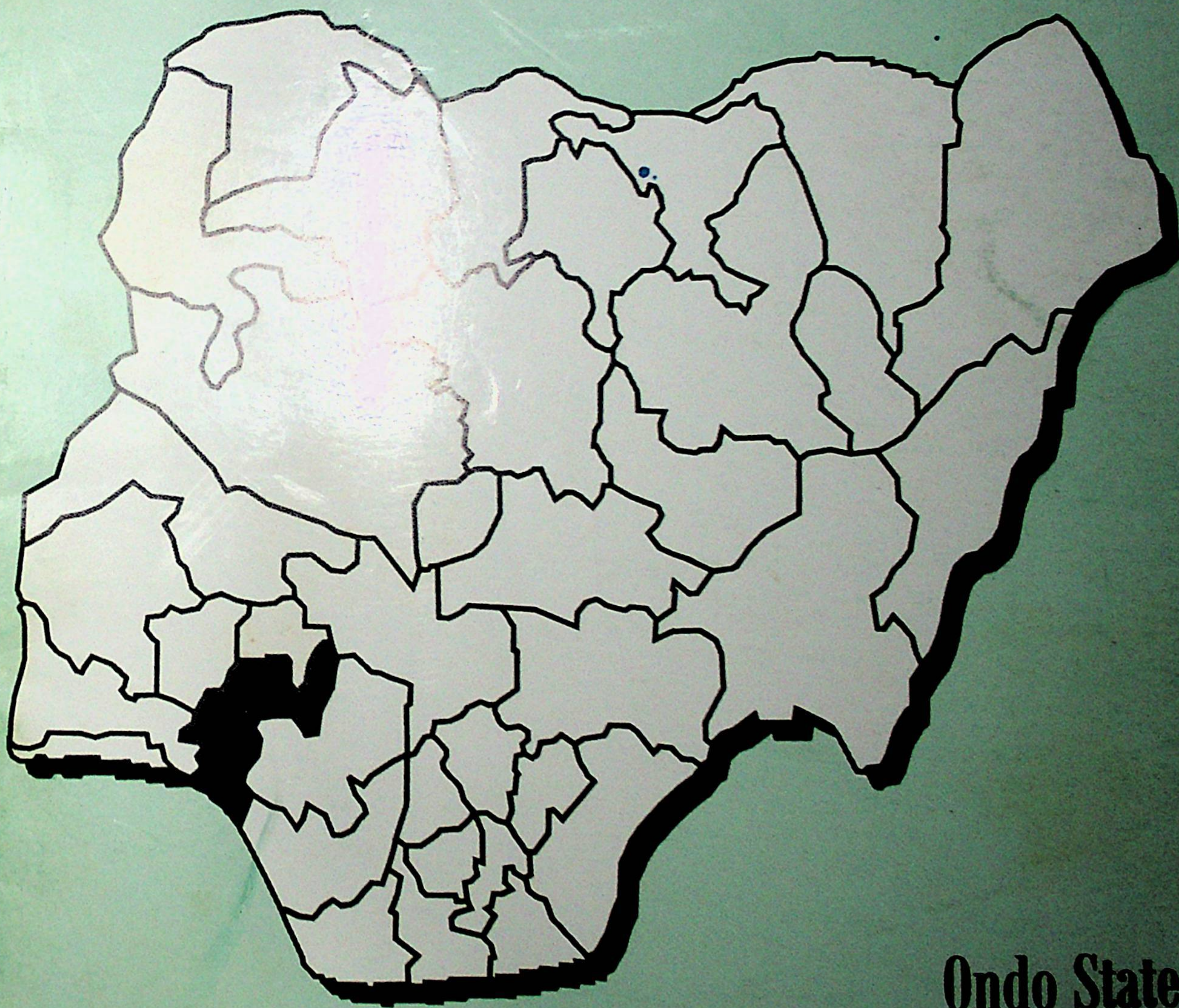


# BECANS BUSINESS ENVIRONMENT REPORT

Vol. 1, No. 30, 2007



Ondo State



AFRICAN INSTITUTE FOR APPLIED ECONOMICS



**Business Environment Reports (BERs)** disseminate the results and findings of research and analyses of the conditions for private enterprise and doing business across Nigerian states. The report series is aimed at providing the scientific evidence base for constructive dialogue between state governments, private sector and civil society. The series intends to stimulate policy advocacy and greater attention to the critical role of state governments in promoting competitive private enterprise. The reports would be updated on a regular basis to reflect new developments and changing performance of the business environment across Nigerian states.

This Report is based on research methodology described in the Synthesis Report (Vol., No. 1) of the Business Environment Report Series.

Business Environment Reports are research outcomes only. The findings, conclusions and interpretations do not necessarily represent the official views and policies of African Institute for Applied Economics or any of BECANS collaborating institutions.



# BEANS BUSINESS ENVIRONMENT REPORT

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Volume 1, Number 30, 2007

## ONDO STATE



AFRICAN INSTITUTE FOR APPLIED ECONOMICS

In collaboration with



National Planning Commission



Central Bank of Nigeria



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Findings, conclusions

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Applied Economics



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128 Park Avenue, GRA

P.O. Box 2147 Enugu, Nigeria

Phone: (042) 256644, 300096

Fax: (042) 256035

Email: [aiaeinfo@aiae-nigeria.org](mailto:aiaeinfo@aiae-nigeria.org)

[www.aiae-nigeria.org](http://www.aiae-nigeria.org)

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## SYNOPSIS

ONDO State scores 47.9% on the business environment index. It scores relatively higher on security and infrastructure than on business development support and legal and regulatory services.

On infrastructure and utilities, the state scores 48.67%, performing relatively better on energy and access to information compared to the other measures. The state performs relatively low on water supply, transportation and social infrastructure. There is need for increased priority to infrastructural facilities in the state, especially in the areas of water supply, transportation, education and health, including waste management.

