

2018 MAKING BUSINESS WORK REPORT

...the journey so far



**PRESIDENTIAL
ENABLING BUSINESS
ENVIRONMENT COUNCIL (PEBEC)**

ENABLING BUSINESS ENVIRONMENT SECRETARIAT

Table of Contents

1.	THE NIGERIA EASE OF DOING BUSINESS INITIATIVE	7
1.1	Introduction	7
1.2	Realising Nigeria's Potential through the Economic Recovery and Growth Plan	8
1.3	The Presidential Enabling Business Environment Council (PEBEC)	12
1.4	The PEBEC Implementation Strategy	13
1.5	2018 Ease of Doing Business Outlook for Nigeria	14
2.	REFORMING NIGERIA'S BUSINESS ENVIRONMENT	15
2.1	The First Wave of Reforms - January to July 2017	16
2.1.1	First 60-day National Action Plan (NAP-60)	16
2.1.2	Executive Order 001 on Transparency and Efficiency (EO1)	20
2.2	Second Wave of Reforms - September 2017 to May 2018	29
2.2.1	Second 60-day National Action Plan (NAP 2.0)	29
2.2.2	Third 60-day National Action Plan (NAP 3.0)	30
2.3	2018 Legislative Reform - Companies and Allied Matters Bill (CAM Bill)	32
2.4	PEBEC.Report app	33
2.5	Taking Ease of Doing Business to All Nigerians	34
2.5.1	Trading within Nigeria (TWN)	34
2.5.2	Subnational Ease of Doing Business Project	35

3.	THE WORLD BANK EASE OF DOING BUSINESS INDEX	38
3.1	2018 Ease of Doing Business Outlook for Nigeria	39
3.2	World Bank Ease of Doing Business 2018 Index – Nigeria	40
3.2.1	What Specific Reforms Did Nigeria Undertake to obtain the 2017/2018 Ranking?	42
3.3	Actualising Nigeria’s Aspiration to Become a Top Choice for Business	46
3.3.1	Country in focus – India	47
3.4	World Bank Subnational Ease of Doing Business Index – Nigeria	48
3.4.1	States in focus – Kaduna and Ogun	48
4.	LOOKING AHEAD	51
4.1	Regulatory Reforms – Pilot Project	52
4.2	The Omnibus Bill	52
4.3	Subnational Ease of Doing Business Project	52
4.4	Conclusion	52
5.	EndNotes	54
6.	Appendix I	56
7.	Appendix II	61



**PRESIDENTIAL
ENABLING BUSINESS
ENVIRONMENT COUNCIL (PEBEC)**
Enabling Business Environment Secretariat

**Making
Business
Work**

Address: 4th Floor NIPC Building Plot 1181 Aguiyi Ironsi
Street, Maitama, Abuja, Nigeria.
+234 09093231544 | www.pebec.gov.ng
www.easeofdoingbusiness.gov.ng | info@ebes.gov.ng

Executive Summary

Micro, small and medium enterprises (MSMEs) account for more than 90% of all registered businesses in Nigeria. They provide about 84% of jobs and contribute just under 50% of GDP to the economy.¹ However, these businesses face multiple challenges that hinder their ability to contribute optimally to inclusive growth, including poor infrastructure, a challenging regulatory environment and corruption.

Recognising the importance of strong private sector growth to the country's economic future, the President Muhammadu Buhari administration determined to make it easier for Nigeria's entrepreneurs and SME owners to do business. Having an enabling but of critical importance business environment was not only a core pillar of the administration's economic policy, but critical following a recession caused by Nigeria's over-reliance on the revenue and foreign exchange earned from oil production, that provided a clear imperative to reform the structure of the economy.²

The Presidential Enabling Business Environment Council (PEBEC) was inaugurated in July 2016 as the administration's flagship initiative to reform the business environment, attract investment and diversify the economy to reduce the nation's reliance on oil. The PEBEC's principal goal is to make it easier for MSMEs to do business, grow and contribute to sustainable economic activity, and provide the jobs that are essential to improve social inclusion. One of the key indicators of success will be Nigeria's performance on the World Bank's Ease of Doing Business indicators, which provide a global snapshot of a country's business environment in comparison to its peers. We held 170th place in 2015; our target is to move into the top 100 by 2020.

The initiative is just one in a series of government interventions designed to build a sustainable economy that can provide the jobs that our people need. The Economic Recovery and Growth Plan (ERGP), which was launched in February 2017, provides a roadmap for broad economic reform, with the private sector at the heart of the solution. With one of the lowest revenue to GDP percentages in the world, Nigeria's government revenue is heavily constrained. It is vital to Nigeria's longterm economic development that private sector investment be encouraged. The quality and efficiency of the business environment will be a critical factor in achieving this.

The PEBEC is operationalized through a secretariat, which develops and coordinates intervention strategy around focused action plans. The first 60-day National Action Plan (NAP-60) was launched in February 2017 with a focus on delivering immediate improvement in seven of the key indicators on the World Bank's Doing Business indicators, including Starting a Business, Getting Credit and Trading Across Borders as well as one homegrown indicator – Entry and Exit of People. These reforms focused on automation of services to eliminate manual procedures and promote online procedures, reducing the cost and time for certain processes to be completed, reducing paperwork and increasing transparency. The NAP-60 was augmented by Executive Order 001 (EO1) that laid out five new standards of practice.

These reforms delivered immediate improvement on the World Bank's 2018 *Doing Business* report released in October 2017, with Nigeria moving up 24 places from 169th to 145th and recognized as one of the 10 most reformed business climates in the world.³

From July 2017, the PEBEC focused on cascading the national-level reform structure into the subnational level through individual states. By collaborating with the National Economic Council (NEC), the PEBEC has propagated the replication of subnational ease of doing business structures to implement a coordinated strategic intervention for the entire economy.⁴ A second homegrown indicator, Trading Within Nigeria (TWN), was created by the PEBEC to address critical regulatory bottlenecks raised by stakeholders and remove impediments to movement of goods across the country.⁵

Significant legislative and judicial reforms have also been achieved working closely with National Assembly and the Judiciary. In 2017, PEBEC in collaboration with the National Assembly, delivered two Acts for enabling access to credit, a vital requirement for MSMEs. This year the Companies and Allied Matters Act has been repealed and re-enacted by the Senate, and is currently awaiting passage by the House of Representatives.⁶ The Judiciary is a strong partner in reforming dispute resolution and settlement, a key factor for investors. The Lagos State Government in April 2018 commissioned 15 small claims courts to handle commercial claims (liquidated money demands) of NGN5 million and below. Adjudication of cases before a small claims court up to judgement is expected to take a maximum period of 60 days.⁷ Kano State also recently passed a new Magistrates Courts Law, which will see to the designation of small claims courts in the State in the near future.⁸

Since the inception of this targeted intervention 24 months ago, much has happened. In January 2018, the PEBEC released an outlook document describing some of the work to be accomplished in the current reform cycle. Landmark business environment reforms slated for 2018 include further collaboration with the National Assembly for the passage of an Omnibus bill, a new legislative tool for Nigeria, to remove irritants and bottlenecks from our extant laws. Concerted efforts are being made to upgrade our current trade portal to a more robust National Trading Platform (NTP). This encompasses a more sophisticated single window platform, scanners and a ports community portal for goods being imported into and exported out of the country. The Federal Executive Council has also approved the concession of Nigeria's flagship international airports in Lagos and Abuja to ensure Nigeria is well placed as a regional hub for investors and business travellers.

In the coming months, as we tackle regulatory challenges and bureaucratic constraints, we will continue to lean on the private sector for the deepening of these reforms through candid feedback and empirical validation on the impact of completed reforms. To drive sustainability, this process is enabled by PEBEC. Report a public service website for feedback and complaints covering nine critical government agencies. With the structures being put in place and institutionalization of reform culture across MDAs, the Nigerian business environment will continue on its improvement trajectory as we collectively strive to make Nigeria a progressively easier place in which to do business.



1. The Nigeria Ease of Doing Business Initiative

1.1 Introduction

Micro, small and medium enterprises (MSMEs) account for over 90% of firms worldwide and play a critical role in the development of economies around the world by creating jobs and making a substantial contribution to overall GDP, particularly in developing countries.⁹

Nigeria is no exception. Here, MSMEs account for more than 90% of all registered business.¹⁰ They provide about 84% of jobs and contribute just under 50% of GDP to the economy.¹¹ However, these businesses face multiple challenges that hinder their ability to contribute optimally to inclusive growth, including poor infrastructure, a challenging regulatory environment and corruption. This situation was exacerbated by financial turmoil and an economic recession driven by the sharp fall in global commodity prices after 2014.

Recognising the importance of strong private sector growth to the country's economic future, the President Muhammadu Buhari administration was determined to make it easier for Nigeria's entrepreneurs and SME owners to do business. Having an enabling business environment is not only a core pillar of the administration's economic policy, but was deemed necessary for recovery from

the recession caused by Nigeria's over-reliance on the revenue and foreign exchange earned from oil production. The strong correlation between an enabling business environment and thriving MSMEs as the engine for economic growth provided a clear imperative to undertake a comprehensive reform agenda.

To achieve this, the administration established a dual approach: alleviate the concerns of the private sector by removing regulatory barriers; and adapt global best practices based on the World Bank's Ease of Doing Business (EoDB) Index indicators. These indicators were adopted based on their acceptability as an independent, globally recognized assessment tool for measuring key areas in the life cycle of a business.

Therefore, the Presidential Enabling Business Environment Council (PEBEC) was inaugurated in July 2016 to oversee reforms that would remove critical barriers and bureaucratic constraints to doing business. The PEBEC aspires to make Nigeria globally competitive and Africa's leading economy. The Council's goal is to promote Nigeria to the top 100 in the World Bank rankings by 2020 and the top 50 by 2025 (Figure1).



FIGURE 1 : PEBEC's Ease of Doing Business ranking target to 2025.

Source: Enabling Business Environment Secretariat

1.2 Realising Nigeria's Potential through the Economic Recovery and Growth Plan

In February 2017, the administration launched the Economic Recovery and Growth Plan (ERGP) 2017-2020. The ERGP was conceptualized to place the Nigerian economy on the path to stronger, more sustainable and inclusive growth. The Plan aims to promote national prosperity and an efficient, dynamic and self-reliant

An initial phase of ERGP implementation has been the engagement of the private sector to grow investment through the focus labs. The first phase has identified over \$22.5 billion investment potential across the country. The opportunities spread across the country's six geo-political zones have prospects for creating over 513,981

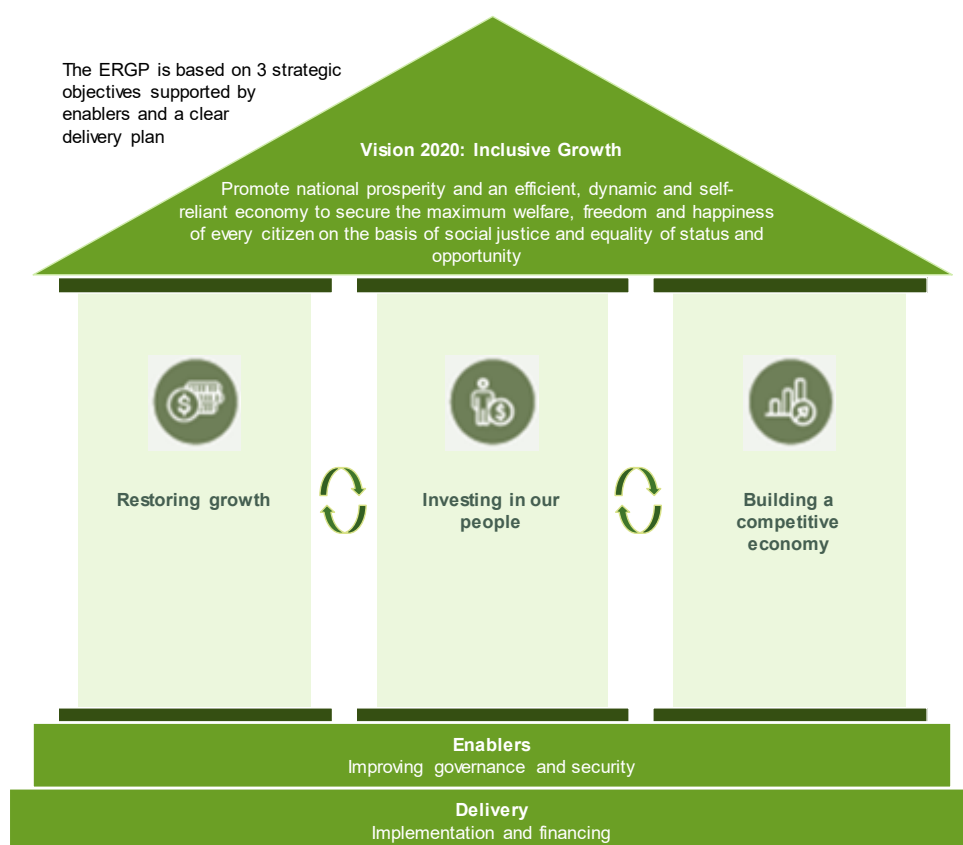


FIGURE 2 : THE ECONOMIC RECOVERY AND GROWTH PLAN (ERGP) 2017-2020: OVERVIEW

Source: Ministry of Budget and National Planning

economy to secure the maximum welfare, freedom and happiness of every citizen on the basis of social justice and equality of status and opportunity. The ERGP is founded on three pillars: restoring growth, investing in people and building a competitive economy¹². (Figure 2).

Since the launch of the ERGP, Nigeria has seen positive growth and a reversal of its recession. Numerous government interventions have emerged as part of the ERGP implementation including the MSME Clinics and the National Industrial Policy and Competitiveness Advisory Council, (the Industrial Council), and the ERGP focus labs.

jobs by 2020. To promote real sector growth, the Federal Government partners with the private sector on addressing policy issues through the National Industrial Policy and Competitiveness Council. One initiative has resulted in the development of an incentive programme for the renovation and construction of eight critical road projects that will support economic growth. The MSME Clinics held across the country provide an opportunity for MSMEs to engage directly with relevant government agencies on various issues, including company registration, access to finance and securing compliance with product registration.

For the first time in Nigeria, under the competitiveness section of the plan, soft infrastructure is expressly recognized as a deliberate strategy to attain economic development through the facilitation of an enabling business environment for businesses to thrive.¹³

Measurable progress has been recorded on multiple fronts as the economy responds to key government interventions particularly in the following areas: economic growth; inflation; foreign exchange & external reserves; capital market; investment; infrastructure; and social investment programmes.

Economic Growth

The rigorous implementation of the ERGP led the economy out of a recession in 2017; it grew to 0.83%, up from -1.58% recorded in 2016, on the back of improvements in agriculture, industry and trade.¹⁴ The economy has registered four consecutive quarters of steady growth (Figures 3.1 and 3.2). In Q1 2018, the economy grew 1.95% and is projected to grow by up to 3% over the year, driven by stronger oil prices, stable production, increased non-oil output and improved foreign exchange availability.¹⁵

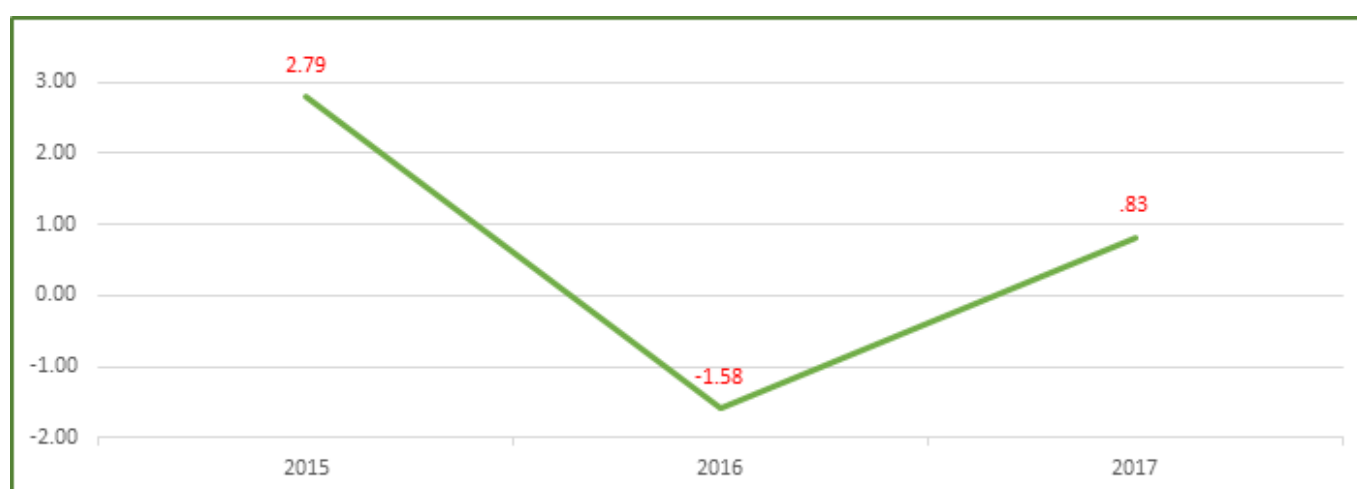


FIGURE 3.1 : POSITIVE REAL GDP GROWTH (ANNUAL)

Source: National Bureau of Statistics (NBS)

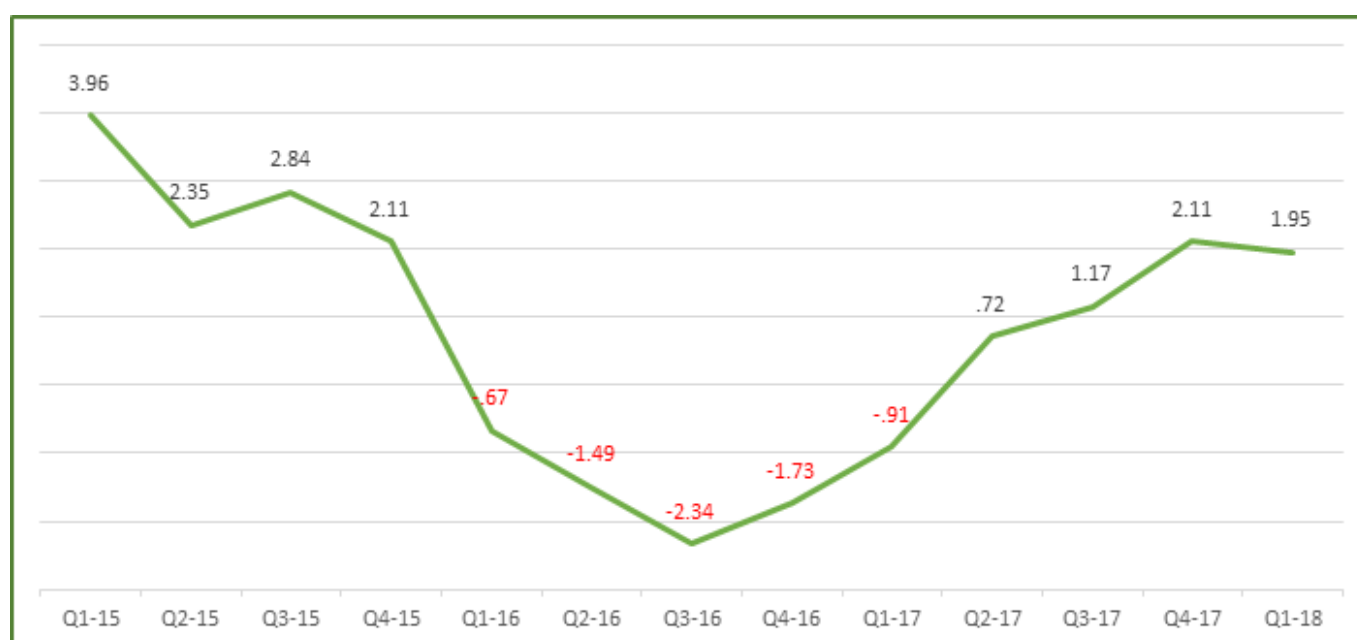


FIGURE 3.2 : POSITIVE REAL GDP GROWTH (QUARTERLY)

