

# NIGERIA

## Public Service Reform

Support for Innovation,  
Modernization and Change  
in the Civil Service:  
*The Nigerian Experience*

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The Civil Service Week  
of the Republic of Ghana and  
Africa Day of Administration

June, 2005.

Dr. Mahmud Yayale Ahmed, CFR  
Head of the Civil Service of the Federation  
Federal Republic of Nigeria

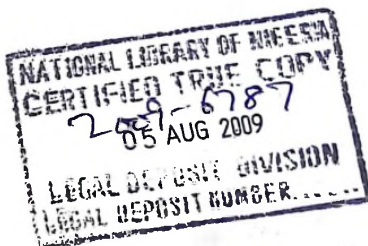
Lecture Series No. 1



**Support for Innovation,  
Modernization and Change in the  
Civil Service: The Nigerian  
Experience**

**Dr. Mahmud Yayale Ahmed, CFR**  
*Head of the Civil Service of the Federation*

**Text of Anniversary Lecture delivered at the commemoration  
of the Civil Service Week of the Republic of Ghana  
and Africa Day of Administration,  
June 22, 2005**



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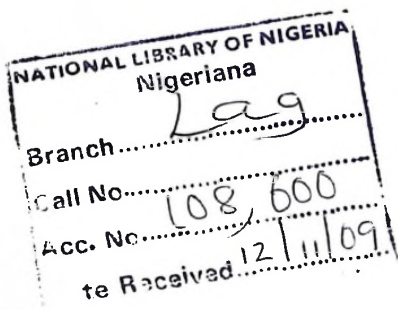
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## **Preface**

I would like to express my profound appreciation to the head of the Ghanaian Civil Service and his colleagues for the unique opportunity to see how the Ghanaian Civil Service had been meeting the challenges of reform. Our visit, and the series of interactions which were carefully planned has further reinforced the historic ever-deepening relationship, the foundation of which was laid by our forefathers with vision, with sweat, and in numerous areas of accomplishment.

Ghana represents to the Nigerian (and indeed every African), a symbol of our struggles and achievements in each significant epoch in our history. Nigerians have shared with Ghanaians the pains and gains of change as a part of life, and currently, as both countries attempt to undertake far-reaching reforms in our respective public services, it is fitting that this opportunity has been made available for us to learn from each other. Let me assure you that we have learnt from you as much as we have acquainted you with our own experiences and ideas.

**M.Yayale Ahmed CFR**





## **Part 1**

# **Innovation, Modernization and Change as Life's Guiding Forces**

Innovation, modernization and change have always been part of life's most potent guiding forces which shape the world and determine the progress and well-being of all human societies. It may be inferred that while the creation of the universe and the human and non-human entities that inhabit it is inspired by an act of divine innovation, societies that have progressively attained remarkable progress in all facets of human endeavour have been more innovative and receptive to modernization and change in nurturing their societies and building their institutions.

A Nigerian proverb says that 'a man who knows only the stream in his village cannot believe that vast oceans exist'. This proverb expresses the naïvety of a man who is constrained in his aspirations by the limits of his exposure. An innovative man who is not averse to change however, would not only take advantage of the stream within his locality, but will also discover and harness the gains of vast oceans beyond his territory. Such aspirations would be anchored on the firm belief that an ocean, as a gift of nature, should be seen, not just in terms of its magnificent splendour and dazzling colours in the horizon, but also in terms of its diverse opportunities for fishing, mineral extraction, transportation, telecommunications, warfare, and all other symbols of the struggle for the acquisition of global power. Hence, this proposes that development flows from innovation, modernization and change and that man's very existence and continued prosperity are dependent on the forces of human endeavour. This was what prompted President Olusegun Obasanjo, on assumption of office on 29 May 1999, to immediately embark on exploring new pathways to promoting good governance and sustainable democracy through the adoption and implementation of pro-change policies.

### **The Nigerian State Prior to the Fourth Republic**

After a long period of military rule, Nigeria was perceived as gravitating towards becoming a failed state. The re-establishment of democratic governance on 29

May 1999 was therefore a most welcome relief. Decades of military rule had left in its trail a completely traumatized citizenry; the nation's basic physical infrastructure virtually collapsed; there was an unprecedented economic downturn – rampant unemployment and long queues at petrol stations were permanent features. Over the years, corruption had risen to a very high level, with Nigeria consistently being rated as one of the most corrupt nations in the world by Transparency International. Faith in governance had long been eroded as government policies and programmes did not have any meaningful impact on the lives of the citizenry. National institutions, including the public service, lost motivation and were seen as hindrances to rather than facilitators of national development. Nigeria was losing significance and relevance in the comity of nations, as it became a pariah state.

The new administration had to address these concerns and reposition the nation through a series of multi-sectoral reforms aimed at fast-tracking the nation's recovery process and to restore confidence in governance, and regain its pride, not only as the giant of Africa, but also as a nation to be reckoned with in the world.

