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**Final Report on Lessons Learned Review of SLGP's Support to
Civil Service Reform & Improved Service Delivery**

by

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Acronyms/Abbreviations

CRU	Central Records Unit
CSR	Civil Service Reform
DFID	Department For International Development
FCTA	Federal Capital Territories Administration
FIRS	Federal Inland Revenue Service
HOS	Head of Service
HRM	Human Resource Management
IBPs	Issue Based Projects
IPPIS	Integrated Payroll and Personnel Information System
JCPL	Jigawa Contributory Pensions Board
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MoET	Ministry of Education and Training
NEEDS	National Economic Empowerment and Development Strategy
PFM	Public Financial Management
PIB	Performance Improvement Bureau
SEEDS	State Economic Empowerment and Development Strategy
SLGP	State and Local Government Programme



1.0 SUMMARY

During the final year of the work of the State and Local Government Programme a series of review, lesson learning and dissemination activities have been planned to ensure that lessons are identified, reflected on, shared and finally etched into the institutional memory of all those working on similar reforms in Nigeria.

This report collates experience with conducting the fourth in the cycle of short reviews to capture and learn from the different arenas in which SLGP has been conducting its work. The report looks at SLGP's support to civil service reform (CSR) and improved service delivery in three State contexts – Lagos, Enugu and Jigawa and two federal contexts – the e Federal Capital Territories Administration (FCTA) and the Federal Inland Revenue Service (FIRS). Section 2 elaborates on the general historical context in which the work was conducted and describes the methods used to capture lessons.

Section 3 reflects on SLGP's experience in supporting CSR and explains the different approaches taken in different state and federal contexts, and draws out specific lessons.

1.1 Human Resource Records Management and Archiving

Reform of records management is a painless entry point to civil service reform with immediate impact on efficiency and effectiveness, which can lead to much more fundamental reform issues for the civil service in terms of managing personnel to meet government objectives

It is sensible to do a pilot such as to test the appetite for reform, to expose weaknesses in other related HR agencies of government, but which can stand alone if the much bigger reform agenda is not actively sought by government

1.2 Human Resource Management Computerisation

The HRM computerisation process provides the vehicle for cleaning and clearing bloated bureaucracies in a systematic way, flushing out ghost workers and exposing other fraudulent personnel practices. However, in order to sustain the reform gains (which can be considerable financially) the integrity of the systems must be maintained carefully, with careful monitoring, and pacing of any decentralisation of payroll activity.

Government must be fully involved in all aspects of project decision making from the outset in order to take responsibility for the outcomes; this includes being engaged in the selection of any specialist service providers

HR and IT expertise must be utilised in a careful sequence to assist the State Government or agency to analyse its existing systems and map the way forward to the desired state. Overarching project management is required, embedded within the government, to oversee the entire process, and to communicate the need for high level decision making with the requisite speed. Project management is time consuming and complex due to the multitude of stakeholders involved,



Civil servants must be fully informed about and engaged in the system development in order to ensure sustainability; this process cannot be managed and implemented by consultants and special advisers who will not remain in the system in the medium term

Bespoke software matches the precise needs of government; off the shelf software will require government adaptation. Any software must include provision for biometric data, which is the best mechanism available to ensure the security of the system

The process of system design and implementation takes time to complete but will reap immediate benefit. A HRM database then stands as a powerful tool for strategic management to deepen the reform of HR

1.3 Performance Improvement Management

The set up and staffing of a performance improvement unit in government requires very careful consideration regarding institutionalisation; it needs to have the power to act as a change agent across MDAs without becoming mired in bureaucracy

It also needs to strike the right balance between breadth of ambition about improving service delivery, and realism about what can be achieved, through the anchor of the SEEDS process

Such a unit or agency cannot achieve real change in isolation from other steps in the reform process, and the ground must be prepared for it, so that it can benefit from and reinforce other initiatives

1.4 Pension Reform

The steps in the pension reform process are relatively straightforward (though threatening to those who are benefiting from the status quo)

The benefits of structural reform take time to materialise and require the sustained commitment of government reformers and continued communication with all of those concerned

The challenges of pension fund management are considerable, requiring specialist skills which are not necessarily present within a civil service.

The generic lessons for those wanting to engage with the CSR process in Nigeria are laid out in Section 4, with particular reference to the lessons for State Governments, and for the donors. At a State Government level, these relate to issues regarding the need for sustained political commitment and senior bureaucratic commitment to reform, the need for strong project management, which is responsible among other duties, for communication and other mechanisms to address resistance to change, and taking care not to underestimate the lack of capacity in government. Further, government officials must be fully engaged in all steps in the reform process, including the selection of external consultants, in order to take responsibility for outcomes and to avoid implementation delays.



For donors there are a number of additional lessons about entry points into the civil service reform arena, sharing lessons between different States and State and Federal levels, sustaining commitment to projects which often overrun the envisaged timeframe, and clarity of understanding with government partners about respective roles and responsibilities with any single initiative. Finally, it is important to highlight the fact that each of the reform initiatives examined for this review highlights the need for further work; defining an 'end point' to a reform is only clear when the government is not committed to it.

2.0 INTRODUCTION TO SLGP AND THE PURPOSE OF THE LLR

Since the State and Local Government Programme (SLGP) was initiated in November 2000 it has worked in a total of six states and at Federal level with a number of Federal Ministries and Agencies. The program has covered a wide range of activities and has met with varying degrees of success. A large body of evidence now exists in the field relating to both successes and failures. At this point (June 2007) the programme has just over one year to run before a successor, DFID-funded, governance programme commences. It is important that this or any other new governance programme is able to build on the lessons learned by SLGP.

Various state governments and federal agencies have shown an appetite for reform. It is vital that information on SLGP's reform initiatives can be made available to them in an accessible form. Unlike when SLGP started, there are now numerous donor funded initiatives in governance, each of these streams of work would benefit from understanding what worked for SLGP (and what did not) and equally importantly, understanding why some approaches worked better than others in particular contexts.

For these reasons SLGP has initiated a programme of lesson learning and dissemination. The cycle of studies covers the main areas of SLGP's support work with different aspects of governance in Nigeria namely: policy and strategy, Public Financial Management (PFM), civil service reform and improved service delivery, communication and transparency and work around issue based projects (IBPs)¹. This report focuses on lessons deriving from SLGP's support for civil service reform and improved service delivery. It will examine the experience of supporting a number of CSR related processes in a context of three States – Lagos, Enugu and Jigawa, and two federal agencies – the Federal Capital Territories Administration (FCTA) and the Federal Inland Revenue Services (FIRS).

¹ Issue based projects (IBPs) provided funds for pursuing particular initiatives geared to longer-term sustainable system reform of government where it was felt that there was sufficient local popular demand to push for change and to work in innovative ways with government to improve service delivery. (e.g. with water services in Kano).



The civil service reform processes being considered here were developed in the framework of an international development community pressing through donor agencies for progress in improving Nigeria's advancement towards achieving the Millennium Development Goals (MDGs). The thrust of this international effort has broadly been to improve the Government of Nigeria's capacity to support poverty reduction, through managing effective macro-economic stability, promoting non-oil growth, improved governance and service delivery in a sustainable manner at Federal, State and Local Government levels. In recent years, the current administration has shown that it is more reform-minded, by supporting good governance measures such as civil service reform at the federal level. Restructuring of pilot MDAs (Ministries, Departments and Agencies) including the Ministry of Finance, the National Planning Commission, FCTA, the State House and the Ministry of Solid Minerals Development, has resulted in a more suitable structure and staffing for each of these agencies, and more than 35,000 officers have been disengaged from the federal civil service. There has also been a process of pay increase and the monetisation of benefits in kind across all MDAs, an integrated payroll and personnel information system is being implemented in phases (IPPIS). In addition, institutional and organisational arrangements for coordinating the reform have been put in place, with the Bureau of Public Service Reform created in 2003, with the principal responsibility for coordinating public service reforms. As a result of a whole suite of reform activity (including civil service reform), the international community has provided debt relief to speed development outcomes and has indicated its willingness to provide more aid.

Elements of CSR reform at the federal level have provided a degree of incentive for reform at the State level; and at times, vice versa.

SLGP has included elements of support to civil service reform in three of its partner states and the FCTA (as part of federal government). In addition, SLGP provided the management for an initiative funded directly by DFID for FIRS, hence the inclusion of that project as a case study here. All of the initiatives in this thematic area fall under the overall SLGP programme output 5 related to the improvement of service delivery, with performance indicators and targets set, systems for monitoring, HR strategies established and implemented. This report highlights lessons learnt in relation to three sub-thematic areas of civil service reform and improved service delivery: human resource record management and archiving, human resource management database development, performance improvement management and salary and pension reform.



2.1 Approach taken to this lesson learning review

The lesson learning review team consisted of a Nigerian consultant and an international consultant, supported by the SLGP Lesson Learning and Review Officer. The consultants conducted a review of relevant documents, as presented in Annex 2. The team then conducted a series of interviews with key individuals and focus groups, composed entirely civil servants, in two State settings (Enugu and Lagos), and two Federal settings (FCTA and FIRS), as shown in Annex 3. The team interviewed a consultant who had made substantial inputs into the HRM initiatives in several States to understand his perspective. Further interviews were held with SLGP staff in each context, in the case of Jigawa telephonically, and financial information was drawn from the financial records of the programme to complete the case studies. All six case studies are collated in Annex 1.

3.0 THE CONTEXT FOR SUPPORTING CIVIL SERVICE REFORM AND IMPROVED SERVICE DELIVERY

3.1 The status of the civil service in SLGP contexts

After the end of military rule and the return to multi-party democracy in Nigeria, and particularly after the 2003 election, the Obasanjo administration campaigned hard for debt relief and began to produce a broad policy document to explain Nigeria's approach to national economic empowerment and development (NEEDS). Since federal expenditure accounted for 48.5% of statutory allocations (with an additional 7.5% relating to special funds managed by Federal Government) this only left the remaining 44% for allocation to States (24%) and Local Government Areas (20%), where services were mainly being delivered. It soon became clear that for NEEDS to work, matching strategic plans were required at State level (SEEDS). The need to address the policy environment at all levels was matched by a corresponding set of urgent requirements to reform multiple aspects of public sector reform; and to better link human resource management to the service delivery priorities expressed in both NEEDS and SEEDS.

In the wake of decades of military rule, governmental planning processes had fallen into disuse. With unpredictable budgets and strong centralised political control, Nigerian civil servants had learnt to react to crises rather than to plan for development. The public service inherited by the Obasanjo administration could be described as dispirited and deskilled following years of neglect. The numbers employed by government at all levels were high (a total federal public service of about 1.2 million and about the same number working at the State and Local Government levels)². Accountability in government and the public service was weak and professional standards were low. The first iteration of the NEEDS and SEEDS documents recognised the fact that public service reform (including civil service reform) was a key component of strategy success. The vision for reforming the civil service was for efficiency and effectiveness in complementing the policy arm of government by being performance driven, customer focused and responsive, results oriented, more accountable, and committed to continuous improvement in the way government does business.

² Civil Service Reform – A Policy Note, World Bank, DFID and USAID, 23 April 2007



3.2 The SEEDS Framework for Reform

SLGP supported the production of the first SEEDS Manual in 2003, updated in 2005. It was designed to help state governments to draw up and implement realistic plans for the actualisation of SEEDS. It includes a section on Public Sector Organisation; and it is drawn upon here to put the SLGP interventions in civil service reform and improved service delivery in the context of the SEEDS plans (and benchmarking).

This review focuses on a set of six CSR initiatives in the areas of human resource record management and computerisation (four interventions), performance improvement in government (one intervention) and salary and pension reform (one intervention).

A brief description follows (taken from the SEEDS Manual 2005) to give some explanation of how these projects sit within the wider context of public sector reform:

Human Resource Management

Effective human resource management, driven by the SEEDS agenda as a statement of government intent, is concerned with ensuring that the correct numbers of qualified and skilled personnel are deployed to appropriate positions to realise that agenda. The proper utilisation of human resources is particularly important to achieve efficiency and economy in the provision of public services. In government, staff costs represent by far the greatest proportion of recurrent expenditure, and are therefore the most important cost driver.

No matter how good the government's plans are, unless the question of 'rightsizing' the public sector establishment is addressed, scarce resources will continue to be wasted on inflated payrolls. An over-bloated public service has some negative consequences. First, non-staff related recurrent costs might not be met. The existing staff may not be provided with the required environment: enough facilities, equipment or materials to carry out their functions. Second, because people are not well equipped to actually deliver results, no meaningful system of performance management or incentives can improve productivity. The SEEDS manual advocates a phased approach to the HR element of civil service reform, with the SEEDS document being used to determine the ideal HR requirements.

There are some key central measures, which should be carried out in a particular order, the most immediate of which are to:

- Conduct a comprehensive staff audit and payroll parades to identify and eliminate ghost workers
- Strengthen the payroll control system by modernising state personnel records and payroll information as well as the proper equipment of registries
- Set up and enforce new establishment ceilings to ensure that new posts are not created on an ad-hoc basis
- Establish and obtain approval for a generic public sector reform policy and guidelines

During the planning phase, the following should occur:

- Provide expert assistance to line managers for activities such as the design of organograms and gap analysis



- Establish a streamlined process for review and approval of properly presented proposals for new organograms and staffing

During implementation:

- Design government-wide early retirement and redundancy packages and make central provision for funding to meet these
- Provide expert assistance to ensure that due process and transparency are observed in recruitment and redundancy processes

SEEDS Benchmarking: Service Delivery

The performance measurement element of SEEDS centred around four sets of benchmarks relating to 1) policy, 2) public financial management, 3) improving service delivery and 4) transparency and accountability. In the third area of service delivery, three of the six benchmarks are of relevance to this review:

- 3D Action has been taken to eliminate payroll fraud
- 3E The Civil Service has been re-aligned towards service delivery priorities
- 3F Services delivered are tailored to the needs of citizens, and citizens have a mechanism to measure service quality

3.3 The broad approach that SLGP took to CSR

At all levels DFID/SLGP sought to work in contexts where the political leadership appeared to favour reform and whose backing could be assured in improving the capacity for better economic management and service delivery, and therefore improved progress towards achievement of the MDGs.

At Federal level

SLGP has worked with FCTA to support the public service reform agenda, including specifically the funding of an HRM database. SLGP also managed the DFID support for the set up of an HRM database in FIRS (which now falls under the purview of DFID's new Public Service Reform programme).

At State level

SLGP offices with Programme Managers and support staff have been the source of information, advice, training workshops, extra local and international consultancy expertise and funds through initiatives on CSR in three of the SLGP supported States.



SLGP State Offices worked mainly with local civil servants in all three states covered in this review. **Record Management and Archiving** activity in Lagos took the form of a diagnostic study looking across government, followed by a pilot project to upgrade and assist the Central Records Unit, with physical renovation, the provision of hardware, software and training. In Enugu, FCTA and FIRS SLGP has supported the development of a **Human Resource Management Database** (HRMD) including investment into hardware, software and training. Each of these has been a significant and complex exercise, with learning from the parallel Enugu and FCTA experiences easing the management process in FIRS. In Enugu, SLGP has also assisted with the design and set up of a **Performance Improvement Bureau** within the government structure to support MDAs to improve their own service delivery records. There was an initial investment into a consultancy team who considered the options for such a bureau and the tools that could be used, and after its set up the PIB has been supported with training and equipment, as well intellectual back up from the SLGP office, which is now decreasing. A reform process of **pensions administration** of Jigawa state was facilitated by SLGP's Bureau of Local Government Reform, which gave reform-minded officials the space and tools to plan initiatives. The government pushed its own reform process ahead, which later included salaries administration based on the success of the pensions process. SLGP has supported the Ministry of Salaries and Pensions Administration to document and share its story for other States and donors.

