

# **BECANS BUSINESS ENVIRONMENT REPORT**

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Volume 1, Number 24, 2007

## **KOGI STATE**



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**AFRICAN INSTITUTE FOR APPLIED ECONOMICS**

In collaboration with



**National Planning Commission**



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**SYNOPSIS**

KOGI STATE scores 43.4% on the business environment index. It scores relatively high on security, and low on infrastructure and utilities, legal and regulatory and business development services.

It scores 39.5% on infrastructure and utilities, performing relatively better on social infrastructure, and relatively low on power supply, water supply, transportation and access to information.

The state scores 33.5% on the legal and regulatory services benchmark, which is relatively low. However, it performs relatively better on land registration and property rights and tax administration than on business registration and commercial dispute resolution.

It scores relatively low on business development support (25.0%). Among the key areas requiring priority attention are access to finance and development and support for industrial clusters/layouts/parks.

The state scores relatively high on security (82.5%), performing relatively better on crimes incidence than on police coverage and public perception of state security.

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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 Geopolitical profile**

The state has a land mass of about 30,354.74 km<sup>2</sup> and it is located within the north central zone of Nigeria between latitudes 6<sup>o</sup> 30' N, and 8<sup>o</sup> 50'N and longitudes 5<sup>o</sup> 51E, and 8<sup>o</sup> 00E. The population is 3,278,487 in 2006. It has 21 local government areas (LGAs).

### **1.2 Economic potentials and investment opportunities**

Majority of the population is engaged in agriculture. Both cash and food crops produced include yam, maize, guinea corn, benniseed, palm oil, cocoa, coffee and cashew. It has mineral deposits including marble, iron ore, feldspar, kaolin, cassiterite columbite and tantalite. Others are coal, gold, talc, mica, clay, crude oil and limestone.

### **1.3 Investment Policies and Climate**

The central thrust of the state's economic reform is to the provision of basic infrastructure (housing, water, health, education, food and housing.) and laying the foundation for stakeholders' participation in socioeconomic development. Some of the strategies include partnership with stakeholders in economic decisions, promotion of private sector driven economy and reengineering the public service to deliver service. Specific policy focus in the agriculture and industry sectors is to increase investment in food and agricultural production and encourage private sector investment The Ajaokuta Steel Plant has investment potentials in the establishment of subsidiary industries.

### **1.4 Budget Profile**

Internally generated revenue accounted for 11.06% of total revenue in the 2005 budget. Health capital budget and education capital budget in 2005 were ₦456.71 and ₦483.23 respectively, on per capita basis (Table 1).

Table 1: Budget Profile 2005

| Budget Item                  | Total value (₦m) | Per capita value (₦)* |
|------------------------------|------------------|-----------------------|
| Federal accounts revenue     | 19302.1          | 5859.06               |
| Internally Generated Revenue | 2399.36          | 731.51                |
| Total budget                 | 31314.4          | 9547.073              |
| Capital budget to health     | 1498             | 456.71                |
| Capital budget to education  | 1585             | 483.23                |

\* Based on 2006 population figure

## 2.0 BUSINESS ENVIRONMENT SCORECARD

### 2.1 Business Environment Index

The performance on the various benchmarks is shown below.

Table 2: State's performance on the benchmarks

| Code | Benchmark                                 | Actual score | Max. score   | Percent score  |
|------|---|--------------|--------------|----------------|
| F    | Infrastructure and utilities              | 11.85        | 30.0         | 39.5           |
| R    | Legal and regulatory services             | 10.05        | 30.0         | 33.5           |
| B    | Business support and investment promotion | 5.0          | 20.0         | 25.0           |
| S    | Security                                  | 16.5         | 20.0         | 82.5           |
|      | <b>Total</b>                              | <b>43.4</b>  | <b>100.0</b> | <b>XXXXXXX</b> |