On legal and regulations, the state scores 46.83%, performing relatively better on tax administration than the rest of the measures. There is need for the state to give increased priority to the various aspects of legal and regulatory framework, especially in the areas of business registration, land matters as well as contract enforcement and commercial dispute resolution, which would promote investor's confidence in establishing and running businesses.

On business support and investment promotion, the state scores 43.75%, performing relatively better on support for industrial clusters and investment promotion services. It performs relatively lower on entrepreneurship promotion. There is need for the state to give increased emphasis to those key aspects of business development support services that would stimulate entrepreneurial incentives to invest.

On security, the state scores 52.5%, performing relatively better on police coverage than the rest of the measures.



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## ACRONYMS AND ABBREVIATIONS

ACGSF = Agricultural Credit Guarantee Scheme Fund

ADR = Alternative Dispute Resolution

CAC = Corporate Affairs Commission

CAMA= Companies and Allied Matters Act

CBN = Central Bank of Nigeria

C of O = Certificate of Occupancy

FAR= Federal Account Revenue

IGR = Internally Generated Revenue

LGA = Local Government Area

LUA = Land Use Act

NACRDB = Nigerian Agricultural Cooperative and Rural Development Bank

NBS = National Bureau of Statistics

PHCN= Power Holding Company of Nigeria

PPP = Public-Private Partnership

SMEs = Small and Medium Enterprises

SMEEIS = Small and Medium Enterprises Equity Investment Scheme



## **1.0 BACKGROUND INFORMATION**

### **1.1. Geographical Profile**

Ondo state is located within the southwestern zone of the country. It lies between latitudes 5°45' and 7°52'N and longitudes 4°20' and 6°5'E. Based on the 2006 national census, the state has a population of 3,441,024. Its land area is about 15,000 km<sup>2</sup>, and the state has 18 Local Government Areas (LGAs).

### **1.2. Economic Potentials**

Agriculture is the major economic sector. The major agricultural products include cocoa, cassava, maize, cocoyam, plantain, kolanut, coffee, coconut, vegetables, yam, plantain/banana, groundnuts, rice, cotton, fruits, oil palm, rubber, bamboo, raffia palm, among others. Livestock include poultry and piggery. The state produces over 60% of the country's cocoa output.

She has a thriving timber economy. The Nigeria-Romania Wood Industry (NIROWI) is the largest wood processing factory in the country. The state has significant potentials for fisheries development. Her mineral deposits include oil and gas (crude-oil), bitumen (tar sand), granite, marble, gold, gemstone, clay, diorite, lignite, glass sand, salt, quartz, kaolin, limestone, tin ore, coal, columbite, iron ore, among others.

Some of the notable tourism potentials include the historic Idanre Hills, Ayetoro Community of Holy Apostles, Ebomi Lake, Ipesi - Akoko, Oke Maria, Oka - Akoko Igbokoda Water Front, Igbokoda, Cave of Ashes, Isharun, Deji's Palace, Akure, Owo Museum of Antiquities, Owo, Alagbaka Cenotaph, Akure, Igbo Olodumare, Oke - Igbo, and the Oyemekun Rocks in Akure.

### **1.3. Investment Climate, Policies and Institutions**

The industrial policy is anchored on accelerating industrialisation through development of human, mineral, water, agricultural and forest resources. Some of the key strategies include reactivation and privatization of existing industries, promotion of new industrial ventures, infrastructural development and promotion of value addition. Presently, some of the major industrial ventures include the Okitipupa Oil Palm Mill Plc at Okitipupa, NIROWI at Ondo, Cocoa Products Company Ltd. at Ile-Oluji and Oluwa Glass Company Plc at Igbokoda. Others include the Nigerian-Italian Ceramics Factory at Ifon, Alpha Paper Industries at Arigidi-Akoko, Ondo State Asphalt Company at Aponmu, Araromi-Ayesan Oil Palm Plc at Araromi-Obu and Foam Industry at Akure, among others.



#### 1.4. Budget Profile (2005)

Internally generated revenue (IGR) accounted for 8.23% of total budget in 2005. Capital budgets to health and education were 2.59% and 2.21% of total capital budget respectively in 2005. Per capita values of health and education budgets were ₦142.41 and ₦121.54 respectively (Table 1).

Table 1: Budget Profile, 2005

Budget Item	Total value (Nm)	Per capita value (N)
Federal Accounts Revenue	32,005.60	5,400.24
Internally Generated Revenue	2,871.00	834.59
Total Budget	18,901.00	5,494.48
Capital Budget for Health	489.90	142.41
Capital Budget for Education	418.10	121.54

## 2.0 BUSINESS ENVIRONMENT SCORECARD

### 2.1 Business Environment Index

The state scores 47.9% on the business environment index. The scores on the benchmarks are summarized in table 2 and figure 1.

Table 2: Aggregate Scores across the Benchmarks

Benchmark	Actual Score	Maximum Score	Percentage Score
Infrastructure (F)	14.6	30.0	48.67
Legal and Regulatory (R)	14.05	30.0	46.83
Business development support (B)	8.75	20.0	43.75
Security (S)	10.5	20.0	52.5
<b>Total</b>	<b>47.9</b>	<b>100.0</b>	<b>XXXXXXX</b>



