



Global
Alliance

Africa

Place-Based Innovation in Nigeria: Regional Innovation Audit



Connecting for
Positive Change

ktn-uk.org/programme/africa



About KTN and the Global Alliance Africa Programme

KTN, the UK's innovation network, exists to connect innovators with new partners and new opportunities beyond their existing thinking – accelerating ambitious ideas into real-world solutions.

KTN's Global Alliance Africa project is a six-year project co-funded by the UK's Foreign, Commonwealth and Development Office (FCDO) and Department for Business, Energy and Industrial Strategy (BEIS) through the Global Challenges Research Fund (GCRF), with the strategic partnership of Innovate UK.

Global Alliance Africa's long-term ambition is to enable the co-creation of more robust and effective innovation ecosystems in partner countries that promote job creation, inclusive growth and poverty reduction through knowledge transfer, skills building and opportunities to support businesses and innovations that can deliver scalable impact. As part of the Global Alliance Africa project, four project-level interventions will be piloted in 2021 in Kenya, Nigeria and South Africa, with one of these interventions focused on Place-Based Innovation.

Objectives and Methodology

The programme has carried out comprehensive studies and advisory consultations to identify challenges faced by the innovation ecosystems and their impact across stakeholder groups. The insights gained have shaped five programme-level interventions, one of which is focused on Place-Based Innovation to strengthen capacity and resilience of local innovation ecosystems.

Ekiti State was selected as the region to pilot the Place-Based Innovation activities. KTN Global Alliance Africa commissioned a cross-sectional study, using qualitative (20 key informant interviews and one focus group discussion) and quantitative methods for both secondary reviews and primary data collection, to gather data from ecosystem stakeholders to explore the following considerations:

- 1 The challenges and impact on the Ekiti State innovation ecosystem of Place Based Intervention, and
- 2 How the findings and recommendations can be effectively used to strengthen Ekiti State's innovation response.



Innovation System Context

Ekiti State

Nigeria has a vibrant entrepreneurial culture, fuelled by the capacity of its human and natural resources, with innovation ecosystems having developed in major urban centres and a unique network of players. The Government, in its efforts to deliver economic and job growth, is developing entrepreneurship initiatives, policies and programmes tailored to each state's needs.

BUT

The structural challenges facing Nigeria's businesses mirror those of its peers in other African countries, including inconsistent policies, difficult business environment, insufficient ICT and physical infrastructure, as well as lack of skilled human capacity.



Key Facts

Ekiti is a low-income civil service and agrarian state, with the majority of its population living in rural areas:

Population

3.3m



Average Household Income

USD1500



Adult Literacy

77%



Employment Opportunities

Low (civil service mainly)



Industrial DNA: A Budding Innovation Ecosystem

While Ekiti State is lagging behind in global innovation and ecosystem interventions, an influx of people and prospective investors over the past decade resulted in a surge in growth, bringing with it and stimulating new ideas and innovations.

While the pandemic impacted negatively with Place-Based Innovations redirected to solving immediate problems, there is potential to scale up some local innovations post Covid-19.

The state's strategic sectors of mining and agriculture, while currently performing poorly or almost abandoned in recent years, have considerable potential for growth.

A significant growth in entrepreneurship is driven by need to earn a better wage, with civil servants running private businesses outside of working hours, women entrepreneurs looking to relieve economic pressure on families and Government's inability to absorb graduates.

Policies and Strategies

Under Governor John Kayode Fayemi, Ekiti State is focused on enabling innovation and technology for future growth, seeking to position its economy as a strategic economic hub. Recent highlights include the proposed signing of the Private-Public Partnerships law, the reduction in the Right of Way Charges for Broadband, investments in infrastructure and commercialisation of state-owned entities.

Development Challenges

Government involvement and support is largely dependent on the agenda of the current administration, and therefore can be inconsistent with and disrupted by changes in Government.

Poor infrastructure also hinders the ecosystem, with the three biggest barriers identified being electricity, interconnectivity and bad road networks.

Due to low career opportunities, there is an exodus of youth from the state for better opportunities elsewhere.

"I know about a lady who left Ekiti state because she studied computer science and she is good with software development, but she had to leave because the only job she could get here was paying her 30,000 naira per month."