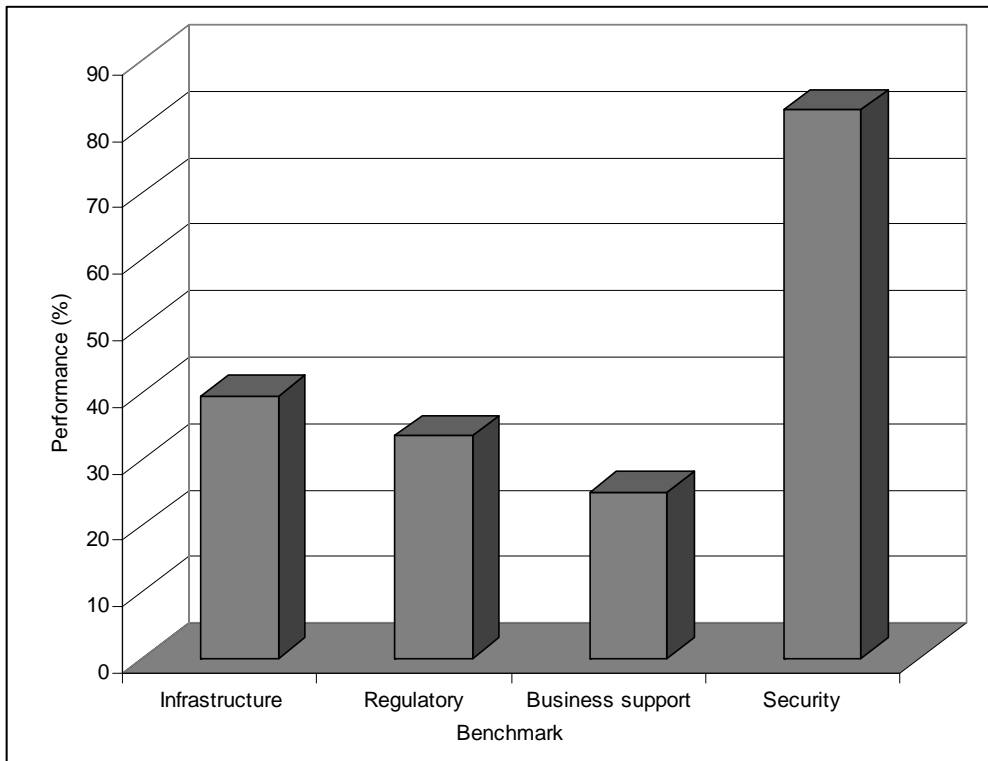


Figure 1: Performance across benchmarks (%)

## 2.2 Infrastructure and Utilities

The state scores 39.5% on the infrastructure and utilities benchmark.

### 2.2.1 Performance on the measures

Table 3: Scores on measures under infrastructure and utilities

| Measures                   | Actual score | Max. score  | Percent score (%)   |
|----------------------------|--------------|-------------|---------------------|
| Energy (F1)                | 4.7          | 8.0         | 58.7                |
| Water supply (F2)          | 0.75         | 5.0         | 15.0                |
| Access to information (F3) | 1.75         | 5.0         | 35.0                |
| Transportation (F4)        | 1.0          | 5.0         | 20.0                |
| Social infrastructure (F5) | 3.65         | 7.0         | 52.0                |
| <b>Total</b>               | <b>11.85</b> | <b>30.0</b> | <b>XXXXXXXXXXXX</b> |

