

Changing the Structure of Government

The Problem

The structure of government and how ministries and agencies are organised have remained largely the same since the return of democratic governance in 1999. There have been changes in nomenclature and even attempts to merge and demerge certain ministries but the core structure and approach of managing government business has largely remained the same. This meant that the traditional approaches, orientation and ways of doing business have not kept pace with modern advances in public service delivery. As an example, the responsibility for coordinating economic matters was placed in the hands of the Economic Affairs Department of the Office of the Secretary to the Government of the Federation, headed by a Permanent Secretary. They found it difficult to truly coordinate the work of the Ministry of Finance and its subsidiaries, the Central Bank of Nigeria, the Debt Management Office, the National Planning Commission and the Ministry of Commerce, as it then was, among others. On some occasions, different managers of the same economy produced conflicting figures about the same issues. Agriculture was not treated as a business and efforts to encourage indigenous manufacturing and production were ad-hoc and uncoordinated. Similarly, key central bodies like the Office of the Secretary to the Government of the Federation, the Office of the Head of the Civil Service of the Federation and the Federal Civil Service Commission were unwieldy and not totally focused on their core mandates. Agencies and parastatals were weak and many delivered little or no services and were simply a drain on the public purse.

Reform Actions

The Obasanjo regime made efforts to reduce the number of federal ministries by merging some ministries. Therefore, the Ministry of Energy combined the functions of Power, Petroleum and Gas; Environment and Housing were put together as one ministry; Transportation covered Aviation; and Agriculture and Water Resources were put together as one ministry. The Yar'adua administration reversed these mergers and raised the number of ministries from 22 to 28. The Ministry of Power was created as a separate ministry, as were Aviation and Petroleum Resources. A new Ministry of Niger Delta Affairs was created and the Ministry of Police Affairs was resuscitated. However, these reforms merely redrew boundaries and did not dramatically change the way that things are done.

Apart from a few changes, the Jonathan Administration largely kept the structure of ministries inherited from the Yar'adua administration. The real change introduced by the Jonathan Administration is in the new philosophy of government and the way that government thinks and works. The following are the key reform actions.

1. *Designation of a Coordinating Minister for the Economy:* The Honourable Minister of Finance was designated the Coordinating Minister for the Economy. This meant that all economic activity was overseen by a full minister, rather than by a permanent secretary in a small office in the Office of the Secretary to the Government of the Federation.
2. *Refocusing Agriculture as a Business:* This involved changing the mind-set of the Ministry of Agriculture from viewing agriculture almost as a social welfare initiative to seeing it as a viable business.

3. *Repositioning the Ministry of Trade and Investment:* This ministry is now sharply focused on attracting investment to Nigeria, encouraging regional and international trade and boosting local manufacturing. It has put in place a National Industrial Revolution Plan.
4. *Focusing on Communication Technology:* The focus here is to ensure that government business is run efficiently and effectively using the up-to-date communication technology. The intention is to move the public service from an analogue to a digital mentality and approach.
5. *Reinvigorating the National Planning Commission:* This involved giving the National Planning Commission the responsibility for coordinated national monitoring and evaluation, and ensuring that national plans are measurable with key performance indicators.
6. *Designating a Special Adviser to the President on Performance Monitoring and Evaluation:* This is to ensure that key government projects are delivered on time, cost and to the desired quality and to evaluate their effectiveness in terms of outcomes and impact.
7. *Unbundling the Power Sector:* Changing the approach of the Ministry of Power from that of a direct provider of service to that of a contract manager is designed to position the sector to solve Nigeria's perennial power problems.
8. *Restructuring the Office of the Secretary to the Government of the Federation, the Office of the Head of the Civil Service of the Federation and the Federal Civil Service Commission:* There was a need to streamline these key central organisations to ensure that they focus on their core mandates and drive the overall efficiency and effectiveness of the public service.
9. *Divestment of BPSR and the Pension Function from the Office of the Head of the Civil Service of the Federation.* This was designed to reduce problems with the pension administration of people on the old non-contributory pension scheme; and to reposition BPSR for greater effectiveness.
10. *Resuscitation of the National Steering Committee on Public Service Reforms:* This committee, which is responsible for providing strategic leadership for public service reform, had been moribund since 2009.
11. *Restructuring and Rationalisation of Federal Government Agencies, Parastatals and Commissions:* The purpose of this work is to reduce the cost of governance and reposition agencies for greater efficiency and effectiveness.

During this Administration a number of bold reforms have taken place. The Administration's vision for good governance; transparency; peace in civil society; freedom in the media; and stability in institutions has led to a number of electoral, transparency, justice, procurement, human development, civil service and other relevant reforms. Many of these reforms have led to measurable improvements; for example, for the first time, provision of electricity is starting to improve across the country, the national road network is being rehabilitated, trains are moving and agriculture is being transformed. There are some clear underlying reasons why reforms in these sectors have started to work which are outlined below.

