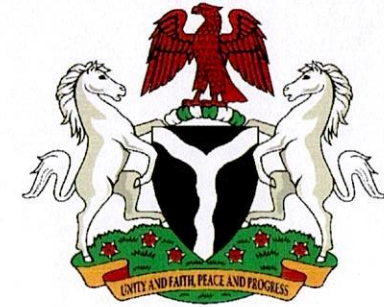


REFORMING NIGERIA AT THE SUB-NATIONAL LEVEL

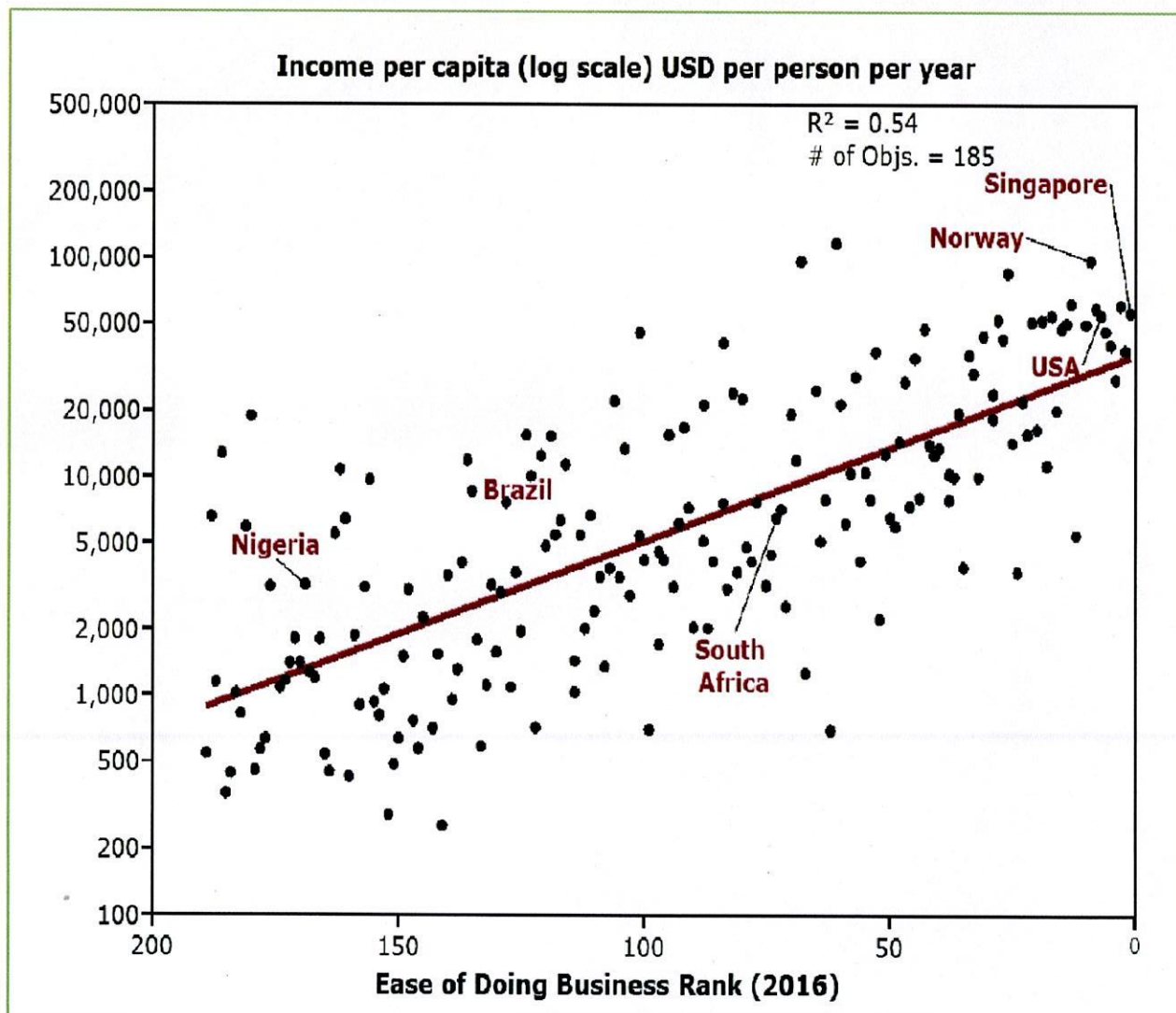
BRINGING ENABLING BUSINESS ENVIRONMENT REFORMS TO ALL NIGERIANS

22ND NOVEMBER, 2017





Performance on the Ease of Doing Business rankings is strongly correlated with Economic Prosperity



- Sub-national rankings are important as **MSMEs make up to 90%** of business in Nigeria
- The **local business environment** plays a vital role in ability of MSMEs to thrive
- A friendly business environment encourages MSMEs to **move from the informal to the formal sector**



