

Ease-of-Doing-Business in the South East : The Journey so far

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South East Economic Summits – Previous activities

SEES 1: The 1st Summit was the Economic and Security Summit organized by *SEREDEC* in December 2016.

SEES 2: The 2nd Economic Summit was held November 2017 jointly with *SEREDEC* and the *SEGF*.

SEES 3: This is where you are! December 2018 – *SEGF* and *SEREDEC*.

In addition:

- In March 2017, PERL supported an Innovation summit in Awka with *Afriheritage*.
- In November 2018 PERL Supported a SEFG review of the World Bank: Doing Business in Nigeria 2018 Report at a Workshop to understand the progress made since 2014 and lessons learnt.
- PERL ARC and ECP have also been supporting state activities to deliver EoDB results.

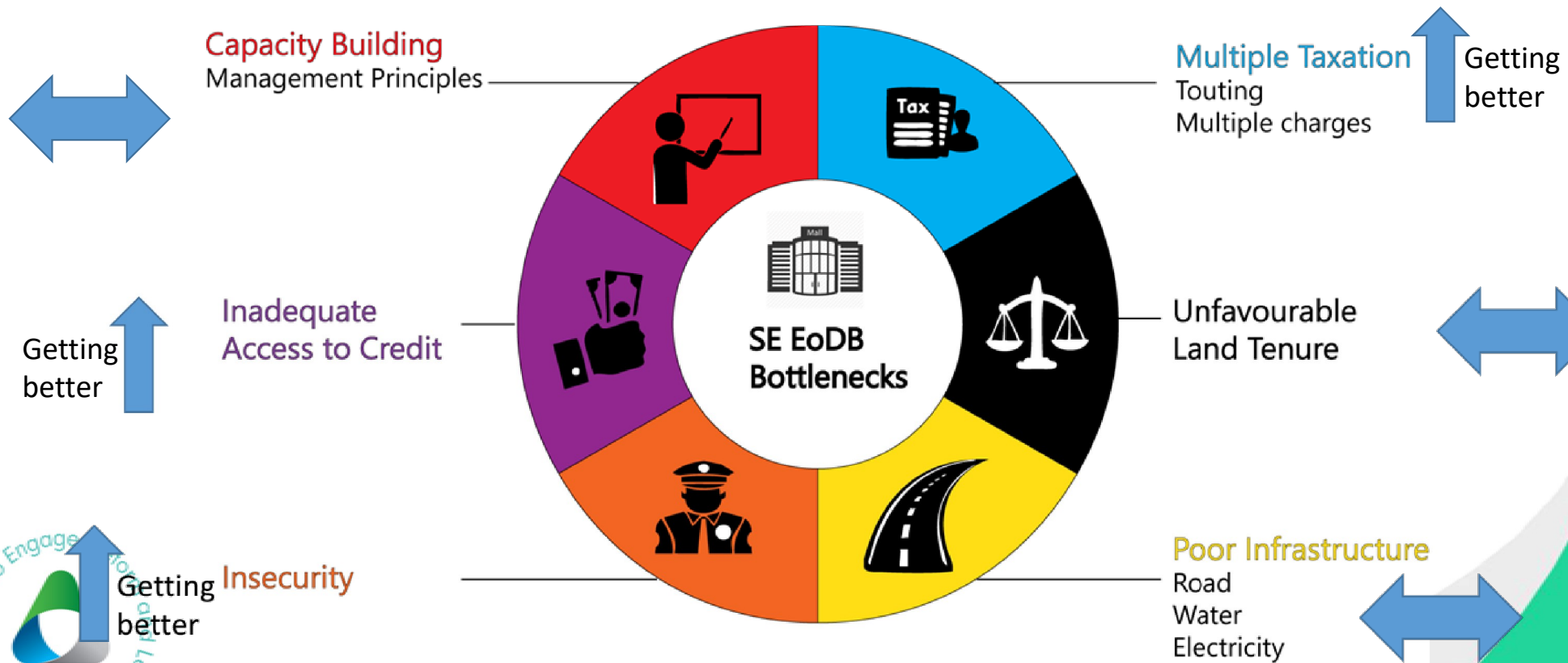


Challenges to Ease of Doing Business in S. E. Nigeria

Constraints	States				
	Abia	Anambra	Ebonyi	Enugu	Imo
poor state of roads	●	●	●	●	●
inadequate power supply	●	●	●	●	●
limited access to credit	●	●	●	●	●
high cost of credit	●	●	●	●	●
limited access to land	●	●	●	●	●
high cost of land acquisition	●	●	●	●	●
difficulty in obtaining land title	●	●	●	●	●
sanctity of agreements/enforceability of contracts	●	●	●	●	●
low level of automation of business processes within the civil service	●	●	●	●	●