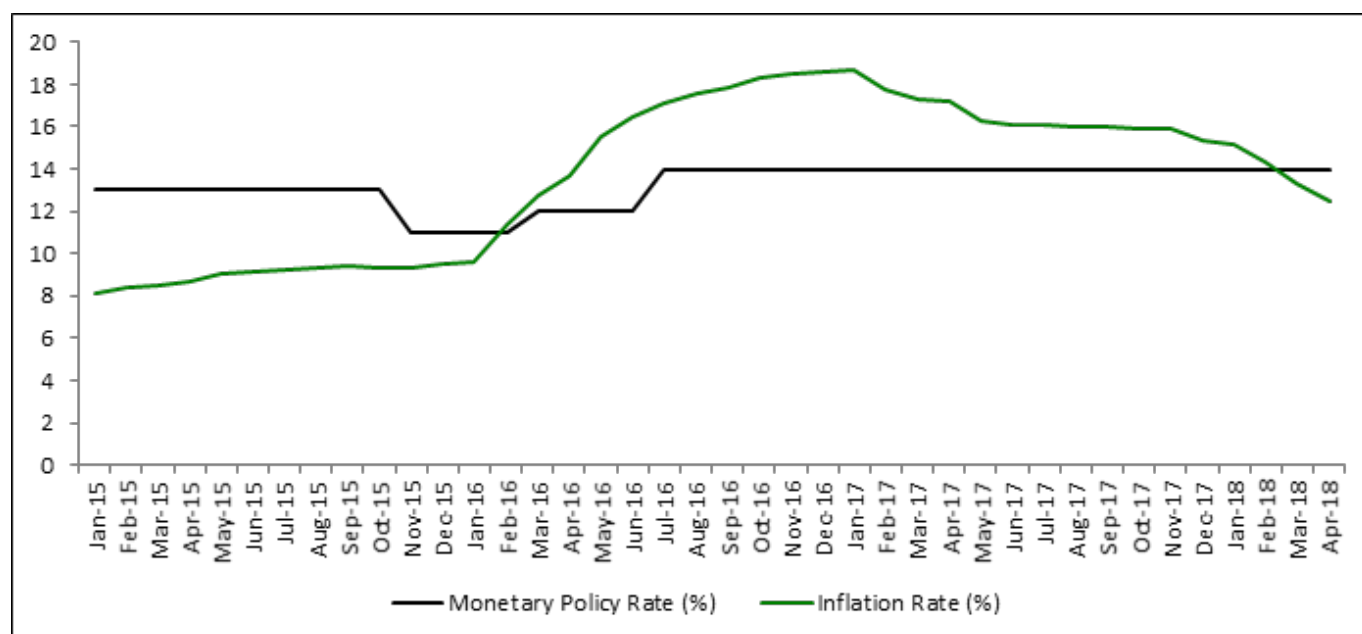
Source: National Bureau of Statistics (NBS)

Inflation

The pressure on prices is easing and inflation fell 16 consecutive months from 18.72% in January 2017 to 11.60% in May 2018 (Figure 4).

FIGURE 4 : Declining inflation

Source: National Bureau of Statistics (NBS)



Foreign Exchange and External Reserves

On the official foreign exchange market, the Naira has stabilised at N306/\$, and the divergence between official and parallel markets has narrowed considerably. Combined with rising income levels, this boosted Nigeria's external reserves to a four-year high of \$47.8 billion on 14 May 2018, up 55% over 15 May 2017 (Figure 5).

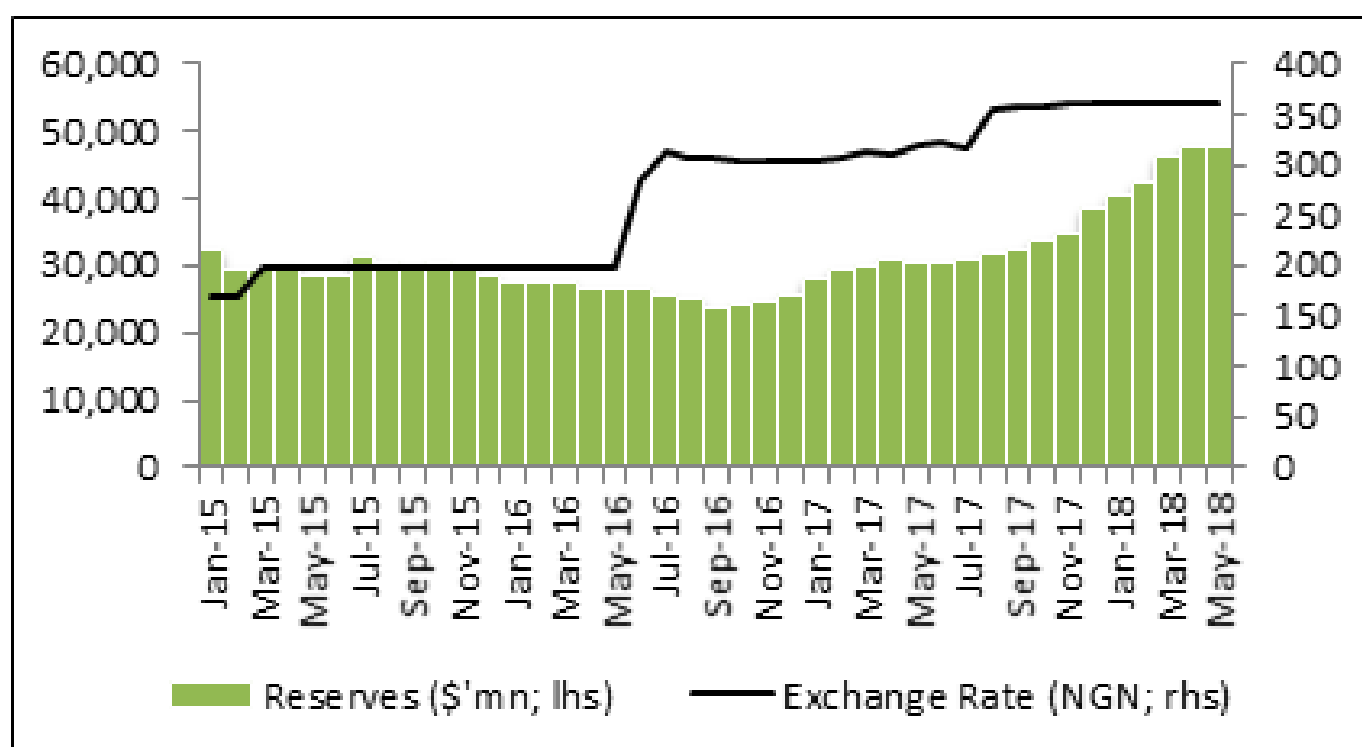


FIGURE 5 : Foreign Exchange Rate And Reserves

Source: National Bureau of Statistics (NBS)

Capital Market

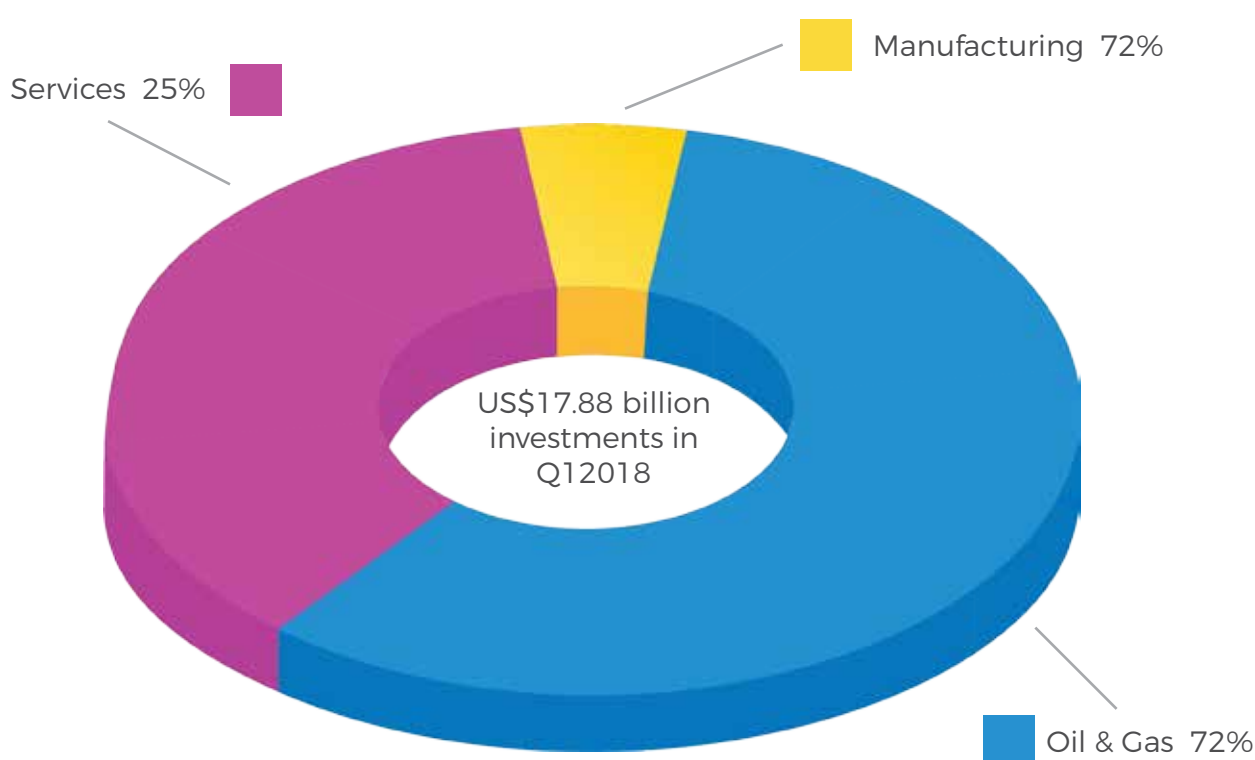
The capital market recorded an outstanding performance in 2017. The Nigeria Stock Exchange (NSE) All-Share Index rallied 42%, with the NSE the third-best performing exchange in the world in 2017 (after the USA and Argentina).¹⁶ The Nigeria Bureau of Statistics states that capital investments into Nigeria in Q1 2018 stood at \$6.3 billion, a 594% increase over Q1 2017.

Investment

In 2017, over US\$66 billion worth of investments were announced, comprising 112 projects across 27 states and the FCT Abuja.¹⁷ In Q1 2018, an additional US\$17.9 billion worth of investments were announced¹⁸ (Figure 6) and actual capital importation stood at US\$6.3 billion, over six times the value in Q1 2017.¹⁹

FIGURE 6 : Q1 2018 Capital Investments

Source: National Bureau of Statistics (NBS)



Infrastructure

Nigeria achieved record peak electricity generation of 5,100MW in the national grid in December 2017, and a pipeline of railway projects is nearing completion. The Lagos – Ibadan standard gauge rail line is due to be completed by the end of December 2018.

Social Investment Programmes (SIPs)

SIPs have directly benefited 9 million citizens over the past two years. The Programme is recorded as the largest and most ambitious social safety net programme in the history of Nigeria²⁰. The Federal Government has taken a bold step by investing directly in its citizens through SIPs. The Home Grown School Feeding Programme, providing one hot meal a day across 24 states to more than eight million school children, has led to an increase

in school enrolment. The N-Power jobs programme which employs 200,000 young people in the public sector, providing social services as teachers, agriculture extension workers, health assistants. The programme also provides skills training to non-graduates in the construction and automotive sector. The Government Enterprise and Empowerment Programme is providing loans of between NGN10,000 and NGN100,000 to MSMEs across the country.

In conclusion, it is apparent that the Nigerian economy is responding positively to a coordinated set of reforms through the disciplined implementation of the ERGP, with the ease of doing business intervention playing a pivotal role in this recovery effort.

1.3 The Presidential Enabling Business Environment Council (PEBEC)

After the initial scoping and planning period by the administration, His Excellency President Muhammadu Buhari established the Presidential Enabling Business Environment Council (PEBEC) in July 2016 to oversee reforms to remove critical bottlenecks and bureaucratic constraints to doing business and move Nigeria to the top 100 in the World Bank rankings by 2020.

The PEBEC is chaired by His Excellency, the Vice President, and comprises 10 Honourable Ministers, with the Honourable Minister of Industry, Trade and Investment as Vice-Chair and line minister for the initiative. Other members include the Head of the Civil Service of the Federation, the Governor of the Central Bank of Nigeria, representatives of the National Assembly, the Judiciary, Lagos State, Kano State, and the private sector (Figure 7).

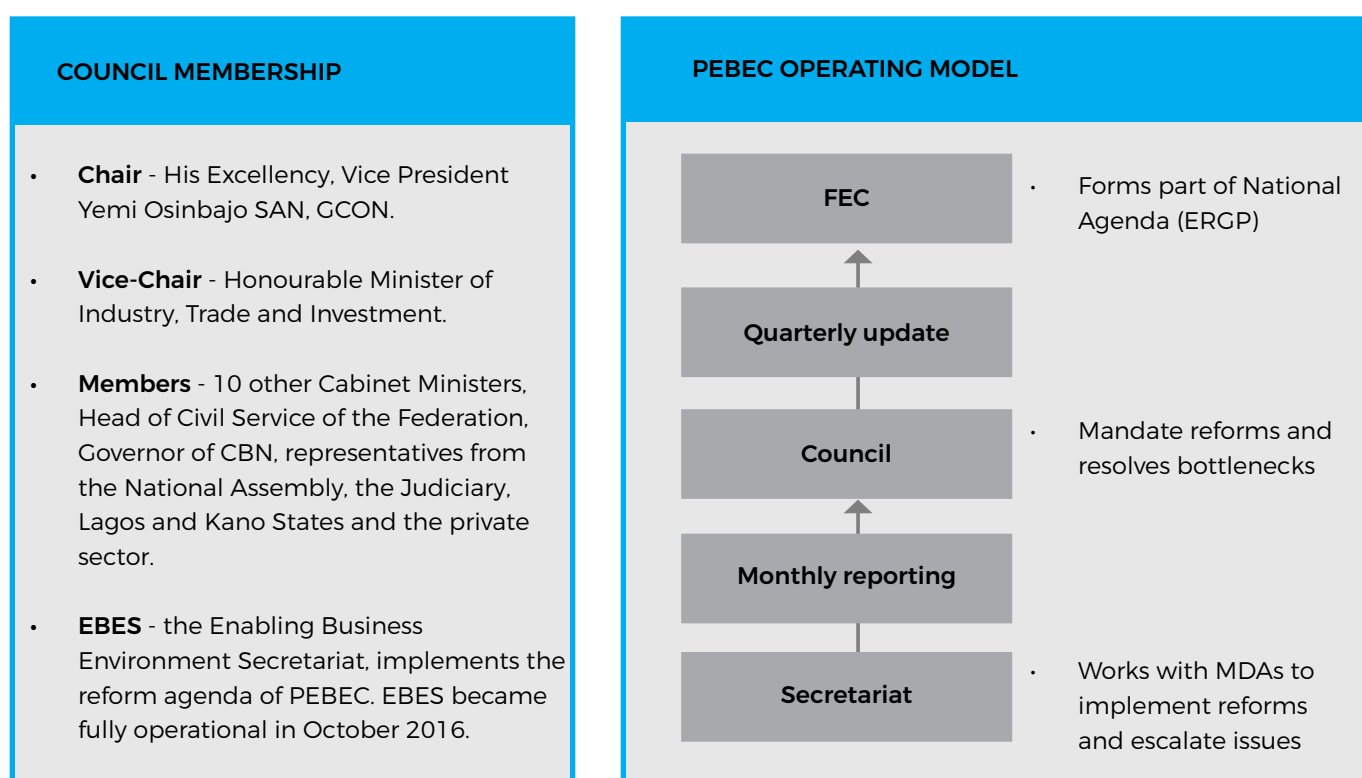


FIGURE 7

PEBEC Structure and Operating Model

Source: Enabling Business Environment Secretariat (EBES)

The PEBEC implements its reforms through the Enabling Business Environment Secretariat (EBES), a team of public and private sector professionals who work closely with relevant MDAs and other stakeholders to implement reforms and escalate issues.

The PEBEC meets monthly to review the implementation of its mandate by the MDAs as facilitated by the EBES. The MDAs are charged with resolving identified bottlenecks prioritised based on feedback from stakeholders. The PEBEC also works through periodic short-term national action plans, accelerators with

targets which are publicly announced for transparency and accountability. The PEBEC provides a quarterly report to the Federal Executive Council (FEC) to keep the entire cabinet fully updated on the reforms across the board and ensure cohesion and required political will. This model aligns with global best practice, and includes a strong performance-tracking element that ensures political buy-in at the highest levels and accountability from MDAs.

1.4 The PEBEC Implementation Strategy

Nigeria's return to a path of steady recovery owes much to a series of National Action Plans (NAPs) that focus on critical bottlenecks and drive reforms across both the World Bank Doing Business indicators and domestic indicators.

In 2017, the PEBEC implemented the first 60-day NAP (NAP-60) that contained reforms across seven World Bank and one home-grown indicator; Registering Property; Dealing with Construction Permits; Getting Credit; Getting Electricity; Paying Taxes; Trading Across Borders; Entry and Exit of People. Reforms included moving some services online, reducing the time for certain processes to be completed, eliminating paperwork and increasing transparency.

The combination of the accelerator programmes implemented by the PEBEC since July 2016, the NAP-60 and the release of EO1 in 2017, turned the tide for Nigeria; it rose 24 places from 169 to 145 in the World Bank's 2018 Ease of Doing Business Index. The NAP-60

was augmented by EO1 that laid out five new standards of practice.

In October 2017 and February 2018, the PEBEC launched two further 60-day NAPs containing 150 more reform initiatives across 10 areas. Other activities initiated since July 2017 include a Subnational project to cascade national-level reforms to individual states, and PEBEC.Report, a new public service complaints app covering nine agencies.²¹

All of the reforms introduced over the past 24 months are reversing decades of neglect and internal governance roadblocks, and improving Nigeria's business environment. However, there is still work to do to achieve the PEBEC's aspiration of achieving a top 100 place on the World Bank's Ease of Doing Business Index

It is clear that Nigeria must now accelerate its reform efforts. The PEBEC will continue to work closely with the public and private sectors to institutionalise its reforms, cascade them to state level, and refine and improve the business environment.