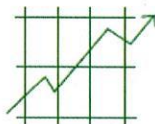
An enabling business environment is at the heart of this administration's agenda, coordinated through PEDEC

- PEDEC, the Presidential Enabling Business Environment Council, is **chaired by Vice President Yemi Osinbajo, SAN**, with the Minister of Industry, Trade and Investment as Vice Chair
- The council has 10 other ministers, Head of Civil Service of the Federation, Governor of CBN, representatives from National Assembly, Lagos and Kano states and private sector as members
- EBES, the Enabling Business Environment Secretariat, implements the reform agenda of PEDEC. EBES became fully operational in Oct 2016

The Mandate



**REMOVE CRITICAL BOTTLENECKS
& BUREAUCRATIC CONSTRAINTS**
to doing business in Nigeria



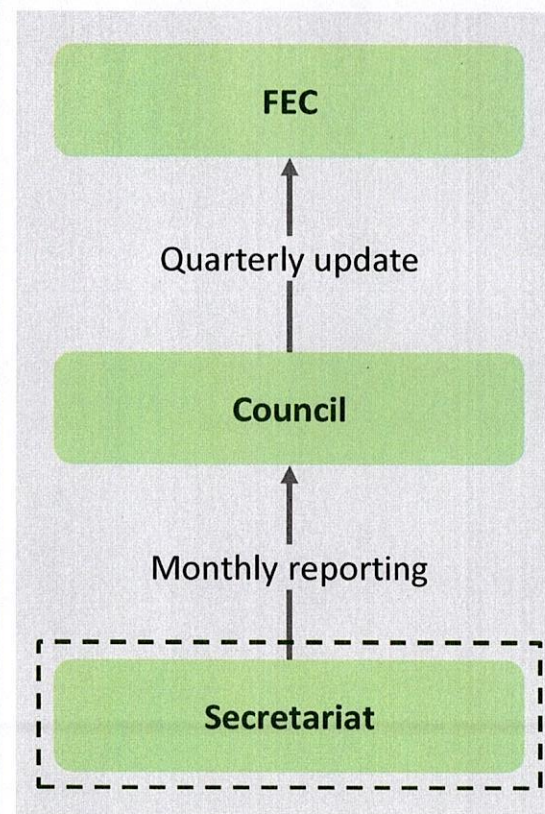
Move Nigeria

20
STEPS UPWARDS



in the World Bank Ease
of Doing Business
Index.

PEDEC operating model



- Forms part of National Agenda (ERGP)
- Mandate reforms and resolve bottlenecks
- Work with MDAs to implement reforms and escalate issues

PEDEC's model aligns with global best practice, and includes a **strong performance tracking element** that ensures **MDAs are accountable** for reform implementation



Nigeria improved its place by 24 spots in the WB DB 2018 ranking

Nigeria has achieved its highest jump in DB rankings...



DB Year	Rank	Difference
2018	145/ 190	↑ +24
2017	169/ 190	↑ +1
2016	170/ 189	→ +0
2015	170/ 189	↓ -23
2014	147/ 189	↓ -16

with progress across several indicators

	DB 2018 Ranking	
	Rank	Difference
Starting a Business	130/ 190	↑ +8
Dealing with Construction Permits	147/ 190	↑ +27
Getting Electricity	172/ 190	↑ +8
Registering Property	179/ 190	↑ +3
Getting Credit	6/ 190	↑ +38
Protecting Minority Investors	33/ 190	↓ -1
Paying Taxes	171/ 190	↑ +11
Trading Across Borders	183/ 190	↓ -2
Enforcing Contracts	96/ 190	↑ +43
Resolving Insolvency	145/ 190	↓ -5



PEBEC is accelerating reforms by focusing on three key areas in Q3 and Q4 2017

- **People:** Drive to ensure excellent customer service and mind-set changes
- **Transparency:** Increase access to information and simplify processes, and documentation

1 Deepen Existing Reforms

Description:

- Complete pending initiatives, ensure implementation communication and consequence management. Operationalize EO1

Objectives:

- Ensure Nigerians feel impact of the reforms and validate reforms. Implement OPs for EO1.

2 Sub-national Reforms

Description:

- Engage with State Governments and FCT to push sub-national reforms

Objectives:

- Collaborate with States to drive reforms at the sub-national level

3 Additional Reforms

Description:

- Trading within Nigeria indicator and start preparation for World Bank reforms for 2018

Objectives:

- Broaden reforms to include a focus on Trade within Nigeria and ensure planned reforms are included in MDA budgets for next year.

