

# International Development Secretary Alok Sharma visit Nigeria in first overseas trip

International Development Secretary Alok Sharma visited Nigeria in his first overseas trip in the role to see how UK aid is helping to generate trade and investment opportunities – both for African and British businesses.

Nigeria is Africa's largest economy and during the two-day trip, which concluded on Friday 2 August, Mr Sharma met the country's Vice President Yemi Osinbajo as well as Nigerian and British business leaders.

They discussed the billions of pounds worth of opportunities for UK trade and investment ahead of the UK-Africa Investment Summit, which is due to take place in London next year.

Mr Sharma also visited the Viathan Independent Power Plant in Lagos – supported by UK aid – which provides power for street lights, schools, hospitals and public buildings, that are critical for Nigerians to access healthcare, education and employment.

He also went to Kaduna in northern Nigeria where he visited a primary school to see how UK aid is helping children receive at least 12 years of quality education.

The programme includes training teachers to deliver core subjects like English, maths and science, as well as improving school enrolment and attendance.

By 2050, 1 in 10 children will be born in Nigeria and the country needs more than 3.9 million new jobs every year to keep pace with population growth.

Since 2015, UK aid has helped 360,000 children gain a decent education in Nigeria which will in turn help them find jobs and boost incomes.

## **International Development Secretary Alok Sharma said:**

“On my first overseas trip as International Development Secretary to Nigeria, I saw first-hand Africa's potential and am excited at the prospect of helping to develop this further at next year's UK-Africa Investment Summit in London.

“I saw how a power plant, part-funded by UK aid, is lighting up schools and hospitals, creating jobs and supporting economic growth. This is lifting people out of poverty and helping to grow Britain's trading partners of the future.

“A prosperous, growing and trading Nigeria is firmly in the UK's interests and our relationship will continue to thrive as we leave the EU.”

This visit comes ahead of the UK-Africa Investment Summit – which is being co-ordinated by the Department for International Development, the Foreign and Commonwealth Office and the Department for International Trade – which is due to take place in London in January 2020.

The UK-Africa Investment Summit will bring together businesses, governments and international organisations to strengthen the partnership between the UK and Africa and help generate billions of pounds of opportunities for both British and African businesses.

The UK aims to be the biggest G7 investor in Africa by 2022 and is supporting Nigeria's economic development through specialist expertise and financial products such as bonds.

The UK is looking to provide £1 million through a new partnership with the Private Infrastructure Development Group (PIDG) to give countries like Nigeria the expertise they need to develop such local currency bonds.

Nigeria could, through these bonds, raise the finance it needs to invest in infrastructure and create jobs. Working through the London Stock Exchange and GuarantCo, it could borrow in Nigerian naira – its own currency – without taking on the significant risk associated with borrowing in foreign currencies such as US Dollars.

This would build on the success of India's Masala Bond market in London. Mr Sharma was part of the team that helped develop the Masala bond market in London in his previous role as the Prime Minister's Infrastructure Envoy to India. This allowed India to raise finance on the London Stock Exchange and invest in infrastructure and create jobs.

The UK will also support the Nigerian Government to introduce key economic policies through a new £3.5 million Champions of Change initiative. This will provide UK expertise to the Nigerian Government, so they can deliver better public services, help reduce poverty and ensure economic growth is for everyone.

In addition, UK aid is working on boosting future UK-Nigeria trading relations. For example, UK aid is supporting a new programme with the Nigeria Export Promotion Council to diversify Nigeria's exports, help non-oil exporters comply with British standards and encourage British and Nigerian traders to work more closely together.

From 2015 to 2018, UK aid to Nigeria has helped:

- 3.5 million people to receive sustainable access to clean water and sanitation;
- 10.3 million children under five, adolescent girls and women to receive food and nutrition;

- An extra 350,000 women and girls to access modern methods of family planning.

## Notes to editors

- The International Development Secretary also met the Governor of Lagos Babajide Sanwo-Olu and the Governor of Kaduna Nasir Ahmad el-Rufai on his trip. They discussed, among other matters, next year's UK-Africa Investment Summit.

## Viathan Independent Power plant

- UK aid has provided experts through Nigeria's Infrastructure Advisory Facility and financial support through CDC, the UK's development finance institution fully owned by DFID, to help develop the power plant which is lifting Nigerians out of poverty. CDC's initial 2015 investment helped catalyse the growth of the company and bring in other investors.

## Local currency bonds

- The UK has already successfully established a market for 'Masala Bonds', which allows Indian firms to raise finance in rupees via the London Stock Exchange, and now intends to do the same for a range of African currencies, including Nigerian naira. This will allow African countries to raise the international finance they need to invest in infrastructure and job creation, without taking on the significant risk associated with borrowing in foreign currencies such as US Dollars. The UK is the largest supporter to the PIDG.

## British expertise

- The new Champions of Change programme will provide direct technical knowledge and experts to the Federal Government of Nigeria, its agencies and independent regulators in key economic sectors. This will enhance technical expertise within the public sector with the aim of better delivery of public services that contribute to inclusive growth and poverty reduction. It will identify and work with 'champions of change' in the Nigerian public sector and support them to drive through important reforms necessary for better public services.