Other aspects of SLGP's approach included complementary support for the development and implementation of SEEDS, for Public Financial Management (PFM) interventions, the support of IBPs as well as measures to encourage greater accountability, transparency and responsiveness.

In all cases although there was no official Memorandum of Understanding, there was general political permission for SLGP to engage in civil service reform in each SLGP-supported State. SLGP's key counterparts have been civil servants, with the full support of either the Governor (Enugu, Jigawa and Lagos) or the Minister (FCTA).

The choice of CSR related initiatives were always made on the basis of the wishes of the State Government or particular Federal authority. Depending on the State context and precise timing of the start up of an initiative within the overall SLGP cycle (the programme longevity and spending patterns have shifted several times as a result of DFID alterations³), initiatives were sometimes framed as relatively 'quick wins' in CSR, such as the record management and archiving work in Lagos, or as larger, more ambitious engagements such as the HRM computerisation work in FCTA and Enugu and the set up of the Performance Improvement Bureau in Enugu. The pension reform work in Jigawa is different in that it represents much less direct engagement from SLGP. The programme facilitated the start up of reform, but has largely played a responsive role to support Jigawa State's own commitment to change, and SLGP has documented the story of change for dissemination and lesson learning. The FIRS initiative came about through an FIRS request to DFID for support for HRM computerisation, as the Chairman was aware of the SLGP work in process in FCTA.

³ Changes in the operational time frame for SLGP during the period 2005 to 2007 resulted in the finance envelopes available to the States expanding and contracting with each alteration



The overall SLGP approach in this thematic area, as in others, can be categorised as practical, responsive and opportunistic in capitalising on openings for reform, and has always been a process of joint learning with the State Government/Federal agency, building on other State's experience where possible.

3.4 The Detail of SLGP Learning in CSR

Records Management and Archiving: Experience and Lessons

SLGP's experience with records management and archiving has been positive in the State context of Lagos. The existing situation in the Ministry of Establishment and Training (MoET) was one of disarray, with systems that were inefficient, partial and cumbersome to use. The process of intervention was phased. An initial broad institutional diagnosis was followed by a more focused study on the Central Records Unit (CRU) within the Ministry (as a manageable first step in the reform of records management across government). The State Government and SLGP then reached agreement regarding roles and funding responsibilities in the CRU reform process (including physical refurbishment, provision of hardware and software and training).

Lagos State Government was committed to the computerisation of government systems, as evidenced by the fact that the Oracle system was already operational for the payroll. This initiative has been complementary to that effort, and to the Management Service and Reform Office within the MoET. Hence the institutional environment was receptive to this kind of initiative. In terms of institutionalisation of the reform, the indications to date are good (though the processes are not yet complete).

As yet there have been no significant challenges technically, politically or institutionally. Not all relevant officials have engaged with the project; which will come when the system is up and running and in everyday use. The main issue so far has been ensuring that there is a shared understanding between SLGP and MoET on the nature of the change that is required to sustain the initiative's effectiveness. It has taken some time to achieve appreciation of the need for internal staff changes within CRU and the related restructuring. This is partly about raising the status of the staff in the unit to recognise the importance of the collective function, and to offer those staff enhanced career prospects, but it is also about a parallel process of ensuring that the unit is structured and staffed to more efficiently fulfil its function. There is considerable diversity of capacity in the civil service, even between officers at the same level.

For a donor, this kind of input is a logical entry point into civil service reform, as a first step to establishing a reliable and comprehensive database for the public service, to facilitate manpower planning. It represents a discrete pilot, which will not fall if the broader agenda of civil service reform is not embraced by the State Government, though ideally it does lead on to much more systemic change. An existing unit has been revitalised rather than creating a new one.



In Lagos, the initiative has highlighted weaknesses in other parts of government. Government officials have learned that they have a long way to go to modernise the HR systems to ‘catch up’ with good practice in other countries. This exposure and increased awareness has served as an incentive for change. However, to date the initiative has been painless; and the real reform issues have not yet been clearly recognised or articulated.

Lagos Records Management & Archiving

Entry Point	Local Driver	Effectiveness
<p>SLGP and DFID held discussions with Lagos State Government in mid 2005 regarding the State’s needs in the area of civil service reform and improving service delivery. The Permanent Secretary of the Ministry of Establishment and Training responded with a clear request to improve HR information management.</p>	<p>The PS, MoET and more broadly, the Ministry of Economic Planning and Budget</p>	<ul style="list-style-type: none"> • Renovated, equipped, reinvigorated Central Records Unit • A trained staff component capable of managing the new system (in process) • System of electronic documentation established, and commencement of unification of staff numbers throughout government • Raised status of CRU within government, with a knock-on effect to other HR government agencies wanting computerisation • Early signs are positive that HRM will be far more effective (and efficient) than in the past <p>But,</p> <ul style="list-style-type: none"> • Effectiveness will be increased significantly if other HR agencies can benefit from computerisation: the Civil Service Commission, the Civil Service Pension Office, the Judiciary Service Commission, the Local Government Service Commission, the Health Service Commission, the Teaching Service Commission and the Office of the Head of Service. If these agencies continue to use manual systems, the CRU will be held back by their inefficiencies including slow processes of information management

Human Resource Management Computerisation: Experience and Lessons

The SLGP experience in terms of support to HRM computerisation has also been broadly positive; with the successful introduction of new systems in Enugu, FCTA and FIRS (though the latter is not yet functional). Considerable savings have been made in Enugu and FCTA and the respective administrations are now in much tighter control of their human resources, with full information at their disposal.



All of the reform processes cited above have taken considerably longer than initially envisaged. This was not due to a lack of high-level commitment; all three were carried out with the full support of the State or Agency leadership. The timeframe extensions have been more related to the complexity of project management from procurement of equipment through to design of bespoke systems (Enugu and FCTA) or adaptation to an existing package (FIRS), the challenges of ensuring the required synergy between HR and IT, and the necessity of dealing with a wide array of stakeholders. Further, all three initiatives have taken place in the context of broader reform in an atmosphere of change and uncertainty. This is particularly true of FCT and FIRS; when other elements of the reform process had knock-on effects to the project and meant that the boundaries were shifting unexpectedly.

In terms of ensuring that the right contractors are brought in, the selection process for service providers emerges as a key feature. It is evident that government must be fully involved in the selection of service providers, and thereafter take responsibility for ensuring that the desired outcomes are achieved. It is also evident that it is critical to ensure that the service providers can really meet the needs of government (and understand the culture of government), and that they will dedicate the required manpower to the particular job.

Related lessons have emerged in relation to the overall management of such projects. There is a need for dedicated full-time project management embedded within government for these initiatives. The Enugu and FCTA cases suffered from the lack of dedicated management. FIRS benefited from the lessons SLGP had learned from these experiences, and a Project Manager was appointed and then embedded within FIRS. It appears that the Project Manager requires significant management experience above all else; whether they are a government insider or an external person brought in from the private sector. All three projects benefited from the presence of a technical IT consultant who assisted with the design of technical specifications for the systems, and who provided oversight through implementation. He was common to all three projects, providing valuable inputs and learning between initiatives.

In terms of the combination and sequencing of Human Resource Management expertise and IT expertise, it is evident that HR inputs should be staged, and start the process to provide a diagnosis of the current situation, compare it to the desired state, and guide the IT inputs. Further, a comprehensive HR work plan is required to provide the basis for communication to staff, for discussion with unions, and to ensure that requisite amendments of State or Agency rules and Scheme of Service are considered early on. Having realised that not enough strategic consideration was given to these issues at an early stage in either Enugu or FCTA, the FIRS project was designed around both HR and IT inputs to provide the necessary balance of expertise. The fact that FIRS has not run as it should in terms of read across from HR to IT does not negate the necessity of the ideal model, rather it reflects back on the choice of particular HR service provider.



The institutionalisation of an HR database or unit is critical to the long-term success of such an initiative. This is connected to the way that the system is developed with existing staff, the location of the HRM unit within the existing structure and the prospects for those HRM unit staff in the government system. The involvement of civil servants in HRM system *development* is critical; a short-term over-reliance on special advisers and contract posts is to be avoided. In FCT it proved difficult to get the required MFCT officers to dedicate time and effort to the project. Further, in FCT, there was, and still is, no dedicated HR Department. This meant that the service providers for the project had to work with the Director of Establishment and Training on issues related to training, promotions and recruitments and with the Director of Administration on developing policies, procedures and practices, and the IT contractors worked with the IT Unit. The lack of an HR Department remains an issue. In Enugu, engaging civil servants time and attention was less of a problem during project implementation. The Enugu HRM Unit sits under the jurisdiction of the Accountant General, and requires the full engagement of the Head of Service. The staff are trained and now require formal recognition of the importance of their roles. In FIRS, again staff time and focus was not an issue and the institutionalisation of the system is less complex in what is now an autonomous agency.

All three initiatives are ongoing and at various stages of development, and require sustained government commitment to embed the changes. It is likely that all three systems will be sustainable, providing the tools for much more sophisticated human resource management if the leadership in Enugu, FCTA and FIRS remains committed to that goal. For a donor, human resource management computerisation represents an important element of civil service reform in terms of setting up systems for cleaning up fraudulent practices and flushing out ghost workers, providing accurate information on the workforce and integrated systems for managing personnel, payroll, and pensions. Once these are in place, the system can be used to address strategic issues for ensuring that the staffing profile is suitable for the government's aims.



Table 1: Enugu Human Resource Management Computerisation

Entry Point	Local Driver	Effectiveness
<p>The State Government wished to take control of its civil service. In 2002 an SLGP diagnostic report had found that the State was spending 90% of its budget on overall personnel costs. In 2004 the new government decided to go further than the audit recommended in the report, into HR computerisation</p>	<p>The Accountant General initially, and then the Head of Service</p>	<ul style="list-style-type: none"> • The State Government has been equipped with a comprehensive and accurate picture of the numbers and personnel details of the civil service • The State Government is now aware of its own wage bill • The State Government is saving N21 million per month due to flushing out ghost workers and prevention of other fraudulent practices (there were 30,000 on the payroll and now there are just over 26,000), and more efficient processing of the payroll • Inconsistencies in tax levels and union payments have been eliminated • Bespoke integrated software has been developed for Enugu and is operational for personnel, payroll and pensions. The HR records are now much less vulnerable to fraud, and to human error • There is an increase in computer literacy of administrative officers across government <p>But,</p> <ul style="list-style-type: none"> • There was considerable resistance to the process from a number of civil servants, which had to be overcome with high-level political endorsement of the project, particularly from the HOS • There were serious delays to the process; partly due to bureaucracy, (requiring the HOS to summon the Permanent Secretaries to provide relevant information); and partly due to the lack of dedicated and structured project management. As a result two committees were set up one of which was high level meeting fortnightly and make key decisions quickly • There were constant high level staff changes throughout the project period (HOS, AG and SLGP Co-ordinator) putting a real strain on those few staff who had experience of the entire process • Management responsibility for the HR Database Unit has been confused by the appointment of several co-ordinators • Staff capacity issues have not been fully addressed, despite repeat training



Table 2: FCTA Human Resources Management Computerisation

Entry Point	Local Driver	Effectiveness
<p>The new Minister for FCT in 2003 found that 75% of the total budget was going on recurrent expenditure, but that it was difficult to determine actual staff numbers and size of payroll as each SDA had separate wage bills (and applied different tax rates). The MFCT had a very ambitious ICT Strategic Plan, and the Minister wanted to clean up and clarify HR issues through computerisation</p>	<p>The Minister for FCT</p>	<ul style="list-style-type: none"> • A computerised HR database which will inform HR planning and other reforms, including full integration of payroll and pensions with human resources • Recurrent expenditure has declined from 75% to 32% between May 2003 and December 2006 • Capital expenditure had increased by 950% between May 2003 and December 2006 • The payroll declined by N4.5 billion from May 2003 – December 2004, and further savings of about N1 billion per annum have been realised despite monetisation • Inconsistencies in tax rates have been eliminated • Staff have been trained to use the system • New personnel policies, procedures and practices have been developed which either did not exist or were lost with the abolition of the MFCT and creation of FCTA in 2005 <p>But,</p> <ul style="list-style-type: none"> • There was staff resistance to change • The project extended considerably beyond the envisaged timeframe (6 months became two years) due to a variety of factors; most importantly the lack of a full time dedicated project manager, but also limited contractor expertise and time, limited MFCT time, and the wider restructuring changes within the FCT • The Personnel Administration component is not complete, and with SLGP no longer spending on the project there seems to be little incentive to finish it



Table 3: FIRS Human Resource Management Computerisation

Entry Point	Local Driver	Effectiveness
<p>From 2004, FIRS was engaged in a substantial process to enhance efficiency and effectiveness of tax administration. The Chairman of FIRS was aware that despite a staff verification exercise in that year, FIRS did not have accurate information on staff numbers, let alone a tool for managing the staff. She heard about SLGP's work in this area in FCTA, and approached DFID for assistance.</p>	<p>The Chairman of FIRS</p>	<p>It is too soon to comment substantively on effectiveness as the system is not yet functional, but in terms of the process to date:</p> <ul style="list-style-type: none"> • There has been unwavering commitment from the Chairman throughout, which has been a positive feature, although her personal interest has sometimes meant that her officers have been reluctant to take even simple decisions without her • The project management structure was an improvement on previous SLGP experience in Enugu and FCTA; with the Project Manager embedded in FIRS and taking a lot of the managerial burden away from the SLGP Adviser • Crown Agents have played a very supportive role in terms of procurement • The hardware and connectivity is in place and ready for testing <p>But,</p> <ul style="list-style-type: none"> • The ADVEN HR consultancy has been a major problem. The concept of running it concurrently with the IT inputs was logical; and if the synergy of timing between the two elements had worked it would have been ideal, but the fact that it did not has delayed the software development. There appear to have been problems with the way ADVEN managed the consultancy • SAP is not as flexible as a bespoke software written from scratch, which has meant that the client has had to adapt its practices to suit the software, rather than the other way round • The Project Manager did not do enough to challenge poor quality work within FIRS or communicate problems to the Chairman with the necessary rapidity



Performance Improvement Bureau (PIB): Experience and Lessons

SLGP has been engaged with supporting the establishment of a Performance Improvement Bureau in a single State: Enugu. The initiative differs from the others considered for this review in that it set up a new agency within government with a broad and ambitious mandate; improved service delivery across government. PIB has made some progress towards this vision; primarily in terms of raising awareness within government about the need for performance improvement, and providing MDAs with some of the tools to start to address the related issues.

The experience so far has highlighted a number of lessons; most importantly regarding institutionalisation. Two full years after its launch, PIB is not yet sustainable within government: it requires legal recognition and its own dedicated budget. Its effectiveness to date has been hampered by its new status and lack of dedicated resources. There are two options for the new administration: a) to frame the work of the bureau as a time bound 'project', with a direct reporting line to the Governor, operating as a catalyst for reform around the next, imminent iteration of SEEDS, or b) formalise its existence with a law and a budget line and make it a part of the institutional landscape. However, institutionalising PIB requires a deliberate strategy to enable it to fast track the ordinary bureaucratic process in order to achieve change at a higher speed than business as usual.