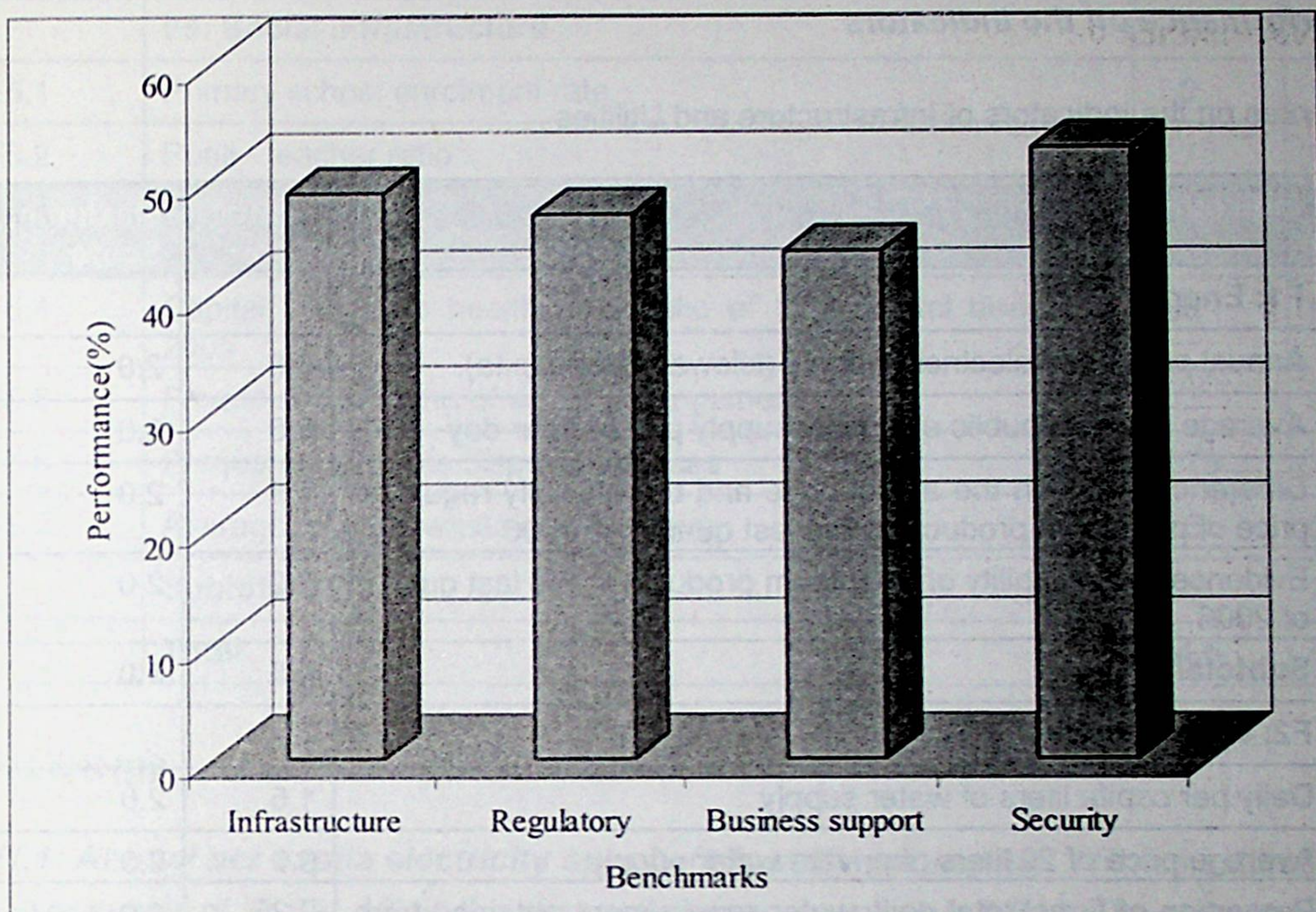


Figure 1: Performance across Benchmarks

## 2.2 Infrastructure and Utilities

The state scores 48.67% on infrastructure and utilities. The details are summarized in tables 3 and 4.

### 2.2.1 Performance on the measures

Table 3: Scores on Respective Measures of Infrastructure and Utilities

Measure	Actual Score	Maximum Score	Percentage Score
Energy (F1)	4.5	8.0	56.25
Water supply (F2)	1.75	5.0	35.0
Access to information (F3)	3.25	5.0	65.0
Transportation (F4)	2.0	5.0	40.0
Social infrastructure (F5)	3.1	7.0	44.29
<b>Total</b>	<b>14.6</b>	<b>30.0</b>	<b>XXXXXXXXXXXX</b>



### 2.2.2 Performance on the indicators

Table 4: Scores on the Indicators of Infrastructure and Utilities

Code	Indicator	Actual Score	Maximum Score
	<b>F1: Energy</b>		
F1.1	Annual per capita electricity supply (kilowatts per capita).	0.5	2.0
F1.2	Average hours of public electricity supply per 24 hour day	0.5	2.0
F1.3	Difference between the actual price and the officially regulated price of petroleum products in the last quarter of 2006	1.5	2.0
F1.4	Evidence of availability of petroleum products in the last quarter of 2006	2.0	2.0
	<b>Subtotal (F1)</b>	<b>4.5</b>	<b>5.0</b>
	<b>F2: Water Supply</b>		
F2.1	Daily per capita liters of water supply	1.5	2.0
F2.2	Average price of 20 liters of private water supply	0.0	2.0
F2.3	Proportion of firms' total daily water requirement obtained from private supply	0.25	1.0
	<b>Subtotal (F2)</b>	<b>1.75</b>	<b>5.0</b>
	<b>F3: Access to information</b>		
F3.1	Number of post offices per 100, 000 persons	0.25	1.0
F3.2	Tele-Density for fixed lines (number of telephone lines per 1000 persons)	0.5	0.5
F3.3	Incidence of mobile phone ownership in the state	0.1	0.5
F3.4	Availability of local television stations	0.7	1.0
F3.5	Availability of radio stations in the state	0.7	1.0
F3.6	Availability of functional website containing information	1.0	1.0
	<b>Subtotal (F3)</b>	<b>3.25</b>	<b>5.0</b>
	<b>F4: Transportation</b>		
F4.1	Average cost per kilometer of intra-state road transportation in the last quarter of 2006	0.0	3.0
F4.2	Availability of airport	2.0	2.0
	<b>Subtotal (F4)</b>	<b>2.0</b>	<b>5.0</b>