### **Early Reform Initiatives of the Obasanjo Administration**

Some of the early reform initiatives of the Obasanjo administration, setting the tone for a new society, included the following

- Re-engineering of the social order and inculcating into Nigerians anew the value system of honesty, probity, patriotism and respect for the nation's diversity;
- Reconstruction of the economy, including the divestment of government interests in key companies and parastatals and the deregulation of other sectors of the economy, such as the downstream sector of the oil industry and the telecommunications sub-sector;
- Sectoral reforms in trade, agriculture, food security and rural development, etc;
- Reforms to strengthen the capacity of the private sector to take the lead in growing the national economy;
- Reform of the electoral system to restore the credibility of the democratic process;
- Re-organization the machinery of governance in order to achieve higher levels of competence, transparency, accountability and to minimize waste in government spending; and

- Reform of the local government administration

### **Initial Steps towards Public Service Reforms**

While the above series of actions were taking place, it was discovered that the civil service should not be left out; that it should examine itself in view of the government's drive for effective and efficient service delivery. The first opportunity for the service to engage itself in this critical self-analysis was through the organization of a series of orientation workshops between 1999 and 2001 for directorate level officers in the federal civil service. The workshops were conducted by Professor Adebayo Adedeji, the former executive secretary of the Economic Commission for Africa (ECA), and Nigeria's foremost professor of economics and public administration, under the theme: Preparing the Nigerian Public Service for the 21<sup>st</sup> Century beginning with the 4<sup>th</sup> Republic under Civil Administration. At the end of the workshops, which were attended by 1,902 directorate level officers, a communiqué was released in which participants noted with concern the following realities about the federal civil service, among others:

- the massive size of the service which, between 1960 and 1999, had risen almost 350 per cent;
- the decline in its institutional capacity, efficiency, effectiveness and commitment;
- the growing perception that the service was corrupt and morally bankrupt;
- the preponderance of officers with low skills and little education;
- the pervading low morale of officers across cadres, from the directorate cadre down the line;

This top hierarchy of the civil service, acting on behalf of the entire service, later canvassed the following measures as a way of jump-starting the process of re-engineering the federal civil service:

- comprehensive review and revision of the civil service rules and financial regulations to ensure uniform application throughout the entire public service;
- instituting a system for staff exchange among the civil service, the private sector, and the academics;
- placing renewed emphasis on training and retraining of officers, including the proposal that 20 per cent of total personnel emolument should be devoted to staff training and development;

- restructuring and streamlining the service through the injection of new entrants and high flyers, who are amenable to training, while removing, from the system, unproductive, low-skilled and corrupt officers;
- articulating a strategic medium-term plan for reinvigorating the service and establishing a special intervention fund to assist in the implementation of the plan;
- establishing a public service capacity assessment and administrative reform council to provide, among others, technical guidance for the implementation of all the reform programmes of government and, in particular, to ensure the transformation of the civil service to an efficient and effective engine of government.

Within the same period, the president, along with his ministers, special advisers and permanent secretaries, participated in a series of retreats which reached a climax in a mid-term review of the administration at the 4<sup>th</sup> retreat, held at the National Institute for Policy and Strategic Studies (NIPSS), Kuru, Jos, on 23-25 February, 2001 under the theme: *The New Orientation*. The retreat concluded with the adoption of the now famous Kuru Declaration, where participants subscribed to the new national ideology of:

. . . building a truly great democratic African country that is politically united, integrated and stable, economically prosperous, socially organized, with equal opportunity for all and responsibility from all, to become the catalyst of Black Renaissance, and making adequate all-embracing contributions, sub-regionally, regionally and globally.

Participants at the retreat equally made a number of pledges, committing themselves to a code of ethics on improving governance through, among others, efficient and effective implementation and execution of policies and programmes, and the expeditious actualization of government objectives and vision of national renewal and reconstruction.

Later, in realization of the need to drive the public service change process by enlightened studies, the office of the head of the civil service of the federation (OHCSF) carried out a preliminary study of the service in 2002, using, as pilots, itself and six other ministries/agencies – the Federal Ministry of Finance, the Ministry of the Federal Capital Territory, the Federal Ministry of Information and National Orientation, the National Planning Commission, the State House, and the Federal Civil Service Commission. The studies were undertaken to ascertain the

state of the service with a view to determining the required interventions to reposition the civil service. The findings from the studies were not only shocking, but were also reinforced by similar findings from independent organizational reviews of the aforementioned pilot ministries and agencies. The findings revealed:

- an aging service with about 60 per cent of staff being within the age bracket of 40 years and above;
- the preponderance of unskilled staff within Grade Levels 01-06 who constituted about 70 per cent of the entire workforce;
- the prevalence of ghost workers, symptomatic of poor keeping of personnel records and payroll control systems;
- occurrence of stagnation at the higher levels, particularly the directorate cadre, reflective of poor succession and career planning;
- absence of mission and vision statements, work programmes, corporate and individual schedules of functions;
- under-sourcing of key institutions;
- absence of working tools;
- erosion of professionalism and esprit de corps;
- an antiquated, non-transparent and corrupt ridden procurement system which needs complete overhaul;
- abandonment of training to sharpen skills service-wide, further accentuated by the decay of all training institutions;
- ad-hoc responses to policymaking, and the absence of vigorous long-term policy analysis, consultation and monitored control;
- near-absence of an IT-enabled system of work operations;
- an unproductive rule-based hierarchical system which stifles individual and corporate creativity as well as accountability; and
- a fundamentally flawed performance management system totally devoid of objectivity in measuring performance;