The 3 main pillars are supported by a robust operating model to accelerate change and build capacity within MDAs



The reforms to be accelerated are linked with improving Ease of Doing Business (EoDB) at State levels

Sub-national reforms

There are **compelling imperatives** for sub-national reforms (and rankings) at the state level

Rationale

Enlightened self-interest

- Reforms efforts align with **best interest** of each state and support economic growth and development aspirations

Jobs creation

- Improvements in the business environment **enable MSMEs to flourish** and will result in high levels of job creation

Quick tangible impact

- Reforms aim to deliver results with quick tangible impact for Nigerians leading to **better living standards and positive perceptions**

Attracting FDI

- Reform progress serve as a **tool for investors** to measure viability of **proposed investments** in a state.

Healthy competition

- Some states are already implementing reforms; other states have to do the same to **remain competitive**

Effective change management

- A lot can be achieved with **limited resources** by applying best practices - “Efficiency”, “Transparency”, “Performance Management”, and “Key Performance Indicators (KPIs)”



Key actions taken to kick off the Sub-national Ease of Doing Business Reforms

Dates	Actions Taken
January 2017	<ul style="list-style-type: none">▪ HMITI held an inception meeting with the World Bank in January on 2014-2018 sub-national ranking exercise.▪ HMITI delegated the coordination of the World Bank sub-national ranking exercise to EBES on behalf of the Ministry of Industry, Trade and Investment.
July 2017	<ul style="list-style-type: none">▪ HMITI and EBES Coordinator gave an overview presentation to the National Economic Council (NEC) on the sub-national project which was approved.▪ The methodology for the sub-national ease of doing business rankings was adopted and a kick-off workshop for collaboration across the states was also approved.
August 2017	<ul style="list-style-type: none">▪ EBES and the World Bank jointly hosted the EODB methodology workshop to commence the collaboration exercise – 18 state governments were represented.
September 2017	<ul style="list-style-type: none">▪ Ease of Doing Business Sub-national Technical Working Group has been formed in September. Members of the working group include representatives from Anambra, Borno, Edo, Kaduna, Niger and Ogun; representatives from Governor's forum, NESG, NCCN and some private sector representatives
October 2017	<ul style="list-style-type: none">▪ The sub-national technical working group was inaugurated by the Minister of State. The technical working group met and started working on the methodology for the sub-national rankings

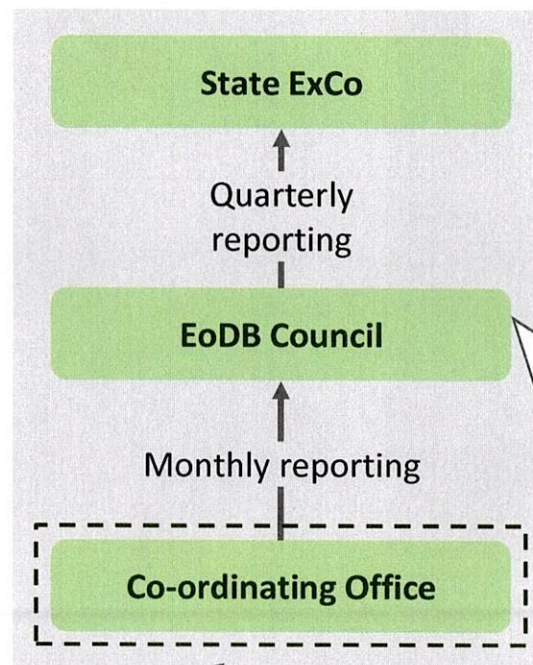


The National Executive Council meeting of July 20, 2017 aligned on extending efforts to the sub-national level

Suggested operating model for states is similar to the PEBEC model

Customers

- Private sector associations e.g. manufacturers, traders, farmers, transporters, etc.
- MSMEs
- Multinationals
- General Public



Implementing and monitoring entity

- Full time members seconded/recruited
- Support from external stakeholders

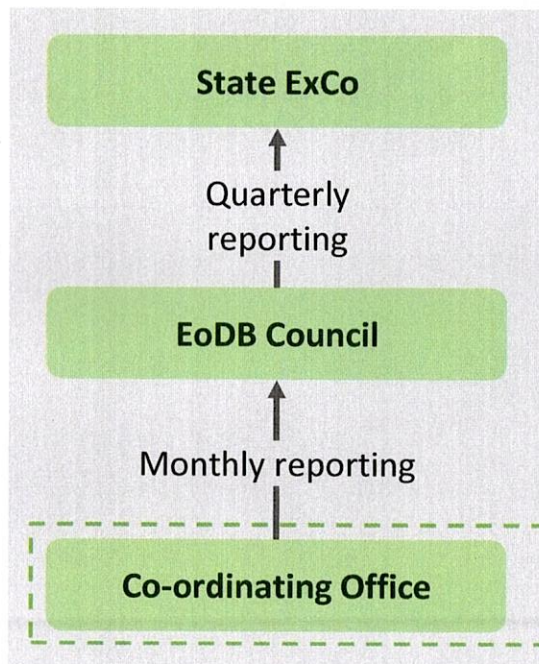
Implementers and technical assistants

- MDAs: e.g., tax agency, land registry
- Multilaterals: e.g., World Bank
- Advisors: consulting firms, technology companies
- EBES