## 2.2.2 Performance on indicators

Table 4: Values on infrastructure and utility indicators

| Code      | Indicator  | Actual score | Max. score |
|-----------|--|--------------|------------|
| <b>F1</b> | <b>Energy</b>  |              |            |
| F1.1      | Annual per capita electricity supply (kilowatts per capita)  | 0.5          | 2.0        |
| F1.2      | Average hours of public electricity per 24 hour day  | 1.0          | 2.0        |
| F1.3      | Difference between actual and 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                                 | 1.7          | 2.0        |
|           | <b>Subtotal (F1)</b>   | <b>4.7</b>   | <b>8.0</b> |
| <b>F2</b> | <b>Water supply</b>  |              |            |
| F2.1      | Evidence of public water supply  | 0.5          | 2.0        |
| F2.2      | Average price of 20 litres of water  | 0.0          | 2.0        |
| F2.3      | Proportion of firms' total water requirement obtained from private water supply                            | 0.25         | 1.0        |
|           | <b>Subtotal (F2)</b>   | <b>0.75</b>  | <b>5.0</b> |
| <b>F3</b> | <b>Access to information</b>   |              |            |
| F3.1      | Number of post offices per 100,000 of the population   | 0.25         | 1.0        |
| F3.2      | Tele-density of fixed lines  | 0.3          | 0.5        |
| F3.3      | Incidence of mobile phone ownership  | 0.1          | 0.5        |
| F3.4      | Availability of television stations  | 0.7          | 1.0        |
| F3.5      | Availability of radio stations   | 0.4          | 1.0        |
| F3.6      | Availability of a functional website   | 0.0          | 1.0        |
|           | <b>Subtotal (F3)</b>   | <b>1.75</b>  | <b>5.0</b> |
| <b>F4</b> | <b>Transportation</b>  |              |            |
| F4.1      | Average cost of per kilometer of intra-state road transportation   | 1.0          | 3.0        |
| F4.2      | Availability of airport  | 0.0          | 2.0        |
|           | <b>Subtotal (F4)</b>   | <b>1.0</b>   | <b>5.0</b> |
| <b>F5</b> | <b>Social infrastructure</b>   |              |            |
| F5.1      | Primary school enrolment   | 1.0          | 1.0        |
| F5.2      | Pupil-teacher ratio  | 1.0          | 1.0        |
| F5.3      | Capital budget to education as % of total capital budget in 2005   | 0.5          | 1.5        |
| F5.4      | Capital budget to health as % of total capital budget  | 0.5          | 1.5        |
| F5.5      | Private sector rating of waste management  | 0.3          | 0.5        |

| Code | Indicator                           | Actual score | Max. score  |
|------|-------------------------------------|--------------|-------------|
| F5.6 | Frequency of waste disposal         | 0.25         | 1.0         |
| F5.7 | Average monthly waste disposal levy | 0.1          | 0.5         |
|      | <b>Subtotal (F5)</b>                | <b>3.65</b>  | <b>7.0</b>  |
|      | <b>Total</b>                        | <b>11.85</b> | <b>30.0</b> |

### ***F1 Energy***

**F1.1: Monthly/Annual per capita supply of electricity:** The estimated power supply is 69288.38 kilowatts. The per capita electricity supply is 0.02kw. The state scores 0.5 out of 2.0.

**F1.2: Average number of hours of electricity supply per day:** The average number of hours of electricity supply is between 8-13hours per day. The state earns 1.0 out of 2.0.

**F1.3 Difference between the actual price and the officially regulated price of petroleum products in the last quarter:** The difference between the actual price and the officially regulated price of petroleum products is between 1 to 20% for petrol, kerosene and diesel. 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 and diesel are available all the time, while kerosene is available 50% of the time. The state scores 1.7 out of 2.0.

### ***F2 Water supply***

**F2.1: Evidence of public water supply:** The daily volume of water supply is between 2 and 7 litres per capita. The state scores 0.5 out of 2.0.

**F2.2: Average price of 20 litre of private water supply:** The average price of 20 litres of private water supply is ₦10.00. The state scores 0.0 out of 2.0.

**F2.3: Proportion of firm's total daily water supply that is from private supply:**

The proportion of firms' total daily water supply provided by private water providers is between 40% and 59%. The state scores 0.25 out of 1.0.

**F3 Access to information**

**F3.1: Number of post offices per 100,000 of the population:** The State has 34 post offices and the number per 100,000 persons is 1.04. The state scores 0.25 out of 1.0.

**F3.2: Tele-density of fixed lines (number of telephone lines per 1,000 persons):** The number of fixed lines is 18,450, representing 5.63 lines per 1,000 persons. The state scores 0.3 out of 0.5.

**F3.3: Incidence of ownership of mobile lines:** The incidence of mobile phone ownership is 17.1%, giving the state 0.1 out of 0.5.

**F3.4: Number of local television stations:** There are federal and state television stations and the state scores 0.7 out of 1.0.