## Part 2

### **NEEDS: The Synchronization of the Various Reform Programmes into an Organic Entity**

Initially, the reform initiatives of the Obasanjo administration (including the steps highlighted above on the reform of the civil service) existed as independent actions. However, they needed to be properly aligned and consolidated. Efforts at realizing this objective resulted in the formulation of the National Economic Empowerment and Development Strategy (NEEDS), which incorporated all the various sectoral reforms as an organic entity. NEEDS was therefore articulated as Nigeria's homegrown development strategy for improving the economy, combatting poverty, assuring Nigeria's relevance as a vibrant nation and securing her future as a prosperous nation impacting positively not only sub-regionally, but also regionally and globally. Essentially, there are four focus areas of NEEDS:

- Reforming the government and its institutions;
- Growing the private sector;
- Implementing a social charter; and
- Re-orientation of values.

The key components of the strategy also rest on four 'legs', namely:

- i. *Economic management reform* - to foster macroeconomic stability, ie, fiscal discipline, public resource management/utilization, financial sector reforms (banking, insurance, etc), tax reforms, customs restructuring and accelerated privatization and liberalization of the economy;
- ii. *Governance reform and institutional strengthening* - electoral reform, law reform, and strengthening the democratic process.
- iii. *Public service reform* - including public expenditure and budget reforms, with a focus on efficiency, responsiveness and service delivery; and
- iv. *Transparency, accountability and anti-corruption reforms* - including giving adequate and active support to the activities of the extractive industries transparency initiative (EITI), the (EFCC), and the (ICPC).

The underlying principles of NEEDS are:

- wealth creation
- empowerment generation
- poverty reduction, and
- value re-orientation

Obviously, these principles are in line with the vision and principles enunciated under the New Partnership for Africa's Development (NEPAD), namely, the eradication of widespread poverty; promotion of accelerated growth and sustainable development; adoption and adherence to best practices in political and economic governance; and strengthening Africa's capacity to harness the gains of globalization in order to halt her marginalization in the development process. Furthermore, the principles are in consonance with the Millennium Development Goals (MDGs) which 189 member states of the United Nations, including Nigeria, have pledged to attain by 2015. These MDGs are:

- eradication of extreme hunger and poverty;
- achievement of universal primary education, with emphasis on the girl child education;
- promotion of gender equality, including empowerment of women;
- reduction of child mortality and in particular reducing by two-thirds the mortality rate among children under the age of five;
- improvement of maternal health;
- combatting HIV/AIDS, malaria and other diseases;
- ensuring environmental sustainability; and
- the development of global partnership for development.

In other words, the nation's, continental and global development strategies have been brought into alignment, and such synchrony is crucial to the success and sustainability of the various reform processes.

### **The Centrality of Public Service Reforms to all Reform Initiatives**

As stated earlier, the reform programme of the present administration is a mix of multi-sectoral concerns which are underpinned by other continental and global initiatives. Public service reform is central to all the reform initiatives of any government because the public service is the key administrative machinery of governance. Its expertise, motivation, drive and commitment are critical to the desirable outcomes envisaged by government in the realm of national renewal and

transformation. This explains previous efforts by successive administrations in Nigeria to seek ways to reinvigorate the public service so that it can effectively respond to the various development challenges. Such reform efforts included the following commissions/committees:

- Tudor Davis and Harragin (1945-46);
- Gorsuch (1951-54);
- Hewn (1959);
- Morgan (1963);
- Mbanefo (1964);
- Elwood (1966);
- Adebo (1971);
- Udoji (1974);
- Dotun Philips (1988); and
- Ayida (1995).

A significant difference between the ongoing reform and past initiatives is that it is being led by the president himself; each cabinet member espouses it into government programmes through his/her ministry or office. There is an economic team which drives the economic aspects of the reform. The OHCSF drives the public service reforms through the management services office (MSO) and the Bureau of Public Service Reforms (BPSR). The bureau is responsible for the overall coordination of the reform of the civil service, as well as providing a bridge to other offices carrying out sectoral reform initiatives, such as the budget office – budget reforms; Budget Monitoring and Price Intelligence Unit (BMPIU) for procurement reforms; the Independent Corrupt Practices and Other Related Offences Commission (ICPC) and the Economic and Financial Crimes Commission (EFCC) for anti-corruption, transparency and accountability reforms; the Federal Inland Revenue Service (FIRS), for tax reforms; the office of the accountant general of the federation (OAGF) and the office of the auditor-general of the federation (OAuGF), on accounting and audit reforms. Legislative, judicial and armed forces reforms are, however, directly linked to the president, through the National Assembly, the National Judicial Council and the National Defence Council, respectively.