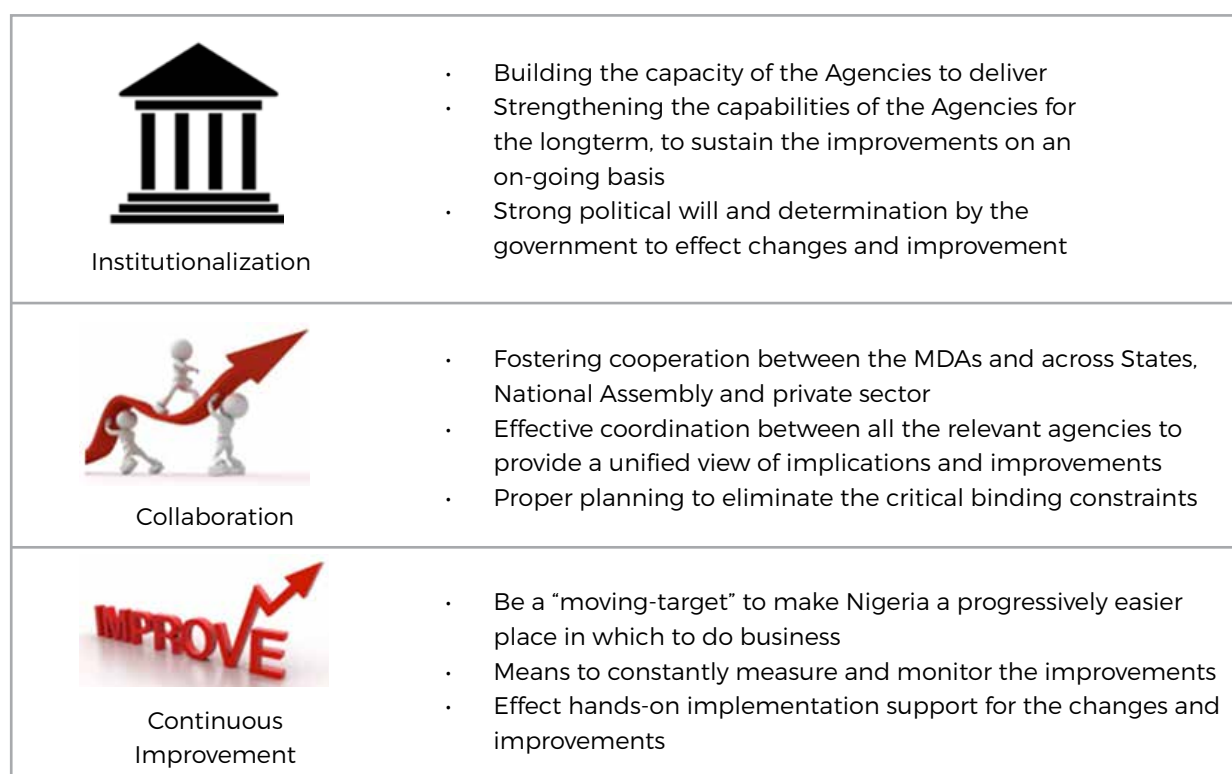


FIGURE 8

The PEBEC implementation strategy

Source: Enabling Business Environment Secretariat (EBES)

1.5 2018 Ease of Doing Business outlook for Nigeria

The PEBEC's goal for 2018 is to continue to improve public service delivery and create an enabling business environment in which MSMEs can thrive. Major planned business climate reforms for 2018 include:

	<p>OMNIBUS Bill – Jointly with the National Assembly, address outdated laws that create bottlenecks to providing an environment in which MSMEs can thrive. While new to Nigeria, Omnibus bills are legislative tools that have been used very successfully in other parts of the world to expedite reforms.</p>
	<p>NAP 3.0 (February 5 to April 5 2018) – Focused on the most impactful reforms; 65% were completed within the initial 60-day period; 81% were completed after a three-week extension. This exercise has been completed.</p>
	<p>Subnational Ease of Doing Business Project – Cascade initiatives to the Subnational level by engaging state governments and collaborating to implement initiatives that will make states and regions more attractive to businesses. The 2018 plan will showcase these areas through a baseline business environment survey of four domestic indicators. The survey project will be driven by a Technical Working Group of key stakeholders across federal agencies, state governments and the private sector, and coordinated by the EBES.</p>
	<p>National trading platform – Provide improved technology, hard and soft infrastructure to modernize Nigeria's port operations, including a single portal, scanners and a community system to expedite and simplify information flows between trade and government. The project is anchored by Federal Ministry of Finance and the Nigerian Customs Service.</p>
	<p>Airport concession – The Federal Executive Council has approved the concession of Nigeria's flagship international airports in Lagos and Abuja. The project is anchored by the Ministry of Transport (Aviation).</p>

FIGURE 9

2018 Ease of Doing Business outlook for Nigeria

Source: Enabling Business Environment Secretariat (EBES)

2. Reforming Nigeria's Business Environment



Nigeria's business environment reform implementation strategy was uniquely conceived from the outcome of rigorous interrogation by the Enabling Business Environment Secretariat (EBES) team prior to commencement of its operations. Particular emphasis was placed on why the business climate was challenging as well as have the critical success factors that enabled certain countries radically reform their business climate. This entailed extensive engagement of the relevant MDAs as well as members of the organised private sector with a view to understanding the practices and procedures available in such MDAs and benchmarking them against global best practices.

Preparatory research undertaken by the EBES revealed that reforms in Nigeria had enjoyed limited success in the past due to a lack of coordination between the MDAs, inadequate planning and absence of monitoring mechanisms to ensure reforms were successfully implemented. As a result, prior to the institution of the PEBEC, instead of improving, Nigeria's business environment has continued to deteriorate over the last decade due to issues such as lack of transparency on documentation, processes and timelines expected by MDAs for delivery of services to the public; arduous processes; multiplicity of roles of agencies and high-cost structure. Government bureaucracy and lack of transparency in administration reduced investor confidence and citizens had limited faith in institutions

of State and determination by government to pursue existing blueprints and initiatives.

Yet, case studies of countries that have radically transformed their business environments through bold, deliberate steps to impact their economies positively are encouraging. They include Rwanda and Kenya in Africa, Georgia and Macedonia in Eurasia and the UAE in the Middle East. These countries all established a strong leadership and commitment from the highest levels of government for the required inter-ministerial coordination as well as a dedicated institution to focus on and drive the implementation of reforms, provide transparent planning and monitoring and ensure sustainability.

As a result, a consensus was rapidly reached about what it would take to implement an impactful reform agenda for Nigeria, and the EBES developed a robust home grown implementation strategy for Nigeria, consisting of a 360° collaborative approach to identifying priority issues involving all stakeholders. Implementation of reforms has been actualized through 60-day national action plans, which are short term accelerators transparently driven with clear ownership and responsibility by each MDA, as well as clear communication of expected outcomes and the impact of such reforms for Nigerians.²²

2.1 The First Wave of Reforms – January to July 2017

2.1.1 First 60-day National Action Plan (NAP-60)

On 21 February 2017, the PEBEC launched its first ease of doing business accelerator programme, the 60-Day National Action Plan (NAP-60) – the first of its kind in Nigeria – which ran to April 21, 2017. It was an inter-ministerial and inter-governmental plan designed for implementation by select MDAs and State Governments. In collaboration with the EBES and private-sector partners, select MDAs and the State governments of Lagos and Kano implemented several reforms across seven World Bank Doing Business indicators: Starting a Business, Registering Property, Dealing with Construction Permits, Getting Credit, Getting Electricity, Paying Taxes and Trading Across Borders; as well as one Home-grown reform initiative, entry and exit of people. NAP-60 was supported by an execution strategy to deepen and sustain the implementation of key reforms across all priority MDAs.

As part of the communication strategy, all reforms were announced to the public. In February 2017, the EBES organized stakeholder forums with State Governments in Kano and Lagos for purposes of communicating the reforms to the private sector and soliciting feedback.

At the end of the NAP-60 period, the EBES achieved 70% completion of all reform initiatives, which rose to 82% after an extension of 30 days by the PEBEC. The main reforms implemented during the NAP-60 were as follows:

Starting a Business

Stakeholders reported that registering businesses in Nigeria was difficult, requiring twice as many procedures and three times the amount of time compared to processes and procedures which had been adopted by developed economies around the world. Prior investigations also revealed a dire need for strong collaboration and cooperation efforts between the Corporate Affairs Commission (CAC) and the Federal Inland Revenue Service (FIRS) in streamlining and addressing challenges that stakeholders faced during the process for registration of businesses.

These issues included: (i) lack of a standard timeline for reservation of names; (ii) inability to upload incorporation documents in the CAC online portal, frequent server downtime; (iii) completion of multiple forms for registration of businesses; (iv) stress and delays in making payments for stamp duty at banks; and (iv) physical submission of documents to the stamp duty office for

stamping of the requisite registration documents.

At the end of NAP-60, the relevant agencies with support from EBES had ensured the successful implementation of an upgraded and fully automated online name reservation process whereby approvals are issued to applicants within a maximum period of 12 hours. Through the relocation of servers servicing the CAC to a remote location managed by a private operator, server downtime was reduced drastically to a minimum, thereby ensuring availability of services to stakeholders on a more regular basis and reducing challenges previously experienced with document upload on the Companies Registration Portal (CRP).

Five separate incorporation forms were consolidated into one single Form (CAC Form 1.1), thereby making it easier for applicants to complete the registration form. This reform also resulted in a reduction of cost of registering a private limited liability company with a NGN1 million authorised share capital from NGN19,500 to NGN15,500. An electronic integrated platform was introduced whereby Tax Identification Numbers (TIN) were automatically generated by the FIRS upon completion of new registrations. Once the registration number is generated by the CAC, the TIN is sent to one of the business founders of the new company via email. Applicants, therefore, no longer need to complete a tax registration application form or visit the tax office to register for income tax and value added tax (VAT).

Furthermore, the electronic integrated platform was utilised as a tool for ensuring that payments for stamp duty and company registration fees could be undertaken on the companies registration portal (CRP). The integration also enabled the introduction of an electronic stamping process whereby registration documents were stamped electronically on the CRP. This eliminated the manual processes previously used by the CAC and the FIRS. In addition to the foregoing, as a result of the stabilisation of the CAC servers and upgrade of infrastructure for operation of the CRP, registration operations of the CAC were successfully extended to major commercial cities in Nigeria with an overall outcome of the implementation of a 24-hour period for completion of business registration processes initiated on the CRP.



Registering Property

The EBES worked closely with the Kano and Lagos State Governments to simplify and ease the administration processes for registration of title to property. Stakeholders in the respective States reported that applicants were required to pay different fees at different stages of the registration process, and they were also required to undertake several visits to the land registry before the registration could be completed. It was also difficult to provide constructive feedback on the title registration process to the relevant authorities. The feedback received from stakeholders also established that processing time for obtaining Governor's consent for registration of title applications exceeded the timelines recorded in other countries with similar laws. Similarly cumbersome were the documentation requirements for conducting due diligence on properties at the respective land registries by prospective investors.

To eliminate delays and rent-seeking opportunities, reforms included consolidating payments and reducing time for Governor's consent through delegation of such action to sub-authorities, such as Honourable Commissioners. The relevant authority in Kano State successfully carried out digitization of land title records and cadastral mapping of Kano State thereby creating an electronic database of such records. The relevant authority in Lagos State eliminated the requirement for sworn affidavits for title searches at the land registry, thereby making it easier for applicants to conduct due diligence on registered properties in Lagos State.

The Lagos State Government also established an independent complaint mechanism called the Citizens Gate Platform to enable applicants provide feedback on issues faced during the process for registering properties. The portal is independent and housed within the Lagos State Office for Transformation, Innovation and Creativity (OTIC) and is reviewed by the Executive Governor of Lagos State through a dashboard. Overall impact of the reforms implemented by the respective State governments resulted in a reduction of the period for registration of property from 77 days to 30 days.

Dealing with Construction Permits

Prior to NAP-60, it was observed that construction permit procedures required manual submissions of large sets of documents and there was lack of clarity as regards applicable fees and procedures as well as the applicable qualification of architects and engineers who were empowered to supervise construction activities. Criteria for waiver of requirements for soil tests and environmental tests were also unclear.

The reforms for Lagos State implemented by the Lagos State Physical Planning Permit Authority (LASPPPA) and was aimed at operationalizing an e-planning platform for dealing with construction permits in Lagos State. Requirement for soil tests and environmental impact assessment approvals were also limited to special cases. Laws and regulations relating to the qualification of architects and engineers who are legally empowered to supervise construction activities were published on the LASPPPA website.

Also, the Kano State Urban & Property Development Authority (KANUPDA) ensured the publication of building regulations and other requirements on its website. The PEBEC reforms, therefore, created transparency in these processes by ensuring the publication of all regulations, fee schedules and pre-application requirements online, and streamlining the application process. This eliminated manual requests, documentation and exorbitant fees. The implementation of the reforms in both States more than halved the time to obtain a construction permit from 42 days to 20 days.

Getting Credit

In order to boost access to credit by MSMEs in Nigeria, it was noted that there was a need to enhance the legal framework for access to credit. At the time, it was established that there was a need to boost Nigeria's under-developed and non-utilisation of movable assets in securing credit transactions. There was also a need to support credit bureaus to expand coverage and provide credit scoring services to address the lack of credit history profiles by most Nigerians, which would have enabled lenders to make informed decisions. The National Collateral Registry (NCR) which is now operational was also under-utilised by banks and other financial institutions.

The PEBEC and the National Assembly collaborated towards the timely passage and signing into law of the Credit Reporting Act of 2017, which gives borrowers the legal right to inspect their credit data from credit bureaus, and the Secured Transactions in Movable Assets Act 2017, enables MSMEs to obtain credit against movable assets (rather than the traditional fixed assets like lands and buildings). Following the passage of both laws, credit bureaus were able to provide credit scores to banks, financial institutions and borrowers as a value-added service; lenders can now determine any prior security interests as well as register their security interests over movable properties provided as collateral; third parties can conduct online searches on encumbrances

on movable collateral; and Nigerians now have a legal right to request and obtain, once a year, one free credit report from a credit bureau. Overall, it is now easier and cheaper for MSMEs to access credit.

Getting Electricity

Due to multiplicity of procedures for new connections to the grid by maximum demand (MD) customers (>45KVA), the timeframe for concluding such new connections was unduly prolonged. At the end of NAP-60, however, the number of procedures for new connections to the grid by MD customers was reduced from 9 to 5. Some of the procedures were merged, while others were completely eliminated and are therefore no longer applicable. For instance, the processing fee for applications has been eliminated as the applications are now processed free of charge. As a result of a more efficient and streamlined process implemented by the Nigeria Electricity Regulatory Commission (NERC) in collaboration with the EBES and the utility companies, the timeframe for new connections to the grid for MD customers was reduced to an average period of 44 days end-to-end from 195 days.

Paying Taxes

In order to reduce the burden of a manual administrative process for remittance and filing of taxes by companies in Nigeria, the FIRS introduced an e-filing system which allows companies to file their federal taxes electronically such as the Corporate Income Tax (CIT), Tertiary Education Trust Fund contribution, Value Added Tax (VAT), Capital Gains Tax, Infrastructure Development Tax and Stamp Duty Tax. Filing usually comprises completion of a one-page document online, which once completed can be utilised to calculate applicable taxes which can also be remitted on the e-filing platform. This is because electronic payment solutions were incorporated into the e-filing platform. This allows users to pay their taxes as soon as they submit for filing in a convenient fashion. The time required to submit and process tax documents was therefore reduced through the introduction of e-filing and centralized electronic payments for all federal taxes. The time now required to process CIT and VAT is eight hours in Lagos and six hours in Kano. There is also now full disclosure of audit guidelines on the FIRS website.

Trading Across Borders.

The Nigeria Customs Service (NCS) has simplified its

procedures and reduced the number of documents required to import and export goods at the border. This translated into time and cost savings. Following directives from the Nigeria Ports Authority (NPA), terminal operators to further promote and boost export sector of Nigeria to fast-track agricultural exports, to further promote and boost export sector of Nigeria. The EBES also worked with stakeholders to reduce the turn-around time for shipment and clearing of goods at the sea ports, reduce the number of documents needed for imports (from 14 to 8) and exports (from 10 to 7), and ease the export documentation process. The scheduling process by pre-shipment agents has been automated, sanctions exist for non-compliance by pre-shipment agents, and a directive for mandatory palletization of loose, either used or new, containerized cargo was also issued.

Entry and Exit of people

This was a home-grown initiative targeted at improving the travel experience of travellers at our airports and visa issuing agencies.

Some of the reforms initiated during the NAP-60 included consolidation of arrival and departure forms into a single form for departure and arrival for non-Nigerians so as to provide proper clarity for travellers; simplification of applications and submission processes for visas-on-arrival requests, whereby submission of applications and receipt of approvals can now be done electronically via a dedicated email address. A 48 hour timeline for pre-approval was introduced and there was remarkable improvement in transparency of requirements for undertaking this process through the publication of process, documentation and timeline on the website of the Nigeria Immigration Service.

During the NAP-60 period, some of the infrastructure at the Lagos and Abuja airports (such as decrepit elevators, escalators and chillers) was upgraded with defined maintenance schedules. A 48 hour timeline for issuance of visas at Nigerian missions abroad was reinstated to prevent delays with processing of such visa applications. These changes effectively reduced waiting times and improved the traveller experience, benefitting both local business owners and foreign investors.

2.1.2 Executive Order 001 on Transparency and Efficiency (EO1)

To build on the traction from the NAP-60 reform initiatives and to cascade them across all Federal Government of Nigeria (FGN) MDAs, His Excellency, the Vice President, Professor Yemi Osinbajo SAN GCON, then acting President, signed Executive Order 001 (EO1) on May 18, 2017 to promote transparency and efficiency in the business environment. The key objectives of the EO1 are to:

1. Deepen the impact of completed reforms in the front-line offices that engage with the public;
2. Foster collaboration between MDAs in their service delivery;
3. Institutionalize systemic change sustainably.

EO1 also aims to promote domestic and foreign investments that create employment and stimulate the

national economy. Its directives aspire to make MDAs more transparent, efficient and customer-centric. EO1 aspires to overcome the lack of public trust in public systems, and signal the FGN's commitment to change. As such, it is a blueprint for fundamental government reform in Nigeria.

EO1 as a blueprint for government reform

The very first executive order of this Administration, EO1 has been acknowledged as one of the FGN's most innovative strategic initiatives to deliver quick, pragmatic changes for Nigerians. When fully implemented, EO1 will transform the way the FGN and its MDAs serve the business community and the public at large.

"...every time that a public servant is an obstacle to anyone seeking approvals or licences, he or she attacks the Nigerian economy... every time that we create obstacles to doing business we attack our prosperity as a nation, we also attack the future..."

**HIS EXCELLENCY THE VICE PRESIDENT, PROFESSOR YEMI OSINBAJO SAN, GCON
MAY 18, 2017, AT A MEETING WITH HEADS OF AGENCIES**

The combination of the accelerator programmes implemented by the PEBEC since July 2016, the NAP-60 and the release of EO1 in 2017, turned the tide for Nigeria, and the country rose 24 places from 169 to 145 in the World Bank's 2018 *Doing Business* Report. For the first time ever, Nigeria was acknowledged as one of the top 10 most improved economies in the world for business climate reforms.