<b>F5: Social infrastructure</b>			
F5.1	Primary school enrolment rate	1.0	1.0
F5.2	Pupil - teacher ratio	0.75	1.0
F5.3	Capital budget to education as a ratio of total capital budget in 2005	0.0	1.5
F5.4	Capital budget to health as a ratio of total capital budget in 2005	0.0	1.5
F5.5	Private sector rating of waste management	0.3	0.5
F5.6	Frequency of waste disposal services	0.75	1.0
F5.7	Average monthly waste disposal levy	0.3	0.5
	<b>Subtotal (F5)</b>	<b>3.1</b>	<b>7.0</b>
	<b>Total</b>	<b>14.6</b>	<b>30.0</b>

### **F1: Energy**

**F1.1: Annual per capita electricity supply (kilowatts per capita):** With an estimated annual power supply of 37,621.12kw, the per capita power supply is 0.011. The state scores 0.5 out of 2.0.

**F1.2: Average hours of public electricity per 24-hour day:** Public power supplies 2-7 hours of electricity out of 24 hours in a day to consumers. The state scores 0.5 points out of 2.0

**F1.3: Difference between the actual price and the officially regulated price of petroleum products in the last quarter of 2006:** For the three common petroleum products - petrol, kerosene and diesel, there is 1 - 10% price differential between the official prices and what the people pay. The state scores 1.5 out of 2.0.

**F1.4: Evidence of availability of petroleum products in the last quarter of 2006:** The survey shows that petrol, diesel and kerosene are available all the time, giving the state the full score of 2.0.

### **F2: Water Supply**

**F2.1: Daily per capita liters of water supply:** The estimated total daily water supply is 70,229,352 litres. Based on the 2006 population figure of 3,441,024, per capita daily water supply is 20.41 litres. The state scores 1.5 out of a maximum of 2.0.



**F2.2: Average price of 20 liters of private water supply:** Private water supply costs above ₦10.00 for 20 litres. The state scores 0 out of 2 point.

**F2.3: Proportion of firms' total daily water requirement obtained from private supply:** Business firms get 40-59% of their total water need through private supplies. The state scores 0.25 out of a maximum of 1.0.

### **F3: Access to information**

**F3.1: Number of post offices per 100, 000 persons:** The state has 42 post offices. The number of post offices per 100,000 persons is 1.2, and the state scores 0.25 out of 1.0.

**F3.2: Tele-density for fixed lines (number of telephone lines per 1000 persons):** The state has total of 69,700 fixed lines. With the 2006 population, the number of lines per 1,000 persons is 20.26. The state scores the maximum point of 0.5.

**F3.3: Incidence of mobile phone ownership:** The incidence of mobile phone ownership was 28.8%. The state scores 0.1 out of 0.5.

**F3.4: Availability of local television stations:** There are federal and state television stations. The state scores 0.7 out of a maximum of 1.0.

**F3.5: Availability of radio stations:** There are federal and state radio stations. The state scores 0.7 out of 1.0

**F3.6: Availability of functional website containing information:** The state has a functional website that is regularly updated. The state scores the maximum point of 1.0

### **F4: Transportation**

**F4.1: Average cost per kilometer of intra-state road transportation in the last quarter of 2006:** The average transport cost per kilometer for intra-state road movement is more than ₦15.00. The state scores 0.0 out of 3.0

**F4.2: Availability of airport:** The state has an airport at Akure which handles both commercial and private aircrafts. The state scores the maximum point of 2.0.



**F5: Social infrastructure**

**F5.1: Primary school enrolment rate:** Primary school net enrolment for 2006 is 84.6%. The state scores the maximum point of 1.0.

**F5.2: Pupil-teacher ratio:** Primary enrolment is 643,983 while total number of teachers is 18,688. This gives a pupil-teacher ratio of 34.5:1. The state scores 0.75 out of a maximum of 1.0.

**F5.3: Capital budget to education as a ratio of total capital budget in 2005:** The 2005 total capital budget was ₦13,480,000,000.00 while the capital budget for education was ₦418,000,000.00, representing 3.10% of total capital budget. The score is 0 out of a maximum of 1.5.

**F5.4: Capital budget to health as a ratio of total capital budget:** The 2005 total capital budget was ₦13,480,000,000.00 while the capital budget for health was ₦490,000,000.00, representing 3.63% of total capital budget. The state scores 0 out of 1.5.

**F5.5: Private sector rating of waste management:** Waste management is rated as good, and the state scores 0.3 out of 0.5 points.

**F5.6: Frequency of waste disposal services:** Collection of waste is weekly, giving the state 0.75 out of 1.0.

**F5.7: Average monthly waste disposal levy:** The average monthly levy for for waste disposal is ₦201.00 – ₦500.00. The state scores 0.3 out of a maximum of 0.5.

**2.3 Legal and Regulatory Services**

The state scores 46.83% on legal and regulatory services. The details are summarized in tables 5 and 6.



