NATIONAL STRATEGY FOR PUBLIC SERVICE REFORM

OFFICE OF THE SECRETARY TO THE GOVERNMENT OF THE FEDERATION
THE PRESIDENCY
APRIL 2015
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<tr>
<td>ACTU</td>
<td>Anti-Corruption and Transparency Unit</td>
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<tr>
<td>ADR</td>
<td>Alternative Dispute Resolution</td>
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<tr>
<td>AGF</td>
<td>Accountant General of Federation</td>
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<tr>
<td>ALGON</td>
<td>Association of Local Government of Nigeria</td>
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<tr>
<td>APER</td>
<td>Annual Performance Evaluation Review</td>
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<tr>
<td>ASCON</td>
<td>Administrative Staff College of Nigeria</td>
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<tr>
<td>AuGF</td>
<td>Auditor General of the Federation</td>
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<tr>
<td>ATRRS</td>
<td>Accounting Transaction Recording and Reporting System</td>
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<tr>
<td>BOF</td>
<td>Budget Office of Federation</td>
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<tr>
<td>BPE</td>
<td>Bureau of Public Enterprises</td>
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<td>BPP</td>
<td>Bureau of Public Procurement</td>
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<td>BPSR</td>
<td>Bureau of Public Service Reforms</td>
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<td>BUDFOW</td>
<td>Business Development Fund for Women</td>
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<tr>
<td>CAC</td>
<td>Corporate Affairs Commission</td>
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<td>CBN</td>
<td>Central Bank of Nigeria</td>
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<td>CCB</td>
<td>Code of Conduct Bureau</td>
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<td>CBO</td>
<td>Community Based Organization</td>
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<td>CGS</td>
<td>Conditional Grant Scheme</td>
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<td>CIDA</td>
<td>Canadian International Development Agency</td>
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<td>CJN</td>
<td>Chief Justice of Federation</td>
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<td>CMD</td>
<td>Centre for Management Development</td>
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<td>CMO</td>
<td>Carrier Management Office</td>
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<td>COFOG</td>
<td>Codification of Functions of Government</td>
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<td>CPI</td>
<td>Corruption Perception Index</td>
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<td>CS</td>
<td>Civil Service</td>
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<td>CSA</td>
<td>Civil Service Administration</td>
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<td>CSAR</td>
<td>Country Self-Assessment Report</td>
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<td>Common Services Office</td>
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CSOs  Civil Society Organisations
DFE  Disability Friendly Environment
DFID  Department for International Development
DG  Director General
DMO  Debt Management Office
EBP  Evidenced Based Policy-making
EDMS  Electronic Data Management System
EFCC  Economic and Financial Crimes Commission
EITI  Extractive Industries Transparency Initiative
EMT  Economic Management Team
ERGP  Economic Reform Governance Programme
EU  European Union
FAAC  Federation Accounts Allocation Committee
FC  Federal Character
FCC  Federal Character Commission
FCMA  Finance (Control and Management) Act 1990
FCS  Federal Civil Service
FCSC  Federal Civil Service Commission
FCT  Federal Capital Territory
FCTA  Federal Capital Territory Administration
FEC  Federal Executive Council
FEPAR  Federal Public Administration Programme
FG  Federal Government
FGN  Federal Government of Nigeria
FGD  Focus Group Discussion
FGN  Federal Government of Nigeria
FIRS  Federal Inland Revenue Service
FME  Federal Ministry of Education
FMF  Federal Ministry of Finance
FMJ  Federal Ministry of Justice
FMWASD  Federal Ministry of Women Affairs and Social Development
FMT&I  Federal Ministry of Trade and Investment (Industry)
FOI  Freedom of Information
FRA  Fiscal Responsibility Act 2007
FRC  Federal Responsibility Commission
FRSC  Federal Road Safety Commission
FPSRP  Federal Public Service Reform Programme
FSP  Fiscal Strategy Paper
FSS  Functions, Structures and Staffing
GDP  Gross Domestic Product
GIFMIS  Government Integrated Financial Management Information System
GRF  Governance Reform Facility
HOSF  Head of Service of the Federation
HR  Human Resource
HRM  Human Resource Management
ICAC  Independent Commission against Corruption
ICPC  Independent Corrupt Practices Commission
ICRC  Infrastructure Concession Regulatory Commission
ICT  Information Communication Technology
ID  Identity
IEC  Information, Education and Communication
IFEMIS  Integrated Financial Management Information System
IGR  Inter-Governmental Relations
IMF  International Monetary Fund
IMTT  Inter-Ministerial Technical Team
IPCR  Institute for Peace and Conflict Resolution
IPOs  Initial Public Offers
IPPIS  Integrated Personnel and Payroll Information System
IPSAS  International Public Sector Accounting Standard
IRC  Infrastructure Regulatory Commission
JSC  Judicial Service Commission
KPIs  Key Performance Indicators
LGAs  Local Government Authorities
M&E  Monitoring and Evaluation
MDAs  Ministries, Departments and Agencies
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<td>Millennium Development Goals</td>
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<td>Ministry of Rural Development</td>
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<td>MTEF</td>
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<td>National Action Plan on Employment Creation</td>
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<td>National Assembly</td>
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<td>National Bureau of Statistics</td>
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<td>NSIWC</td>
<td>National Salaries, Income and Wages Commission</td>
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<td>NSPSR</td>
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<td>NV2020</td>
<td>National Vision 20:2020</td>
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<td>NNPC</td>
<td>Nigeria National Petroleum Corporation</td>
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<td>OAGF</td>
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<td>OAuGF</td>
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<td>OHCSF</td>
<td>Office of the Head of the Civil Service of the Federation</td>
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<td>OSGF</td>
<td>Office of the Secretary to the Government of the Federation</td>
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<td>PAC</td>
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<td>Pay As You Go</td>
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<td>PBB</td>
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<td>PIB</td>
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<td>Power Holding Company of Nigeria</td>
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SERVICOM  Service Compact with All Nigerians
SGF  Secretary to the Government of the Federation
SJG  Security Justice and Growth
SME  Small and Medium-scale Entrepreneur
SMEs  Small and Medium Enterprises
SMEDAN  Small and Medium Enterprises Development Agency of Nigeria
SPARC  State Partnership for Accountability Responsive and Capacity
SPSO  Service Policies and Strategy Office
SURE-P  Subsidy Reinvestment Programme
TI  Transparency International
TIN  Taxpayer Identification Number
TNA  Training Need Analysis
TSA  Treasury Single Accounts
TUGAR  Technical Unit on Governance and Anti-Corruption Reforms
UK DFID  UK Department for International Development
UNDP  United Nations Development Programme
USAID  United States Agency for International Development
VFM  Value for Money
VSAT  Very Small Aperture Terminal
WOFEE  Women Fund for Economic Empowerment
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EXECUTIVE SUMMARY

Introduction and Context

The National Strategy for Public Service Reform (NSPSR) provides a common vision and a long-term agenda to guide the rebuilding and transformation of the federal public service. The NSPSR is comprehensive and long term, aligned with Nigeria’s Vision 20:2020 with the goal of positioning the country in the 20 leading economies in the world by 2020. For the short to medium term, the NSPSR is focused on implementing the President’s Transformation Agenda and ensuring consistency in service delivery across the public service. The NSPSR also draws on the review of public service reform activities since 1999 commissioned by the Steering Committee on Reform, and the Public Perception Survey undertaken by the Bureau of Public Service Reforms (BPSR) and the National Bureau of Statistics (NBS) in 2014. These documents highlighted reform successes, major challenges and next steps, and provided a basis for identifying areas where the original NSPSR needed to be revised.

The NPSPR is primarily a coordinating mechanism. Many reforms are ongoing across the public service, but not all of them are known about outside the lead ministries, departments, and agencies (MDA). Furthermore, there is no central monitoring or evaluation of reform, which means limited feedback and diminished improvement from lessons learned as well as lost opportunities for the effective coordination of related reforms across government. The NSPSR brings all the separate strands of public service reform together: to make better linkages, to ensure these are communicated, and to introduce effective monitoring, reporting, and evaluation of reforms.

The NSPSR vision is “A world-class public service delivering government policies effectively and implementing programmes with professionalism, integrity, excellence, and passion to secure sustainable national development”.

The NSPSR is a long-term strategy with a phased implementation plan to achieve world-class public service. There are three main phases:

- **Reinvigorating** the public service with emphasis on critical institutional changes, restoring professionalism and client focus, and delivering effective basic services by 2017.

- **Transforming** the public service into a value-based, strong, and well-performing institution by 2020.

- Attaining **world-class** levels of service delivery in the public service by 2025.

The target dates set out the points when all MDAs should complete each phase. However, different parts of the public service are at different stages already and will move through the phases at a different pace.
The NSPSR has four pillars: an enabling institutional and governance environment; an enabling socio-economic environment; public financial management reform; and civil service administration reform. There are significant linkages within and across these pillars. Also, it is important to recognise that these pillars represent different aspects of the reform process, as set out in Figure (ii) below. Pillar 1 represents the wider governance and institutional environment in which public service reform is undertaken. Reforms under Pillar 1 are aimed at ensuring that the governance and institutional environment is conducive to reforms in the public service. Pillar 2 is the core of the reform programme. It reflects the strategic thrust of the Transformation Agenda and is focused on achieving the overall social and economic development of Nigeria through policies, programmes, and service delivery by the public service. Pillars 3 and 4 are more internally focused on the workings of the public service: public financial management in Pillar 3, and the management of the civil service (human resources and operational processes) in Pillar 4.

Reforms need to be taken forward in all four pillars, in a coordinated manner, if the overall vision of NSPSR is to be achieved.
For each of the four pillars of the strategy, there is a clearly stated development objective, as well as key target results to be achieved through a number of building blocks. The strategic features of each of the pillars are outlined below, including some illustrations of the defining characteristics envisaged by the end of each of the three phases.

**An Enabling Institutional and Governance Environment**

The development objective for this pillar is to create an institutional and governance environment that enables public service institutions to deliver public goods and services with integrity, transparency, and accountability and in accordance with their mandates. To achieve the objective, six key target results are envisaged: (i) clarity in governance architecture as it affects inter-governmental relations and public service administration; (ii) enhanced accountability and citizen participation; (iii) transparency and zero-tolerance for corruption; (iv) an efficient and predictable justice system; (v) the provision of safety and security and the prevention and management of conflict; and (vi) effective coordination of governance reforms. There are, in all, 13 building blocks for achieving the target results. For example, to achieve transparency and zero-tolerance for corruption, there are three building blocks: (a) efficient and effective institutions responsible for anti-corruption and transparency; (b) revised ethical standards for the public service that are understood and enforced; and (c) anti-corruption education with emphasis on ethics and integrity.

*Figure (iii)* provides illustrations of the defining characteristics (key outputs and/or outcomes) of the changes at the end of each of the three phases of the NSPSR, under the first pillar.
The following are some strategic priorities that will result in significant improvement in the institutional and governance environment of public service administration.

- **Push strongly for enactment of pending Public Service Bill to ensure a more robust legal framework for public service management and professionalisation.**
- **Empower and support the capacity-building of civil society organisations (CSOs) to better understand issues around policy-making, planning and budgeting processes, and monitoring.**
- **Develop strategies and plans for progressive reduction of corruption and continue to promptly punish exposed corrupt officials.**
- **Develop and implement anti-corruption communication strategy based on the information, education, and communication (IEC) programme with emphasis on integrity and ethics.**
- **Improve strategic coherence between parent Ministries and parastatals, enhance oversight of parastatals and focus on improvements to parastatal delivery.**
- **Coordinate and share information and data among security institutions.**
- **Implement the provisions of Public Service Code of Conduct and Ethics to bring about change in the work culture.**
An Enabling Socio-Economic Environment

The development objective for this pillar is to create a socio-economic environment that enables accelerated and sustained economic growth and poverty reduction through institutional pluralism and inclusive participation of vulnerable groups (women, children, persons with disabilities, older persons and family units) in decision-making and in the delivery of public services. Five key target results are envisaged: (i) enabling policy environment for accelerated and sustained high rate of economic growth; (ii) enabling policy environment for poverty reduction; (iii) enabling policy environment for robust and sustainable employment generation; (iv) optimal returns/benefits from government and private sector investments; and (v) enhanced and diverse participation of non-state actors in the delivery of public goods and services. There are two to three building blocks aimed at achieving the respective target results and a total of 13 in all. For example, the three building blocks for achieving the target result of creating an enabling policy environment for poverty reduction are: (a) create strong infrastructural base with emphasis on power/electricity, water, transportation, and pro-poor infrastructural facilities; (b) create environment for integrated rural development; and (c) develop and implement effective social safety-nets.

Figure (iv) provides illustrations of the defining characteristics (key outputs and/or outcomes) of the changes at the end of each of the three phases of the NSPSR, under the second pillar.

Figure (iv) – Select Defining Characteristics of Pillar 2 at the end of Each Phase of the NSPSR
The strategic priorities under this pillar include the following:

- Installation of a robust system for policy research, monitoring, evaluation, and reporting on development outcomes centred at the National Planning Commission (NPC);
- Creation of a strong infrastructural base with emphasis on effective electricity supply, multimodal transportation system, and water supply;
- Development and implementation of appropriate policies and guidelines for public-private partnerships (PPPs) in non-infrastructure sectors;
- Development and implementation of an integrated rural development strategy (involving integration of all efforts by federal, states, and local government authorities (LGAs));
- Development and implementation of a well-considered National Social Security Policy in terms of coverage, funding, and sustainability;
- Development and implementation of a policy framework and guidelines for women empowerment and for the promotion of diversity (especially women and other disadvantaged groups) in outsourced delivery of public goods and services.

**Public Financial Management Reform**

The development objective in public financial management reform is to achieve strategic, efficient, and effective mobilisation, allocation and use of public resources, fiscal discipline, transparency, integrity, and accountability through timely reporting. The pillar has four main target results: (i) sustained macro-economic stability; (ii) strategic allocation and results-based budgeting of funds; (iv) efficient management of resources, accounting, and reporting; and (v) oversight and integrity in the use of public funds. These target results will be achieved through 18 building blocks. For example, to effectively ensure integrity in the use of public funds, there are five building blocks: (a) implement fully the Public Procurement Act and subsidiary rules and procedures; (b) enforce public service rules, financial regulations, and extant circulars; (c) strengthen public expenditure oversight and watchdog institutions; (d) modernise internal audit function across all MDAs; and (f) strengthen the role of non-state actors in monitoring and evaluating public expenditure allocation, use, and accountability.

**Figure (v)** provides the defining characteristics (outputs and/or outcomes) of the changes at the end of each of the three phases of the NSPSR, under the third pillar.
The strategic priorities in public financial management (PFM) include:

- Amending the Fiscal Responsibility Act to improve the existing provisions for fiscal transparency rules and to include measures to enforce compliance.

- Setting defined roles and responsibilities, providing information/documents from the Executive to the Legislature, and establishing timelines for performing specific activities of the budget process.

- Developing comprehensive framework for administration and monitoring of waivers and exemptions.

- Strengthening and deepening the Nigeria Extractive Industries Transparency Initiative (NEITI) to continue to play its role of developing a framework to promote transparency and accountability in Nigeria’s extractive industries (oil and gas sectors inclusive).

- Building capacity for planning, budgeting accounting, reporting, and auditing staff across MDAs.
• Making information on allocation and use of public funds more readily accessible to non-state actors.

**Civil Service Administration Reform**

The development objective of the civil service administration reform is to reinvigorate and transform the civil service of the Federation into a strong, efficient, and effective institution with the capacity to deliver government policies and programmes. To this end, six key target results are envisaged: (i) effective governance and management of the civil service as an institution; (ii) organisational efficiency and effectiveness; (iii) professional and results-oriented civil service; (iv) well-motivated civil servants; (v) improved competence of civil servants; and (vi) accountable and results focused workforce. A varying number of building blocks (between two and four) would be required to achieve each target result. For example, to have professional and results-oriented civil service, there are four building blocks: (a) merit-based recruitment and promotions with clear guidelines for implementing Federal Character principle; (b) professionalisation of core cadres in the civil service; (c) an effective performance management system; and (d) undertaking a comprehensive job evaluation of the public service.

**Figure (vi)** provides the illustrations of the defining characteristics (key outputs and/or outcomes) of the changes at the end of each of the three phases of the NSPSR, under the Pillar 4.

**Figure (vi) – Select Defining Characteristics of Pillar 4 at the End of Each Phase of the NSPSR**

The strategic priorities in civil service administration reform will include:
• Reviewing and updating of Public Service Rules and Regulations.
• Institutionalising the performance management system.
• Developing comprehensive job evaluations.
• Strengthening work ethics and accountability, and improving motivation.
• Ensuring mastery of basic information communication technology (ICT) skills, supported by appropriate equipment across the civil service.
• Deepening Integrated Personnel and Payroll Information System (IPPIS) by ensuring that it is rolled out in all MDAs and achieving a fully functional integrated personnel and payroll information system.

Risks and Mitigation
An ambitious, comprehensive public service reform (PSR) strategy comes with many risks. Some risks are linked to the institutional and political environment, other risks are linked to leadership commitment, implementation capacity, financing of reforms, and reform fatigue. Two examples of ‘high’ risks are possible opposition and delay in the legislature in respect of institutional reforms that must be enacted into law and weak technical leadership and coordination of strategy implementation. The key mitigating measures for the risks identified include government ownership of the strategy development process, a realistic and affordable programme costing, and an implementation strategy that includes decentralised responsibilities and accountabilities, establishment of Reform Coordination Department in key MDAs, effective strategic and technical coordination, robust monitoring and evaluation (M&E) and reporting system, effective change leadership and management, and a strong information, education, and communication (IEC) programme.

Implementation Strategy
The overall NSPSR implementation leadership and management framework has the Presidency as the locus of the overall leadership and coordination of the NSPSR implementation. The mandate of the Steering Committee on Reforms (SCR) mandate includes: providing technical leadership for reform in terms of planning, design, and implementation; and initiating reform activities across the public service. The Bureau of Public Service Reform (BPSR) coordinates public service reform. BPSR reports to the President through the Secretary to the Government of the Federation (SGF) and provides the secretariat to the SCR.

Four senior government officials who head institutions at the centre of government will take on direct implementation responsibilities:
• The SGF chairs the SCR and will lead and coordinate implementation of Pillar 1.
• The Minister, National Planning Commission (NPC), will lead and coordinate implementation of Pillar 2. NPC will ensure effective linkage to the MDAs leading sectoral reforms that contribute in particular to the Transformation Agenda.
• The Minister, Federal Ministry of Finance (FMF), will lead and coordinate implementation of Pillar 3.
• The Head of the Civil Service of the Federation (HCSF) will lead and coordinate implementation of Pillar 4.

There are six key features of the implementation strategy of the NSPSR:

i. **Decentralised Responsibilities and Accountabilities**

Although the lead central institution for each pillar is set out above, MDAs remain responsible and accountable for delivery of each of the key outputs under the various building blocks. BPSR will monitor implementation and achievement of outputs, supported by a Reform Coordination function in each of the MDAs.

ii. **Rapid Capacity Building for Strategic and Technical Leadership and Coordination in MDAs**

Rapid installation of capacity for strategic and technical leadership and coordination in MDAs is a top priority in the implementation strategy.

iii. **Effective Change Management**

Change management in the public service environment is complex. To secure the fundamental changes to which the NSPSR aspires requires development and implementation of change management to ensure the appropriate momentum and traction are attained. Change leaders and managers in senior positions in central institutions and MDAs will be empowered and supported to take action. Moreover, results in defined change areas will be demanded from the change leaders and managers, including setting reform-related targets in performance contracts. Other actions will include: specific capacity-building exercises in MDAs and BPSR; building NSPSR into the curricula of training centres; motivating public servants to change; and backing all the efforts with a strong IEC programme as outlined below.

iv. **Robust M&E And Reporting System**

Monitoring and evaluation are critical in assessing the wide, diverse range of interventions being implemented under the NSPSR and building a strong evidence base around achievement of planned NSPSR outputs and impact. BPSR will develop a Results M&E Framework and Strategy for the NSPSR. This framework will guide the BPSR in the monitoring and evaluation of key and intermediate outcomes of the NSPSR. Some central government organisations such as the NPC, Office of the Senior Special Adviser to the President on Millennium Development Goals, and Office of the Special Assistant to the President on Monitoring and Evaluation, are mandated to monitor and evaluate outcomes. BPSR will coordinate its M&E activities and outputs with these organisations with a view to ensuring inter-agency cooperation and synergy in the collection and utilisation of data. BPSR will work with both NPC and with Reform Coordination functions to collect, collate, and analyse primary data relating to PSR, and will partner with the NPC M&E Department to provide it with the technical infrastructure and expertise to fulfil its mandate. M&E instruments will include economic surveys, public service delivery surveys, budget implementation reports, and citizen satisfaction surveys. ICT will be used both for data collection (where
appropriate), storage and analysis. Finally, the regularity of M&E and reporting would be monthly, quarterly, annually, medium term or long term, as appropriate.

v. A Strong IEC Programme

The strategic objective of the IEC programme is to ensure that a wide spectrum of stakeholders has the right and timely information and knowledge about the NSPSR on a continuous basis. A cost-effective strategy for IEC will harness lessons of experience and take advantage of the platforms already developed to support ongoing and past reform programmes and activities. The IEC packages for the NSPSR will be tailored to specific target groups across the public service.

vi. Costing and Funding of Strategic Initiatives of the Building Blocks

The costing and funding of the strategic initiatives under each building block will be decentralised. Decentralisation of responsibilities and accountabilities is considered to be vital to ensuring coordinated implementation of the NSPSR. The Reform Coordination functions in the MDA responsible for coordinating each Pillar (i.e. OSGF, NPC, FMF, and OHCSF) will coordinate the process of preparing a realistic indicative programme cost estimates and budgets summary for all strategic initiatives under their pillar, in liaison with the relevant lead MDAs for each intervention. The costs of implementation of all parts of the reform programme will be funded through the federal government annual budget, or through donor-financed programmes agreed between the lead MDA and the donor. The realistic cost estimates of reform initiatives prepared by the responsible MDAs will be broken down into capital investment and recurrent costs, and scheduled for budgetary allocation of the MDAs, initially for 2015, 2016 and 2017. When the cost estimates are prepared, they will take into consideration that some MDAs already have their own costed strategy documents, including initiatives fully or partially covered in the NSPSR. The Reform Coordination functions of each pillar coordinating MDA, with support of the BPSR, will ensure that these budgets for strategic initiatives are harmonised.
1. CONTEXT AND BACKGROUND

1.1. Introduction

The preparation of a comprehensive and long-term National Strategy for Public Service Reform (NSPSR) was a priority reform activity undertaken in 2008 and completed in January 2009. The Steering Committee on Reform (SCR) under the leadership of the Secretary to the Government of the Federation (SGF) commissioned the development of the Strategy. The Head of the Civil Service of the Federation (HSCF), Vice-Chairperson of the SCR, championed the Strategy development process. The Bureau of Public Service Reform (BPSR) facilitated the development of the Strategy. An Inter-Ministerial Team (IMTT) of senior public servants, with the support of internationally experienced advisers and consultants, were responsible for crafting the strategy.

For a variety of reasons, the SCR did not meet in 2009 to consider the NSPSR and transmit it to the Federal Executive Council (FEC) for approval. However, the strategy did form the basis for a number of reforms undertaken since that time. In 2013, the SCR was reconstituted. The SCR's mandate includes: providing technical leadership for reform, in terms of planning, design and implementation; and initiating reform activities across the public service. In parallel, the BPSR was restored as the agency to coordinate public service reform. The reconstituted BPSR reports to the President through the SGF and provides the secretariat to the SCR.

There are many areas where significant changes have occurred since the NSPSR was developed. The President’s Transformation Agenda has clearly set out some new and refocused priorities. There are other areas of change created by successful reform implementation, for example, progress in and expansion of the roll-out of the Integrated Payroll and Payroll Information System (IPPIS) in the Office of the Accountant General of the Federation, other reforms in Public Financial Management, a new policy for the Agriculture sector and the establishment of a Ministry of Lands, Housing and Urban Development. Ongoing reforms of the Federal Government of Nigeria make the updating of the NSPSR a necessity.

At the first meeting of the re-constituted SCR held in November 2013, BPSR was mandated to update and refresh the NSPSR, so that it fully reflects the current Nigerian reform environment and priorities, with the objective of securing its formal adoption. The process of refreshing the NSPSR has been participatory and inclusive (as was the original process of its development). Refreshing the NSPSR was undertaken by an inter-ministerial technical team (IMTT), with senior representatives from key MDAs, supported by BPSR. This team was organised into smaller working groups, organised around the pillars of the NSPSR. Regular consultations were held with Permanent Secretaries’ and with key MDAs involved in leading aspects of reform. The process of refreshing the NSPSR is set out in Annex 2 - Volume 2

Ensuring that the NSPSR is comprehensive and long term aligns it with Nigeria’s Vision 20:2020 which seeks to position the country in the league of 20 leading
economies in the world by 2020. For the short to medium term, the Strategy is focused on the implementation of the President’s Transformation Agenda, and on ensuring consistency in service delivery across the public service.

1.2. Public Service Transformation

With its large population and reserves of natural resources, Nigeria has the potential to build a prosperous economy, significantly reduce poverty, and provide health, education and infrastructure services to meet its population needs. However poor governance is rated as a key reason why Nigeria has not yet delivered on these goals. While the 2013 Mo Ibrahim Index of African Governance revealed that 94% of Africans, including Nigerians, live in a country that has experienced overall governance improvement since 2000. Nigeria’s ranking has fallen by eight places, Nigeria scored 41st out of 52 countries. However, a more secure, better administered and prosperous Nigeria, which is able to deliver services effectively to its citizens, is possible within a timeframe of a decade.

The Nigerian public service is the engine for delivering public goods and services and is central to promoting social and economic growth. Public service institutions are critical in promoting sustainable and equitable social and economic growth. The administrative capacity of the public service is a key factor in effective implementation of Government’s policies and programmes, such as the Transformation Agenda. The public service sets the framework for economic and political interactions between the state and the citizen and within different parts of the state structure. The public service administration determines the decision making structures that select policies and priorities; it allocates the resources (financial, physical and human) to address these priorities; it develops the frameworks, structures and processes which priority services are delivered and applies the rules and processes that enable service delivery to be managed.

As a result, the development challenges faced by Nigeria - poverty of many citizens, unemployment, security, and poor infrastructure - can all be largely attributed to weak performance of the public service. The public service plays an essential role in the delivery of public goods and services and in creating an enabling environment for the economic and social development of Nigeria. Dysfunctions in public service administration level undermine development and service delivery efforts at all levels of government, as well as in the private sector.

Changes to make systematic and sustainable improvement in the interrelated structures and processes of the public service machinery are critical. Public service administration defines what is to be done and how resources are allocated and accounted for to increase efficiency, effectiveness, integrity and responsiveness in the form of service delivery to the citizen. Better financial management and investment in infrastructure, public sector reform and an increase in accountability are required to leverage significant improvements in the quality of government, infrastructure, and socio-economic growth. They will create more jobs, raise incomes and enhance development.
The Transformation Agenda commits that ‘the critical policy thrust of governance will be to maximize the benefits the citizenry derives from governance through more effective and efficient use of public resources, proper financial management and fiscal prudence. This entails adequate emphasis on the attainment of law and order, guarantee of safety of lives and property and the provision of an environment in which people find happiness and fulfilment’.

1.3. The context of on-going Public Service Reforms

By 1999, the civil services at both the federal and state levels were widely perceived as weak, politicized, corrupt, demoralized and inefficient. The following snapshot of the public service was in one of the policy briefing documents prepared for the civilian administration that assumed office in May 1999: “[A public service that] had metamorphosed from a manageable, compact, focused, trained, skilled and highly motivated body into an over-bloated, lop-sided, ill-equipped, poorly paid, rudderless institution lacking in initiative and beset by loss of morale, arbitrariness and corruption ...Without being reformed, the Public Service was incapable of meaningfully responding to the challenge of reviving an ailing economy in the face of global competition”. The specific features of the weak public service inherited by the new civilian Administration included: shortage of skills, lack of competencies in many critical areas; collapsing human resource management systems; stagnation and mediocrity, especially at higher levels of the service; and inefficiency in the delivery of services.

Faced with a weak public service that had the potential to undermine the new administration’s commitment to deliver the “dividends of democracy” to the people, a diagnostic study of the condition of the public service was undertaken by the Office of the Head of the Civil Service of the Federation (OHCSF) during 2001-2002 and it culminated in a “Strategy Document for the Nigerian Public Service Reform Programme: Towards a Public Service that Works for the People” (July 2003). The core reform issues identified in the strategy document included developing the leadership of the public service, public expenditure management, human resource management, records management and information and communication technology (ICT), improved accountability, and adoption of a new civil service law and regulations.

In February 2004, BPSR was established as the central institutional platform for coordinating implementation of the various public service reform initiatives. The key reform thrusts at that time included: liberalization of the economy, including privatization and commercialization of public enterprises; improving public expenditure management and the overall efficiency of government; restructuring and right-sizing the service to eliminate ghost workers and ensure organizational effectiveness; and restoring the professionalism of the civil service.

