

Written evidence submitted by Mr Justin Moore (IRN0024)

Implementing the Integrated Review in Nigeria

Better data is needed to support a coherent approach across government

Key points

- There are a number of objectives in the Integrated Review (IR) which are relevant to the UK's relationship with Nigeria. These include defending human rights, effective and transparent governance, tackling economic crime and illicit finance, creating stronger trade and investment partners for the future.
- Government needs to use all levers at its disposal in order to make progress on these objectives. These levers are the responsibility of departments and agencies across government, not only FCDO, and therefore **a coherent cross government approach is needed**.
- The **positive outcomes from the UK's aid to Nigeria risk being outweighed by harm from the UK's other interactions with Nigeria**, including illicit financial flows routed via UK financial institutions, and from the activities of UK companies and their subsidiaries.
- **A coherent approach, and scrutiny of progress, is however hampered by the lack of data on the UK's interactions with Nigeria**. For example, we do not know the full extent of arms exports to Nigeria, the scale of suspicious transactions to/from Nigeria being flagged by UK financial institutions, and progress on returning stolen assets to Nigeria, following a 2016 agreement, was only reported in March 2021.
- **Recommendations: To support progress on the UK's goals towards Nigeria, Government should:**
 - **Review the data it needs to fully understand and monitor the UK's holistic relationship with Nigeria**
 - **Establish Key Performance Indicators (KPIs) to track progress towards its goals**
 - **Annually report against these KPIs**The government has already taken this approach to another of its key policy objectives – improving the environment - and therefore should be able to apply it to its foreign policy goals.

Introduction

1. I'm a policy analyst with over 18 years' experience and run Development Monitor, an initiative to promote better data about the UK's interactions with developing countries. I publish a dashboard of major financial flows between the UK and developing countries, and research how improved data can support more effective and coherent policies.

Coherent action is needed across government

2. Coherent policies and effective implementation of policy across government are needed in order for the UK to make progress on its objectives towards Nigeria. The importance of coherent action is illustrated by the following examples.

Tackling biodiversity loss, defending human rights

3. Although the activities of UK companies can make a positive economic contribution to Nigeria, there is also a risk that they undermine UK objectives to tackle biodiversity loss and defend human rights.
4. Prominent examples are oil spills by the Nigerian subsidiary of UK-listed Shell which have had a disastrous environmental impact on the Niger Delta. Cleaning up the area will cost at least \$1bn and take up to 30 years, according to a United Nations reportⁱ. Oil pollution contributesⁱⁱ to habitat destruction and biodiversity loss and has led to serious human rights impactsⁱⁱⁱ, on people's health and ability to access food and clean water.
5. Shell's subsidiary accepted^{iv} that the oil spills in 2008 resulted from the failure of old and poorly maintained pipelines. However, so far only 11% of the total area contaminated is being cleaned, according to a report^v by NGOs. In addition, communities affected by oil spills have for years sought legal redress in UK courts. Shell has tried to block these, disputing whether it can be held responsible for its Nigeria subsidiary. Nonetheless, a recent supreme court judgement says it can.^v
6. The UK's current approach to such issues is to promote (via a unit^{vi} in the Department for International Trade) voluntary OECD Guidelines for Multinational Enterprises for responsible business conduct. It does not assess the level of compliance or awareness of these guidelines. Systematic monitoring of awareness was recommended by a 2019 OECD peer review^{vii} of the UK but has not yet been implemented.
7. The effectiveness of voluntary guidelines has been challenged by the Corporate Justice Coalition who are calling for^{viii} a "failure to prevent" mechanism for corporate abuses, which would incentivise companies to take action to prevent abuse from happening, and hold companies accountable if they failed to do so.

Tackling economic crime and illicit finance

8. The FCDO recognises^{ix} that the Nigerian government struggles with corruption and says it will support it in tackling corruption. Yet significant amounts of corrupt Nigeria money have passed through the UK. For example:
 - Documents filed in a major corruption case^x show that JP Morgan Chase Bank transferred over \$800 million of Nigerian government funds in 2011 and 2013 from a London account to a company controlled by a former Nigerian oil minister who had been convicted of money laundering. The bank says that it 'received consent' from the Serious Organised Crime Agency before making the payments.
 - At the 2016 anti-corruption conference hosted in London, Nigeria's president called for the return of assets^{xi} which had been taken out of Nigeria via London. His anti-corruption chief said they suspected at least \$37bn (£25.6bn) in stolen money from Nigeria was routed through London during 2014-2015.
9. Following the anti-corruption conference, in September 2016, the UK signed an agreement with Nigeria^{xii} on returning stolen criminal assets to Nigeria. As of March 2021, the only stolen money to be returned^{xiii} under this agreement was £4.2 million, less than 0.02% of the total sum that Nigeria suspected had been stolen.

Good work done by UK aid can be undermined by other UK activities

10. UK aid has benefited millions of people in Nigeria over the last few years, bringing better education, sanitation and nutrition.^{xiv} However, the UK’s other interactions with Nigeria, like the examples discussed above, can sometimes work against the benefits that our aid spending brings. The table below compares UK aid to other UK impacts, drawing on the examples above.