This success is a testament to the importance of EO1 as a blueprint for fundamental government reform

and demonstrates how quickly impact can be realised with systemic intervention and unwavering government commitment.

EO1's six directives address limitations identified in the civil and public service systems: Transparency; Default Approvals (efficiency); One Government (efficiency); Entry Experience of Visitors and Travellers; Port Operations and Registration of Businesses. The first three are cross-cutting and apply to all MDAs; the second three apply to specific sectors and MDAs or clusters of MDAs.

**FIGURE 10:****Executive Order 001 on Transparency and Efficiency (EO1)**

Below are the key thrusts of each of the EO1 directives:

Transparency

The standard processes and service fees for most MDAs are not publicly available. As a result, citizens are not empowered to demand efficient service and this creates opportunity for rent-seeking. The transparency directive mandates the MDAs to publish a complete list of all fees, timelines, conditions and requirements for obtaining permits, licences and approvals on their premises and on their websites.

Default Approvals

The MDA consequence management structure does not drive timely delivery and leads to inconsistent professionalism and application delays. To overcome these issues, EO1 mandates MDAs to approve or reject applications within the Agency's specified timeline.

Failure to do so will result in default approval for registrations, certifications, waivers, licences or permits not concluded within the timeline. An applicant whose application is deemed granted may apply to the Minister in charge to issue a document or certificate as evidence within 14 days of the lapse of the deadline.

One Government

Most MDAs work in silos. If an applicant needs approvals from three different MDAs with the same set of documents, he/she has to submit the same documents to all three MDAs. This is not efficient. EO1 therefore mandates the MDAs requesting documents to seek verification or certification from the issuing MDA if it requires a document from another MDA to deliver service to an applicant, and accept a photocopy from the applicant.

Entry Experience of Visitors and Travellers

The airport is the first point of contact visitors have with a country and their experience determines how that country is perceived. Historically, Nigeria has a poor record of pleasant airport experiences, with visitors subject to long visa-processing times and touting. EO1 mandates MDAs to: issue ordinary tourist and business visas within 48 hours; publish an up-to-date list of requirements and timelines for visas on arrival on all immigration-related websites, and process visas in a transparent manner.

Port Operations

Worldwide, ports handle 80% of global trade by volume and 70% by value. They are critical to an economy and must be operated efficiently. Nigerian ports have faced several challenges, including touting, duplicity of functions among agencies, and corruption. EO1 therefore mandates port MDAs to harmonize operations into one single interface station in one location implemented by a single joint task force. This single interface solution will supply weekly data on goods arriving in and departing from Nigeria to the heads of the MDAs and the National Bureau of Statistics; and dedicate an existing export terminal to the exportation of agricultural produce.

Business Registration

Entrepreneurs require a seamless registration process to encourage them to set up a business. EO1 mandates the CAC to fully automate all registration processes (from start to finish via the CAC website within 14 days of the issuance of this order. Where necessary, an online payment platform must be made available).

After signing EO1, the Vice President mandated the Head of Service (HOS) of the Federation and the Secretary to the Government of the Federation (SGF), in collaboration with the EBES, to conduct workshops for all MDAs to operationalise the Order. The workshops were conducted in batches between June and August 2017 for several of the 960 MDAs under the Civil and Public Services.

The EBES also conducted one-on-one strategic focus workshops with 46 MDAs selected based on their immediate impact on the business environment and feedback from stakeholders via forums and surveys (Figure 11). These agencies are referred to as the PEBEC Priority MDAs (PPM).

FIGURE 11 : MDAs within the scope of EO1 report

						
BOI	NCAA	NAFDAC	NSC	CPC	SGF	OHCSF
						
FMI	NIMASA	NPF	NAMA	MOA	NOTAP	NEMSA
						
CAC	FME	NEXIM	FMIC	NDLEA	SON	DSS
						
OGFZA	NSDC	SEC	FMPWH	NPA	PENCOM	JTB
						
NIPC	NCR	BPP	NEPC	SCUML	NIS	MOJ
						
NEPZA	NAQS	NCDMB	FAAN	FMF	NERC	MPWH
						
CBN	FIRS	NBC	NCS	FMOT	FMoFA	NIA

EO1 Full-year scorecard, May 2018

To foster a robust monitoring and evaluation (M&E) process, EO1 mandated MDAs to submit monthly reports to the offices of the HOS, SGF and SERVICOM. In collaboration with SERVICOM, the EBES developed

a rating scale to analyse MDA compliance against their SLAs and other EO1 directives. Presented below is the report on the performance of the PPMs which have been tracked and analysed over the last year (Figures 12-15).

FIGURE 12

EO1 full-year score card – Transparency

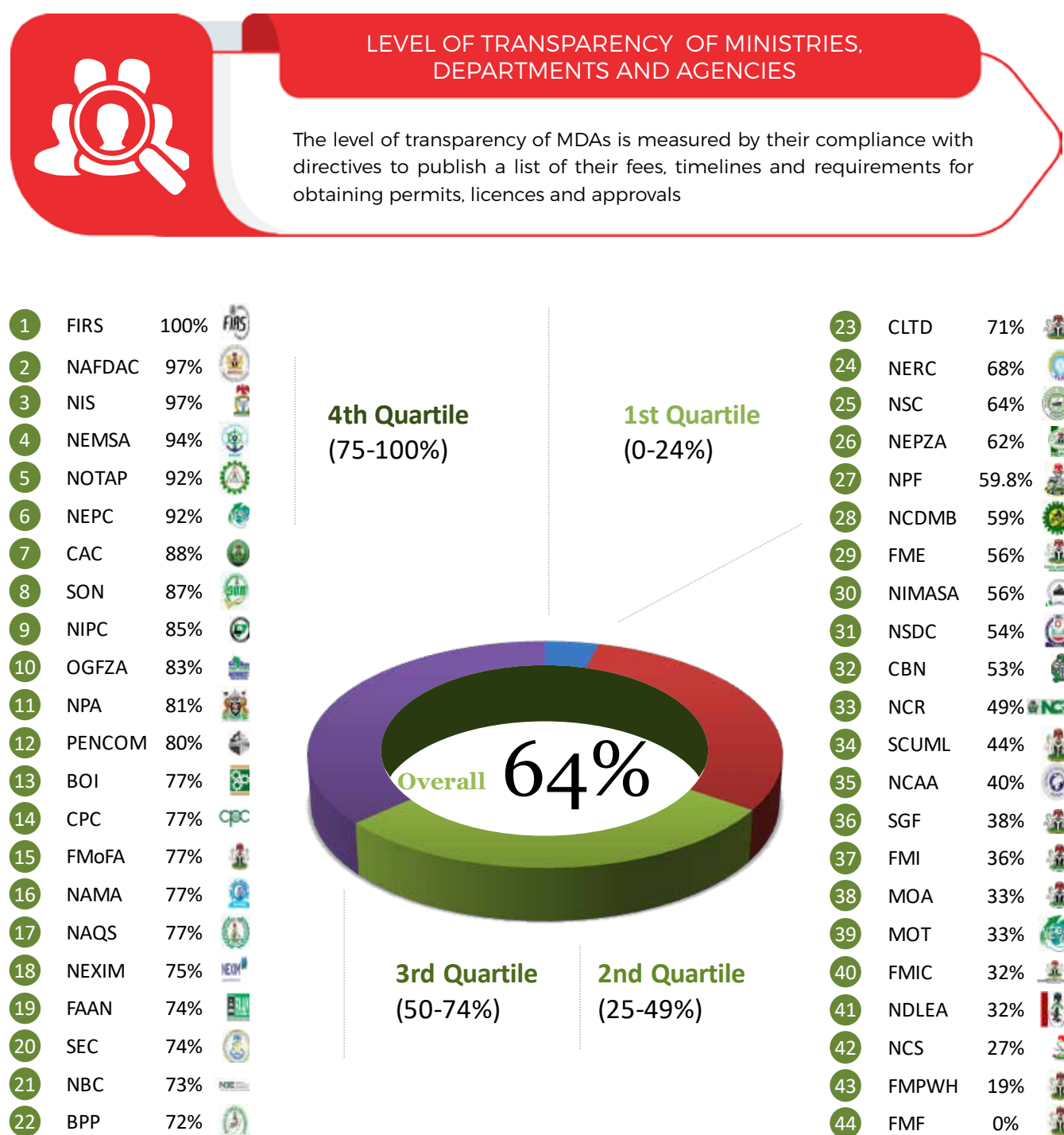
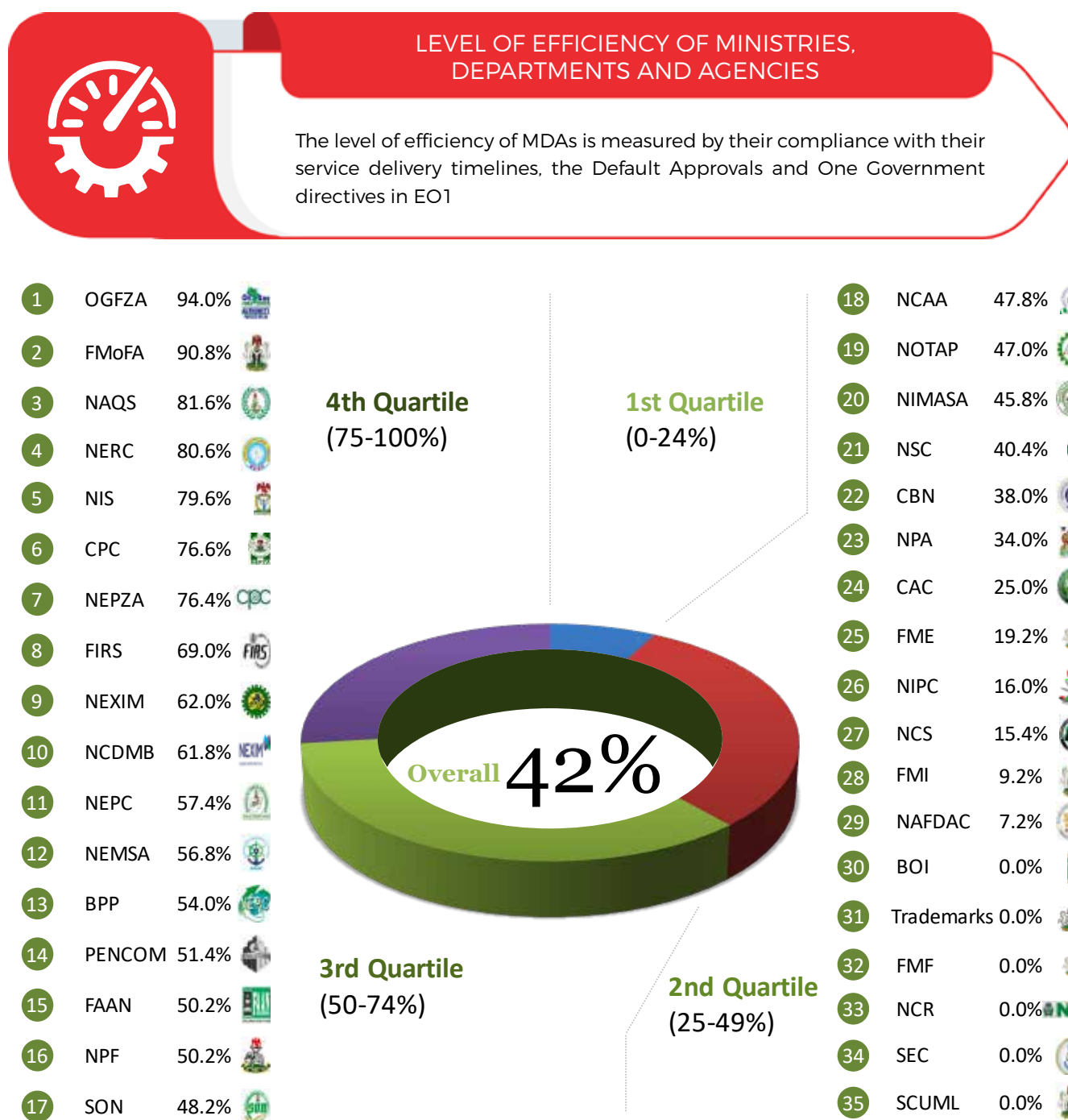


FIGURE 13

EO1 full-year score card – Efficiency



The three sector-specific directives tracked and measured implementation of:

- Provisions to aid a seamless travel experience for visitors and travellers;
- Provisions to improve efficiency of operations at ports and ease of trading across borders through ports;
- Provisions to register a business within 48 hours.

FIGURE 14

EO1 Full-year score card – Entry experience of visitors and travellers



FIGURE 15

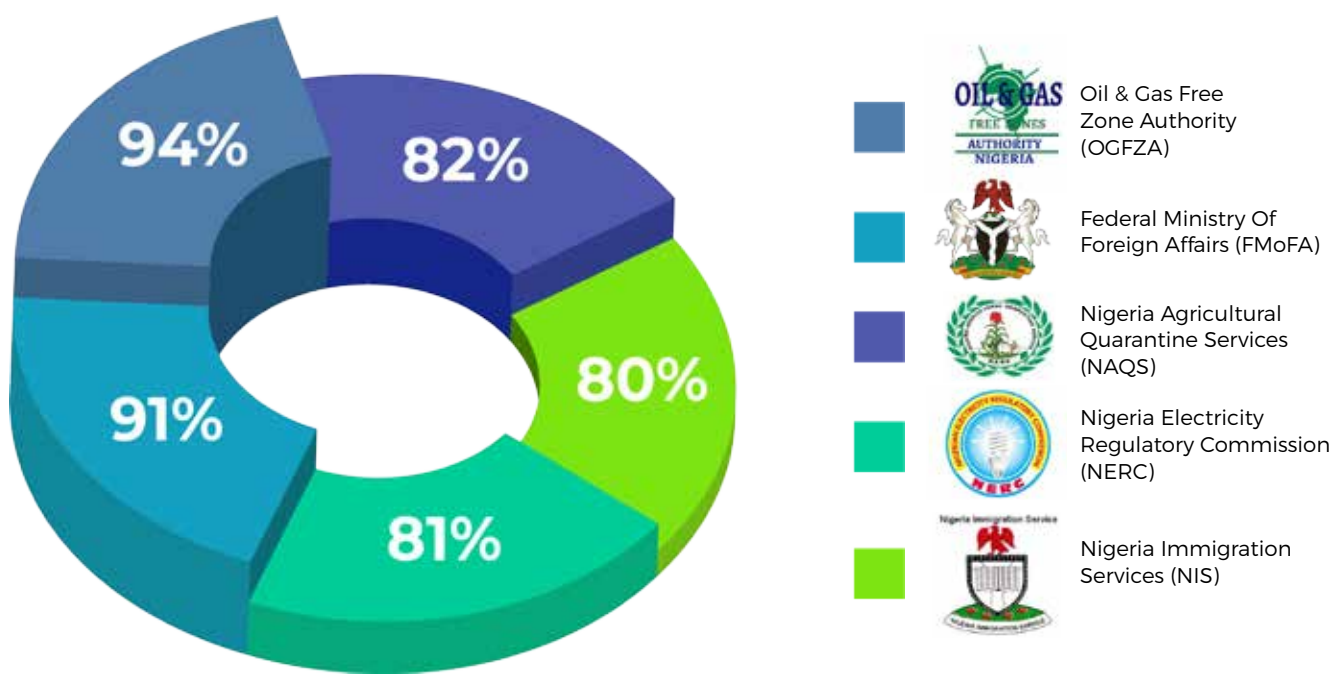
EO1 Full-year score card – Port Operations



The top five performing MDAs have achieved 80% and above compliance with the Default Approvals and One Government directives: the Oil & Gas Free Zone Authority (OGFZA) at 94%; the Federal Ministry of Foreign Affairs (FMoFA) at 91%; the Nigerian Agricultural Quarantine Services (NAQS) at 82%; the Nigeria Electricity Regulatory Commission (NERC) at 81%; the Nigeria Immigration Services (NIS) at 80% (Figure 16).

Services (NAQS) at 82%; the Nigeria Electricity Regulatory Commission (NERC) at 81% and the Nigeria Immigration Services (NIS) at 80% (Figure 16).

FIGURE 16
Compliance – Top 5 MDAs, full-year



MDA compliance with EO1

The progress achieved is the result of close collaboration between the MDAs and EBES, and among theMDAs themselves. The MDAs that show the highest level of compliance are, OGFZA (94%), FMoFA (91%), NAQS (82%), NERC (81%) and NIS (80%) (Exhibit 14)

OGFZA	FMoFA	NAQS	NERC	NIS
94%	91%	82%	81%	80%

Successful MDAs have implemented critical reforms in three areas that have enabled them to streamline their processes and comply with the EO1: automation, transparency and communication, and monitoring and evaluation systems.

Automation

In line with global best practice, technology is a key tool to improve the efficiency of MDA service delivery and other activities. For example:

- 1. Functional online application platforms; the Oil and Gas Free Zone Authority (OGFZA), Federal Inland Revenue Service (FIRS) and others, have automated all their services.
- 2. Integration of service platforms among related and collaborating MDAs; the FIRS and CAC integrated TIN generation for the company registration process.
- 3. Improved visa-on-arrival process: NIS

Transparency and Communication

These elements lie at the heart of any successful reform initiative. They rally experts, help build support within and outside MDAs, educate the public and encourage adoption and feedback.

1. High-performing MDAs upgraded their websites to include details of their SLAs, ensuring that users can understand what service to use and how to use it.
2. A functional customer service mechanism is key to quality service delivery. MDA interactions with customers should be based on the highest levels of professionalism and courtesy across all communication channels.

Monitoring and Evaluation Processes

Successful MDAs have robust systems to track the impact and effectiveness of their processes. They constantly reviewed their processes, determine what is working and what is not. The successful MDAs have good internal M&E processes that enabled them to efficiently track performance as well as improve in deserving areas.

The FCN will need to focus on three areas to entrench the reforms sustainably: institutionalisation; collaboration; and continuous improvement.

The 2018 EO1 Report, which was released on 25 June 2018, provides the full details of the EO1 and its implementation thus far.

2.2 Second Wave of Reforms - September 2017 to May 2018

2.2.1 Second 60-day National Action Plan (NAP 2.0)

Starting a Business

During the period of NAP 2.0, the CAC extended its operations to 10 additional major cities in Nigeria, thereby replacing manual registration of businesses processes in those cities to online processes. The requisite infrastructure necessary to support such processes were upgraded and staff of the CAC trained on how to ensure the smooth operations of the end-to-end online process for business registration. This afforded more Nigerians access to initiating and concluding business registration processes online, which hitherto was only available at the CAC headquarters in the Federal Capital Territory and select States in Nigeria. During the NAP 2.0 period, Kano State also took steps to eliminate the previous requirement for inspection of premises during the process for obtaining a business premises permit and clarified the cost of procuring such business premises permits in urban areas in Kano State as being N10,000. This reform had the resultant effect of making the process less onerous for applicants.

