



REVISED PLATEAU STATE BUSINESS AGENDA



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REVISED POLICY RECOMMENDATIONS

ON PRIORITY ISSUES IMPEDING THE
GROWTH OF BUSINESS IN
PLATEAU STATE

Lack of Peace and Security

Multiple Taxation

Cumbersome Land Administration

Lack of Central Market(s)

BY

THE PLATEAU COALITION OF BUSINESS AND
PROFESSIONAL ASSOCIATIONS (PLACOBPA)

SUPPORTED BY
**CENTER FOR INTERNATIONAL
PRIVATE ENTERPRISE (CIPE)**

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About Plateau State

Plateau State was created out of the then Benue-Plateau State on February 3, 1976 by the Murtala Mohammed Regime. Its capital is Jos. Jos the original name of 'Gwosh' was wrongly pronounced as 'Jos' by the Hausa who settled on the site and turned it into a trading centre.

Plateau State gets its name from the Jos Plateau, a mountainous area in the north of the state with captivating rock formations. Bare rocks are scattered across the grasslands, which cover the plateau. The altitude ranges from around 1,200 meters (about 4000 feet) to a peak of 1,829 metres above sea level in the Shere Hills range near Jos. Plateau State has led to a reduced incidence of some tropical diseases such as malaria. The Jos Plateau, makes it the source of many rivers in northern Nigeria including the Kaduna, Gongola, Hadejia and Yobe rivers.

It is located in North Central Nigeria, Plateau State occupies 30,913 square kilometres. Plateau State shares borders with Kaduna State to the North, Kaduna and Nassarawa States to the East, Benue to the South and Taraba State to the East. Plateau State is located between latitude 8°24'N and longitude 8°32' and 10°38' east.

Plateau State is also divided into chiefdoms and emirates, each encompassing ethnic groups who share common affinities. Leaders of the chiefdoms are elected by the people from amongst several contestants who may not be related to any past chiefdom leaders, while succession to the position of an emir is hereditary.

EXECUTIVE SUMMARY



Like the growth and development of a child, from crawling to standing, walking and running, so is the growth and development of PLACOBPA. The journey that started in 2010 with little or no understanding of its concept as it was largely perceived as an unnecessary duplication of similar existing organizations.

Today I make bold to say that PLACOBPA stands out as the most preferred umbrella body of the entire business community embodying about 25 associations with over 1.3 million members.

The BA launch of 2016 marked yet another turning point landmark achievement in the development of PLACOBPA, hopefully climaxing into what we can now refer to as it's "Standing" position towards optimizing our reach to government by way of policy advocacy and dialogue to build a conducive business environment and strengthening internal democracy. The Business Agenda Review, 2018 and Gubernatorial Debate 2019 are yet other landmark achievements and continuation of sustainable advocacy on the Plateau.

Cyril Ogboli f.hcd
Chairman PLACOBPA

POLICY RECOMMENDATIONS OF THE REVIEWED PLATEAU STATE BUSINESS AGENDA

1. INTRODUCTION

In 2016, PLACOBPA with the support of the Center for International Private Enterprise (CIPE) embarked on the development of a Business Agenda (BA) which was an important tool that allowed the private sector to identify and discuss obstacles to the development and growth of the business sector and recommend Policy reforms.

Out of the numerous issues identified by PLACOBPA in collaboration with other stakeholders, four were selected and researched upon namely:

- **Lack of Peace and Security**
- **Multiple Taxation**
- **Cumbersome Land Administration**
- **Lack of Central Market(s)**

Over six hundred (600) entrepreneurs across the three (3) senatorial districts of Plateau State were surveyed. The outcome of the survey led to the formulation of a policy brief for PLACOBPA for the overall goal of achieving a more investment friendly business environment for business to thrive.

In 2018, PLACOBPA in collaboration with other stakeholders carried out a research on the critical issues identified in 2016. This involved 55 respondents per issue in selected Local Government Areas in the three (3) senatorial districts totaling 220 respondents.