### 2.3.1 Performance on the measures

Table 5: Scores on Measures of Legal and Regulatory Services

Measure	Actual Score	Maximum Score	Percentage Score
Business registration (R1)	1.8	4.0	45.0
Tax administration (R2)	5.0	10.0	50.0
Contract enforcement/commercial disputes resolution (R3)	2.5	6.0	41.67
Land registration and property rights (R4)	3.75	10.0	37.5
<b>Total</b>	<b>14.05</b>	<b>30.0</b>	<b>XXXXXXX</b>

### 2.3.2 Performance on the Indicators

Table 6: Values on Legal and Regulatory Services Indicators

Code	Indicator	Actual Score	Maximum Score
	<b>R1: Business registration</b>		
R1.1	Cessation of registration of business names at the State Ministry of Commerce since the Companies and Allied Matters Act (CAMA) and setting up of CAC	0.5	1.0
R1.2	Evidence that improperly registered business names are not given recognition	0.25	0.5
R1.3	Evidence of existence of a task force (or regulatory actions) against the display of unregistered business names by firms	0.0	0.5
R1.4	Existence of an office of the Corporate Affairs Commission	0.3	0.5
R1.5	Evidence of publication of activities of the CAC branch (leaflets, fliers, hand bills, booklets and/or websites) from where information on how to access CAC services can be obtained and which are freely issued	0.25	0.25
R1.6	Evidence that the CAC branch office has a service charter	0.0	0.25
R1.7	Availability of accessible on-line real-time services through which names can be searched for and reserved at the CAC branch office	0.5	0.5
R1.8	Duration for obtaining certificate of registration for business names after filing all papers	0.0	0.5
	<b>Subtotal (R1)</b>	<b>1.8</b>	<b>4.0</b>



	<b>R2: Tax administration</b>		
R2.1	Evidence of database of taxable persons	1.0	1.5
R2.2	Evidence of publication of tax notices and sending of Tax Assessment Notices to registered tax payers in the last three years	0.75	1.0
R2.3	Evidence of a mechanism for validation of tax paid to other tiers of government and other states in the Federation	0.0	1.0
R2.4	Evidence of a Tax Appeal Tribunal/Revenue Courts	0.5	1.5
R2.5	Evidence of one-stop shop for tax payment to state and local governments	0.0	1.0
R2.6	Number of taxes paid by manufacturing firms	0.75	1.0
R2.7	Amount paid as business premises levy capital per annum	0.5	1.0
R2.8	Number of days between receipt of demand notice and enforcement of penalties for late payment of taxes by tax authorities	0.5	1.0
R2.9	Penalties for non payment of business premises are enforced	1.0	1.0
	<b>Subtotal (R2)</b>	<b>5.0</b>	<b>10.0</b>
	<b>R3: Contract enforcement/commercial disputes resolution</b>		
R3.1	Establishment of information systems on caseload and judicial statistics	0.0	2.0
R3.2	Average time (in weeks) between filing a business dispute in court and obtaining judgment	1.0	2.0
R3.3	Evidence of availability/establishment of formal Alternative Dispute Resolution	1.5	2.0
	<b>Subtotal (R3)</b>	<b>2.5</b>	<b>6.0</b>
	<b>R4: Land registration and property rights</b>		
R4.1	Availability and usability of a cadastral Map of the State	1.0	1.0
R4.2	Evidence that the state has enacted a land tenure law to operationalise the Land Use Act	0.0	1.0
R4.3	Official cost (charge) of obtaining Governor's consent relative to the price of land in the highest profile business area in the State Capital	0.75	1.0
R4.4	Time taken for obtaining C of O (between submission of application form and eventual granting of consent)	1.0	1.0
R4.5	Computerization of land transactions in the state	0.0	1.0
R4.6	Time taken to search the registry for confirmation of validity of title in the case of transfer of rights of ownership of land	0.0	1.0
R4.7	Time taken for obtaining the Governor's consent for transfer of rights of ownership of land	0.0	1.0



### 2.3.1 Performance on the measures

Table 5: Scores on Measures of Legal and Regulatory Services

Measure	Actual Score	Maximum Score	Percentage Score
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### 2.3.2 Performance on the Indicators

Table 6: Values on Legal and Regulatory Services Indicators

Code	Indicator	Actual Score	Maximum Score
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R1.2	Evidence that improperly registered business names are not given recognition	0.25	0.5
R1.3	Evidence of existence of a task force (or regulatory actions) against the display of unregistered business names by firms	0.0	0.5
R1.4	Existence of an office of the Corporate Affairs Commission	0.3	0.5
R1.5	Evidence of publication of activities of the CAC branch (leaflets, fliers, hand bills, booklets and/or websites) from where information on how to access CAC services can be obtained and which are freely issued	0.25	0.25
R1.6	Evidence that the CAC branch office has a service charter	0.0	0.25
R1.7	Availability of accessible on-line real-time services through which names can be searched for and reserved at the CAC branch office	0.5	0.5
R1.8	Duration for obtaining certificate of registration for business names after filing all papers	0.0	0.5
	<b>Subtotal (R1)</b>	<b>1.8</b>	<b>4.0</b>



	<b>R2: Tax administration</b>		
R2.1	Evidence of database of taxable persons	1.0	1.5
R2.2	Evidence of publication of tax notices and sending of Tax Assessment Notices to registered tax payers in the last three years	0.75	1.0
R2.3	Evidence of a mechanism for validation of tax paid to other tiers of government and other states in the Federation	0.0	1.0
R2.4	Evidence of a Tax Appeal Tribunal/Revenue Courts	0.5	1.5
R2.5	Evidence of one-stop shop for tax payment to state and local governments	0.0	1.0
R2.6	Number of taxes paid by manufacturing firms	0.75	1.0
R2.7	Amount paid as business premises levy capital per annum	0.5	1.0
R2.8	Number of days between receipt of demand notice and enforcement of penalties for late payment of taxes by tax authorities	0.5	1.0
R2.9	Penalties for non payment of business premises are enforced	1.0	1.0
	<b>Subtotal (R2)</b>	<b>5.0</b>	<b>10.0</b>
	<b>R3: Contract enforcement/commercial disputes resolution</b>		
R3.1	Establishment of information systems on caseload and judicial statistics	0.0	2.0
R3.2	Average time (in weeks) between filing a business dispute in court and obtaining judgment	1.0	2.0
R3.3	Evidence of availability/establishment of formal Alternative Dispute Resolution	1.5	2.0
	<b>Subtotal (R3)</b>	<b>2.5</b>	<b>6.0</b>
	<b>R4: Land registration and property rights</b>		
R4.1	Availability and usability of a cadastral Map of the State	1.0	1.0
R4.2	Evidence that the state has enacted a land tenure law to operationalise the Land Use Act	0.0	1.0
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R4.7	Time taken for obtaining the Governor's consent for transfer of rights of ownership of land	0.0	1.0