lack of investment protection laws	●	●	●	●	●
lack of PPP policy	●	●	●	●	●
corruption	●	●	●	●	●
insecurity	●	●	●	●	●
multiple taxation/levies from various government agencies	●	●	●	●	●
unavailability of skilled human capital	●	●	●	●	●
inconsistency of government policies and practices	●	●	●	●	●
lack of business incentives	●	●	●	●	●
lack of capacity building	●	●	●	●	●
lack of constant consultation with the MSME sector	●	●	●	●	●
non-commitment to OGP (Open Government Partnership)	●	●	●	●	●



Major S.E. Ease of Doing Business Bottlenecks



Getting better

Insecurity

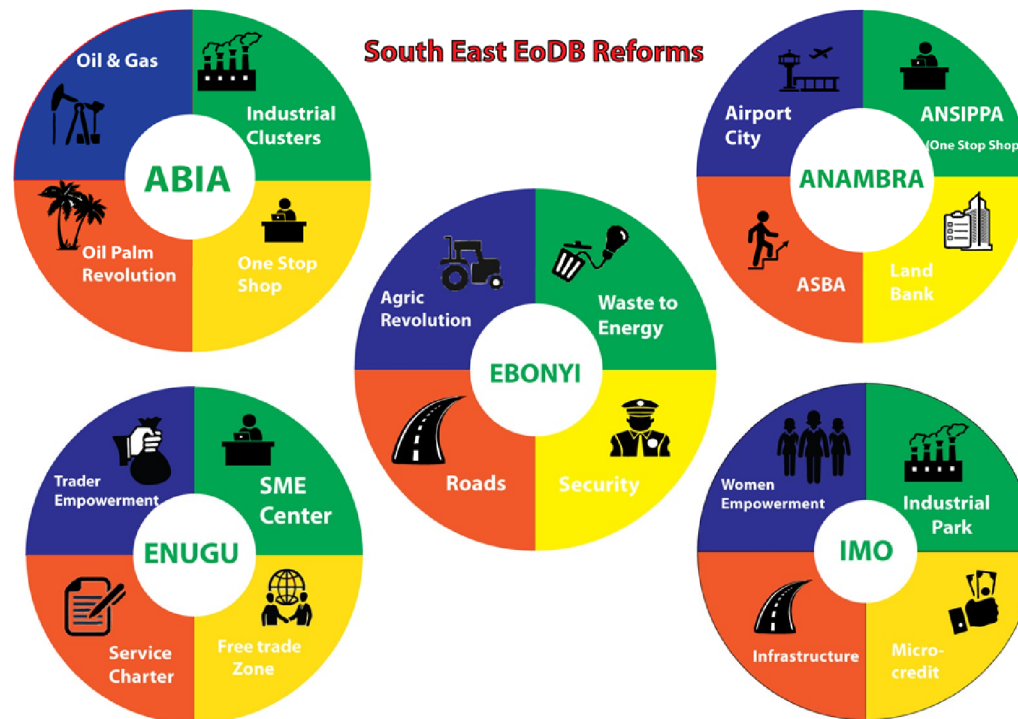
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And Today?

- Overall it is a more **positive story for the South Eastern states but there is still much to be done** across not just the World Bank indicators but also the wider Ease of doing Business issues such as:
 - Security,
 - Infrastructure,
 - Marketing,
 - Policy stability,
 - Supportive financial system,
 - Prevalence of bribery & corruption,
 - The level of training and skills of the labour force,
 - Proactive private sector engagement.



South Eastern States' Reforms identified 2017



Key Business Reforms in Nigeria that improved the Nigeria's WB 2018 ranking – the specifics.