In 2008 it was decided that there was a need for the NSPSR to be developed as a coordinating strategic document for public service reform, the major issues to be addressed were identified as:
• Leadership and management weaknesses at all levels;

• Human resource (HR) management deficiencies including the lack of a professional HR function; a flawed performance management system; inadequate capacity development and skills upgrading; poor remuneration and working conditions; and poor career management and succession planning;

• Capacity gaps in critical areas - for example, strategic management, policy analysis, ICT, and project management);

• Need for enhanced public service values and ethical standards.

The NSPSR:

• Provides a common vision and a long term agenda to guide the rebuilding and transformation of the Federal public service.

• Provides the roadmap for public service reforms and is the enabler of other sectoral roadmaps

• Takes into account lessons learned from the public service reform efforts undertaken since the return to Civilian Rule in 1999.

• Articulates a public service vision, mission statement and values.

• Acts as a coordination mechanism – and is a means through which to deliver the Transformation Agenda in a coherent manner.

• Bridges the gap between the current reality and the longer term vision

• Provides a focus for monitoring of reforms across the public service.

The NPSPR is primarily a coordinating mechanism. Many reforms are ongoing across the public service, but not all of them are known about outside the lead MDA. Furthermore, there is no central monitoring or evaluation of reform, which means limited feedback and learning of lessons and the loss of opportunities for effective coordination of related reforms across movement. The NSPSR brings all the separate strands of public service reform together, better to make linkages, ensures these are communicated and introduces effective monitoring, reporting and evaluation of reform.

Furthermore, the existence of a clear strategy for public service reform at the Federal level, its active monitoring and evaluation and the revitalised coordinating structures open the opportunity for exchange of ideas and lessons learned on reforms between federal government and state governments (some of which are ahead of federal government in their reforms).
The National Vision 20:2020 (NV20:2020) - an economic transformation blueprint for stimulating Nigeria’s economic growth - was developed in 2009, in a similar timescale to NSPSR: “...by 2020, Nigeria will have a large, strong diversified, sustainable and competitive economy that effectively harnesses the talents and energies of its people”. NV20:2020 development was a positive step, and marked a revival of strategic planning, developed with the active participation and input of a broad spectrum of Nigerians, including a large number of state and non-state stakeholders. A detailed National Implementation Plan (NIP) for NV20:2020 was developed, to give direction to the many facets. NV20:2020 was developed simultaneously with NSPSR and provides an overarching framework for the public service reforms in NSPSR.

1.4. Reform achievements – the compendium of reforms since 2009

In parallel with the refresh of NSPSR, the SCR commissioned a review of public service reform activities since 2009 and a compendium of all of these reform efforts has been developed, highlighting reform successes, major challenges and next steps. The SCR also commissioned the National Bureau of Statistics to undertake a perception survey of Nigerian households, private establishments and public organisations to find out how Nigerians feel about the various reforms that the current Administration has embarked on between 2009 and 2014. The survey covered all 36 states of the Federation and the Federal Capital Territory and will serve as a baseline (together with the Compendium), which can be repeated annually to map trends.

These two initiatives provided a good basis for identifying areas in which this strategy needed to be revised. During the current Administration, a number of bold reforms have taken place and these have been documented in the compendium. The Administration’s vision for good governance; transparency; peace; freedom in the media; and stability in institutions has led to a number of electoral, transparency, justice, procurement, human development, civil service and other relevant reforms. Many of these reforms have led to measurable improvements: for example, for the first time, provision of electricity is gradually starting to improve across the country, the national road network is being rehabilitated, trains are moving and agriculture is being transformed. Although ‘soft’ internal reforms are critical, they bring about reforms that are not immediately obvious to citizens, and thus are insufficient to ensure that Nigerians feel the full impact of reforms. This is why this Administration has particularly focused on ‘hard’ reforms, visible to Nigerian citizens. There are some clear underlying reasons why reforms in these areas have started to work and these include:

- **Increase in private sector investment** - The Administration has focused on developing an enabling environment for private sector-led inclusive growth. As a result of creating an environment of policy certainty, healthy competition and facilitated domestic and international investment and trade, the Administration is starting to enable the private sector to be a key partner of governments in the pursuit of inclusive economic growth. The private sector is also a key vehicle for job creation
and it has been recognised that inclusive growth can only take place through shared opportunities and the participation of a large part of the country’s labour force.

- **A focus on infrastructure reform** - It has been recognised that wealth creation, long-term economic growth and infrastructure development are mutually reinforcing. However, under previous reform efforts there continued to be infrastructure-funding gaps in Nigeria, resulting in completely inadequate infrastructure to support growth. To address this, the Administration has brought private sector investments into infrastructure projects through public private partnerships (PPP). To date, this has been particularly evident in the power sector, since the launch of the Road Map for Power Sector Reform in 2010. Although many of the gains from the Administration’s reforms in the power sector are yet to be realised, the stage has been set for a future where Nigerians can have access to an affordable and reliable electricity supply.

- **A focus on human capital development** – To ensure that rapid economic growth translates into better quality of life for all Nigerians, the Administration has committed to a sharp focus on investment in education, health and youth and women’s development. The need for reforms in these areas has been recognised as necessary in their own right but also to ensure that Nigeria has a good and healthy workforce, which can compete for global opportunities and ensure a better life for the next generation. In Health, reforms started with the development of a clear roadmap for reform of the service, which was the first of its kind in the sector. This National Strategic Health Development Plan (NHSDP) - developed through a participatory process - addresses the major factors preventing effective service delivery. In Education reforms have largely been achieved through the development of a 4-year strategic plan, which provided a roadmap for reform. The transformation policies identified in this plan, and subsequently carried out, have succeeded in improving education facilities, provided better teacher training and impacted significantly on the access and quality of education in Nigeria. In relation to Women, Youth and Social Development, there has been a realisation that development policy efforts that target women have a huge impact on poverty reduction and the Administration has demonstrated commitment to mainstreaming gender in policy making. Women are now more visible and involved in governance and decision making than ever before.

- **Involvement of civil society**: Accountability, transparency and anti-corruption measures have been embedded in a comprehensive reform programme with improved consultative processes between public sector and all stakeholders including scrutiny by civil society organisations. The Jonathan Administration remains committed to expanding civil space for democracy and civic participation with the belief that this contributes to good governance. This has given rise to a huge growth in civil society groups that are active in civil rights and engaged in political activism. Between 2010 and 2013, the federal government incorporated many demands from the people into its policies and activities, in a way that is unprecedented, and has even reversed some governmental decisions based on the complaints and suggestions of the people. Trade disputes are now increasingly resolved through dialogue, and citizens have started to have a sense of participation in issues of governance.
Despite these areas of progress, more needs to be done and reforms need to be faster, deeper and have a greater focus on citizens. Although evident progress has been made and reforms have been successful in establishing a reasonably firm foundation of basic institutions and procedures, many reforms still remain invisible to citizens and poor households have been left behind. There have been some key challenges which cut across many sectors and many reform efforts and these need to be addressed in order to turn the public service into a world-class public service and these include:

- Growing expectations from more educated citizens who are not seeing the benefits of reforms reaching them but rather reduced efficiencies and increased costs. Reform efforts need to have a stronger focus on targeting improvements in key services which are valued by citizens;
- A lack of private sector investment in certain sectors which is limiting the effects of reform efforts and is needed in order to create competition and contribute to economic growth;
- An unreasonably high cost of doing business remains in many sectors with multiple business regulations obstructing local businesses, limiting local production especially in the manufacturing sector;
- Weak regulation and inspection in many areas, which is a growing problem with the rapid increase in private sector investment. There is particularly weak oversight of private health care providers which is affecting the quality and effectiveness of service provided to citizens;
- A low level of infrastructure, despite the improvements seen, which is a major challenge for job creation, inclusive growth and development;
- A lack of coordination and collaboration within the operating environment for many reform efforts, halting progress. For example in the ICT sector there have been separate policies for various sub-sectors administered with little or no interaction with each other;
- Not enough accountability, transparency and space for civil society involvement despite the commitment of the Administration to these objectives. Local governments still act with a high level of secrecy making it difficult for CSOs to identify problems;
- Weak information systems within government meaning, many processes are still paper driven. This is making it both difficult to monitor and assess the shift in quantity and quality of service delivery and to implement any kind of performance contracts due to inadequate data;
- A lack of linkages between pay and performance and wide disparities between salaries in the public service. There has also been strong resistance to changes in recruitment, promotion and transfers based on skills and performance. This is partly due to the lack of strong change management strategies at organisational and individual levels.

The achievements highlighted above are not deep enough to turn the public service into a well-performing institution, let alone a world-class public service and the challenges suggest that reinvigorating and transforming the public service is an urgent task. It has also been recognised that the on-going reform initiatives are fragmented, poorly
coordinated, and lacking in long term and strategic focus with the result being that they will not – on their own - restore a public service with the capability, ethos and performance required to propel the country to its Vision 20:2020. Therefore, Government decided to review and refresh the comprehensive and long-term national strategy for PSR to address the current context and requirements.

The next steps identified across the reform efforts outlined in the compendium that can help to turn the Nigerian public service into a world-class one by 2025 include:

- **Building public confidence**: Public confidence in government is needed, as in many cases it has been lost. To build this confidence, citizens need to be informed of current reform activities, be involved in celebrating successes and know that Nigeria is no longer a place where government staff are able to act with impunity;

- **Promoting private sector investment**: Private sector investment needs to be encouraged in those areas where interest to date has been low. There is the need to encourage private sector investment in healthcare and its involvement in the National Health Insurance Scheme (NHIS). Greater involvement of the private sector will create competition, lead to increased efficiency and a lower cost of operation and ultimately lead to improved services and lower costs for consumers. More investment is also needed to continue power sector revitalisation and infrastructure rehabilitation, in particular to create more job opportunities in these sectors. As private sector investment increases transparency also needs to be ensured;

- **Ensuring a customer focus**: With the increase in privatisation of services, there is a need to ensure that the rights and interests of consumers are protected. For example, it will be important in the power sector to ensure the focus is on getting a steady electricity supply for all Nigerians, and not just those who can pay the premium for it. To ensure that the private sector is focused on providing a good service, regulators need to encourage private sector investors to publish service charters, monitor these and ensure compliance;

- **A focus on the policy environment and consistency**: This focus is needed in order to improve the ease of doing business in order to increase competition and force down prices but there needs to be policy consistency so that government can create the necessary enabling environment for enterprises to operate. Policy development needs to align with reform efforts and reform bills are needed in order to speed up the privatisation process with relevant regulatory bodies in place to regulate various sectors;

- **Guiding strategies and road maps**: reform efforts needs to be based on clear and comprehensive strategies and roadmaps to ensure all actors involved in reform efforts are working towards the same goals and objectives and reforms are progressing in a coordinated and effective way. A clear roadmap will ensure gaps are filled, there is no duplication of efforts and the policy environment has been taken into account resulting in a clear reform path. Many reform successes, highlighted in the compendium, have been shown to be based on effective strategic plans such as in the education and health sectors.
These next steps need to be fleshed out by the respective MDAs and their progress needs to be monitored. The next generation of reforms also needs to target improvements in services that citizens value with a focus on the outcomes in terms of visible results of public services. For reforms to be successful reforms must also address the strategic imperatives identified below which builds on the key next steps identified above from the compendium.

1.5. Strategic Imperatives

Six key strategic imperatives are critical to the success of the PSR Strategy:

- Strong and committed leadership;
- Making a tangible impact on service delivery;
- Comprehensiveness, prioritization and sequencing;
- Getting the basics right;
- Rapid building of implementation capacity;
- Stakeholder engagement.

1.5.1. Strong and Committed Leadership

For the NSPSR to achieve its objectives, Government will ensure strong and committed leadership of implementation efforts at every stage and at all levels of implementation. Government will accord priority to achieving clarity of a shared vision among political and administrative leaders. Political leaders will proactively champion implementation of the NSPSR and the leadership of the public service will take full and direct responsibility for implementation and accountability. In particular, Government demands that the Secretary to the Government of the Federation, the Head of the Civil Service of the Federation, Minister NPC, Minister FMF and all permanent secretaries and chief executives of parastatals and other public agencies will collectively champion, direct and oversee the implementation of the NSPSR.

Government will also promote the buy-in of the NSPSR by members of the National Assembly (NASS). Legislators’ support is important in approving the budgetary allocations to finance the cost of reform and putting in place the enabling legislative framework for NSPSR.

1.5.2. Making a tangible impact on service delivery

The starting point and core objective for all public service reforms is to improve delivery of basic services: all reform efforts must contribute to this goal. Reforms should be focused on achieving results in terms of service delivery and not just on changing
internal processes. Reforms must, in some way, make a tangible improvement in services delivered to citizens and other stakeholders, whether through improvements in quality, timeliness, access, equity and client focus. The ambition is that reforms have an impact on service delivery. Given the focus of NSPSR at Federal level, some of this impact will be indirect. Specifically, at Federal Level, direct impact will mainly be achieved through improved performance in parastatals, agencies and commissions, as these are the bodies which undertake much of the actual delivery of services. It is important that the leaders of reform (whether at ministry level, in central agencies or in BPSR), focus on reforms and improved performance in service delivery in these bodies.

1.5.3. Comprehensiveness, Prioritization and Sequencing

Government is committed to PSR in the long term. This is consistent with widely-acknowledged good practice in the design of PSR strategies and programmes. And this means taking a comprehensive approach, rather than tackling reforms in a piecemeal manner. Nevertheless, it will be necessary - for management purposes - to package the implementation of the NSPSR into discrete programmes, which will remain under the leadership of the core MDA for the sector or function.

Phasing of the programme is necessary for two reasons. First, it allows for regular review and revision, for example to align target outputs, outcomes and impacts to the priorities of successive democratic government regimes. Second, it makes it possible to develop a series of plans which are coherent, time bound and realistic in the current context, while keeping the longer term vision and objectives of the NPSPR in mind.

1.5.4. Getting the Basics Right

“Getting the basics right” is the starting point for all reforms. At the heart of NSPSR is the need to improve delivery of basic services: if reform efforts do not contribute to this, they will not be prioritised. The initial focus will be to ensure that the public service delivers a predictable level of basic service. Attention will be paid to the cycle of planning; budgeting; service delivery; and monitoring that agreed levels of service have been delivered: plans must be delivered; plans and budgets must be linked; service delivery must be at the heart of all plans and budgets; and monitoring of delivery must be a focus. The key message for the initial phase of reform is that service delivery is central and that MDAs must hold themselves accountable for service delivery.

1.5.5. Rapid Building of Implementation Capacity

For effective and sustained implementation of the NSPSR, the Federal Public Service will need rapidly to build capability to implement the strategy, and to respond to new emerging challenges. Capability will be important at three levels: first, in the BPSR which has the responsibility to coordinate, monitor and support the reform programme as a whole; second, in the central agencies which are critical to development and implementation of particular components for which they have technical expertise; and finally, in the MDAs, which will be leading in some areas of reform and will be targets of
a wider range of different reform initiatives. A core mechanism to assist in linking these different parts of the machinery of government will be a team of Reform Coordinators at Director level in key MDAs, who will be supported by BPSR.

1.5.6. Stakeholder Engagement

NSPSR was originally developed in consultation with representatives of a wide spectrum of stakeholders, including:

- Involvement of a significant number of stakeholders in a strategy launch forum;
- In depth consultations with key stakeholders within MDAs and drawn from the private sector, civil society organizations, academia, and development partner institutions;
- Focus Group Discussion sessions involving participants from various MDAs, civil society organizations, public service labour union, and academia
- Extensive review of the draft strategy by stakeholders’ representatives.

The refresh exercise – although much shorter – was also consultative, involving an Inter-Ministerial Task Team representing most of the key central MDAs, who developed much of the material; workshops and meetings with the body of Permanent Secretaries and one to one meetings with individuals and groups in key central MDAs. Finally, at the instance of the SCR, a high level retreat was organized in January 2015 to serve as the final stage of the consultative and validation processes. Participants included members of the SCR, federal permanent secretaries, Chairman and members of the Federal Civil Service Commission (FCSC), heads of other agencies and departments, international and donor agencies, and other relevant directorate level officers in the Federal civil service.

1.6. Linkages between reforms at Federal level and at other levels of government

NSPSR is focused on reforms at the federal level. However, reform at the federal level can have an impact on services delivered by the subnational levels: the federal public service sets the framework for economic and political interactions between the state and the citizen and within different parts of the state structure. The public service administration determines the decision making structures that select policies and priorities; it allocates the resources (financial, physical and human) to address these priorities; it develops the frameworks, structures and processes with which priority services are delivered and applied the rules and processes that enable service delivery to be managed at all levels of government. In the longer term, actively managed reforms at this level will also provide impetus to reforms at state levels and below. Federal MDAs, and BPSR need actively to lead the reform agenda: through monitoring, benchmarking and disseminating best practice and lessons learned.
1.7. The refreshed NSPSR

The exercise to refresh and update the NSPSR was not an attempt to devise a wholly new strategy. Most of the key features of the NSPSR remain, and most of the work undertaken in 2008-9 is still valid. The four-pillar structures and the focus of these pillars have not changed. And many of the target results in the NSPSR have been validated as appropriate in 2014 as a result of the refresh process. The updating has focused on the level of building blocks, where revision is needed because of reform progress, and where there are new imperatives that need to be addressed.
2. VISION, MISSION, GOALS, PRINCIPLES AND VALUES

Vision Statements and Mission Statements both convey the direction of the reform process. Vision Statements and Mission Statements have different focuses. The Vision Statement defines the purpose of the public service in terms of its values. For public servants, it gives some direction about how they are expected to behave and inspires them with some of the key characteristics that the future public service will possess. For citizens, a vision statement can shape their understanding of why they should work with the organization.

On the other hand, a Mission Statement defines the purpose and primary objectives of the public service, and has a more internal focus – defining what will constitute successful delivery of public service functions.

2.1. Vision Statement for the Public Service

A world-class public service delivering government policies effectively and implementing programmes with professionalism, integrity, excellence, and passion to secure sustainable national development

2.2. Mission Statement for the Public Service

To ensure quality service delivery through efficient and effective implementation of government policies and programmes, working collaboratively and transparently with other stakeholders

2.3. The main goals of the NSPSR

In the context of the vision and mission statements, and the long term perspective that Government has adopted, the goals of the NSPSR are:

- Reinvigorating the public service with emphasis on critical institutional changes, installing management systems, and restoring professionalism, merit, competence, and client focus by 2017.
- Transforming the public service into a value-based, strong, and well-performing institution by 2020.
- Attaining world class levels of service delivery in the public service by 2025.
World class levels of service delivery in the public service will mean a lean and efficient service that is able to ensure services are delivered that improve the quality of the lives of citizens and achieve social justice, dignity and economic welfare for all.

2.4. Values of the Public Service

In pursuit of the above vision, mission, and goals, the following are the underpinning values that all employees in the public service will be obliged to adhere to.

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<tr>
<th>Professionalism</th>
<th>Discipline</th>
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<tr>
<td>Impartiality</td>
<td>Integrity</td>
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<td>Client orientation</td>
<td>Transparency</td>
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<td>Innovativeness</td>
<td>Loyalty</td>
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3. STRATEGIC THRUST, DEVELOPMENTAL OBJECTIVES AND
PILLARS OF THE STRATEGY

3.1. Objectives of the NSPSR

The strategic objectives of the NSPSR are high level statements of what is going to be
achieved by implementing the NSPSR, in order to fulfil its mission and achieve the
vision. The first step is to break the mission of the public service into key priority areas
and ensure that they are measurable, so that others can judge whether the objective has
been achieved; are realistic in relation to available resources and capacity; and are
critical in determining success or failure of the strategy.

The following high level cross cutting objectives are identified for NSPSR:

- To make a tangible improvement in services delivered to citizens and other
  stakeholders, through a focus on quality, timeliness, equity and client orientation

- To create a governance and institutional environment that enables good
  governance by strengthening public administration, promoting accountability and
  transparency, and tackling corruption at all levels across government

- To improve planning, budgeting, monitoring, management and accounting systems
  so that resources are more sharply focused on priorities, accountability is clear,
  spending is transparent and public expenditure is more efficiently and prudently
  controlled

- To develop sustained economic growth, the generation of employment
  opportunities and to promote social and human development which will enhance
  the quality of life for all citizens

- To ensure effective communication with all stakeholders and to promote
  participation by citizens in policy development, decision making and feedback on
  performance

- To improve the recruitment, retention, development, performance management,
  motivation and work ethos of public servants through restoration of primacy of the
  merit principle, ensuring adequate pay, and building capability of public servants at
  all levels

These objectives also form a matrix for assessment of proposed reforms, to ensure that
each reform intervention is appropriately focused on the direction of public service
reform.
3.2. Strategic thrust

The NSPSR is a long term strategy with phased implementation plan to achieve world class public service. There are three main phases:

- **Reinvigorating** the public service with emphasis on critical institutional changes, restoring professionalism and client focus and delivering effective basic services by 2017.

- **Transforming** the public service into a value-based, strong, and well-performing institution by 2020.

- Attaining **world class** levels of service delivery in the public service by 2025.

![Figure (i): Long Term Perspective for the National Strategy For Public Service Reform](image)

Although target dates are set out, which set out the points when all MDAs should have completed that specific phase, different parts of the public service are at different stages already, and will move through the phases at a different pace. There are MDAs that have already moved into the transformation stage, where they are establishing themselves as strongly performing institutions – maybe even approaching world class status, such as the Debt Management Office, the Bureau of Public Procurement, the Federal Inland Revenue Service and the National Agency for Food and Drug Administration and Control. There are others where there are considerable steps to be taken as part of the reinvigorating phase to make more basic institutional changes,
install more effective management systems and processes, and restore professionalism, merit, competence, and client focus in their work.

The three phases of the implementation of the NSPSR must be flexible to allow various agencies to proceed at their own pace rather than forcing everybody into a strait-jacket pace, which would otherwise hold back those that are already performing well.

3.3. Development Objectives and Pillars of the Strategy

3.3.1. Development Objectives

The NSPSR has four pillars, each of which is shaped around one of these development objectives, which set out the purpose of the pillar. Within each pillar there are a number of building blocks, under which priority interventions will be identified as well as a set of target results for each objective. The four pillars of the strategy are:

- Pillar One: An enabling governance and institutional environment;
- Pillar Two: An enabling socio-economic environment;
- Pillar Three: Public Financial Management Reform;
- Pillar Four: Civil Service Administration Reform.

Each of these four pillars of the NSPSR has a more defined development objective, which is:

i. To create a governance and institutional environment that enables public service institutions to deliver public goods and services in accordance with their mandates, and with integrity, transparency and accountability;

ii. To create a socio-economic environment that enables accelerated and sustained economic growth and poverty reduction, through institutional pluralism and inclusive participation in the delivery of public goods and services;

iii. To achieve strategic, efficient and effective mobilisation, allocation and use of public resources, fiscal discipline, and transparency, integrity and accountability through timely reporting;

iv. To reinvigorate and transform the Civil Service of the Federation as the primary institution for efficient and effective delivery of Government policies and programmes.

It is important to stress that there are significant linkages within and across these pillars. Also, it is important to recognise that these Pillars represent different aspects of the reform process, as set out in figure (ii) below.
Pillar 1 represents the wider governance and institutional environment in which public service reform is undertaken. Reforms under Pillar 1 are aimed at ensuring that the governance and institutional environment is conducive to reforms in the public service. Pillar 2 is the core of the reform programme. It reflects the strategic thrust of the Transformation Agenda, and is focused on achieving the overall social and economic development of Nigeria through policies, programmes and service delivery initiatives by the public service. Pillars 3 and 4 are more internally focused on the workings of the public service: public financial management in Pillar 3 and the management of the civil service (human resources and operational processes) in Pillar 4. Reforms need to be taken forward in all four Pillars, in a coordinated manner, if the overall vision of NSPSR is to be achieved.

The building blocks, strategic interventions, outcomes and outputs of each of the Pillars are described in successive chapters below.
4. PILLAR ONE: AN ENABLING GOVERNANCE AND INSTITUTIONAL ENVIRONMENT

*Development Objective:* To create a governance and institutional environment that enables public service institutions to deliver public goods and services in accordance with their mandates, and with integrity, transparency and accountability.

4.1. Context

The governance and institutional context that led to only modest achievements of the PSR activities implemented between 2009 and 2014 has remained largely unchanged. There are issues relating to the structures and machinery of government, exacerbated by weak political institutions and issues around the interface between political and administrative leadership. The wider governance environment in which reform must take place is challenging.

The federal government system retains unitary features enshrined in extant laws inherited from three decades of military rule. These laws complicate inter-governmental relations (IGR), especially the assignment of functions and resources to the three tiers of government. Where responsibilities are clearly provided for, implementation is sometimes not as prescribed. Although some decisions of the Supreme Court between 2009 and 2013 have addressed aspects of the problem, many issues are unresolved. Federal public servants often have to deal with IGR-related challenges in their interface with state and local governments.

Three major initiatives aimed at improving the governance and institutional environment under the NSPSR have been undertaken between 2009 and 2013. First was the enactment of the Freedom of Information (FOI) Act 2011, a powerful tool in enforcing transparency and in fighting corruption. This has resulted in the reduction of corruption in fertilizer distribution and the recovery of stolen funds in banks. The Nigerian Extractive Industries Transparency Initiatives (NEITI) audit report for 2009 and 2011 (presented in 2013) led to the re-constitution of the Task team to implement the NEITI’s findings and recommendations. NEITI is currently carrying out a Fiscal Allocation and Statutory Disbursement Review for 2007 to 2011. Secondly there is renewed focus on civic participation and broad consultation, as shown in the Presidential Retreat for Civil Society in 2012 which was attended by over 300 groups. The NV20:2020 and the First National Implementation Plan 2010-2013 were developed through broad stakeholders consultations which involved over 8,000 stakeholders. Thirdly, the President has repositioned reform coordinating agencies for effective service delivery, including re-establishing the SCR and reviving the BPSR.

Many parastatals in Nigeria do not deliver their mandates. Some duplicate the functions of existing parastatals and others are no longer relevant. In 2011, a committee was led
by Stephen Oronsaye (a former Federal Head of Service) to look at restructuring and rationalization of federal government parastatals, commissions and agencies. In late March 2014, the White Paper on the Report of the Presidential Committee on Restructuring and Rationalisation of Federal Government Parastatals, Commissions and Agencies, was published and it provides a way forward for improvements to parastatal management and service delivery.

The above initiatives will result in a more enabling governance and institutional environment within which to implement a refreshed NSPSR. However other specific governance and institutional issues remain, and appropriate initiatives to tackle them are highlighted below.

4.2. Building Blocks and Target Results

In order to achieve improvement in the governance and institutional environment for public service administration (PSA) in the short- to medium-term, thirteen building blocks were identified to achieve the following six target results:

(i) Clarity in governance architecture as it affects inter-governmental relations (IGR) and public service administration (PSA).
(ii) Enhanced service delivery accountability and citizens participation
(iii) Transparency and zero tolerance of corruption
(iv) Efficient and predictable justice system.
(v) Safety and security provided, and conflict managed and prevented
(vi) Effective coordination of governance reforms.

Linkage of each target result to specific building blocks is set out in Figure 4.1
4.2.1. Clarity in governance architecture as it affects IGR and PSA

The following two building blocks will achieve the target result:

(i) A more enabling institutional and governance framework for public service administration.

(ii) Robust legal framework for public service management and professionalization.

(i) A More Enabling Governance and institutional Framework For PSA

One key governance issue that impacts significantly on public service administration is linked to existing constitutional provisions on inter-governmental relations. These complicate the interface between PSA at the federal and state levels, and state and local government levels. The lack of clarity over the scope and reach of federal government’s policies, programmes and projects at the sub-national levels limit the extent to which the functions of federal MDAs can be clearly defined. Furthermore, the accountability of federal officials for results at subnational levels is also difficult to determine and measure.
The Federal Civil Service Commission (FCSC) and the Federal Character Commission (FCC) are enshrined in the 1999 Constitution. They are to assure respect for the ‘federal character’ principle and are assigned functions that impact on the quality of PSA. FCSC is responsible for the quality of PSA through recruitment, promotions and discipline, FCC is responsible for upholding Federal Character principle which requires that appointments in the public service must reflect the diversity within the federation. The unwieldy structures of FCSC and FCC pose challenges. The FCSC and FCC have 15 and 36 full-time commissioners respectively, plus a chairman each. The Constitution does not specify the number of commissioners for each institution and whether or not they should work full-time. The FCSC/FCC interface needs to be clarified, and a review of the effectiveness of the operations of both institutions is required.

In contrast to the sharp focus on the FC principle by the two institutions, the merit principle - critical to achieving a well-performing PSA – does not have the same prominence. There is need to explicitly include merit protection in the mandate of the FCSC to ensure a PSA that will effectively deliver public goods and services.

While the governance of parastatals is stated clearly in the laws that establish each of them, responsibility for coordinating and supervising them is shared between the Office of the Secretary to the Government of the Federation (OSGF), their respective ministries and the Office of the Head of Civil Service of the Federation (OHCSF). This can cause confusion and duplication of functions.

Furthermore, there is lack of alignment and gaps in legislation for the oversight of parastatals. The strategic direction of parastatal is not always aligned to that of the parent Ministry. Some parastatals have legal frameworks that conflict with Ministry mandates or with other existing legislation. This causes friction, gaps in coverage and even contradictions. Indeed, there is no clarity in the public service regulations about reporting lines of parastatals and their parent Ministries, and in many cases this does not happen effectively. Much legislation setting up parastatals at the moment does not define the supervisory role of the parent Ministry.