### **Propelling Factors of Change**

In general, the factors propelling the reform of the public service of any nation include the following:



- i. the global changing role of the state from that of a sole provider of employment and services to a new role of creating the enabling environment for job and wealth creation;
- ii. fiscal and budgetary pressures emanating from the paucity of financial resources, arising from the downturn in global economy;
- iii. the inescapable need to run a lean and efficient government, curtail wasteful public expenditure and free resources to fund development programmes and people issues;
- iv. the need to halt the erosion of public confidence in government and its institutions by fulfilling the heightened expectations of the citizenry with regard to attaining better performance standards in service delivery;
- v. the need to address the impact of technological changes;
- vi. increased focus on economic development and sustainable democracy;
- vii. in the case of African countries, pressures from NEPAD, and the African Peer Review Mechanism at the continental level, for good governance;
- viii. pressures from international development partners and other donor communities prescribing reforms as conditionality for development grants.

Items i and vii have been Nigeria's major propelling factors. The country has been able to contain the pressures of donor agencies and dictate the focus and priority of its reform initiatives.

In today's highly globalized world, no other organizations require adapting to changing times and changing environments than the complex organizations of national, state and local governments. Public sector organizations need to anticipate changes and transform themselves into innovative organizations in order to serve the people and the society better. Innovation in the civil service would ensure that civil servants acquire new skills and techniques. It would also pave the way for creativity and ensure that civil servants are adequately prepared to face the increased pace of change and foster harmonious and productive change.

### Part 3

## Overall Goal and Strategic Focus of the Ongoing Public Service Reforms

The overall goal of the Nigeria's public service reform is to transform the public service to an accountable and virile institution with incremental efficiency to respond to the development challenges of the nation in order to deliver timely and improved services to the Nigerian people. This is in line with the goal of the Charter of African Public Service, to which Nigeria and Ghana subscribed. In line with this goal, the vision statement of the OHCSF is:

To build a public service that works for the people

On the other hand, the mission statement is:

To build a public service that is performance and result-oriented, custom-driven, investor-friendly, professional, technologically sensitive, accountable, fostering partnerships with all stakeholders and committed to a continuous improvement in government business and the enhancement of overall national productivity.

The strategic focus areas of the public service reform in Nigeria is subdivided into four segments, each seeking to address the dysfunctionalities in the service (earlier highlighted in the findings of diagnostic studies) and other emerging service-wide issues, as outlined below:

#### a. *Budget and financial management*

- procurement system review
- institutionalization of fiscal responsibility
- accounting reforms

#### b. *Accountability issues*

- installation of due process, transparency and accountability in government transactions
- establishment of service charters
- institutionalization of compliance enforcement

*c. Human resources management*

- personnel records and payroll cleaning
- staff cadre reviews
- remodelling of recruitment and promotion procedures, including injection of competent professionals, young and bright people, as well as experts with rare skills
- institution of a new performance management scheme in professional human resource management departments with competencies for strategies functions, such as manpower planning, career and succession manning, training and development, etc
- undertaking pay reform as one of the strategies of attracting and retaining talents in the service
- service-wide capacity development and training
- organizational culture change

*d. Operation and system*

- organizational restructuring and right-sizing
- work process re-design
- information technology applications

**Institutional Arrangements for Reform Implementation and Coordination**

The institutional arrangement for reform implementation in Nigeria comprises the National Council on Reforms, the Steering Committee on Reforms and the Bureau of Public Service Reforms. The National Council on Reforms has the president of Nigeria as chairman, and it is at the apex of the institutional machinery for reform implementation and coordination. Other members of the council include the vice president, senate president, speaker of the house of representatives, chief justice of Nigeria, secretary to the government of the federation, head of the civil service of the federation, honourable minister of finance, attorney-general of the federation and minister of justice, the chairman of Independent Corrupt Practices and other related offences Commission (ICPC) and the chairman of Revenue Mobilization, Allocation, and Fiscal Commission (RMAFC).

On the other hand, the Steering Committee on Reforms is chaired by the minister of finance. The functions of this committee include:

- providing guidance and technical leadership in reform design and implementation;
- initiating action on reforms at different fronts;

- ensuring the monitoring and evaluation of reform implementation for impact and effectiveness; and
- periodically briefing the Federal Executive Council and the National Council on Reforms on progress and constraints.

The Bureau of Public Service Reform is principally responsible for civil service reforms. In addition, it is the secretariat to both the National Council of Reforms and the Steering Committee on Reforms; and in that capacity, it serves as the coordinating secretariat for all the sectoral reforms of government. The functions of the bureau, as approved by the president, include:

- initiating the action plan on reform at the different levels for the attention of the Steering Committee;
- elucidating government policies on reform;
- coordinating, monitoring and evaluating reform implementation activities;
- conducting research on implementation efforts and present best practices models;
- providing advisory and technical support services to change management teams and working groups;
- engendering an environment of learning among MDAs;
- disseminating information on all aspects of reforms; and
- submitting quarterly progress reports on reform activities to the government.

There is a service delivery unit in the office of the secretary to the government of the federation which promotes actions aimed at improved service delivery in government offices and institutions.

## Part 4

### Strategies for Moving the Reform Process Forward

The challenge of internalizing the reforms in the public service has been of utmost concern to the civil service, in view of the need to ensure the sustainability of these reforms. This derives partly from the understanding that past reform initiatives did not attain their core objectives because they were foisted on the service. It is therefore imperative for the civil service to buy into, and drive the current process. Equally important is the need to resolve the seemingly irreconcilable differences between the economic team and the civil service. The former, consisting political appointees, is by nature the loudest champions of the reforms, while the latter, by norm, does not compete for public visibility, in terms of the reform's overall content, goal, strategy and pace of delivery.