Dealing with Construction Permits

In order to improve transparency of the processes for obtaining construction permits in Lagos and Kano States, both governments took steps to publish clear timelines and procedures for water connection on the respective websites of the relevant authorities. In eight districts in Lagos, manual submissions of applications

were replaced with an e-planning platform. Also in Kano, fixed fees were introduced for small projects presenting no risk for public health and safety. The reforms being implemented by EBES, in conjunction with the two State Governments during the period, were targeted at further improving efficiency of the processes for obtaining construction permits in both States, thereby reducing the burden and stress which were hitherto associated with such processes.

Registering Property

As part of the gains of NAP 2.0, land registry searches were automated and are now conducted within one hour of submission of a request in Kano State and all fees have been harmonized. The requirement for stamping the deed of assignment with the final registration process for lands owned in Lagos was also merged to improve efficiency of both processes. All procedural requirements for registering properties in Lagos and Kano and statistical information on land disputes for the previous year have been published on the websites of the relevant regulatory authorities for both States. Furthermore, an autonomous public complaints and anti-corruption commission was created in Kano State to handle dispute resolution on property-related matters.

Getting Electricity

Following the successful reduction of procedures for new connections to the grid by MD customers, the EBES collaborated with the NERC during NAP 2.0 to introduce a monitoring and evaluation mechanism to ensure adherence to the standardised five procedures for such connections to the grid. In addition, in order to address lack of prior notice to customers of prolonged power outages, a process for issuance of advance notice of planned prolonged outages was established.

Getting Credit

There was a recognised need to further realise dividends from passage into law of the two credit laws by the National Assembly. Efforts were therefore made to sensitise and increase utilisation of credit reports and credit scoring by banks and other financial institutions during the period.

Paying Taxes

In order to address lack of clarity around the timelines to complete a corporate income tax audit, during the NAP 2.0 period, the FIRS published the timeline for completion of corporate income tax audits as 90 days on its website. There was also a need to on-board more users of the e-filing system, to make it easier for such users to file their returns at the FIRS e-filing portal. Consequently, FIRS made concerted efforts during the period to ensure a higher percentage of medium and large enterprises were registered on the e-filing platform.

Trading Across Borders

As part of efforts of PEBEC and the NCS to further reduce the time and cost for import and export clearance in Nigeria, the NCS made efforts to strengthen the directive for a single joint cargo examination interface for import

cargo to ensure one point of contact with officials. This has had the effect of simplifying the examination processes at the nation's ports. The NXP processing timeline was also aligned and enforced to reduce time for export clearance.

Selling to Government

For the purpose of introducing clarity to procurement processes by Government, the Bureau for Public Procurement (BPP) issued clear guidelines for different types of procurement with procedures and timelines during NAP 2.0. Also, adherence to procurement procedures was enforced and the sanctioning processes for erring MDAs have been strengthened.

Entry and Exit of People

Further to feedback from Nigerians on incessant non-compliance by airlines, fines and penalties were instituted to make airlines more accountable in cases of such non-compliance.

Trading Within Nigeria

To improve the transparency of processes and procedures to be undertaken at the National Agency for Food and Drugs Administration and Control (NAFDAC), NAFDAC clarified the fees and processes for registering products and published them on its website. The Trademarks, Patents & Designs Registry also published outstanding marks in a series of trademark journals to safeguard the legal rights of applicants to the use of such registered marks. The Standard Organisation of Nigeria reduced the interception of containers by its officials after release at the ports to ensure faster cargo clearance.

2.2.2 Third 60-day National Action Plan (NAP 3.0)

In February 2018, the PEBEC launched NAP 3.0 to sustain progress at the national level by delivering further reforms across nine of the World Bank's Doing Business indicators. NAP 3.0 achieved an average success rate of 81% across 15 reforms.²³

Starting a Business

In line with EO1 objectives as regards transparency, adherence to SLAs in relation to processes and timelines for post-registration filings were implemented

to improve efficiency and transparency in the post-registration application processes at the CAC.

Dealing with Construction Permits

In Kano, applications for building plans were integrated into the payment procedure and the time required to obtain plans was reduced from 30 to 14 days. Water connection applications are also now done simultaneously with payments. In Lagos, statistical information on land disputes has been made available.



Registering Property

The process for obtaining Governor's Consent in Kano was optimized and the timeline reduced to seven days. The Infrastructure Development Charge (IDC) for warehouses was eliminated in Lagos. A central billing system for all fees was also implemented in Lagos and Kano States.

Trading Across Borders

Pre-shipment Inspection Agents (PIAs) successfully digitized the Request For Information (RFI) forms thereby eliminating the need for physical visits by exporters to offices of the PIAs for an inspection request. The single joint cargo examination interface in all airports and ports for import and export was strengthened and guidelines issued to drive efficiency. The zero-standalone examination of import and export cargo was also implemented. The palletization policy was clarified to the public and interactive websites were implemented by the PIAs. The NPA and NCS have enforced mandatory transmission of shipping line manifests, which is expected to be done within a maximum period of seven days before the arrival of a vessel in Nigeria.

Entry and Exit of Ppeople

As part of efforts of PEBEC to improve traveller experience at the domestic airports, Passenger Service Charge (PSC) stickers were successfully eliminated. Once checked in prior to arrival at the airport, passengers are now free to head straight to the departure lounge before boarding aircrafts for departure. Check-in procedures were also streamlined and multiple, convenient automated payment options for travellers introduced. Feedback kiosks for travellers to share their experiences have been established at the airports to facilitate prompt and convenient system for providing feedback.

Trading within Nigeria

NAFDAC enforced compliance with the 90-day timeline to complete product registration and cleared all pending registration applications as of December 2017. The Trademarks Registry issued all outstanding certificates

of registration of trademarks, patents & designs and published the backlog of those awaiting publication in Trademark Journals. The National Office for Technology Acquisition and Promotion (NOTAP) reviewed existing guidelines based on feedback/input from consultative sessions with relevant stakeholders.

Getting Credit

In order to consolidate the enhanced legal framework for access to credit by MSMEs, concerted efforts were made to further sensitise the legal community by providing additional information on the operations of the National Collateral Registry. Banks were also urged to use the National Collateral Registry.

Getting Electricity

To consolidate the gains recorded during NAP 60 and NAP 2.0 whereby procedures for new connections to the grid by MA customers were reduced to seven procedures, the NERC collaborated with the EBES in driving 100% compliance with timeline of an average period of 30 days for new connections to the grid.

Paying Taxes

In order to increase the awareness and adoption of the e-platforms, the FIRS upgraded its IT infrastructure and carried out several stakeholder sensitisation campaigns. The number of payments and filings for federal taxes and time for compliance were drastically reduced.

Enforcing Contracts

The Lagos State Judiciary, led by the Chief Judge of Lagos State in collaboration with the EBES, took significant steps towards further enhancing the process for settlement of commercial disputes in Lagos State through the introduction of the small claims courts. The small claims courts are charged with settling commercial disputes involving liquidated money demands of up to N5 million and below. The objective is to provide easy access to an informal, inexpensive and speedy resolution mechanism for simple debt recovery disputes.

2.3 2018 Legislative Reform - Companies and Allied Matters Bill (CAM Bill)

On May 15, 2018 the Nigerian Senate made history with the passage of a Bill for the Repeal and Re-enactment of the Companies and Allied Matters Act (CAM Bill), the largest business bill, which had not been amended in over 28 years. The main benefits being introduced by the CAM Bill include the following:

Single member companies:

The CAM Bill has introduced a process whereby a single person may form and register a private company. This is an improvement of the provisions of the extant laws whereby a minimum of two persons are permitted to form and register companies in Nigeria.

Removal of consent of Attorney General of the Federation for Registration of Private Companies limited by guarantee

In a bid to reduce the processes prescribed by the extant provisions of the current law for registration of companies limited by guarantee, it has been proposed that the requirement for consent of the Attorney General of the Federation be removed.

Limited liability partnerships

This is a new type of company being introduced by the CAM Bill. Benefits of such companies are the fact that they provide organizational flexibility and tax status of a partnership together with limited liability for their members.

Company/business rescue provisions

The CAM Bill is introducing an effective insolvency regime to save viable businesses and ensure that non-viable businesses can exit the market in a dignified fashion. Provisions relating to administration and company voluntary arrangements have been introduced in the CAM Bill.

Reservation of names

There are several provisions in the CAM Bill whereby technology solutions were introduced to make the processes for business registration and compliance

requirements for such registered businesses easier and more efficient. The provisions of the CAM Bill have codified the current practice whereby name reservation applications are submitted and processed electronically. There are also provisions in the CAM Bill which support electronic filings by registered businesses and e-meetings by private companies.

Optional use of common seal

In order to reduce costs and make it easier for companies to authenticate documents by means other than a common seal, the CAM Bill is attempting to amend the provisions of the extant law by making it optional for companies to procure a common seal. The CAM Bill has also introduced specific provisions on an alternative process for authentication of documents.

Introduction of e-signature for business registration

Through the introduction of provisions in the CAM Bill whereby use of electronic signatures for company registration are permitted, the CAC would be empowered to introduce an electronic document which would result in a seamless online registration process from end to end. Applicants would therefore no longer need to download or upload registration documents, since it would be permissible to affix electronic signatures to such documents.

2.4 PEBEC.Report app

In May 2017, the EBEC organized a two-day “hackathon” competition for 60 young Nigerian techpreneurs in conjunction with private sector stakeholders in the technology space. The objective of the competition was to generate an application to enable citizens quickly to capture and report complaints or give feedback. The selected app is designed to promote transparency and performance tracking within the public and civil service to underpin and deepen the directives of EO1 of 2017. The selected prototype was developed by a leading Nigerian technology company and launched on 8 November 2017. The app is the PEBEC’s official public service website for complaints and feedback on the service standards of MDAs and has been piloted with nine agencies and a limited group of stakeholders since December 2017.

The importance of feedback, M&E as well as consequence management for the impact and sustainability of

this initiative cannot be over-emphasized. Therefore, PEBEC.Report makes it easy for anyone to resolve issues encountered when dealing with MDAs; strengthens federal government enforcement of quality service delivery and public protection efforts on a national level (through filing of complaints) and helps EBES identify trends by tracking the issues that matter the most to Nigerian citizens.

All participating MDAs have assigned administrators to handle complaints according to pre-agreed SLAs that allow up to 72 hours for responding to and resolving issues. All administrators have been trained on how to handle complaints and feedback from the app with courtesy and efficiency.

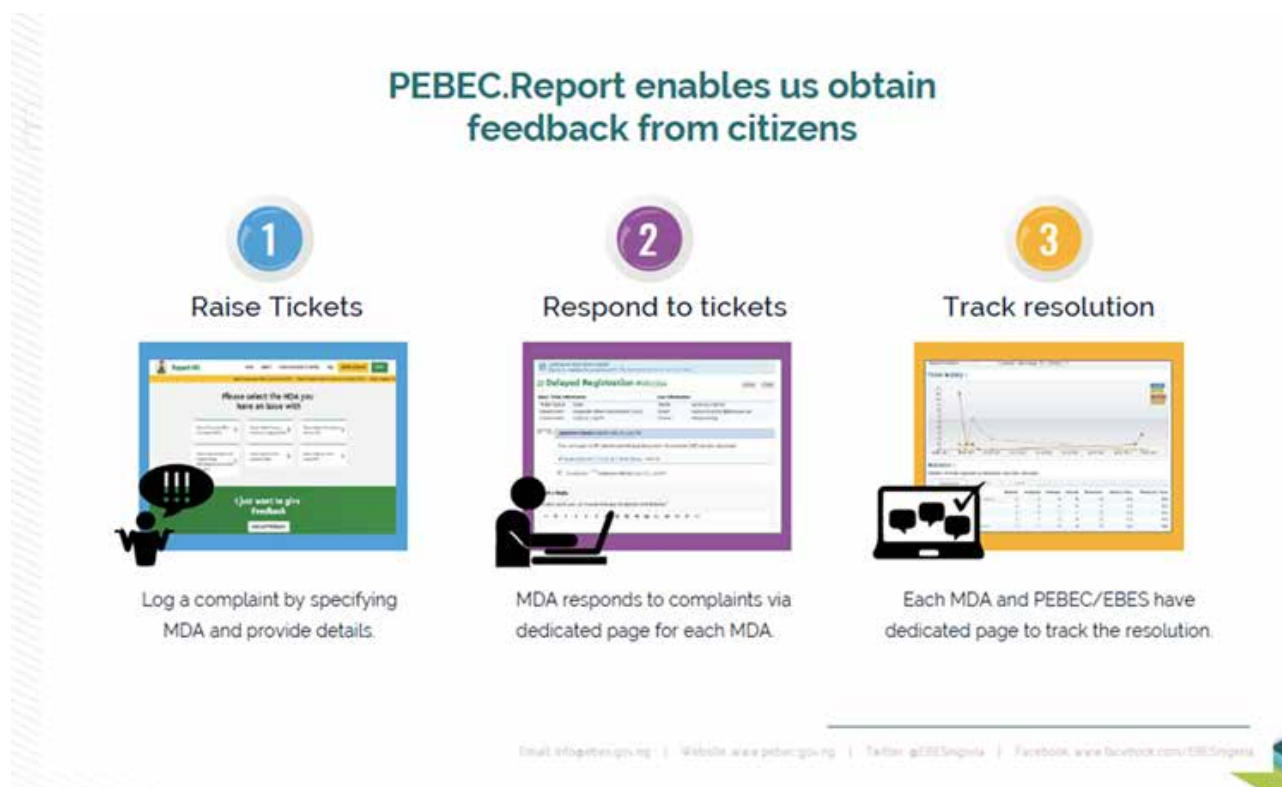
PEBEC.Report kiosks with self-service terminals and customer service representatives have recently been placed at the Lagos and Abuja international airports to

promote the app and encourage the private sector to give feedback about its airport and travel experience. The app is being scaled up to include more MDAs

and provide wider coverage of issues pertaining to the Nigerian business environment.

FIGURE 17

PEBEC.Report app



2.5 Taking Ease of Doing Business to all Nigerians

2.5.1 Trading Within Nigeria (TWN)

In July 2017, in response to strong feedback from stakeholders across the country chronicling the challenges being faced with cumbersome regulatory procedures, freight (e.g., multiple checkpoints and road blocks), and intellectual property rights (e.g., slow trademark processes and unclear mechanisms for technology transfer), the PEBEC launched a second homegrown indicator, Trading Within Nigeria, with the objective of making internal trade simpler and easier for MSMEs.

To quickly address the most critical challenges, EBES prioritized six MDAs: the National Agency for Food and Drugs Administration (NAFDAC); the Standard Organisation of Nigeria (SON); the Commercial Law

Department (CLD) Trademark Office, National Office for Technology Acquisition and Promotion (NOTAP); the Nigeria Custom Service (NCS); and the Nigeria Police Force (NPF).

At NAFDAC, reforms improved the efficiency and speed of procedures, halved the cost of product registration for MSMEs, and increased monitoring and adherence to new timelines. Intellectual property (IP) also came under the spotlight. Over 70% of entrepreneurs do not have patent rights.²⁵ i.e., they cannot stop others from copying, manufacturing, selling or importing their invention without permission. Registering trademarks, patents and designs was a long, onerous process. Some businesses were forced to undergo the registration

process because an IP certificate was a pre-requisite for some other certification, e.g., NAFDAC requires an IP certificate for product registration. The EBES is working closely with the CLD of the Ministry of Industry, Trade and Investment to automate trademark, patent and design registration and offer core services online. It is taking similar steps with the NOTAP.

Some of the reforms to improve business processes and regulations that affect trade within Nigeria have already been built into the existing structures (NAP 2.0 and

NAP 3.0) and will continue to feature in the next reform cycle commencing in Q3 2018, for example, NAFDAC has already been selected for the PEBEC's upcoming regulatory reform pilot project.

The goal of TWN is to fundamentally transform the ease of movement of goods within and across regions in Nigeria and to deliver tangible impact to Nigerian businesses where they are hardest hit by bureaucracy and regulatory challenges.

2.5.2 Subnational Ease of Doing Business Project

Building on the successes at the national level, the PEBEC is taking the Ease of Doing Business project to all Nigerians in collaboration with State Governments. Since July 2017, the PEBEC has been partnering with State Governments through the NEC, which approved the coordination and implementation of high-impact reform initiatives to make the States increasingly attractive to investors. There are compelling reasons for Subnational reforms at the State level. They will improve living standards and perceptions; provide a way for investors to measure the viability of proposed investments; help to achieve economic growth and development aspirations; encourage healthy competition among States and regions; and enable effective change management through efficiency.

To actualize this project, the NEC approved the establishment of a Subnational Ease of Doing Business Technical Working Group (TWG), which was inaugurated in October 2017 by the Honourable Minister of State for Budget and National Planning. Member of the TWG include six honourable commissioners representing the geopolitical zones, Federal Government Agencies, and private sector, and meets monthly on the eve of the NEC meetings. The Project has adopted the PEBEC collaboration model and cascaded this to the states by working with appointed reform champions, Ease of Doing Business committees and the TWG.

The Subnational Project will facilitate strategic reforms to make states attractive business hubs and improve their World Bank rankings by collaborating with them to set up structures similar to those of the PEBEC. Since last year, EBES has assisted with facilitating and organising state and regional stakeholder forums, and supported states in the 2018 World Bank Subnational Exercise

by coordinating right of reply workshops across the geopolitical zones. For the first time, Nigeria recorded 100% state representation in the right of reply exercise and we are looking forward to a marked improvement in the country's 2018 Subnational Ease of Doing Business rankings.

Importantly, the Subnational TWG is developing a baseline business environment survey for Nigeria's states and regions. The survey will provide a status report on the attractiveness of each state's business climate reforms as a reference for MSMEs and the business community. It will also showcase their attractiveness backed up by success stories of MSMEs across the states through State proxy for the most commercially viable city within the State, by measuring four homegrown indicators – infrastructure and security; transparency and accessibility to information; regulatory environment and skills and labour.

A critical component of the Subnational Project is the communication of national and state reforms to the business community and the public at large in the States and regions.

Over the past 12 months, EBES has collaborated with several States in holding State and regional stakeholder engagement forums to communicate the ease of doing business reforms and their implications for MSMEs within the regions.

States visited include: Abia, Abuja FCT, Akwa Ibom, Anambra, Borno, Edo, Enugu, Gombe, Imo, Kaduna, Kano, Lagos, Niger, Ogun, Oyo. Many more visits are already in the pipeline.