- *The Two States used for the 2018 ranking in Nigeria were **Lagos** and **Kano**.*
- **Starting a Business:**
 - electronic stamping of registration documents.
- **Dealing with Construction Permits:**
 - Published all relevant regulations, fee schedules and pre-application requirements online (**Kano/Lagos**) and streamlining construction permit process (**Lagos**).
- **Registering Property:**
 - Removed the sworn affidavit for certified copies of the land ownership records, introduced a specific and independent complaint mechanism, and publishing statistics on land transfers (**Lagos**)
 - Published the list documents, fee schedule and service standards for property transactions (**Kano**).
- **Getting Credit:**
 - Improved access to credit information by guaranteeing borrowers the legal right to inspect their credit data from the credit bureau
 - starting to provide credit scores to banks, financial institutions and borrowers.
 - strengthened access to credit by adopting a new law on secured transactions and establishing a modern collateral registry. (**Kano** and **Lagos**).
- **Paying Taxes:**
 - Paying taxes easier by introducing new channels for payment of taxes and mandating taxpayers to file tax returns at the nearest "Federal Inland Revenue Service (FIRS)" office. This reform applies to both **Kano** and **Lagos**.



Source: <http://www.doingbusiness.org/reforms/overview/economy/nigeria>

Doing Business in Nigeria 2018

What it measured sub-nationally:

- It covers all 36 states plus the FCT
- It focused on 4 of the EoDB indicators
- **Four indicator sets are:**
 - Starting a business
 - Registering property
 - Dealing with construction permits
 - Enforcing contracts
- It was last conducted for all states in 2014



Doing Business in Nigeria 2018

The Reform Numbers

- *Reform process started **2010** and since then **32 states** have implemented **77 reforms across the four indicators***

In four years since 2014:

- **29 States** implemented **43 reforms**
- **5 States** showed the **largest advance** toward the global good practice frontier. (*Kaduna, **Enugu**, **Abia**, **Lagos** and **Anambra***)
- **3 states** have been the most consistent since 2010 implementing **at least 5 reforms in the eight year span** (*Ekiti, **Enugu** and **Ogun***).
- But most reforms were federally driven.



Reforms in the South East:

Over the past eight years, the **5** South Eastern States have implemented **13** reforms in the four regulatory areas benchmarked

State	2010 – 2014				2014 - 2018			
	Starting a business	Dealing with construction permits	Registering property	Enforcing contracts	Starting a business	Dealing with construction permits	Registering property	Enforcing contracts
Abia					✓		✓	
Anambra	✓				✓		✓	
Ebonyi	✓				✓			
Enugu		✓	✓		✓		✓	✓
Imo	✓							

Source: Table 1.2 of the WB report 2018



Some detail of reforms in the South East

- **Starting a Business:** Two of the eight steps in the process are controlled by states: Registering employees Pay As You Earn (PAYE) and Obtaining Business permits.
 - **Enugu** put their tax registration for online while
 - **Abia** abolished the state physical planning and infrastructure fee.
- **Dealing with Construction Permits:** though there was progress there were
 - **no recorded reforms**
- **Registering Properties:**
 - **Anambra** state cut the time taken to register a property from 213 to 111 days by delegating Governor's consent; introduced internal deadlines for staff to complete requests.
 - **Abia:** The Abia State Geographic Indicator Service (ABIAGIS) introduced digitalised records and moved these online with the procedures clearly laid out.
 - **Enugu** state scanned most of the land titles preparatory to moving online.
- **Enforcing Contracts:** Generally, all the SE states ranked in the bottom quartile for this indicator, however, some progress was made:
 - **Abia** state has fully functional Alternative Dispute Resolution (ADR) Courts.
 - **Enugu** state reduced the time to resolve cases in half by the State Chief Judge issuing practice direction, and by recruiting more magistrates, registrars and training all court staff and bailiffs.