Defining the breadth of the bureau's remit is important, though this may evolve if it proves to be successful. PIB is in danger of having too wide a set of tasks, though piloting in-depth support in a number of MDAs could counteract this. Further, the balance of working with both demand and supply sides of government is difficult to achieve without considerable resource commitment.

If the lion's share of the bureau's work concentrates on improving the supply side of government, it is important that government officials, who understand the systems within MDAs and who can work creatively within the system, staff the bureau, as has been the approach in Enugu. Those staff should be committed to the bureau for a required period of time in order to ensure that they can have a significant impact, and utilise their training to the full extent.

The inception of such a bureau cannot be done in isolation from other steps in the reform process, and the ground can be prepared for it, such as through the training of high-level civil servants to prepare them for change.



Table 4 : Enugu Performance Improvement Bureau (PIB)

Entry Point	Local Driver	Effectiveness
<p>In 2004, there were two factors which were apparent to the State Government leading to the set up of PIB:</p> <p>a) the generalised breakdown in performance of public service</p> <p>b) the need to improve that performance so that Enugu could implement its SEEDS, and score well in benchmarking</p>	<p>The Head of Service (HOS) with the full support of the Governor</p>	<ul style="list-style-type: none"> • PIB established under the Office of the Head of Service with high calibre staff recruited from within government and equipped with training • Awareness raised in the civil service of the need for performance improvement and customer service orientation. Seven Service Charters developed in MDAs, and 12 MDAs have appointed nodal officers to take responsibility for the Service Charter function. Complaints Procedures published, and a Code of Conduct manual for civil servants. Ministerial Performance Improvement Instruments in progress • Guidance for developing MTSS developed and circulated • Assistance with the production of the 2006 and 2007 budgets <p>But,</p> <ul style="list-style-type: none"> • Effectiveness limited by a lack of political will, limited institutionalisation to date (no legal backing or discrete budget) and inadequate operational resources • PIB highlights internal problems within MDAs both in terms of service culture, capacity and resources

Pensions Reform: Experience and Lessons:

Unlike all the other civil service reform initiatives reviewed here, Jigawa’s pension reform has had minimal input from SLGP (institutional space provided through the Bureau for State and Local Government Reform, documentation of the lessons and training for the Contributory Pensions Board). It was a government reform drive from the outset.

At the outset in 2003, delays in pension payment were a feature of the system, and a large number of ‘ghost’ pensioners had emerged. Monthly pension bills rose, queues grew longer and the scheme became financially and politically unsustainable. The processes of reforming the Ministry of Pensions and the institutionalisation of the Contributory Pension Scheme have had significant impact on the State Government’s pensioners (some 4,250 individuals in November 2005) who are now receiving their pensions and entitlements on a regular and predictable basis, in the full knowledge of what is their due, thereby reducing corruption and fraud within the system.



Key lessons have emerged from Jigawa's experience, from which other states have already sought to learn (officials from Ekiti, Katsina, Zamfara, Kano, Lagos, Bauchi and Rivers States have visited specifically for this purpose). Jigawa has outlined and defined its 7 stages of reform:

- Study and Analysis
- Establish Leadership for Change
- Institutional Assessment
- Restructure
- Support Implementation
- Review Progress and Outcomes
- Introduce Contributory Pension Schemes

The timeframe for much of the structural reform process was relatively short (less than a year), but the timeframe for actually seeing the benefits of the changes was much longer (just under three years). With the commitment of the Governor, and a key Change Manager in place (the Permanent Secretary), the steps to reforming the pension system were relatively straightforward. The challenges of maintaining and managing the system are now becoming increasingly demanding in terms of the skills required, which are largely specialist financial skills not present within the civil service.

For donors, this was an example of reform that was facilitated by an external partner but initiated and entirely driven by the State Government. The technical challenges of pension fund management are now considerable and may require further inputs, particularly in terms of sourcing external expertise to train and build capacity within the Board and the Secretariat. There is no clear 'end point' to this initiative; what has been achieved to date has led to the need for further reform and computerisation, and ultimately the plan is to link the new system to IFMIS (a separate but related PFM reform initiative).



Table 5: Jigawa Pensions Reform

Entry Point	Local Driver	Effectiveness
<p>The Bureau for State and Local Government Reform, supported by SLGP, provided the space for discussion around the need for various areas of reform in Jigawa. As a result of consideration of the pensions situation in this forum, in early 2003, Jigawa State Government carried out an internal assessment of its pensions situation. It was found that the pension scheme was inefficient, ineffective, wasteful and a burden on State finances.</p>	<p>Permanent Secretary, Ministry of Salaries and Pensions, with the support of the Governor</p>	<ul style="list-style-type: none"> • A Contributory Pension Scheme established; with employee contributing 8% of his salary and government contributing 17%. • Enactment of the Jigawa (State and Local Government) Contributory Pension Law (JCPL) 2003, providing for the establishment of the Contributory Pensions Board • Exact number of pensioners known, extortions minimised, touts and moneylenders activities curtailed • Local Government pension bills dropped from N30 million in March 2003 to N10 million in June 2003. Despite an increase in pensions of 142% the pension bill averaged only N18 million for Local Government pensioners, and N17 million for State Government pensioners in 2006 <p>But,</p> <ul style="list-style-type: none"> • The time lag between the start of the reform process and the distribution of actual benefits put a tremendous strain on those carrying out the reform process, particularly the PS • The old scheme was corrupt at every level and there was inevitable resistance to reform • There has been inadequate staffing in the Secretariat to implement the reforms and the new job descriptions • The Board does not have enough private sector or investment experience in the current membership

4.0 LESSONS FOR STATE GOVERNMENTS

Political commitment and leadership of the reform initiatives is crucial both to start, and to sustain reform effort amongst civil servants and to ensure that new practices are implemented, including the commitment of the required human and financial resources to enable implementation. Without clear political support, the challenges of the change processes will overwhelm the desire for change. The commitment of the Governor and EXCO is important to the success and long-term sustainability of changing practice; and the need for it must be clearly understood and endorsed by this group.



Senior bureaucratic commitment to change is also critical; particularly where the change is operational and requires the consistent support of senior bureaucrats to ensure that practices will change and not revert to the previous familiar ways. The success of the pension reform initiative in Jigawa is largely attributable to the energy and dynamism of the PS who led the reform.

All government stakeholders need a clear picture of why it is necessary to reform; and this must be done early on in the process to dispel fear and confusion, without constant communication and discussion of reform measures there will inevitably be resistance at many levels, which slows the pace of change.

Clear and dedicated lines of management are very important; both to ensure that there is sufficient management expertise dedicated to a particular initiative, and to drive it forward in what may be a difficult environment within a government organisation unaccustomed to change. A project manager should be experienced, ideally in both public and private sectors, and should show a strong degree of maturity in dealing with a variety of stakeholders.

Addressing resistance to change is best achieved by maximising communication and reorientation opportunities and exchanging ideas within and across government and with civil society. In Enugu during the HRM computerisation process, a lot of communication tools were used such as radio, flyers and posters to advertise and inform the public about the nature of what was happening.

'Champions of Change' need to foresee and address resistance to change by maximising open communication and allowing for alternatives to be openly debated, based on the most up to date data. Civil servants need to learn how to use evidence to argue the case for the release of resources.

Weak capacity is being reported everywhere. This needs to be carefully considered at the outset of a change process to establish whether it is lack of people to do the work, wrong priorities or poor management which is not encouraging initiative. In many cases staff do not know what to do or how to do what they are asked. Capacity weakness may relate to lack of technical skills, or lack of exposure and awareness of the need for change, or both, and can be addressed simultaneously with the introduction of new systems, such as the reform of Records Management and Archiving in Lagos, and all the HRM computerisation processes. Indeed one of the motivations for engaging in HRM reform is to establish a clearer picture of what kind of skill and capacity gaps there are set against the objectives of an agency or a State government.

'Coalitions for change': these have not been well demonstrated in this review as the drivers for civil service reform and improved service delivery has largely come from within State Government or as a result of donor interest and experience rather than popular demand.



Support from development partners adds an incentive to the reform process, and brings other international experience to assist and inform, but the State Government should have a clear vision of how the process should work and what the end point should look like. This can be assisted with a scoping study at the outset which will lay out options for reform in a particular area, and which should be carried out by experienced consultants who understand the realities of managing change in a government context. The State Government must take ownership of the reform process and therefore take responsibility for it. Inculcating the sense of ownership must permeate every step of the initiative, from conception, through the selection of external service providers to managing implementation. The importance of government involvement in all stages was highlighted in all three cases of HRM computerisation.

4.1 Lessons for donors

Optimal entry points: The choice of entry point depends on several inter-related issues. First and foremost, the State Government must actively seek the initiative. The type and scale of initiative will depend upon the vision of the State Government about the status of its civil service, the extent of commitment to reform, and the perceived utility of any particular change in existing systems. Presenting a suite of options to State Government based on a review of the current status in that State is a good approach, if that State is willing to engage in this kind of review (in Enugu a broad review of the civil service was carried out in 2002). Alternatively, if there is a single and obvious 'quick win', it may provide the basis for the building of trust between donor and government, and then a more comprehensive look at wider issues (in Lagos the focus on Central Records Unit was a practical starting point in addressing the enormity of the wider problem). Ideally, the Government itself will initiate its own reform, as in Jigawa on pensions, and utilise external support as and when required.

Lesson learning between States and between States and the Federal level is important and should be supported as much as possible, to encourage the transfer of experience between State governments and between State and Federal government in specific areas of civil service reform around the practicalities of what has worked and not worked, and in the broader approaches to institutional change. This can be done through lesson learning exercises such as this one, but also through the specific sharing of knowledge on particular aspects of civil service reform as a State becomes interested in an area in which there is already an established body of experience in other States, such as the sharing of knowledge from Jigawa on pension reform, or such as drawing on the collective experience of computerisation of HRM which has happened at the State level, at the Federal level and within FCT. The Chairman of FIRS was impressed by what she had heard of HRM computerisation in FCT and approached DFID for parallel support.

Maximising ownership: Civil service reforms are in their early stages in all States and should be closely aligned to SEEDS. This was the vision in Enugu for setting up the Performance Improvement Bureau. Benchmarking is providing a useful incentive to States to improve year on year in relation to all areas of governance reform. Donor facilitation of change in this environment is an important mechanism for supporting States that are committed to reform.



Sustaining commitment: Donors may need to commit support over a long time period and be flexible in response to what emerges through change processes; all of the reform activities considered by this review have taken longer to address than first anticipated. The length of time commitment required varies according to the consistency of leadership, the capacity of government officials, the willingness to change at all levels, and the extent of the change being embarked upon. Further, it is critically important for the donor to invest properly in supporting project management as well as technical inputs; a fact vividly highlighted by the three HRM computerisation experiences.

Clarity of partnership: It is important that donors make the principles of partnership increasingly clear in joint memoranda of understanding which delineate relative responsibilities and levels of resource commitment to an initiative; it must be clear where donor support will be likely to end so that a State government knows the extent of financial commitment it is taking on.

The optimum role for non-state actors in relation to the areas of service delivery improvement examined here is in holding MDAs to account through their Service Charters. Ensuring that this happens to full effect requires careful consideration; CSOs often lack the requisite capacity to participate effectively. Choices about how to enhance CSO capacity and simultaneously support State government through difficult change processes may not always be simple in maintaining the trust of both parties. However, it is critical to ensure that the demand side of accountability and transparency is as informed as the Government supply side.

Sustaining wider reforms from initiatives in this field: the case studies show how single initiatives can open up the debate about broader reform; most effectively when State Governments can see the benefits of one particular area of change and how it relates to other parts of the system. This is clear in the Lagos example, which has highlighted the changes, needed in a whole set of other government agencies dealing with HR. It is also clear in all three HRM computerisation cases which are all ongoing and subject to further refinement and enlargement, as well as providing the starting point for *actually managing* human resources more effectively. In Enugu, FCT and FIRS there is now a clear picture of how many civil servants there are, what they are being paid, and a system to prevent fraud and malpractice. However, the utilisation of the systems for strategic planning in terms of training and matching skills to the needs of government has not yet started.



Annex 1

Consolidated Case Studies

Case Study 1:	Records Management & Archiving, Lagos
Case Study 2:	Human Resource Management Computerisation, Enugu
Case Study 3:	Human Resource Management Computerisation, FCTA
Case Study 4:	Human Resource Management Computerisation, FIRS
Case Study 5:	Performance Improvement Bureau, Enugu
Case Study 6:	Pension Reform, Jigawa

Case Study 1 Records Management & Archiving, Lagos

Initiative	Support for Records Management & Archiving
Partner	Ministry of Establishment and Training (MoET)
Starting point	<p>The Ministry of Establishment and Training (MoET) is responsible for key human resource related activities, including service-wide staff records management, collation of statistics on civil servants, managing the career progression of core civil servants and establishment matters such as staff complement, grading and conditions of employment, as well as training policy and training of senior civil servants. However, the Ministry was in disarray in terms of both records keeping and archiving, with systems that were inefficient, partial and cumbersome to use. The Central Records Unit (CRU) of MoET was attempting to manually maintain <i>active</i> staff files, which should be held on every current employee of Lagos State Government (47,000 in total), but which were often missing, lacking information or not captured at all, and which are dependent on the flow of information from a range of MDAs, which were often not using the critical Establishment File number which should link all pieces of information in any given active file. Archiving of <i>dead</i> files on staff no longer in the civil service was not systematised at all, and further, there were plans to transfer thousands of files of <i>dead</i> files from the Civil Service Pensions Office to the CRU. Therefore information management was chaotic and unreliable, and characterised by delays in retrieval and tracking of staff records and a lack of information on staff structures.</p>
<p>Expected outcomes and outputs, and original theory of change</p> <p>Expected outcome: Efficient and updated staff record keeping that can contribute to staff structure establishment for delivering SEEDS targets.</p> <p><i>Intermediate outcome:</i></p> <p>Restructured CRU to accommodate a new way of working</p> <p>Expected outputs:</p> <ol style="list-style-type: none"> a) A situation analysis of MoET to outline the issues b) Physical infrastructure improvements including the CRU office environment, hardware and software provision c) Staff trained to operate the software <p>Theory of Change: Support for the review and restructuring of MoET record keeping processes will contribute to a civil service structure that can deliver on SEEDS targets.</p> <p>Driver of Change: PS, MoET and more broadly, Ministry of Economic Planning and Budget</p>	



<p>The initiative commenced in December 2005.</p>
<p>Process, activities and related events</p> <p>Process: SLGP programme staff and the DFID Co-ordinator for the southwest region held discussions in mid 2005 with Lagos State Government regarding possible engagement and partnership in the area of civil service reform and improving service delivery. The MoET PS responded with a clear need to improve human resource information management, and a diagnosis of the extent of the problem was agreed. A consultant was engaged for this broad diagnostic study looking at HR information management across government in late 2005, and his report was widely discussed thereafter. SLGP and the State Government felt that the scope of his suggestions was too expensive and extensive, and that it was necessary to focus on a manageable element of the system. The same consultant was therefore contracted to look at a pilot element of reform, with MoET deciding that CRU should be the focus of that pilot. The second study gave SLGP and the Government the information required to move forward, and the basis for agreement on shared responsibility between the two partners. The Ministry committed to refurbishment of the CRU office, and pre-implementation training of relevant staff, and SLGP agreed to fund technical assistance, further training, and the provision of hardware and EDMS software. At the current time, CRU office space has been improved, the equipment is in place, and the unit staff are currently being trained (May 2007). More detailed technical training and the scanning of 30,000 records is to follow in the coming months.</p> <p>Activities and related events: Dec 2005: Diagnostic study "Support for Records Management and Archiving in Lagos State Ministry of Establishments and Training". (SLGP Report) June 2006: Second, more focused study on CRU. (SLGP Report) Sept 2006: State Government wrote to SLGP outlining agreement of shared funding to support CRU reform Jan 2007: Hardware and software procured Apr 2007: Third report on CRU. (Still in draft). May 2007: Pre-Implementation Training commenced, due to be completed June 6th.</p>
<p>Successes and achievements</p> <ul style="list-style-type: none"> • The equipping of CRU in all senses: renovation of the building, supply of appropriate hardware and software and the training of staff to the requisite level with the right skills to run CRU • CRU has become a unit where civil servants actively want to be deployed, in complete contrast to before the project: its status has been significantly enhanced • A system of electronic documentation has been established which will make it easy to retrieve files, and to analyse information for government purposes • The commencement of unification of staff numbers throughout government service, which will mean that staff information is traceable from their home MDA through the system
<p>Shortcomings and challenges</p> <ul style="list-style-type: none"> • To date there have been no significant challenges either technically, politically or institutionally. • The main challenge has been ensuring that there is a shared understanding between SLGP and MoET on the nature of change that is required to sustain the input's effectiveness. It has taken some time to achieve appreciation of the need for internal staffing changes within CRU and the related restructuring.