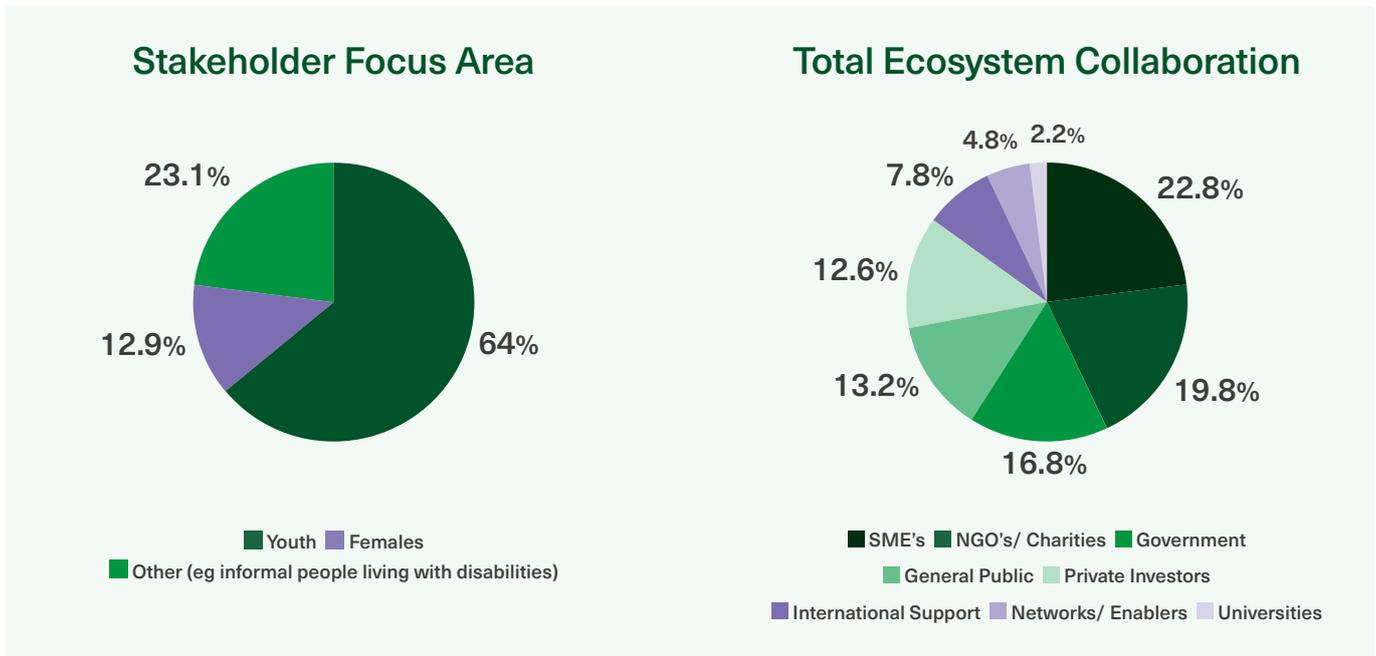
Key informant response



Ekiti State Innovation Ecosystem

Current Innovation and R&D Initiatives that point to Ekiti State’s determination to challenge Lagos’s hegemony over innovation, include:

- Government /Ventures Platform establishing Digital Ekiti to strengthen youth innovation and entrepreneurship
- Jibmore ICT Hub and Centre of Excellence to build a vibrant digital ecosystem

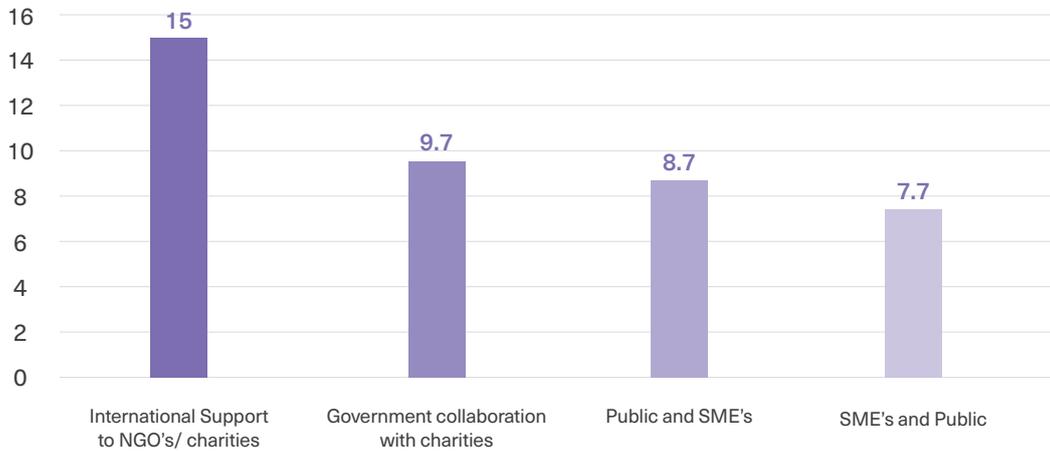


Key findings related to the ecosystem stakeholders include:

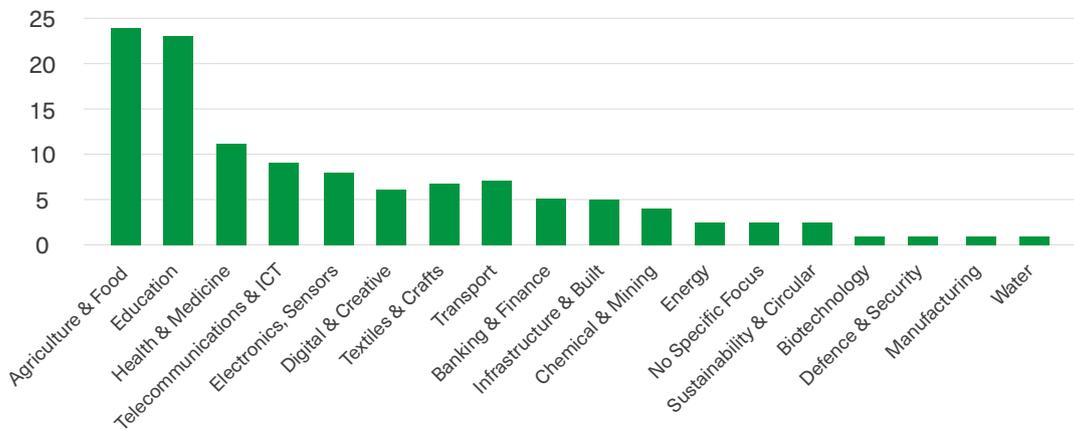
- High focus on youth and women
- SMEs/businesses most active and international support least active in the ecosystem
- International support to NGOs/charities ranked as strongest collaboration, while international support to researchers/universities ranked as lowest levels of collaboration
- Majority of ventures funded through loans or self-funded, with only few through international aid
- High focus on education, which explains high levels of literacy, and health and medicine, while mining is underutilised – this can be attributed to low private investment due to capital intensive nature of mining and technical expertise required
- As with most innovation ecosystems in the budding phase, main requirements/support cited are finance (15.9%), skills training (13.9%) and business support (99%)

Strongest Stakeholder Collaborations

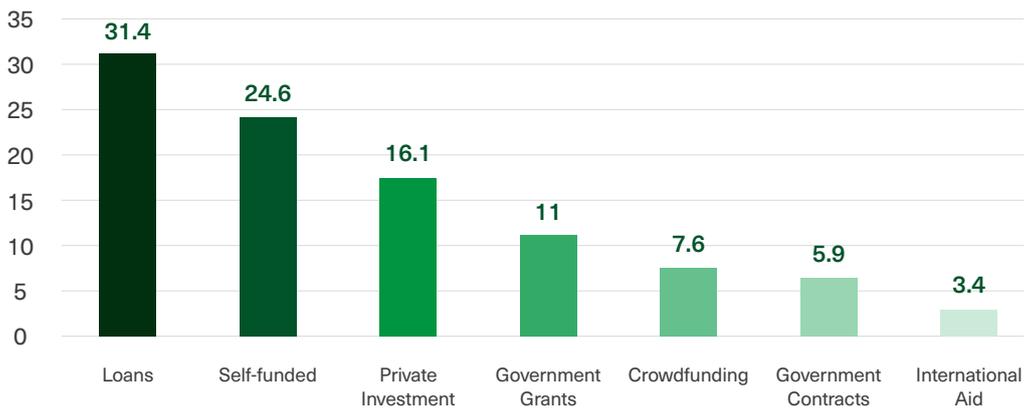
Numbers indicate % of total ecosystem collaboration



Sector of Work Focus



Source of Funding



Ecosystem Strengths, Weakness, Opportunities and Threats (SWOT)

(% of respondents feedback in brackets)

