

**Remarks by Program Director of BECANS & Executive Director, African Institute for Applied Economics, Prof. Eric Eboh, at the Inauguration of the Organising Committee for the Forum on Business Environment across Nigerian States (FOBEANS 2007),
Central Bank of Nigeria, Abuja, Thursday 31 May 2007,**

On behalf of the BECANS Project Advisory Committee and Technical Working Group, I welcome you to this occasion of the Inauguration of Organising Committee for the Forum on Business Environment across Nigerian States (FOBEANS 2007). I thank you for accepting to serve as a member of the Organising Committee.

As you already know, BECANS is a flagship program of business environment research and advocacy. The goal of BECANS is to promote evidence-based reforms for improving the business and investment climate across the states. BECANS is designed to continually benchmark and evaluate business environment across Nigerian States. BECANS seeks to redress the paucity of comprehensive scientific assessments of business environment at the state level. Existing business environment rankings compare Nigeria (erroneously as homogenous entity) to other countries. In neglecting variations across its federating states, these assessments give inappropriate picture of the business environment in Nigeria.

BECANS is based on public-private partnership. The key government partners are National Planning Commission, Central Bank of Nigeria, Nigerian Investment Promotion Commission and the 36 state governments and FCT. The main private sector partners are Manufacturers Association of Nigeria, Nigerian Association of Small and Medium Enterprises and Nigerian Economic Summit Group and Human Rights Law Services.

The multi-stakeholder nature of BECANS reflects direct response to the needs of cross section of business environment stakeholders for independent scientific evidence to guide investment decisions and public sector responses to bottlenecks to private enterprise across Nigeria.

BECANS will impact the business environment in the following ways:

- Supply knowledge products, that is, business environment ratings/reports of Nigerian states, to inform and stimulate public debates, advocacy and agenda setting at the state level
- Provide state governments with scientific investment climate assessments of strengths and weaknesses to encourage self-appraisal and mutual learning. The business environment reports are particularly significant because they constitute objective baselines for respective new state governments across the country
- Provide federal government agencies including National Planning Commission, Central Bank of Nigeria and Nigerian Investment Promotion Commission with independent empirical information for inter-governmental economic planning, policy coordination and management
- Provide international investors and business corporate organizations with nationally domesticated investment climate reports and ratings to guide investment decisions
- Provide international development partners with nationally domesticated business environment assessments to guide the frameworks for targeting program design and policy reforms at the state level
- interventions reform support interventions indicators of investment climate in Nigerian states to guide investment decisions and program

BECANS has developed model benchmarks and indicators upon which state-level business environment ratings can be continually evaluated and updated. These benchmarks and indicators were subjected to series of scientific validation and stakeholder review culminating in first BECANS FORUM (FOBEANS 2006) held from 6-7 July 2006 at the Transcorp Hilton, Abuja. Following technical revisions of the benchmarks, measures and data collection instruments, the collection of data from public and private sector agencies was carried out from November 2006 – February 2007. Since then, the core scientific team has been carrying out data verification, data analysis and report writing. The reports are now being finalized.

These reports constitute the primary object of the 2nd BECANS Forum (FOBEANS 2007). The reports comprise two dimensions – the business environment ratings of the states, measured by overall business friendliness index and the business environment reports on the states.

FOBEANS 2007 will feature the public presentation of landmark BECANS ratings. **It marks the first time in the history of Nigeria when business environment is benchmarked and evaluated to reflect existing constitutional division of responsibilities and functions across the federal and state governments.** BECANS rating is the first ever business environment ranking of Nigerian states. FOBEANS 2007 will provide opportunity for mutual learning and sharing of experiences among states. The Forum will rally key stakeholders to set agenda and advocate for business environment reforms based on the BECANS evidence.

We consider this inauguration of the Organising Committee for FOBEANS 2007 as very important momentum towards actualizing BECANS historic mandate. We congratulate you on your nomination into the Organising Committee for this landmark national event. We look forward to maximum cooperation from you in contributing ideas for an effective and successful conference. The success of FOBEANS 2007 will be our collective responsibility.

Thank you very much.