<p>Costs</p> <p>Consultancy: Capital: £61,040</p> <p>TOTAL £61,040 (to April 2007)</p>	
<p>Relevance</p>	<p>Relevance to Nigerian stakeholders (including State Governments) The relevance of the project to the State Government was high: the government was already committed to the computerisation of government systems, as evidenced by the fact that the Oracle system was already operational for the payroll. This system is complementary to that effort, and to the fact that there is a Management Service and Reform Office within the MoET.</p> <p>Relevance to DFID, other donors and their programmes This kind of initiative is highly relevant in the arena of civil service reform. The World Bank, DFID and USAID have produced a policy note on civil service reform in Nigeria, which mentions the fact that public service has become large and unwieldy, with low professional standards. It states that one of the achievements in the last 8 years has been work on payroll and personnel information systems, which will, amongst other things “establish a reliable and comprehensive database for the public service and facilitate manpower planning”. This initiative falls into this category, being the first step towards establishing that database for Lagos State Government.</p>
<p>Effectiveness</p>	<p>The initiative has been effective in terms of invigorating CRU, which is now physically renovated, fully equipped and in the process of achieving a trained staff component capable of managing the new system. The status of the CRU has been raised considerably. The system is still in the process of development but the signs are positive that HRM will be far more effective than in the past. To date, what has happened has met expectations (with the caveat that the initial analysis of what was required in government was too broad and that it was decided to pilot the effort in one unit within the MoET). There has been good co-operation between the Ministry and SLGP and the individual consultant providing inputs on the shape and pace of the process has been consistent and high quality.</p> <p>Effectiveness will be increased significantly if the other human resource agencies in the government can benefit from computerisation; such as the Civil Service Commission, Civil service pension office, Judiciary Service Commission, Local Government Service Commission, the Health Service Commission, the Teaching Service Commission and the Office of the Head of Service. If these agencies continue to use the old manual systems, the CRU will be held back by their inefficiencies including slow processes of information management.</p>



<p>Efficiency</p>	<p>Although the system is not yet fully operational, government officials stated that they already have a sense of greater efficiency, both in terms of overall management potential and for the CRU staff who will be far more efficient in the use of their time.</p> <p>The project represents value for money particularly in light of the fact that it represents an investment into existing systems and capacity. Further, the end result should produce a huge multiplying effect of increasing efficiency through better HRM to ensure that there is a better qualified, trained and motivated staffing of the civil service.</p>
<p>Impact</p>	<p>It is as yet too soon to give a proper indication of impact because the process is incomplete, but it is felt that the impact will be considerable and immediate as soon as the system is up and running. Impact on staff morale has already been high, CRU has benefited from a raised status within the government service. There has been a knock-on effect in terms of other human resource agencies wanting to benefit from computerisation.</p>
<p>Sustainability</p>	<p>In terms of institutionalisation of the reforming CRU, there is already a budget head for CRU infrastructure maintenance.</p> <p>The MoET is in charge of training of senior staff, and of the global training policy for the government; and it is the explicit intention of the Ministry that categories of officials will be trained in central records management to ensure that there is continuity in capacity to utilise the system.</p> <p>Sustainability will be enhanced if there is ongoing external support to roll out computerisation to other agencies listed under the effectiveness section above to ensure that all agencies in the linked chain of HRM within government can establish and embed the same systems and operate at a similar pace and degree of efficiency.</p> <p>If the project delivers on unifying the staff coding system, sustainability will be high.</p>
<p>What lessons have been learned to inform future programme design? For government partners:</p> <ol style="list-style-type: none"> 1) Government officials have learned that they have a long way to go in terms of the modernisation of their services, and that a lot of input is required to ensure that this happens and that Lagos “catches up” with modern government systems in other parts of the world. 2) This project is not a stand alone within government; it rubs off on other agencies in terms of demonstration of desired efficiency and increases the appetite for change. 3) There is considerable diversity of capacity in the civil service, even between officers at the same level. 4) The morale of staff doing the same work with the same objective but at a much faster pace has an immediate impact. In order to capitalise on this, it is important to raise the grade levels of officers working in CRU (for example to increase the level of the head of unit to a Director) to offer them enhanced career prospects and recognise the importance of the unit itself. 5) Lagos was already committed to computerisation and this kind of initiative is relatively easy to implement in that environment, especially if the officers concerned respond positively. Other states should seize such an opportunity for reform. 6) In the wider process of civil service reform, restructuring is the painful element of reform, which will have to be addressed at some point in the process. 	



For donors:

- 1) This initiative represents an entry point into a much bigger field of reform; and to date the easiest elements have been dealt with. The real reform issues for the civil service have not yet been clearly articulated or recognised.
- 2) The project is not a complex one technically; the system is not Oracle-dependent, but can be linked to the Oracle system. The government does not need to be centrally or globally computerised to initiate this reform.
- 3) It is sensible to do a pilot initially that is discrete and would not fall if the whole agenda does not capture the State Government's imagination and appetite for change. In addition, a pilot can demonstrate change and have knock on effects in other parts of government, exposing weakness in related agencies.
- 4) It is also sensible to build capacity within an existing institution rather than creating a new one.
- 5) There is always a danger of consultants driving such a change process. This project has not yet got to the point where all relevant government officials have engaged in it, and this will probably come when the system is up and running and in everyday use. There is definite enthusiasm, but the extent of engagement is difficult to judge.
- 6) There is very little donor activity in the field of civil service reform in Lagos State. The newly amended Lagos Metropolitan Development and Governance Programme of the World Bank may delve into this area; but as yet there is little engagement in this vital area.
- 7) There is potential for replication of such an approach in many other states; although Lagos has particular issues around the size of its civil service, many of the HRM issues are generic to most states.
- 8) The ideal timing for such a project would be with a new administration. This project will need to be taken on by the incoming Lagos State Government and be "sold" to them as a success story to reaffirm it and drive it forward.

Further information

SLGP documentation:

Consultants Reports

Key contact points:

PS, MoET

Other relevant bodies of information:

Case Study 2 Human Resource Management Computerisation, Enugu

Initiative	Human Resource Management Computerisation
Partner	State Government of Enugu
Starting point	In late 2002 SLGP commissioned an assessment of human resources in government in Enugu state. This report reflected serious human resource problems in the civil service, and made a number of recommendations, including the implementation of a staff audit as an essential step in the reform process. The absence of a comprehensive centralised staffing inventory meant that it was difficult to establish total numbers of civil servants, by Ministry, department and grade. Furthermore, the consultants found that the State was spending 90% of its budget on overall personnel costs (SLGP Report 35). Of the five recommendations in the report, this one was the only one that was taken up to spearhead the Government's attempt to take control of its civil service, though it was not until early 2004 that the project was conceptualised, expanding on the idea of an audit into human resource management computerisation.
<p>Expected outcomes and outputs, and original theory of change</p> <p>Expected outcome: Enugu State Government empowered with accurate information about its workforce for effective human resource management, and to allow for further right sizing and restructuring</p> <p>Expected outputs:</p> <ol style="list-style-type: none"> 1) A Human Resource Management Database in place 2) Government staff trained to manage the database 3) The production of the payroll on a timely basis 4) The regularisation of staff tax status 5) The reduction of ghost workers in public service 6) The reduction of salary and pension fraud <p>Theory of Change: That the computerisation of human resource management would be the first step in the process for Enugu State Government to start to address its issues of civil service reform, giving accurate data on the actual staffing situation and in the process of establishing these figures, provide a platform for eliminating fraud and ghost workers.</p> <p>Driver of Change: the Accountant General, and then the Head of Service</p> <p>The initiative commenced in the first quarter of 2004</p>	



Process, activities and related events

Process:

Having committed to a process of government-wide HRM computerisation with the State Government, SLGP contracted a technical consultant to assist with the oversight of procurement of a service provider for the provision of equipment for computerisation. Crown Agents managed the tendering process, working with a committee (including State Government, SLGP and the technical consultant) and Synergy Systems Ltd were selected. HRM system implementation entailed co-ordination between multiple agencies of government, with the IT Technology Co-ordinator from the Ministry of Science and Technology leading on implementation from the government, reporting to the Head of Service. Nine data processing sites were selected and set up in various parts of government. All MDAs of the State had to provide personnel details and go through a verification exercise. The same process was followed to enrol and verify pensioners. In mid 2005 it became evident that structured co-ordination was necessary between organs of government, and an Implementation Committee was set up which was chaired by the IT Co-ordinator and included the Civil Service Commission, the Accountant-General's Office, the Performance Improvement Bureau (PIB), and Synergy. SLGP had observer status on this committee in order to ensure that the process was government-led. The committee met weekly to map out and oversee implementation. It soon became evident that a higher level committee was required to make decisions arising from implementation issues, and a further group was constituted including the Head of Service, the Accountant General, the Chair of the Labour Union, the Chair of the Board of Internal Revenue, the Chair of the Civil Service Commission, the Economic Adviser to the Governor and three members of the Implementation Committee. The entire process entailed a great deal of communication, including the use of radio, flyers and posters. At the present time, there is a Standing Committee to deal with new enrolment onto the system. SLGP is currently funding post implementation technical support until September 2007 (part of the initial contract).

Activities and related events:

Early 2004: Consultant contracted to assist with technical oversight, including specification of requirements
April 2004: Following Crown Agents tender for service provider, Committee selects Synergy Systems Ltd (SLGP Report)
August 2004: Personnel verification and data enrolment exercise commences with ceremony presided over by the Governor. Completed November 2004.
Nov 2004: Training on general computer appreciation and end user training for government staff. Data processing sites renovations and equipping (SLGP Report)
Jan 2005: Post verification/enrolment authentication exercise (checking that information supplied by staff during enrolment corresponded to the records in their files. Completed April 2005.
May 2005: First data published
June 2005: Implementation Committee set up, weekly meetings
Sept 2005: High level Committee set up, fortnightly meetings
Late 2005: Corrections made
Late 2005: Payroll parameters set
Nov 2005: Parallel run of systems
Dec 2005: Committees dissolve
Feb 2006: Payroll system live
Apr 2006: Complete transition to computerised payroll
Nov 2006: Agreement within government that database should come under the management of the AG
Mar 2007: Technical training for 3 centres from Synergy, for staff to be able to operate the database

Successes and achievements

- State government equipped with a comprehensive picture of numbers and personnel details of the civil service
- State government is now aware of its own wage bill



- State government is saving N 21 million per month due to flushing out of ghost workers and preventing of other fraudulent practices, and more efficient processing of the payroll (there were 30,000 people on the payroll and now there are just over 26,000)
- Bespoke robust, integrated software has been developed and is operational for personnel, payroll and pensions. The HR records are now much less vulnerable to fraud, and human error
- Inconsistencies in tax levels and union payments have been eliminated
- There is an increase in computer literacy of administrative officers across government

Shortcomings and challenges

- Cultural: There was considerable resistance to the process from a number of civil servants which had to be overcome with high level political endorsement of the project, particularly from the HOS. Further, a constant process of communication was necessary as part of the change management to ensure that reform was not blocked. SLGP was able to support this through several different types of media
- Institutional: There were serious delays to the process due to bureaucracy, hence the real need for the high level committee to make immediate decisions on key issues at various points in the process, and the need to ensure the engagement of the HOS, who could and did call the Permanent Secretaries of the MDAs to ensure that they provided information at critical points
- Institutional: Both within Government and SLGP there have been constant high level staff changes throughout the project period (HOS position, AG position and SLGP Coordinator position), putting a real strain on the few staff who have been through the entire process in terms of repeated briefings and updates to the newcomers
- Institutional: In November 2006 a decision was taken within Enugu State Government to withdraw the IT Co-ordinator so that the new Project Co-ordinator could take full control of the unit. The Head of Service has not implemented this decision, causing confusion. Government officials stated that too many co-ordinators have been created for the project, and the IT Co-ordinator from the Ministry of Science and Technology is not clear about his role at the current time in relation to the two other co-ordinators that have been appointed (Project Coordinator and Human Resources Coordinator, both of whom are located with the HR database unit in the AG's office)
- Institutional: Staff capacity issues have not been fully addressed, despite repeat training. The initial design was to have a decentralised system of payroll to the 9 centres, but it became clear that there was insufficient capacity to affect this. A mistake picked up at the co-ordinating centre was the trigger to stop decentralisation. Therefore the payroll has only been partially decentralised to 3 centres, and the other centres are being used for human resource records. A pilot local government centre has been set up but has not yet taken off. With a sufficient monitoring system in place, decentralisation could progress, but at the right pace.
- Institutional: The committee for coordinating the process (Implementation Planning Committee) was set up later than it should have been, resulting in a longer process than planned
- Institutional: The changes brought about through the introduction of the system mean that many staff across the MDAs is now doing jobs which are not reflected in their Schedule of Duties.
- Technical: The first data report was full of errors due to both data inputting issues and software problems. This was resolved.
- Service provision: Synergy was not always able to provide sufficient manpower to deal with technical issues with the requisite speed.