**F3.5: Number of radio stations:** There is only a state radio station, giving the state 0.4 out of 1.0.

**F3.6: Availability of functional and updated website:** There is no evidence of a functional website, and the state scores 0 out of a maximum of 1.0.

**F4: Transportation**

**F4.1: Average cost of per kilometer of intra state road transportation:** The mean cost per kilometer of intra-state road transportation is between ₦11.00 and ₦15.00. The state scores 1.0 out of 3.0.

**F4.2 Availability of airport:** The state has no airport and scores zero out of 2.0.

**F5 Social infrastructure**

**F5.1: Primary school enrolment rate:** Evidence shows that primary school enrolment rate in 2006 is 81.3%. The state scores the maximum point of 1.0.

**F5.2: Pupil-teacher ratio:** The total enrolment in 2006 is 865,053 while the total number of teachers for the period is 117,518, giving a pupil-teacher ratio of 7.4:1. The state scores the maximum point of 1.0.

**F5.3: State's capital budget to education as a % of total capital budget for 2005:** Total capital budget for education was ₦1,585,000,000, representing 8.6% of total capital budget. The state scores 0.5 out of 1.5.

**F5.4: State's capital budget to health as a % of total capital budget for 2005:** The total health capital budget was ₦1,498,000,000, representing 8.12% of total capital budget. The state scores 0.5 out of 1.5.

**F5.5: Private sector rating on waste management:** The survey shows that waste management is rated as good, and the state scores 0.3 out of 0.5.

**F5.6: Frequency of waste disposal:** The survey shows that refuse disposal by waste management authority is monthly. This state scores 0.25 out of 1.0.

**F5.7: Average monthly waste disposal levy:** The average monthly waste disposal levy is between ₦500.00 and ₦1000.00. The state scores 0.1 out of 0.5.

## 2.3 Legal and Regulatory Services

The state scores 33.5% on the legal and regulatory benchmark

### 2.3.1 Performance on the measures

Table 5: Scores and performance on legal and regulatory services

| Measure                                    | Actual score | Max. score  | Percent score     |
|--|--------------|-------------|-------------------|
| Business registration (R1)                 | 0.8          | 4.0         | 20.0              |
| Tax administration (R2)                    | 4.0          | 10.0        | 40.0              |
| Commercial dispute resolution (R3)         | 1.0          | 6.0         | 16.6              |
| Land registration and property rights (R4) | 4.25         | 10.0        | 42.5              |
| <b>Total</b>                               | <b>10.05</b> | <b>30.0</b> | <b>XXXXXXXXXX</b> |

### 2.3.2 Performance on indicators

Table 6: Value on legal and regulatory indicators

| Code      | Indicator   | Actual score | Max. score |
|-----------|---|--------------|------------|
| <b>R1</b> | <b>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 by the state   | 0.0          | 0.50       |

| Code      | Indicator   | Actual score | Max. score  |
|-----------|---|--------------|-------------|
| R1.3      | Evidence of existence of a task force against the display of unregistered names by firms  | 0.0          | 0.50        |
| R1.4      | Existence of an office of the Corporate Affairs Commissions in the state  | 0.3          | 0.50        |
| R1.5      | Evidence of publication of the activities of CAC branch   | 0.0          | 0.25        |
| R1.6      | Evidence that the CAC office branch has a service charter   | 0.0          | 0.25        |
| R1.7      | Availability of accessible on-line real-time service at the CAC branch office   | 0.0          | 0.50        |
| R1.8      | Duration for obtaining certificates of registration for business names after filing all papers                                    | 0.0          | 0.50        |
|           | <b>Subtotal (R1)</b>  | <b>0.8</b>   | <b>4.0</b>  |
| <b>R2</b> | <b>Tax administration</b>   |              |             |
| R2.1      | Evidence of database of taxable persons:  | 1.0          | 1.50        |
| R2.2      | Evidence of publication of the 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  | 0.0          | 1.50        |
| R2.5      | Evidence of one-stop shop for tax payment to state and local government   | 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 in the state capital per annum  | 0.5          | 1.0         |
| R2.8      | Number of days between receipt of demand notice and enforcement of penalties  | 0.0          | 1.0         |
| R2.9      | Enforcement of penalties for non payment of business premises levy  | 1.0          | 1.0         |
|           | <b>Subtotal (R2)</b>  | <b>4.0</b>   | <b>10.0</b> |
| <b>R3</b> | <b>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 on availability/establishment of formal alternative dispute resolution mechanism   | 0.0          | 2.0         |
|           | <b>Subtotal (R3)</b>  | <b>1.0</b>   | <b>6.0</b>  |
| <b>R4</b> | <b>Land registration and property rights</b>  |              |             |
| R4.1      | Availability and usability of a cadastral map of the state  | 0.5          | 1.0         |
| R4.2      | Evidence that the state has enacted a land tenure law to effectuate   | 0.0          | 1.0         |