FIGURE 18**Quantitative Impact Assessment of PEBEC Reforms January 2017 - May 2018**

Source: Financial Derivative Company Limited (May 2018)

INDICATORS	REFORMS	IMPACT
Starting a Business (CAC)	<ul style="list-style-type: none"> Online end-to-end business registration. Consolidation of incorporation forms into one form (CAC.1) which can be completed electronically. 	<ul style="list-style-type: none"> 26% Reduction in cost of registering a business from N19,500 to N15,500. Time savings of over 288 hours (12 days) to register a business, from 14 days to a maximum of 2 days. Reduction in time taken to make payment from an average of 7 days to less than a day (about 2 hours).
Entry and Exit of People	<ul style="list-style-type: none"> Improvement in processes of the Visa sections of the Nigerian Missions abroad. Improvement in immigration and customs processes for inbound international passengers. 	<ul style="list-style-type: none"> Speedy visa approvals for foreign travellers - 48 hour visa processing timeline across missions abroad. Harmonization of four forms on arrival into one by the Nigerian Immigration Service. 200% reduction in average airport clearance time for visitors from 2 hours to about 40 mins.
Paying Taxes	<ul style="list-style-type: none"> Centralized electronic payment of all Federal Taxes. 	<ul style="list-style-type: none"> 360% reduction in time for filing Corporate Income Taxes from 14 days to 72hrs.
Getting Credit	<ul style="list-style-type: none"> The operationalization of a modern, web-enabled National Collateral Registry. 	<ul style="list-style-type: none"> 530 financial institutions on the National Collateral Registry as of June 2018, with over 30,000 financing statements valued at over N620 billion.
Getting Electricity	<ul style="list-style-type: none"> Introduction of e-system for application and approval for new connections to the grid. 	<ul style="list-style-type: none"> 29% reduction in the procedures for new connections to the grid from 9 to 7. Reduction in the timeline for new connections by 147% to an average of 30 days from 74 days for Maximum Demand Customers.
Trading Within Nigeria	<ul style="list-style-type: none"> Process review to clear all outstanding MSME registration backlog by NAFDAC. 	<ul style="list-style-type: none"> Over 5,000 outstanding NAFDAC applications cleared as at December 2017.

INDICATORS	REFORMS	IMPACT
Trading Across Borders	<ul style="list-style-type: none"> Implementation of 24/7 operations of Apapa port. 	<ul style="list-style-type: none"> Elimination of 48 hours dead time in the clearance of import cargoes at the Apapa seaport; 48 hours reduction in the overall border compliance time on import.
Dealing with Construction Permits	<ul style="list-style-type: none"> Removal of infrastructure development (IDC) charge for 2-floor warehouses in Lagos State. 	<ul style="list-style-type: none"> Elimination of about N6, 000, 000 cost of IDC by the Lagos State Ministry of Physical Planning and Urban Development; 26% reduction in the cost of obtaining a construction permit from 26.3% of the estimated warehouse value to 0.3% of the estimated warehouse value.
	<ul style="list-style-type: none"> Elimination of the need to obtain soil investigation report in Lagos State. 	<ul style="list-style-type: none"> Elimination of the timeline of 14 days; Elimination of associated cost of N100, 000.
	<ul style="list-style-type: none"> Elimination of impact assessment for building of 2-floor storage warehouse in Lagos State. 	<ul style="list-style-type: none"> Elimination of the procedure time of 7 days; Elimination of associated cost of N150, 000 for building of 2-floor storage warehouse in Lagos State.
	<ul style="list-style-type: none"> Process review by KNUPDA (Kano Urban Planning and Development Authority). 	<ul style="list-style-type: none"> 129% reduction in time for obtaining building plan from 32 days to 14 days.
	<ul style="list-style-type: none"> Process review at the Kano State Water Board. 	<ul style="list-style-type: none"> 329% reduction in time to obtain water connection from 30 days to 7 days; 213% reduction of cost from about N250, 000 to N80, 000.
Registering Property	<ul style="list-style-type: none"> Process review at Lagos Lands Bureau for obtaining Certified True Copies (CTC) of title document and a CTC of the survey plan at the Land registry automated centre. 	<ul style="list-style-type: none"> 900% reduction in time to obtain Certified True Copies of title documents from 5 days to 0.5 days.
	<ul style="list-style-type: none"> Automation of the registration of properties at the Land Registry in Kano (Kano State Bureau for Land Management). 	<ul style="list-style-type: none"> 600% reduction in time to conduct a search, from 7 days to 1 day.

3. The World Bank Ease of Doing Business Index

The World Bank Ease of Doing Business Index measures key elements that apply to domestic MSMEs throughout their life cycle. The Index provides empirical methodology and compares quantitative indicators for business regulations and property rights for local firms across 190 economies. The findings are published in its flagship annual report, the World Bank Ease of Doing Business Report.²⁶ The World Bank ease of doing business project encourages economies to introduce more efficient regulations by offering a framework with measurable standards for reform.

Since the publication of the first report in 2004, governments around the world have implemented over 2,900 reforms, striving to align domestic business regulation with good international practices. Regulatory reforms have been implemented by economies in all regions. Economies as diverse as Brazil, Colombia, the Russian Federation, Rwanda, and Mauritius have utilized the rankings as a catalyst for their business reform agenda. This drive has particularly become popular in Sub-Saharan Africa in recent years. In 2015/2016 alone, Sub-Saharan Africa implemented a record 80 reforms in 37 of the region's 48 countries. This number is about a third of the reforms recorded globally (283), and is 14% more than the number of reforms recorded last year

(69). Sub-Saharan Africa is once again the region with the highest number of reforms globally.²⁷

The report offers policy-makers a benchmarking tool useful for stimulating policy debate, both by exposing potential challenges and by identifying good practices. Over the past decade, it has been used by policy-makers in an increasing number of economies to advance their business environment and competitiveness reform agendas. More than 40 economies globally have established units dedicated to specific reform action plans using the World Bank indicators. Economies as diverse as Malaysia, Colombia, Rwanda, Kenya, the Russian Federation and Brunei Darussalam have created regulatory reform committees using the report as an input to inform their programmes for improving the business environment.

The Index excludes many factors, policies and institutions that affect the quality of an economy's business environment and its national competitiveness, e.g., macroeconomic stability, financial system development, market size, security, corruption and bribery, infrastructure, and quality of the labour force. While the overall business environment in a country depends on many factors, regulations that are efficiently implemented, transparent, accessible, and strengthen property rights are important for growth and job creation²⁸. The World Bank indicators cover an important, albeit not comprehensive, set of such regulations and are, therefore, a good proxy for enabling business environment reform initiatives.

3.1 2018 Ease of Doing Business Outlook for Nigeria

Business regulation reform presents a unique opportunity for each government to create a thriving business environment and encourage growth. Efficient and transparent business regulation can encourage firm start-ups and growth. More concretely, business environment reforms have been associated with higher ratios of company incorporations, increased protection of property and creditor rights, greater access to credit for firms, particularly MSMEs and higher levels of GDP growth²⁹.

All these in turn contribute to stronger entrepreneurship activity from MSMEs which create close to 90% of jobs (both formal and informal) in most economies.

There is a correlation between the overall ease of doing business and FDI flows. Grouping economies by distance to frontier score for 2011, those closest to the frontier in regulatory practice received substantially more FDI than those in the middle, which in turn received substantially more than those farthest from the frontier.

FIGURE 19 AVERAGE FDI INFLOWS AND STOCKS BY TIERS OF ECONOMIES GROUPED BY THEIR DISTANCE TO FRONTIER, 2011

Economies grouped by distance to frontier	Average FDI inflows (US\$ millions)	Average FDI stocks (US\$ millions)	Average distance to frontier (percentage points)
Top 10	50,384	768,496	86.0
Middle 10	14,362	89,776	58.9
Lowest 10	1,257	8,179	34.2

Source: Doing Business database; United Nations Conference on Trade and Development, UNCTADstat database

Although this correlation does not imply causation, the evidence suggests that the report reflects more on the overall investment climate than what matters only to MSMEs. In particular, these findings support the

claim that economies that provide a good regulatory environment for domestic firms tend to also provide a good one for foreign firms.

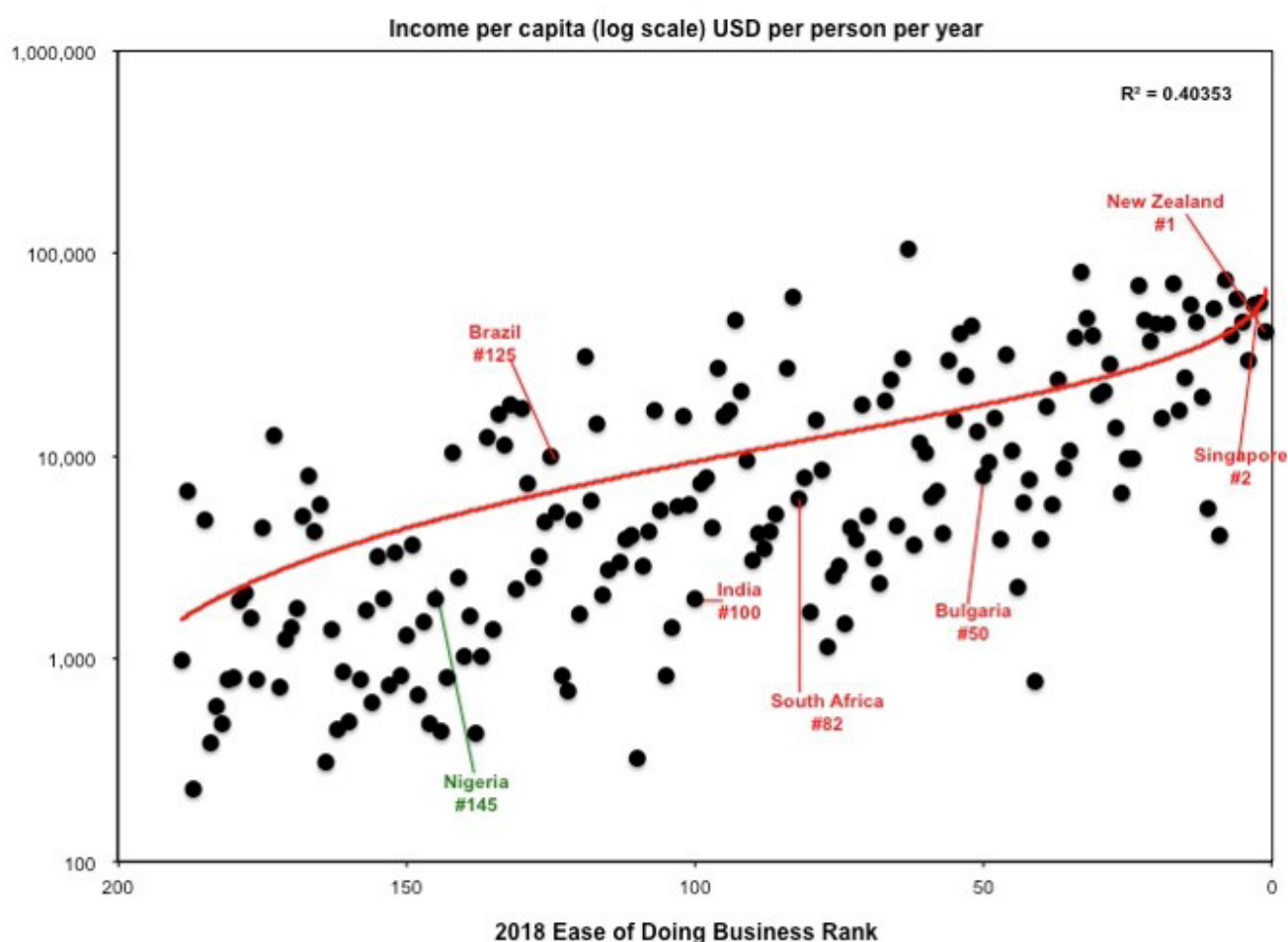
“Where regulation is burdensome and competition limited, success tends to depend on whom one knows. But where regulation is transparent, efficient and implemented in a simple way, it becomes easier for aspiring entrepreneurs to compete on an equal footing and to innovate and expand” (DB14 Nigeria p.12).

According to the World Bank, "While there are many determinants of economic growth, there is mounting evidence that improving the regulatory environment for domestic small and medium-size businesses can make a difference. Recent research shows that moving from the lowest quartile of improvement in business regulation to the highest one is associated with an increase of around

0.8 percentage points in an economy's annual GDP per capita growth rate³⁰." Results also suggest that on average across economies, a difference of 1 percentage point in regulatory quality as measured by distance to frontier scores is associated with a difference in annual FDI inflows of \$250–500 million (Figure 19).

FIGURE 20

Ease of Doing Business rankings vs. income per capita



Source: World Bank, IMF, EBES

3.2 World Bank Ease of Doing Business 2018 Index – Nigeria

In October 2017, Nigeria recorded its highest jump in the rankings by moving up 24 places and was cited as one of the 10 most improved economies in 2018. This was attributed mainly to the reforms making it easier to do business carried out in the two major business cities of Kano and Lagos, specifically in five areas: Starting a Business, Dealing with Construction Permits, Registering Property, Getting Credit, and Paying Taxes. Nigeria also made significant improvements in Enforcing Contracts and Getting Electricity but regressed in the areas of

Protecting Minority Interests, Trading across Borders and Resolving Insolvency.

In the 2018 report, Nigeria – represented by the average scores of Lagos and Kano – ranks 145th out of 190 economies worldwide. In terms of distance to frontier, Nigeria scores 52.03 out of 100 percentage points. Nigeria's performance varies significantly across the 10 indicators. In terms of global ranking, Nigeria performs well on the Getting Credit (6th) and Protecting Minority

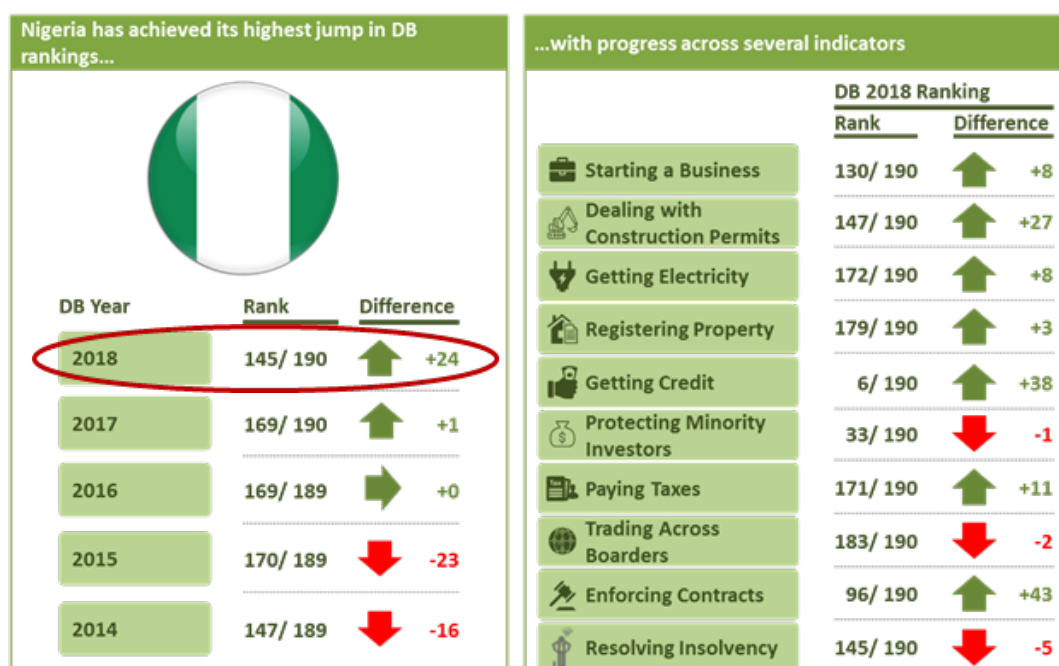
Investors (33rd) indicators, but ranks near the bottom of the global distribution on Trading across Borders (183rd), Registering Property (179th) and Getting Electricity (172nd). Nigeria's performance on the index was

characterized by a downward slide for several years until a strong comeback in 2017/2018 after the coordinated efforts of the PEBEC intervention since 2016.

FIGURE 21: Nigeria World Banking Ease of Doing Business rankings (2006 - 2020)



FIGURE 21: Ease of Doing Business 2018 rankings



3.2.1 What Specific Reforms Did Nigeria Undertake to obtain the 2017/2018 Rankings?³¹

Nigeria carried out reforms in the following six areas:

1. Starting a Business

Although the challenges vary by jurisdiction, the average cost of entry into the formal sector, measured by percent of income per capita, was high in many States (up to 70%), as potential business owners have to comply with both Federal and State-level fees and taxes. It took up to 12 procedures to start a business in Nigeria and could take between 26 and 40 days to register a business³².

In 2016, with the view to make the process cheaper and more efficient, Nigeria, improved online government portals. In 2017, Nigeria further introduced electronic approval of registration documents leading to simplified pre-registration and registration formalities (publication, notarization, inspection, and other requirements). The reforms Include:

- E-stamping of registration documents: This process is now embedded in company registration as the CAC has integrated its Company Registration Portal (CRP) with the Electronic Stamp Duty Portal of the Federal Inland Revenue Service (FIRS). An applicant was previously required to take documents to FIRS for stamping before they were able to continue with the company registration. Today, a simple click on a link prompts the system to calculate the outstanding liability. The user is then able to make payment and continue with the company registration all on the CRP. These reforms reduce the time it took to pay for stamp duty from the previous seven days to zero.
- Closure of the manual registration window in major cities: The Corporate Affairs Commission stopped receiving manual applications in Abuja, Lagos, Enugu, Kano, Kaduna and Port-Harcourt. These centres account for close to 90 percent of the monthly applications that CAC receives. This reform will drive users to adopt the online platform. It also means that it is no longer necessary to obtain a bank draft to pay for registration in other cities.

Overall, at the end of the reforms in 2017, it took about 19 days, 8.5 procedures (OECD average) and 28.8% of income per capita to register a business in Lagos and Abuja, compared to 0.5 days, one procedure and 0.3% of income per capita in New Zealand. These results moved Nigeria up eight places to 130 out of the 190 countries

ranked, but it still lagged the sub-Saharan-African average of 125, behind 22 other SSA countries, including Niger, Cote d'Ivoire and Ghana.

2. Dealing with Construction permits

Bureaucratic bottlenecks in obtaining construction licences and permits and opaque statutory fees tend to deter entrepreneurs from building legally. In 2017, Nigeria embarked on reforms to reduce the time for processing permit applications, improve transparency, and streamline procedures. In Kano, Nigeria increased transparency by publishing all relevant regulations, fee schedules and pre-application requirements online. Similarly in Lagos, the reforms made it easier to obtain construction permits by streamlining the process to obtain construction permits.

Some of these reforms include:

- The Lagos State Ministry of Physical Planning and Urban Development introduced an online planning permit service designed to optimize the planning permit process and enable citizens to apply online. The platform allows for submission of architectural drawings online for review by the State government and payment of fees. This has streamlined part of the procedures and reduced the number of days required for obtaining a construction permit in Lagos from 166 days to 124 days. Lagos also embarked on a transparency drive through publication of information on its e-planning platform (www.lagosepp.com.ng). This was taken further with the operationalising of the electronic platform which enables citizens to apply over the internet and enjoy accelerated approvals of planning permits. The platform is available online at: www.lagosepp.com.ng
- Elimination of soil investigation reports for obtaining construction permits in Lagos. The soil investigation report was subsumed as one of the documents needed during design stage, and not a separate procedure. The soil investigation report was integrated as part of the construction project documentation. It is no longer a separate process but rather just one of the documents submitted along with the structural plans during the application for obtaining construction permits. Furthermore, the building regulations have been

clarified to state that the soil investigation report, as one of the documentations, is only required for buildings of four storeys and above, except in case of marshy or swampy areas.