Increase in private sector investment: In working to ensure economic stability and growth, this Administration has focused on developing an enabling environment for private sector led inclusive growth. The reform initiatives have gradually reduced the footprint of government in business activities, through privatisation, liberalisation and deregulation. As a result of creating an environment of policy certainty, healthy competition and facilitated domestic and international investment and trade the Administration is starting to enable

the private sector to be the main driver of inclusive economic growth. The private sector is also a key vehicle for job creation and it has been recognised that inclusive growth can only take place through shared opportunities and the participation of a large part of the country's labour force. With this acknowledgment there has been a specific focus on reforms and private sector investment in sectors which can create these jobs and opportunities – for example Mass Housing, Solid Minerals and Mining.

There has been a recognition that economic stability and growth require reforms which are participatory, and not merely driven by individuals. As a result, a National Economic Management Team (NEMT) - including members of the private sector for the first time - is regularly meeting to agree on economic policies and to tap into the experience brought by the private sector.

A focus on infrastructure reform: It has been recognised that wealth creation, long-term economic growth and infrastructure development are mutually reinforcing. However, under previous reform efforts there have continued to be infrastructure-funding gaps in Nigeria, resulting in completely inadequate infrastructure to support growth. To address this, the Administration has brought private sector investments into infrastructure projects through public private partnerships (PPP) which has created both challenges but also enormous opportunities for the private sector. To date this has been particularly evident in the power sector since the launch of the Road Map for Power Sector Reform in 2010. The emphasis of this road map was on the privatisation of power generation and distribution and the construction of a new transmission network. The objective was to improve the electricity system in a sustainable manner and to enhance the business environment for active private sector participation. Incentives have been given to investors, for example to exploit hydro, coal and natural gas, to their fullest potential, given that as solar, wind, nuclear and biomass power remain high cost and have long lead times. Although many of the gains from the Administration's reforms in the power sector are yet to be realised, the stage has been set for a future where Nigerians can have access to an affordable and reliable electricity supply.

A focus on Human Capital Development: It has been understood by this Administration that, to ensure that rapid economic growth translates into better quality of life for all Nigerians, there needs to be a parallel focus on investment in education, health and youth and women's development. The need for reforms in these areas has been recognised as necessary in their own right but also to ensure that Nigeria has a good and healthy workforce which can compete for global opportunities and ensure a better life for the next generation.

Health – although there was an attempt to reform the health sector in 2004, problems of weak health infrastructure, inadequate financing and fragmented delivery have remained. The difference in the reform efforts of this Administration is that reforms started with the development of a clear roadmap for reform of the service, which was the first of its kind in the sector. This National Strategic Health Development Plan (NHSDP) - developed through a participatory process - addresses the major factors preventing effective service delivery and provided the framework for which the National Health Bill was reviewed against and submitted to the National Assembly. Furthermore, for the first time, the private sector has started to invest in the health sector with over 200 private health sector leaders across the healthcare value chain being engaged and the first ever private sector health summit has been convened.

Education – As with the health sector, reforms have largely been achieved through the development of a 4-year strategic plan which provided a roadmap for reform. The transformation policies identified in this plan, and subsequently carried out, have succeeded in improving education facilities, provided better teacher training and impacted significantly on the access and quality of education in Nigeria.

Women, Youth and Social Development – There has been a realisation that development policy efforts that target women have a huge impact on poverty reduction. Although gender issues have been at the centre of many government policies in Nigeria, their implementation has been difficult. The Jonathan Administration has demonstrated commitment to mainstreaming gender in policy making. Women are now more visible and involved in governance and decision making than ever before. For example, women’s representation in government is higher than ever before with women making up 31% of Ministers and 23% of Special Advisors.

Involvement of Civil Society: There has been the recognition that good governance requires every individual and every community to become an equal member of society and to engage in developing the future state of society. Engendering well-sequenced governance reforms would enshrine fairness in elections, transparency, peace in civil society and integrity, but, for this to happen, there needs to be a real emphasis on consultation and dialogue, process and procedure, clear and need-driven project conception and extensive expansion of civil space.

Accountability, transparency and anti-corruption measures have been embedded in a comprehensive reform programme with improved consultative processes between public sector and all stakeholders including scrutiny by civil society organisations.

The Jonathan Administration remains committed to expanding civil space for democracy and civic participation with the belief that this contributes to good governance. This has given rise to a huge growth in civil society groups activate in civil rights and engaged in political activism. Between 2010 and 2013, the federal government has incorporated many demands from the people into its policies and activities, in a way that is unprecedented, and has even reversed some governmental decisions based on the complaints and suggestions of the people. Trade disputes are now increasingly resolved through dialogue, and citizens have started to have a sense of participation in issues of governance.