The following interventions will be supported under NSPSR:

- Clarification of FCSC/FCC interface and their respective structures, consistent with 1999 Constitution, pending its review, and ensure subsequent re-examination after the constitutional review.
- Drafting of guidelines to protect the merit principle in the federal public service with clear assignment of responsibilities amongst OSGF, OHCSF and FCSC.
- Clarification of institutional location of responsibility for assuring effective coordination and supervision of the Federal Government’s parastatals which are responsible for implementation of strategies and plans to ensure the delivery of public goods and services: a key focus of these reforms.
- Review of the legislation for each parastatal, led by OSGF. The work should be done by the parent Ministry, working with the Ministry of Justice. This review should
identify and resolve contradictions with other legislation and ensure compliance with core laws and principles.

(ii) Robust Legal Framework For Public Service Management And Professionalization

There are gaps in the legal framework for PSA. There is Constitutional provision for the public service, but it is brief. Key bodies at the centre of government (such as OHCSF, and FCSC) have identified the importance of a Public Service Bill to operationalise the high level Constitutional provisions. Other parts of government believe that revision of Public Service Rules alone can accommodate any necessary amendments.

While commissions are established by the Constitution for the distinct services (for example, the civil service, judicial service, police service), not all of them are backed by Acts. The police service is an exception, established by the Police Service Commission Establishment Act of 2001. In the absence of a Federal Public Service Act, there has been a reliance on the Public Service Rules and Regulations which were last revised in 2008. Regular update of the Public Service Rules and Regulations must be institutionalised to reflect modern PSA practices. The updates should be every three to five years. Reliance on the current Public Services Rules and Regulation has resulted in burdensome legal challenges to the activities of both the FCSC and OHCSF. Government needs not only to review the current Public Service Rules, but to consider whether – as is the practice in many Commonwealth African countries - Nigeria needs a Federal Public Service Act that will specify the roles and responsibilities of the different organisations in the public service, which would give the required legal backing to the Public Service Rules and Regulations. The strategic interventions to be undertaken under NSPSR are:

- Review of the need for enactment of a Federal Public Service Act to come to a decision whether this is required.
- Institutionalise the regular revision of the Public Service Rules and Regulations.

4.2.2. Enhanced service delivery, accountability and citizens participation

The key focus of these public service reforms is to improve service delivery. All aspects of reform must contribute to this goal. Reforms will make a tangible improvement in services delivered to citizens and other stakeholders, whether through improvements in quality, timeliness, access, equity and client focus. Although service delivery reforms are important in all parts of the public service, there will be a particular focus on reforms of parastatals, agencies and commissions, as these are the bodies which undertake a key part of the actual delivery of services.

Service delivery and accountability are closely linked. Accountability relates to government responsibility for respecting, protecting and fulfilling rights and citizen responsibility for making their needs and priorities known and working with government to establish processes to realise those rights. Accountability is key to making the public
service capable of meaningfully responding to the challenges of improving service delivery. Only when public servants know that there are system to monitor delivery, and that they will be held accountable for any failures to deliver, will there be improvement in delivery of basic services to citizens, enhanced professionalism and reduced corruption.

Participation is a critical component of accountability: citizens should participate in government decision-making, implementation and monitoring of development programmes and projects. Through public participation and inclusive governance public officials are able to define service standards relevant to the people and to continually assess and improve the quality of service rendered by their agencies.

The following are the four building blocks for achieving the target result:

(i) Improve the performance and accountability of parastatals.
(ii) Strengthen mechanisms for enforcing accountability of government to the citizens
(iii) Strengthen mechanisms to enable effective citizen participation in definition of service delivery
(iv) Establish policies and systems to guide progressive realisation of recognised citizens’ rights and improved public service delivery

(i) Improve the performance and accountability of parastatals

The 2014 White Paper on the Report of the Presidential Committee on Restructuring and Rationalisation of Federal Government Parastatals, Commissions and Agencies, set out a wide range of recommendations, which have been accepted by the Government. These concern improving Board governance; transferring functions; and auditing of management, staff and activities. Parastatals must enhance their management, governance and relevance. Although parastatals are central to service delivery, there remains a lack of customer focus, weak accountability to the public/customer and limited opportunities for redress. Parastatals need better management systems, more effective planning and much clearer targets and milestones.

A parastatal is an agent, not a principal: the parent Ministry/body needs to set the policy within which the parastatals operate, but this does not happen. Furthermore, some Ministries lack capacity for policy oversight of all their parastatals. Oversight and supervision of parastatals need to be improved. Checks and controls on parastatal management are also inadequate.

Some of these issues relate to a lack of public service understanding of their CEOs. CEOs typically come from outside the public service, and do not know the public service rules and ways of doing things. They also must be competent in public service administrative processes and rules and regulations.

The strategic interventions to be undertaken under the NSPSR are:

- Implement recommendations of Presidential Committee on Restructuring and Rationalisation of Federal Government Parastatals, Commissions and Agencies.
Undertake self-assessment and external reviews of the management, governance and service delivery of each parastatal.

Define the chain of communications for parastatal CEOs and clarify the respective roles of PS and Minister in relation to parastatal management and oversight.

Strategically align parastatals to the work of their parent ministries/bodies.

Review the appointment processes for CEOs to conduct ‘due diligence’ on candidates’ public service knowledge and understanding and develop induction and ongoing training in for CEOs on leadership and public service management.

(ii) **Strengthen mechanisms for enforcing accountability of government to the citizens**

Issues regarding ethical standards and accountability within the public service are closely linked to anti-corruption. For government to remain accountable to citizens, it has to partner with and answer to: the NASS and its committees (for example the Public Accounts Commission) which have oversight responsibilities; a free media which acts as watchdog; an active civil society and other watchdog groups; and a vigilant and informed public.

These mechanisms: promote financial propriety; combat corruption; and ensure effective government, a responsible administration, and a culture of accountability and transparency. NSPSR will refocus public service on service delivery, enhance public confidence in public institutions and ensure government is close and responsive to the people it governs. The strategic interventions to be undertaken under the NSPSR are:

- Support the building of capacity of, and empower journalists to enable them perform their watchdog role in respect of government activities.
- Support the building of capacity of, and empower the CSOs to better understand issues around policy-making, planning and budgeting processes, and monitoring.
- Identifying ways in which accountability processes can be speeded up, removing bureaucratic procedures on matters of accountability, so that public servants can rapidly be held to account for shortcomings.
- Support the strengthening of Public Accounts Committee in NASS to enable it to perform its oversight role effectively.
- Support the development and implementation of robust feedback and grievance mechanisms.

(iii) **Strengthen demand side of accountability in respect of service delivery**

The NSPSR aims to achieve a world class public service delivering government policy effectively and implementing programmes with professionalism, integrity, excellence and passion to secure sustainable development. A critical part of this is making government institutions open, accountable and responsive to the needs of citizens.
In working to promote and ensure quality service delivery by MDAs, the government, through SERVICOM, has prepared and disseminated a Guide on Service Charters and is working with selected ministries to improve citizen access to information through the publication of service charts. SERVICOM is also leading development of a Charter Mark Scheme: an innovative way of achieving continuous improvement in service delivery, with a subtle introduction of competition among MDAs, rather than a punitive approach to evaluation of service delivery. This new approach will promote deliberate service improvement initiatives among MDAs.

Strengthened citizens’ demand supports government efforts to deliver quality public service and ensures that rights to basic services are respected, protected and fulfilled by government institutions. MDAs are encouraged to carry out stakeholder consultations and to work collaboratively with Civil Society Organisations to build platforms that enable individuals come together and create a representative voice for citizens, including women, youth and vulnerable groups, in the demand for quality service. Access to Information services, as provided through FOI Act 2011, also provides a mechanism within which CSOs can operate. This however requires that CSO must have certain knowledge, a level of expertise and strong skills for advocacy, in addition to being willing to devote the energy and time to engage with government institutions.

NSPSR will support expansion of existing as well as new initiatives aimed at strengthening demand for public service to meet the needs of citizens:

- Empower CSOs to be a watchdog over public service delivery issues.
- Raise public awareness about government public service and provide equitable access to quality service and feedback and redress mechanisms.
- Support the development and implementation of a ‘Charter Mark Scheme’ which is a national recognition scheme for MDAs delivering good services to citizens.

**Establish policies and systems to guide progressive realisation of recognised citizens’ rights and improved public service delivery** Citizens’ rights to basic services are enshrined in international conventions and which has been adopted by Nigeria. In addition to providing basic services, government has a responsibility to ensure that public expenditure is to the benefit of the people, to take active measures to guarantee opportunities for citizens to access public services and provide redress mechanisms when service fails. Efforts have therefore been toward ensuring that specific laws, policies and guidelines are in place ensure progressive improvement of public service and related infrastructure. In 2004 Government launched SERVICOM with the mandate to provide technical assistance to MDAs toward progressive improvement of public service delivery in consultation with their respective stakeholders.

Citizen participation is critical to progressive realisation of improved public service and is highlighted government policies and programmes. Government has also put in place transparent and effective processes for consultation and for monitoring and evaluating delivery and impact. Broad based citizen participation in policy making and delivery
processes however remains rudimentary in Nigeria and needs to be enhanced. Good models for citizen participation include the consultative process employed in the preparation of the Transformation Agenda 2011-2015, Nigeria Vision 20:2020 and its First National Implementation Plan 2010-2013, the NSPSR 2009, and the medium term sectoral strategies. Civil society has also been involved in some aspects of implementation and in monitoring of related programmes and projects.

In order to continue to generate consensus, demand reliable information and services, and provide a reality check for government, the NSPSR will continue to energize non-state actors including CSOs, informal youth and women groups and the press to widen public participation and contribute to policy debate. NSPSR will undertake these other strategic interventions:

- Develop a citizen participation strategy to mainstream participation to achieve improved development results.
- Strengthen government-citizen interactions by promoting consultations, participation, collaboration and dialogue at the policy, budget programme and project levels.
- Develop and prioritise involvement of citizens/beneficiaries of government services in monitoring and evaluation of public service activities.
- Share information, communicate findings, and create access to information about entitlements and rights at the national and sub-national levels.
- Develop community-based monitoring, feedback, and grievance redress mechanisms to review government actions.

4.2.3. Transparency and zero tolerance for corruption

Over the years, Nigeria has been associated with a lack of transparency and pervasive corruption, which has adversely affected public service delivery and growth. Issues around transparency and corruption will be addressed by the following building blocks:

(i) Efficient and effective institutions responsible for anti-corruption and transparency.

(ii) Revised ethical standards for public servants understood and enforced.

(iii) Anti-corruption education with emphasis on ethics and integrity.

(i) Efficient and effective institutions responsible for anti-corruption and transparency

Combating corruption is a priority in the Transformation Agenda 2011-2015. Key issues identified include: ineffective and inefficient anti-corruption agencies and institutions; tolerance of impunity, including ethnic colouration of corruption; delays in the justice system; and abuse of judicial process.

Nigeria continues to score low in the Transparency International (TI) Corruption Perception Index (CPI) although a small improvement from a score of 2.5 (out of total of 10) in 2009 to 2.7 in 2012 was achieved. This improvement is credited to the activities of
anti-corruption agencies, including: the Independent Corrupt Practices and Other Related Offences Commission (ICPC); the Economic and Financial Crime Commission (EFCC), and Code of Conduct Bureau (CCB). These have all recently been strengthened and better resourced. The Public Complaints Commission (PCC) interfaces with the three agencies through its work as the ‘citizens’ defender’ and also contributes to the protection of citizens against corrupt practices. All four institutions, ICPC, EFCC, CCB and PCC, need to be adequately resourced – finance, staffing and equipment. Provision must be made for continuous education and training of their staff. Above all, the institutions need honest, credible and committed leaders with capacity creatively to network at both the national and international levels to advance the work of the agencies. The anti-corruption and transparency enhancing activities of the NEITI and Office of the Auditor General of the Federation (OAUf) will interface significantly with the activities of ICPC, CCB, and EFCC. This interface is discussed further under Pillar 3. The Technical Unit on Governance and Anti-corruption Reforms (TUGAR) which has responsibility for promoting effective cooperation among the anti-corruption bodies needs to be resourced. Notwithstanding the progress recorded in the anti-corruption fight in the last few years, there is need to re-energize the fight against corruption. NSPSR will undertake the following strategic interventions:

- Strengthen and resource ICPC, EFCC, CCB and PCC through such measures as the enforcement of the FOI Act, effective protection of ‘whistle blowers’, and revision of existing laws to ensure sanctions are commensurate.
- Support ICPC to improve the effectiveness of anti-corruption and transparency units (ACTUs) in MDAs.
- Improve coordination of the anti-corruption agencies to increase information sharing and reduce duplication of efforts.
- Support the establishment of special courts to handle corruption cases in order to accelerate prosecution of corruption cases and other mechanisms to avoid extended injunctions and adjournments, including as proposed by the Chief Justice of Nigeria.
- Resource TUGAR to enable it to discharge its coordination responsibilities and quickly respond to feedback.

(ii) Revised ethical standards for public servants understood and enforced

Well performing civil services across the world have clear ethical standards for public servants. Such standards are variously called: Code of Ethics; Code of Conduct; or Ethical Code of Conduct. These codes of conduct carry with them sanctions for non-compliance. In Nigeria, a code of conduct exists to regulate the behaviour of public servants. However, this code of conduct appears to exist only on paper as it has not been able to promote good ethical conduct among civil servants. It has also failed to deter potential violators of public service rules. Ethical standards in the service need to be addressed and sanctions for non-adherence to the public service code of conduct and ethics must also be reinstated.
The NSPSR will support the revision of existing ethical standards to embed incentives for compliance and disincentives for breaches of ethics. The revised ethical standards will be properly publicised for easy comprehension and enforcement. The NSPSR will support:

- Implementation of the provisions of Public Service Code of Conduct and Ethics to bring about change in the work culture, including more effective working between enforcement and regulatory agencies and synergies between the code of Conduct and legal processes.
- Reviving ethical standards and compliance with the code of conduct in the public service.

(iii) Anti-corruption education with emphasis on ethics and integrity

Issues regarding ethical standards and accountability within the public service are closely linked to issues of anti-corruption and transparency. A lesson from international experience in effective anti-corruption, for example from Hong Kong (China), Singapore and Botswana, is the critical role of education in achieving the goal of ‘zero tolerance for corruption’. Education of the citizens with emphasis on ethics and integrity is linked to success in anti-corruption. In the longer term, citizen education can lead to change: in time, officials recruited have been educated to reject corruption, be accountable and commit to high ethical standards. Even though this process takes time, Nigeria must redouble its efforts to educate the public and regain the pre-2007 momentum on anticorruption awareness-raising.

An issue resulting from lack of education and awareness is ethnicization of corruption - citizens condoning corrupt practices which erode organisational and individual values. NSPSR will undertake the following strategic intervention:

- Develop and implement an anti-corruption communication strategy with emphasis on integrity and ethics at all levels of education and in public institutions.

4.2.4. Efficient and Predictable Justice System

A predictable justice administration system depends on laws and regulations that are clear, known in advance, and uniformly and efficiently enforced. There are issues in the justice sector of: delay in the delivery of justice; lack of citizens’ awareness of their rights; and abuse of human rights. The justice system is constitutionally separate to the public service, to ensure its independence. As a result, justice sector reform is not a matter for NSPSR. A separate reform process is under way. However, given the importance of an equitable and effective justice system for the wider enabling justice environment, and taking into account the need for SCR and BPSR to ensure that PSR and justice sector reform are coordinated, an NSPSR building block relates to the justice system:

(i) Strong and reliable justice system
(i) Strong and Reliable Justice System

A strong and reliable justice system is assured by: the existence of laws, regulations and policies which regulate activities, and fair and consistent application of these through well-performing courts and other agencies dispensing justice. A reliable justice system settles disputes which arise in the relationships among citizens or between citizens and the state. Businesses that create employment and economic growth need a predictable justice system and efficient courts for the settlement of disputes.

Justice sector reform is necessary for the success of wider governance reforms. Some justice sector reforms are already on-going, including review and modernisation of federal laws, review of the Legal Aid Council and enhancement of access to justice. Some other reform initiatives include the introduction and spread of alternative dispute resolution (ADR).

Justice sector reforms must continue alongside the wider public sector reform to ensure their success. The strategic interventions will include:

- Support to effective coordination of organisations in the justice sector.
- Support to the coordination of justice reforms with other reform programmes.
- Support to development of organisational and individual capacity in the sector.

4.2.5. Safety and security provided and conflict managed and prevented

The safety and security of persons and property is the primary concern of Nigeria’s security agencies, in particular the police service. Without safety and security, economic growth and national development cannot take place. The key challenges lie with poorly trained security and safety personnel, poor crime fighting tools and equipment, and insufficient statistics on security and safety issues which form the basis for decision making. Other challenges include the poor public perception of security and safety personnel, and persistence of robbery and kidnapping with high mortality rates. There are widespread conflicts which include terrorism (Boko Haram) that affect investment and economic development opportunities. Other conflicts include ethno-religious, intra-and inter-community, and herdsmen-farmer conflicts.

The following are the two building blocks for attaining this target result:

i) Efficient and effective security agencies working together to ensure public safety and security.

ii) Citizens’ awareness and participation in public safety and security.

(i) Efficient and effective security agencies working together to ensure public safety and security
Reforms to ensure the safety and security of lives and property have been piecemeal. They are not coordinated with a view to supporting good governance reforms. An example is the creation in recent years of different security agencies whose activities are not coordinated and who do not share intelligence. Similarly, private security agencies have limited synergies within and amongst the wide security agencies.

As is the case with justice sector reform, police reform is a stand-alone programme. Police reform includes community policing, being implemented in some parts of the country to promote joint working relationships between the police and communities focused on crime reduction, crime prevention and community safety issues. Another on-going programme to ensure the security of lives and property is the creation of the Nigeria Security and Civil Defence Corps (NSCDC) that was launched in 2003. It is specifically tasked to enhance the maintenance of peace and order and to protect and rescue the civil populace during periods of emergency. It also has responsibility for monitoring the activities of private guard companies. NSCDC works closely with the police and its activities will be integrated within the emerging police reform programme.

NSPSR will support the following strategic interventions:

- Promote joint working relationship between the police and other security institutions to share security intelligence focused on crime reduction, crime prevention, investigation and community safety.
- Develop a multi-funding strategy to sustain delivery of services by security and safety institutions.
- Establish baseline data and data collection mechanisms as a platform for the development of a viable security and safety information system.
- Continue to deepen on-going partnerships with the local communities on security and safety and develop new partnerships.

Under NSPSR, M&E activities will monitor the progress of security and safety reforms implementation as safety and security is essential for both the effective delivery of other public services and citizens’ access to them.

(ii) Citizens awareness of and participation in public safety and security

The low level of citizens’ awareness and participation in public safety and security is a key challenge, as is the lack of inclusiveness in the issues of safety and security, and insufficient public awareness of how to respond in the event of an emergency that threatens life and property. Until these issues are addressed, conflict resolution mechanisms have limited success.

Persistent acts of terrorism inflicted by Boko Haram have become more widespread and intense. Weak capacity for conflict resolution and management, compounded by lack of public awareness, has also been exposed in the poor handling of other conflicts of ethnic or religious character, or between communities, such as herdsman-farmer conflicts in the Northern part of Nigeria, resulting in great loss of lives and property. Numerous killings and kidnappings across Nigeria and huge economic losses caused by attacks on oil producing companies mean that there is need for significant improvement in the
capacity for conflict resolution and management in the immediate to short-term. NSPSR will:

- Support the implementation of the United Nations Resolution 1325 on Women, Peace, Conflicts and Security.
- Support the strengthening of the Institute for Peace and Conflict Resolution (IPCR) to enable it to take a lead in handling conflict prevention and resolution.
- Promote collaboration and dialogue between IPCR and other existing organisations and programmes focused on aspects of the subject.
- Support the development of an institutional framework at the state and local government levels for conflict resolution.

4.2.6. Effective coordination of governance reforms

Effective coordination of reforms is a key success factor in managing and institutionalising reforms. NSPSR need to address: inadequate funding of reform programmes coordination; and weak coordination of reform programmes including weak linkage between coordinating agencies. The following are the two building blocks to attain this target result:

i. Strong administrative framework for coordinating governance reforms.

ii. Open and accessible reform management system.

(i) Strong administrative framework for coordinating governance reforms

Assessments and evaluations of PSR reform between 2004 and 2007 identified inadequate coordination of reform activities as a key factor that limits achievements. Consistent with the President’s emphasis on the imperative and urgency for rapid transformation of the public service so that it can effectively deliver the goals of the Transformation Agenda, and Nigeria’s Vision 20:2020, the President he has delegated responsibilities to the SCR which is chaired by the SGF. BPSR, as the secretariat to the SCR, and its operational arm is charged with the responsibility for the overall coordination of the NSPSR. BPSR will produce quarterly review progress reports on the NSPSR implementation for the SCR which will form the basis of the brief to the President. The Director General (DG) BPSR, working through the SGF, will turn the President’s overall leadership of NSPSR into action. Day-to-day coordination of implementation of reform at the MDA level will be assigned to a Reform Coordination function, which each MDA will be required to establish. This is discussed further in Chapter 9: Implementation Strategy. NSPSR will undertake the following strategic interventions:

- Strengthen capacity in Reform Coordination functions in key MDAs to discharge their responsibilities which include coordinating and monitoring the reforms specified under their respective Pillars.
- Strengthen organisational and individual capacity of BPSR and adequately resource BPSR effectively and efficiently to carry out all its functions, including
coordination of NSPSR reforms, monitoring and evaluation, research and knowledge creation on governance and public service issues, innovation incubation, and support to leadership capacity development programmes.

(ii) **Open and accessible Reform Management System**

Information about reforms in the public service is not accessible, including to those in critical senior levels in the public service. The linkage between coordinating agencies and implementing MDAs is weak. One step towards increasing accessibility is BPSR’s development of a compendium of all reforms in the public service since 2009. BPSR has been re-positioned to improve the linkage between reform coordinating agencies and implementing MDAs. NSPSR will undertake the following strategic interventions:

- Regular update and dissemination of the compendium on public service reforms.
- Development and implementation of a strong communication strategy to bridge the communication gap between the BPSR as the main coordinating agency and the other coordinating agencies on the one hand, and BPSR and the implementing MDAs on the other hand to ensure a sustained client-focused improvement in service delivery. This is discussed further in Chapter 9.

**4.3. Long Term Perspective**

The long term perspective of the NSPSR is conceptualized in three phases: the reinvigoration phase, the transformation phase, and the phase that ushers in a world-class public service. The defining characteristics (key outputs and/or outcomes) at the end of each phase of the NSPSR for Pillar 1 are provided in *Table 4.1* on the next page.
Table 4.1: PILLAR 1 – Enabling Governance and Institutional Environment
Defining Characteristics (Key Outcomes and/or outputs) at the End of Each Phase of the NSPSR

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<tr>
<td><strong>Clarity in governance architecture as it affects IGR and PSA</strong></td>
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<tr>
<td>Constitution and other legislative changes streamline intergovernmental relations (IGR) and clarify roles, structures and accountabilities in public service management</td>
<td>High degree of cooperation between Federal Government and State governments in improving service delivery</td>
<td>A well-functioning federal system is institutionalised</td>
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<tr>
<td>Revised Public Service Rules and Regulations is approved and is being used</td>
<td></td>
<td>Organisations at the centre of government have clarity of roles and responsibilities</td>
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<tr>
<td>Need for a Federal Public Service Act is discussed and a decision is made</td>
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<tr>
<td><strong>Enhance service delivery, accountability and citizens participation</strong></td>
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<tr>
<td>Strengthened demand for accountability through functional and measurable public feedback mechanisms at the service delivery windows of MDAs</td>
<td>Level of responsiveness to requests for information under the Freedom of Information Act</td>
<td>Institutionalised transparency and accountability</td>
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<td>Extent of resolution of citizens’ complaints by Public Complaints Commission</td>
<td>Majority of citizens express satisfaction with responsiveness and conduct of services</td>
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<td></td>
<td>Majority of citizens are satisfied with extent of their consultation in policy-making and budgeting</td>
<td>Improved accountability for service delivery in parastatals</td>
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<tr>
<td>White Paper on Restructuring and Rationalisation of Federal Government Parastatals, Commissions and Agencies recommendations implemented</td>
<td>Due diligence on CEO appointment exercised and regular CEO training on public service leadership and management undertaken</td>
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<td>Transparency and zero tolerance for corruption</td>
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<tr>
<td>Develop and implement anti-corruption communication strategy with emphasis on integrity and ethics</td>
<td>Nigeria’s ranking on the Transparency International Corruption Perception Index significantly increased</td>
<td>Zero-tolerance for corruption</td>
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<tr>
<td>EFCC and other Anti-Corruption bodies have the competencies and facilities of well-performing investigative and prosecutorial agencies</td>
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<tr>
<th>Efficient and predictable justice system</th>
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<td>Full financial independence of a justice system</td>
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<th>Safety and security provided and conflict managed and prevented</th>
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<tr>
<td>Reduction in the levels of crime and insecurity in the country</td>
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<tr>
<td>Increased collaboration of between the Police and other security agencies to contain insurgencies</td>
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<tr>
<th>Coordinating and sustaining governance reforms</th>
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<tbody>
<tr>
<td>BPSR is ensuring effective coordination of NSPSR implementation</td>
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<tr>
<td>MDA level service delivery reforms are stimulated</td>
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4.4. Strategic priorities and ‘Quick Wins’

The following are some strategic priorities and ‘quick wins’ that could result in some improvement in the governance and institutional environment of PSA in the immediate to short-term:

**Strategic priorities**

- Push strongly for the enactment of the pending Public Service Bill that will help ensure a robust legal framework for public service management and professionalization.
- Improve the oversight, governance and management of and service delivery competences of parastatals.
- Support the building of capacity of, and empowering CSOs to better understand issues around policy-making, planning and budgeting processes, and monitoring.
- Develop strategies and plans for progressive reduction of corruption and begin prompt action against exposed corrupt officials.
- Develop and implement anti-corruption communication strategy based on the IEC programme with emphasis on integrity and ethics.
- Develop a security and safety management information system.
- Coordinate and share information and data among security institutions.
- Implement the provisions of Public Service Code of Conduct and Ethics to bring about change in the work culture.

**Quick wins:**

- Revise the Public Service Rules and Regulations and identify the need for and level of support (or otherwise) for of a Federal Public Service Bill.
- Revive ethical standards and compliance with the Code of Conduct in the public service.
- SCR to commission a joint study of anti-corruption institutions on corruption.
- Establish through SCR and BPSR an effective system for coordinating governance reforms.
- Initiate self-assessment reviews of governance and management of parastatals as an ongoing activity.
- Continue to support citizens to deepen their understanding of issues around policy-making, planning and budgeting processes, and monitoring. Support the development and implementation of a “Charter Mark Scheme” which is a national accreditation scheme for MDAs delivering good services to citizens.
4.5. Implementation Management

Responsibility for ensuring effective implementation of the reform initiatives focused on governance and institutional issues will be assigned to the OSGF. The BPSR will work closely with the OSGF. The key responsible institutions for the different building blocks of each of the six target results identified are summarized in Annex 5a- Volume 2.
5. PILLAR TWO: AN ENABLING SOCIO-ECONOMIC ENVIRONMENT

**Development Objective:** To create a socio-economic environment that enables accelerated and sustained economic growth and poverty reduction, through institutional pluralism and inclusive participation of vulnerable groups (women, children, persons with disabilities, older persons and family units) in decision making and in the delivery of public services.

5.1. Context

Creating an enabling socio-economic environment, the theme of Pillar 2, is at the heart of the PSR process. This Pillar is closely linked to the Transformation Agenda and deals with three of the four thematic areas of the Transformation Agenda: real sector, infrastructure and human capital development. Sectoral reforms are central to this Pillar. There are many of these that are ongoing, and are being led from the appropriate sectoral MDAs. Those that are most critical both for the Transformation Agenda and to contribute to the NSPSR vision have been identified as:

- Agricultural transformation.
- Creating a strong infrastructural base, especially power/electricity, water and transportation.
- Employment, job creation and productivity.
- Human capital development.
- Effective exploitation of the nation’s natural resources (especially oil and gas).
- Women affairs and social inclusion.

Reforms in many of these areas are already under way, with leadership of these sectoral reforms being undertaken by the relevant sector MDAs. Some high level aspects of these reform agendas are set out in the section below, where they impact on a number of different MDAs. However, the ownership of the content of these reforms as well as their direction sits with the lead MDA.

BPSR will work with the lead MDAs for these important sectoral reforms in order to incorporate the reform plans into the NSPSR implementation plan, will take responsibility for ensuring coordination of the reform programmes across sectors/MDAs, and will – most importantly – make sure that coordinated M&E of all reforms take place. BPSR will draw out milestones and benchmarks for delivery of these key sectoral reforms from their key documentation, and will monitor the cohesion of the reform agenda and will ensure that reforms both conform to planned project timescales and content. However, rather than force pre-existing sectoral programmes into Pillar 2, the focus of the content of this Pillar, essentially, is on the principles, systems and processes which will enable effective sectoral reforms to be carried out with a view to ensuring effective and efficient delivery of public goods and services. Most of the reforms set out in Pillar 2 are of a more crosscutting nature: the elements that need to be in place to make these sectoral reforms have impact.