The outcome of the survey review led to the formulation of this Policy Brief by PLACOBPA for the overall goal of achieving a more investment friendly business environment for business activities to flourish with increased investments and the government to achieve its goal of providing adequate security of life and property and generating more revenues for social service delivery to the public. The selection of the four priority issues was based on consensus by majority of the stakeholders.



1. FINDINGS

Peace and Security

- State of peace and security between 2016 and 2018 is still unstable.
- Present state of security situation in the state is still unstable.
- Current major causes of security challenges identified to be general economic hardship, ethnicity and religion accounting for 86% of the major causes of insecurity.
- Specific causes of insecurity were attributed mainly to farmer's/herders' clashes (33%) while other causes are rumor mongering and hate speech (23%) invasion of farm lands and cattle rustling (30%) and also general issues of politics (17%).
- The establishment of the plateau state peace building Agency was rated high (47%) as a good effort by the government in tackling insecurity.
- The traditional and religious leaders should be sensitized and motivated to preach peace to their followers to maintain peace and avoid hate speech.



The Need for Better Tax Administration in Plateau State.

- PAYE constitutes 85% of the total Internally Generated Revenue (IGR) of the state government, hence the need to widen the collection tax basket.
- Major taxes paid/ collected include PAYE, personal Income Tax, VAT.
- There has been no significant improvement in the issue of multiple taxation (47%), while 40% said there has been a slight improvement while only 13% said there has been significant improvement.
- 60% of respondent said they now pay taxes without compulsion while 30% said they pay taxes under compulsion.
- 53% of the respondents said they do not pay tax willingly because multiple taxation still exists and the business environment is still hostile and they are constantly under harassment by the tax authorities. 37% of the respondents said they do not pay tax

willingly due to inconsistency in policy by tax authorities.

- Whereas 60% of respondents said they registered their vehicles in Plateau State prior to 2016, 67% said they did so between 2016 and 2018.
- 56% of the respondents said they registered their vehicles in Plateau State because the rates are now reasonable and the process is less cumbersome.
- Whereas in 2016, 53% said the performance of the board of Internal Revenue Service (BIRS) was good, 57% adjudged it as good between 2016 and 2018, while 33% adjudged it as below average and 10% as poor.
- The Plateau State Revenue (codification and consolidation) law of 2016 was passed into law in 2016 and is now in force (being implemented). The law covers 10 types of taxes, levies and charges. Viz: Personal Income Tax, Withholding Tax, Capital Gains Tax, Stamp Duties etc.

The Need for Central Markets in Plateau State

- Whereas 63% respondents patronized central markets prior to 2016, only 37% currently patronize Central Markets.
- Patronage of roadside markets increased from 27% prior to 2016 to 53% between 2016 and 2018 (due majorly to the patronage of the Terminus Area Roadside market and Ahmadu Bello Way Sunday-Sunday street market).
- The major Rukuba Satellite market is poorly patronized and poorly organized.
- Our main market especially the Terminus Main Market needs total overhaul. i.e. reconstruction. This will drastically reduce patronage of roadside markets.
- Increased patronage of roadside market especially the terminus Area market has led to serious road congestion at the Terminus Area, with attendant risk disruption of traffic flow, poor sanitary condition and serious loss of revenue to government. At an estimated 3000 traders per day at the terminus Area/market and Ahmadu Bello Sunday-Sunday market and at an average of 150 per trader per day, the government is loosing about N450,000 daily or N13,500,000 per month or about N162,000,000 yearly.

Good Land Administration in Plateau State

- Whereas only 27% of respondents were involved in the process of land acquisition prior to 2016, 47% were involved between 2016 and 2018 which is a significant improvement over the period under analysis.
- Most respondents still do not know much about the Plateau Geographic Information System (PLAGIS) and hence the need for more sensitization to enable the public take advantage of the new system which has simplified Land Administration and processing of land titles in particular.
- There is only a slight improvement in the impression about the ministry of lands, survey and town planning and its staff.
- 70% of the respondents indicated that there is a slight improvement in land administration in Plateau State.

