

The Improving Business Environment for Prosperity (IBEP) Program implemented by the World Bank Group aims to strengthen the design and implementation of business environment reforms in middle-income countries. IBEP is supported by the UK Prosperity Fund, whose mission is to support the inclusive economic growth needed to reduce poverty in partner countries, contributing to the UN Sustainable Development Goals.

REFORM STORY

MARCH 2020



REDUCING TIME AND COST TO START AND OPERATE A BUSINESS IN NIGERIA

Through support provided by IBEP, Nigeria improved its business regulations framework by reducing the time and cost to start and operate a business. As a result, the time to start a business was reduced from 14 to 8 days in Kano and from 10 to 7 days in Lagos. These figures represent a more than 30 percent reduction in the time to start a business in Nigeria, which positioned Nigeria among the top 10 improvers in the Doing Business 2020 report.

Business-friendly regulations are correlated with lower poverty and stronger economic growth—and are among the most important factors in investor decision-making. The removal of firm-level distortions caused by uneven regulations and a poor business environment also leads to increased firm productivity.

In Nigeria, bottlenecks and bureaucratic constraints in areas such as starting a business, getting credit, trading across borders, and getting electricity, among others, positioned the country at 169th place (out of 190 economies) in the Doing Business 2016 rankings. When facing restrictive regulations and procedural requirements that are too time-consuming or costly, entrepreneurs are less likely to start businesses or to abide by legal requirements and formally register their firms. As such, improving the business regulatory environment across Nigeria is key for the country's long-term economic growth and diversification away from the oil and gas sectors.

In 2016, in an effort to make the country more business-friendly across all sectors, the federal government established the Presidential Enabling Business Environment Council (PEBEC) and the Enabling Business Environment Secretariat (EBES) to improve Nigeria's business environment at a national and subnational level as measured by Doing Business.

OBJECTIVES AND APPROACH

Through the IBEP Program supported by the UK Prosperity Fund, the WBG advised Nigeria's Presidential Enabling Business Environment Council (PEBEC) and its Enabling Business Environment Secretariat (EBES) on improving the country's business regulations framework to reduce the time and cost to start and operate a business. A core component of the IBEP-supported targeted technical assistance was to support the development and implementation of the country's Doing Business (DB) Reform Action Plans. Specific areas of support include:

- Providing technical expertise on Doing Business methodology and good practices of reform;
- Engaging in consultations with public and private stakeholders in Nigeria (Abuja, Kano and Lagos); and
- Monitoring and supervising the reform implementation process.

The program supported the development and update of the government's reform action plans, by (i) providing technical assistance to support their implementation through the mobilization of various topic experts, (ii) building capacity of its stakeholder entities (reform champions and reform leaders) through ongoing training and exposure to good international practice, (iii) supporting the monitoring and evaluation of the ongoing reform process through frequent supervision missions, and (iv) supporting the communication of the implemented reform efforts through wide communication campaigns using various media platforms (social, print, and other).

Through this agenda the Government of Nigeria, drawing on the support provided by IBEP, made starting a business easier by operationalizing a new electronic platform that integrates the tax authority and the Corporate Affairs Commission (CAC). The CAC also upgraded its name reservation platform with a target for firms to be able to reserve firm names within four hours of application online.

EARLY RESULTS

As a result of this reform, the time to start a business was reduced from 14 to 8 days in Kano and from 10 to 7 days in Lagos. The reform was also captured in the Doing Business 2020 Report, with Nigeria being recognized among top 20 improved economies in the ease of doing business scores—positioning Nigeria at a rank of 131st place out of 190 economies.

ADDITIONAL RESOURCES

[Presidential Enabling Business Environment Council \(PEBEC\)](#)

[World Bank Blog: Profiles of Women Reformers Making It Easier to Do Business Around the World](#)

[Doing Business 2020 Economy Profile: Nigeria](#)

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