R4.8	Evidence of active support for and promotion of equipment leasing	1.0	1.0
R4.9	Evidence of a law that requires mandatory subscription to insurance and mortgage contributors	1.0	1.0
R4.10	Evidence of effective protection of private property rights	0.0	1.0
	<b>Subtotal (R4)</b>	<b>3.75</b>	<b>10.0</b>
	<b>Total</b>	<b>13.05</b>	<b>30.0</b>

### ***R1: Business registration***

***R1.1: Cessation of registration of business names at the State Ministry of Commerce since the Companies and Allied Matters Act (CAMA) and setting up of CAC:*** Evidence shows that the state ministry of commerce is no longer registering business names. The state scores 0.5 out of 1.0.

***R1.2: Evidence that improperly registered business names are not given recognition by the state:*** The state does not give recognition to improperly registered names. It did not however indicate that the state's business premises registry admits only business names registered by CAC. The score is 0.25 out of 0.5

***R1.3: Evidence of existence of a task force (or regulatory actions) against the display of unregistered business names by firms:*** There is no evidence of a taskforce against display of unregistered business names. The state scores 0 out of 0.5.

***R1.4: Existence of an office of the Corporate Affairs Commission:*** There is a CAC branch office. The state scores 0.3 out of 0.5.

***R1.5: Evidence of publication of activities of the CAC branch (leaflets, fliers, hand bills, booklets and/or websites) from where information on how to access CAC services can be obtained and which are freely issued:*** Available evidence shows that there is a publication of the CAC branch office location as well as the services it renders. The state scores the maximum point of 0.25

***R1.6: Evidence that the CAC branch office has a service charter.*** There is no evidence of a service charter at the CAC branch office. The state scores zero out of a 0.25.



**R1.7: Availability of accessible on-line real-time services through which names can be searched for and reserved at the CAC branch office:** There is evidence of on-line service at the branch office and the use is limited to staff of the CAC branch only. The state scores the maximum point of 0.5.

**R1.8: Duration for obtaining certificate of registration for business names after filing all papers:** The length of time for obtaining registration of business names is over 5 working days. The state scores 0 out of 0.5.

## **R2: Tax administration**

**R2.1: Evidence of database of taxable persons:** The database of taxable persons is manually compiled. The state scores 1.0 out of a maximum of 1.5.

**R2.2: Evidence of publication of tax notices and sending of tax assessment notices to registered tax payers in the last three years:** Tax notice letters are sent to individual tax payers. The state scores 0.75 out of a 1.0.

**R2.3: Evidence of a mechanism for validation of tax paid to other tiers of government and other states in the federation:** The state is yet to put in place a mechanism for validation of tax paid in other tiers of government and other states. The state scores 0 out of 1.0.

**R2.4: Evidence of a Tax Appeal Tribunal/Revenue Courts:** The survey shows samples of cases brought before the revenue court as evidence of existence of revenue appeal court. There is no information on the number of sittings the revenue court has had in the last tax year. This gives the state 0.5 out of 1.5.

**R2.5: Evidence of one-stop shop for tax payment to state and local governments:** There is no evidence of one-stop shop for tax payment. The state scores 0 out of 1.0 points.

**R2.6: Number of taxes paid by manufacturing firms:** There are 11 types of taxes paid by manufacturers. The state scores 0.75 out of a maximum of 1.0.

**R2.7: Amount paid as business premises levy capital per annum:** Survey of business firms shows that business premises levy paid ranges from ₦5,000.00 to ₦10,000.00, giving the state 0.5 out of 1.0.



**R2.8: Number of days between receipt of demand notice and enforcement of penalties for late payment of taxes by tax authorities:** The number of days between receipt of demand notice and enforcement of penalties ranges from 30 to 90 days. The state scores 0.5 out of a maximum of 1.0.

**R2.9: Penalties for non payment of business premises are enforced:** The enforcement of penalties for nonpayment of business premises is carried out by the state government officials. This gives the state the maximum point of 1.0.

### **R3: Contract enforcement/commercial disputes resolution**

**R3.1: Establishment of information systems on caseload and judicial statistics:** There is no evidence of existence of caseload factor. Rather what is available are monthly returns of cases handled. The state scored 0 out of a maximum of 2.0.

**R3.2: Average time (in weeks) between filing a business dispute in court and obtaining judgment:** The average time (estimate in weeks), between filing a business dispute in court and obtaining judgment is 27 to 52 weeks. The state scores 1.0 out of 2.0

**R3.3: Evidence of availability/establishment of formal alternative dispute resolution (ADR):** Available evidence shows that the state has an ADR system, giving the state 1.5 out of 2.0.

### **R4: Land registration and property rights**

**R4.1: Availability and usability of a cadastral map of the state:** There is a geographical map of the state, not a cadastral map. The state scores 0 out of a maximum of 1.0.

**R4.2: Evidence that the state has enacted a land tenure law to operationalise the Land Use Act:** There is no evidence of land tenure law, giving the state 0 out of 1.0.

**R4.3: Official cost (charge) of obtaining governor's consent relative to the price of land:** Official charge for obtaining governor's consent is 2.3% of the price. The score is 0.75 of 1.0.

**R4.4: Time taken for obtaining C of O (between submission of application form and eventual granting of consent):** Average length of time for obtaining C of O is about 6 months. The state scores the maximum point of 1.0.

**R4.5: Computerization of land transactions:** The state is yet to have a computerized land transactions system, giving the state 0 out of 1.0.