A major breakthrough in the present reform process was achieved when the president, in September 2003, approved the establishment of the Bureau of Public Service Reforms. The bureau, according to the memo sent to the president through the head of the civil service, was to spearhead reform implementation and coordination in the civil service, as well as propose strategies for engaging all stakeholders to collaboratively drive the process. This initiative was consolidated in February 2004 by the appointment (with the approval of the president) of the pioneer director-general for the bureau and the provision of a take-off grant of ₦50 million (about US\$380,000).

Also, there was the realization, *ab initio*, that if the civil service was to internalize the reforms, the head of the civil service must be committed to the success of the reform process. Thus, he provided focussed leadership for the reform, as a responsibility; he did this not because he wanted to keep his job, but from a conviction that the interest of the civil service would be better served when it willingly accepts to reinvent itself. The head of the civil service was conscious of the opportunities inherent in the change which the civil service could harness to gain more prestige and relevance as an important organ of the state. In other words, this commitment to change began with a simple self-realization of the imperative of change and the need to bequeath to the nation a civil service totally committed to global standards of service excellence through inspired leadership.

On the other hand, if the head of the civil service had failed to do so, external agents and political actors, totally unfamiliar with and unappreciative of civil service procedures, would have been saddled with the task of 'transforming' the service. And this could have had grave consequences on the civil service.

Also, it was pertinent that all permanent secretaries be totally committed to the realization of the public service reform objectives. To this end, a series of activities was organized for permanent secretaries, primarily to deepen their understanding about the reform programme, sensitize them on their roles in it and soliciting their commitment to its success. It is important to mention two programmes organized in this regard.

The first programme was the retreat for serving permanent secretaries, at the Administrative Staff College of Nigeria (ASCON), Badagry, Lagos, on 5-8 August 2004. At the end of the retreat, some challenges were thrown to the permanent secretaries, such as:

Considering all the challenges posed by the admonitions of our president and the global challenges of the 21<sup>st</sup> century, and realizing the fact that the public service, as the foremost surviving institution in any polity, deserves to review itself constantly, with a view to conforming and remaining relevant, if anyone of us [permanent secretaries] is in doubt of his individual capacity and our collective resolve to remain in the vanguard of the change that will positively impact on the lives of our citizens, then such a person among us would need to be self advised in the context of self-realization.

The retreat concluded with the Badagry Resolution, embodying a series of pledges and commitments by the permanent secretaries to support the process of change towards the larger objective of promoting good governance.

The second programme was a 2-week Commonwealth Secretariat (ComSec) Facilitated Study programme for serving permanent secretaries and selected heads of core agencies, in London. This was undertaken as part of the strategy to further empower the top hierarchy of the service to drive the reform programme. The programme was conducted in 3 batches between November 2004 and May 2005, under the theme: Purpose and Propriety in Public Service. This study programme has been hailed by both the Commonwealth Secretariat and some African countries as a unique programme of in-depth exposure to best practices in public administration. Shortly after this programme, the Commonwealth Secretariat was

approached by some African countries to adopt the Nigerian model for the training programme of their top civil servants. In order to give more effect to the lessons learnt in the course of the programme, the office of the head of the civil service of the federation is lining up a number of follow-up actions for further elaboration.

One other approach was the constitution of a reform implementation committee under the chairmanship of the head of the civil service, with membership comprising 14 permanent secretaries, the accountant-general of the federation, the auditor-general for the federation and the director-general of the Bureau of Public Service Reforms. The committee meets every Tuesday. It has given effect to the reform process by deploying its experience, diverse knowledge to complement the Bureau of Public Service Reforms and the office of the head of the civil service in guiding the entire process. Thus, this committee is now the body driving the public service reform in Nigeria.

Furthermore, there have been efforts to broaden the scope of participation and partnership in the reform programme. This involves reaching out to strategic partners, including members of the economic team who are the principal reform drivers within the Federal Executive Council; the chairman and commissioners of the Federal Civil Service Commission, which has the constitutional role of appointing, promoting and disciplining civil servants; labour unions within the public service, as well as civil servants across all cadres. There is also a gradual narrowing of the differences between the economic team and the civil service, in terms of the overall strategy for accelerating the reform, through dialogues and greater-level interactions; hence, mutual trust and confidence, which have helped in fashioning out the reform agenda, core action points and overall strategy, have been successfully built between them.

One other strategy for moving the reform process forward was to alter the structure of the public service, to eliminate factors that had contributed to the identified rot in the service. This was begun with a comprehensive action plan for repositioning the civil service, albeit with some expert support from the Commonwealth Secretariat, in order to have a framework to guide the reform efforts. The target interventions cover the immediate, medium and long-term focus of the public service reform strategy, at two complementary and mutually reinforcing levels: the structural and cultural. The structural level involves a comprehensive review of ministries, agencies and departments in terms of their roles, organizational arrangements, staffing patterns, etc. The cultural level entails reorientation towards a more proactive and positive attitude to service delivery and

a performance management approach in task executions. This is, however, still ongoing.