To achieve the vision and key objectives of NSPSR and the wider NV20:2020 and Transformation Agenda, Nigeria needs to create an enabling socio-economic environment. This is critical because
of five major considerations. For the foreseeable future, Government will continue to face constraints of technical, organisational and managerial capacity, and will lack investment resources needed to supply adequate public goods and services (in infrastructure, education, health, agriculture, etc.) to citizens. Smart partnerships with non-state providers are needed to address gaps in supply and the inevitable limitations in quality and effectiveness.

Second, it is important that private sector becomes the predominant player in Nigeria’s economic development. This explains on-going privatisation of public enterprises, the policy agenda of creating a more attractive environment for investments by the private sector, and the quest for public, private partnerships (PPPs), especially in infrastructure development.

The third issue is the risk - if public service delivery is of poor quality – that the current rate of economic growth and poverty reduction will not be accelerated or sustained. Unless economic growth with employment creation is realised, social tensions are likely to be exacerbated. Nigeria will not have achieved its overarching development agendas unless poverty reduction takes poor households to the threshold of subsistence.

Fourthly, to accelerate economic growth and poverty reduction, there is need to improve the business environment to enhance efficiency, profitability and growth of existing enterprises and to attract more investments, both domestic and foreign.

Finally, and most importantly, the achievement of the goals of NV 20:2020 and Transformation Agenda hinge on creating an enabling social economic environment through public service reform.

Three sets of PSR measures are necessary: measures are needed to rapidly enhance capacity for policy and strategy development; effective regulatory frameworks are required in the MDAs responsible for promoting growth in investment by the private sector and participation by other non-state actors in the supply of public goods and services; and there is need to strengthen the NPC to perform the role of systematic and comprehensive research as well as M&E of development outcomes in all sectors.

5.2. Progress in Pillar 2 since 2009

A number of elements of NSPSR strategy have been implemented since 2009, and considerable achievements have been recorded, as evidenced by Compendium of Reforms (2014). Sectoral reforms in a number of areas are starting to yield positive results: Agriculture; Power; Transportation – Aviation and Railways; Housing and the Financial Sector. These are sectors where ongoing reforms will continue during the life of NSPSR.

Specific progress towards creating an enabling socio-economic environment since 2009 also includes the following:
NPC is putting in place a robust system for policy research and M&E system with key indicators for the public sector; and some improvements in strategic analysis have started to manifest;

The Economic Management Team (EMT) and Economic Management Implementation Team (EMIT) have been reinvigorated to further refine policies and promote macroeconomic and fiscal stability;

The National Bureau of Statistics (NBS) has been restructured and reengineered to carry out its mandate of conducting socio-economic surveys and managing the nation’s statistical base;

Privatization of public enterprises is being sustained and consolidated by BPE; there have been achievements in energy reform through unbundling and privatisation of the Power Holding Company of Nigeria (PHCN), including the recent privatisation of electricity generating plants.

5.3. Building Blocks and Target Results

Pillar 2 of the refreshed NSPSR comprises five target results and seventeen building blocks. The building blocks of the Pillar and the development outcomes targeted are presented in Figure 5.1. The description of the building blocks, strategic interventions and key outputs is set out below under the five target results of the Pillar.

Figure 5.1: Pillar 2 Building Blocks and Target Outcomes
5.3.1. Enabling Policy Environment for Accelerated and Sustained High Rate of Economic Growth

Robust economic growth is central to achievement of Nigeria’s national goals. Robust economic growth is critical for poverty reduction and indispensable for attaining NV20:2020’s goal of being among the top 20 economies of the world by that year.

An enabling policy environment is required to achieve high, accelerated and sustained rate of economic growth. Structural reforms and improved management of both policy development and programmes implementation are necessary in most sectors of the economy and in public service delivery. In particular, the real sector which comprises economic growth drivers such as agriculture, manufacturing, solid minerals, oil and gas, infrastructure and construction sectors should lead the way in instituting effective policies, strategies and programmes supported by appropriate regulatory frameworks to enhance sectoral growth and contribution to the national economy.

The building blocks for creating an enabling policy environment for accelerated and sustained high rate of economic growth will comprise the following:

i. Strengthen socio-economic policy development and coordination;

ii. Conduct long range strategic analysis, socio-economic policy research development and planning;

iii. Institute clear policy and legal framework for effective exploitation of natural resources and to attract private sector investment into infrastructure development.

(i) Strengthen Socio-Economic Policy Development and Coordination

Effective socio-economic policies are the most potent instruments for accelerated economic growth. The quality of such policies impacts not only government expenditure choices, but also the rate and quality of investment and enterprises by non-state actors in the economy. Accordingly, strengthening socio-economic policy development and coordination is a priority of the refreshed NSPSR.

Key current issues in respect of socio-economic policy development and coordination in Nigeria include the following:

- Capacity for policy analysis, development and review is generally weak, especially in MDAs;
- Lack of policy continuity and flexibility, arising from absence of legal backing for many of the policies; policies can be changed at will with detrimental impacts on investment decisions;
- Policy formulation is frequently top-down, and generally not based on facts or credible evidence such as statistical data;
• Limited stakeholder consultation and involvement in policy development, coordination, implementation and evaluation;
• Poor coordination of policies, leading to policy conflict.

The strategic objective of strengthening policy development and coordination will be addressed by three distinct initiatives. First, measures to ensure a strong centre of government, as set out under Pillar 1, will be prioritised. Secondly, Government will work with private sector, think tanks and civil society in a strategic partnership in policy development, implementation, monitoring and evaluation, and coordination. Thirdly, the centre of Government will ensure that MDAs effectively undertake policy development. To achieve this:

• SGF will produce a manual for policy development and coordination for use by all MDAs, and will monitor compliance with the manual and quality of policy proposals;
• A systematic programme will be developed for Chief Executives, PSs and their senior and policy related staff to build capacity in a proactive and strategic orientation to policy development;
• The strategic plans of MDAs will be required to drive policy initiatives. In other words, the strategic plans will map out and schedule the respective MDAs’ policy development initiatives; so that ad hoc and reactive policy initiatives will be exceptions rather than the norm;
• The quality and policy content of the strategic plans will be enhanced through a more effective coordination by the NPC.

In order to strengthen socio-economic policy development and coordination, the following specific interventions will be accorded priority under the refreshed NSPSR:

• Developing an institutional model for Federal Government of Nigeria (FGN) interaction with the private business sector, a take-off point of which will be the Nigeria Economic Summit Group (NESG);
• Developing and implementing a capacity building programme specifically targeted at policy consultation, both with civil society and specifically to ensure effective FGN interactions with private business sector in policy development, monitoring and evaluation;
• Developing, embedding and continuously seeking to improve M&E not only of implementation of projects, but also of core public service activities, to report on delivery of outputs and services;
• Developing and implementing a capacity building programme for the leadership of MDAs, especially the growth drivers sectors (agriculture, manufacturing, oil & gas, telecommunications), to inculcate in them a proactive and strategic orientation to socio-economic policy development, implementation monitoring and evaluation;
- Institutionalising and enforcing stakeholders consultation in socio-economic policy development, implementation, monitoring and evaluation;

- Strengthening legislative backing for policy continuity so that polices will no longer be changed at will; in this connection, NPC will ensure that the ‘Project Continuity Bill’, currently with the National Assembly, is passed into law as quickly as possible.

- Creating an enabling investment climate to attract domestic and foreign investments into all sectors (but particularly infrastructural sectors), to generate employment and reduce poverty.

(ii) **Conduct Long Range Strategic Analysis, Forecasting, Socio-Economic Policy Research and National Planning**

At present, very few MDAs have systems for continuous research, M&E of development outcomes and impact as the basis for long-range strategic analysis, forecasting, planning and evidence-based policy making. Policy research, M&E of policy outcomes and impact are carried out intermittently by sector MDAs, MDGs Office and development partners in various sectors. The results of household surveys also provide trends in outcomes and impact indicators. However, in most sectors, there is neither the strategic focus nor rigour and there are no institutional mechanisms for ensuring timely and coordinated application of the results to change policies and strategies. This means that there is no sound or reliable basis for policy decisions and strategic directions. Policy research is grossly underfunded: many research institutes and universities engage in research with little relevance to shaping national policies. Capacity for long range analysis and forecasting is limited. This means that there are fundamental weaknesses in evidence based policy making.

The following interventions will be implemented to create the enabling environment for long range strategic analysis, forecasting and socio-economic policy research:

- A system for research and M&E of policy outcomes and impact will be installed within the centre of Government. By its mandate, NPC will lead and coordinate both the development and maintenance of this system, but other parts of the public sector, including sectoral MDAs will also contribute;

- Developing capacity at the centre of Government for long range strategic analysis, forecasting, policy development and planning will be developed. This will be led out of NPC. However, M&E and analysis of intermediate development outcomes and outputs will be left to MDAs;

- Capacity building of the National Bureau of Statistics, as part of efforts to improve the evidence basis for public policy;

- Focused and policy based research will be accorded priority and adequately funded; specialised research institutes like the Nigerian Institute for Social and Economic Research (NISER) will be strengthened to live up to their responsibility as the nation’s ‘Think Tanks’.
Through the above interventions, it is anticipated that NPC and specialised research institutes will regularly provide to MDAs:

- Results of research, M&E of development outcomes by key indicators for various public services by different sectors;
- Alternative scenarios and forecasts of economic trends and development outcomes in various sectors. In some instances, the NPC will complement and in others provide an alternative perspective to that offered by other agencies such as CBN, think tanks, global development institutions and private corporations; and
- Long range strategic directions to prompt and guide MDAs on the courses of action to take to improve outcomes performance by their respective sectors.

(iii) Institute Clear Policy and Legal Frameworks for Effective Exploitation of Natural Resources and to attract Private Sector Investment into Infrastructure Development

Clear and operational policy and legal frameworks are critical to effective exploitation of natural resources and to attract private sector investment into infrastructure development.

There are major concerns with the legal frameworks in Nigeria, especially as they relate to business undertakings and investment. Outdated legal frameworks abound and Bills to modernise frameworks are taking too long to be passed into law by the National Assembly - an example being the Petroleum Industry Bill. The business dispute resolution mechanism is not effective. In 2013, Nigeria ranked 136th for ‘Enforcing Contracts’ out of 189 countries surveyed by the World Bank in its Ease of Doing Business Survey.

NSPSR will support strategic interventions to institute clear policy and legal frameworks including the following:

- Legal frameworks relating to natural resources and infrastructure development will be collated, reviewed and modernised. This will include pushing forward a range of reform Bills in the infrastructure sector drafted by BPE;
- The National Assembly will be prevailed upon through moral suasion and other means to expedite passing into law all Bills relating to natural resources and infrastructure development;
- Policies dealing with natural resources and infrastructure development will regularly be reviewed to make them investor friendly.

5.3.2. Enabling policy environment for poverty reduction

Widespread poverty is one of the most serious development challenges currently facing Nigeria. There is widespread unemployment, and poor basic infrastructure, which further aggravates the incidence of poverty. Poverty reduction has been the ultimate goal of
successive Nigerian Governments; and it is a priority target result of the refreshed NSPSR.

In the 2009 NSPSR, economic growth and poverty reduction were combined as a single policy target result. In the refreshed NSPSR however, sustainable economic growth and poverty reduction have been separated to ensure proper focus on the latter. Historically, Nigeria’s economic growth has not had significant impact on poverty reduction: Nigeria’s relative poverty index rose from around 54% in 2004 to about 70% in 2012, despite the fact that the economic growth rate averaged over 6% per annum in real terms over the same period.

Combating poverty in Nigeria requires challenging, well-targeted measures. These measures include: provision of pro-poor infrastructural facilities; targeted cross-subsidy on the tariffs of public utilities, including electricity, water and government-operated mass transport systems; integrated development of the rural areas where the majority of the poor live; and implementation over time of mass-impact social safety-nets.

Accordingly, the priority interventions for creating an enabling policy environment for poverty reduction will comprise the following:

i. Create strong infrastructural base with emphasis on power/electricity, water, transportation and pro-poor infrastructural facilities;

ii. Create environment for integrated rural development;

iii. Develop and implement effective social safety-nets.

(i) Create a Strong Infrastructural Base with Emphasis on Power/Electricity, Water, Transportation and Pro-Poor Infrastructural Facilities

The deplorable state of basic infrastructure is a serious development challenge. The problem is most acute in power/electricity supply, transportation (roads, rail and water transportation), housing and water supply for domestic, agricultural and industrial uses. All of these are of critical importance for economic growth and poverty reduction.

Power/electricity supply is vital for industrial development, small and medium Enterprises (SME) development, artisanal activities (e.g. welding, carpentry, furniture work, aluminium work and grinding activities), general economic and domestic activities. It shapes overall economic growth, and the general wellbeing of the people. The present erratic electricity supply situation raises the cost of doing business and exacerbates general poverty. The unbundling and privatisation of PHCN and the recent sale of some generating plants are steps in the right direction, although their impact on improved electricity supply is yet to be felt.

A robust infrastructural base, especially one that is characterised by pro-poor focus and priorities, is an effective means to reduce the incidence of poverty. Access to cheap mass transportation and affordable housing as well as regular electricity and water, at potentially cross-subsidised rates, not only help extend the few resources people have,
but enable them to increase income through their work in the formal or informal economy.

The following strategic interventions will strengthen the infrastructural base:

- Sustaining the ongoing power sector reforms and intensifying investment in power generation, transmission, distribution and alternative energy to reduce the cost of doing business in Nigeria though provision of a high quality and dependable power supply, to provide citizens with basic and affordable power and to create employment, including through:
  - Improving the efficiency and effectiveness of the distribution, generation and transmission network;
  - Creating an electrify market that is private sector driven;
  - Encouraging large scale investment by the privet sector across the power value-chain;
  - Establishing a robust monitoring mechanism to drive the goal and objectives of government in the privatised power sector;
- Evolving a multimodal, integrated and sustainable transport system, including affordable mass transportation systems; entailing strategic investment in rail, road and water transport infrastructure;
- Producing and implementing unified and integrated housing infrastructure development;
- Ensuring sustainable and optimal performance of water supply schemes and facilities;
- Passing the pending Bills on transportation to facilitate concessioning of critical rail-lines, selected Federal roads and airports to attract investment.

(ii) Create Environment for Integrated Rural Development

The majority of the poor in Nigeria live in rural areas. A larger proportion of the Nigerian population lives in the rural areas than in urban areas, and the poverty rate is higher in the rural than in the urban areas (poverty rate in the rural areas, 2009 – 2010 was 69% against 51.2% in the urban areas). A programme of rural development is a priority for poverty reduction in Nigeria.

Key issues with this building block include the following:

- Rural areas suffer gross shortages of basic facilities, including link roads, potable water supply, electricity, health and educational facilities which, coupled with limited employment and other economic opportunities, encourage rural-urban migration.
- In some parts of Nigeria, women do not have access to land; yet many of them engage in farming and have to live at the mercy of men to make a living.
• Rural dwellers do not have a concerted voice on issues affecting them and are therefore unable to attract economic benefits to their communities. Cooperative societies are either non-existent or are weakly operated.

• The capacity for planning and implementation at the local government level needs upgrading to focus on rural development.

• Rural communities are not well integrated with the urban centres to provide necessary synergy in economic activities. Many rural communities do not have good link roads to urban centres, leading to wastage of agricultural produce could be sold in the urban centres.

The interventions to be implemented under the refreshed NSPSR to create an enabling environment for integrated rural development are as follows:

• A mandate that all relevant MDAs develop plans to provide basic facilities in the rural areas (roads, water, electricity, health facilities, telecommunications, cottage industries and market outlets);

• Review of the Land Use Act to reflect the gender perspective and enhance women’s access to land;

• Strengthening of cooperative societies in the rural communities through effective tutoring and monitoring;

• Strengthening of local government authorities’ capacity for planning and implementation with emphasis on integrated rural development;

• Provision and operation of more effective and targeted initiatives to help people increase acquisition of practical and marketable skills in rural areas;

• Development of strategies to link rural communities to urban centres through the provision of effective transportation systems (roads, rail and water transportation).

(iii) **Develop and Implement Effective Social Safety-Nets**

Given the widespread poverty and high rate of unemployment in Nigeria, there is a need for effective social safety nets. Unfortunately, formal, mass-impact and sustainable social safety nets, such as the National Poverty Eradication Programme have not been very effective. For example, there is no government-sponsored unemployment benefits scheme in Nigeria. The unemployed are totally reliant on support from family and friends.

There are existing initiatives, such as the Subsidy Reinvestment Programme (SURE-P) and the Millennium Development Goals Conditional Grant Scheme (CGS). However, these are not large enough to have a tangible impact.
Under the refreshed NSPSR, government will aim to develop and deliver critical social surveillance and social protection systems, including innovation funds and revolving funds, in order to

- reduce want and raising the minimum quality of life standards for the less privileged thereby bridging social gaps and reducing their vulnerabilities and exposure to exploitation;
- reducing personal, family and community burden of care and demonstrating duty of care to afflicted, terrorized and vulnerable groups;
- protecting the basic human rights needs of vulnerable citizens and ensuring that Nigeria attains the globally agreed ILO social protection floor;
- ensuring compliance with national and global policy commitments in the social sector and providing effective regulation, standardisation, professionalization and oversight of service provision by relevant stakeholders including the private sector;
- reducing the incidence of exploitation, recruiting, grooming and radicalisation of citizens especially children, the youth and marginalised groups for terrorist and violent insurgent acts.

5.3.3. Enabling Policy Environment for Robust and Sustainable Employment Generation

The issue of employment generation is so important that it has been singled out in the refreshed NSPSR to focus on desired outcomes. The unemployment situation has reached such a crisis dimension in Nigeria that robust and sustainable employment generation must be a priority.

In the past decade, Nigeria’s economic growth and general price stability have not been accompanied by unemployment reduction: indeed unemployment has risen. Nigeria’s unemployment is characterised by the following:

- It is large and rising over time; even by official estimates, the national unemployment rate remained at double figures in the 12-year period of 2000 to 2011 and has been rising continuously since 2004, reaching 23.9% in 2011;
- The problem is worst among youths (15 – 30 years old) and among graduates of tertiary educational institutions;
- The problem is more serious in the rural areas; with rural and urban rates of unemployment being 25.6% and 17.1% respectively in 2011.

The scale and particularly the youthful demographic structure of unemployment in Nigeria has been blamed for the increasing levels of crimes and social unrest as well as the general level of insecurity in parts of the country.
Priority interventions for this target result under the refreshed NSPSR are to:

- Develop and implement policies for robust and sustainable employment generation;
- Promote results-oriented human capital development and build entrepreneurial capacity.

(i) **Develop and Implement Policies for Robust and Sustainable Employment Generation**

Employment generation is a key objective of Nigeria’s Transformation Agenda. Various policies are being implemented by various states governments and the Federal Government to create more jobs and reduce unemployment. But the enormity of the problem has so far defeated them.

To make appreciable impact on the unemployment situation, employment generation has to be robust and sustainable. With some 56% of Nigeria’s population in the labour force and with the labour force growing at an average rate of 3.2% per annum, at least 1.8 million jobs need to be created annually just to accommodate new entrants into the labour market.

Various sectors of the economy - particularly agriculture, manufacturing, construction and telecommunications - will need to be supported to enhance their employment generating potential. Specific interventions will include:

- Enforcing mandatory sub-contracting and partnering with locals by foreign construction companies; including mandatory skills transfer to Nigerians by foreign construction companies;
- Revamping the industrial sector and introduction of policies to enhance the international competitiveness of the Nigerian economy;
- Protecting, where needed, local industries from international competition to enhance their employment generating capability;
- Installing a policy framework and capacity for trade facilitation;
- Providing necessary incentives to the Communications Sector so it can continue to expand and generate more jobs;
- Building employment generation into infrastructure development plans;
- Implementing the National Action Plan on Employment Creation (NAPEC) targeted at creating 5 million new jobs annually within the next 3 years;
- Implementing Local Content Policy in all sectors, especially in the oil and gas industry, in order to boost job creation;
- Accelerating the expansion of the agricultural sector and provision of necessary incentives to attract labour into that sector and keep it there;
• Employment schemes of the National Directorate of Employment (NDE) to be pursued with stronger commitment in terms of finance and training; and
• Governments at all levels will be encouraged to partner with the private sector and diversify the economy in order to create jobs.

(ii) Promote Results-Oriented Human Capital Development and Build Entrepreneurial Capacity

Strategic human capital development is imperative for promoting employment, enhancing economic growth and reducing poverty. Results oriented human capital development entails functional education to inculcate fundamental knowledge and skills in the workforce and strategic investment in health to ensure a fit and productive workforce. It also entails building the entrepreneurial capacity, including of graduates so they become jobs creators as against job seekers.

Interventions to promote results-oriented human capital and develop entrepreneurial capacity will include:
• Developing policies to enhance productivity of teachers through training, capacity building, and motivation;
• Aligning the national human capital development programme to long term growth strategies, which should be a priority task for a revamped National Manpower Board (NMB);
• Reviewing universities’ curricula to align them with job requirements, and promotion of apprenticeship and work experience programmes;
• Promoting entrepreneurship culture so graduates of tertiary institutions become jobs creators rather than job seekers.

5.3.4. Optimal Returns/Benefits from Government and Private Sector Investments

The investment and business climate in Nigeria has considerably improved in recent years. For instance, procedures for business registration and licensing at the Corporate Affairs Commission (CAC) have improved, but there is scope for strategic interventions to develop a more enabling business environment. In the 2013 World Bank ‘Doing Business’ Rankings, Nigeria ranked 147 out of 189 countries surveyed regarding ease of doing business. Particular areas of concern include: getting electricity; registering properties; and paying taxes. Nigeria has a weak framework for working in partnership with the private sector (whether domestic or foreign) to increase returns and benefits from government and private sector investments. Key building blocks are to:

i. Sustain strategic privatisation of public enterprises (PEs);
ii. Ensure strong Public-Private Partnerships in the delivery of public goods and services as well as profitable performance and accountability in the management of Federal Government investments.

(i) Sustain Strategic Privatisation of Public Enterprises (PEs)

The privatisation programme has gathered momentum over time. Major strides have been taken in the development of regulatory institutions (e.g. the establishment of the Nigerian Electricity Regulatory Commission – NERC) and important sector policies and laws have been introduced. Some progress has been made in energy reform, including the unbundling and privatisation of PHCN, establishment of NERC and recent privatisation of some electricity generating plants.

The current key issues with the privatisation programme include:

- Opposition from labour unions and resistance from some affected MDAs are delaying the privatisation process and weakening investors’ confidence;
- The privatisation process is being delayed by the heavy cost associated with the transactions, especially severance pay to employees of the privatised enterprises;
- Privatisation needs to be taken forward for some strategic enterprises (e.g. the refineries).

The FGN is committed to consolidation of the privatisation process. Strategic interventions under the refreshed NSPSR will include:

- Instituting an effective regulatory regime to protect public interests, especially where the privatised enterprises have a monopolistic position (as in the case of electricity supply);
- Intensification of post privatisation monitoring by the BPE to ensure that investors strictly comply with the terms of the sales of the enterprises they bought;
- Completing the on-going privatisation of enterprises listed in the Privatisation Act;
- Implementing outstanding initial public offers (IPOs); and
- Consolidating the privatisation reforms in relevant industries and sectors through:
  - Creation of enabling legislation, including an Anti-trust Act;
  - Establishment of a Competition Commission (the Bill is in NASS);
  - Establishment of the National Transport Commission (the Bill is in NASS); and
  - Establishment of the Oil and Gas Regulatory Commission.

Government has a clear policy to promote Public-Private Partnerships (PPPs) in the development of infrastructure. An enabling legal framework has been established through the Infrastructure Concession Regulatory Commission (ICRC). The refreshed NSPSR envisions PPPs in more than just the infrastructure sector especially given the declining public resources for investment. Other sectors where PPPs may be appropriate include: agricultural (e.g. dam construction and leasing irrigated land to farmers); education (e.g. hotels construction and letting to students) and health sectors (e.g. mobile clinics). Policy and guidelines for non-infrastructure PPPs are needed, as well as appropriate IEC to promote such PPPs.

The major concern with PPP is that the PPP concept is not yet fully understood by many public servants; and private sector operators do not have confidence in government’s participation with them in business ventures. Many government business investments in Nigeria (including PPP, but also in other areas) are not profitable, do not deliver the anticipated benefits in service delivery and the levels of accountability in them is seriously questionable due to lack of interest in delivering services, weak management and corruption.

In addition to addressing the capacity deficiency in the public sector, effective PPP development for public service delivery demands that selection of PPP partners should be based on competence and capacity of the partners as against patronage; that project should be carefully selected and their feasibility studies properly carried out; and that procurement processes should be transparent and competitive. These will be the hallmark of the PPP policy and guidelines to be developed as part of the refreshed NSPSR.

In order to strengthen PPP in the delivery of public goods and services, and to enhance the profitability and accountability in the management of Federal Government investments, the following strategic interventions will be prioritised:

- Institutionalise PPP in: agriculture sector (dams construction to lease out irrigated land to farmers at affordable cost); education sector (hostels construction and letting to students at affordable rent); health sector (mobile clinics business); and small scale services like public toilets and markets;
- Developing the competencies and attitudes of public servants in PPP management through conscious investment in capacity building;
- Developing the competencies and attitudes of public servants in PPP management;
- Building local capacities for monitoring the performance of PPPs;
- Developing the capacity of MDAs to manage PPP contracts; including provision of adequate funding for PPP units in MDAs to enable them carry out proper project development and PPP management;
• Carefully studying and applying success stories and case studies in PPP from other countries (e.g. India, Malaysia, Thailand and Vietnam);
• Promoting the availability of long term financing for PPP financing, for example through the use of pension funds; Developing and implementing an effective IEC programme to promote and sustain PPPs;
• Strategic investment to build the capacity of government investment managers;
• Introducing performance contracts for managers of FGN’s investments and holding them accountable to such contracts;
• Enforcing regular reporting on the performance of government investments;
• Regular M&E of government investments and implementation of M&E recommendations;
• Regular audit of government enterprises and implementation of audit report results.

5.3.5. Enhanced and Diverse Participation of Non-State Actors in the Delivery of Public Goods and Services

Government lacks sufficient financial resources to respond to the rapidly escalating demand for public goods and services, especially in the area of infrastructure. FGN has chosen to develop national infrastructure through PPPs. Besides the PPPs model, there are other opportunities for non-state actors to participate in the supply of public goods and services. For example, many private sector entities and NGOs (including faith-based organisations) are interested in investing in education (at all levels) and health services. The public service role in promoting and enabling these investments is crucial. Therefore, participation of non-state actors in the supply of public goods and services is much wider than the PPPs.

All tiers of government in Nigeria (Federal, State and Local) are becoming more gender sensitive. However, there is room for improvement: a large proportion of the population, especially women and other vulnerable groups are still not empowered. This means that they are unable to make their contributions to public service delivery. The building blocks to this target result are as follows:

i. Ensure enhanced participation of communities and NGOs (international and local) in the delivery of public goods and services;

ii. Mainstream social inclusion (women and all other disadvantaged groups) in the activities of all MDAs, in particular in the delivery of outsourced public services; and

iii. Implement national and international instruments, legislation and policies concerning women, persons with disabilities, older persons and other vulnerable groups.
(i) **Ensure Enhanced Participation of Communities and NGOs (international and local) in the Delivery of Public Goods and Services**

Enhanced participation of communities and NGOs in the delivery of public goods and services will be pursued with a view to: (i) narrowing the gaps in public service delivery of goods and services; and (ii) enabling innovative models of quality public goods and services delivery to evolve for the public service to roll out.

Key issues with the involvement of non-state actors in the delivery of public goods and services include:

- Communities and many NGO’s currently do not have the financial and technical capability to deliver public goods and services;
- Communities are generally not organised (e.g. through cooperatives or registered associations) to have one voice. The lack of organisation also reduced their financial strengths to engage in the delivery of public goods and services;
- The security situation in parts of Nigeria limits the work of many NGOs;
- Duplication by NGOs is common; many NGOs do the same thing in many communities without any prioritisation or visible specialisation.

Under the refreshed NSPSR, interventions for enhancing participation of non-state actors in the delivery of public goods and services will include:

- Developing policies, guidelines and incentives for promoting participation of communities and NGOs in the delivery of public services;
- Supporting MDAs to develop strategies and programmes for enabling and promoting participation of communities and NGOs in the delivery of public goods and services. NPC will support the development of the capacities of MDAs to develop such strategies;
- Maintaining budgetary provisions, grants and subventions to NGOs that deliver key services to vulnerable groups;
- Targeted capacity building and technical support to relevant NGOs and communities to enhance their participation in the delivery of public goods and services;
- Preparation and dissemination of a compendium of NGOs involved in delivery of public goods and services; this compendium will show: address, activity areas, capacity of the NGO, action plan, impact and funding sources among other information;
- NPC to strengthen its coordinating role for NGOs and carry out more effective monitoring of NGO activities; including reviewing and coordinating the strategic plans of MDAs so as to enable it better guide the coherent NGO partnerships and interventions of development partners.
Mainstream Social Inclusion (women and all other disadvantaged groups) in the Activities of all MDAs and in the Delivery of Outsourced Public Services

Social inclusion involves making conscious efforts to provide for the marginalised and vulnerable members of a society; giving them access to services, assets and social justice and eliminating all forms of discrimination against them. Discrimination against vulnerable groups still occurs in public institutions, whether education and health services or legal systems. The private sector excludes them in many ways, and at a household level they are disadvantaged.