| Code  | Indicator  | Actual score | Max. score  |
|-------|--|--------------|-------------|
|       | the Land Use Act   |              |             |
| 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 to obtain C of O (between submission of application forms and eventual granting of consent)   | 1.0          | 1.0         |
| R4.5  | Computerization of land transactions   | 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                         | 0.5          | 1.0         |
| R4.7  | Time taken for obtaining the Governor's consent for transfer of rights of ownership of land  | 0.5          | 1.0         |
| R4.8  | Evidence of active support for and promotion of equipment leasing  | 1.0          | 1.0         |
| R4.9  | Evidence of laws that require mandatory subscription to insurance and mortgage contributions   | 0.0          | 1.0         |
| R4.10 | Evidence of effective protection of private property rights  | 0.0          | 1.0         |
|       | <b>Subtotal (R4)</b>   | <b>4.25</b>  | <b>10.0</b> |
|       | <b>Total</b>   | <b>10.05</b> | <b>30.0</b> |

## R1: Business registration

**R1.1: Cessation of business registration at the state ministry of Commerce:** The State scores 0.5 out of 1.0.

**R1.2: Evidence that improperly registered names are not given recognition:** There is no evidence to show that improperly registered businesses are not given recognition. The score is 0.0 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 absence of a task force against the display of unregistered business names. The state scores 0.0 out of 0.5.

**R1.4: Existence of an office of the Corporate Affairs Commission:** CAC in February 2007 acquired an office "Equity Plaza" located at Phase 1 Housing Estate, Lokongoma Lokoja, Kogi State. The office is yet to be fully operational. 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):** The CAC office is yet to be fully operational and nothing has been done in respect of publicity. The state scores 0.0 out of 0.25.

**R1.6: Evidence of a service charter at the CAC office:** There is no service charter yet. The state scores 0.0 out of 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:** The CAC office is not yet fully operational. The State scores 0.0 out of 0.25

**R1.8: Duration for obtaining certificate of registration for business names after filing all papers:** The CAC office is yet to be fully operational. The State scores 0.0 out of 0.25

## **R2: Tax administration**

**R2.1: Evidence of database for taxable persons:** There is evidence of a database that is manually compiled. The state scores 1 out of 1.5.

**R2.2: Evidence of publication of tax notices and sending of tax assessment notice to registered tax payers:** Tax assessment letters and notices are served taxable persons and organizations. The state scores 0.75 out of 1.0.

**R2.3: Evidence of a mechanism for validation of tax paid to other tiers of Government and other states in the federation:** There is no evidence of mechanism to validate tax paid to other tiers of government of the federation. The state scores 0.0 out of 1.0.

**R2.4: Evidence of a tax appeal tribunal/revenue courts:** There is no evidence of existence of tax appeal tribunals/ revenue courts. The state scores 0.0 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. What obtains is that there are various points for the payment of various taxes and levies. The state scores 0.0 out of 1.0.

**R2.6: Number of taxes paid by manufacturing firms:** The number of taxes paid by manufacturing firms is 11. The state scores 0.75 out of 1.0.

**R2.7: Amount paid as business premises levy per annum:** The amount paid as business premises levy per annum is between ₦5,000.00 and ₦10,000.00. The state scores 0.5 out of 1.0.