Benchmark	Measure	Code	Indicator
Infrastructure (F)	Energy (F1)	F1.1	Annual per capita electricity supply (kilowatts per capita)
		F1.2	Average number of hours of public electricity supply in a day
		F1.3	Variation between actual price and the official price of petroleum products in last quarter of 2006
		F1.4	Evidence of availability of petroleum products in the last quarter of 2006
	Water supply (F2)	F2.1	Evidence of public water supply in the state
		F2.2	Average price of 20 liters of private water supply
		F2.3	Proportion of total daily water requirement obtained from private supply
	Access to information (F3)	F3.1	Number of post offices per 100,000 of the population
		F3.2	Teledensity for fixed lines
		F3.3	Incidence of ownership of mobile telephone lines
		F3.4	Number of local television stations
		F3.5	Number of radio stations
		F3.6	Existence of functional website of the state government
	Transportation (F4)	F4.1	Average cost of per kilometer of intra state road
		F4.2	Availability of airport
	Social infrastructure (F5)	F5.1	Primary school enrolment rate
		F5.2	Pupil-teacher ratio
F5.3		Education capital budget as a ratio of total capital expenditure in 2005	
F5.4		Health capital budget as percent of total capital budget in 2005	
F5.5		Rating of waste management	
F5.6		Frequency of waste disposal services	
F5.7		Average monthly waste disposal levy	
Business Support & Investment Promotion (B)	Entrepreneurship support and promotion (B1)	B1.1	Existence of specific policies and/or institution to promote entrepreneurship
	Access to finance and credit (B2)	B2.1	Number of companies that have benefited from SMEEIS in 2005 relative to national average
		B2.2	Number of commercial bank branches as at May 2006 relative to national average
		B2.3	NACRDB loans as % of agricultural budget in 2005
		B2.4	Volume of ACGSF loans disbursed 2005 as % state's agricultural budget in 2005
		B2.5	Repayment of ACGSF loans 2002-2005 in percentage
	Investment promotion Services (B3)	B3.1	Existence of special programmes/incentives that promote technology innovation
		B3.2	Special incentives to promote linkages between large firms and SMEs
		B3.3	Availability of published and up-to-date investment or business information guide
		B3.4	Evidence of up-to-date directory of businesses and firms
	Support for Industrial clusters (B4)	B4.1	Existence of industrial cluster/layout
		B4.2	Infrastructure support in the industrial cluster
	Support for Business Association (B5)	B5.1	Existence of public-private partnership

Benchmark	Measure	Code	Indicator
Legal and Regulatory Services (R)	Business Registration (R1)	R1.1	Cessation of Business registration at the state ministry of commerce since companies and Allied Matters Act (CAMA) since establishment of CAC
		R1.2	Evidence that improperly registered name are not given recognition by state authorities
		R1.3	Existence of task force against the display of unregistered names by firms
		R1.4	Existence of an office of a corporate affairs commission
		R1.5	Existence of publication of activities of CAC branch
		R1.6	Existence of service charter in the CAC branch
		R1.7	Availability of accessible online real time service through which names can be searched
		R1.8	Time between application and receipt of certificate of registration
	Tax administration (R2)	R2.1	Evidence of data base of taxable persons
		R2.2	Evidence of publication of tax notices and sending of tax assessment notices
		R2.3	Existence of mechanism of validation of taxes paid to other tiers of government
		R2.4	Evidence of tax appeal tribunal or revenue courts
		R2.5	Evidence of one stop-shop for tax payment
		R2.6	Number taxes and levies paid by manufacturing firms
		R2.7	Business premises levy in the state capital
		R2.8	Number of days between receipt of tax demand notice and enforcement of penalties
		R2.9	Mode of enforcement of penalties for non payment of business premises
	Commercial dispute resolution (R3)	R3.1	Establishment of information system on caseload and judicial statistics
		R3.2	Estimate in weeks the average time between filing of business dispute and obtaining judgment
		R3.3	Existence of alternative dispute resolution
	Land/property acquisition and registration (R4)	R4.1	Availability and status of cadastral map
		R4.2	Evidence of land tenure law in line with the Land Use Act
		R4.3	Fee payable for Governor's Consent on land for Certificate of Occupancy
		R4.4	Time taken for obtaining Certificate of Occupancy
		R4.5	Computerization of land transactions in the state
		R4.6	Time taken to search the registry for confirmation of validity
		R4.7	Time taken for obtaining Governor's consent for transfer of rights
		R4.8	Evidence of active support for and promotion of equipment leasing
		R4.9	Evidence of a law that requires mandatory subscription to insurance and mortgage contributors
		R4.10	Evidence of effective protection of property rights
Security (S)	Major crimes (with violence) (S1)	S1.1	Number of armed robbery cases reported
		S1.2	Number of murder cases reported
		S1.3	Number of rape cases reported
		S1.4	Number of assault cases reported
		S1.5	Number of burglary and theft cases (including motor vehicle snatching) reported
		S1.6	Number of arson/vandalism cases reported/recorded
	Minor crimes (without violence) (S2)	S2.1	Number of fraud (including forgery and counterfeiting and extortion cases reported per 100,000 persons
	Police Coverage (S3)	S3.1	Police-population ratio
	Perception on security and safety (S4)	S4.1	Assessed security situation in 2005
		S4.2	Rating of police performance in 2005