**R4.6: Time taken to search the registry for confirmation of validity of title in the case of transfer of rights of ownership of land:** The time taken to search the registry and obtain confirmation of validity of transfer of ownership is over 1 month. The state scores zero out of 1.0 point.

**R4.7: Time taken for obtaining the governor's consent for transfer of rights of ownership of land:** The length of time spent to obtain governor's consent for transfer of rights of ownership of land in the state is over 2 months. The state scores zero out of 1.0.

**R4.8: Evidence of active support for and promotion of equipment leasing:** Though there is no evidence of active support for equipment leasing, the state ADP renders tractor hiring services to farmers, and this is a form of support for equipment leasing. The state scores the maximum point of 1.0.

**R4.9: Evidence of a law that requires mandatory subscription to insurance and mortgage contributors:** The state has a law that requires mandatory subscription to insurance and mortgage, giving the state the full score of 1.0.

**R4.10: Evidence of effective protection of private property rights:** There is no evidence of existence of private property rights law. The state scores 0 out of 1.0.

## 2.4 Business Support and Investment Promotion

The state scores 43.75% on business support and investment promotion.

### 2.4.1 Performance on the measures

Table 7: Scores on the Measures of Business Support and Investment Promotion

Measure	Actual Score	Maximum Score	Percentage Score
Entrepreneurship promotion (B1)	0.75	3.0	25.0
Access to finance and credit (B2)	2.6	8.0	32.5
Investment promotion services (B3)	3.0	5.0	60.0
Support for industrial clusters (B4)	1.4	2.0	70.0
Public private partnership (B5)	1.0	2.0	50.0
<b>Total</b>	<b>8.75</b>	<b>20.0</b>	<b>XXXXXXXXXXXX</b>



## 2.4.2 Performance on the Indicators

Table 8: Values on Indicators of Business Support and Investment Promotion

Code	Indicator	Actual Score	Maximum Score
	<b>B1: Entrepreneurship promotion</b>		
B1.1	Existence of specific policies and/or institutions to promote entrepreneurship	0.75	3.0
	<b>Subtotal (B1)</b>	<b>0.75</b>	<b>3.0</b>
	<b>B2: Access to finance and credit</b>		
B2.1	Number of companies that benefited from SMEEIS in 2005 relative to national average	0.8	1.5
B2.2	Relative number of commercial bank branches as at May 2006	0.8	1.5
B2.3	NACRDB loans as % of agriculture capital budget in 2005	0.0	1.5
B2.4	Volume of ACGSF loans disbursed to agro-businesses as % of agriculture capital budget in 2005	0.0	1.5
B2.5	Repayment of ACGSF loans	1.0	2.0
	<b>Subtotal (B2)</b>	<b>2.6</b>	<b>8.0</b>
	<b>B3: Investment promotion services</b>		
B3.1	Existence of special programmes/incentives that promote technology innovations	1.0	2.0
B3.2	Evidence of special incentives to promote linkages between large firms and small and medium enterprises	0.0	1.0
B3.3	Availability of published and up-to-date investment or business information guide to enlighten investors (base year 2004)	1.0	1.0
B3.4	Existence of published and up-to-date directory of business firms	1.0	1.0
	<b>Subtotal (B3)</b>	<b>3.0</b>	<b>5.0</b>
	<b>B4: Support for industrial clusters/layouts/parks</b>		
B4.1	Is there an industrial cluster/layout/park	1.0	1.0
B4.2	Government infrastructure programmes to support the industrial cluster/layout/park	0.4	1.0
	<b>Subtotal (B4)</b>	<b>1.4</b>	<b>2.0</b>
	<b>B5: Public private partnership</b>		
B5.1	Public-private partnership in security, infrastructure and utilities, credit provision, training and mentoring	1.0	2.0
	<b>Subtotal (B5)</b>	<b>1.0</b>	<b>2.0</b>
	<b>Total</b>	<b>8.75</b>	<b>20.0</b>



**B1: Entrepreneurship promotion****B1.1: Existence of specific policies and/or institutions to promote entrepreneurship:**

There is evidence of provisions for agencies/centres for entrepreneurship promotion, giving the state 0.75 out of 3.0.

**B2: Access to finance and credit****B2.1: Number of companies that benefited from SMEEIS in 2005 relative to national average:**

The proportion of companies which benefited from SMEEIS in 2005 is 52.36% of the national average. The state scores 0.8 out of 1.5.

**B2.2: Relative number of bank branches as at May 2006:** The number of banks branches as a percentage of the national average is 100.0, giving the state a score of 0.8 out of 1.5.

**B2.3: NACRDB loans as % of capital budget to agriculture in 2005:** NACRDB loan was 8.4% of capital budget to agriculture. The state scores 0 out of 1.5.

**B2.4: Volume of ACGSF loans disbursed to agro-businesses as % of capital budget for agriculture in 2005:** ACGSF loan was 10.6% of capital budget to agriculture. The state scores 0 out of 1.5.

**B2.5: Repayment of ACGSF loans:** ACGSF loan repayment rate for the period 2002-2005 was 45.83%. The state scores 1.0 out of 2.0.

**B3: Investment promotion services**

**B3.1: Existence of special programmes/incentives that promote technology innovations:** Evidence shows infrastructure provisioning in the 2005 budget. The state scores 1.0 out of 2.0.

**B3.2: Evidence of special incentives to promote linkages between large firms and small and medium enterprises:** Documented evidence shows an MOU between SMEDAN and Ondo State Govt. for collaborative activities in MSMEs development. The state scores 0 out of 1.0.

**B3.3: Availability of published and up-to-date investment or business information guide to enlighten investors (base year 2004):** There is the Ondo State Investment Guide as well as an investment manual on the mineral resources. The state scores the maximum point of 1.0.



**B3.4: Existence of published and up to date directory of business firms:** There is a directory of business establishments, giving the state the full score of 1.0.