Main Achievements

While the reform actions described above are relatively new, many are already beginning to show immediate results. These include:

1. Better coordination in economic management, which ensures that the economy is managed in a coherent and coordinated way.
2. Agriculture is now seen by many as a viable business. Major entrepreneurs are now investing in agriculture and, within two years, the e-wallet system of the ministry reached 6 million genuine farmers with subsidised farm inputs. US\$5 billion new investment has also come into the sector and Nigeria has met its food production targets for the first time in decades.
3. The reforms in manufacturing, trade and investment has seen Nigeria become self-sufficient in cement production and even become a net exporter. A new National Automobile Policy has also seen vehicles being manufactured in Nigeria, creating thousands of new jobs. Additionally, the government is attracting nearly US\$8 billion annually in foreign direct investment.
4. A focus on communication technology has seen more and more government services available online. Between 1999 and 2012, telephone subscription has grown by 16,000% and Internet access is going up at the rate of 5% annually.
5. The National Planning Commission is now the nation’s main driver of national-level monitoring and evaluation. It has instituted a process of Performance Contracts between the President and Ministers and has agreed key performance indicators and score cards for ministries, departments and agencies.

6. The efforts on ports reform and decongestion are saving the country (and businesses) millions of Naira in revenue that would have been lost through unnecessary bureaucracy, inefficiency and fraud.
7. The unbundling of the power sector has seen gradual but steady increases in power generation.
8. The core central offices of the OSGF, HOCSF and FCSC have been restructured, streamlined and refocused for greater efficiency.
9. Since the creation of PTAD, there has been no report of pension fraud. Similarly, BPSR has become much more focused and has reclaimed its mandate of leading the coordination of public service reform activities.
10. The National Steering Committee on Public Service Reforms, chaired by the SGF, is meeting and driving the reforms. Notable achievement include the updating and refreshing of the National Strategy on Public Service Reforms, the production of the Transforming Nigeria document and this current compendium of reforms that it commissioned.
11. The government White Paper on restructuring and rationalisation, when fully implemented, will reduce the cost of governance and reposition agencies and parastatals for greater effectiveness.

Key Challenges

The key challenges facing these reforms are:

1. There is always a risk of policy reversals and a lack of continuity before the structural changes have had a chance to fully bed in.
2. It is unclear the extent to which Nigerian institutions are strong enough to carry on the early successes without a reliance on the specific individuals that drove the changes.

Assessment of the Reform Initiative

Assessed against the 10 criteria judging the success if government reform initiatives, a number of very promising achievements have already been recorded.

S/No.	Assessment Criteria	Result of Assessment
1.	Have the structural reforms improved the quality and quantity of public services?	Yes. More genuine farmers are getting their agricultural products; it is now easier to import and export goods; electricity generation is gradually increasing; and vehicles are now been made in Nigeria
2.	Do more people now have access to services, including disadvantaged groups such as women, young persons, and people	Yes. More genuine farmers now have access to farm products. The boost in manufacturing is also creating jobs for women and young persons.

	with disabilities?	
3.	Have the reforms reduced the cost of governance?	Yes. The reforms in the key central agencies have reduced the cost of governance, and the restructuring and rationalisation of agencies and parastatals should reduce it even further.
4.	Have the reforms made the service more affordable for citizens?	Yes. The cost of getting agriculture inputs has come down, as genuine farmers now get their inputs directly. The cost of purchasing brand new vehicles has come down. Citizens no longer need to pay for application forms when they apply for jobs to the Federal Civil Service Commission. Applications are now online, at no cost to the applicant.
5.	Have the reforms reduced corruption?	The fraud in the fertiliser distribution process has virtually been eliminated. The incidence of corruption and touting in the seaports has also reduced appreciably. The stranglehold of corruption in the power sector is being broken through the unbundling of the sector.
6.	Have the reforms reduced unnecessary bureaucracy and red tape?	The advancements in the application of communication technology to government business have reduced bureaucracy and red tape. The restructuring of the key central agencies has also streamlined the organisations for greater efficiency.
7.	Are the reforms likely to lead to improved development outcomes?	Yes. The reforms have the capacity to position the country for rapid development in important sectors, and a number of sectors are already showing unprecedented growth.
8.	Are things improving, staying the same or getting worse?	Things are improving, although the reforms are still at a relatively early stage.
9.	Where things are improving, will those improvements endure?	There is very high probability that the improvements will endure. Experience around the world suggests that where reforms show early results and impact they are unlikely to be reversed.
10.	Where things are not improving, what should be done?	Not Applicable

Proposed Next Steps

1. Progress the restructuring and rationalisation of agencies, parastatals and commissions to its logical conclusion.
2. Sustain the effort on the National Industrial Revolution Plan and the National Automobile Policy.
3. Ensure that there is no loss in momentum with the National Monitoring and Evaluation Framework and ensure that performance management is cascaded down to all levels of the public service.
4. Maintain the focus on getting steady electricity for Nigerians.
5. Ensure that the National Strategy on Public Service Reform is formally adopted and implemented.