There was also the need for timely and effective communication, not just through workshops and press conferences, but there should also be the institutionalization of a process for continuous communication of the reform; the process should allow for feedback. Every opportunity to reiterate the commitment of the civil service to the reform programme was therefore effectively used, while not ignoring feedbacks from formal and informal channels. This has significantly enriched the reform process.



## Part 5

### Results of the Reform Programme

Nigeria has recorded remarkable progress since the commencement of the reform programme. Some of the achievements are discussed below.

#### i. *Greater appreciation of the need for change by civil servants*

Change, it is often said, is constant, inevitable and integral to life. While this statement is regarded as a universal truism, more often than not, change is a painful pill which most people find difficult to swallow. This was the initial experience in managing the change process in Nigeria. However, with more decisive actions, civil servants started realizing the imperative for change. Today, it can be stated conveniently, that there is an overwhelming support for the reform programme within the service. Some state governments have also been seeking the federal governments support and guidance in reforming their public services.

#### ii. *Implementation of the monetization policy*

The monetization of fringe benefits of public servants and political office holders was launched by the president in June 2003, and it took effect on 1<sup>st</sup> July 2004. It was justified by the uncontrolled proliferation of perquisites of office in government over the years, costing the public treasury huge and growing sums of money. The most notable of such fringe benefits in the past were:

- provision and maintenance of over 30,000 units of furnished residential housing in Abuja alone;
- maintenance of fleets of motor cars for entitled officers;
- a retinue of domestic servants for certain senior officials;
- 'limitless' free medical services, including overseas check-ups for senior officials.

The aim of the exercise was to free government from the administrative burden and financial cost of these services and financially empowers officers to provide themselves these facilities from their enhanced financial remuneration. This was to bring the system in line with the practice in other parts of the world.

The monetization policy was given effect through the passage of the Certain Political, Public and Judicial Office Holders (Salaries and Allowances, etc) Act 2003, by the National Assembly. Drawing from the act, the National Salaries, Incomes and Wages Commission issued a circular spelling out the provisions, as they affect federal civil servants, with effect from 1<sup>st</sup> October, 2003. Under the policy, services now monetized include: Residential accommodation, furniture allowance, utility allowance, domestic servant allowance, medical allowance, leave grant, meal subsidy, duty tour allowance, motor vehicle loan, fuelling/maintenance of official vehicles and transport allowance. Arising from the monetization of fringe benefits, a total of 7,487 government officials' vehicles are being disposed of through outright sale to civil servants. The implementation of the policy has led to:

- i. more frugal use of government utilities,
- ii. curbing of the excesses of public officers in the use of government amenities
- iii. equity in the receipt of government welfare benefits by civil servants,
- iv. elimination of all hidden costs of running the system;
- v. enhancement of the remunerations of civil servants and political officers to enable them provide themselves the perquisites now monetized;
- vi. improved culture of prudence in managing resources; and,
- vii. opportunity for civil servants to own their homes.

The policy has so far been implemented in all government ministries, and is now in the process of being extended to government parastatals and agencies. In this regard, a total of 20,452 government vehicles will be disposed of across the 444 parastatals and agencies.

### *iii. Outright purchase of government quarters by sitting tenants*

One major aspect of the monetization policy which has excited civil servants is the opportunity it has provided for them to buy off from government, the houses they currently occupy. This is being done using rates that take account of only the replacement value of the housing units, discounting the cost to civil servants land and infrastructural facilities. Political office holders on the other hand are being made to bid for their own houses in the open competitive market taking into account the cost of land and infrastructural facilities. Civil servants, desirous of purchasing their houses, are being assisted to approach mortgage institutions by the Federal Mortgage Bank of Nigeria which has issued to every civil servants a contributor's passbook under the national housing fund based on their

contributions over the years. The federal government intend to keep the programme going through the owner-occupier scheme which is currently being implemented by the office of the head of the civil service, as an incentive to retain the loyalty and commitment of serving civil servants, who may not have benefited from the current sale of government quarters and to provide a secured future for new entrants into the service.

#### *iv. Implementation of the National Health Insurance Scheme (NHIS)*

The National Health Insurance Scheme (NHIS) was launched on Monday, June 6, 2005 by President Olusegun Obasanjo, signalling the commencement of the scheme in both the public and organized private sectors. The primary objective of the scheme is to ensure that all Nigerians have access to good health care services through putting in place a health care system which reduces dependence on government for funding of health care delivery, and of provision of health facilities. The scheme also seeks to integrate private health facilities and expertise into the nation's health care system. In line with the monetization policy of the current administration, civil servants are to pay 5% of their basic salary as their contributions to the scheme which guarantees them and their dependants quality health care in their preferred primary health care providers; which they are at liberty to choose from a comprehensive list of available providers participating in the scheme. To ensure effective take-off of the scheme for public servants, government has provided the sum of N2.6 billion and deductions from public servants' salaries would not begin until January 2007. National coverage of the scheme is expected to be achieved by 2015 in order to achieve the target of the Millennium Development Goals (MDGs).