Costs

Consultancy: £6,088

Capital (*sub-divided if it includes several expensive items*):

Hardware: £71,814

Software: £96,626



<p>Sundries: £8,105 Workshops and verification processes: £16,692</p> <p>TOTAL: £199,325</p>	
Relevance	<p>Relevance to Nigerian stakeholders (including State Governments) The relevance of the initiative to the government has been very high; it has provided the basis for much wider civil service reform. The Enugu SEEDS document (and NEEDS) outlined a commitment to PSR and this project fitted that agenda. The project has helped to increase transparency and accountability, eliminating pay roll fraud. The system has set a threshold for further civil service reform in terms of skills and training and postings.</p> <p>Relevance to DFID, other donors and their programmes This kind of initiative is highly relevant in the arena of civil service reform. The World Bank, DFID and USAID have produced a policy note on civil service reform in Nigeria, which mentions the fact that public service has become large and unwieldy, with low professional standards. It states that one of the achievements in the last 8 years has been work on payroll and personnel information systems, which will, amongst other things “establish a reliable and comprehensive database for the public service and facilitate manpower planning”. This initiative falls into this category, being the first step towards establishing that database for Enugu State Government.</p>
Effectiveness	<p>Government effectiveness has been increased. Fewer people are now involved in the pay roll, and MDAs can now meet the deadlines of the AG with much greater ease. The pay roller in each MDA has been trained with the system process and the preparation of the pay roll is now much easier.</p>
Efficiency	<p>The reduction in government expenditure has been significant both in terms of reduced payroll but also greater efficiency in the way information is prepared and managed. Government is saving N21 million a month due to this project.</p>
Impact	<p>The project is not quite complete and the process itself still has some way to go; SLGP staff estimate that the task is 80% done, though SLGP is now only supporting the element of technical back up until September 2007. It is too soon to discuss impact fully, but it is clear that the bedrock for wider civil service reform is now in place.</p>
Sustainability	<p>The system is appreciated within government because of the savings it has created, and the reports being produced. In terms of technical maintenance and ensuring that final glitches are dealt with, the system has technical back up until late 2007. More technical training will ensure sustainability, particularly in the 9 centres, given that three are fully functional, and the remaining six are start-ups.</p> <p>The situation is delicate in terms of embedding the system and ensuring its integrity: all processes and procedures need to be kept very tight in order not to water down its efficiency and effectiveness and make it vulnerable to fraud. Continued capacity building is required, both of the Unit staff and of the pay roll officers, and those updating the staff records.</p>



	<p>The extent of the new administration's commitment to this project is critical and SLGP will brief the new Governor on it as soon as possible to ensure its longevity, and full institutionalisation. Part of this will be establishing that the HRM Unit has its own budget line (it is currently operating from the AG's overhead).</p>
<p>What lessons have been learned to inform future programme design?</p> <p>For government partners:</p> <ol style="list-style-type: none">1) The benefits of the project are rapidly evident, but it is critical to ensure that all parts of government wholeheartedly support it, both politically and financially, to guarantee sustainability. Such an undertaking involves a wide range of stakeholders across government (and beyond, for example including pensioners and labour unions) and the coordination of such a range of stakeholders needs to be thought through very carefully2) The communication strategy to manage the change process is very important, to avoid resistance from civil servants and further, to show that the new system will increase efficiency and give officials the tools to do their work more effectively3) The contractors and software package must suit the individual government requirements and be of sufficiently high quality. The selection process of the service providers is therefore very important, and the State government must be fully involved in that process4) The project is considerable in scope, and those who are implementing it must be supported, with an incentive which compensates staff for the additional workload5) If computerisation is to affect all parts of the government system and set up a series of centres; the finance for networking between centres should be in place, or failing this level of investment funding for physical movement between them must be provided6) The introduction of such a system necessitates changes in Schedules of Duty as the nature of the tasks of payroll officers and other administrative officers within the MDAs change. This should be considered from the outset in order to embed the changes within the bureaucracy7) The staffs of the HRM Unit require motivation to ensure that the system runs effectively; the security of the system rests with them. This is not necessarily an issue of pay, but of recognition of the importance of the unit within government and of their own career prospects. The HR Coordinator has been put on Level 12 within the Unit, rather than Level 10, which he was officially due for this very reason. Others within the Unit need such incentives.8) The HR database unit sits within the AG's jurisdiction, but the work of the unit cross-cuts the whole of government; and those who will be in the other data centres require a formal linkage into the unit9) Both the HOS and the AG need to be fully engaged in the system in order to monitor and use it effectively. With this project, both have been engaged, but not at the same time at the same level. If the Governor demanded HR statistics on a monthly basis; this would ensure full engagement from both these key individuals. With a new initiative of this kind in another State, it would be important to ensure that the HOS, the AG and the Governor are committed to it right from the beginning. <p>For donors:</p> <ol style="list-style-type: none">1) The whole endeavour requires careful planning from the outset. This project was not planned systematically enough; but this would be easier to do with the experiences from Enugu and FCTA. It would have been useful to have external expertise in from the beginning covering HRM as well as IT. A comprehensive HR work plan could have been endorsed by the HOS, to ensure that HR information was distributed and communicated widely about the projected impacts of the project, to structure discussions with the labour unions, to ensure that the requisite amendments of State rules and Scheme of Service were considered, and to pave the way for the institutionalisation of the key Unit within the bureaucracy. Further, this project period has been characterised by regular change in senior government staff; and early strategic consideration of the HR implications of the	



<p>system, and its management, could have eased the impact of the changes in senior government personnel by providing a plan from the outset which considered HR alongside IT.</p> <ol style="list-style-type: none">2) The entire timeframe of the project was severely underestimated.3) The technical service provider gave high quality inputs, tailored to the needs of the State Government. This matching of need to service provision has been an important element of the success to date, and Synergy's experience of the public sector was important in this regard.4) The consideration of staff capacity is a vital component right from the start in order to gauge how quickly decentralisation could be achieved, and the timeframe for the entire project. It would be possible and perhaps advisable to pilot the system before going for all out adoption across government in order to deal with glitches on a manageable scale initially.	
<p>Further information</p>	<p>SLGP documentation:</p> <p>Consultants Reports</p> <p>Key contact points:</p> <p>RMC Anyanechi, Project Co-ordinator HRMD Ejike Sylvester, Human Resource Co-ordinator HRMD S. Odinkonigbo, Director, Ministry of Science and Technology & IT Coordinator</p> <p>Greg Anyaegbudike, Programme Officer, SLGP Enugu</p> <p>Other relevant bodies of information:</p>



Case Study 3 Human Resources Management Computerisation Federal Capital Territory Authority

Human Resource Management Computerisation	Initiative
The Ministry of the Federal Capital Territory (abolished), now Federal Capital Territory Authority	Partner
<p>There was no consolidated HR records system in MFCT in February 2004 when SLGP commissioned a situation analysis study. It was difficult to determine actual staff numbers and size of payroll as each SDA had separate wage bills and applied different tax rates. There was also no audit function. Key departments and offices had stand-alone computers. MFCT did not have an IT Unit with reliable software to address human resource management and also eliminate “ghost” workers and pensioners, and also excess staff. Its HR was done on Excel. However, there was a Management Information Unit in FCDA, which had computerised payroll and inventory control systems as at 2003.</p> <p>At the time of engagement, recurrent expenditure of MFCT accounted for 75% of the total budget leaving very little for capital expenditure. The budget showed estimates for personnel but actuals were never produced. The reform minded Minister who assumed office in 2003 therefore sought to clean up HR by computerisation in order to determine the exact number of employees and payroll, establish the basis for future HR planning and free up resources for capital projects. The MFCT had a very ambitious ICT Strategic Plan for developing Business Process Re-engineering with activities anchored in up to date ICT infrastructure, and project design keyed into this existing plan.</p>	Starting point
<p>Expected outcomes and outputs, and original theory of change</p> <p>Expected outcome: FCTA empowered with accurate information about its workforce as a basis for effective human resource management with better controls and to redirect resources away from recurrent costs into capital projects</p> <p>Expected outputs:</p> <ol style="list-style-type: none"> 1) A centralised and computerised HR database with the following three components in place: <ul style="list-style-type: none"> o Hardware and accessories o Software (Payroll, Pensions and Personnel) o Interconnectivity of remote sites to the central system (to be handled by MFCT) 2) End users, key users and systems administrator trained to maintain the system 3) Personnel file tracking system in place 4) Application of structured tax rates across the board 5) Personnel and pensions head count savings 6) Financial savings to channel towards development and other reforms 7) An HR data resource for implementation of computerised ID card/e-payment solutions for FCTA staff 	



Theory of Change:

With a clean database and a functioning personnel management tool, the newly created FCTA (which followed the abolition of MFCT) could embark on a process of HR planning and right sizing based on skills and qualifications.

Driver of Change: Minister, FCTA

The initiative commenced in February 2004

Process, activities and related events

Process:

Following discussion with the Minister in late 2003, an SLGP consultant carried out a situation analysis in March 2004. A Project Blueprint was developed with three components: hardware, software and interconnectivity (to be handled by MFCT) and a training subcomponent. The project was envisaged to last six months. Crown Agents managed the procurement process working with a Committee made up of SLGP, Consultant and MFCT while the World Bank observed. Synergy Systems Limited (Contractor) was selected. An IT Adviser to the Minister was appointed and the Supervisor of the Management Information Unit in FCDA was deployed to start up the IT Unit in MFCT and work on project implementation. There was no project manager although there was a project office. An SLGP Consultant had technical oversight.

A one-day awareness workshop was the public launch of the project, and included internal (including pensioners) and external stakeholders (including EFCC, ICPC, Police, press) chaired by the Minister. Thereafter, SDAs, upon request and with the assistance of the IT Coordinator (who sometimes doubled as the Project Manager) submitted the first nominal roll, which put staff strength at 29,000 in late 2004. A subsequent payroll submission put the staff strength at 26,000. Each of the 26,000 employees was requested to fill out a personnel form as the basis of the verification exercise. Six Verification Teams were constituted, (each with members from ICPC, EFCC, trade union and police, a pensioner and a senior civil servant). The verification exercise commenced with the screening of each employee, sighting and verification of credentials, and biometric data capturing. This process lasted 30 days. Pensioners went through a similar verification exercise (21 days) and were recalled for six monthly life certification exercises (now annually as stipulated by the new Pension Act). At the end of the verification exercise, the staff strength further dropped to about 21,570. The 4,000 head count reduction were not all attributable to "ghost" workers because there were firings, resignations, retirements, recruitments and redeployment of about 2,000 employees to Office of HOS with the abolition of MFCT and subsequent creation of FCTA in 2005. This process delayed the project because policies, procedures and rules were lost and new ones had to be developed before computerisation.

To avoid further delay, an Implementation Committee was set up to manage implementation. It met weekly and members were the Consultant, SLGP, Contractor, IT Adviser, and representatives of key SDAs. The Minister intervened in January 2006 saying that test run of the system must commence in January failing which salaries would not be paid. The payments of January salaries were delayed to February due to major errors in the computerised payroll system. March salary payment was the final test run using the dual system (manual and computerised) with regular systems clean ups. The system went live in April 2006 and by June it was running properly. The IT Consultant made a presentation of work done to EXCO in October 2006. SLGP signed off on the project in November 2006 and handed over to FCTA but interconnectivity remains outstanding and the Personnel Management component is not fully operational.

Activities and related events:

Feb 2004: Preliminary Project needs assessment (SLGP Report)

May 2004: Project Blueprint and bids specifications for hardware and software (SLGP Report)

June 2004: Bids evaluation and selection of contractors



Oct 2004: Project launched with stakeholders workshop
Nov 2004: Verification exercise
Jan 2005: Data clean up started
Jan 2005: Test run began, parallel payroll till March
Apr 2006: System went live
Mid 2006: Retraining of payroll users, super users and IT staff
Oct 2006: Presentation of work done to EXCO before handover (SLGP Report)
Nov 2006: Handover to FCTA (SLGP Report)

Successes and achievements

- Computerised HR database which will inform human resource planning and other Public Sector reforms, including full integration of payroll and pensions with human resources
- Payroll declined by N4.5 billion within May 2003 and December 2004 (end of verification exercise) and further savings of about N1 billion per annum have been achieved in spite of monetisation.
- Recurrent expenditure declined from 75% to 32% between May 2003 and December 2006
- Capital expenditure increased by 950% between May 2003 and December 2006 while recurrent grew by 77%.
- Tracking savings expenditure revealed that about 80% of FCTA's expenditure now goes into health, education and infrastructure development and that this is mirrored by the distribution of staff of FCTA.
- Standardisation of tax rates across the board
- Blocked avenues of payroll, pension and personnel frauds and malpractices through computerisation which ensured the withdrawal of staff files from owners
- Production of staff identification cards which is integrated into office access cards and cash point cards
- Better trained personnel (end users, key managers and systems administrator)
- The HR system is presently running on about 30% capacity, leaving the balance to other uses
- Development of new personnel policies, procedures and practices which either did not exist or were lost with institutional memory when MFCT was abolished and FCTA created in 2005

Shortcomings and challenges

Institutional / Management:

- Subtle staff resistance to the change from manual to computerised within FCTA
- The lack of a dedicated Project Manager was partially responsible for extended project timeline (2 years) which resulted in project cost overruns with all parties being culpable:
 - The required MFCT officers were unable to dedicate time and effort to the project despite the efforts of the IT Coordinator
 - The contractors lacked the technical and manpower capacity for such a large project
 - SLGP treated it as a discreet project initially, but then SLGP leadership changed and SLGP had not appreciated the need for a Project Manager
- The lack of a dedicated Project Manager was partially responsible for extended project timeline (2 years). However, the project timetable of six months was ambitious given the size and scale of the project and processes involved in personnel management, for example, the seamless move of a retiree from payroll to pensions took about four months to achieve
- Numbers, quality and commitment of persons deployed to the project especially the contractors, was too limited
- Mass movements, firings, resignations, retirements, recruitments and frequent changes in organogram delayed project completion for example, the newly introduced staff mortgage system
- The Personnel Administration component is uncompleted. With SLGP signing off therefore not spending money on the project anymore, there is no incentive to implement the component,



<p>particularly with the absence of a system administrator to complete personnel management component</p> <ul style="list-style-type: none"> • There was no HR Department in FCTA, so the Contractors had to work with Director of Establishment and Training on issues of training, promotions, recruitments etc and with the Director of Administration of developing policies, procedures and practices <p>Technical:</p> <ul style="list-style-type: none"> • Data quality control and difficulty in managing volume of data • The challenges and time consuming nature of the development of new systems (policies, procedures and rules) which were thereafter computerised • Lack of connectivity with remote sites (the responsibility of FCTA) delayed going live • Inadequate security of hardware (some were stolen and had to be replaced by the Government) 	
<p>Costs</p> <p>Consultancy: £16,147.00 Capital: Equipment: £232,140.00 (hardware £87,112; software £145,028) Training: £4,609.00</p> <p>TOTAL: £252,896.00</p>	
<p>Relevance to Nigerian stakeholders (including State Governments)</p> <p>The project was set within the wider work of Public Service Reforms of government as stated in FEEDS. State governments have embarked on similar exercises because of the obvious gains to be made, for example reducing the head count equates to financial savings, which means lower recurrent expenditure and increased amounts available for capital projects. It was clear to MFCT from the outset that the HR database would form the basis of better HR planning and therefore a more effective and efficient civil service (improved governance), which could then focus on improving service delivery. There was already a commitment to an overall and very ambitious MFCT ICT Strategic Plan within which this initiative fitted</p> <p>Relevance to DFID, other donors and their programmes</p> <p>This kind of initiative is highly relevant in the arena of civil service reform. The World Bank, DFID and USAID have produced a policy note on civil service reform in Nigeria, which mentions the fact that public service has become large and unwieldy, with low professional standards. It states that one of the achievements in the last 8 years has been work on payroll and personnel information systems, which will, amongst other things “establish a reliable and comprehensive database for the public service and facilitate manpower planning”. The FCTA project is parallel to the programme of integrating payroll and personnel systems, which is funded by the Federal Government through BPSR with support from World Bank, and will be tested in six pilot Federal ministries. Lessons learnt from HRM at FCTA and other states informed the design of this programme.</p>	<p>Relevance</p>