**R2.8: Number of days between receipt of demand notice and enforcement of penalties for late payment:** It takes less than 30 days before tax officials begin to enforce penalties for default. The state scores 0.0 out of 1.0.

**R2.9: Enforcement of penalties for non payment of business premises levy:** State officials enforce penalties for nonpayment. The state scores the maximum 1.0.

### **R3: Commercial dispute resolution**

#### **R3.1: Establishment of information systems on caseload and judicial statistics**

There is no evidence of information system on caseload of judges. The state scores 0.0 out of 2.0.

**R3.2: Average time (in weeks) between filing a business dispute in court and obtaining judgment:** It takes on the average 27 to 52 weeks to obtain judgment after filing a business dispute. The state scores 1.0 out of 2.0.

**R3.3: Evidence of availability/establishment of formal alternative dispute resolution:** There is no evidence of active ADR system. The state scores 0.0 out of 2.

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

**R4.1: Availability and usability of a cadastral map of the state:** The state has a cadastral map that is updated, covering only limited areas of the state. The state scores 0.5 out of 1.0.

**R4.2: Evidence that the state has enacted a land tenure law to complement the Land Use Act:** There is no documentary evidence to show that there exists a state-specific land law to complement the Land Use Act. The state scores 0.0 out of 1.0.

**R4.3: Official cost (charge) of obtaining governor's consent for granting of C of O:** The official cost of obtaining governor's consent is 3% of the cost of the land, giving the state 0.75 out of 1.0.

**R4.4: Time taken to obtain C of O:** It takes about 6 months to obtain C of O. There are few exceptions of application that take longer period. The state scores the maximum point of 1.0.

**R4.5: Computerization of land transactions:** The survey shows that land transactions are manually done, and the state scores 0.0 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:** It takes between one and two months for search to confirm validity of land titles. The score is 0.5 out of 1.0.

**R4.7 Time taken for obtaining governor's consent for transfer of rights of ownership of land:** It takes between one and two months on the average to obtain governor's consent for the transfer of right of ownership of land. The state scores 0.5 out of 1.0.

**R4.8: Evidence of active support for and promotion of equipment leasing:** There is evidence of equipment leasing. The state scores the maximum 1.0.

**R4.9: Evidence of a law that requires mandatory subscription to insurance and mortgage contributors:** There is no evidence of a law requiring mandatory subscription to insurance and mortgage contribution. The state scores 0.0 out of 1.0.

**R4.10: Evidence of effective protection of private property rights:** There is no state-specific law for the protection of private property rights. The state scores 0.0 out of 1.0.

## 2.4 Business Support and Investment Promotion

The state scores 25% on the business support and investment promotion benchmark

### 2.4.1 Performance on the measures

Table 7: Scores on measures under business support and investment promotion

| Measure   | Actual score | Max. score  | Percent score (%) |
|---|--------------|-------------|-------------------|
| Entrepreneurship promotion (B1)                 | 1.5          | 3.0         | 50.0              |
| Access to finance and credit (B2)               | 1.5          | 8.0         | 18.75             |
| Investment promotion services (B3)              | 1.5          | 5.0         | 30.0              |
| Support for industrial cluster/layout/park (B4) | 0            | 2.0         | 0                 |
| Public-private partnership (B5)                 | 0.5          | 2.0         | 25.0              |
| <b>Total</b>                                    | <b>5.0</b>   | <b>20.0</b> | <b>XXXXXXXX</b>   |