The public service needs to take a lead to correct existing imbalances in both employment and participation of such groups, and particularly women and the disabled in the Federal Civil Service (FCS). There is scope, for example, for affirmative action in provision of outsourced services (e.g. lifts operation and cleaning) for persons with disabilities (PWDs).

The following interventions will be implemented under the refreshed NSPSR:

- Development and implementation of policy and guidelines for affirmative action to be implemented by all MDAs;
- Development and implementation of a policy framework for enabling and promoting diversity (especially women and other disadvantaged groups) in outsourced delivery of public goods and services;
- Instituting monitoring and evaluation of disadvantaged groups’ participation in public service employment;
- Implementation of the Women Fund for Economic Empowerment (WOFEE) and Business Development Fund for Women (BUDFOW); the two micro-credit schemes set up to assist women; and
- Continuation and intensification of the policy of assisting the mobility of Persons with Disabilities (PWDs).


There is a number of domestic policies and legislation to protect the rights of women and other vulnerable groups. There is a National Gender Policy. However, the Gender and Equal Opportunity Bill is still pending with the National Assembly. Nigeria is a signatory to many international instruments. Examples include: Convention on the Elimination of Discrimination against Women; United Nations Resolution 1325 on Women, Peace, Conflicts and Security. Many of these laws, treaties and conventions to which Nigeria is a signatory have not been domesticated; those that have been domesticated have not been faithfully implemented. Furthermore several of the national policies have not been
implemented. There is poor understanding of gender issues in Nigeria, and the rights and needs of other vulnerable groups are even less recognised.

Specific strategic interventions in this connection include:

- Effective implementation of the National Gender Policy (2006);
- Collation and updating of all national and international instruments, legislation and policies concerning women and other vulnerable groups and implementation of the instruments;
- Domestication of all international laws, treaties, conventions and policies and instruments to which Nigeria is a signatory and which are yet to be domesticated;
- Awareness creation and sensitization on the existing national and international instruments, legislations and policies concerning the vulnerable groups.

5.1. Long Term Perspective

The long term perspective of the NSPSR is conceptualized in three phases: the reinvigoration phase, the transformation phase, and the phase that ushers in a world-class public service. The defining characteristics (key outputs and/or outcomes) at the end of each phase of the NSPSR for Pillar 2 are provided in Table 5.1 on the next page.
### Table 5.1: PILLAR 1 – Enabling Governance and Institutional Environment

**Defining Characteristics (Key Outcomes and/or outputs) at the End of Each Phase of the NSPSR**

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<tr>
<td><strong>Enabling policy environment for accelerated and sustained high rate of economic growth</strong></td>
<td><strong>Enabling policy environment for poverty reduction</strong></td>
<td><strong>Enabling policy environment for poverty reduction</strong></td>
</tr>
<tr>
<td>An institutional model for effective interaction between the Federal Government and private sector developed and put into operation.</td>
<td>Capacity of the leadership of MDAs developed for effective socio-economic policy analysis, development, implementation, monitoring and evaluation.</td>
<td>Stakeholders’ consultation in socio-economic policy development, implementation, monitoring and evaluation institutionalised.</td>
</tr>
<tr>
<td>A system for continuous research and M&amp;E of policy outcomes and impact installed in NPC.</td>
<td>Capacity of NPC for continuous long range strategic analysis, forecasting and planning strengthened.</td>
<td>Socio-economic performance sustained on NV20:2020 projections.</td>
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<tr>
<td>Legal framework for natural resources updated.</td>
<td>Legal framework for infrastructures reviewed and made investors friendly.</td>
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<tr>
<td>All sectors have NPC-validated policies and strategies to achieve MDGs</td>
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**Enabling policy environment for poverty reduction**

<p>| The Transformation Agenda’s target investment of N1,896 trillion in the power sector by 2015 is achieved. | Demonstrated increase in domestic and foreign investments in infrastructural facilities | Adequate and sustainable power/electricity supply achieved |
| An integrated rural development strategy developed and implemented (integrate all efforts by Federal, States and LGAs) | Local government authorities’ capacity for planning and plan implementation strengthened. | Well integrated multimodal transportation system established. |
| Existing socio-safety nets widened. | A National Social Security Policy (NSSP) developed and implemented | A youth employment safety net involving conditional cash transfer and vocational training implemented. |</p>
<table>
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<tr>
<th>Nigeria’s poverty index is comparable to</th>
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<td></td>
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<td>the average obtainable among G20 countries.</td>
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<tr>
<td><strong>Enabling policy Environment for robust and sustainable employment generation</strong></td>
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<tr>
<td>Local industries are effectively protected from international competition.</td>
<td>Manufacturing sector appreciably/ significantly expanded.</td>
<td>Governments at all levels partner with the private sector to diversify the economy and create jobs</td>
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<tr>
<td>The National Action Plan on Employment Creation (NAPEC) fully implemented.</td>
<td>Appropriate incentives provided to attract labour into Agriculture sector and keep it there.</td>
<td>International competitiveness of Nigerian industries at world class level.</td>
</tr>
<tr>
<td>Effective vocational training programmes implemented.</td>
<td>Universities’ curricula reviewed and aligned with industry job requirements.</td>
<td>A single digit national unemployment rate achieved.</td>
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<td></td>
<td>Appropriate supports/incentives provided to entrepreneurs to create jobs</td>
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<td></td>
<td>National human capital development programme aligned to long term growth strategies.</td>
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<tr>
<td><strong>Optimal returns / benefits from government and private sector investments</strong></td>
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<tr>
<td>Reform and privatisation of the power sector fast tracked.</td>
<td>Post privatisation monitoring of privatised enterprises intensified by the BPE.</td>
<td>Effective regulatory regime instituted to protect public interest regarding privatised enterprises.</td>
</tr>
<tr>
<td>Appropriate policies and guidelines for PPPs in non-infrastructure sectors developed and implemented.</td>
<td>Competencies and attitudes of public servants in PPP management developed.</td>
<td>Capacity of MDAs to manage PPP contracts measurably developed.</td>
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<tr>
<td></td>
<td>Capacity to regulate PPP built and strengthened.</td>
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<tr>
<td></td>
<td>PPPs scaled up in key sectors of agriculture, education, health and small scale services.</td>
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<td>FG receives dividends from at least 66% of its Public Enterprises</td>
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<tr>
<td>Enhanced and diverse participation of non-state actors in the delivery of public goods and services</td>
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<tr>
<td>A policy framework for enabling and promoting diversity (especially women and other disadvantaged groups) in outsourced delivery of public goods and services developed and implemented.</td>
<td>Capacity of NGOs and Communities built and technical support provided to them to enhance their participation in the delivery of public goods and services.</td>
<td>Capacity of MDAs to develop strategies for promoting participation of communities, NGOs and other non-state actors in the delivery of public goods and services strengthened.</td>
</tr>
<tr>
<td>Relevant national and international instruments, legislation and policies concerning women and other vulnerable groups collated and updated.</td>
<td>Relevant international laws, treaties, conventions, policies and instruments to which Nigeria is a signatory are domesticated.</td>
<td>M&amp;E of disadvantaged groups’ participation in public service at all levels instituted.</td>
</tr>
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</table>
5.2. Strategic priorities and ‘Quick Wins’

The following are the strategic priorities and quick wins, implementation of which will result in an enabling socio-economic environment to achieve the target results under Pillar 2.

**Strategic priorities**

- Installing a robust system for policy research, monitoring, evaluation and reporting on development outcomes centred at the NPC.
- Creating a strong infrastructural base with emphasis on effective electricity supply, multimodal transportation system and water supply.
- Developing and implementing an integrated rural development strategy (involving an integration of all efforts by Federal, States and LGAs).
- Developing and implementing a well thought out National Social Security Policy, in terms of coverage, funding and sustainability.
- Developing and implementing a policy framework and guidelines for women empowerment and for promoting diversity (especially women and other disadvantaged groups) in outsourced delivery of public goods and services.
- Creating a more enabling institutional, policy and regulatory environment for business enterprises.
- Scaling up PPP to include non-infrastructure PPPs supported by appropriate policy framework and guidelines and public servants that are competent in PPP management.
- Enhancing employment/job creation and labour productivity.
- Promoting results oriented human capital development and building entrepreneurial capacity.
- Establishing and improving regulatory frameworks and policies for effective exploitation of the nation’s natural resources (oil, gas, etc.).

**Quick Wins**

- Passing into law the ‘Project Continuity Bill’ currently with NASS to provide legislative backing for policies to strengthen policy continuity.
- Strengthening the policy coordination role of the OSGF.
- Preparing and disseminating a compendium of NGOs involved with delivery of public goods and services.
- Widening the existing socio-safety nets.
5.3. Implementation Management

Implementation of the interventions outlined above, as is the case with those under other pillars, will require the concerted efforts of many MDAs. Specific MDAs are charged with leading the implementation of interventions under each of the building blocks, as summarised in Annex 3b – Volume 2. The NPC will coordinate and oversee implementation of all the interventions under this Pillar.
6. PILLAR THREE: PUBLIC FINANCIAL MANAGEMENT REFORM

Development Objective: To ensure strategic and efficient allocation and use of resources, fiscal discipline and value for money in a transparent and accountable manner through timely reporting

6.1 Context

Past civilian administrations have launched prudent fiscal management policies. These have brought about major strides in macroeconomic and fiscal stabilisation. A steady and relatively high rate of economic growth has been realised, budget deficits have been largely reduced, inflation has been modest, high foreign exchange reserves have been accumulated, and the debt burden has been reduced. Furthermore, since 2003, the FGN has implemented a number of key reforms: (i) enhancing transparency and strategic orientation of the budget process; (ii) more efficient cash management; (iii) improved integrity of public procurement process; (iv) implementation of a computer-based Accounting Transaction Recording and Reporting System (ATRRS); (v) introduction of an Government integrated financial management information system (GIFMIS); and (v) strengthening monitoring and evaluation (M&E). Consequently there is today: more reliable budget; elimination of huge pensions' arrears; and considerably reduced subsidies to commercial public enterprises (PEs). These reform initiatives fall within what is conventionally described as Public Financial Management Reform (PFMR). They form the third pillar of the NSPSR.

Pillar 3 sets out the PFMR initiatives that will seek to deliver three key objectives:

- to maintain fiscal discipline - keeping spending within limits created by the ability to raise revenue and keeping debt within levels that are not prohibitively expensive to service;
- to promote strategic priorities - allocating and spending resources in those areas that make the greatest contribution to the government’s objectives;
- to deliver value for money - efficient and effective use of resources in the implementation of strategic priorities.

The momentum for PFMR is sustained by a number of projects at federal and state levels, sponsored by a range of development partners. These projects are making a good contribution to PFMR, but there are doubts that they can alone achieve the Government’s development objectives in a full and sustainable manner. This is because the scope and implementation strategies of these disparate projects are not anchored in a comprehensive reform strategy. There are gaps in the interventions, limited harnessing of synergy and the implementation of the projects is neither coordinated nor synchronised. Furthermore, there is no articulated long term strategy to ensure continuity and sustainability of the medium term outputs and outcomes in the PFMR area. This is what Pillar 3 sets out to do.
The target results of Pillar 3 in the NSPSR prepared in 2008 were generally linked to the conventionally accepted three-level modular framework for PFMR, with clearly linked building blocks to ensure coordination, continuity and sustainability of outputs and outcomes. Even though the NSPSR was not formally adopted by the federal government in 2009, there has been progress in each of the target results areas from 2009 until today. As a means of strengthening the institutional framework and capacity for sustaining macro-economic stability, the Ministry of Finance has operationalised the Fiscal Responsibility Act (FRA) 2007, with the preparation of Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP) which are approved by the Federal Executive Council and the National Assembly. The Debt Management Office has prepared the country’s first-ever National Medium Term Debt Management Strategy. As a precursor for implementation of performance-based budgeting, the federal government developed a robust National Chart of Accounts (NCOA) with clear Programme segments covering policy, programmes, objectives and activities. Implementation of the new NCOA commenced with the 2011 budget.

To ensure efficient Treasury management of resources, accounting and reporting, the federal government has also started implementing some of the initiatives set out in the original Pillar 3 of the NSPSR. The GIFMIS has been extended to 447 MDAs. In July 2010, the Federation Account Allocation Committee (FAAC) approved the adoption of the International Public Sector Accounting Standards (IPSAS). The FAAC IPSAS Technical Sub Committee has produced a harmonised format for both cash and accrual IPSAS basis of accounting. Adoption of IPSAS Cash commenced in 2014 while IPSAS Accrual will take effect from 2016. The implementation of the Treasury Single Account (TSA) commenced with 92 MDAs and 447 MDAs are operating TSA. The refreshed NSPSR will consolidate and sustain the reforms attained, and will build on existing initiatives to develop an integrated public financial management reform programme.

### 6.2 Building Blocks and Target Results

The building blocks for Pillar 3 and the development (primary) outcomes targeted are illustrated in **Figure 6.1**. The target results are:

- Sustained macro-economic stability.
- Strategic allocation and result-based budgeting of funds.
- Efficient management of resources, accounting and reporting.
- Integrity in the use of public funds.
### Figure 6.1: Pillar 3 Building Blocks and Target Outcomes

#### Pillar 3

**Public Financial Management Reform**

<table>
<thead>
<tr>
<th>Building Blocks</th>
<th>Target Results</th>
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<tbody>
<tr>
<td>Strengthening institutional framework and capacity for macro-economic stability</td>
<td>Sustained macro-economic stability</td>
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<tr>
<td>Harmonization of macro-economic and sectorial policies</td>
<td>Strategic allocation and result-based budgeting of funds</td>
</tr>
<tr>
<td>Revenue Administration Reform</td>
<td>Efficient management of resources, accounting and reporting</td>
</tr>
<tr>
<td>Strategic and efficient management of the national debt</td>
<td>Integrity in the use of public funds</td>
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<tr>
<td>Sustaining improvements in budget formulation and monitoring of execution</td>
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<tr>
<td>Implementation of performance-based budgeting (PBB) system</td>
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<tr>
<td>Compact between National Assembly and Executive in budget process</td>
<td></td>
</tr>
<tr>
<td>Enhancing capacity for result-based budgeting</td>
<td></td>
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<tr>
<td>Efficient treasury management and utilization of funds in MDAs</td>
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<tr>
<td>ICT applications to enable rapid improvements in financial management, accounting and reporting</td>
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<tr>
<td>Efficient management of the wage bill and payroll</td>
<td></td>
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<tr>
<td>Efficient and effective management and maintenance of public asset</td>
<td></td>
</tr>
<tr>
<td>Timely accounting and reporting in line with international public sector accounting standards (IPSAS)</td>
<td></td>
</tr>
<tr>
<td>Enhancing capacity for accounting and reporting</td>
<td></td>
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<tr>
<td>Full implementation of the Public Procurement Act and subsidiary rules and procedures</td>
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<tr>
<td>Enforcement of Public Service Rules, Financial Regulation and Extant Circulars</td>
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<tr>
<td>Strengthen Public Expenditure Oversight and Watch Dog Institution</td>
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<tr>
<td>Modernize Internal Audit Function across all MDAs</td>
<td></td>
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<tr>
<td>Strengthen the role of non-state actors in monitoring and evaluating public expenditure allocation, use and accountability</td>
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<tr>
<td>Strengthen enforcement of sanctions for non-compliance to procurement rules and procedures in collaboration with law enforcement agencies</td>
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**6.2.1 Sustain Macro-Economic Stability**

Sustaining the level of macro-economic stability that has been achieved in recent years is the bedrock for reinvigorating and transforming the public service. To this end, there are three objectives that the NSPSR will pursue. These are:
a) To ensure that there is capacity and a policy framework to improve and sustain the macro-economic stability attained in recent years;

b) To increase domestic revenue by expanding the tax base for non-oil revenue whilst ensuring transparent and efficient collection of oil and gas revenue.

c) To reduce the increasing domestic national debt stock.

There are three building blocks for this target area:

i. Strengthen institutional framework and capacity for sustaining macro-economic and fiscal stability.

ii. Ensure strategic and efficient management of the national debt.

iii. Strengthen revenue administration reform.

(i) Strengthen Institutional Framework and Capacity for Sustaining Macroeconomic Stability

To speed up the reform of macro-economic and fiscal management, a previous civilian administration enacted the Fiscal Responsibility Act (FRA) in 2007. The FRA provides for prudent management of the nation's resources to: ensure long-term macro-economic stability of the national economy; secure greater accountability and transparency in fiscal operations within the Medium Term Fiscal Policy Framework; and to establish a Fiscal Responsibility Commission (FRC) to ensure the promotion and enforcement of the nation's economic objectives. The current administration, building on progress made through the FRA has reconstituted the National Economic Management Team (NEMT) which includes members of the private sector and is chaired by the President.

Notwithstanding the recent improvements in the institutional framework - particularly through the FRA and the NEMT - there are still challenges. A major challenge is inadequacies of the provisions of some of the existing Public Finance Management Acts and Regulations. In addition, the systems and capacity in critical technical, professional and managerial competences - needed for macro-economic and policy formulation and analysis to support the NEMT to deliver - is still weak.

The strategic interventions for this building block include:

• Review and amend the Fiscal Responsibility Act to improve the existing provisions for fiscal transparency rules and to include measures to enforce compliance (particularly penalties for offenders). It is also necessary to prepare supporting regulations, rules or standards to guide the operationalization of the Fiscal Responsibility Act. Absence of such compliance measures and supporting regulations, rules or standards makes it impossible for the Fiscal Responsibility Commission to function effectively.

• Review and re-enact (replace) the Finance (Control and Management) Act (FCMA). The FCMA was initially enacted in 1958 prior to independence in 1960, when Nigeria
was operating a parliamentary form of government. Therefore, some of the provisions are out-dated and no longer reflect the realities of a Presidential form of government.

- Build capacity in the institutions responsible for national economic planning, management of macro-economic policies and reporting. This will commence with a Training Needs Analysis (TNA) for the core functions of data gathering, analysis, forecasting, reviews and planning followed with development/implementation of a staff development plan.

- Establish systems for macro-economic analysis.

(ii) Ensure Strategic and Efficient Management of National Debt

Past civilian administrations introduced innovative measures aimed at improving our national debt management. The innovations include: establishment of Debt Management Office (DMO) in 2000 to coordinate the management of Nigeria’s debt, both internationally and locally which was hitherto being done by myriad establishments in an uncoordinated fashion; negotiation of significant debt relief from the Paris Club and settlement of outstanding amount in 2005; full payment of London Club debts; preparation of the country’s first-ever National Medium Term Debt Management Strategy 2012 – 2015; and provision in the 2013 budget of a sinking fund to retire part of the federal government’s maturing domestic debt.

While there has been reduction in the growth proportion of external debt stock to the total national debt stock, the country has in recent years witnessed increasing level and growth of domestic debt. Total domestic debt has grown from $18.57 billion (end 2007) to $55.72 billion (end 2013). The proportion of external debt to total national debt was 16.44% in 2007 with domestic debt accounting for 83.56% in the same year. In 2013, the proportion of external debt dropped to 16.17% and domestic debt increased to 83.83%.

There is need to ensure strategic and efficient management of national debt by reversing the trend in rapid growth of domestic debt. This will be achieved by:

- Review of the Fiscal Responsibility Act (as noted above) and the Finance (Control and Management) Act. In addition to the activities proposed above to strengthen institutional framework and capacity for sustaining macro-economic stability, new provisions should be added to reinforce budget implementation processes in order to address issues of accumulating contractors, suppliers and service providers’ liabilities.

- Continue to produce debt sustainability analysis in line with the National Medium Term Debt Management Strategy.

- Continue to strengthen the capacity of the staff in the Debt Management Office and to provide the Office with the necessary equipment, tools and funds for its mandate.

- Continue to present to the NEMT and Federal Executive Council updated and regular reports on the state and profile of the national debt.
(iii) Revenue Administration Reform

Tax administration in Nigeria changed dramatically in 2007 with the granting of financial and administrative autonomy to the Federal Inland Revenue Service (FIRS) through the Federal Inland Revenue Service (Establishment) Act 2007. From 2007, a series of reforms have been implemented that have led to rapid increase in non-oil revenue. However, there are still limitations in revenue administration processes. The main challenges are the inadequate framework for administration of waivers and exemptions, a weak monitoring system for waivers and exemptions and lack of transparency around oil and gas revenue.

The key measures proposed to strengthen revenue administration reform are:

- Strengthen and deepen FIRS and operationalize the Taxpayer Identification Number (TIN) – linked to other national registration systems (Corporate Affairs Commission (CAC) requirement for opening business bank accounts, social security numbers, payroll ID) - by FIRS and State Board of Internal Revenue.
- Improve capacity for tax policy analysis.
- Improve processes for imposing sanctions/penalties for tax defaulters.
- Review revenue rates to be in conformity with existing price levels.
- Develop and approve a comprehensive framework for administration and monitoring of waivers and exemptions.
- Develop and approve guidelines for operationalising Sections 20, 21 and 22 of FRA 2007.
- Strengthen and deepen Tax Appeal Tribunal" established under section 59 of FIRS Establishment Act 2007.
- Speed up the passage of Petroleum Industry Bill (PIB), as noted under Pillar 2, to reposition the sector for greater efficiency, openness and competition as achieved in other oil rich nations. The PIB is expected to kick-start reform of the sector, and will resolve issues between the Ministry of Finance, Central Bank of Nigeria, Nigeria Governors Forum, Ministry of Petroleum Resources and Nigerian National Petroleum Commission (NNPC) on the amount and remittance of oil and gas revenue.
- Strengthen and deepen NEITI to continue to play its role of developing a framework for promoting transparency and accountability in Nigeria’s extractive industries (including the oil and gas sectors).

6.2.2 Strategic Allocation and Results-Based Budgeting Of Funds

The recent initiatives to introduce a medium term expenditure framework (MTEF) and a fiscal strategy paper (FSP) are the first concrete steps in improving the strategic allocation of public resources in the budget. However, the budget is not yet a reliable tool for strategic management of funds or an effective tool for ensuring that results are achieved from public spending. The budget is not yet used as a tool for enforcing
accountability for results. This is mainly because budget execution varies widely: budgets are not reflected in releases of funds, so actual expenditures by the end of the fiscal year do not reflect the budget. Another concern relates to recurrent expenditures. These constitute the greater proportion of total budget in the past five years (averaging more than two-thirds of each year’s total budget). This is not necessarily a bad thing, however the pattern of allocations suggests that administration is prioritised over service delivery by the government. The combined allocations to the service delivery units of education, health, agriculture, and water resources were much smaller than allocations to the combined units of general administration and they are declining progressively every year.

Against this backdrop, four building blocks under the NSPSR have been identified:

i. Enhance compact between National Assembly and Executive in budget process.
ii. Sustain improvements in budget formulation and monitoring of execution.
iii. Implement performance-based budgeting (PBB) system.
iv. Enhance capacity for result-based budgeting.

(i) **Enhance Compact between National Assembly and Executive in Budget Process**

The ‘Financial year’ means any period of twelve months beginning on the first day of January in any year or such other date as the National Assembly may prescribe\(^1\). The laying of Appropriation Bills before the National Assembly and their subsequent enactment is often significantly delayed. The budget process has been ill-defined, occasionally leading to accusations and conflict between the executive and the legislature. In some cases the legislature changes the budget parameters (assumptions), allocations to specific projects and MDAs as well as inserting the so-called constituency projects during the process of approval. Delays in appropriation of budget and arbitrary changes in allocations have been identified as major causes of delays, as well as creating variation between budget and actuals.

To address these challenges and to enhance the compact between the National Assembly and Executive in budget process, the NSPSR will support:

- Preparation and approval of a more appropriate, and binding Budget Calendar, preferably with budget preparation commencing two years before the budget year that it is intended for. Once this is achieved, then progress can be made on amendments of Sections 81(1), 82 and 59 of the Constitution;
- Amendment of relevant provisions of the FCMA and FRA to be consistent with the amendments on Sections 81, 82 and 59 of the Constitution. The proposed amendments to the Constitution, FCMA and FRA, will specify the schedules and

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\(^1\) Section 318 (1) of the Constitution of Federal Republic if Nigeria 1999
procedures by which the budget should be prepared, approved and executed. They will clearly define roles and responsibilities, information/documents to be provided by the Executive to the Legislature and timelines for performing specific activities of the budget process.

• Better engagement between the National Assembly and the Executive in line with the proposed amended provisions of the Constitution, FRA and FCMA.

• An independent body of experienced professionals established and charged with the responsibility to determine appropriate benchmark oil price annually in order to avoid politicization in the process of setting the oil benchmark.

(ii) Sustain improvements in budget formulation and monitoring of execution

The recent improvements in budget formulation and monitoring of execution need to be sustained. Additional reform measures are required to address the prioritization of allocation to administration over service delivery and infrastructure, and level of variance between budgeted amount and actual expenditure. The measures needed to achieve a credible budget and ensure that results are achieved from public spending are:

• Effective preparation and utilisation of MTFF, MTEF and FSP for the annual budgets.

• Use of Medium Term Sector Strategies (MTSSs) and MDAs’ Rolling Plans as well as analysis of past performance institutionalized to make the budget envelope system more efficient and transparent.

• Introduction of measures to reduce budgetary allocation to administration and refocus on service delivery. This will be assisted, for example, by implementing key recommendations of the Presidential Committee on Restructuring and Rationalisation of Federal Government Parastatals, Commissions and Agencies.

• Development of key performance indicators (KPIs) and result indicators alongside the MTEF and annual budgets.

• Development of Public Expenditure Tracking Surveys (PETSs) for better monitoring of results of critical programmes in major sectors. This process will help to trace the flow of resources from origin to destination and determine the location and scale of any anomalies. PETSs will also support to the budget reports prepared by Budget Office and Office of the Accountant General of the Federation.

• Publication and wide circulation of annual budgets, in-year budget performance report and budget monitoring reports.

• Development of a service-wide strategic performance management framework (as set out under Pillar 4). This will be driven primarily from Pillar 4, and will target both organisational and individual staff appraisal. Pillar 3 will support this effort and ensure that budget execution is linked to these processes (including appraisals and any complementary incentive framework).

(iii) Implement Performance-based Budgeting System

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Federal government needs to adopt a budget system that will help in achieving strategic allocation of resources and delivery of results. The federal government will change the current incremental line-item budgeting system, and initially continue to improve the current ‘envelope’ system and then move to a performance-based budgeting system that will ensure strategic allocation and utilisation of resources. Performance-based budgeting is not an isolated initiative. It is part of a set of broader reforms often referred to as managing-for-results designed to focus public management more on results delivered and less on internal processes. Performance-based budgeting therefore will not be achieved by a specific initiative but through a combination of initiatives both in public financial management and civil service administration reforms. The federal government in the last five years has introduced some initiatives that will aid the introduction of a performance based budgeting system. The initiatives required to operationalize performance-based budgeting include:

- Improved macro fiscal policy management, which has commenced and will continue as provided under target result – sustained macro-economic stability explained above.
- Proper classification of expenditure in the budget, which has been achieved through the NCOA and will need further improvement with full development of the programme segment clearly defining policy, programme, project, objective and activity and assigning codes.
- Provision of budgetary rules and procedures, which is proposed above to enhance compact between National Assembly and Executives in budget process.
- Better harmony between planning and budgeting process that is critical for linking policy, plan and budget.
- Improved budget formulation and monitoring of implementation through effective implementation of MTFF, MTEF and FSP.
- Development of KPIs and other initiatives explained in (ii) above.
- Efficient management and utilisation of funds in MDAs, particularly by extending GIFMIS to most MDAs, adoption of IPSAS cash in 2014 and IPSAS accrual to take effect from 2016, as explained below under efficient management of resources, accounting and reporting.
- Broader civil service administration reforms to increase the motivation and incentives of public employees to strengthen public accountability for performance, as explained further under Pillar 4.

Design of the performance-based budget system is an inclusive approach. Once the above outputs are attained, the system will be ready for implementation.

(iv) Enhance Capacity for Results-based Budgeting

There is inadequate capacity for results-based budgeting. This will be addressed through the following:
• Perform a comprehensive training needs analysis for results-based budgeting.
• Develop training programmes and modules.
• Train relevant staff of MDAs using developed modules.

6.2.3 Efficient Management of Resources, Accounting and Reporting

The building blocks for efficient and accountable management public resources are:

i. Ensure efficient treasury management and utilization of funds in MDAs.
ii. Provide ICT applications to enable rapid improvements in financial management, accounting and reporting.
iii. Strengthen efficient management of the wage bill and payroll.
iv. Provide a system for efficient and effective management and maintenance of public assets.
v. Institutionalize timely accounting and reporting in line with International Public Sector Accounting Standards (IPSAS).
vi. Enhance capacity for accounting and reporting.

(i) Ensure efficient treasury management and utilization of funds in MDAs

Efficient treasury management of public funds is important for three reasons. First, it ensures safe custody and proper accountability for the resources. Second, it enables the Government to have a complete picture of its resources and where they are. This means, for example, that Government does not risk running out of resources or resorting to unnecessary borrowing. Third, it enables the government to ensure effective budget execution through predictable and timely disbursement of funds.

Three key initiatives under this building block will be to:

• Extend the Treasury Single Account (TSA) system to cover all MDAs. This will facilitate timely reconciliation of cash balances, which is a top priority target result.
• Extend the GIFMIS to cover all MDAs.
• GIFMIS Interfaces with key PFM systems including CS-DRMS, FIRS, Customs, NNPC and DPR.
• Institutionalize predictable and timely disbursement of budgeted funds to MDAs. This will entail regular and reliable forecasting of revenues and cash flows, cash planning and preparation and use of funds disbursement schedules.