<p>The expected outputs have been achieved and exceeded (except interconnectivity that was the responsibility of FCTA). A bespoke database links HRM data to the payroll and pensions payment; there are clean and updated Records of Service, and an information repository now has up to date personnel records of every staff member. In summary, HRM data is in place, and significant savings have been made for the FCTA.</p>	<p>Effectiveness</p>
<p>The bespoke software acquired for £145,000 is inexpensive especially when compared to the cost of acquiring an off-the-shelf software package. The trade-off is that implementation of the off-the-shelf package would have been faster and less complicated.</p> <p>HR reform was worth the expenditure given the successes achieved especially in financial savings through the determination of actual staff numbers and payroll size, more so given that the financial savings were deployed to capital projects to improve service delivery in health and education and infrastructure development.</p> <p>Efficiency will increase once the connectivity is in place.</p>	<p>Efficiency</p>
<p>The project was one of the first reform initiatives of the Minister; it was high profile and therefore very noticeable. The project has resulted in a substantial reduction in personnel cost (and the movement of resources from recurrent to capital expenditure). It standardised the applicable tax rates across board instead of the selective tax rates applied by individual departments and agencies. It facilitated the production of staff identification cards, which are now integrated into office access cards and cash point cards for salaried staff. The project produced better-trained personnel. The HR system is presently running on about 30% of its capacity, the balance of which is available to be put to other uses.</p>	<p>Impact</p>
<p>The chances of sustainability of the reform measure is enhanced by the following:</p> <ol style="list-style-type: none"> a) The new system was running for almost a year before it was formally handed over to FCTA, to ensure confidence in its utility b) The project funded a technical warranty period of one year which expires in November 2007, and DFID are considering an additional two-year contract which would expire in November 2009 after which FCTA would take full responsibility <p>The completion of the interconnectivity component and the operationalisation of personnel management would make the initiative more sustainable. Further, there are plans to upgrade the IT Unit into a department with its own budget line.</p>	<p>Sustainability</p>
<p>What lessons have been learned to inform future programme design? For government partners:</p> <p>Institutional/Management:</p> <ol style="list-style-type: none"> 1) The readiness of the implementing organisation greatly affects how long the initiative will take and how smoothly it runs 2) A Permanent Secretary should be dedicated to the initiative as 'Change Manager', and core staff must be involved in the project, not just special advisers and contract posts 3) It is important to draw on HR expertise early on in the process to look at the HR issues strategically, to diagnose where the organisation is and where it wants to be, before the IT component starts 	



<p>4) The employment of a full time dedicated Project Manager is highly recommended, particularly when considering that a high degree of flexibility is required, to adapt to daily changes in records while maintaining the integrity of the system, and when considering that the technical contractors need to be closely managed</p> <p>5) The existence of a dedicated HR Department that will, on an on-going basis, look globally and strategically at HR issues is critical to the institutionalisation of the system. FCTA still has no HR Department. In this project, the Director Audit expected SLGP to develop the capacity of its staff in systems audit. However, SLGP felt that is FCTA's responsibility to better position Audit Department carry out one of its core functions</p> <p>6) Government must be involved in the choice of contractors, including physical inspection of their offices and examples of previous projects if possible, and checking the manpower that will actually be dedicated to the project</p> <p>7) Training of trainers and end users should be done off-site to ensure commitments</p> <p>Technical:</p> <p>8) A staff clean up exercise on this scale works using the biometric methodology, which is the most effective system available</p> <p>9) The use of dummies for test runs before going live facilitates the adoption of the system, as does going live with one or more pilots as errors and issues will be easier to manage on a smaller scale</p> <p>10) Information from personnel file should be scanned and not entered manually to reduce human errors</p> <p>11) To avoid delays in test runs and going live, connectivity must be in place</p> <p>For donors:</p> <p>Procurement:</p> <p>12) Crown Agents should extend tender period if less than desirable bids are received, or retender</p> <p>13) Include sanctions in the contract with the Contractor to ensure performance</p> <p>Institutional / Management</p> <p>14) A Memorandum of Understanding between the donor and the government should assist with ensuring that government delivers according to the schedule</p> <p>15) The projected time frame should be realistic: this one ambitiously short which resulted in project delays and cost over runs (not unusual in projects of this nature)</p>	
<p>SLGP documentation:</p> <p>Consultants Reports</p> <p>Key contact points: George Ombu - Assistant Director, IT Unit in Minister's Office Thomas Ubuane - SLGP Consultant</p> <p>Other relevant bodies of information: FCTA Human Resource Management, Payroll & Pension Database System End of Project Presentation to FCTA EXCO</p>	<p>Further information</p>

Case Study 4

Human Resource Management Computerisation, Federal Inland Revenue Services (FIRS)

Initiative	Human Resource Management Computerisation
Partner	Federal Inland Revenue Services (FIRS)
Starting point	<p>From 2004, FIRS was engaged in a broad and extensive organisational reform process aimed at enhancing the efficiency and effectiveness of tax administration in Nigeria. In July 2004 FIRS had carried out a staff verification exercise to ascertain its true staff strength. This exercise recommended the implementation of a computerised integrated HR management system to automate the processes for payroll, personnel and pensions. The Chairman of FIRS was aware that despite the staff verification exercise, FIRS did not have accurate information on staff numbers, let alone a tool for managing those staff. The payroll system was computerised, but all other elements of the HR system were manual and partial. The computerisation of the HR system was a challenge in terms of the organisational structure: FIRS has 103 offices throughout Nigeria. However, FIRS had reached an advanced stage of building an ICT network infrastructure with connectivity to all the Regional Tax Offices and Large Tax Offices in the country under the FACT project (which was designed to establish tax collection automation). Therefore FIRS was already committed to various elements of ICT development.</p>
<p>Expected outcomes and outputs, and original theory of change</p> <p>Expected outcome: FIRS empowered with a modern, computerised HRM system to manage its staff effectively, informed by human resource management expertise to tailor the system to the needs of FIRS</p> <p>Expected outputs:</p> <ol style="list-style-type: none"> 1. A Human Resource Management Database in place 2. Connectivity infrastructure in place 3. Government staff trained to manage the system 4. The production of the payroll on a timely basis 5. The regularisation of staff tax status 6. The reduction of ghost workers in public service 7. The reduction of salary and pension fraud 8. New business processes established 9. Structural reorganisation 10. Capacity built to cope with the management of change <p>Theory of Change: That the wide ranging reform that FIRS was already engaged in could not be sustained and embedded without tackling the issue of human resource management, of which computerisation was a part.</p> <p>Driver of Change: Chairman, FIRS</p> <p>The initiative commenced in November 2005</p>	



Process, activities and related events

Process:

The Chairman of FIRS approached DFID requesting support to set up a computerised HRM system to complement the broader FIRS reform effort. She was aware of the SLGP work that was in process in FCTA and wanted parallel support for FIRS. DFID directed her to SLGP. SLGP agreed to manage the project, with DFID providing the funding. Having learnt lessons from the computerisation experiences in Enugu and FCTA, SLGP requested that funding would include a full time project manager, as well as a technical oversight consultant. This was agreed, and the technical consultant developed a blueprint for the project, just as the same individual had done for Enugu and FCTA. DFID also agreed to fund a parallel consultancy input to consider structural strategic human resource reform at the same time as the technical systems input. Crown Agents managed the tendering process for all the technical procurement, and a committee of FIRS, Crown Agents, SLGP and the technical oversight consultant made the final decision regarding service providers: SAP Nigeria for the software, JetLink Ltd for the hardware, and DCC Satellite & Network Ltd for the connectivity. At the same time SLGP managed a competitive process to recruit the Project Manager on a one-year contract (who then became involved in the service provision contract award process), and to recruit the Human Resource Management consultants (ADVEN) for a period of 3 months. All of these external consultants were given office space in FIRS. In the early months of implementation, there was a great deal of debate around the escalating costs of the hardware, but in a meeting with FIRS, DFID agreed to fund it despite the increased funding commitment. Debate around the funding of the connectivity continued well into implementation, with discussion between DFID and the World Bank on who would take responsibility for this cost.

ADVEN did not manage its client well. This resulted in delays in delivery of the outputs, and in the event none of the outputs delivered by ADVEN were acceptable to FIRS. This consultancy was terminated, with a reduced payment negotiated by SLGP. Following the termination of the contract, it was agreed that all future support on HR transformation should be through the World Bank's Economic Reform and Governance Programme (ERGP). The World Bank has agreed to fund the renewal of this work, and the position of a new Project Manager, under ERGP. As a result of these delays, the software delivery has been delayed (it needed agreed HR outputs to inform the design of the system). In addition, there have also been issues between FIRS and SAP on the Scope of Work, and signing a service level agreement. FIRS staff stated that this last hurdle is about to be resolved (end May 2007).

Activities and related events:

Aug 2005: Project blueprint developed

Early 2006: Bid specifications out for tender through Crown Agents, for hardware, software and connectivity elements

May 2006: Project Manager appointed / HR consultants selected

Jun-Aug 2006: Contract award decisions for equipment

Oct 2006: Delivery of some hardware

Nov 2006: Commencement of software implementation, further hardware delivered

Dec 2006: Workshop to discuss SAP software blueprint and parameters for configuration and customisation, followed by SAP taking requirements to South Africa for technical work. Further hardware delivered (90% of hardware now received), and connectivity input on stream. Termination of HR consultancy without acceptance of their products.

Mar 2007: Project Manager resigned. Interim PM appointed. Decision to re-tender for human resource consultancy and project management under the World Bank project Economic Governance Reform Project



<p>Successes and achievements</p> <ul style="list-style-type: none"> • The project management structure was an improvement on previous SLGP experience of similar exercises. The fact that the PM was embedded in FIRS was ideal. The PM took a lot of the managerial burden of the project from the SLGP Adviser as it was a full time position, and she ensured movement on the project • The procurement element went smoothly with Crown Agents playing a very supportive role • Commitment from the top in FIRS. The Chairman was keen for the project to happen and would always assemble the right people, though her personal interest sometimes meant that her officers felt reluctant to take even simple decisions without reference to her • The hardware and connectivity is in place and ready for testing 	
<p>Shortcomings and challenges</p> <ul style="list-style-type: none"> • The ADVEN HR consultancy turned out to be a major problem. The concept of running it concurrently with the IT inputs made logical sense; if the synergy of timing between the two elements had worked it would have been ideal, but the fact that it did not caused a delay to the software development. There appear to have been problems with the way ADVEN managed the consultancy, which the Chairman of FIRS spotted quite early on. A number of meetings were held and the Chairman was persuaded to give them a chance. However, it turned out that her instincts about the company were right • SAP is not as flexible as a bespoke software product written from scratch. This has meant that the client has had to adapt its practices to suit the software, rather than the other way round. There have been delays in signing the scope of work. • The PM did not do enough to challenge poor quality work or to communicate problems to the Chairman quickly enough, either in terms of performance of FIRS staff on key tasks (such as the reorganisation of the Registry), or in terms of the ADVEN HR consultancy progress, or lack of progress. 	
<p>Costs</p> <p>Consultancy: £5,000 (SLGP) £112,800 (DFID)</p> <p>Capital (<i>sub-divided if it includes several expensive items</i>):</p> <p>Hardware & Software: £547,635 (DFID)</p> <p>TOTAL: £665,435 (Estimate based on July 2006 presentation)</p>	
<p>Relevance</p>	<p>Relevance to Nigerian stakeholders (including State Governments)</p> <p>The relevance of the project was very high; FIRS regarded it as a key component of its ongoing reform process, to clean up the staff database and provide accurate information for HR planning processes. FIRS was already committed to a seven point reform strategy; one of which was “Build Capacity – Structure; Staffing; Specialization”. The inclusion of HR expertise meant that in concept the computerisation would match the needs of the organisation as it changed. The project complements other elements of public sector reform at the federal level and mirrors work in some of the states on the same issue. The Federal Government plans to do similar work in all its institutions, starting with pilots in 5 MDAs.</p>



	<p>Relevance to DFID, other donors and their programmes DFID and the World Bank are supporting the Federal Government to engage in the processes described above. The World Bank, DFID and USAID have produced a policy note on civil service reform in Nigeria, which mentions the fact that public service has become large and unwieldy, with low professional standards. It states that one of the achievements in the last 8 years has been work on payroll and personnel information systems, which will, amongst other things “establish a reliable and comprehensive database for the public service and facilitate manpower planning”. This initiative falls into this category for FIRS.</p>
Effectiveness	It is too soon to comment in detail as the system is not yet functional.
Efficiency	It is not possible to state whether the project has been value for money in terms of stating the value of the project against savings made, as the systems are not yet operational. The procurement process was tightly managed in order to keep costs down, and SLGP had managed similar processes through Crown Agents in Enugu and FCTA and had learned from these projects.
Impact	Too soon to comment.
Sustainability	It is likely that the system will be sustained; the right equipment is in the right place, and SAP will deliver a package that could link into other management packages in the future. There has always been a genuine commitment from FIRS to realise HRM computerisation, and there is no reason to think that this will change. They have just become an autonomous organisation (late May 2007). In terms of technical sustainability, DFID is funding a one-year maintenance contract, and FIRS is committed to doing the same for a further two years after that.
<p>What lessons have been learned to inform future programme design?</p> <p>For government partners:</p> <ol style="list-style-type: none"> 1) Government needs to be involved in all aspects of decision making regarding the project right from the beginning in order to take a degree of responsibility for the outcomes, for example regarding the selection of service providers 2) A capable Project Manager is critical to the smooth running of the project; it is not easy to navigate the waters of the public sector, especially in the context of change and wider reform processes. There are pros and cons regarding the appointment of an insider versus appointing an outsider. The former would understand the details of how the organisation worked but may not have project management experience, the latter could bring fresh ideas and build capacity on the job but need a great deal of help to understand the intricacies of the organisation. In FIRS, the key feature has proved to be maturity/experience rather than being an insider 3) The staff of the organisation must be thoroughly prepared for any initiative that involves change to ensure that it is genuinely taken on board. Government culture does not equate to a ‘project management culture’, and change does not get absorbed easily. As a result additional care must be taken both to sensitise staff about the change at all levels, and further, to commence relevant training from the beginning of the project to engage the right individuals at a very early stage. Staff allocated to such a project must be selected with a great deal of thought 4) The software must include provision for biometrics, which is the only way to ensure that the system is as secure as possible in terms of guarding against fraudulent practice <p>For donors:</p> <ol style="list-style-type: none"> 1) A full time Project Manager is a good concept for an initiative such as this. The management time the project has required, both technical and non-technical, has been immense. Further, having an additional trusted technical consultant on a call down contract was ideal; and gave the project the required flexibility to use his time at short notice. In addition, the oversight of the SLGP/DFID 	