## 2.4.2 Performance on the indicators

Table 8: Values on business support and investment promotion indicators

| Code      | Indicator   | Actual score | Max. score  |
|-----------|---|--------------|-------------|
| <b>B1</b> | <b>Entrepreneurship promotion</b>   |              |             |
| B1.1      | Existence of specific policies and/or institutions to promote entrepreneurship (business start-up and business growth) in the state | 1.5          | 3.0         |
|           | <b>Subtotal (B1)</b>  | <b>1.5</b>   | <b>3.0</b>  |
| <b>B2</b> | <b>Access to finance and credit</b>   |              |             |
| B2.1      | Number of companies that have benefited from SMEEIS in 2005 relative to national average  | 0            | 1.5         |
| B2.2      | Relative number of bank branches as at May 2006   | 0            | 1.5         |
| B2.3      | Volume of NACRDB loans disbursed to agro-businesses as a percentage of capital budget to agriculture in 2005                        | 0.5          | 1.5         |
| B2.4      | Volume of ACGSF loans disbursed to agro-businesses as a percentage of capital budget to agriculture in 2005                         | 0.5          | 1.5         |
| B2.5      | Repayment rate of ACGSF loans for the period, 2002-2005   | 0.5          | 2.0         |
|           | <b>Subtotal (B2)</b>  | <b>1.5</b>   | <b>8.0</b>  |
| <b>B3</b> | <b>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 SMEs   | 0            | 1.0         |
| B3.3      | Availability of published and up-to-date investment or business information guide   | 0.5          | 1.0         |
| B3.4      | Existence of up-to-date directory of business firms   | 0            | 1.0         |
|           | <b>Subtotal (B3)</b>  | <b>1.5</b>   | <b>5.0</b>  |
| <b>B4</b> | <b>Support for industrial clusters/layouts/parks</b>  |              |             |
| B4.1      | Presence of an industrial cluster//layout or park   | 0            | 1.0         |
| B4.2      | Government's infrastructure programmes to support the cluster/layout/park   | 0            | 1.0         |
|           | <b>Subtotal (B4)</b>  | <b>0</b>     | <b>2.0</b>  |
| <b>B5</b> | <b>Public-private partnership</b>   |              |             |
| B5.1      | Public private partnership in security, infrastructure and utilities, credit provision, training and mentoring                      | 0.5          | 2.0         |
|           | <b>Subtotal (B5)</b>  | <b>0.5</b>   | <b>2.0</b>  |
|           | <b>Total</b>  | <b>5.0</b>   | <b>20.0</b> |

**B1: Entrepreneurship promotion**

**B1.1: *Existence of policies and/or institutions to promote entrepreneurship:*** Evidence shows budget provisions for entrepreneurship programmes as well as policy on the number of beneficiaries per period. The state scores 1.5 out of 3.0.

**B2: Access to finance:**

**B2.1: *Number of companies that have benefited from SMEEIS in 2005 relative to national average:*** No company from the state benefited from SMEEIS facilities in 2005. The state scores 0.0 out of 1.5.

**B2.2: *Relative number of bank as at May 2006:*** The total number of commercial bank branches is 43, representing 49% of national average. The state scores 0.0 out of 1.5.

**B2.3: *NACADB loans as a % of capital expenditure to agriculture:*** The total NACRAD loans for the state for 2005 was ₦112,148,618.90.00, representing 24% of total capital budget to agriculture. The state scores 0.5 out of 1.5.

**B2.4: *Volume of ACGSF loans disbursed to agri-businesses as a percentage of state's capital expenditure in 2005:*** The volume of ACGSF loans was ₦104,691,000.00, representing 22.5% of total capital budget to agriculture. The state scores 0.5 out of 1.5.

**B2.5: *Repayment rate of ACGSF loans:*** The repayment rate for ACGSF was 31.78% for the period 2002-2005, and the state scores 0.5 out of 2.0.

**B3: Investment promotion services**

**B3.1 *Existence of special incentive to promote technology innovation:*** There is evidence of infrastructural provisions to promote technology innovation. The State scores 1.0 out of 2.0.

**B3.2: *Evidence of special incentive to promote linkages between large firms and small and medium enterprises:*** There is no evidence to show that the state promotes linkages between large and small/medium firms. The state scores 0.0 out of 1.0.

**B3.3: *Availability of published and up to date investment or information guide to enlighten investors:*** There is evidence of investment guide to enlighten investors but not updated. The state scores 0.5 out of 1.0.

**B3.4: *Evidence of up-to-date directory of business firms:*** There is no evidence of a business directory. The state scores 0.0 out of 1.0.