(ii) Provide ICT applications to enable rapid improvements in financial management, accounting and reporting
Over the past 15 years, federal government has developed the use of information and communication technologies (ICT) to support transformation of the public service. To sustain the use of ICT, the government established the National Information Technology Development Agency (NITDA) to provide leadership and coordination of ICT applications across all MDAs. The government also directed MDAs to partner with Galaxy Backbone Plc to provide internet connectivity, VSAT and platform for website and web portals.

Most of the ongoing reforms such as GIFMIS, IPPIS, e-payment and e-remittance of revenue operate on ICT platforms. There are, however, ICT challenges which are constraining efficient management of resources, accounting and reporting. The two major challenges are: (i) inadequate systems and capacity to perform ICT-based operations, and (ii) connectivity challenges arising as a result of Galaxy Backbone Plc’s monopoly of connectivity, VSAT and platform for website and web portals.

The key initiatives to address the challenges are:

- Needs Assessment to identify ICT constraints (systems, programmes, connectivity, capacity, etc.), which are holding back full implementation of PFM reforms across the MDAs.
- A requirement that each MDA makes budgetary provisions for the necessary systems, programmes and connectivity to enable the ICT framework for PFM reforms to be established and maintained.
- Based on the PFM ICT needs assessment, development by NITDA of training programmes and modules, linked to overall capacity development discussed in (v) below.
- Training by NITDA of relevant MDA staff using these programmes and modules.
- Improvements of the technical and operational capacity of Galaxy Backbone Plc to ensure that MDAs receive the levels of service required, in line with its monopoly rights.

(iii) Efficient management of the wage bill and payroll

The wage bill is the single largest item in the federal government budget. IPPIS - the initiative ensuring efficient management of the wage bill and payroll - is discussed fully under Pillar 4. In addition to the initiatives discussed under Pillar 4, efficiency in the management of the wage bill and payroll will be further be enhanced through:

- Roll-out of the IPPIS to all MDAs (including Health, Education, Military and Para-Military Institutions).
- Regular internal audit of the payroll.
- Integrating IPPIS into the GIFMIS.
(iv) Provide System for Efficient and Effective Management and Maintenance of Public Assets

Efficient and effective management and maintenance of public assets will be achieved through the following initiatives:

- Conduct a survey for all government assets (land and buildings, vehicles, computers).
- Establish an inventories control system.
- Upload the assets records to GIFMIS asset inventories module.

(v) Institutionalize timely accounting and reporting in line with International Public Sector Accounting Standards

In July 2010, the federal government approved the adoption of the International Public Sector Accounting Standards (IPSAS). Subsequently, on 13th June, 2011, the Federation Accounts Allocation Committee (FAAC) set up a Technical Sub Committee for implementation of IPSAS in the three tiers of government in Nigeria. The IPSAS Technical Sub Committee produced a harmonised format for both Cash and Accrual IPSAS basis of accounting. IPSAS Cash started in 2014 while IPSAS Accrual will be implemented from 2016. Notwithstanding the work by the Technical Sub Committee to develop road map for adoption of IPSAS, there are still challenges to seamless adoption of these reporting standards both at federal and sub national government levels. The main challenges at federal government level are: (i) limited awareness of the need for adoption of IPSAS; format of IPSAS (cash and accrual) and the potential impact of IPSAS financial reporting; (iii) the IMF Government Finance Statistics (GFS) requirements not fully incorporated in the NCOA, and (ii) capacity constraints across MDAs for IPSAS implementation.

(vi) The IPSAS Technical Sub Committee nevertheless needs to continue with the roll out of IPSAS Cash and Accrual. The Sub Committee will continue to create awareness, build capacity for IPSAS implementation across government and revision of the NCOA to fully incorporate the GFS requirements. Enhance capacity for treasury management of resources, accounting and reporting

There is inadequate capacity for treasury management of resources, accounting and reporting within the system and this will be addressed through the following:

- Perform comprehensive training needs analysis.
- Develop training programmes and modules.
- Train relevant staff of MDAs using developed modules.
6.2.4 Integrity in the use of Public Funds

The building blocks to ensure probity in the use of public funds will comprise:

(i) Implement fully the Public Procurement Act and subsidiary rules and procedures.
(iii) Strengthen public expenditure oversight and watchdog institutions;
(iv) modernize the internal audit function across all MDAs; and
(v) Strengthen the role of non-state actors in monitoring and evaluating public expenditure allocation, use, and accountability.
(vi) Strengthen the capacity of MDA procurement officers.
(vii) Strengthen enforcement of sanction over non-compliance to procurement rules and procedures.

(i) Implement fully the Public Procurement Act and subsidiary rules and procedures

The activities to be performed under this building block are:

- Inaugurate the National Procurement Council and empower it to function in line with provision of Sections 1 and 2 of the Public Procurement Act 2007.
- The Bureau of Public Procurement (BPP) to sustain ongoing improvements in procurement process which has resulted in improved competitiveness in the award of public contracts and some reduction in public expenditure.
- The BPP to design and implement a procurement system that ensures public access to complete, reliable and timely procurement information to enhance both transparency and accountability.
- The BPP is to ensure that requests for ‘No Objection’ certificates from agencies and parastatals for procurement requiring Ministerial Tenders Board or Federal Executive Council approval are routed through Directors of Procurement in the Ministries.
- The BPP will intensify efforts to raise awareness and understanding of the provisions of the Public Procurement Act 2007.

(ii) Enforce Public Service Rules, Financial Regulations and extant circulars

Public Service Rules and Financial Regulations govern the conduct of public servants in the use of public resources. Over the years the rules, regulations and extant circulars that are consistent with prudent financial management have been neglected and are not fully enforced.
The NSPSR will support effective and uniform enforcement of the rules and regulations, particularly the sanction mechanisms contained in the Public Service Rules, Financial Regulations and extant circulars.

(iii) Strengthened Public Expenditure Oversight and Watchdog Institutions

Public expenditure oversight and watchdog institutions need to be strengthened in order to reinforce the drive for integrity in the use of public funds. They include the OAuGF, PACs, ICPC and EFCC. Besides conventional capacity building measures (some of which are discussed under Pillar 1), the following interventions will be implemented under this building block:

- Enact a law that provides for the full autonomy of the Auditor-General.
- Adopt International Standards on Auditing by Supreme Audit Institutions (SAIs).
- Establish a mechanism for follow-up of audit queries and Public Accounts Committee (PAC) recommendations.
- Establish mechanisms for collaboration among OAuGF, PAC, ICPC and EFCC.
- Review and enhance accounting, internal control systems and audit processes for parastatals, and consider additional regular audits by the OAuGF with a focus on compliance with public service rules and regulations.
- Continue to strengthen the OAuGF, PAC, ICPC and EFCC.

(iv) Modernise Internal Audit across all MDAs

The internal audit function is important as it fosters the integrity of systems and efficient and proper use of funds within an MDA. The internal audit function exists in all central government agencies, but it is preoccupied with audit of prepayment and transactions. There is no emphasis on systems, and risk-based audit is weak. Most internal audit reports do not include findings. Under the NSPSR, the following measures will be taken:

- Continue with the ongoing modernization of the internal audit function across government.
- Extend the access of internal audit to GIFIMIS across all MDAs.
- Adopt Risk-Based Internal Auditing.
  Finalise Internal Audit Manual for use across all MDAs
- Establish Audit Committees in MDAs.
- Train internal audit staff in modern audit techniques.

(v) Strengthen the role of Non-state Actors in monitoring and evaluating Public Expenditure Allocation, Use and Accountability
The key interventions in strengthening the role of non-state actors and enabling them to monitor public expenditure allocation, use and accountability will include:

- Ensure engagement of citizens (through CSOs, FBOs, CBOs and professional organisations) in the budget process.
- Continue to make available key budget information to members of the public in readily accessible locations.
- Promote the practice of the representatives of the mass media, CSOs, FBOs, CBOs and other relevant non-state actors undertaking independent budget analysis.
- Provide support to social audits to ensure ‘follow your money principle’
- Continue to make available information on use of public funds in readily accessible locations.

6.3 Long Term Perspective

The defining characteristics (key outputs and/or outcomes) at the end of each of the three phases of the NSPSR for Pillar 3 are provided in Table 6.1 below.
Table 6.1: PILLAR 3 – Public Financial Management Reform

Defining characteristics (key outcomes and/or outputs) at the end of each phase of the NSPSR

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<tbody>
<tr>
<td><strong>Sustained Macro-Economic Stability</strong></td>
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<tr>
<td>Fiscal Responsibility Act (FRA) reviewed and amended.</td>
<td>FG and 60% + of State Governments satisfactorily comply with the FRA.</td>
<td>Macroeconomic and fiscal frameworks are at the level of top 20 economies</td>
</tr>
<tr>
<td>New Finance Control and Management Act in place.</td>
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<tr>
<td>2nd National Medium Term Debt Management Strategy produced.</td>
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<tr>
<td>Annual production of debt sustainability analysis and updated reports on the state and profile of National Debt.</td>
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</tr>
<tr>
<td>Taxpayer Identification Number (TIN) linked to other national registration systems (Corporate Affairs Commission, CAC, requirements for opening accounts, social security numbers, payroll ID).</td>
<td>National debt reduced to levels consistent with long term fiscal and macroeconomic stability, and high rate of economic growth.</td>
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</tr>
<tr>
<td>Comprehensive framework for administration and monitoring of waivers and exemptions produced and approved.</td>
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<tr>
<td>Petroleum Industry Act in place to assist rapid reform of Oil and Gas sector.</td>
<td>Significant improvement in contribution of non-oil revenues to FG budget (50%+).</td>
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</tr>
<tr>
<td>NEITI – full accounting and transparency for revenues from oil and other mineral resources – is fully implemented.</td>
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<tr>
<td><strong>Strategic Allocation and Result-Based Allocation of Funds</strong></td>
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<td></td>
</tr>
<tr>
<td>Budget Calendar with responsible entities for each activity approved and in use.</td>
<td>Sections 81(1), 82 and 59 of the Constitution amended.</td>
<td>Performance-based budgeting is institutionalised</td>
</tr>
<tr>
<td>Use of Medium Term Sector Strategies (MTSSs) and MDAs’ Rolling Plans as well as analysis of past performance institutionalized to make the budget envelope system</td>
<td></td>
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</table>
more efficient and transparent

Programme Segment of the NCOA completed and in use.

An independent body of experienced professionals established and charged with the responsibility to determine appropriate benchmark oil price annually in order to avoid politicization in the process of setting the oil benchmark.

Effective utilisation of MTEF and FSP for annual budget.

MDAs have capacity to plan and budget in a participatory and transparent manner.

Budgetary allocation to administration sector reduced and allocation to economic and social sectors increased considerably.

Public Expenditure Tracking Surveys commenced

<table>
<thead>
<tr>
<th>Efficient Management of Resources, Accounting and Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury Single Account (TSA) system operational and ensures effective funds management and controls across all MDAs.</td>
</tr>
<tr>
<td>Government Integrated Financial Management Information System (GIFMIS) installed in all MDAs.</td>
</tr>
<tr>
<td>Public assets register system installed in all MDAs.</td>
</tr>
<tr>
<td>Roll-out of the IPPIS to extensive number of MDAs (including Health Institutions and Police Commands).</td>
</tr>
<tr>
<td>Accounting and reporting in line with IPSAS cash and accrual implemented.</td>
</tr>
<tr>
<td>MDAs have the capacity for treasury management of resources, accounting and</td>
</tr>
</tbody>
</table>

GIFMIS interfaced with IPPIS for efficient payroll management and performance management.

GIFMIS interfaces with key PFM systems including CS-DRMS, FIRS, Customs, NNPC, DPR and BPP Procurement platform.

Timely and comprehensive accounting and reporting in line with IPSAS accrual in all MDAs.

Increase capital budget performance to (90%+) level.
### Integrity in the use of Public Funds

<table>
<thead>
<tr>
<th><strong>Public expenditure in MDAs</strong> is predominantly consistent with provisions of the Public Procurement Act (PPA), to enable speedy implementation of development programmes and projects (including inauguration of Procurement Council).</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legal and reporting frameworks for strengthening internal audit function</strong> are in place and implementation launched.</td>
</tr>
<tr>
<td><strong>Capacity for internal audit function reflecting international good practice</strong> is installed in all MDAs.</td>
</tr>
<tr>
<td><strong>OAuGF</strong> has autonomy, enabling legal framework, qualified staff and facilities to discharge its constitutional responsibilities.</td>
</tr>
<tr>
<td><strong>OAuGF pilots value for money (VFM) audits.</strong></td>
</tr>
<tr>
<td><strong>Regular sharing of information</strong> between the BOF, BPP, OAGF, CBN, FMF, OAuGF, PACs, EFCC and ICPC.</td>
</tr>
<tr>
<td><strong>Information on allocation and use of public funds</strong> more readily accessible to non-state actors.</td>
</tr>
<tr>
<td><strong>Regular social audit by CSOs.</strong></td>
</tr>
<tr>
<td><strong>Enforcement of sanctions for non-compliance to procurement rules and procedures</strong> are strengthened by BPP in collaboration with law enforcement agencies (EFCC, ICPC, NPF).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Effective Internal audit units operational in all MDAs.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value for money (VFM) audits</strong> institutionalised across all MDAs and major expenditure programmes are shared with NASS.</td>
</tr>
<tr>
<td><strong>VFM audits conducted in MDAs by both internal audit units and OAuGF.</strong></td>
</tr>
</tbody>
</table>
6.4 Strategic Priorities and Quick-Wins

The strategic priorities and quick-wins in the PFM pillar will include:

**Strategic Priorities**

- Amending the Fiscal Responsibility Act to improve the existing provisions for fiscal transparency rules and to include measures to enforce compliance
- Setting defined roles and responsibilities, information/documents to be provided by the Executive to the Legislature and timelines for performing specific activities of the budget process.
- Developing comprehensive framework for administration and monitoring of waivers and exemptions.
- Strengthening and deepening the Nigeria Extractive Industries Transparency Initiative (NEITI) to continue to play its role of developing a framework for promoting transparency and accountability in Nigeria’s extractive industries (oil and gas sectors inclusive).
- Building capacity for planning, budgeting accounting, reporting and auditing staff across MDAs.
- Making information on allocation and use of public funds more readily accessible to non-state actors.

**Quick Wins**

- Prepare and approve Budget Calendar in consultation with the National Assembly and aim to start preparations for the 2017 budget in 2015.
- Roll out the Treasury Single Account (TSA) to all MDAs.
- Complete the ‘programme’ segments of NCOA.
- Improve financial reporting by using the cash model of the International Public Sector Accounting Standard (IPSAS).
- Inaugurate the National Procurement Council and empower it to function in line with provision of Sections 1 and 2 of the Public Procurement Act 2007.
- Ensure that requests to BPP for ‘No Objection’ certificates from agencies and parastatals for procurement intended for Ministerial Tenders Boards and the FEC are routed through Directors of Procurement in the Ministries.
6.5 Implementation Management

Integration of the agenda and coordination of the implementation will be the crucial variables in the successful implementation of the PFM reform. In this regard, effective strategic leadership and coordination of the implementation of all the interventions under this pillar by the FMF will be the most decisive factor. Nonetheless, the implementation of the interventions outlined above will require the concerted efforts of several MDAs. Accordingly, specific MDAs are charged with leading in the implementation of interventions under each of the building blocks, as summarised in Annex 3c- Volume 2.
7. PILLAR FOUR: CIVIL SERVICE ADMINISTRATION REFORM

**Development Objective:** To re-invigorate and transform the civil service into a strong, efficient and effective institution with the capacity to deliver the government’s policies and programmes.

7.1 Context

Many public sector reform initiatives were implemented under the regime of President Olusegun Obasanjo. The main thrust of civil service administration (CSA) reform (in the minds of both civil servants and the public) was retrenchment. The other elements of the CSA reform programme in that period - notably restructuring of MDAs and an emphasis on training and capacity building - were mostly on a pilot basis, in contrast to the service-wide reach of the retrenchment exercise. Significantly, this means that CSA reform is often equated to retrenchment. This creates a major challenge of sequencing CSA reform interventions. It also highlights the challenge of choosing between piloting and comprehensiveness in the design and execution of reforms, is a common phenomenon in CSA reform programmes in many countries across continents.

Another important dimension to CSA reform (one that was arguably neglected in the Nigerian PSR programme of 2004-2007) is the need to develop the civil service as an institution. In most countries committed to democratic politics, the civil service is an institution whose officials are permanent and are available to serve successive elected governments that emerge from periodic competitive free and fair elections. In other words, career civil servants help to assure the continuity of the state while governments come and go. Nurturing the civil service as an institution normally involves the protection of the tenure of the civil servants, assurance of their political neutrality - including careful management of their interface with elected officials, and continuous attention to the health of the institution (covering such issues as adequacy of pay, performance management, ethical standards, and capacity development). This is the context within which the NSPSR was developed in 2008. Since 2009, a number of the initiatives that were set out in the NSPSR have been taken forward, but the implementation has been characterised by a piecemeal approach, rather than coordination and coherence in focus.

The Jonathan administration continued implementation of the reforms that were started on a pilot basis by his predecessors. It has gone further to adopt a comprehensive approach to reform implementation. More importantly, it has strengthened its efforts towards nurturing of the civil service as an institution. Consequently, between 2009 and 2013, many civil service administration reform initiatives have been implemented which have contributed to Pillar 4. The following are some of the key initiatives which constitute significant recent development:

- Restructuring of OHCSF, resulting in consolidation of 26 departments led by 6 Permanent Secretaries to a fit-for-purpose 13 departments and 3 Permanent Secretaries. This was a part of an ongoing Institutional Strengthening Programme of the OHCSF;
• Establishment of the Pension Transitional Arrangement Department (PTAD) and the appointment of a Director-General to manage the pension liabilities in the old pension scheme as required by the Pension Reform Act of 2004 and to enhance efficiency.

• Appointment of a Director-General for the BPSR to enhance coordination of and ensure more effective delivery of reforms,

• Introduction of the Permanent Secretary Peer Review Exercise so that top level management can continuously assess performance and propagate best practices.

• Development of proposals for an Employee Mobility Policy for the civil service to provide structured movement of human resources across MDAs;

• Implementation of new records management policy (automation of records) through the Electronic Data Management System (EDMS).

• Significant improvement in the national statistical system;

• Major improvement in IPPIS coverage from a pilot phase of 6 MDAs in 2007 to 292 MDAs in March 2014;

• Resuscitation of the moribund SERVICOM Initiative with a new strategic direction.

This pillar focuses specifically on improvement to the management of the civil service, rather than the whole of the wider public service. That does not mean that improvements to the wider public service are not also important. Reforms of the civil service set out in Pillar 4 will have an impact on the management of the wider public service. Parastatals and agencies generally report to ministries or other central government bodies and need to be strategically aligned to the work of those ministries and bodies, and therefore the work of civil servants. The civil service needs to be seen to set a lead to the rest of the public service.

The refreshing of the NSPSR is partly an attempt to capture the developments identified above. It also accommodates new target results and building blocks which will enhance effective delivery of service by the civil service. One new target result (namely well motivated civil servants) was created out of an existing target result dealing with professional and results-oriented civil service. The 15 building blocks were increased to 18 during the process of refreshing the NSPSR. One building block (strengthened demand side of accountability) was moved from Pillar 4 to Pillar 1 where it was considered more appropriate.

**7.2. Building Blocks and Target Results**

This refreshed NSPSR is designed to effect simultaneous, coordinated implementation of a number of reform initiatives. Six key target results that have been identified:

i. Effective governance and management of the civil service as an institution.

ii. Organizational efficiency and effectiveness.

iii. Professional and results-oriented civil service.
iv. Well motivated civil servants.
v. Improved competence of civil servants.
vi. An accountable and results-focused workforce.

The target results and their eighteen building blocks are illustrated in Figure 7.1. Following this is a description of the six target results and their building blocks.

**Figure 7.1: Pillar 4 - Civil Service Administration Reform**

<table>
<thead>
<tr>
<th>Building Blocks</th>
<th>Target Results</th>
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<tbody>
<tr>
<td>Clarity of roles of key institutions; effective coordination among key actors and consistency in leadership direction</td>
<td>Effective Governance and Management of the Civil Service as an Institution</td>
</tr>
<tr>
<td>Provision of legal framework for the regulation of the public service</td>
<td>Organisational Efficiency and Effectiveness</td>
</tr>
<tr>
<td>Enforcement of public service, laws, rules and regulations</td>
<td>Professional and Result-oriented Civil Service</td>
</tr>
<tr>
<td>Rationalised functions, structures and staffing in MDAs</td>
<td>Well-motivated civil servants</td>
</tr>
<tr>
<td>A strong centre of government</td>
<td>Improved competence of civil servants</td>
</tr>
<tr>
<td>Consolidation of IPPIS and its integration, and activation of all other modules</td>
<td>An accountable and results-focused workforce</td>
</tr>
<tr>
<td>Deployment of effective management system and processes for service delivery</td>
<td></td>
</tr>
<tr>
<td>Merit-based recruitments and promotions with clear guidelines for Federal Character</td>
<td></td>
</tr>
<tr>
<td>Professionalisation of core cadres in the civil service</td>
<td></td>
</tr>
<tr>
<td>An effective performance management system</td>
<td></td>
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<tr>
<td>Undertaking comprehensive job evaluation of the public service</td>
<td></td>
</tr>
<tr>
<td>Improved pay system for civil servants</td>
<td></td>
</tr>
<tr>
<td>Enhanced incentives for civil servants</td>
<td></td>
</tr>
<tr>
<td>Efficient and effective management of training</td>
<td></td>
</tr>
<tr>
<td>More effective public sector learning centres</td>
<td></td>
</tr>
<tr>
<td>Improved leadership and management development</td>
<td></td>
</tr>
<tr>
<td>Accountable, results-oriented and citizen-centered work culture</td>
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</tbody>
</table>

### 7.2.1. Effective Governance and Management of the Civil Service as an Institution

(i) Clarity of roles of key institutions and effective coordination among key actors and consistency in leadership direction

The key institutions responsible for the governance of the civil service (CS) are: the FCSC, OSGF, the National Salaries Income and Wages Commission (NSIWC), the FCC
and OHCSF. The powers of the FCSC which are clearly stated in the Constitution are: ‘(a) to appoint persons to offices in the Federal civil service; and (b) to dismiss and exercise disciplinary control over persons holding such offices’. The Constitution also provides that the FCSC could ‘with the approval of the President and subject to such conditions as it may deem fit, delegate any of the powers conferred upon it by this Constitution to any of the members or to any officer in the civil service of the Federation’. The manner of appointment of both the Secretary to the Government of the Federation (SGF) and Head of Civil Service of the Federation (HCSF) is spelt out in the Constitution: the former is a political appointee while the latter must be ‘from among Permanent Secretaries or equivalent rank in the civil service of the Federation or of a State’.

In practice, there is considerable overlap in the roles and responsibilities of the three institutions in the governance of the CS. Misinterpretations have sometimes resulted in duplications and overlap. For instance, the FCSC has embarked on review Public Service Rules and Regulations which has hitherto been the OHCSF’s responsibility. And, while the FCSC makes appointments, it is the OHCSF that handles deployments and transfers. With two institutions sharing responsibility for the quality of the CS workforce, it is difficult to identify where responsibilities lie when things go wrong. The interface between these institutions - especially the FCSC-OHCSF and OHCSF-OSGF - needs sharper clarification.

FCSC and OHCSF are also jointly and separately responsible for managing the interface of the CS with other public institutions (for example, state governments) and non-state bodies. Issues relating to this interface negatively impact on the operation of the CS as an institution.

The NSPSR will therefore support the strengthening of both the FCSC and the OHCSF: the former in respect of its oversight of human resource issues in the CS and the latter in respect of its leadership role, including the leadership responsibility of the HCSF. Of course, there are issues of Coordination between all the other Federal agencies, and possibly also between Ministries and their Agencies. The HCSF has a key role in addressing this to ensure that there is effective coordination and consistency in direction. If the Public Service Law discussed above is progressed, it should clarify some key issues (such as the role of OHCSF in leadership of the wider Federal Public Service). Furthermore, coordination can be achieved by ensuring that all MDAs develop strategic plans that provide a sense of direction (regardless of future changes in leadership), which can then be translated into annual operational plans and budget to ensure effective service delivery. This will require OHCSF to work with the NPC and BoF to develop and implement a policy on and a framework for strategic and operational planning linked to the budgeting processes across all MDAs.

**Strategic Interventions**

- Seek amendments to clarify the functions of the FCSC vis-à-vis the OHCSF and their relationships on the other. Progress has been made in terms of good working relationships, but clarifications may be appropriate, for example within the context of any proposed Public Service Law (if it is decided that this should move forward).
• Implement recommendations to clarify their respective roles, including the interface issues;
• Consider whether there is a need for a Public Service Bill, as also noted under Pillar 1, to include the above clarifications and facilitate its enactment, and the FCSC should be one of the stakeholders to validate any draft Bill;
• Review Public Service Rules and Financial Regulations, as also noted under Pillar 3;
• Support the strengthening of both the FCSC and OHCSF to enable them better champion the nurturing of the civil service as an institution.
• Foster cooperation and collaboration between the OHCSF and the FCSC; and between OHCSF and the National Salaries, Incomes and Wages Commission (NSIWC) with respect to job evaluations and the harmonisation of salaries and remuneration, to establish a compensation structure which links pay to the relative worth of a job;
• Continue with the joint implementation mechanism that links the strategic plans of OHCSF and FCSC.

(ii) Provision of Legal Framework for the Regulation of the Public Service

As noted in section 4.2.1 (i), the 1999 Constitution has not provided an adequate legal framework to regulate the public service. The Public Service Rules no longer reflect the Constitution, and these gaps make them both ineffective in regulating the public service. This gap needs to be closed up by fast tracking the enactment of the draft Public Service Bill. Once this is done, Public Service Rules need to be revised. It is necessary to carry out a regular review of Public Service Rules, and Financial Regulations every five years going forward.

(iii) Enforcement of Public Service Rules and Regulations

Public Service Rules and Regulations are weakly - and sometimes selectively - enforced with different standards applied across the public service. Effective enforcement of the revised Public Service Rules and Regulations will restore discipline in the civil service.

It is therefore imperative that the Ethics and Compliance Division in the newly created Civil Service Transformation Department (Service Policies and Strategy Office of the OHCSF) develops a framework to address the issue of uniform enforcement of Public Service Rules. The NSPSR will support the development of mechanisms and incentives for enforcing discipline in MDAs, including emphasis on the accountability for discipline by PSs.

7.2.2. Organizational Efficiency and Effectiveness

(i) Rationalised functions, structures and staffing of MDAs

A rationalization of functions and structures was carried out between 2005 and 2007, first within pilot MDAs and later in almost every MDA. The exercise was of varying quality: a few were rigorous and thorough (for example, FCT) while some were patchy
and others lacked any rigour. Issues relating to this exercise remain. In some places, there are unclear staffing levels, job descriptions have not been implemented, and staff deployment is not based on skills and needs. Nevertheless, the exercise did link approved functions and structures with staffing, with a view to identifying overstaffing and skills gaps. In order to address any residual issues staffing levels as approved by Head of Service need to be implemented, and staff job descriptions must be implemented across government organizations. Finally, more attention needs to be paid to staff deployment according to needs and skills/experience, which will be achieved through initiatives on career management and mobility of employees.

Although there is periodic merging and demerging of MDAs by incoming administrations – as is their prerogative - it is important to undertake rigorous and thorough functional reviews focused on mandates on a regular basis.

Recently, Government has undertaken a programme of rationalisation and restructuring of the public service, focusing on reducing the quantity of public agencies (parastatals) and increasing the quality of the management and delivery of those that remain. Implementing this programme (thought privatisation of some agencies, restructuring of the finances, operations and organisation of others) will improve the performance of the publish sector.

The next time that such and exercise of rationalizing functions, structures and staffing is undertaken, lessons from international experience suggest that this is best assigned to a joint team of MDA staff and external experts. Full reliance on internal teams leads to defence of the status quo, use of only external experts reduces understanding of the realities on the ground leading to recommendations that are difficult to implement.

Clear guidelines are needed for all MDAs to use when undertaking their own reviews of functions, structures and staffing (FSS). These guidelines should emphasise alignment with approved medium-term sector strategies (MTSS) and MDA strategic plans as the foundation for staff development and improved organizational performance. Incentives need to be agreed upon in advance for MDAs that achieve satisfactory rationalization and restructuring (for example, an increase in the budget vote for training and capacity building for 1-2 years).

**Strategic Interventions**

- Finalise and implement the strategic plans being developed in OHCSF.
- Develop and finalise career management and mobility plans by OHCSF.
- Develop guidelines on functional reviews of MDAs by BPSR.
- Ongoing implementation of decision relating to restructuring and improvements in performance of parastatals.
- Develop strategic plan in FCSC and some other key central institutions.

(ii) A strong centre of government
The 'centre of government' in Nigeria’s presidential system is the Presidency which includes: State House Administration directly serving the President; OSGF; OHCSF; and several bureaux including BPSR, BPP and BPE. There is also the Office of Chief Economic Adviser to the President. Other organisations have cross-cutting responsibilities that are critical to the successful working of centre of government, including FCSC, FCC, NSIWC, FMF, NPC and FMJ.