Existing STRENGTHS and current OPPORTUNITIES that promote grassroots innovation



- High level of participation by stakeholders in regional special projects (17.1%)
- Ability to align with state programmes (12.7%)
- Good fiscal management (11.4%)
- Increased partner presence (10.78%) and strong referral process among partner agencies in one-stops (10.76%)
- Abundance of natural resources and good environment (19.4 %)
- Strong entrepreneurial activities and support (15.95%)

WEAKNESSES and THREATS that significantly inhibit grassroots innovation across the three study areas



- Size, geography and diversity of area (16.57%)
- Need for proactive job training (12.57%)
- Need for proactive recruitment programmes (12.57%) for providers
- Presence of partners in one-stop centres (12.57%) (also a strength)
- State's limited fiscal policies impact negatively on citizenry, increasing financial stress (12%)
- Lack of employment and start up opportunities for new graduates (11%)
- Unhealthy competition amongst stakeholders (8%)

"Presently everyone wants to go into agriculture, but not like our fathers. Fortunately, we have a Commissioner who is an expert in agriculture but there is little he alone can do. So, we need those expertise to support our literate sons and daughters."

Key informant response

Recommended Interventions by Local Technology, Science & Innovation Community

Strategic Sectors and Priorities

The sectors with the greatest potential to benefit from investments in innovation are agriculture and food processing and mining.

Sector	Recommendations	Potential impact
<p>Agriculture </p> <p>Mainly subsistence farming but proceeds from cocoa farming, if revitalized, are potentially high, with the real value lying in the processed product, such as chocolate, butter and powder.</p>	<ul style="list-style-type: none"> - Empower the sector through training, technical partnerships, and financing. - Carry out community engagements with farmers at grassroots level to engage the smallholder in training, workshops and sensitisation on modern farming techniques, cultivation practices and storage/basic processing of raw materials, as well as on supply chain and product pricing. 	<ul style="list-style-type: none"> - Increased state internally generated funds. - Food made readily available and equally affordable to citizens. - Reduced gross wastage of food by about 70% by introducing proper storage and processing. - Increased sales and export potential from cocoa as lucrative cash crop and as semi-finished or finished goods.
<p>Mining (tin mining) </p> <p>The abundance of natural and mineral resources presents considerable export growth potential, in particular as a leading tin ore producer.</p>	<ul style="list-style-type: none"> - Launch initiative to gain detailed insight into the tin ore industry to support the industry. 	<ul style="list-style-type: none"> - Potential for Ekiti State and Nigeria to become leading exporter of tin ore.

“I think there should be synergy among organisations, so that we can create a larger network. Now if we want to do it alone, it’s just not possible.”

Key informant response

Infrastructure and ICT Development Priorities

The existing government has started addressing the infrastructural and ICT challenges but needs to set up a sustainable commitment plan and policy document to hold future governments accountable to continue these improvements.

Recommendations:

- ✓ Develop a digital communications policy through collaborative effort between private sector team and Government.
- ✓ Ensure wider and improved internet connectivity. Ekiti state is working on this this by laying optic fibre cables and support to Government with expert knowledge will ensure successful rollout.