3. POLICY RECOMMENDATIONS

As a result of the findings from the survey, the following policy recommendations were adopted

3.1 Lack of Peace and Security

- In view of the fact that the state of peace and security in the state between 2016 and 2018 is still unstable, there is need to address the issues through policy continuous dialogue among the ethnic groups and communities especially farmers and herders engagements, in line with the identified major security challenges namely – Economic hardship, Ethnicity and Religion. Specific issues which need to be tackled are farmers/herders clashes, rumor mongering, fake news, invasion of farm land and cattle rustling. Traditional and religious leaders should be sensitized to preach peace to the followers to maintain peace and avoid hate speech.
- The establishment of their Plateau State Peace Building Agency is very commendable but it should be better empowered through adequate budgetary provision and timely release of funds to enable it organize more regular dialogue sessions across the three senatorial districts with emphasis in the central and northern zones.

- Government's efforts in empowering the youths through skill acquisition and provision of starter packs should be scaled up to further reduce youth restiveness so as to shield them from being used negatively by unscrupulous people especially during election periods. The training of 18,000 youths in 2018 is commendable and should be sustained by the Plateau State Government. Trained youths should be provided with starter packs of between N250,000 – N500,000 each to enable them establish their businesses under a micro credit on-lending programme similar to the one implemented in 2006 – 2008 by the Plateau State Government in collaboration with the Bank of Agriculture or under the N220 Billion Micro, Small and Medium Enterprises Development Fund (MSMEDF) of the CBN whereby state governments can draw up to N2 billion. Other similar special intervention programmes include the Anchor Borrowers programme, Agro-business Small and Medium Enterprises

Investment Scheme

(AGSMEIS) etc (for those requiring higher amounts up to N10 million). Such intervention funds are normally guaranteed by the State Governments

- Governments support to the Security Agencies should improve their intelligence gathering and their inter-agency collaboration especially in the manning of the border areas in order to minimize the infiltration of armed bandits.
- Promotion of inter-party harmony by the Inter-Party Advisory Committee (IPAC) - the umbrella body of registered political parties in Nigeria through continuous dialogue among the various political parties and the avoidance of smear campaigns.
- Adequate arrangements should be put in place before relocation of the IDPs. The current relocation exercise and the strengthening of the security apparatus in the state is commendable. (The Mobile Police Barracks established at Gashish area in BarkinLadi LGA is a step in the right direction). Such steps should be strengthened and sustained.



3.2 The Need for Better Tax Administration



- More efforts should be geared towards eradication of multiple taxation which will boost business activities and promote investment. Such efforts will lead to the creation of more taxable entities for government, hence increased IGR. Average IGR in 2017 and 2018 stood at about N700million, and N800 million respectively up from N500 million in 2016 but well short of the N2Billion projected in 2016. It is believed that the adequate sensitization and continuous advocacy and strict implementation of the 2016 harmonized revenue laws passed by the Plateau State House of Assembly will lead to significant increase in the IGR of the state.
 - Other steps to boost business activities in the state include streamlining of all collectible taxes
 - harmonization of payments to facilitate efficient tax administration
 - Significant improvement of peace and security
 - Provision of adequate infrastructure.
 - Capacity building/ethical re-orientation of staff.
 - Expansion of the tax base and adequate sensitization of the public will all lead to multiple increase of the State's IGR projected at N2 Billion monthly.
- Steps need to be taken to change the current tax structure of the state from 85% PAYE to 15% others (Income tax, VAT etc.) to a 50% :50% (PAYE: other collectable taxes mainly from the private sector). This is possible with eradication of multiple taxation since more taxable entities will be willing to pay their taxes without compulsion.
- Between 2016 and 2018, there has been a slight improvement in the Internally Generated Revenue (IGR), willingness to pay taxes without compulsion and registration of vehicles in Plateau State. The passages of the Plateau State Revenue (C o d i f i c a t i o n a n d consolidation) law of 2016 significantly helped matters. This trend should be sustained.