- For quality standards, the British technical standards on building quality was applied to building standards in Lagos.
- Elimination of the environmental impact assessment (EIA) report as a requirement for all construction permits, and for building a storage warehouse.
- Publication of building regulations and other requirements in Kano State. The Kano Urban and Property Development Authority (KNUPDA) developed a functioning website and published building laws and regulations thereby making them accessible to all. These requirements for obtaining building permits are also clearly specified on their website. The revised fees and levies charged for building plan approval are also clearly stated on the website.
- Kano further enshrined transparency with the upload of laws regulating engineers, architects, and town planners that inspect during construction.

Following these reforms, it took an average of 110.3 days, 15.1 procedures, 18.5% of warehouse value and a building quality control index of 11.8 to obtain construction permits in Nigeria compared to 64 days, 7 procedures, 1.4% cost of warehouse value and quality measure of 11 (OECD=11.4) in Denmark. These reforms moved Nigeria 27 places up to 147th position out of 190 countries but still lagging the SSA average of 129 as it fell behind 27 African countries including Mauritius, Benin, South Africa and Ghana.

3. Registering Property

Registered property rights are necessary to support investment, productivity and growth. In 2013, Transparency International reported that one in five users of land services globally claimed to have paid a bribe for services such as registering a land title or obtaining updated property ownership information. Lack of transparency can also lead to land record fraud or alteration, land document forgery and multiple allocations of the same plot of land. Transparency is a key element of the quality of land administration systems, thereby increasing the efficiency of the real estate market. Transparent systems also strengthen public confidence in governments and facilitate substantial reductions in the cost of doing business.³³

In 2017, Nigeria's reforms increased transparency of information and administrative efficiency in registering property in the two largest cities of Lagos and Kano. In Lagos, the removal of sworn affidavits for certified copies of the land ownership records, introduction of a specific and independent complaint mechanism, and publishing of statistics on land transfers, combined to make transferring property easier and more transparent. To increase efficiency, Lagos also reduced the time for obtaining Governor's consent to 14 days from 61 days, leading to increased efficiency and clear delegation of services within the Governor's office as regards the Governor's consent.

Similarly, in Kano, rules to publish lists of documents, fee schedules and service standards for property transactions made transferring property more transparent. Applicants seeking any type of property transaction can access information online from the website <http://www.kangis.com.ng/kangis/about.php> to get all documents required and calculate all necessary fees before approaching the Kano Geographic Information System (KANGIS) for the transaction. KANGIS which is mandated with the responsibility of Registering Properties in Kano, has digitalized land titles in Kano and carried out cadastral mapping of the city. This was made possible by the introduction of an automated geographic information system known as the Systematic Land Title Registration (SLTR).

Following these reforms, it took on average up to 68.9 days, 11.3 procedures, 10.5% of property value and quality of land administration index of 7.4 (of 0-30) to register a property in Nigeria compared to one day, two procedures, 0.1% of property value and a quality administration index of 26 (of 0-30) to register a property in New Zealand. Nigeria, however, moved up only three places to 179 out of the 190 countries ranked. Amongst its regional peers, Nigeria fell far behind the average of 131, ahead of South Sudan, Togo and Liberia.

4. Getting Credit (strengthening the legal rights of borrowers and lenders)

Most entrepreneurs in search of a loan go to the bank. But in countries with inadequate collateral laws, banks are less willing to lend.³⁴

Getting credit was the reform area where Nigeria recorded the most significant improvement in 2017. Nigeria strengthened the legal rights of borrowers and lenders by signing into law two significant acts - the Credit Reporting Act 2017 and the Secured Transactions in Movable Assets (aka Collateral Registry) Act 2017. These supported the creation of a unified and

modern collateral registry for movable property; the introduction of a functional and secured transactions system; the introduction of bureau/registry credit scores as a value-added service; and guaranteed borrowers' rights to inspect data. Nigeria improved access to credit information by guaranteeing borrowers the legal right to inspect their credit data from the credit bureau and by starting to provide credit scores to banks, financial institutions and borrowers. As a result, the strength of legal rights index increased to 10, compared to OECD average of 6 and best result of 12 by New Zealand; the depth of credit information index was the best at 8, better than the OECD average of 6.6 and equal to New Zealand; the credit registry coverage as % of adults stood at 0.1 compared to OECD average of 63.7 and New Zealand's 100.

Nigeria moved up 38 places to 6th position of 190 countries, beating the regional average of 115 and falling behind Zambia.

5. Paying Taxes

Nigeria simplified tax compliance processes, and decreased the number of tax filings and payments in 2017. Nigeria made paying taxes easier by introducing new centralized electronic payment channels for the payment of federal taxes. Other reforms embarked on included the reduction in processing time for company income tax and value added tax. The paying taxes reforms did not take effect immediately in 2017, reflected in the still relatively high number of payments per year (in 2017)⁵⁹ - time to file and make payments of 360.4 hours, and total tax and contribution rate of 34.8% of profit and post filing index of 47.48, compared to UAE performance (the best performance in paying taxes in 2017) of four payments per year, 12 hours to file and make payments, total tax and contribution rate of 15.9% of profit and a post filing index of 50.56 (Middle East and

North Africa).

As a result, Nigeria moved up 11 places to 171 of the 190 countries ranked but still lagged behind the regional average of 121, falling behind 34 SSA peer countries, including Mauritius, South Africa, Ghana, Ethiopia and Zimbabwe.

6. Getting Electricity

For getting electricity, Nigeria moved up eight places to 172 out of 190 countries. Nigeria made connections to the national electricity grid easier by streamlining the required procedures and timeline. Specific reforms implemented include:

- **Reduction of procedures for new connections to the distribution grid**

The number of procedures for new connections to the grid for MD customers (>140 KVA) was reduced from nine to five. Some procedures were merged while other were eliminated as they are no longer applicable.

- **Reduction of timeline for new connections to the distribution grid.**

The timeframes for new connections to the grid for MD customers (>140 KVA) has reduced to an average of 44 days end-to-end from 95 days. This is as a result of more efficient and streamlined processes implemented by the utility companies. Also, the regulator of the sector NERC has set out strict deadlines in a regulation on connections to the distribution grid.

3.3 Actualizing Nigeria's Aspiration to Become a Top Choice for Business³⁵

To realize its ambition to achieve a top 100 ranking on the World Bank's Ease of Doing Business Index by 2020 and a top 50 position by 2025, The PEBEC has benchmarked Nigeria's current position against a group of economies that have been on similar journeys. This includes countries such as the MINT (Mexico, Indonesia, Nigeria, Turkey), BRICS (Brazil, Russia, India, China and South Africa) and Bulgaria.

MINT nations are predicted to be among the world's

largest economies in the 21st century. They have large and rapidly growing populations, and geographical traits that make them good strategic locations for international trade³⁷. India and Bulgaria (ranked 100 and 50 respectively) have taken deliberate, innovative approaches to attract investment and enable business. Nigeria ranks slightly above the sub-Saharan African average, and is the only MINT nation not among the top 100 (Figures 22 and 23).





FIGURE 22: Comparative Economy 2018 rankings

Source: Doing Business Database.

COUNTRY	2018 RANKING ³⁸	2018 DISTANCE TO FRONTIER
BRICS	84	64.58
MINT	60	69.29
INDIA	100	60.76
MAURITIUS ⁴²	25	77.54
BULGARIA ⁴³	50	71.91
SSA AVERAGE	151 ⁴⁴	50.43
NIGERIA	145	52.03

FIGURE 23: MINTS Economy 2018 rankings

Source: Doing Business Database.

   				
	MEXICO	INDONESIA	NIGERIA	TURKEY
Ranking	49	72	145	60
DTF	72.27	66.47	52.03	69.14

With a population of over 1.2 billion and trillions of dollars in GDP, India is gaining momentum as a global economic leader. As one of the world's largest democracies, it is boosting private investments to drive growth and has embarked on a strong reform programme to improve its business environment. These efforts propelled the country 30 places up from 130 to 100 in the 2018 Ease of Doing Business rankings.

Although much smaller, Bulgaria has a similar story of rapid growth. It has transformed from a highly centralized planned economy to an open market-based economy in the European Union. Despite decades of slow economic growth, high indebtedness and loss of savings, Bulgaria has undergone a series of structural reforms to position it itself as a vibrant economy.

FIGURE 24: Aspirational ranking

Source: Doing Business Database.

COUNTRY	INDIA	BULGARIA	NIGERIA
Ranking	100	50	145
DTF	60.76	71.91	52.03
Starting a Business Indicator	156	95	130
Dealing with Construction Permits	181	51	147
Getting Electricity	29	141	172
Registering Property	154	67	179
Getting Credit	29	42	6
Protecting Minority Investors	4	24	33
Paying Taxes	119	90	171
Trading Across Borders	146	21	183
Enforcing Contracts	164	40	96
Resolving Insolvency	103	50	145

Despite its progress to date, Nigeria has a long way to go. The country can learn from countries that have been on similar journeys. Nigeria will need to implement robust reforms in areas where it lags its peers and create more jobs for youth through sustained implementation of the PEBEC initiative.

3.3.1 Country in focus – India

India ranks as one of the 10 economies with most improvements in the areas measured. In 2018, it scored an additional 4.71 points to score 60.76, compared to Nigeria that gained an additional 3.85 points and a score of 52.03. Nigeria can learn much from India's success.

India has aggressively implemented reforms to make it easier to do business in eight of the 10 areas included in the 2018 aggregate distance to frontier score compared to five by Nigeria. These reforms mainly applied to the two largest business cities, Delhi and Mumbai, and are summarized below.

Starting a Business

(India 156 vs Nigeria 130). India has made it easier for citizens to start a business by simplifying post-registration procedures (tax, social security, licensing) and improved online procedures. It merged the applications for permanent account numbers (PAN) and tax account numbers (TAN) in Delhi and Mumbai, and for value added tax (VAT) and professional tax in Mumbai. It also reduced the time needed to complete applications for the Employee's Provident Fund Organization (EPFO) and Employee's State Insurance Corporation (ESIC). Nigeria has implemented similar business registration reforms, e.g., electronic stamping of documents, but needs to improve and simplify other procedures, e.g. tax harmonization.

Dealing with Construction Permits

(India 181 vs Nigeria 147). India has reduced the number of procedures and time required to obtain a building permit by introducing online procedures at the municipalities of New Delhi and Greater Mumbai. The single window system speeds up approval of building permits and allows the submission and approval of building plans to precede requests for building permits.

Getting Electricity

(India 29 vs Nigeria 172). Focused reforms across the power sector including a rural electrification programme have made it easier to get power at affordable rates. Nigeria needs to improve its power distribution and propose reforms to bridge the gap in the rankings.

Registering Property

(India 134 vs Nigeria 179). India improved its ranking 20 places, but both India and Nigeria have a lot of work to

do in the areas of land title disputes and bureaucratic registration processes.

Getting Credit

(India 29 vs Nigeria 6). India has strengthened access to credit by amending the rules on priority of secured creditors outside re-organizing proceedings and adopting a new law on insolvency that provides a time limit and clear grounds for relief, to the automatic stay for secured creditors during reorganization proceedings. Nigeria surpassed India in the rankings by improving access to credit information by guaranteeing borrowers the legal right to inspect their credit data from the credit bureau, and by starting to provide credit scores to banks, financial institutions and borrowers. Nigeria has also reinforced access to credit by adopting a new law on secured transactions.

Protecting Minority Investors

(India 29 vs Nigeria 172). Minority investor protections were further strengthened by increasing the remedies available in cases of prejudicial transactions between interested parties. This involved increasing disclosure requirements for related-party transactions and greater director liability.

Paying Taxes

(India 119 vs Nigeria 171). India introduced the Income Computation and Disclosure Standards (ICDS) in 2016 to standardize the methods for computing taxable income and other tax accounting standards. Introduction of electronic payments to the Employees Provident Fund also made tax compliance easier. Nigeria is simplifying tax payment channels but needs to automate processes further.

Trading Across Borders

(India 146 vs Nigeria 183). To make it easier to trade across borders, India strengthened its transport and port infrastructure for exports and imports and facilitated customs administration. It reduced border compliance time, improved infrastructure at the Nhava Sheva Port, and made cargo clearance faster with simpler customs procedures. It also reduced export-import border compliance costs by eliminating merchant overtime costs.

Enforcing Contracts

(India 164 vs Nigeria 96). India made it easier to enforce contracts introducing the National Judicial Data Grid, an electronic case management system that generates reports on local courts. Despite these reforms, Nigeria ranked higher on this indicator.

Resolving Insolvency

(India 103 vs Nigeria 145). India adopted a new insolvency and bankruptcy code that reorganized and introduced a new restructuring procedure and regulated the profession of insolvency administrators. It strengthened legal rights of borrowers and lenders by amending the rules on priority of secured creditors and granting them exemptions from automatic stay in insolvency proceedings.

3.4 World Bank Subnational Ease of Doing Business Index - Nigeria

Nigeria is one of only 18 countries ranked at the Subnational level by the World Bank.⁴⁵ Since 2008, Nigeria's 36 states and the Federal Capital Territory (FCT) have been ranked on the World Bank's Subnational Ease of Doing Business Index. This report is published every four years and surveys the time, cost and procedure for doing business in four indicator areas assumed to be within state level jurisdiction: starting a business; enforcing contracts; dealing with construction permits; and registering property.

There are compelling imperatives for Subnational reforms (and rankings). Reforms are in the best interest of each state to support economic growth and development aspirations. Improvements in the business environment enable MSMEs to flourish and lead to significant job creation. Reforms have quick tangible impact on the lives of citizens, improving living standards and perceptions. Reform progress also serves as a tool for investors to measure the viability of proposed investments in a state.

The Nigeria 2014 report surveyed 35 States and Abuja FCT. The report found that it is easier to deal with construction permits in Jigawa and Sokoto, register property in Zamfara and Gombe, enforce a contract in Katsina and Kaduna, and start a business in Abuja, FCT and Zamfara.⁴⁶

There has been increasing interest and participation of the States in this effort. In 2008, the World Bank ranked only 10 states and the FCT, but this has risen to all 36 States and the FCT being surveyed in 2018. As mentioned above, since August 2017 the EBES began supporting States with preparation for the 2018 World Bank Subnational exercise by organizing technical workshops and coordinating right of reply meetings to give States the opportunity to present their reforms to the World Bank data-gathering team. For the first time, the World Bank recognized a 100% participation in the Right of Reply data verification exercise conducted in March 2018 across all six geo-political zones and the FCT. The 2018 Subnational Report for Nigeria is scheduled for release in September 2018.

3.4.1 States in focus – Kaduna and Ogun

In the 2018 Subnational exercise, several States appear to have shown remarkable improvements over the 2014 rankings during the current assessment period. Ahead of release of the Ease of Doing Business report on Nigeria 2018, the EBES team captured reforms shared by two of the states leading in this regard Kaduna and Ogun States, as outlined below.

In December 2015, Kaduna State took an important step to improve its business and investment environment by establishing the Kaduna Investment Promotion Agency (KADIPA).

A Committee on the was then formed in April 2016,

Chaired by His Excellency the Deputy Governor, with the main aim of significantly improving the business environment in Kaduna State to make it easier for investors to do business. The Committee set out to achieve certain quick-wins for the business environment within the State. Notable achievements in the short term included the:

- Renovation of all interface offices and/or relocation for a better working environment both for staff and investors.
- Sensitization and training of civil servants from the deputy director cadre and above on the role of KADIPA and the fundamentals of Public Private Partnership.

- Development of factheets and how-to guides with detailed steps for obtaining key business licences and permits from relevant MDAs.

In the medium to long term, the Committee also put the following in place:

- Diagnostic study to identify critical challenges to doing business faced by the private sector in Kaduna State and develop key reforms to be implemented in addressing these challenges.
- Process mapping and optimization for business-related MDAs to review and improve their current processes especially in areas of land titles, permits, and registrations.
- Automation of the KADIPA website to link to an e-registry Kaduna State Business Licensing Portal - a digital one stop shop where investors can access information on requirements for obtaining key business licences and services of all business-related MDAs in Kaduna State.
- Automation of the Ministry of Commerce website to enable electronic registrations for Business Premises permits, and linking of this registrations portal to the Kaduna State Business Licensing Portal
- Working with Kaduna Geographical Information Service (KADGIS) to expedite the completion of the digitization of their operating procedures.
- Working with the Kaduna Internal Revenue Service (KADIRS) to expedite the completion of the

digitization of their operating procedures.

These initiatives have produced the following results:

1. Reduce the processing time for registering a business from 5 working days to 1 day.
2. Online registrations and electronic payments for TIN, TCC, and for filing of annual returns.
3. Automated PAYE remittance to make the process more efficient and easier to comply with.
4. Reduce the processing time for direct land allocation from the current minimum of 6 months to 3 months depending on land and acquisition type.
5. Reduce the processing time for obtaining building permits from the current minimum of 6 months to a maximum of 1 month.
6. Enable digital (online) applications and payments for development permits and introduce electronic document management technology.
7. Reduce the processing time for obtaining an Environmental Impact Assessment report from 2 weeks to 1 week.
8. Provide Geographic Information System (GIS) tools at Kaduna Environmental Protection Authority (KEPA).

FIGURE 25 : Kaduna State Subnational ranking in 2014

Source: Doing Business in Nigeria Report (2014)

KADUNA (KADUNA)	RANK		RANK
Starting a Business	15	Dealing with Construction Permits	32
Procedures (number)	11	Procedures (number)	14
Time (days)	31	Time (days)	105
Cost (% of income per capita)	54.3	Cost (% of income per capita)	513.9
Registering Property	24	Registering Property	2
Procedures (number)	12	Procedures (number)	41
Time (days)	112	Time (days)	291
Cost (% of property value)	13.8	Cost (% of claim value)	26.2

In 2014, Ogun State was reported as the most improved state since 2010, particularly in the four areas of ranking – starting a business, dealing with construction permits, registering property and enforcing contracts.

In demonstrating its focused approach, Ogun State revived the One-Stop-Shop Investment Centre (OSIC) as a means to facilitate investment, streamline and simplify business set-up processes such as granting of permits, taxation issues, access to factory space, and any other requirements of investors, so as to cut on the time and costs associated with doing business in the State.

It provides investors with a single place to pick up all documents and approvals that are statutorily needed to set up an investment project in the State. This is to remove obstacles and overcome bureaucracy faced by investors in setting up and running of business. Ogun State also reduced the entire procedure and time for obtaining a construction permit from 67 days to about 37 days.

Ogun State aims to be the investment destination of choice and the best state in the subnational ease of doing business rankings in 2018 and has continued to engage various stakeholders in the bid to make its processes and procedures business friendly and of global standards.

FIGURE 26 : Ogun State Subnational ranking in 2014

Source: Doing Business in Nigeria Report (2014).

OGUN (ABEOKUTA)	RANK		RANK
Starting a Business	5	Dealing with Construction Permits	16
Procedures (number)	8	Procedures (number)	13
Time (days)	32	Time (days)	49
Cost (% of income per capita)	54.8	Cost (% of income per capita)	541.3
Registering Property	28	Registering Property	17
Procedures (number)	12	Procedures (number)	41
Time (days)	98	Time (days)	455
Cost (% of property value)	16.1	Cost (% of claim value)	37.1



4. Looking Ahead

In 2018/2019, the PEBEC will continue to improve public service delivery and the business environment for MSMEs. Nigeria must improve its ranking by 45 places in the World Bank Ease of Doing Business Index over the next two years to achieve its goal of attaining the top 100 by 2020. Such an ambitious goal requires Accelerated and focused execution and NAP 60 and EO1 have laid the foundations. Now Government must institutionalise these efforts and work closely with the private sector to deliver an enabling environment for businesses to thrive. In the second half of 2018 and into 2019, the PEBEC will focus primarily on regulators, an Omnibus Bill on business facilitation, and consolidating gains for the economy through the deepening of the Subnational Ease of Doing Business project.