#### **B4: Support for industrial clusters**

**B4.1: Existence of an industrial cluster.** There are some industrial estates and layouts, as well as an Industrial Park, in Akure. The state scores the maximum point of 1.0.

**B4.2: Government infrastructure programmes to support the cluster/layout/park:** Available evidence indicates provision of infrastructural facilities - road network, electricity, generator, lock-up shops, a borehole and a health centre at the industrial park, Akure. The state scores 0.4 out of 1.0.

#### **B5: Public private partnership**

**B5.1: Public Private Partnership in security, infrastructure and utilities, credit provision, training and mentoring:** There is evidence of collaboration between the state PTA and the government in infrastructural provisioning in schools; and, the Oloka Free Trade Zone which is regarded as an example of public-private partnerships. The state scores 1.0 out of 2.0.

## **2.5 Security**

The state scores a total of 52.5% on security.

### **2.5.1 Performance on the Measures**

Table 9: Scores on the Measures of Security

Code	Measure	Actual Score	Maximum Score	Percentage Score
S1	Major crimes (crime with violence)	7.0	12.0	58.33
S2	Minor crimes (crimes without violence)	0.0	3.0	0.0
S3	Police coverage	2.0	2.0	100
S4	Perception of security	1.5	3.0	50.0
	<b>Total</b>	<b>10.5</b>	<b>20.0</b>	<b>XXXXXXX</b>



## 2.5.2 Performance on the Indicators

Table 10: Values on Indicators of Security

Code	Indicator	Actual Score	Maximum Score
	<b>S1: Major crimes (crime with violence)</b>		
S1.1	Number of reported armed robbery cases in 2005 per 100,000 persons	1.0	2.0
S1.2	Number of reported murder cases reported/recorded in 2005 per 100,000 persons	2.0	2.0
S1.3	Number of reported rape cases in 2005 per 100,000 persons	2.0	2.0
S1.4	Number of reported assault cases in 2005 per 100,000 persons	0.0	2.0
S1.5	Number of reported burglary and theft cases (including motor vehicle snatching) in 2005 per 100,000 persons	0.0	2.0
S1.6	Number of reported arson/vandalism cases in 2005 per 100,000 persons	2.0	2.0
	<b>Subtotal (S1)</b>	<b>7.0</b>	<b>12.0</b>
	<b>S2: Minor crimes (crimes without violence)</b>		
S2.1	Number of reported fraud (including forgery and counterfeiting and extortion cases in 2005 per 100,000 persons	0.0	3.0
	<b>Subtotal (S2)</b>	<b>0</b>	<b>3.0</b>
	<b>R3: Police resources and availability</b>		
S3.1	Police-population ratio in 2005 per 1,000 persons	2.0	2.0
	<b>Subtotal (S3)</b>	<b>2.0</b>	<b>2.0</b>
	<b>S4: Perception of security</b>		
S4.1	Assessment of the conduciveness of security to business	0.75	1.5
S4.2	Rating of police performance	0.75	1.5
	<b>Subtotal (S4)</b>	<b>1.5</b>	<b>3.0</b>
	<b>Total</b>	<b>10.5</b>	<b>20.0</b>

### S1: Major crimes (crime with violence)

**S1.1: Number of reported armed robbery cases in 2005 per 100,000 persons:** The number of reported armed robbery cases is 97. The number of reported cases per 100,000 persons is 2.82. The state scores 1.0 out of 2.0.



**S1.2: Number of reported murder cases in 2005 per 100,000 persons:** The number of reported murder cases is 44 and the number of reported cases per 100,000 persons is 1.29. The state scores the maximum point of 2.0.

**S1.3: Number of reported rape cases in 2005 per 100,000 persons:** The number of reported rape cases is 53. The number of reported cases per 100,000 persons is 1.5, giving the state the full score of 2.0.

**S1.4: Number of reported assault cases in 2005 per 100,000 persons:** The number of reported assault cases is 1038 and the number of reported cases per 100,000 persons is 30.2. The state scores 0 out of 2.0.

**S1.5: Number of reported burglary and theft cases (including motor vehicle snatching) in 2005 per 100,000 persons:** The number of burglary/theft cases and motor vehicle theft/snatching in 2005 is 1215. The number of reported cases per 100,000 persons is 35.31. The state scores 0 out of 2.0.

**S1.6: Number of reported arson/vandalism cases in 2005 per 100,000 persons:** The number of reported vandal/arson cases is 19. The number of reported cases per 100,000 persons is 0.55, giving the state the maximum score of 2.0.

## **S2: Minor crimes (crimes without violence)**

**S2.1: Number of reported fraud (including forgery and counterfeiting and extortion cases in 2005 per 100,000 persons:** The number of reported fraud cases is 566. The number of reported cases per 100,000 persons is 16.45. The state scores 0 out of 3.0.

## **S3: Police coverage**

**S3.1: Police-population ratio in 2005 per 1,000 persons:** The number of combatant policemen in 2005 is 7,064 and the number of combatants per 1000 persons is 2.05. The state scores the maximum point of 2.0.

## **S4: Perception of security**

**S4.1: Assessment of the conduciveness to security to business:** Based on the rating by business/company executives, the state scores 0.75 out of the 1.5.

**S4.2: Rating of police performance:** Based on the rating by business/company executives, the state scores 0.75 out of 1.5.



## **LIST OF INSTITUTIONS AND AGENCIES COLLABORATING ON BECANS**

National Planning Commission (NPC)

Central Bank of Nigeria (CBN)

National Bureau of Statistics (NBS)

Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)

Manufacturers Association of Nigeria (MAN)

Nigerian Association of Small and Medium Enterprises (NASME)

Nigeria Economic Summit Group Ltd/Gte (NESG)

Human Rights Law Services (HURILAWS)

Department of Economics, Federal University of Technology, Yola