, systems, equipment, training and conditioning of operatives,* should all be provided to enable the Nigerian authorities to meet the constant challenge of terror groups/bandits who operate in various parts of the country. Such investment would protect both UK and Nigerian interests and assets.

7.0. Which states may be strategic partners and competitors in the UK's policy towards Nigeria and how should the FCDO respond ?

7.1. Whilst there are undoubtedly investment opportunities in all states, the UK should initially (on a phased basis) formulate strategic development partnerships with the following states using the following criteria;-

- Infrastructure in each state
- Investment opportunities
- Security
- Economic and urban planning

7.2. Lagos State.

The commercial capital of Nigeria, the gateway to inward investment and cutting edge technology and digitisation.

7.3. Bayelsa State

A growing region, requiring precise and strategic handling of its natural resources

7.4. Delta State

A growing region, requiring precise and strategic handling of its natural resources

7.5. Rivers State

The energy capital, requiring improved security, stability and urban redevelopment

8.0.How should the UK engage with the USA, China, Commonwealth and the African Union ?

8.1.USA

The UK already has a relationship with USA which is centuries old. UK's relationship with Nigeria has a marked difference from USA's relationship with Nigeria. The UK's relationship with the USA traverses several boundaries and issues, including, geo-political issues, regional politics, global issues, trade, finance and many other socio-economic matters. The myriad of interests and mutuality will not change overnight, so it is unlikely to affect UK's relationship with Nigeria.

8.2.China

The UK should continue to work with China on issues where there is mutuality and joint participation. Given the divergent interests of sovereign nations in an evolving political world it is impossible for the major countries to have even tacit agreements at all times. Where the UK and China differ on issues, both countries should look to adopt policies to mitigate risk and conflict. China's growing influence and presence in Africa has been met with misgivings in several African countries, including Nigeria. The UK's somewhat brittle foreign policy strategy in Nigeria and Africa as a whole, has enabled the current situation with China to arise and prevail.

8.3.Commonwealth

The UK should strengthen its links with the Commonwealth beyond aid and educational partnerships. Economic links between the Commonwealth and the UK should be strengthened and the UK should use its historical links to foster business-trade opportunities as well as political considerations, especially in the light of the UK's recent withdrawal from the European Union. *The FCDO may also wish to reconsider how it promotes the Commonwealth to the wider British indigenous population, both in words and actions.*

8.4.Analysis of comments from some indigenous British nationals suggest that they see the Commonwealth as primarily the UK, Australia, Canada and New Zealand. The UK's current trade deals post Brexit also appears to mirror this view point.

9.0.African Union

9.1.The UK should forge closer political links with the African Union for the simple reason that the African continent will have a considerable role in shaping global events and activities during the next fifty to one hundred years. This is particularly pertinent given the demographic make up of Africa over the next 20-50 years, where the African continent will produce millions of new sustainable jobs, operated by the youngest populations of any region on the planet.

10.0.Conclusion

10.1.The UK should reset its strategy for Nigeria and look at the strengthening of the on-going relationship as a major opportunity, which can bring enormous and innumerable benefits for both countries, over a sustained period.

10.2.The UK Government should engage directly with all sections from the Nigerian communities including, children, parents, youths, education practitioners, health professionals, finance professionals, entrepreneurs. This is to ensure that past mistakes are not repeated where previously, UK politicians engaged with Nigerian authorities, without Nigerian diaspora representatives present, which did not augur well for future relationships.

10.3.The UK's future investment in Nigeria also has positive implications for job creation and job retention in various UK sectors, most notably in science, technology energy, construction and engineering.

10.4.A vibrant and bold strategy by the UK to solidify its links with Nigeria can and will bring numerous socio-economic benefits to the residents of both countries in the foreseeable future.

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