#### *v. Sustained crusade against corruption*

The crusade against corruption which the president is leading, has yielded good dividends. Civil servants are now, more than ever before, required to be accountable and transparent in conducting government's business. Across all cadres so far, no public officer, however highly placed, who ran foul of the law had been spared; and this is sending the right signal not just to the service, but to the entire nation regarding the seriousness of the government in waging a relentless war against corruption and all its associated vices. Anti-corruption units have been set up in all government ministries with direct links to the key anti-corruption agencies, namely; the Independent Corrupt Practices and other related offences Commission (ICPC) and the Economic and Financial Crimes

Commission (EFCC). Since the country is also tackling corruption as a management problem which needs to be effectively managed, permanent secretaries and others at the top echelon of the service are increasingly being tasked on the need to institute management systems to combat the malaise.

vi. *Overhaul of the procurement system*

Through collaboration with the Budget Monitoring and Price Intelligence Unit (BMPIU) in the presidency, the procurement system has been realigned to be more transparent with emphasis on quality management and value for money in all government transactions. Recently, in order to internalize the gains recorded under the programme into the civil service, a separate cadre of procurement officers was created within the civil service, comprising of officers with the appropriate qualifications and disposition.

vii. *Restructuring of government ministries, agencies and departments (MDAs)*

The restructuring exercise of MDAs which commenced with the pilot ministries has been extended service-wide. Leading the way is the Federal Ministry of Finance which has concluded its restructuring exercise, and has received approval of the head of service to put in place its new organizational structure. What is being handled currently, is the ministry's staffing issues in relation to its need to further build the capacity of the ministry to fulfill its mandate. The restructuring exercise in other pilot ministries is in progress and both the Management Services Office and the Bureau of Public Service Reforms continue to guide the efforts of other MDAs in their restructuring exercises.

viii. *Reform of parastatals*

The rationalization of parastatals numbering 444, in terms of re-aligning their functions vis-à-vis their supervising ministries, merging some and scraping others, has already started. For example, investment/entrepreneurship finance organisations were merged to form the Bank of Industry and institutions considered unnecessary, such as the Petroleum Trust Fund (PTF), National Agricultural Land Development Authority (NALDA) and the Education Bank were scrapped. Also recently, six parastatals under the National Planning Commission were merged into three bodies. The implementation of the latter is now in progress. At the same time, the privatization of commercial-oriented parastatals, such as the National Electric Power Authority (NEPA), the Nigerian Ports Authority (NPA), the Steel Plants, and other industrial projects, is

proceeding according to plan. Government is aware that parastatals are the primary centres of mismanagement and waste in the public service system, hence, the need to reform them in a profound manner.

#### *ix. Capacity-building*

Following the orientation workshops organized for the directorate cadre from 1999 to 2001, which were extended to the middle level officers from 2002 onwards, service-wide training and capacity development have also been extended through the organization of series of programmes targeted at officers across all levels and cadres. The capacity of the service was further enhanced through additional knowledge and experiences gained from study tours to Canada, Singapore, Malaysia, the United Kingdom, New Zealand, etc by delegations led by the head of service, comprising mainly permanent secretaries, the director-general, Bureau of Public Service Reforms and other Heads of Agencies key to reform. This is aim at remodelling the service through guidance by global best practices in Public Administration obtained from interactions provided by such tours. The Nigerian government is also focussing on executive leadership training and development, which will be further enhanced when the Civil Service College, Abuja becomes operational. The Administrative Staff College of Nigeria (ASCON) and other hitherto nearly moribund training institutions have now been rehabilitated through improved funding, so that they can deliver training programmes more competently. The Bureau of Public Service Reforms is also developing a virtual library to serve as an intellectual storehouse for the reform programme, through the support of the Education Trust Fund (ETF).

#### *x. ICT development*

The provision of an ICT-enabled work environment in the delivery of improved services is a key issue to the innovation of the civil service. Accordingly, work processes are increasingly being computerized through provision of computer systems to officers for their daily operations and for the enhancement of data storage and analysis, easy retrieval as well as dissemination of information. This has led to the generation of accurate and reliable information for decision making on policy issues as well as improvement of the record management system. There are sustained efforts in the provision of internet and intranet linkages to harness knowledge from all sources in all ministries and agencies. The frame work for the realization of e-government is getting an increased attention through the guidance

of the National Information Technology Development Agency (NITDA) under the Federal Ministry of Science and Technology.

*xi. Review of the public service rules, regulations and procedures*

As stated earlier, a review of the civil rules, and financial regulations was undertaken in the year 2000 to make them applicable to the entire public service. A more comprehensive review is currently being carried out by the Presidential Committee on the Review and Revision of Public Service Rules, Regulations and Procedures (PC-RPSRP) which was inaugurated by the president in February, 2005. The committee, which is chaired by the principal secretary to the president and permanent secretary in the state house, has as members, two ministers, one retired and six serving permanent secretaries, the auditor-general for the federation, the accountant-general of the federation, the director-general, Administrative Staff College of Nigeria (ASCON) and the director-general, the Bureau of public Service Reforms (BPSR). The committee submitted an interim report in April, 2005, in which it proposed transitional arrangements for fast-tracking the implementation of the reform programme, which have similarly been approved by the president.