International experience suggests that countries with a strong centre of government are more likely to achieve results from PSR that enhance their capability to perform core functions, including the provision of quality services citizens. In Nigeria, implementation capacity at the centre remains weak. There is need not only to strengthen the central institutions, but also to focus on ensuring effective coordination among them. Two recent initiatives will provide enhanced coordination, at least of the reform process: the Steering Committee on Reform, which is chaired by the SGF with the HCSF as the vice-chair; and the BPSR which will coordinate governance reform efforts in general (covering the different sectors (justice, police, legislature and others) and the public service, in particular.

There is an urgent need to ensure that the public service can implement government policies as well as facilitate implementation of the reforms, and to assure steady progress towards achieving the objectives of Vision 20-2020. To this end, the staff of the new Reform Coordination Departments created in key MDAs by the OHCSF will drive reform coordination and improve service delivery, and will be change agents to support Permanent Secretaries to lead this change.

(iii) Service-wide roll out of IPPIS and Activation of remaining Modules

One of the PSR success areas implemented during the 2004-2007 period was the IPPIS. The integration of pay roll and personnel information was first piloted in about one half-dozen MDAs. Since then it has been rolled out to 292 MDAs as at March 2014. The successful removal of both “ghost workers” and “ghost pensioners” was reported to have saved ₦120 billion as at August 2013. As at March 2014, IPPIS is reported to have saved about ₦140 billion.

One current key issue is that only the payroll module of IPPIS is being implemented. Other modules relating to HR management are not yet implemented. And poor HR information has been input to IPPIS leading to ineffective implementation. OHCSF does not yet have access to robust HR information.

The obvious next step is to continue to roll out IPPIS service–wide and also to activate all other modules. It is important to continue mapping and validating HR processes to go into IPPIS platform. It is equally essential to ensure effective coordination on a continuous basis between OAGF and OHCSF to ensure that payroll and personnel data respectively are quality assured and updated.

(iv) An effective management systems and processes for service delivery
Some of the MDA reform efforts between 2004-2007 featured business process re-engineering. Processes examined include: the policy process; planning; and monitoring. Data collection and records management was an identified area of weakness that some MDAs tried to remedy. However, conduct of government business remains bureaucratic and ineffective. Delegation of functions and mandates in the hierarchies of MDAs is necessary to address this. In many MDAs, there are issues of overlap or duplication between Departments. These issues can be addressed by an organisation review and restructuring, or by a process of job-evaluation and clear delineation of schedules of duties of Departments in all the MDAs: individual MDAs will be able to choose the most appropriate approach for this, and parastatals in particular will be encouraged to do this in the early phases of implementation.

It is also important to ensure that the work environment, facilities and tools available within MDAs are conducive to efficient and effective performance. Almost every MDA focused on ICT between 2004 and 2007, with some MDAs moving forward with e-government in some aspects of their work. By November 2008, the introduction of e-payment was under consideration in FMF and later became a reality. However, by the end of November 2008, few business processes across the civil service had changed from 2004. The penetration and use of ICT applications in the conduct of government business was still at a low level. Even by the first quarter of 2014, limited progress had been made in this area. Computer density needs to be improved across the public service so that the penetration and use of ICT to enhance service delivery can also improve.

The NSPSR will support an effective implementation of the Strategic Plan of the OHCSF which identified some key ICT-based projects. The NSPSR will also support the digitalization and automation project at the National Records Centre, Karu, towards upgrading manual records service-wide.

Furthermore, NSPSR will support the on-going e-government project.

7.2.3. Professional and Results-Oriented Civil Service

The PSR reforms initiated in 2004 tried to address the limited implementation capacity of the civil service. However, this issue persists today. There is broad agreement that the following are four of the root causes: (i) lack of emphasis on the merit principle and strong emphasis on the implementation of the Federal Character (FC) principle, leading to a state-based quota system in appointments; (ii) limited attention to professionalization within the service; (iii) a weak performance management system; and (iv) poor pay and incentives, especially in comparison to the rewards of political appointees and employees in the private sector. Given the seriousness of the last factor (poor pay and incentives) it is examined in detail under 7.2.4 below. Solutions to address the other factors are examined below.

(i) Merit-based appointment and promotion and the ‘Federal Character’ principle
All civil service systems – in both developed and developing countries – seek to balance respect for the merit principle with attention to diversity. In broad terms, diversity in civil service human resource management involves assuring fair representation for ethnic or racial groups, geographical areas, women and persons with physical disability. Good practice is to spell out clear guidelines (including percentage targets in some cases) on how to ensure fair representation within the civil service. But every well-performing civil service in the world relies on the merit principle as the primary criterion for appointments and promotions.

Nigeria is some way from this good practice. The recruitment process is not transparent. Although promotion is largely merit-based, the existence of a patronage culture also reduces its transparency. There is a need for more transparency in the recruitment and promotion processes. This may require reviewing the functions of the commissioners in the recruitment and promotion processes in FCSC.

NSPSR will therefore support:

- Institutionalise a merit-based assessment model through developing guidelines for the protection of the merit principle with clear responsibilities amongst OSGF, OHCSF and FCSC.
- Development and implementation of clear and transparent guidelines on enforcement of the federal character principle as well as the preparation of a list of exceptions (for example, aspects of aviation sub-sector and health sector).

(ii) Professionalization within the civil service

Under the 1988 Civil Service Reform, an attempt was made to extend professionalization within the civil service beyond the traditional groups of engineers, accountants, doctors and lawyers etc. It was envisaged that the finance function would be entrusted to finance professionals while planning and research experts would lead newly created Planning, Research and Statistics Departments. This professionalization effort was not sustained, and only the traditional professional groups were recognized in the civil service that the military left behind in 1999. Evidence from well-performing civil services in developed and developing countries suggests that that increased professionalization in civil service management is desirable. Some of the functions that have been professionalized elsewhere include those of policy analysts, economists, and human resource managers. In the Nigerian situation, broadening and sustaining professionalization will require introduction of professional certification or its equivalent in the medium term.

Professionalisation will also improve the relationships between political office holders and the civil service. There are concerns about the current practice of recruiting aides to political office holders from outside the civil service – politicians do not believe that civil servants have appropriate competences, but if civil servants are excluded from providing close support to political office holders, the public service can be politicised. Improving
the skills of civil servants in policy analysis and development, research and evaluation and in communications will assist in addressing this issue.

NSPSR will support:

- Development of policies and strategies for the professionalization of some key service cadres across the civil service.
- Staffing of human resource management (HRM) departments in all MDAs by HRM professionals.
- Development and implementation of a comprehensive career management framework which is being led by OHCSF.
- Development by OHCSF of a competency directory for the civil service.

(iii) An Effective Performance Management System

An official government document aptly observed, more than a decade ago, that ‘the Federal Civil Service of Nigeria currently has no effective performance management system that motivates excellence, result achievement and accountability, whether at corporate or individual levels. The only element of it is the staff appraisal report called the Annual Performance Evaluation Report (APER), which itself has been rendered unreliable as an appraisal instrument. The inherent weaknesses of the current systems are recognised:

- Performance appraisal is not aligned to federal public service targets or national objectives;
- At institutional and individual level there are no clearly defined performance measures of service delivery outcomes;
- Targets set by the current performance management tool, APER, are often not clearly linked to the MDA mandates or objectives;
- Poor recognition of employees’ performance;
- Lack of monitoring and evaluation of institutional or departmental performance;
- Perceived inequity, non-transparency and subjective judgment – understandable given the absence of a systematic link between performance rating and results.

There have been past efforts at improving the performance management system of the Civil Service, including the Udoji Report of 1974 and the 1988 Civil Service Reforms. However, the developments since the last change now point to a serious need for comprehensive change. Among the consequences of this deficiency is the unsatisfactory level of institutional performance and service delivery. The development and institutionalization of an effective and credible performance management system is therefore considered imperative for the Civil Service going forward.

In 2010 the President mandated the OHCSF to develop the structures, processes and procedures for managing result-oriented performance at the sectoral, institutional and
individual levels within the Federal public service. In 2011 the FEC approved a proposal by the FCSC to replace examinations with performance contracts as an instrument for assessment and promotion. In 2012 the Federal Government adopted ‘Performance Contracting’ as a framework for performance reporting, after the NPC articulated national and sectoral key performance indicators (KPIs) derived from NV 20:2020 and MDA mandates. A number of different agencies involved in the area of performance management (NPC, OHCSF and FCSC) and to implement an effective performance management system, these three bodies need to work in a coordinated and harmonised way to revise and implement of performance management, in particular, in the longer term to align remuneration and reward with improved performance. Actions to be taken include:

- Securing FEC approval for PMS policy and implementation framework;
- Developing work plan with budget for each phase of PMS Implementation;
- Strengthening institutional capacity for PMS implementation;
- Aligning the performance management system to the reform change management framework;
- Building linkage between institutional, departmental and individual performance measures;
- Setting KPIs and measures cascaded through Ministers, Permanent Secretaries, and Directors to staff.
- Supporting manager and staff to consult agree and work together in meeting targets, to reduce patronage and favouritism.
- Making individual staff appraisals central to employee career mobility in the service – rather than a routine or voluntary exercise informed by promotion manoeuvres;
- Building a culture for compliance and sustainability.

The new approach to performance management will align the work of civil servants with the Federal government’s strategic vision and goals. It will show how their work fits in to, and how they contribute to the achievement of the FGN’s vision and the objective of the MDA in which they work. The implementation of the revised performance management system will ensure there is a clear understanding of job expectations, regular feedback about performance, advice and steps for improving performance. Through this, it will increase engagement of civil servants and improve the delivery of services to the citizen.

NSPSR will therefore support implementation of a performance management system including the design and introduction of an effective performance assessment instrument.

(iv) Undertake a comprehensive job evaluation in the public service
A comprehensive job evaluation of the public service is long overdue. The previous one was carried out by the Udoji Commission in 1972-1974, some forty years ago. The existing job evaluation system is outdated, especially because of changes in jobs, economic developments, technology that affect business processes, and in the job skills in the labour market. Job evaluation can be a very complex, expensive and time-consuming exercise, so time will be invested in its planning, as well as the development of the capacity of the National Salaries, Incomes and Wages Commission (NSIWC) to manage the process. The current job evaluation scheme has become obsolete and is inadequate for the task. It needs to be redesigned.

NSPSR will support:

- Development of the capacity of the NSIWC effectively and efficiently to manage job evaluations.
- Development and implementation of a strategy for comprehensive job evaluation, to be approved by President and FEC. The starting point will be a redesign of the current job evaluation scheme, followed by a comprehensive job evaluation across the public service.

7.2 4 Well Motivated Civil Servants

(i) Improved pay system for the civil servants

Over the past 30 years there have been many efforts to reform pay - from the Udoji Commission Report in 1974 to the Shonekan Committee Report in 2006. However, a system of pay and incentive reviews that will ensure the attraction and retention of quality staff into the civil service has proved elusive. The situation is made worse by the lack of transparency in determining the salaries and emoluments of political office holders who work alongside civil servants. The pay and allowances of Permanent Secretaries, the most senior career civil servants, have been aligned with those of political office holders since early 2008. But this has resulted in huge gaps between PSs and the next level of career officials. The budget cannot support alignment of the pay and allowances of all civil servants with those of political office-holders; nevertheless, this issue needs to be addressed.

The situation is made worse by the lack of transparency in determining the salaries and emoluments of political office holders who work alongside civil servants. Furthermore, there is wide disparity between the remuneration of the officers of the Federal Civil Service and those of other Federal Agencies. This needs to be addressed.

Evidence from other countries indicates that there are high opportunity costs and perverse consequences of maintaining a low pay regime for technical, professional and executive civil servants. These include (a) inability to recruit, retain and motivate adequate numbers of technical and professional staff; (b) loss of professional and technical personnel from the civil service to other sectors and outside the country; (c) temptations for lowly paid technical and professional staff to engage in moonlighting,
absenteeism, and corrupt practices; (d) over-concentration of technically and professionally skilled personnel in urban centres where there are better opportunities for alternative income generation; (e) sustained socio-political pressure for Government to absorb unskilled and semi-skilled school leavers into its employment; and (f) civil servants supplementing their incomes through non-wage budgeted resources, accessing allowances and in-kind benefits.

The civil service needs to develop and adopt a medium term pay reform policy that will make some impact on recruitment, retention and motivation of quality technical and professional staff. Under NSPSR, a medium term pay policy will be developed and implemented drawing on the Shonekan Committee Report, the White Paper on this report and international good practices in pay reform. The NSPSR will support:

- A framework for collaboration between the respective institutions responsible for determination of the pay of career public servants and political office holders to ensure relativity and harmony;
- Development of a medium term pay reform policy that will enable government recruit and motivate quality and professional staff;
- Periodical review of pay (3-5years) based on inflation rate and comparative studies.

(ii) Enhanced incentives for the civil servants

Federal civil servants perceived that the incentive system has collapsed. The implementation of the monetization policy led to loss of fringe benefits, which is seen to have reduced incentives and therefore caused low morale in the service. The monetization policy did not, for example, make sustainable provision for new entrants into the public service to acquire their own houses. Although the monetization policy may have taken care of this issue for existing workers, new employees who enter the service are faced with similar housing problems. The problem was compounded as many public servants who lost their official quarters were forced to find accommodation that was less convenient in location. There are reports that such workers get to the office late every day. The lack of effective transport system makes matters worse for those who do not have personal means of transportation.

Development of a new incentive policy appears to be the way forward. The NSPSR will therefore support:

- Development of incentives reform policy that will enable the government recruit and motivate quality and professional staff.
- Review of incentives periodically (3-5years) based on comparative studies.

Of course, increased pay and incentives are not the only interventions that can increase motivation of civil servants. Improved competence - including though training - better leadership and management (discussed in section 7.2.5 below) are also critical. And the
implementation, for example, of an effective system of performance management as set out in section 7.2.3 (iii) is also essential to improving motivation. Regularly tracking progress against performance goals and objectives can provide the opportunity to recognise and reward staff based on performance and exceptional effort, contributing to their job satisfaction and productivity. Civil servants want to do well at their job and feel they are making a valuable contribution. In order to ensure this happens, they need a clear understanding of individual goals and how they fit into the larger goals and plans of government.

7.2.5. Improved Competence of Civil Servants

Training and capacity building in the civil service was neglected for decades. This was identified as a major explanatory factor for its weakness in 1999. But as soon as a civilian administration assumed power in 1999 attention was paid to training and capacity building, which was accelerated during the 2004-2007 PSR implementation period. However, the ongoing objective of improving competence of civil servants means further efforts in training and capacity building. Training programmes have rarely been based on identified needs. More importantly, training has been used as an instrument of patronage and has served more as welfare than as a tool for building capacity for performance. This needs to be addressed.

There is also need to focus more sharply on leadership and management development and on increasing the effectiveness of public service learning centres.

(i) Efficient and Effective Management of Training

To ensure that the civil service has appropriately skilled and knowledgeable staff, it is essential that staff training is based on identified needs. The identification of training needs – through systematic training needs analysis – must be the initial step in development of a training policy. OHCSF will develop a broad training policy for the entire civil service. This will be accompanied by a training budget. There will also be MDA-specific training policies and programmes, supported by allocated training budgets.

The training policies, programmes and budgets will need to be reviewed periodically – at three- or five-year intervals. It is expected that these policies and programmes will cover the range of on the job training as well as formal training courses, given how central on the job training, responsibility for this lies at MDA level, and is in terms of capacity development. This systematic approach to training will ensure that civil servants attend training programmes that are relevant to the jobs they do. It will also help reduce the current ad hoc approaches to training where some staff has more than one opportunity a year, while a large number spend four or more years without attending any training programme. The good practice model of preparing a training calendar and roster for all targeted staff in a year will be encouraged.

Expenditure on human capital development, in the recent past, has not closed the capacity gaps in the public service. In addition to the approaches above, there is a need to ‘go back to basics’ to ensure that public servants have the foundation to benefit from the more formal capacity development opportunities. The responsibility for this more
basic training lies at MDA level, and MDAs will be supported by OHCSF and BPSR to develop in house basic training and mentoring of staff at all levels, and in particular newer entrants.

The NSPSR will support:
- Conducting of training needs assessment and analysis;
- Alignment of capacity development programmes with job requirements and performance;
- Regular review of training policies, programmes and budgets.

(ii) More Effective Public Service Learning Centres

The capability of public service training institutions has been neglected, in parallel with the decades of neglect of staff training and capacity building in the public service. The most glaring evidence of this was the decline of the Administrative College of Nigeria (ASCON) in Badagry, with deteriorating facilities and underutilized capacity. The establishment of Civil Service College (CSC) in Abuja - renamed Public Service Institute of Nigeria (PSIN) – is evidence of more recent commitment to quality public service learning institutions, as is the effort to re-position ASCON. However, PSIN requires a legal framework and formal establishment by an act of the National Assembly: delays in this have prevented its full and effective functioning.

(iii) Improved leadership and management development

Managers – top level managers and indeed those at middle management levels – are at the heart of reform. Managers need to manage: both to deliver on their objectives and key performance indicators and to help their staff build capability and improve their performance. Managers have a role in monitoring achievement of service delivery standards, but are also involved in getting their part of the wider public service to achieve those standards.

Leadership and management development is thus a key dimension to staff development in well-performing civil service systems. The initial effort made in 1999/2000 has not been sustained. Rolling two- or three-year programmes are needed to develop the competences of chief executives, permanent secretaries, and other senior civil service executives. This is critical, in particular given the high turn-over rate of permanent secretaries in the last few years. Some programmes will be conducted exclusively for civil service senior managers, others will involve participation by senior executives from the wider public service. It is possible that occasional leadership and management development programmes could also involve senior executives from the private and voluntary sectors.

Under NSPSR:
- To address current leadership and succession planning challenges, the newly created Leadership, Management and Succession Planning Department in OHCSF will identify and implement plans to develop critical mass of competent leaders to drive the ongoing and future transformation of the civil service.
• A service-wide training needs analysis will be conducted focused on definition of required leadership and management competences for senior cadres in the service (directorate-level staff and permanent secretaries).

• A service-wide training policy will be developed to match training programmes with clusters of competences as well as developing guidelines on post-training utilization of staff.

• A service-wide training policy to develop the capacity of middle managers to deliver their roles and responsibilities will be developed, including on-the-job training and mentoring which will be led primarily by their senior managers in the service, and for which capacity will be built in the senior management training;

• The capabilities of ASCON and the new Public Service Institute of Nigeria will be aligned with the capacity needs of the public service. The objective will be to ensure synergy and complementarity between the two institutions, avoiding duplication and overlap. Possible contributions from other providers of education and training in both the public and private sectors will also be identified.

7.2.6. An Accountable and Results focused Workforce

(i) Accountability, result-oriented and citizens-centred work culture

The issue of accountability and results focus within the civil service are closely linked to the issues of anti-corruption and transparency discussed under Pillar 1. Success with anticorruption education with emphasis on ethics and integrity will mean in time that officials recruited into the service will be Nigerian men and women who abhor corruption, are accountable and are committed to high ethical standards. All this will result in a work culture that is oriented towards achieving high productivity and quality service delivery. However, to achieve this will take time.

The discussion earlier of improvements in performance management will address initial issues of accountability: until a performance management framework is in place to cover officials at all levels and all public service organisations, there can be no accountability. Another key current issue that needs to be addressed is the existence of weak demand side of accountability, which is also discussed until Pillar 1 and (in relation to the budgeting process) under Pillar 3. The proposals set out in section 4.2.2 (ii) for: enforcing accountability; strengthening the demand side through empowering citizens, working with CSOs and developing service charters; and building citizen partnership in core government activities will all contribute to this.

NSPSR will support:

• Building the demand side of accountability (for example CSOs) into all policies, reform plans and core activities.

• Providing clear statements of service delivery standards and public reporting of achievement.

• Development of systems (including records management and IPPIS) to provide real time information on service delivery.
7.3. Long Term Perspective

The defining characteristics (key outputs and/or outcomes) at the end of each of the three phases of the NSPSR for Pillar 4 are provided in Table 7.1 below.
Table 7.1: PILLAR 4 – Civil Service Administration Reform

Defining characteristics (key outcomes and/or outputs) at the end of each phase of the NSPSR

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Effective Governance and Management of the Civil Service as an Institution</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership role of the OHCSF is clarified and strengthened</td>
<td>Discipline is effectively restored throughout the entire civil service</td>
<td>Majority of MDAs deliver services of quantity and quality stated in well published service delivery charters.</td>
</tr>
<tr>
<td>Professional role of the FCSC in HRM is strengthened</td>
<td>Annual evaluation of the performance of MDAs and their senior management is institutionalised, and results are widely publicised.</td>
<td>Performance by MDAs in public service delivery matches that of several select countries among the top 20 economies.</td>
</tr>
<tr>
<td>Reinforced system for restoring discipline in MDAs and ensure accountability for discipline by PS is in Place</td>
<td></td>
<td>Citizens have access to informed performance of the Government.</td>
</tr>
<tr>
<td><strong>Organizational Efficiency and Effectiveness</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FG ministries have the capacity to strategically lead and coordinate stakeholders/key players in the development of sectors in trajectories consistent with MDGs and Vision 20-2020 goals.</td>
<td>Bureaucracy in delivery of services is minimised and there is enhanced delegation of functions and mandates in the hierarchies of MDAs.</td>
<td>At least 75% of MDAs have the work environment, facilities and tools that are needed for efficient and effective performance.</td>
</tr>
<tr>
<td>All MDAs are systematically implementing strategic plans for staff development and improved organisational performance (where appropriate, preceded by rationalisation of functions, structures and staffing).</td>
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</tbody>
</table>

100
Majority of MDAs deliver services of quantity and quality stated in widely disseminated service delivery charters. A performance management and staff development system on the IPPIS platform is fully operational in all MDAs. IPPIS extended to all MDAs (including education, military and paramilitary institutions).

### Professional and Results-Oriented Civil Service

- Merit principle, with due cognisance of the Federal Character (FC) principle, is effectively restored as the primary criterion for recruitment and promotions in the Public Service.
- Policy and strategy for the professionalization of all core service cadres across the civil service are in place and implementation launched.
- An effective performance management system for all civil servants installed and in use.
- Civil service pay levels are comparable to those prevailing in public services of top 5 African economies.

The civil service becomes an employer of choice for brightest and best graduates of tertiary institutions and mid-career professionals in the country. There is an institutionalised system for continuous pursuit of excellence in the quality of the civil service and its performance.

### Well Motivated Civil Service

- Competitive pay to attract and retain the best and brightest is in place.
- Pay system is reviewed periodically based on comparative studies.
- Incentives reform policy is developed.
- Periodical review of incentives reform policy.

Civil Service becomes a destination of choice. Best and brightest graduates are proud to work in the civil service.

### Improved Competence of Civil Servants

- Training of civil servants is policy-driven and needs-based.
- Substantial and satisfactory implementation of a robust three-year programme to develop competencies of chief executives, PSs and other senior civil service executives.
- Capabilities and performance of ASCON and the new Public Service Institute of Nigeria (PSIN) are aligned to the capacity needs of the public service.

PSs and other senior executives have competencies of similar cadres in the top 20 economies.

### An Accountable and Results-focused Workforce
Demand side of accountability is built into policies, reform plans, and core activities. | Clear statements of service delivery and public reporting of achievements are provided. | Development of systems (including management records and IPPIS) to provide real time information on service delivery is in place.
7.4. Strategic Priorities and Quick wins

The long-term strategic priority in CSA reform is ensuring that the civil service is capable of providing world-class levels of service delivery. From the possible NSPSR interventions identified in different sections of the Chapter, the following are some strategic priorities and “quick wins”.

**Strategic Priorities**
- Review and updating of Public Service Rules and Regulations.
- Institutionalization of performance management system.
- Development of comprehensive job evaluations.
- Strengthening work ethics and accountability, and improving motivation.
- Ensuring mastery of basic ICT skills, supported by appropriate equipment across the civil service. Deepening IPPIS by ensuring that it is rolled out in all MDAs and achieving a fully functional integrated personnel and payroll information system.

**Quick Wins**
- Implement the Strategic Plan in the OHCSF; implement Strategic Plan in the FCSC;
- Finalise and begin implementation the Strategic Plan being developed in the OSGF;
- Map and validate HR processes to go into IPPIS; Harmonise various Performance management templates and set out a clear IPPIS roll out plan;
- All MDAs develop a strategic plan that align to national vision and priorities; and identifies indicators for tracking sector results that will over time form the basis for individual targets.
- Review recent impact assessments and evaluations of recent CSR interventions and develop action plans to implementation recommendations;
- Implement comprehensive Career Management Framework;
- Develop Competency Directory for the Civil Service;
- Fast track work on the review of Public Service Rules and Regulations;
- Strengthen the National Records Centre, Karu, for enhanced Automation of Records.

7.5. Implementation Management

The OHCSF is the primary institution responsible for CSA reform, with the HOSF as the chief reform champion. In anticipation of its reform leadership role, the OHCSF was
restructured in 2013 with the establishment of a 3-Office management structure as follows:

- Service Policies & Strategic Office (SPSO);
- Career Management Office (CMO);
- Common Services Office (CSO).

This new structure has been approved by the President, and the structure is now in place. The Department of Civil Service Transformation focuses on civil service reform coordination. There are directorate officers responsible for coordination of many of the reforms identified here in the OHCSF. OHCSF will interface with the BPSR on behalf of the entire public service. All OHCSF departments that emerged from the restructuring exercise have specific functions in the implementation of the CSA reform. More importantly, the HCSF is expected to lead by example - ensuring that the organization, staffing and functioning of its reform implementation arrangement constitutes good practice for the MDAs to emulate.

At the MDA level, the permanent secretary serves as the champion of CSA reform. Already, in order to support the permanent secretary to implement the reform at the MDA level, two new departments have been created in key MDAs to drive reform coordination and improve service delivery. This is discussed more in Chapter 9. Efforts will be made to ensure that these departments function effectively to drive the reform at the MDA level. The success of the reform at the MDA level is key to the success of the entire public service reform.
8. RISKS AND MITIGATION

8.1. Context

The NSPSR is a comprehensive reform agenda and is without question, an ambitious undertaking. What factors will make it succeed when previous reform programmes have failed to record significant positive results?

Strong and strategic commitment of the top political and administrative leadership can ensure effective and sustained efforts to realise the vision and objectives of the NSPSR. Although NSPSR is wide-ranging, it has paid adequate attention to prioritization and sequencing. International experience in PSR implementation is that public servants and citizens need to see some quick results within the first six to twelve months – evidence that the reinvigorating and eventual transformation of the public service is actually taking place. NSPSR interventions are packaged around target outcomes/results and building blocks within four Pillars that make possible simultaneous progress on different fronts.

The implementation strategy for NSPSR takes into account lessons learned from previous reform efforts, especially about why reforms were never implemented or only partially implemented. IEC efforts will seek to disseminate information about different reform initiatives and change management activities will assist the leaders and managers of reform as they introduce and implement the new structures, systems, procedures and attitudinal changes required under the NSPSR. The focus of M&E is to ensure continuous monitoring and feedback on implementation progress: pointing out things that are working and those that are not working, thereby drawing the attention of reform managers and coordinators to the need for corrective measures.

Ownership and participation were the hallmarks of NSPSR development. In this refreshed NSPSR, ownership and participation were both broadened and deepened. It is expected that this approach will help mitigate the challenges and risks to the implementation of the strategy. This included presentations to and workshops including permanent secretaries, regular IMTT meetings, and one-to-one meetings and focus group discussions in selected MDAs for each Pillar. These allowed many to participate and deepen their general understanding of reform.