**B4: Support for industrial cluster/layout/park**

**B4.1: Existence of industrial cluster/layout/park:** Evidence shows that the state is yet to establish industrial clusters/layouts/parks. The state scores 0.0 out of 1.0.

**B4.2: Government infrastructure programmes to support industrial clusters, layouts and parks:** The state scores 0.0 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 partnership in the area of training and mentoring. The state scores 0.5 out of 2.0.

**2.5 Security**

The state scores 82.5% on security benchmark

**2.5.2 Performance on the measures**

Table 9: Scores on measures under security

| Measure                      | Actual score | Max. score  | Percent <sup>1</sup> score (%) |
|------------------------------|--------------|-------------|--------------------------------|
| Major crimes (S1)            | 11.0         | 12.0        | 91.7                           |
| Minor crimes (S2)            | 3.0          | 3.0         | 100.0                          |
| Police resources (S3)        | 1.0          | 2.0         | 50                             |
| Perceptions on security (S4) | 1.5          | 3.0         | 50.0                           |
| <b>Total</b>                 | <b>16.5</b>  | <b>20.0</b> | <b>XXXXXXXXXX</b>              |

<sup>1</sup> Major and minor crimes are indexed on a negative scale, the higher the percent the smaller the incidence of major or minor crimes.

### 2.5.3. Performance on the indicators

Table 10: Values on security indicators

| Code      | Indicator   | Actual score | Max. score  |
|-----------|---|--------------|-------------|
| <b>S1</b> | <b>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 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  | 2.0          | 2.0         |
| S1.5      | Number of reported burglary and theft cases (including motor vehicle snatching) in 2005 per 100,000 persons     | 2.0          | 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>11.0</b>  | <b>12.0</b> |
| <b>S2</b> | <b>Minor crimes</b>   |              |             |
| S2.1      | Number of reported fraud (including forgery and counterfeiting and extortion) cases in 2005 per 100,000 persons | 3.0          | 3.0         |
|           | <b>Subtotal (S2)</b>  | <b>3.0</b>   | <b>3.0</b>  |
| <b>S3</b> | <b>Police coverage</b>  |              |             |
| S3.1      | Police-population ratio   | 1.0          | 2.0         |
|           | <b>Subtotal (S3)</b>  | <b>1.0</b>   | <b>2.0</b>  |
| <b>S4</b> | <b>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>16.5</b>  | <b>20.0</b> |

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

**S1.1: Number of reported armed robbery cases in 2005 per 100,000 persons:** There are 66 armed robbery cases for the period under review. The number of cases per 100,000 persons is 2.01. The state scores 1.0 out of 2.0.

**S1.2: Number of reported murder cases in 2005 per 100,000 persons:** There are 34 reported murder cases. The number of cases per 100,000 persons is 1.04. The state scores the maximum point of 2.0.

**S1.3: Number of reported rape cases in 2005 per 100,000 persons:** There are 3 reported rape cases. The number of cases per 100,000 persons is 0.092. The state scores the maximum point of 2.0.

**S1.4: Number of reported assault cases in 2005 per 100,000 persons:** There are 15 assault cases. The number per 100,000 persons is 0.46, giving the state the maximum score of 2.0.

**S1.5: Number of reported burglary and theft cases (including motor vehicle snatching) in 2005 per 100,000 persons:** There are 21 reported burglary and theft cases. The number of cases per 100,000 persons is 0.64. The state scores the maximum point of 2.0.

**S1.6: Number of reported arson/vandalism cases in 2005 per 100,000 persons:**

The number of reported cases is 1, and the number of cases per 100,000 persons is zero. The state scores the maximum point 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:** There are 14 reported cases of fraud. The number of cases per 100,000 persons is 0.43. The state scores the maximum point of 3.0.

## **S3 Police coverage**

**S3.1: Population of combatant policemen in 2005 per 1,000 persons:** There are 4,078 combatant policemen. The number per 1,000 persons is 1.24. The state scores 1.0 out of 2.0.

## **S4: Perceptions on Security**

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

**S4.2: Rating of police performance in 2005:** Based on assessment of business and company executives, the state scores 0.75 out of 1.5.