States can provide peer review of reforms to encourage sharing of best practices and publish a business environment reform report monthly for investors



The states will be responsible for coordinating both the World Bank sub-national rankings and the Home grown sub-national projects



World Bank Sub-national Rankings

- Coordinate the implementation of reforms for the World Bank sub-national rankings done every 4 years
- Advise and support implementing agencies on communication of reforms and extensive stakeholder engagement

Nigeria's Homegrown Sub-national projects

- Coordinate the efforts and implementation of reforms for the Homegrown sub-national reports which will be launched in 2018
- Manage specific reforms to be implemented in the states



Although some steps have been taken, further steps are required to develop the sub-national EODB structures

Key actions	Actions to date	Next steps
Nominate Reform Champions	<ul style="list-style-type: none">22 states nominated a senior level reform champion to oversee EODB project to:<ul style="list-style-type: none">Act as focal person for EODB projectBe responsible for coordinating all sub-national efforts on behalf of the state	<ul style="list-style-type: none">The other 14 states and the FCT to nominate Reform champions. All RCs to participate in data collection and analysis by:<ul style="list-style-type: none">Answering indicator questionnairesGiving feedback on preliminary resultsProvide information on planned and ongoing reforms
Setup state EODB structures	<ul style="list-style-type: none">The National Executive Council came up with an operating model for sub-national projects which is similar to the PEBC model	<ul style="list-style-type: none">Each state to setup EODB structure which should:<ul style="list-style-type: none">Enjoy the highest political supportMeet at least monthlyReport to the State Executive Council (Exco) at least quarterly
Hold Sub-national workshops and forums	<ul style="list-style-type: none">EBES and the World Bank hosted an EODB methodology workshop on August 24, 2017 to commence the collaboration exercise<ul style="list-style-type: none">18 state governments were represented by their reform champions	<ul style="list-style-type: none">Ogun and Kaduna state forums to be held on the 28th and 30th of November, 2017 respectivelyThere are plans to have more forums in Abia, Borno, Niger, etc. in the coming quarter



The WB Sub-national team has sent out questionnaires to all states and is looking for more respondents

Update on World Bank Questionnaires

- The World Bank has sent questionnaires to respondents
 - Private sector respondents in all states have been contacted
 - Where applicable, reform champions have been contacted and added to the respondents lists
- The World Bank is still searching for more public sector respondents to the questionnaires on the performance of states

Recommended state actions

- 20 states and the FCT are yet to assign reform champion, who would also be respondents. This is an opportunity to be represented and have a say in how the World Bank ranks your state.
- States yet to assign reform champions are:
 - FCT
 - Adamawa
 - Akwa Ibom
 - Bauchi
 - Benue
 - Ebonyi
 - Ekiti
 - Gombe
 - Jigawa
 - Kebbi
 - Kwara
 - Nasarawa
 - Rivers
 - Taraba
 - Yobe
 - Zamfara



Sub-national Doing Business in Nigeria: Key milestones

Aug 2017	Kick-off meetings
Sep 2017 – Mar 2018	Data collection and Analysis
Mar/Apr 2018	Right of reply meetings
Apr – Jul 2018	Report production
Dec 5, 2018	Launch event



In addition to the World Bank sub-national indicators, there are 4 indicators we will be tracking for our home grown rankings

Existing WB Sub-national indicators...

1



STARTING A
BUSINESS

2



CONSTRUCTION
PERMITS

3



REGISTERING
PROPERTY

4



ENFORCING
CONTRACTS

Potential Home grown Sub-national indicators¹

1



INFRASTRUCTURE

2



TRANSPARENCY &
ACCESSIBILITY TO
INFORMATION

3



REGULATORY
ENVIRONMENT

4



SKILLS AND LABOUR

¹ Subject to change



Support required from the Governors

Area

Details

**Reform champions
for all States**

- 20 states and the FCT need to assign Reform champions for the Sub-national projects act as focal person for EODB project and be responsible for coordinating all sub-national efforts on behalf of the state

**State Government
to prioritise EoDB**

- Only half the states invited for the methodology workshop attended; suggesting limited buy-in by state governments.

**Private sector
participation**

- State governments should engage the private sector, inform them about plans for the sub-national projects and sensitize them on reforms that have been implemented in the state

**Host Workshops in
your state**

- EBES team can provide support in understanding WB methodology and also in setting up structures for reforms beyond the doing business indicators



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

Enabling Business Environment Secretariat

Thank you