<p>Manager has been very useful in progressing the project</p> <ol style="list-style-type: none">2) Senior government commitment to an initiative can be a double-edged sword. The Chairman of FIRS was totally committed to the project, but her staff sometimes felt that they had to channel all decisions through her. This has led to some delays, particularly when she is out of the country or otherwise unavailable.3) Crown Agents played a very supportive role; and their purchasing muscle proved advantageous in dealing with the contractors and ensuring that all of the equipment was supplied to the right standard4) The concept of combining HR and IT expertise is a good one, though there should be a contingency plan if they are interdependent. HR inputs should be staged, and start the process to provide a diagnosis of the current situation, and compare it to the desired situation, so that IT can progress once an initial input has been given on HR5) External advice on IT needs to be brought in right from the start and is less helpful if brought in once key procurement parameters have been decided	
<p>Further information</p>	<p>SLGP documentation:</p> <p>Consultant Report.</p> <p>Documentation available through PSR project, including monthly reports of Project Manager May 2006 – February 2007, and technical reports of ADVEN consultants and Tom Ubuane.</p> <p>Key contact points:</p> <p>Joe Abah, Programme Co-ordinator, PSR (ex NEEDS Adviser, SLGP) Osy Chuke, Director, Corporate Services, FIRS</p> <p>Other relevant bodies of information:</p>



Case Study 5 Performance Improvement Bureau (PIB), Enugu State

Initiative	Support for establishment of the Performance Improvement Bureau (PIB)
Partner	<ul style="list-style-type: none"> a) Office of the Head of Service, then b) Performance Improvement Bureau itself
Starting point	<p>In late 2004, SLGP Enugu supported the development of a planned approach to performance improvement and civil service reforms in Enugu State. The need for performance improvement came from 2 sources within government:</p> <ul style="list-style-type: none"> i) An appreciation of a generalised breakdown in performance in public service, and ii) The need to improve that performance so that Enugu could implement its SEEDS, and score well in benchmarking exercises <p>Hitherto the establishment of PIB, there was no government organisation that was charged with the responsibility of designing a comprehensive improvement programme for the Enugu State civil service and supporting MDAs for improved service delivery. PIB was to serve as a model of a good government agency in the State.</p>
<p>Expected outcomes and outputs, and original theory of change</p> <p>Expected outcome:</p> <ul style="list-style-type: none"> • A state agency that supports MDAs in the civil service reforms for improved service delivery, and that supports State reform efforts beyond the lifetime of SLGP, or of a single administration <p>Expected outputs:</p> <ul style="list-style-type: none"> • Established and functioning Performance Improvement Bureau, with highly trained professional staff, to achieve: • Performance improvement instruments for all MDAs across Enugu State Government • Monitoring procedures to ensure that each MDA was assessed against targets in its instrument • Assistance to MDAs where they encountered problems in achieving their targets <p>Theory of Change:</p> <p>That an internal unit within the State Government would be the best way to manage and support the improvement of the performance of MDAs for improved service delivery in the long term, and to ensure that Enugu State is better positioned to implement its SEEDS/PRS.</p> <p>Driver of Change: the Head of Service, with the full support of the Governor</p> <p>The initiative commenced in November 2004</p>	



Process, activities and related events

Process:

In November 2004, a team of SLGP consultants worked with the State Government, to design a comprehensive improvement programme for the State civil service, which led to the development of performance measurement instrument and a plan to develop a model of a good government ministry or agency. As part of this process, it was agreed that there was a need to institutionalise a Performance Improvement Department or Unit within the State Government and to pilot test the performance measurements in an MDA (the Ministry of Lands and Housing). In March 2005, the work to date was reviewed in a meeting with the Governor, the Head of Service and the Special Adviser on Economic Matters, and a presentation was made to EXCO. It was agreed that piloting the instrument should move forward, and that it should also be piloted with the Ministry of Finance. The process was underway to set up and staff the PI Unit. A training approach for the head and staff of the unit was articulated in April 2005, and the work with the two pilot Ministries continued, with the newly appointed head of the PIU becoming involved in these processes. In August 2005 after the establishment and staffing (through an open competitive recruitment process) of the Performance Improvement Bureau (in the Office of the Head of Service), a one-day training session on Strategic Planning Processes was carried out to develop the capacity and understanding of the Coordinator and the Advisers. Consultants are presently developing a methodology to enable PIB audit performance against charter commitments and to enhance and strengthen the feedback of information to the public. SLGP continues to give institutional support to PIB as and when deemed necessary.

Activities and related events:

Nov 2004: Consultancy input to develop a draft performance improvement instrument for application in Enugu MDAs (SLGP Report)
Mar 2005: Second consultancy input to pilot the instrument in MOLH and plan PIU. MOF pilot added (SLGP Report)
Apr 2005: Third input to take MOLH and MOF work forward, (SLGP Report) (and service delivery workshop with MOLH, SLGP Report), plus discussions with newly recruited head of PIB
June 2005: Performance Improvement Bureau launched by the Governor
Induction training for PIB staff
July 2005: Strategic Planning & Computer Skills training for PIB staff
Aug 2005: Strategic Planning Training for PIB staff (SLGP Report)
Nov 2005: Facilitation Training for PIB staff (SLGP Report)
Nov 2006: Publication of Service Charters and Complaints Procedures Guidelines
Apr 2007: Workshop with nodal officers for MDAs on how to monitor their services

Successes and achievements

- PIB has been established under the Office of the Head of Service, with high calibre staff recruited from within the government system, and then equipped with relevant training to assist MDAs in Enugu State. PIB is decreasing its intellectual dependence and direction from SLGP; this year it has its own work plan for the first time
- Awareness has been raised in the civil service of the need for performance improvement and customer service orientation. MDAs have shown commitment to reform and adherence to their newly developed Service Charters (7 in total to date) on improved service delivery and 12 MDAs have appointed nodal officers to take responsibility for the Service Charter function. Complaints procedures have been published, as has a Code of Conduct manual for civil servants. Ministerial Performance Improvement Instruments for all MDAs are being developed so they can take ownership of their performance improvements – work in progress
- Public awareness has been raised about the commitments being made by MDAs in their respective Charters, Code of Conduct and of the public complaints procedures in place
- PIB has developed, published and circulated to all MDAs steps for developing MTSS



<ul style="list-style-type: none"> • PIB assisted with the production of 2006 budgets and 2007 budgets using the new Charts of Accounts • PIB has facilitated three retreats for Permanent Secretaries on policies and strategies; civil service reforms and public financial management 	
<p>Shortcomings and challenges</p> <ul style="list-style-type: none"> • The political will to support the establishment of PIB requires new momentum to ensure the provision of the required resources (financial and material) to fully equip the Bureau. Further, PIB has no legal status and its financial status has not yet been formalised with its own budget line • Government bureaucracy and red tape has slowed down the performance of PIB as approvals were pending sometimes for weeks. This has been addressed by PIB seeking and obtaining global approval to its annual work plan. There is no Change Manager charged with overall management of civil service reforms although the fact that PIB was in the Office of the Head of Service gave it some weight and status • PIB's work highlights and reflects internal problems within the MDAs; it is a real challenge for MDAs to write realistic Service Charters, one PIB staff member compared this process to "chasing shadows". Once established, there has been a lack of resources (man, money and materials) to implement the Service Charters, for example, MDAs do not have the funds to set up customer service desks and/or hotlines to ensure that there is a mechanism for public feedback • The Service Charter is only the first step in the direction of performance improvement; there is much more to be done to ensure the outcome of improved service delivery. Changing the culture of government is a serious challenge; for example, Enugu Agricultural Development Project (ENADEP) has not recruited new extension workers (who transfer knowledge to farmers) since 1992 • Management level civil servants who were benefiting from misuse of funds resisted the implementation of performance improvement reforms 	
<p>Costs</p> <p>Consultancy: £46,611.00 Capital: Equipment £26,442.00 Others: £46,552.00</p> <p>TOTAL: £119,585.00</p>	
<p>Relevance</p>	<p>Relevance to Nigerian stakeholders (including State Governments) The establishment of a performance improvement agency is relevant to the Enugu State Government; it was fully supported by both the Head of Service and the Governor as an agent to focus on civil service reforms with emphasis on improving service delivery to the public, and to embed the long-term benefits. The Head of Service intended it to be the "breeding ground for the next generation of Permanent Secretaries".</p> <p>Relevance to DFID, other donors and their programmes The establishment of PIB fits within the wider framework of Public Service Reform, as expressed in SEEDS, especially as it focuses on ensuring the improvement of service delivered. PIB attempts to combine the quick win and the long-term approach, by providing immediate assistance to MDAs to ensure a cultural shift in the mindset of government away from business as usual towards service delivery improvement.</p>



Effectiveness	<p>PIB started from scratch and it has made some progress towards the conceptual vision. The development of Service Charters has been used as an entry point to performance improvement, though there is a lot more to be done. PIB's responsibilities are very broad, if it maintains an aspiration to inform the public and increase the demand for accountability, as well as working internally within MDAs on improved supply of services. PIB's effectiveness has been hampered by a lack of political will, limited institutionalisation to date (legal backing and discrete budget), and inadequate operational resources (money and materials, for example, vehicles, internet access to ease information flow and communication).</p>
Efficiency	<p>PIB represents good value for money as the outputs are more far reaching than if the same amount was spent on other types of communication campaigns (in area in which SLGP Enugu has considerable experience). PIB was established at the right time, and has attempted to simultaneously address the issues of awareness creation (both in terms of the public and within government) and improving MDA service delivery.</p>
Impact	<p>Commentary on impact is tentative because of the short timeframe (less than two years in operation) and high aspiration (improved service delivery across government), but there has been a shift in thinking within government regarding reform and general awareness regarding the service function of government, which can be partially attributed to PIB. Civil servants have used PIB as a source of information (in particular in regard to the HRM database). Ultimately the judgement of impact will depend on increased quality of service delivery from MDAs, which have received the right type of support. PIB staff state that ESWAMA has been assisted successfully but that they are not sure of the sustainability of the impact. PIB regard themselves as facilitators of the processes of change in civil service reform.</p>
Sustainability	<p>PIB is not yet sustainable as an institution, as its existence needs to be legally supported and it should have its own dedicated budget. A strategic decision needs to be made by the new administration: either to institutionalise PIB as part of government, or to use it as a time bound agent of assistance for the next iteration of SEEDS.</p>
<p>What lessons have been learned to inform future programme design?</p> <p>For government partners & donors:</p> <ol style="list-style-type: none"> 1) That issues of institutionalisation of such performance improvement agencies should be considered from the outset: that if the agency is time bound, there should be a direct reporting line to the Governor (as with the Federal structure) to give it the necessary weight as the agency is a catalyst for reforms. If it is to be institutionalised as part of the normal structure, the agency needs to be able to fast track the ordinary bureaucratic process in order to achieve change at the required speed across the full range of MDAs 2) The introduction of such an agency cannot be done in isolation from other steps in the reform process, and the ground can be prepared for it, such as through the training of high-level civil servants to prepare them for change and ensure that they are on the side of reform processes. 3) The relationship between the agency and the SEEDS process is critical; the preparation of SEEDS is the "controlling event" according to PIB staff. 4) Defining the breadth of the agency's remit is important, though this may evolve if the agency proves to be successful. PIB is in danger of having too wide a set of tasks, but piloting its support 	



<p>in a number of agencies could contain this breadth. The balance of working with both demand and supply sides effectively is difficult to sustain without considerable resource commitment.</p> <p>5) It is important that government officials, who understand the systems within the MDAs and can work creatively within the system, with the required trust of those MDAs, staff the agency. Those staff should be committed to the agency for a required period of time to ensure that they can have a significant impact, and benefit from the training provided while in the particular post.</p>	
<p>Further information</p>	<p>SLGP documentation: SLGP Consultant Reports</p> <p>Key contact points: Chris Ugwu - PIB, PS Head of PIB Ucheoma Egwuatu - PIB, Service Delivery Adviser E.A.N Mba - PIB, IT Adviser</p> <p>Other relevant bodies of information:</p>

Case Study 6 Pension Reform, Jigawa

Initiative	Pension Reform
Partner	Ministry for Salaries and Pensions Administration
Starting point	<p>In early 2003, Jigawa State Government carried out an internal assessment of its existing pension situation. It was found that the pension scheme, in place since the creation of the State in 1991, was inefficient, ineffective, a burden on State finances, and that it represented a high degree of financial waste. Jigawa was operating a non-contributory defined benefits scheme, which was based on the number of years' service of the employee and their civil service salary scale. The scheme was entirely financed by State Government, but often the allocations were insufficient to cater for liabilities. Delays were a feature of the system, and over time a large number of 'ghost' pensioners developed within the system. Monthly pension bills rose, queues of pensioners grew longer, and the scheme became financially and politically unsustainable. Some pensioners resorted to moneylenders to meet their financial commitments, making themselves vulnerable to exploitation and extortion. The management of the scheme was also questioned. Documents and records were not properly kept, pensioners did not understand how the scheme worked, and there were opportunities to reward favoured pensioners and punish unfavoured ones. It was clear that the responsible Ministry of Pensions required reform.</p>
<p>Expected outcomes and outputs, and original theory of change:</p> <p>Expected outcome: Making Jigawa State pension administration more efficient and effective by reducing the burden on State Government while at the same time reducing the suffering of pensioners</p> <p>Expected outputs:</p> <ol style="list-style-type: none"> 1) Reformed Ministry of Pensions 2) New pension scheme in place <p>Theory of Change: That SLGP could provide the 'space' required for proper consideration of pension reform, the need for which arose out of discussions within the SLGP supported Bureau for State and Local Government Reform. The issue was widely recognised within government and the posting of a single individual into the Ministry as a change agent, with the full support of the Governor, should suffice to start the required institutional reform.</p> <p>Driver of Change: Permanent Secretary, Ministry of Salaries & Pensions, Jigawa State with the support of the Governor</p> <p>The initiative commenced in March 2003</p>	



Process, activities and related events

Process:

March 2003 marked the beginning of the reform, which was in three phases: study, design and implementation. During the study phase, the State Government assessed the problems with the existing pension scheme. The outcomes of the study led to the deployment of a reform minded administrator as the Permanent Secretary of the Ministry of Salaries and Pension Administration to champion of change. The new Permanent Secretary conducted a needs assessment of the operational activities, procedures and institutions of the Ministry as a basis for change. During the design phase, the Permanent Secretary restructured the Ministry into five departments (Local Government Pension, State Government Pension, Administration and Finance, Planning and Internal Audit) with clear responsibilities, appointed five new directors to co-champion the change, introduced the dual control and due process, and introduced a query desk. The Implementation phase from May to December 2003 required human and material resources, and changes in logistics and attitudes of personnel. During implementation, employees were redeployed to ensure alignment of talent to jobs, material resources were put in place including storage facilities for record keeping, awareness campaigns were conducted on pensioners' rights, ghost pensioners were identified and removed, Sharia Courts were engaged to ensure no surcharges were imposed on beneficiaries and those found guilty of wrong doing were punished. Following all of this change, a progress review was carried out, which recorded successes and some challenges of the reform process. This prepared the ground for the effective take off of the New Contributory Pension Scheme, the contributions to which were already started with effect from February 2001 by both workers and State Government at defined contribution rates but with a gestation period of 5 years after which staff contributors could draw their terminal benefits from the fund to which the contributions are paid. In the same year 2003 the (Jigawa State and Local Government) Contributory Pension Law 2003 was enacted with retrospective effect from February 2001. This law established a fund for the scheme and a Contributory Pensions Board of Trustees to manage it. Members of the Board include members of Labour Unions, Government and private individuals. The reform process is still ongoing.