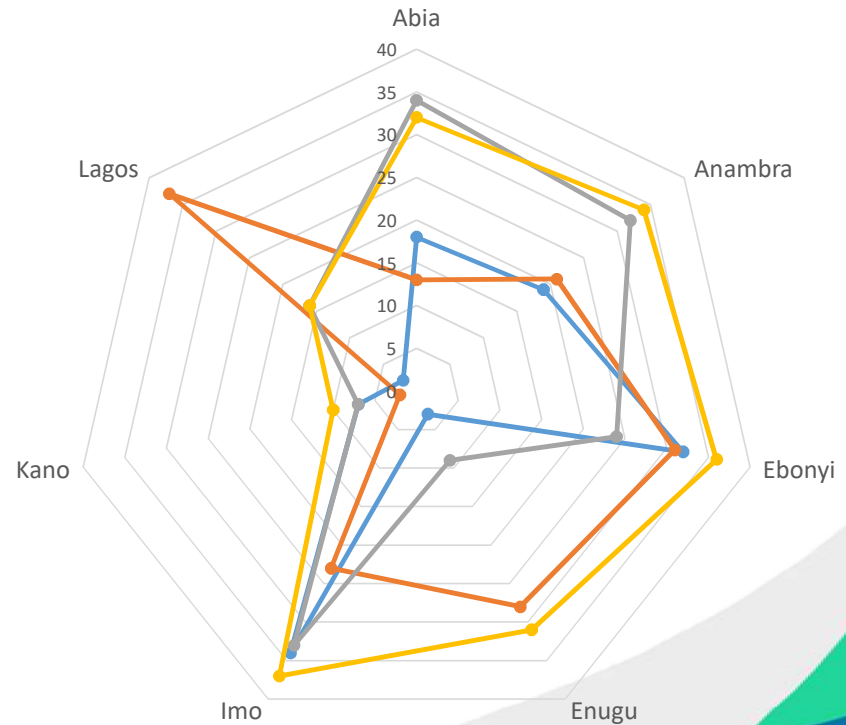


Doing Business in Nigeria 2018 – The Outcome




The ranking of South East States compared to Kano/Lagos

Ranking of States	Starting a business	Dealing with construction permits	Registering property	Enforcing contracts
Abia	18	13	34	32
Anambra	19	21	32	34
Ebonyi	32	31	24	36
Enugu	3	28	9	31
Imo	34	23	33	37
Kano	7	2	7	10
Lagos	2	37	16	16

—●— Starting a Business
—●— Dealing with Construction Permits
—●— Registering Property
—●— Enforcing Contracts



Ranking of South East States: 2014 v 2018

Ranking of states	Starting a business		Dealing with construction permits		Registering property		Enforcinmg contracts	
	2014	2018	2014	2018	2014	2018	2014	2018
Abia	35	18	29	13	36	34	27	32
Anambra	23	19	28	21	32	32	30	34
Ebonyi	21	32	30	31	21	24	32	36
Enugu	27	3	23	28	13	9	35	31
Imo	31	34	34	23	27	33	34	37
Lagos	4	7	36	2	31	7	28	10
Kano	34	2	27	37	5	16	25	16
Top Quarter			Top half 		Mid-range 			

In 2014 none of the south eastern states were in the top half of the ranking but by 2018:

Enugu state was in the **top quarter** for two indicators

Abia in the **top half** for two indicators

Anambra, in the **mid-range** for two indicators

Ebonyi, and **Imo** moving at least one indicator into the mid-range.