4.1 Regulatory Reforms Programme – Pilot Project

In September 2017, a session of the Presidential Quarterly Business Forum (QBF) was dedicated to ease of doing business with a specific emphasis on the role of regulators as business facilitators or inhibitors, based on vehement stakeholder feedback on the issue of regulatory abuse. One of the outcomes of that QBF was the need to develop a framework for regulatory agencies to promote the practice of their duty as productive business facilitators.

As a result, a TWG was set up to review the key concepts, issues, procedural rules and processes involved in developing a national regulatory framework. Furthermore, the TWG will develop and draft guidelines and an operational framework for regulatory agencies in Nigeria.

A pilot of regulatory agency-focused reforms will commence in Q3 2018 based on output from the add (NAFDAC and NAICOM) will commence work of the TWG.

4.2 An Omnibus Bill on Business Facilitation

An omnibus bill on business facilitation on Business Facilitation is the first of its kind in Nigeria. It is a single encompassing bill designed to remove irritants by amending provisions of the present legislative framework that have been identified as bottlenecks for business reforms in our extant laws and institutionalize the business reforms already achieved by PEBEC reforms. Omnibus bills are often a catalyst for economic growth by introducing new provisions to accelerate bold reforms.

Over the next three to five months, we will coordinate a highly collaborative process (across Government MDAs, NASS and the private sector) to ensure the enactment of an appropriately focused and relevant omnibus bill.

4.3 Subnational Ease of Doing Business Project

The Subnational Ease of Doing Business ranking focuses on four World Bank indicators at the Subnational level – starting a business, dealing with construction permits, registering a business, and enforcing contracts and is conducted once every four years. The official report which provides a baseline performance and progress across all 36 States will be released in September 2018. In parallel, we will launch the outcome of our baseline survey study which focuses on the homegrown reform indicators.

The Enabling Business Environment Secretariat will continue to work with State governments in 2018/2019 and the Subnational TWG, to drive the Nigeria reform agenda.

4.4 Conclusion

As discussed, there has been significant progress in improving the business environment over the last 18 months. Nigeria's business climate reforms have started to reverse decades of neglect and internal governance roadblocks. Going forward, more needs to be done. Public and private sector stakeholders must collaborate to accelerate the our collective reform "metabolic rate", finding opportunities to drive Nigeria's competitiveness on a regional and global scale.

Nigeria's reforms have so far seen it successfully move 24 places up the World Bank Ease of Doing Business rankings. Overall, in the current reform cycle, the PEBEC focused on three pillars to accelerate and expand the impact of completed reforms:

1. Deepen existing reforms. Complete pending initiatives and ensure implementation of completed reforms launched in 2017, including communication and consequence management.
2. Make reforms sustainable. Several measures are being put in place to ensure progress is sustainable.
3. Support reforms with a robust operating model to accelerate change and build capacity within MDAs.

Nigeria has come a long way over the past two years, bouncing back from significant macroeconomic distress, and is on the way to becoming a textbook example of how an African country can turn its business environment around.

When global oil prices crashed to \$30 a barrel in 2015, the country took an economic nose dive that led to a recession for five quarters. Its heavy reliance on oil exports as a major source of foreign exchange and government revenues resulted in major deterioration of macro-indicators. For example, a 50% devaluation in the currency on the parallel market.

The Buhari administration had to act and act fast. After short, targeted interventions, the administration took painful but necessary steps that resulted in the implementation of the Nigerian Economic Recovery and Growth Plan (ERGP) to reinvigorate the diversification and growth of its non-oil sector, create jobs and develop much-needed infrastructure for a competitive, export-led economy.

From the highest political office, the administration remains determined to implement impactful reforms aimed at creating a business-friendly environment for MSMEs, the engine of the economy. Today, after moving up an unprecedented 24 places in the World Bank's flagship Ease of Doing Business report and being acknowledged as one of the top 10 reforming economies in 2017, all levels of government have expressed unwavering commitment in collaborating to deliver reforms aimed at creating jobs and boosting our economic development.

As we work towards delivering world class infrastructure at our air and sea ports to facilitate international trade of goods and services, the subnational ease of doing business collaboration between the FG and all 36 State governments is delivering easier movement of goods within the country and countering smuggling and rent-seeking behaviour through improved processes, the

use of technology, and training of personnel, and firmer consequence management for erring public officers. Indeed, Nigeria looks forward to the entire ECOWAS region benefitting from the ripple effects of Nigeria's economic prosperity delivered by the sustained implementation of our targeted reforms and greater efficiency and transparency.

Enabling legislations resulting from exemplary collaboration between the executive and legislative arms of government is delivering tangible impact for MSMEs, as is an improved judicial system with new small claims courts to accelerate justice and free up congestion affecting all manner of disputes and bringing security for contracts and investments.

Although much remains to be done, it is clear that the PEBEC is on track to continue to deliver institutionalized and sustainable improvements to Nigeria's business environment as we strive to make Nigeria a progressively easier place in which to do business.

EndNotes

- 1 National Bureau of Statistics. (2015), Micro, Small and Medium Enterprise National Survey 2013.
- 2 See "Nigeria Economic Snapshot H2 2017" 2017
<https://home.kpmg.com/content/dam/kpmg/za/pdf/2017/12/Nigeria-2017H2.pdf>
- 3 See World Bank Doing Business report 2018 on Nigeria at
<http://www.doingbusiness.org/data/exploreeconomies/nigeria>
- 4 See <http://www.doingbusiness.org/Reports/Subnational-Reports/Nigeria> The Subnational Doing Business reports capture differences in business regulations and their enforcement across locations in a single country. They provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas.
- 5 See PEBEC Reform Update (2016-2017)
- 6 See "CAMA: Senate passes most Comprehensive Pro-Business Reform Bill" May 15, 2018
<http://senatepresident.gov.ng/cama-senate-passes-most-comprehensive-pro-business-reform-bill/>
- 7 See Lagos State Practice Directions on Small Claims
- 8 See Kano State Magistrate Courts Law 2018, passed in April 2018
- 9 See "Entrepreneurs and Small Business Spur Economic Growth and Create Jobs" June 20, 2016
<http://www.worldbank.org/en/news/feature/2016/06/20/entrepreneurs-and-small-businesses-spur-economic-growth-and-create-jobs>
- 10 Data from the Corporate Affairs Commission (CAC) 2018.
- 11 National Bureau of Statistics. (2015). Micro, Small and Medium Enterprise National Survey 2013.
- 12 See <http://www.nationalplanning.gov.ng/images/docs/ERGP%20%20CLEAN%20COPY.pdf> p.80-84
- 13 See <http://www.nationalplanning.gov.ng/images/docs/ERGP%20%20CLEAN%20COPY.pdf> p.80-84
- 14 National Bureau of Statistics Gross Domestic Product by Output, Q1 2018
- 15 2018 National Budget Assumptions
- 16 See "NSE Reviews 2017 Market Performance and Gives Outlook for 2018"
<http://www.nse.com.ng/mediacenter/pressreleases/Pages/NSE-Reviews-2017-Market-Performance-and-Gives-Outlook-for-2018.aspx>
- 17 Nigeria Investment Promotion Commission (NIPC) Report of Investment Announcements in Nigeria, 2017
- 18 NIPC Report of Investment Announcements in Nigeria, Q1-2018
- 19 National Bureau of Statistics Nigerian Capital Importation Report Q1 2018
- 20 Buhari Administration 3rd year report/factsheet (May 2018)

21 See "Building an Enabling Business Environment: Taking Ease of Doing Business to all Nigerians" March 2018

22 In May 2018 an independent impact assessment was carried out for all PEBEC reforms completed in the last 18 month on behalf of EBES by Financial Derivatives Company Limited. 23 See appendix NAP 3.0 List of completed reforms 24 <http://pebec.report/> 25 NBS MSME Report. 2012

26 <http://www.doingbusiness.org/reports/global-reports/doing-business-2018>

27 <http://www.doingbusiness.org/reports/~media/WBG/DoingBusiness/Documents/Profiles/Regional/DB2018/SSA.pdf>

28 see <http://www.doingbusiness.org/reports/global-reports/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB14-Chapters/DB14-Research-on-the-effects-of-business-regulations.pdf> for an overview of relevant empirical research on the effects of business regulations

29 see <http://www.doingbusiness.org/reports/global-reports/~media/WBG/DoingBusiness/Documents/Annual-Reports/English/DB15-Chapters/DB15-Conference-Highlights.pdf> for an assessment of impact of business environment reforms

30 Doing Business 2016 Report "Reforming the business environment in 2014/15" (p.44)

31 All country data comparisons from www.doingbusiness.org and Doing Business 2018 report.

32 World Bank Group, Doing Business in Nigeria 2014.

33 Doing Business: Case Study - Registering property: Using information to curb corruption

34 Valerie Marechal and Rachel (Raha) Shahid-Saless: Celebrating Reforms 2008. Peru: Bringing more credit to the private sector

35 All comparisons from www.doingbusiness.org and Doing Business 2018 report.

36 Brazil, Russia, India, China and South Africa

37 Mexico, Indonesia, ex-Nigeria and Turkey

38 #100 - Nigeria's target by 2020

39 Highest ranking economy in Sub-Saharan Africa in the 2018 Ease of Doing Business rankings (#25)

40 #50 - Nigeria's target in the next 10 years

41 <http://www.doingbusiness.org/data/exploreeconomies/burkina-faso>

42 <http://www.doingbusiness.org/reports/subnational-reports>

43 <http://www.doingbusiness.org/Rankings/nigeria>

Appendix I – List of Completed PEBEC Reforms January 2017 - May 2018

Starting a Business: Increased Efficiency and Reduced Costs

	COMPLETED REFORMS	IMPACT
1	Registration of a company at the Corporate Affairs Commission (CAC) through the online company registration portal (CRP) within 24 hours	Process cut from 10 days to 1 day
2	Electronic reservation of a unique company name	Business owners can now undertake reservations of unique company names in less than 24 hours
3	Simplification of preparation of the requisite incorporation documents and automation of payment of stamp duty	Process cut from 1-3 days to less than 24 hours
4	Signing of the declaration of compliance by staff of the Corporate Affairs Commission (CAC)	Business owners do not have to engage a lawyer to undertake this process or pay for services of a notary public
5	Payment of registration fees through the online company registration portal (CRP) - Cost Reduction on Government Fee	Consolidation of incorporation documents into single CAC form 1.1 has reduced the number of registration documents and cut costs by N4,000 (\$11)
6	Electronic Registration of companies by general users using the company registration portal (CRP) - Elimination of cost of hiring a lawyer	Business owners do not have to engage a lawyer to undertake this process, eliminating costs of N60,000 (\$200)
7	Elimination of requirement for company seal for business registration	Automation dispenses with the need for physical submission of applications at the tax office, eliminating the requirement to fabricate a common seal for company tax registration
8	Automatic generation of tax identification numbers (TIN) by the FIRS upon completion of registration	Business owners do not need to visit a FIRS office to obtain a TIN
9	Non-requirement of physical inspection of business premises in Kano State	Inspections have been eliminated

Dealing with Construction Permits and Registering Property: Easier, faster and cheaper in Lagos and Kano

COMPLETED REFORMS		IMPACT
1	Implementation of online payments and a central billing system for all fees, eliminating the need to submit receipts in Lagos	Increased payment efficiency and transparency
2	Removal of infrastructure development charge (IDC) for warehouses in Lagos	Cost of warehouse (small business) constructions in Lagos reduced from 26% to 2% of warehouse value
3	Creation of an e-planning platform	Web-based portal for obtaining planning permits established that also enables e-payments
4	Introduction of an independent complaint mechanism through the citizens' gate platform.	Reviewed with a dashboard by the Executive Governor of Lagos
5	Sworn affidavits no longer required as part of the land registration process.	Reduced the number of documentation and procedures involved in land registration and construction
6	Digitization of land titles in Kano State	Applicants seeking information on any type of property transaction can access it online.

Getting Electricity: Streamlined procedures

COMPLETED REFORMS		IMPACT
1	Reduction of procedures and timeframe for new connections to the distribution grid	The time required to connect new MD customers has dropped to average 30 days
2	E-system for application and approval for new connections to the grid	The online application platform has made the connection process faster and much more efficient

Getting Credit:

More robust legislative framework de-risks lending to MSMEs

COMPLETED REFORMS		IMPACT
1	Credit Reporting Act 2017 passed by the National Assembly	<ul style="list-style-type: none"> Borrowers now have the legal right to access their credit reports Credit scores provided by the Credit Bureaus are now a value-added service for all banks and financial institutions
2	Secured Transactions in Movable Assets (aka Collateral Registry) Act 2017 passed by the National Assembly	<ul style="list-style-type: none"> An integrated/unified legal framework has been established for secured transactions in moveable property A modern, notice-based, web-enabled National Collateral Registry (NCR) has been set up under the aegis of the Central Bank of Nigeria

Paying Taxes:

Simpler, automated procedures

COMPLETED REFORMS		IMPACT
1	Electronic filing of all federal taxes	<ul style="list-style-type: none"> Number of payments and filings for federal taxes and time for compliance reduced
2	Roll out of electronic self-service help desks at all FIRS offices	<ul style="list-style-type: none"> Increased awareness and adoption of e-platforms E-platforms available to all taxpayers Time for collation and filing of tax returns reduced
3	Creation of a simplified, single schedule for each tax type on the e-filing platform	<ul style="list-style-type: none"> Time required to prepare, pay and file returns for Profit Tax, VAT and all federal taxes further reduced

Enforcing Contracts: Faster conflict resolution

COMPLETED REFORMS		IMPACT
1	Introduced specialized small claims commercial courts/divisions in Lagos and Kano	<ul style="list-style-type: none"> Fast-tracked resolution of small commercial claims for MSMEs Small commercial suits (up to N5 million in Lagos and N10 million in Kano) handled within 60 days from filing to judgement

Trading Across Borders: Quicker and easier movement of goods

COMPLETED REFORMS		IMPACT
1	Reduction of export documents from 10 to 7 and import documents from 14 to 8	<ul style="list-style-type: none"> Quicker and easier movement of goods across borders
2	Implementation of 24/7 operations of Apapa port	<ul style="list-style-type: none"> Weekend operation of all ports (including Apapa) has reduced the time required for border compliance to 48 hours
3	Implementation of single joint cargo inspection	<ul style="list-style-type: none"> Number of touch points for importers/clearing agents reduced from eight to just one total time for clearing of import cargoes reduced by approximately 48 hours
4	Use of pallets for import of loose cargo	<ul style="list-style-type: none"> Total time spent on joint cargo inspection by the Nigeria Customs Service and other regulatory agencies reduced from average 6 hours to from 30 minutes to maximum one (1) hour by container.
5	Digitization of export document, request for information (RFI)	<ul style="list-style-type: none"> Digitization of the RFI at Apapa port has eliminated approximately 48 hours from the export process and reduced associated costs

Trading Within Nigeria: Improved

COMPLETED REFORMS		IMPACT
1	NAFDAC has cleared all pending registration applications as of December 2017	Improved transparency, effective and efficient product registration process Affected companies know the status of their applications
2	NAFDAC has enforced compliance with 90-day timeline to complete product registration	Prospective MSMEs are motivated to register their products; greater trust in the system improves corporate governance
3	Trademark Office has issued all outstanding clearance of opposition	Prompt registration of trademarks

Entry and Exit of People: Transparency and efficiency

COMPLETED REFORMS		IMPACT
1	48-hour visa processing at missions abroad	<ul style="list-style-type: none"> Greater transparency and efficiency in the movement, exit and entry of people
2	48-hour electronic visa on arrival	
3	Harmonization of 4 arrival forms into one by the Nigerian Immigration Service	<ul style="list-style-type: none"> Efficient collection and processing of visas and immigration documents
4	Cashless policy in all airports for payment of Government charges	<ul style="list-style-type: none"> Multiple, convenient, automated payment options for travellers at point of charge
5	Elimination of passenger service charge (PSC) stickers	<ul style="list-style-type: none"> One level of FAAN departure check eliminated for passengers on local flights

Appendix II – PEBEC List of Priority Ministries, Department & Agencies (MDAs)

	MDA	ACRONYM
1	Bank of Industry	BOI
2	Bureau for Public Procurement	BPP
3	Central Bank of Nigeria	CBN
4	Commercial Law & Trademarks Department	CLD (FMITI)
5	Consumer Protection Council	CPC
6	Corporate Affairs Commission	CAC
7	Federal Airports Authority of Nigeria	FAAN
8	Federal Inland Revenue Service	FIRS
9	Federal Ministry of Aviation	MOA
10	Federal Ministry of Environment	FME
11	Federal Ministry of Finance	FMF
12	Federal Ministry of Foreign Affairs	FMoFA
13	Federal Ministry of Interior	FMI
14	National Agency For Food And Drug Administration	NAFDAC
15	National Collateral Registry	NCR
16	National Office for Technology Acquisition and Promotion	NOTAP
17	National Sugar Development Council	NSDC
18	Nigeria Civil Aviation Authority	NCAA
19	Nigeria Content Development Management Board	NCDMB
20	Nigeria Electricity Management Service Agency	NEMSA
21	Nigeria Electricity Regulatory Commission	NERC
22	Nigeria Export Processing Zone Authority	NEPZA
23	Nigeria Export Promotion Council	NEPC
24	Nigeria Immigration Services	NIS
25	Nigeria Investment Promotion Commission	NIPC
26	Nigeria Maritime Administration and Safety Agency	NIMASA
27	Nigeria Port Authorities	NPA
28	Nigerian Agricultural Quarantine Services	NAQS
29	Nigerian Customs Services	NCS
30	Nigerian Export-Import Bank	NEXIM
31	Nigerian Police Force	NPF
32	Nigerian Shippers Council	NSC
33	Oil & Gas Free Zone Authority	OGFZA
34	Pension Commission	PENCOM
35	Security and Exchange Commission	SEC
36	Special Control Unit for Money Laundering	SCUML
37	Standards Organization of Nigeria	SON
38	Department of State Services	DSS
39	Federal Ministry of Budget & National Planning	FMBNP
40	Federal Ministry of Information & Culture	FMIC
41	Federal Ministry of Transportation	FMOT
42	Joint Tax Board	JTB
43	Ministry of Justice	MOJ
44	Ministry of Power, Works and Housing	MPWH
45	Nigeria Airspace Management Agency	NAMA
46	Nigeria Drug Law Enforcement Agency	NDLEA
47	Nigeria Intelligence Agency	NIA
48	Office of the Head of the Civil Service of the Federation	OHCSF
49	Presidential Task Force on Money Laundering	PTFML
50	Secretary to the Federal Government of the Federation	SGF
51	SERVICOM	SERVICOM