Activities and related events:

- Feb 2001: Contributions to Contributory Pension Scheme begin
- Early 2003: Assessment and analysis of existing situation
- Mar 2003: Appointment of a Change Manager deputed to reform the system: the Permanent Secretary, Ministry of Pensions
- Early 2003: Institutional needs assessment
- Apr 2003: Restructuring of the Ministry
- May 2003: Implementation phase (until December 2003)
- Mid 2003: Review progress and outcomes
- Mid 2003: Contributory Pension Scheme Law enacted with retrospective effect from February 2001
- Mid 2003: Board of Trustees established by Law No. 1 of 2003
- Dec 2005: Consultant reviews process of reform to date to document the story
- Dec 2006: Training of Internal Pension Administrators
- Mar 2007: Guide to Pension Reforms: Lessons from Jigawa State printed

Successes and achievements

- The Jigawa State Contributory Pension Scheme was the first of its kind in Nigeria; the Federal Government's pension reform drew lessons from Jigawa State's experience
- A contributory Pension Scheme has been institutionalised, where employee contributes 8% of his basic salary and Government contributes 17% of the employee's basic salary
- The enactment of the Jigawa (State and Local Government) Contributory Pension Law (JCPL) 2003 which provided for the establishment of the Contributory Pensions Board (included Labour Union and State Government stakeholders)
- The Local Government pension bills dropped from N30 million in March 2003 to N10 million in June 2003. Despite an increase in pensions of 142%; the pension bill averaged only N18 million for local



<p>government pensioners, and N17 million for state government pensioners</p> <ul style="list-style-type: none"> • The exact number of pensioners are known (State: 1,857; Local Government: 2,393 as at November 2005) • Pensioners are paid on time with all entitlements being provided within the three-month notice period provided all documentation is complete and accurate • Arrears have been settled on all liabilities from 1998 to 2001 for gratuity and death benefits • All unclaimed benefits, average of N500,000 per month, are returned as Payment Centres have to complete returns • Touts and moneylenders activities have reduced substantially due to the rigorous and fully documented nature of the new system • Official extortions have been minimised as pensioners are aware of their rights and know how much their monthly entitlements are • The Payment Panel has oversight functions over benefit approvals so fraudsters and cheats are being dismissed from Pay Centres when they are caught 											
<p>Shortcomings and challenges</p> <ul style="list-style-type: none"> • The first employees who retired before the end of the gestation period of five years received their contributions in 2005; the time lag between the start of the reform process and the distribution of actual benefits put a tremendous strain on those carrying out the reform process, particularly the PS • The old scheme was corrupt at every level, even within the courts, but the resolve of the PS, backed by the Governor, overcame the inevitable layers of resistance • There has been inadequate staffing in the Secretariat both in terms of skill and number to implement the reforms and their new job descriptions • The Board is skewed in favour of the workers and the public service; there is not enough private sector or investment experience in the current membership. This is particularly problematic given that the Board have a huge set of tasks to confront, many of them technical, such as investment and portfolio management, accounting and financial analysis, risk management and strategic management 											
<p>Costs</p> <p><u>SLGP Inputs</u></p> <table> <tr> <td>Consultancy:</td> <td>£940.00</td> </tr> <tr> <td>Capital:</td> <td></td> </tr> <tr> <td>Printing Pension Reform Guide:</td> <td>£2,013.00</td> </tr> <tr> <td>Training:</td> <td>£3,911.00</td> </tr> <tr> <td>TOTAL:</td> <td>£6,864.00</td> </tr> </table> <p>JSG invested in both computer hardware and software, but it is not possible to quantify these inputs as the process was run as part of the day-to-day operations of the Ministry rather than as a special project separately accounted for. Also, hardware was simply allocated from Government stores. All staff, due to the effectiveness of the reforms, are now paid a one-month salary bonus every year.</p>		Consultancy:	£940.00	Capital:		Printing Pension Reform Guide:	£2,013.00	Training:	£3,911.00	TOTAL:	£6,864.00
Consultancy:	£940.00										
Capital:											
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Training:	£3,911.00										
TOTAL:	£6,864.00										
<p>Relevance</p>	<p>Relevance to Nigerian stakeholders (including State Governments)</p> <p>The reform is highly relevant as part of the wider civil service reform process, and further to the public financial management reform process to which it is conceptually linked; ultimately the pension system will link to the computerised financial management system, IFMIS. Jigawa State pioneered the contributory pension scheme and the Federal Government drew from Jigawa State's experience in its pension reforms. Other state governments are studying the Jigawa model in the design of theirs: officials from Katsina, Zamfara, Kano, Lagos, Bauchi, Rivers and Ekiti States have all visited Jigawa specifically to learn from its experience in pension reform. The potential for replication is very high: most of the steps in the reform process have not been complex. The challenges of managing the new scheme are becoming increasingly evident now, after the institutional reform has taken place.</p>										

	<p>The Governor was fully committed to the process, which was managed entirely within the State Government. SLGP facilitated its occurrence through supporting the Bureau for State and Local Government Reform (where the PS took part in reform discussions), but SLGP provided very little material input to the initiative.</p> <p>Relevance to DFID, other donors and their programmes Jigawa State has led the way in Nigeria in terms of this aspect of reform; but it is an important component of the wider process of civil service reform, which many of the larger donors are actively committed to in Nigeria (World Bank, USAID, DFID, EU). It is broadly accepted that “a professional and committed public service is an indispensable ingredient for realising the goals and objectives of NEEDS and SEEDS” (Civil Service Reform: A Policy Note: World Bank, DFID, USAID), and this initiative is part of ensuring that State Government can manage its commitment to pensions more effectively while bringing down the costs of its administration.</p>
Effectiveness	<p>The reforms were very effective in terms of achieving the desired objectives. The Ministry of Pensions has been reformed and improved to such an extent that it has taken on responsibility for salaries as well as pensions. Restructuring has ensured that there are now checks and balances within the pension system, resulting in a dramatic improvement in the fair administration of pensions. A new pension scheme is in place, with legal backing, and the payment process has been improved considerably. Employees had lost faith in the old system, but the scepticism has been reversed by the effectiveness of the new system.</p>
Efficiency	<p>The efficiency of the initiative has been high; pension bills have dropped significantly (Local Government from N30 million to N10 million in just 3 months, and now at a level of N18 million per month, despite an increase in pension benefits of 142%. Further, pensioners are paid on time, with all entitlements being provided within the 3-month notice period; arrears have been settled on all liabilities from 1998 to 2001 for both State Gratuity and Death Benefits, and unclaimed benefits (averaging N500,000 per month) are returned. In terms of investment into the initiative to date, the State Government invested considerably into the project, and SLGP have contributed less than £7,000.</p>
Impact	<p>The processes of reforming the Ministry of Pensions and the institutionalisation of the Contributory Pension Scheme have had significant impact on the State Government’s pensioners (who numbered some 4,250 people in November 2005) who are receiving their pensions and entitlements on a regular and predictable basis, in the full knowledge of what is their due, thereby reducing corruption and fraud within the system.</p> <p>The State Government now has accurate information available, which it can trust, including an accurate list of every single employee. The financial burden on the State Treasury has eased considerably, with improvements to the cash management function of Treasury, who no longer need to pay out lump sums. Savings have been reinvested into the scheme and will pay for its computerisation at local government level.</p> <p>The Governor was so pleased with the outcome of the reform process that he shifted responsibility for salary payment to the Ministry of Pensions, and the Ministry was renamed the Ministry of Salaries and Pensions.</p>



Sustainability	<p>The reforms in the salaries and pension administration led to the introduction of the Contributory Pension Scheme in order to ensure sustainability of the reform. All recognised the need for employees to contribute to their own pensions; and the JSCPS was the result of negotiations between government and labour unions. The scheme has been enshrined by law, which also established a Board to oversee its operations. The Board has an independent office and a Secretariat. Since 2003, every single employee and MDA in JSG receives a Statement of Entitlement regarding the scheme, ensuring that everyone knows where he/she stands. The scheme is popular amongst government employees, pensioners and with the unions. It is unlikely that the reforms could be reversed.</p>
<p>What lessons have been learned to inform future programme design?</p> <p>For government partners:</p> <ol style="list-style-type: none"> 1) That with the commitment of the Governor, and a key Change Manager in place, the steps to reforming the pension system have been relatively straightforward. The challenges of managing and maintaining the system are now becoming increasingly demanding in terms of the skills required, which are largely specialist financial skills not present within the civil service. 2) The timeframe for much of the structural reform process was relatively short (less than a year), but the timeframe for actually seeing benefits of the changes was much longer (just under 3 years). 3) JSG has outlined and defined its 7 stages of reform (1. Study and Analysis, 2. Establish Leadership for Change, 3. Institutional Assessment, 4. Restructure, 5. Support Implementation, 6. Review Progress and Outcomes, 7. Introduce Contributory Pension Scheme) from which other States can learn and adapt their own reform processes. <p>For donors:</p> <ol style="list-style-type: none"> 1) This initiative is an example of reform which was facilitated by an external partner but which was entirely driven by the State Government. SLGP provided institutional space for reform minded individuals in Jigawa through the establishment of the Bureau for State and Local Government reform in 2001, but the impetus for the actual process came from within government. Since the project inception, SLGP has provided inputs to document the learning, and latterly, training for the Board to better equip them to manage the pension scheme. The technical challenges of pension fund management now are considerable and may require further inputs, particularly in terms of sourcing external expertise to train and build capacity. 2) There is no clear 'end point' to this initiative; as what has been achieved to date has led to the need for further reform and computerisation, and ultimately the plan is to link the new systems to IFMIS (a separate but related PFM reform initiative). 3) It has been useful to document the process fully, through the use of a consultant, and the production of the Guide, in order to share and disseminate the learning of the State. This role an external partner is well placed to play. 	
Further information	<p>SLGP documentation:</p> <p>SLGP Consultants Report</p> <p>Key contact points:</p> <p>Abdulaziz Abdulhamid, PS Ministry for Salaries and Pensions Administration</p> <p>Other relevant bodies of information:</p> <p>Guide to Pension Reforms, Lessons form Jigawa State</p>

Annex 2

Relevant Documentation Reviewed

Records Management & Archiving, Lagos

- Support for Records Management and Archiving in Lagos State Ministry of Establishments and Training. Peter Olayiwola. December 2005
- Report on Support for Capacity Building in Records Management and Archiving in Lagos State Ministry of Establishment and Training. Peter Olayiwola. June 2006
- Report on Support for Project Implementation Consultant in the Central Records Unit, Lagos State Ministry of Establishment and Training. April 2007

HRM Computerisation, Enugu

- Assessment of Human Resources in Government in Enugu State. Merrick Jones & Bankole Oni. November 2002
- Bids Evaluation Report on the Establishment of the Human Resources, Payroll and Pension Management Database Development for Enugu State. Thomas A. Ubuane. April 2004
- Oversight on Human Resource Management Computerisation in Enugu State. Thomas A. Ubuane. November 2004

HRM Computerisation, FCTA

- Situation Assessment for the Ministry of the Federal Capital Territory on Human Resource Management Development. Thomas A. Ubuane. March 2004
- FCT HRM Input. Thomas A. Ubuane. June 2004
- FCTA HRM Database Project Handover and Awareness Workshop. Thomas A. Ubuane. December 2006

HRM Computerisation, FIRS

- Procurement Bidding Phase and Implementation Activities for FIRS Human Resource Management Project. Thomas A. Ubuane. June 2006
- Set of monthly reports from the Project Manager to FIRS and SLGP, from May 2006 to February 2007
- Development of Human Resource Management System Database for Federal Inland Revenue Services



Performance Improvement Bureau (PIB), Enugu

- Designing a Comprehensive Improvement Programme for Enugu State Civil Service. Simon Foot, Lynne Simmons, Ifediora Amobi and Ann Eimiakhena. December 2004
- Designing a Comprehensive Improvement Programme for the Enugu State Civil Service – Phase 2. Simon Foot. March 2005
- Sector Testing the Improvement Programme for the Enugu State Civil Service – Phase 3. Simon Foot, Nduka Ikeyi, Patrick Okonji and Chris Okoroafor. May 2005
- Strategic Planning Framework: One Day Planning Workshop for Performance Improvement Bureau. Lynne Simmons. August 2005
- Facilitating Service Delivery Improvement Workshop for Stakeholders. Chris Aniche Okoroafor and Nduka Ikeyi. April 2005
- Process Report on Basic Facilitation Skills Workshop for the Performance Improvement Bureau and Selected Civil Servants in Enugu State. Ben Arikpo. November 2005

Salaries & Pension Reform, Jigawa

- Review of the Reforms Made By the Jigawa State Ministry for Salaries and Pension Administration. Ali Garba. December 2005
- Guide to Pension Reforms, Lessons from Jigawa State, State Ministry for Salaries and Pensions Administration. 2007

Annex 3

List of persons met

Persons met with	Purpose
Dele Thomas SLGP	Briefing and reviewing documents
John Barker, Programme Manager, SLGP Lagos, Kemi Durosinmi-Etti, Programme Officer, SLGP Lagos	Discussion of the Lagos State Records Management and Archiving in the State Ministry of Establishment
A. Ogunlewe, Permanent Secretary, Ministry of Establishments and Training R. O. Sanni, Director of Establishments, Ministry of Establishments and Training Okey Arinze, Managing Director, Data and Telecommunications (Nig.) Limited	Discussions of the Lagos State Records Management and Archiving as a case study
Greg Anyaegbudike, Programme Officer, SLGP Enugu	Discussion of Human Resources Database Development for Enugu State Government and the establishment of Performance Improvement Bureau as a case study
R. M. C. Anyanechi, Project Coordinator HRMD, S. I. Ejike, HR Coordinator, J. C. Udeagbala, Chairman Civil Service Commission, S. Odinkonigbo, Director, Ministry of Science and Technology, E. A. N. Mba, IT Adviser PIB, U. Egwuatu, Service Delivery Adviser PIB, I. Nwankwor, Synergy Systems Limited	Discussion of Human Resources Database Development for Enugu State Government as a case study
E. A. N. Mba, IT Adviser PIB, U. Egunatu, Service Delivery Adviser PIB,	Discussions of Performance Improvement Bureau for Enugu State Govt as a case study
Joe Abah, Ex-NEEDS Adviser, current Programme Coordinator, PSR Programme	Discussion of the establishment of HRM database for the Federal Capital Territory Authority as a case study
Thomas Ubuane, SLGP IT Consultant	Discussion of the establishment of HRM database for the Federal Capital Territory Authority as a case study
George Ombu, Assistant Director, IT Unit, Office of the Minister FCTA	Discussion of the establishment of HRM database for the Federal Capital Territory Authority as a case study
Thomas Ubuane, IT Consultant	Discussion of the establishment of HRM database for Federal Inland Revenue Services (supported by DFID) as a case study
Joe Abah, Ex-NEEDS Adviser, current Programme Coordinator, PRS Programme	Discussion of the establishment of HRM database for Federal Inland Revenue Services (supported by DFID) as a case study
Osy Chuke, Director Corporate Services, FIRS	Discussion of the establishment of HRM database for Federal Inland Revenue Services (supported by DFID) as a case study
Mark Walker Programme Manager, SLGP Jigawa	Telephone discussions of the Salaries and Pensions Reforms in Jigawa State