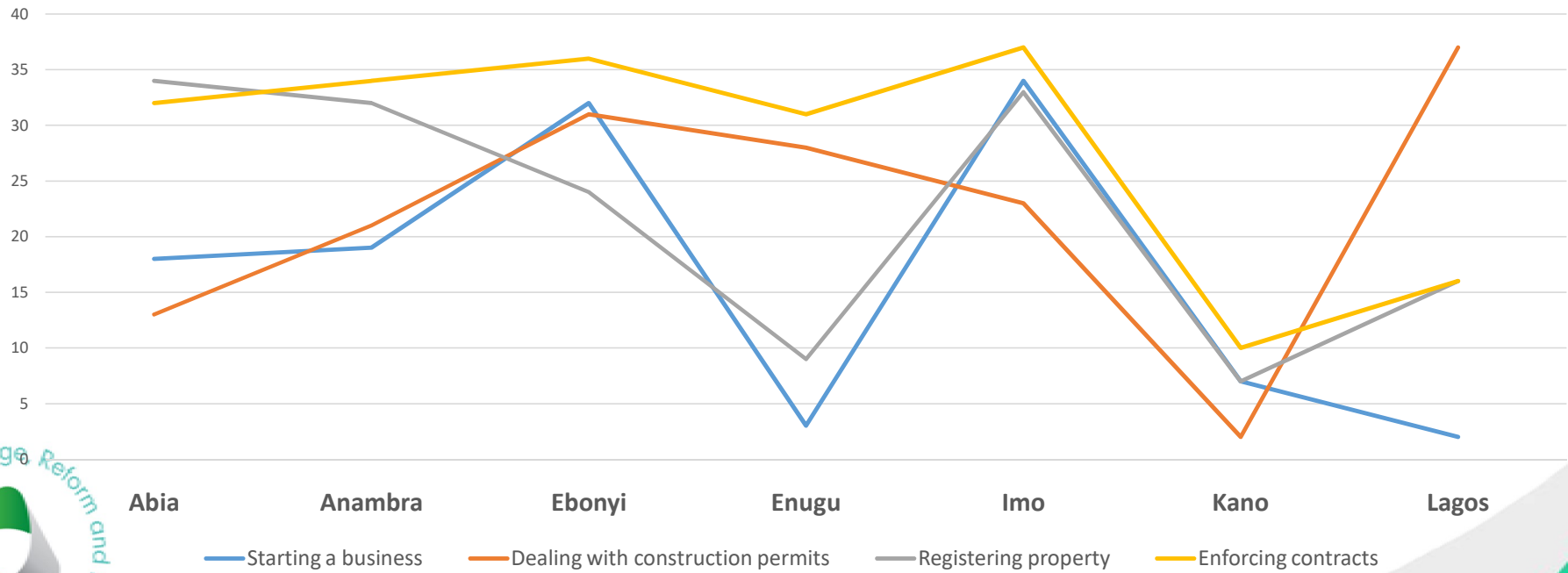
IT IS GETTING BETTER IN THE SOUTH EAST

2014				Quartile	2018			
Starting a business	Dealing with construction permits	Registering property	Enforcing contracts		Starting a business	Dealing with construction permits	Registering property	Enforcing contracts
				Top 9	ENUGU		ENUGU	
ABIA		ENUGU		Top Half	ABIA	ABIA		
ANAMBRA EBONYI	ENUGU	EBONYI		Med range	ANAMBRA	ANAMBRA IMO	EBONYI	
ABIA ENUGU IMO	ABIA ANAMBRA EBONYI IMO	ABIA ANAMBRA IMO	ABIA ANAMBRA EBONYI ENUGU IMO	Bottom Quarter	EBONYI IMO	EBONYI ENUGU	ABIA ANAMBRA IMO	ABIA ANAMBRA EBONYI ENUGU IMO



Doing Business in Nigeria 2018

Summary of Ranking by South East states (and Lagos/Kano) for each Indicator



Doing Business in South East Nigeria – What Next

WB Recommendations for improvement and reform:

The World Bank Report lists in some detail their recommended reforms, most of them are relevant for states¹.

There are some common themes across all indicators and reforms

- Promote the use of technology
- Publish process steps, fees and times
- Recruit staff and train them
- Review laws for obsolescence and lacuna and publish
- Integrate actions such as state tax registration with CAC processes
- Use a risk assessment process in processes
- Reduce fees and steps where possible

Many of these are already being done by some states – learn from each other.



¹ Page 11 and Table 1.3 WB Report 2018

Recommendations from Previous SEES and Workshops

- Detailed actions plans and implementation structures agreed
- Run MDAs/Government as a business
- Pursue one process/procedure, one cost service (Effective One Stop Shops)
- Adopt Harmonised tax laws and ICT driven collection while implementing a 'tax for Service' approach
- Address the lack of entrepreneurial skills/financial illiteracy within the MSME sector
- Explore creative ways of addressing the lack of access/cost of business credit in the region
- Address Business Environment Infrastructure
- Evolve and pursue a regional approach towards addressing bottlenecks to EODB in the Southeast of Nigeria – e.g. Regional Rights of Way for Rail, ICT, Roads, Power and Gas.
- Proactively work with the Organised Private Sector
- Engage hearts and minds of citizens with the media for re-orientation



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Let us make it happen
Actions not Rhetoric

Make the South East, the Business
Destination of Nigeria



INVEST IN THE SOUTH EAST



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Questions and Thank You