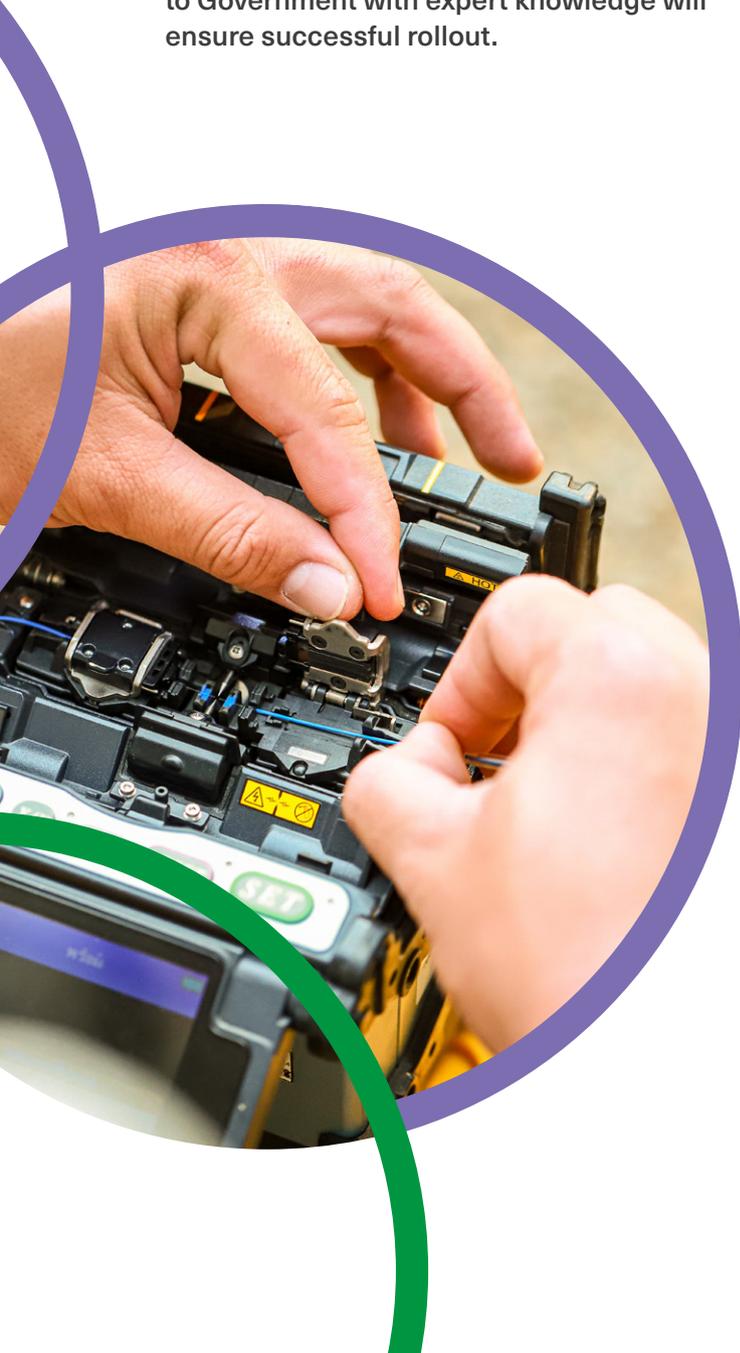
Ecosystem Support Priorities

Providing the youth with the right tools and a conducive environment to harness their potential will limit the rural-urban drift of the youth and ensure availability of skilled manpower to accelerate growth of the ecosystem.

Requirements for funding and technical support cut across all sectors from ICT, to education, agriculture and business development.

Recommendations:

- ✓ Training and incubation hubs within the state focusing on youth, start-ups, SMEs and civil service.
- ✓ Introduction of EdTech into secondary and tertiary institutions to equip graduates and youth with new skills sets for contributing to the ecosystem. Use experts in ICT sector to mentor and provide support to schools in implementing EdTech solutions.
- ✓ Implement ecosystem mentorship and support as most of the innovators are start-ups.
- ✓ Improve government-private sector collaboration on institutionalising policies and frameworks on tax relief; enabling environment for ease of doing business; and guiding collaborations with changes in Government. Review government procurement policies and funds administration.
- ✓ Establish system to manage and share information for stakeholders and services they provide to foster collaboration and connect needs to solution providers.



Recommended Key Entry Points for KTN Place-Based Innovation

Indications are that the Ekiti innovation ecosystem is receptive to support and desires future growth.

The following are recommended as immediate key entry points for KTN pilot activities:

Recommendations:

- ✓ Facilitate technical working group consisting of sector experts and government policy makers to encourage close collaborations for fast tracking implementation of innovation and ease-of-doing-business policies; and to conduct sector specific SWOT analyses to identify quick wins and challenges.
- ✓ Support setting up of mentorship programmes across various sectors in the ecosystem to ensure growth of new business ideas.
- ✓ Offer technical support on entrepreneurship and innovation by leveraging on local innovation hubs in Ekiti, standardising knowledge sharing and skills acquisition through training for grassroots.
- ✓ Showcase local innovations to facilitate grant and financial aid from international organisations and partners.
- ✓ Facilitate training and workshops for key players within the agricultural sector on value and supply chain management.
- ✓ Improve strategic public/private partnerships to identify and address similar challenges within various sectors and to bring key stakeholders together to identify challenges that cut across the ecosystem and provide joint solutions.



In terms of local government area (LGA) best positioned for innovation support, Ado-Ekiti ranked the highest, followed by Irepodun/Ifelodun.

Connecting for
Positive Change

ktn-uk.org/programme/africa



Global
Alliance

Africa



Funding from UK Aid
through Innovate UK
(GCRF) and FCDO