Political ownership of the NSPSR will be obtained through the SCR and the approval of the NSPSR by the FEC.
Table 8.1: Risks, Mitigation and Rating

<table>
<thead>
<tr>
<th>RISK</th>
<th>MITIGATION MEASURES IN THE NSPSR</th>
<th>RISK RATING</th>
</tr>
</thead>
</table>
| 1. Political environment constrains FGN in taking hard and strategic decisions needed for structural reforms and sustaining results. | • There is active SCR whose broad based membership will facilitate buy-in at the implementation stage.  
  • FEC will endorse the strategy, and the President will launch it with reaffirmation of the link to the Transformation Agenda and Vision 20-2020.  
  • The DG BPSR will have responsibility for enabling political and technical interface in the coordination and facilitation of implementation. | Low        |
| 2. Preoccupation with politics of 2015 will affect the commitment and support of the Presidency to the implementation of the reform. | • Much depends on the main champions of the four Pillars. Once broad political support is given in 2014, the Pillar champions can take reforms forward.  
  • Adequate funding must be made available to enable the champions drive the reform in the most professional manner. | Modest     |
| 3. The possibility of reform discontinuity in case of regime change in 2015. | • If the NSPSR continues to be professionally managed under the BPSR, the risk posed by regime change will be reduced.  
  • A restructured and reform-conscious OHCSF, combined with reform-minded leadership through BPSR will provide sustainability and professional leadership in the implementation of the reform. | High       |
| 4. Low interest and strong opposition in Parliament to some important aspects of the reform agenda, which may derail the necessary institutional and legislative measures. | • A strong advocacy programme should be carried out with members of NASS. | High       |
| 5. Weak technical leadership and coordination of the implementation because there is paucity of technical capacity and/or enthusiasm and commitment to the reform agenda among PSs | • SCR must be the strong coordinating body with regular scheduled meetings and a clear agenda to exercise of oversight and M&E of the implementation progress.  
  • Technical capacity of present corps of PSs must be improved, including through the rigorous nature of their appointment. | Modest     |
<p>| 6. Inertia and/or resistance to the reform implementation in MDAs | • MDAs, and their PSs and chief executives, will be explicitly held responsible and accountable for results in their areas of mandate and sectors that they lead. | Modest     |</p>
<table>
<thead>
<tr>
<th>Number</th>
<th>Risk Area</th>
<th>Risk Description</th>
<th>Mitigation Measures</th>
</tr>
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| 7.     | Adequate resources are not available for effective implementation of the NSPSR | - In approving the NSPSR, FEC explicitly endorse its implementation as a top priority for budgetary allocations, across all Pillars.  
- Government will aim to have a dedicated reform budget line from the 2015 budget.  
- Development partners will be encouraged to provide flexible co-financing | Modest |
| 8.     | Morale, commitment and performance of Public Service executives is undermined by failure or delays in the implementation of pay enhancement and complementary motivational incentives, including restoration of meritocracy and open and objective staff appraisal as the basis for appointments. | - Implementation of more effective performance management and incentives systems, and restoration of meritocracy in appointments will be accorded high priority in strategy implementation. | High |
| 9.     | Failure by state and local governments to reform and improve performance, especially in essential public service undermines credibility of the FG and demoralises FG Public service managers in policy development, regulation and NSPSR implementation. | - The implementation of Pillar 1 of the NSPSR coupled with a strong IEC and SERVICOM programmes will serve to put pressure for improved performance in state and local governments.  
- Institutions at the centre of government as well as other MDAs through participatory sector development initiatives will promote and support reforms and improvements in public service delivery by the State and Local Governments. | High |
| 10.    | Scepticism and apathy among the citizenry, especially arising from slow progress in the anti-corruption and rule of law drives, demoralises senior Public Servants in the implementation of the reforms. | - A strong IEC programme will reinforce that of SERVICOM in sustaining public interest in the reform agenda, and in enhancing and sustaining the demand side of accountability  
- The anti-corruption and rule of law programmes will be strengthened in the implementation of the NSPSR. | High |
11. Reform fatigue: by the time NSPR becomes effective in 2014, both civil servants and outside observers may wonder what is different to other attempts at PSR, given the patchy modest results recorded over the past 15 years.

- A sharp focus on successful implementation of carefully selected ‘quick wins’ as well as attention to incentives for public servants will help ensure buy-in and sustained commitment to NSPSR.
- A strong IEC programme supported by a robust M&E will keep all stakeholders aware of the vision, objectives, progress made and the gaps to be covered.
- A new and vibrant implementation approach by BPSR will make a difference in minimizing reform fatigue.
9. IMPLEMENTATION STRATEGY

9.1. Overview of Challenges

There are many challenges regarding the implementation of the refreshed NSPSR. The most critical challenges are inherent in the current shortcomings of the public service. The service has serious gaps in the managerial, technical and professional skills for programme and project management, and there are further gaps in change management. The weak incentive system - especially low salaries for all cadres at directorate level and below - exacerbates the low capacity and seriously undermines the morale of the Service. Furthermore, the risks outlined in the previous chapter underscore the size of the implementation challenges of NSPSR. The NSPSR directly responds to some of these challenges in terms of, for example, capacity building in MDAs, pay reform and improved performance management. Nonetheless, a detailed implementation strategy is needed to set out the leadership and management framework, the key drivers of change and the strategic interventions that will build and maintain the momentum of change. These are presented below.

9.2. Overall implementation, leadership, management, and monitoring and evaluation Framework

The overall NSPSR implementation leadership and management framework is illustrated in Figure 9.1. The Presidency is the locus of the overall leadership and coordination of the NSPSR implementation. To this end, BPSR will assist the SCR and the President in the leadership, coordination, and monitoring and evaluating of NSPSR implementation.

The President has reconstituted the SCR, which is chaired by the SGF, to support the President in the political leadership and policy coordination of the implementation. The President has also appointed an experienced and highly qualified public sector management expert as DG BPSR and re-positioned BPSR to act as the Secretariat to and operational arm of the SCR. The members of the SCR are drawn from the Ministers responsible for the top priority programmes in the Transformation Agenda. The SCR meets quarterly to receive briefing on PSR implementation progress from the BPSR.

Four senior government officials who head institutions at the centre of government will take on direct implementation responsibilities:

- The SGF chairs the SCR, whose membership includes those leading key governance and institutional reform initiatives across the entire public service. As is already the practice, the SCR will meet quarterly to review progress reports on the implementation of the NSPSR. SGF will lead and coordinate implementation of Pillar 1 of the Strategy on ‘An Enabling Governance and Institutional Environment’.

- The Minister, NPC, will lead and coordinate implementation of Pillar 2, ‘An Enabling Socio-Economic Environment’. NPC will ensure effective linkage to the key sectoral ministries and agencies leading sectoral reforms, to BPE which is directly responsible for implementing some of the reform interventions under the NSPSR, and to other responsible bodies.
• The Minister, FMF, will lead and coordinate implementation of Pillar 3, ‘Public Financial Management Reform’. FMF will coordinate the PFM reform initiatives within the key central institutions responsible for public finance to ensure effective linkage between the different PFM reform initiatives to be implemented within FIRS, BPP, BOF, and OAuGF.
• The HCSF will lead and coordinate implementation of Pillar 4 on “Civil Service Administration Reform” and collaborate with the FCSC on areas of its mandate. The OHCSF will ensure effective implementation of NSPSR within the MDAs.

The DG, BPSR has responsibility for the overall coordination and monitoring and evaluation of the reform programmes and projects under the NSPSR. BPSR will prepare annual NSPSR implementation progress reports using the quarterly progress reports from the Reform Coordination functions.

Figure 9.1: Implementation, Leadership and Management Framework

Hands-on and day-to-day coordination of implementation of the reform interventions under each of the four pillars of the NSPSR is the responsibility of Reform Coordination functions, which will be established in all MDAs. At the start of the implementation of the NSPSR, this function may be carried out by the Reform Coordination Departments which were created in some key ministries and agencies in 2014. However, each MDA will be able to make a decision about the best approach to establishing its own reform coordination function. The important issue this that this reform coordination function is
established, in liaison with BPSR, in all MDAs. The Reform Coordination function will be appropriately staffed and resourced to discharge its responsibilities. The Reform Coordination function will provide feedback on implementation progress to BPSR during the quarterly meetings and will form a community of practice to share experiences and information.

By their very nature structures to support the implementation of reforms will change to adapt to the evolving reform context. New challenges require revised support structures. And as gains are made, different types of focus will be required – moving from the monitoring of reform compliance to consolidating and supporting reform gains. As a result, these structures will be adapted over the life of the NSPSR.

As the overall coordinating institution, BPSR will have primary responsibility for ensuring that monitoring and evaluation (M&E), change management, and the information, education and communication (IEC) programme are effectively used as implementation tools for NSPSR. BPSR will also be responsible for three important reform activities whose results will enhance the implementation of NSPSR across the public service: (i) strategy, innovation and research; (ii) leadership capacity development programmes.

- **Strategy, Innovation and Research:** This new department in BPSR will focus on research and knowledge creation. The department will have a small staff. One of its staff members will focus on research into and preparation of reports on innovative practices in PSR. The following are some examples of areas of potential research focus: public sector governance; institutional arrangements for public service delivery; anti-corruption policies and practices; quality of budget and public investment process; and accountability and transparency of the public service. Reports from research will be disseminated widely by BPSR. Another task of the department will be to incubate innovation in PSR. This will include designing new approaches and working collaboratively at MDA level to pilot new approaches.

- **Leadership capacity development programmes:** The Corporate Services Department, BPSR, which deals with human development and capacity building, will ensure that adequate attention is paid to leadership development across the public service. BPSR will liaise with both ASCON, and PSIN to ensure that their leadership capacity development programmes are appropriate. BPSR will ensure that all leadership capacity development programmes financed by development partners are captured in its M&E reports.

BPSR will take a lead in ensuring that FEPAR, SUFEGOR and any other donor programme on PSR tailor their support on PSR so that it is guided by the Strategy.

### 9.3. Key features of the implementation strategy

The main features of the implementation strategy for the refreshed NSPSR are described below under the following headings:

- Decentralised responsibilities and accountabilities;
- Rapid capacity building for strategic and technical leadership and management in MDAs;
• Effective change management;
• Robust M&E and reporting systems; and
• A strong IEC programme.

9.3.1. Decentralised responsibilities and accountabilities

Decentralisation of responsibilities and accountabilities is vital to ensure that the NSPSR is effectively implemented. To this end, the NSPSR, and its implementation plans – which are revised and updated on a regular basis – identifies which MDA is responsible and accountable for the delivery of outputs under the various building blocks, as laid down in the chapters describing the various Pillars. Chief Executives and Permanent Secretaries of MDAs will be the primary drivers of reform in their respective organisations.

Sectoral reform programmes are at the core of Pillar 2. MDAs which are leading critical sectoral reform programmes will be expected to integrate these sector development programmes with NSPSR. MDAs have the role, mandate, and the policy and regulatory instruments to facilitate this coordination and integration of sectoral strategies with NSPSR, and will lead the participatory development of current and future sector development strategies and programmes that are consistent with both the Transformation Agenda and refreshed NSPSR. NSPSR will, in many instances, create the enabling environment for smooth, efficient and effective implementation of the sector development programmes, as well as delivering direct improvements in the quality of public service delivery. Sustained improvement in public service delivery demands integration of the reforms at the MDA and sector levels.

A readily available and reliable opportunity for MDAs effectively to coordinate implementation of the NSPSR interventions with those of sectoral reforms is the preparation of plans and budgets, that is, in the MTSS, MTEFs and annual budget processes. The integration of the NSPSR implementation activities with those of other strategic and sector reforms led by MDAs will be an important criterion in evaluating the quality of the plans, budgets and performance of each MDA.

Cooperation, coordination and collaborative efforts among key actors are critical to achieving the target results and impact of the NSPSR effectively and sustainably.

9.3.2. Rapid capacity building for strategic and technical leadership and coordination in MDAs

MDAs have the twin challenges of reforming themselves and leading and coordinating other actors (including non-state actors), in the process of reform and service delivery improvements. However, MDAs generally do not have adequate requisite strategic and technical competencies. Low morale, lack of discipline and poor human resource management practices (for example, in respect of deployment and promotions) impact negatively on effective utilization of available capacity. Therefore, rapid installation of capacity for strategic and technical leadership and coordination in MDAs and BPSR is a top priority in the implementation strategy. The Reform Coordination function in each
MDA will provide some capacity in these topics, and will take a lead role at the MDA level, but it will also be crucial to ensure the competency and performance of the chief executives and permanent secretaries of MDAs. To this end, the following measures will be accorded top priority in the implementation of the NSPSR:

- Competencies for PSs will be defined in the context of reform challenges and gaps will be determined.
- Strategy and programmes to close the gaps will be developed and implemented;
- PSs and chief executives in federal government administration will sign realistic performance contracts, which will include reform targets;
- The Peer Review process will include a focus on reform implementation;
- A scheme for annual rewards and commendation of star performers in reform implementation among MDAs, PSs and chief executives by the President will be implemented.

9.3.3. Effective Change Management

Change management in the public service environment is complex. The wide range of simultaneous change processes outlined in the NSPSR makes it necessary to establish an appropriate change management framework. Systems and processes can be changed by edict. But to embed the fundamental changes to which the NSPSR aspires requires application of change management tools and approaches to ensure the appropriate momentum and traction are attained. The dynamic model required to build and sustain momentum for change is conceptualised in the change management cycle presented in Figure 9.2.

Figure 9.2: The NSPSR Change Management Cycle
Change management is an ongoing process – each specific element of the NPSR, and each key interviewing need to be considered to identify:

- What sort of change is required?
- How is that change to be secured?

The change management cycle outlined above will need to be planned and implemented for each key intervention. BPSR and the lead MDA for each intervention area will need to define:

- The desired outcome of the change;
- How to define the desired new way of doing things;
- The attitudes and values that need to change;
- Steps to secure buy in from key leaders and other stakeholders;
- How the process of change will be implemented and coordinated.

The NSPSR incorporates a strong governance model for implementing reforms, with leadership vested in the SCR and the BPSR dedicated to delivery of reforms. It will also facilitate management of change. The governance model provides an effective platform to enable an integrated approach to change and to ensure that the Nigerian public service evolves into a modern institution that continually improves. BPSR will also ensure learning from reform programmes and provide required technical support to strengthen capability for reform implementation and change management.

Much will depend on effective knowledge management and on enabling the change leaders and managers (see Table 9.1 below) to take action. It will be necessary to demand results in defined change areas from the leaders and managers, including setting targets in performance contracts.

**Table 9.1: Specific Interventions to enabling Leaders and Managers of Change**

<table>
<thead>
<tr>
<th>LEADERS &amp; MANAGERS</th>
<th>ENABLING INTERVENTIONS</th>
</tr>
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</table>
| Members of the FEC/Chief Executives | • Full knowledge of the NSPSR  
• Relevant information and technical advice from PSs and senior officers  
• Appropriate communication messages and channels |
| Permanent Secretaries | • Full knowledge of the NSPSR  
• Clarity of roles, responsibilities and accountability  
• Regular relevant information (M&E results)  
• Linkage between NPSPR activities and performance contracts  
• Inclusion of reform monitoring and evaluation into Peer Review process  
• Technical advice from experts and consultants on implications for MDA |
Directors and other senior management staff | Appropriate communication messages and channels
--- | ---
| Full knowledge of the NSPSR | Clarity of roles, responsibilities and accountability
| Technical advice from experts and consultants on implications for MDA | Regular relevant information (M&E results)

Other actions will be necessary, including:

- Specific capacity building exercises in MDAs and BPSR;
- Building NSPSR into the curricula of training centres;
- Motivating public servants to change (including through interventions under Pillar 4);
- Backing all the efforts with a strong IEC programme as outlined below.

BPSR owns the overall NSPSR document, and has a clear role to play in initiating change and managing plans for specific interventions. BPSR also has an important role in supporting Reform Coordinators to get buy-in in their MDAs. The role of Reform Coordination functions in key ministries is to translate the NSPSR for their own MDAs, in particular to identify the relevant intervenes, work with senior officials in their ministry and at departmental and agency levels to plan both for implementation of these interventions and to develop detailed change plans. They are the Change Agents in their ministries. They will ensure that senior officials in their MDAs understand NSPSR and the relevant aspects of NSPSR. This responsibility includes working with the parastatals under their Ministry. They must also take a lead in communications to staff in their MDAs at all levels.

As noted above, central agencies across the federal public service will take responsibility for coordination of reforms in relevant pillars, and the appropriate SCR member will be accountable for achievement of this coordination. All these central agencies therefore have change management responsibilities for ensuring buy-in, in particular through changes in systems and processes supportive of reforms, across the public service. As part of the change process, provisions will be made for managing the complex environment for implementing reforms and specific attention will be paid to stakeholder relationship management. NPSPR must be built into the curriculum of all public service training institutions and knowledge of NSPSR needs to be included in the promotion processes.

**Table 9.2** sets out how different change management activities will address different stakeholder groups.
Table 9.2: Change Management activities

<table>
<thead>
<tr>
<th>Change requirements</th>
<th>NSPSR approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securing high-level support for change</td>
<td>• Systematic engagement through SCR to ensure smooth approval for reforms</td>
</tr>
<tr>
<td></td>
<td>• Engagement with officials leading key institutions with coordination mandates (e.g. SGF/HCSF/CME/NPC) as well as PSs and CEOs</td>
</tr>
<tr>
<td>Broad/horizontal cross-institutional / governmental</td>
<td>• Bring key stakeholders together in consultative retreats to create conversations around need for and urgency for change, implications for not changing, using data and evidence in support</td>
</tr>
<tr>
<td>stakeholder engagement</td>
<td>• Hold seminars and workshops on reform issues</td>
</tr>
<tr>
<td></td>
<td>• Agree with stakeholders joint change management strategies to build support for change and secure high-level buy-in</td>
</tr>
<tr>
<td></td>
<td>• Work with MDAs leading sectoral reforms to ensure coherence and coordination</td>
</tr>
<tr>
<td></td>
<td>• Use M&amp;E outputs to communicate progress and success</td>
</tr>
<tr>
<td>Deep/ vertical engagement within public service</td>
<td>• Work through Reform Coordination functions to engage PSs and senior officials</td>
</tr>
<tr>
<td></td>
<td>• Support Reform Coordination functions to work with parastatals linked to their Ministry</td>
</tr>
<tr>
<td></td>
<td>• Ensure that reform coordination mechanisms are established in key parastatals</td>
</tr>
<tr>
<td></td>
<td>• Work with institutions and stakeholders to build capacity for change</td>
</tr>
<tr>
<td></td>
<td>• Build NSPSR into curricula and into promotions process</td>
</tr>
<tr>
<td></td>
<td>• Develop and deliver a coherent communications plan</td>
</tr>
<tr>
<td></td>
<td>• Undertake regular stakeholder surveys focused on reform impact</td>
</tr>
<tr>
<td>Build external support for change</td>
<td>• Create demand-side interventions to encourage support for targeted reforms</td>
</tr>
<tr>
<td></td>
<td>• Work with International donors to develop change synergies</td>
</tr>
<tr>
<td>Strategic communications</td>
<td>• Communicate vision for change and change successes to build momentum and energy around reforms, empower and encourage replication</td>
</tr>
</tbody>
</table>

9.3.4. A robust monitoring and evaluation, and reporting system

Government recognises that monitoring and evaluation are critical in assessing the wide, diverse range of interventions being implemented under the NSPSR and building a strong evidence base around achievement of planned NSPSR outputs and impact. Monitoring is a tool for systematically collecting, analyzing and using information from implementing programmes and projects. Evaluation is a tool for systematically assessing an on-going or completed project, programme and/or policy, with the objective of making statements about their relevance, effectiveness, efficiency, impact and sustainability. It will also assist in determining what changes need to be made at a project, programme or policy level.

The objectives for M&E are to:

- Support reform implementation with accurate, evidence-based reporting to inform management and decision-making to guide and improve reform implementation.
- Contribute to learning and knowledge sharing about reform implementation by reflecting upon and sharing experiences and lessons.
- Uphold accountability by demonstrating whether reforms are being carried out as agreed.
• Provide opportunities for feedback from public servants and citizens.
• Promote and celebrate reform successes of the M&E work by highlighting accomplishments and achievement, building morale and commitments.

Some central government organisations such as the NPC, Office of the Senior Special Adviser to the President on Millennium Development Goals, and Office of the Special Assistant to the President on Monitoring and Evaluation, are mandated to monitor and evaluate outcomes. These organisations also collect, collate and analyse data and use primary data provided by MDAs and the National Bureau of Statistics, as well as available secondary data as the need arises. BPSR will work with both NPC and with Reform Coordination functions to collect, collate and analyse primary data relating to PSR. In addition, BPSR will monitor progress towards planned activities and outputs and evaluate more rigorously, progress towards intermediate outcomes of reform activities and longer term outcomes of the NSPSR.

BPSR will develop a Results M&E Framework and Strategy for the NSPSR. This framework will guide the BPSR in the monitoring and evaluation of key and intermediate outcomes of the NSPSR. Results monitoring and evaluation frameworks for each of the Pillars, which focus on comparative detail on intermediate outcomes and outputs, will be produced as a part of the overall M&E framework.

The NPC’s M&E department has developed a national M&E framework. BPSR will collaborate with NPC to align the NSPSR M&E framework which will be developed by BPSR, with the NPC M&E framework to ensure synergy and avoid duplication of effort in the collection of data. The BPSR M&E framework will be revised regularly to ensure it responds to changes in government policies, priorities and programmes.

M&E of the NSPSR is not just a matter of tracking implementation. It is also about establishing the positive impact of PSR. In order to do this, the NSPSR seeks to identify the critical areas of reform where progress is needed, and BPSR will – through the M&E framework - identify how this will be measured. BPSR will adopt international practice on reform programme monitoring, which sets out M&E at four levels:

• *Monitoring and tracking reform implementation and outputs.* This is critical, and forms the bulk of regular monitoring by Reform Coordination functions and BPSR, reporting to SCR. However, it has a largely internal significance. Measuring progress at this level is important, but will not be enough to communicate success or to build momentum of support for reform or wider change.

• *M&E on system outputs* (kilometres of roads constructed against planned number, number of schools built, number of cases treated within deadline etc.). This form of M&E is the mandate of NPC. Output based reform monitoring tools are, in principle, the next step from the previous level, which mainly measures the introduction and improvement of processes. Output measurement is something that needs wider communication and publication as little is gained if this is retained internally in government.
- **M&E on relative performance.** This uses recognised indicators to assess performance, focusing on improvements in key sectors over time. These may be internationally recognised indicators (such as the multi-donor Public Expenditure and Financial Accountability (PEFA) indicators on budget management), or result oriented measuring such as scorecards and surveys. BPSR will build the former into the M&E framework and will identify or design and implement the latter.

- **M&E on development outcomes:** to assess the long term impact and relevance of reforms. Outcome-based M&E is particularly suited for taking a long term perspective and measuring real impact. The M&E framework will need to be linked with long term sector strategic indicators collected by NPC and other key parts of governments (particular in the Presidency). As BPSR develops the M&E framework, it will liaise with other parts of government to identify which development output indicators will be impacted through NSPSR.

- **M&E of Staff Performance:** The FCSC and OHCSF monitoring role on individual staff performance should be clearly defined in line with the essential elements of the harmonized PMS

The key to strategic and effective management of the M&E and reporting functions will be clear demarcation of the roles, functions and mandates and close collaboration, along the lines indicated in Table 9.2.

### Table 9.2: Indicative Overall M&E Framework for the NSPSR

<table>
<thead>
<tr>
<th>Hierarchy of results to M&amp;E, and report on</th>
<th>Main M&amp;E and Reporting Organisations</th>
<th>Key M&amp;E Instruments</th>
<th>Regularity of M&amp;E and Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact (socio-economic growth, improved citizen welfare, etc.)</td>
<td>NPC NBS MDGs Secretariat</td>
<td>Economic surveys HH Budget surveys Citizen satisfaction surveys</td>
<td>Annual, medium term and long term</td>
</tr>
<tr>
<td>Target results (improvements in service delivery)</td>
<td>BPSR NBS MDGs Secretariat Sector MDAs</td>
<td>As above + Living Standards survey BPSR surveys on reforms Service delivery SERVICOM assessments</td>
<td>Annual, Medium term</td>
</tr>
<tr>
<td>Outputs (Capacity installed new policies, new systems, institutions, etc.)</td>
<td>BPSR Individual MDAs FMF, AuGF Reform Coordination functions</td>
<td>Programmes/projects implementation reports Physical inspections/surveys BPSR monitoring reports</td>
<td>Monthly, quarterly, annually</td>
</tr>
<tr>
<td>Activities (e.g. training days, costs, professional days,)</td>
<td>Individual MDAs FMF, OAuGF</td>
<td>Implementation reports, Budgets, Accounts reports</td>
<td>Monthly, quarterly, annually</td>
</tr>
</tbody>
</table>
BPSR will coordinate M&E activities and outputs with a view to ensuring inter-agency cooperation and synergy in the collection and utilisation of data. BPSR will commission the initial and subsequent annual comprehensive surveys of the state of the public service. The initial survey and other complementary data and information gathering will provide baseline data required both by BPSR and by the coordinators of each of the pillars. The annual survey by BPSR will capture the data and information on a range of reform outcomes.

The Reform Coordination functions in key MDAs are responsible for the coordination of implementation of reforms; monitoring and evaluating reform programmes and projects under the four Pillars and collect baseline data on service delivery. Each Reform Coordination function will provide feedback on implementation progress to BPSR during regular NSPSR coordination meetings.

9.3.5. A Strong IEC Programme

The strategic objective of the IEC programme is to ensure that a wide spectrum of stakeholders – in particular public servants at all levels - has the right and timely information and knowledge about the NSPSR on a continuous basis. A cost-effective strategy for IEC will harness lessons of experience and take advantage of the platforms already developed to support on-going and past reform programmes and activities. The IEC packages for the NSPSR will be tailored to specific target groups across the public service.

The main objectives of the IEC strategy are:

- To increase awareness and understanding of the vision, mission and objectives of the NSPSR programme.
- To focus on key messages contained within NSPSR.
- To provide a managed process by which all stakeholders, including staff, are informed of the purpose, intent, risks and issues and the overall progress towards the achievement of the PSR programme.
- To target specific key groups across the public service and outside, with messages about reform, to enable resistance to be managed and new attitudes and values to be encouraged.
- To provide a vehicle to seek advice and feedback on the scope, design and implementation of the four pillars of the reforms.
- To integrate communications at the MDA level to avoid duplication and confusion.

Figure 9.3 is a summary illustration of the strategic framework that will be adopted to ensure the effectiveness of the IEC strategy.

In brief, the key features of this strategy will comprise:
• Synergy between internal and external messages and channels;
• Audience-specific approaches – using language and media which reflects the diversity of the public service;
• Branding – a headline agenda that can serve as a brand of the NSPSR will be developed around the Vision;
• Two-way communications – receiving and utilising feedback channels whenever appropriate;
• Open to local delivery and tailoring where possible.

Figure 9.3 Overview of the IEC process

NSPSR will be re-launched as a part of the June 2014 Civil Service Week activities. The first communications exercise will be focused around the Compendium of Reforms, produced by BPSR for the SCR. This will aim to start a debate on what has worked in reform to date.

Continuous Monitoring and Evaluation of IEC Implementation Results

The drive towards changing perceptions, attitudes, and changing behaviour means that effort will be put into measuring the impact of communications. Simple, robust methods of assessing and confirming impacts will be applied. Approaches will include:
• Focus groups with relevant audiences held at least twice a year.
• Interviews with members of the IMTT who worked on the refresh of NSPSR, civil servants and members of the public;
• Regular surveys of civil servants and members of the public.

The purpose of collecting information about the effectiveness of communication for the NSPSR programme will be to assess:

• Whether key messages for the programme are getting through to stakeholders; and
• Whether the communications success criteria are being achieved.
10. COSTING AND FINANCING OF THE STRATEGY

10.1. Introduction
The overall NSPSR implementation strategy is explained in Chapter 9. The strategic initiatives under each building block and responsible MDAs are stated in annex 5.

10.2. Costing and Funding of Strategic Initiatives of the Building Blocks
The costing and funding of the strategic initiatives under each building block will be decentralised. Decentralisation of responsibilities and accountabilities is considered to be vital to ensuring coordinated implementation of the NSPSR. The responsible MDAs as stated in annex 5 will be responsible for costing and funding of the strategic initiatives. The Reform Coordination function in each MDA responsible for coordinating each Pillar (i.e. OSGF, NPC, FMF and OHCSF) will coordinate the process of preparing a realistic indicative programme cost estimates and budgets summary for all strategic initiatives under their Pillar, in liaison with the relevant lead MDAs for each intervention.

The costs of implementation of all parts of the reform programme will be funded through the federal government annual budget, or through donor-financed programmes agreed between the lead MDA and the donor. The realistic cost estimates of reform initiatives prepared by the responsible MDAs will need to be broken down into capital investment and recurrent costs, and scheduled for budgetary allocation of the MDAs, initially for 2015, 2016 and 2017. The three year budgetary allocation will be consistent with the three year (2015, 2016 and 2017) annual work schedule of the reinvigorating phase of the NSPSR. Some strategic initiatives of the NSPSR are planned to be jointly implemented by two or more MDAs. In such situations, the Reform Coordination function of each MDA coordinating a Pillar will - in collaboration with BPSR - provide an equitable sharing framework for funding the jointly agreed costs of the initiative.

When the cost estimates are prepared, they need to take into consideration that some MDAs - such as Health, FIRS and DMO – already have their own costed strategy documents, including initiatives fully or partially covered in the NSPSR. The Reform Coordination function of each Pillar coordinating MDA, with support of the BPSR, will ensure that the component strategic initiatives of the NSPSR that are part of the MDA’s overall costed strategy documents are harmonized for inclusion in the budget.

10.3. Costing and Funding of Coordination, Communication, Monitoring and Evaluation
The BPSR will be responsible for:
- Rapid capacity building for strategic and technical leadership and coordination of the NSPSR in the MDAs.
- Development and implementation of the NSPSR change management system.
- Monitoring, Evaluation and reporting on implementation of the NSPSR.
- Effective information, education and communication of the NSPSR.
The detailed cost estimates of the four centrally coordinated activities of the NSPSR are provided in the NSPSR Implementation Plan. It is estimated that in the first year of NSPSR (i.e. 2015) the BPSR will require approximately ₦2.51 billion to fund the centrally coordinated activities.

Most of the costs of the centrally coordinated activities of the NSPSR will be funded through the federal government annual budget. Therefore, the ₦2.51 billion broken down into capital investment and recurrent costs will be scheduled for the budgetary allocation of the BPSR for 2015.

The BPSR is currently collaborating with International Development Partners (IDPs) such as the DFID funded FEPAR and EU funded Support to the Federal Governance Reform Programme (SUFEGOR) to implement some activities that are consistent with the four centrally coordinated activities. The BPSR will also leverage additional funding for the centrally coordinated activities through partnership arrangements with IDPs.