Year	UK bilateral aid to Nigeria	Other UK impacts
2008	£110 million	Shell oil spill devastates environment. Clean-up costs: >\$1 billion (>£600m)
2011	£186 million	Allegedly corrupt transfer facilitated by UK bank: \$800 million (£500m)
2014-2015	£500 million	Nigeria estimate of money laundered through UK: \$37 billion (£25.6bn)

Better data on the UK’s interactions with Nigeria is needed to support progress

11. For the UK to be more coherent in its relations with Nigeria, and more effective in progressing the IR’s objectives, it needs better data about the impact and effectiveness of its policies. Making this data available openly will also support accountability by allowing Parliament, the media and the public to understand what government is doing. Conversely, data gaps mean that poor policies and poor policy implementation, potentially working against the UK’s aims, can go unnoticed, and opportunities for advancing the UK’s aims may be missed.

12. Three specific examples which are important for the UK’s relationship with Nigeria:

- **Arms Exports.** There were 26 unlimited-value “open” licences UK export licences approved for military goods to Nigeria since 2015.^{xv} However, the Export Control Joint Unit of the UK Department for International Trade does not collect or publish information on how much has been actually shipped under these unlimited open licences. Therefore, we do not know the full extent of UK arms exports to Nigeria.^{xvi}
- **Money laundering: Suspicious Activity Reporting.** Suspicious Activity Reporting (SAR) statistics published by the National Crime Agency (NCA) are not broken down by country and omit the aggregate value of transactions. This means we do not know the risks and scale of illicit finance entering the UK from Nigeria. Better data would also help law enforcement agencies target their resources and effort appropriately.
- **Stolen Asset recovery.** There is no regular reporting on the return of stolen assets to overseas origins. As noted above, in 2016 the UK agreed to help return stolen funds to Nigeria, but there had been no updates on progress until March 2021.

13. There are likely to be many other opportunities to improve data in support of the UK’s policy towards Nigeria, for example better data on the economic and social contribution of UK companies operating in Nigeria.

Recommendations

14. To support progress on the UK’s goals for Nigeria, Government should:

- Start by auditing the data necessary to fully understand and monitor **the UK’s holistic relationship with Nigeria.**
- Consult on and establish a set of **cross government Key Performance Indicators**, drawing on relevant data, to monitor progress towards its objectives for Nigeria.

- **Annually report** on these KPIs, so that the public and Parliament are able to effectively scrutinise performance.
15. The Government has already taken this approach to the UK's environmental performance and progress against its 25 year Environment Plan. Improving the environment is another major policy aim where the impact of the UK's efforts are complex and where a coherent cross-government approach is needed to realise the UK's ambitions. If the Government is willing and able to take this approach to its environmental objectives then it should also apply to its foreign policy objectives.

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Notes

- ⁱ [U.N. slams Shell as Nigeria needs biggest ever oil clean-up](#) (Reuters, 2011)
- ⁱⁱ [A review of the threat of oil exploitation to mangrove ecosystem: Insights from Niger Delta, Nigeria](#) (Global Ecology and Conservation, June 2020)
- ⁱⁱⁱ [Nigeria: Shell still failing to clean up pollution in Niger Delta](#) (Amnesty International UK, June 2020)
- ^{iv} [Leigh Day](#) - Oil Spills on the Niger Delta
- ^v [Nigerians can bring claims against Shell in UK, supreme court rules](#) (The Guardian, 2021)
- ^{vi} The [UK National Contact Point](#) is responsible for promoting the OECD guidelines for multinational enterprises on responsible business conduct and for operating the complaints mechanism set out in the guidelines.
- ^{vii} OECD Guidelines for Multinational Enterprises - [UK Contact Point Peer Review](#), Recommendation 2.2 (OECD, 2019)
- ^{viii} Companies would have to take action to prevent human rights abuses and environmental harm in, or arising from, their global products, services, operations, investments, and value chain – through carrying out human rights and environmental due diligence. They could be held liable in a UK court for harm, loss and damage arising from their failure to prevent harmful impacts. ([Corporate Justice Coalition](#), Dec 2020)
- ^{ix} [FCDO Profile of development work: Nigeria](#)
- ^x [JP Morgan says it knew ex-minister linked to firm in Nigeria oilfield deal](#) (Reuters, April 2018)
- ^{xi} [Nigeria not seeking a Cameron apology, but 'wants its assets back'](#). President Buhari said he would rather have some of the billions stolen from his country returned than an apology for 'fantastically corrupt' comments (The Guardian, May 2016)
- ^{xii} [Immigration Minister signs agreement with Nigeria on returning stolen criminal assets](#). Criminal assets stolen in Nigeria and seized in the UK are to be returned to the West African country through a new agreement (Gov.uk, September 2016)
- ^{xiii} [UK to send millions of pounds recovered from corrupt officials back to Nigeria](#) (gov.uk, March 2021)
- ^{xiv} Benefits of UK aid to Nigeria from [Development Tracker](#)
- ^{xv} Data extracted from [Campaign Against Arms Trade database](#) in June 2021, which in turn is based on the quarterly reports of the UK Export Control Joint Unit
- ^{xvi} This issue has also been flagged by myself and several experts witnesses to the Committees on Arms Export Controls [inquiry into UK arms exports in 2019](#)