*xii. Rightsizing the civil service*

The Nigerian civil service is currently being rightsized, in line with the approved criteria developed by both the PC-RPSRP and PSR-IC and approved by the president. Criteria for the process are:

- a. appointment without authorization;
- b. attainment of 60 years of age or 35 years in service;
- c. disciplinary cases involving gross misconduct;
- d. entry into cadres without appropriate qualifications;
- e. medically unfit officers;
- f. failure to acquire mandatory skills to progress on the career ladder;
- g. monetized jobs or jobs contracted out e.g. about 5,500 drivers have already been disengaged and paid off at a cost of N2.5 billion;
- h. redundancies arising from scrapping of organizations; and
- i. exceptionally bad officers adjudged unfit for continued service.

*xiii. Pension reforms*

The Pension Reform Act 2004 instituted a new pension scheme which is a departure from the 'pay as you go' system to a contributory scheme. However,

there is a transitional arrangement where the old pay-as-you-go system will run concurrently with the new one for 3 years. Pursuant to the act, the National Pensions Commission was established as the administrative machinery for managing the process. The key feature of the scheme is that civil servants contribute 7.5% of their salary, which is deducted from source, while the government matches it with the same rate of 7.5% counterpart contribution. The new pension scheme (i) provides the private sector a reliable institutional framework for staff pension or terminal benefits; (ii) offers the economy a harmonized pension system, which will expand the country's social security and allow easy mobility of labour among sectors and employers; and (iii) provides the economy a veritable source of saving and capital formation.

#### *xiv. Service delivery*

This programme is aimed at achieving excellence in the delivery of services to the public (citizenry) and other customers by government agencies. It is being run as a British government technical assistance programme under its Department for International Development (DFID) to the federal government. Its modus operandi is to reach out to MDAs to enlighten them on service delivery concepts and encourage them to undertake management innovations aimed at enhancing quality service to the public, which is backed up by obligations to be imposed by a 'service charter' with the public. Some achievements have been recorded by way of sensitization of MDAs on the new concept and making them to develop vision and mission statements and articulated outline of objectives and functions. The appreciable effect on real service delivery to the public is expected to manifest rather gradually.

#### *ixv. Increased collaboration with international development partners*

In spite of the federal government's commitment to the reform, the appreciation of the need to gain the support of Nigeria's the international development partners have not lost. Consequently, there exist collaboration with the World Bank and the Department for International Development (DFID) in the implementation of the World Bank Assisted Economic Reform and Governance Project (ERGP). The project components include:

- a. public resource management and targeted anti-corruption initiatives;
- b. civil service administrative reforms;
- c. strengthening of pension management and accountability;
- d. strengthening of statistics and statistical capacity; and

## e. project management.

Under the civil service administrative reform component of the ERGP, the country seeks to achieve the following:

- strengthening the Bureau of Public Service Reforms to lead and coordinate the system-wide reform;
- designing and implementing an integrated personnel and payroll system to improve the management of human resources and reduction of fraud;
- consolidating the restructuring of MDAs;
- carrying out diagnostic studies and dialogues on key service-wide reforms to build broader support for the process;
- designing and implementing a performance improvement facility to support innovative capacity building.

We are also engaging the Commonwealth Secretariat in other capacity building initiatives mainly targeted at the directorate cadre, and middle level officers who have the potential of emerging as future leaders in the service.



## Part 6

### Conclusion: The Critical Success Factors

Nigeria's experience in managing the ongoing public service reform programme indicates that the following are critical to success.

- i. support of the political leadership, as exemplified in President Olusegun Obasanjo's uncommon leadership in driving the process;
- ii. robust leadership by the head of the civil service whose commitment to reform must never be in doubt, as he sets the tone;
- iii. clear goals and strategy which are mutually shared by all relevant stakeholders
- iv. institutionalization of reform through the establishment of an agency for coordination and implementation, as exemplified in the creation of the Bureau of Public Service Reforms in Nigeria;
- v. active involvement of MDAs in the reform process, especially on issues that particularly relate to them in order to take cognizance of individual peculiarities and avoid the generation of uniform solutions to diverse problems;
- vi. timely and effective communication;
- vii. openness to admit wrongs and take corrective steps;
- viii. an effective monitoring and evaluation process;
- ix. sustained partnership with all relevant stakeholders;
- x. commitment and greater commitment on the part of all stakeholders to make it work notwithstanding obvious difficulties; and
- xi. adequate funding of the reform process.

On a final note, all the undertakings of the office of the head of the civil service have enjoyed the confidence of the president and this has continued to serve as a source of inspiration to do far more. Consequently, there is daily tasking and renewal of commitments to restore the lost glory of the service by faithfully implementing all the identified initiatives required for repositioning the service so that the global standards of service excellence can be attained. Funding of the process is also gradually improving through the creation of a Reform

Intervention Fund of N10 billion in the Year 2005 budget. There is effort to ensure balance in the usage of the fund between payment of severance and capacity building of the service.

It is admitted that all the lofty dreams in the delivery of the reform programme have not being achieved. It is certain however, that the present gains shall be built on and the promise of moving the process beyond the lifetime of the present administration to ensure the sustainability of a welcomed culture of change in the civil service shall be kept.

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