3.3 Need for Central Markets



- ✓ All parameters point to the fact that the construction, maintenance and patronage of central markets deteriorated between 2016 and 2018. There is now increased hawking and roadside market which constitute security, sanitation and traffic challenges. This also has very negative impact on internally generated revenue.
- ✓ The reconstruction of the terminus market should be placed in the front burner in the trade and commerce policy trust of the Government.
- ✓ Other central markets namely Rukuba Satellite Market, Kwararafa area etc should be re-constructed and modernized.
- ✓ The house of Assembly should pass enabling laws to facilitate the administration of central markets in terms of affordable stall allocation, taxes and rates payable, sanctions for breach of sanitation rules.
- ✓ A neighborhood market should be established at the Relevant Technology Old site behind Panyam Street to be occupied by all street traders from Terminus Area and Ahmadu Bello Way Sunday market.
- ✓ A space should be acquired behind the former BIRS office to serve as central motor park for all vehicles entering and departing Jos in addition to the existing Bauchi and NTA Parks. This will go a long way in restoring sanity within the Jos Metropolis and eradicating the situation where most streets have been converted into motor parks with the attendant gross loss of revenue to government and insecurity to commuters boarding from such illegal parks.

3.4 Cumbersome Land Administration

- The Ministry of Lands, Survey and Town Planning being the main Ministry responsible for land administration should still be further reorganized for more effective performance in the area of acquisition of more modern equipment, capacity building of technical staff in line with the new PLAGIS already in place.
- There is a significant involvement of people in land acquisition and the processing of title documents between 2016 and 2018. This was due namely to the reduction in acquisition cost/processing fee (currently reduced by 50%) and also the reduction in processing time line (now between 3-6 months). The reduction in cost and timeline can be attributed to the 2016 Business Agenda recommendations. There is need for further sensitization of the public to take maximum advantage of the new digitalized land administration system (PLAGIS).
- The process of obtaining title documents such as C of O and R of O should be digitalized and made less cumbersome in terms of timeline (at most 3 months) as well as cost (rates should be reviewed and made more affordable to enable more people process their title



documents for both existing and new properties). Most respondents still do not know much about the Plateau Geographic Information System (PLAGIS) and hence the need for more sensitization to enable the public take full advantage of the new system which has simplified the processing of land titles.

- The functions of Ministry of Lands, Survey and Town Planning, Ministry of Urban Development and Jos Metropolitan Development Board should be properly defined and streamlined to minimize duplication and overlapping of functions or duties.

- The State Land Allocation Committee (TSLAC) should meet on bi-monthly basis (twice monthly) and ensure that all land allocation issues are resolved and recommendations made for the issuance of the title documents.

4. OTHER ISSUES REQUIRING IMMEDIATE ATTENTION

During the last PLACOBPA Business Agenda review meeting of 9/11/2018 which signified the project kick-off, the following observations and suggestions were made:

1. Four Issues of concern that have cropped up in recent times between 2016 and 2018 include the following among others
 - i. Lack of organized Motor Parks which has led to a proliferation of Motor Parks in non-designated areas across the State Capital of Jos and Bukuru.
 - ii. Poor access to finance by the business community especially the PLACOBPA SMEs.
 - iii. Need for Mining Reforms as it affects the SMEs.
 - iv. Dirty environment - Poor sanitation and hygiene within Jos/Bukuru towns with grave health consequences. This issue certainly does not portray Plateau in good light as a Home of Peace and Tourism.
2. It was resolved that these issues listed in 1 (i-iv) above need urgent attention for addressing.







