

Delivering Service in Nigeria: A Roadmap

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Executive summary

The Review

After an initial visit in December, and with the assistance of DFID Nigeria, a UK-led team was assembled to undertake a rapid 'diagnostic audit' of service delivery in Nigeria, and produce a roadmap of actions for improving services before the next election. The team interviewed ministers, senior officials, service managers, development workers, and front line staff, examining the delivery of government policy and programmes in 5 case studies. It also commissioned independent market research, to find out what Nigerians and front line staff think about these services. It anticipated that there may be a gap between ministers' policy intentions, and the public's experience of delivery (the 'policy to delivery' chain).

Conclusions

We concluded that services are not serving people well. Mainly, they are inaccessible, poor quality and indifferent to customer needs. Despite their policy ambitions, ministers lack the levers to ensure delivery happens 'on the ground'. Central departments have little information with which to monitor performance or intervene to tackle failure. Unpredictable and uncertain funding often leaves services without any non-staffing revenue to maintain premises and systems, nor provide services. Support services are not designed to support front line services, and are a major impediment to acquiring the staff, goods and information that are needed.

Recommendations

The actions recommended here will be executed on challenging terrain, the result of years of misrule, systematic corruption, and failure to meet people's basic need for public services. Public confidence is poor, inequalities high, and the institutional arrangements confusing and wasteful. What is required is a far-reaching transformation of Nigerian society that involves government and other stakeholders. The Service Delivery Initiative is but one step in that process of moving to a government more in touch with its people, but potentially an important one to create momentum on the part of government, and a culture of demand among Nigerians. To be successful it needs to change what people expect from their services, and as their expectations rise, it will create new demand, providing clearer direction in the development of capacity and the allocation of resources.

On this basis, the report proposes an initiative with the following key elements:

1. Creating 'citizens' and customers' demand:

1.1 To instil higher expectations of public services amongst Nigerians by:

- Communicating service entitlements and rights, and backing up the President's commitment with plans for expansion and improvements that are transparently funded;
- Publishing accurate and timely information about performance, good and bad, and the steps being taken to correct service failure;
- Establishing personal advice and advocacy services in local communities, independent from government; and train local citizens to serve as expert advisers;
- Providing remedies and alternatives where service fails, with standards published by each service outlet through a Service Charter.

1.2 To change Nigerians experience of public services of a few services by:

- Understanding people's current experience, needs and preferences for the service; using modern market research methods;
- Redesigning the service around 'customer' requirements, involving citizens, outside experts, policy makers and professionals;
- Appointing, training and rewarding the right staff with the skills and attitudes needed for service delivery;
- Supporting service delivery with a strong finance, budget and audit system, allocating resources on a 'challenge' basis and using incentives to drive up performance.

1.3 To make Nigerians personal experience a subject of national conversation by:

- Introducing independent monitoring of people's views;
- Charging an independent task force to receive regular reports and propose actions;
- Introducing a targeted 'two-way' communications approach to bridging the gap between what government intends, what is actually delivered and what people perceive;
- Submitting a report on Service Delivery annually to the National Assembly which could establish a Standing Committee on Service Delivery

2. Demonstration Pilots

2.1 To demonstrate the required changes by:

- Selecting 2 or 3 important and deliverable services as pilots;
- Considering the criteria and options outlined in the report.

2.2. To provide the drive and dedicated leadership for delivery by

- Setting up a dedicated Service Delivery Unit, working to the President and closely with key ministers and officials in Finance, FCT, Health, Head of the Civil Service, and the Chief Economic adviser;
- Recruiting someone to lead it who is experienced in service transformation;
- Bringing in specialist expertise to work on specific pilots.

1.0 To equip the Unit with the capability to operate at two levels by:

- Establishing one team responsible for changing Nigerian's expectations of service as outlined in

rec.1.1, ensuring that actions undertaken by the right people across government and the community;

- Establishing a second team responsible to transform the services selected as pilots, working alongside the people appointed to manage the service on an ongoing basis.

3. Building Wider support for Service Delivery

1.0 To demonstrate the President's personal commitment in a leadership declaration about Service Delivery, and asking that he consider:

- Commissioning services to deliver a 'Service Charter';
- Requiring ministers to submit costed delivery plans alongside their submissions to cabinet;
- Encouraging ministers to personally visit services;
- Instituting regular 'performance stocktakes' with his ministers;
- Commissioning an independent organisation to report to him on progress;

2.0 To demonstrate Ministers' leadership in their departments by asking that they:

- Complete mission statements and set objectives;
- Agreed targets for a few top priorities (as initiated by the Minister of Finance);
- Make transparent the budget allocated to specific services and the element to be given to each front line unit;
- Manage the risks of over confidence, under-delivery, and learning the lessons from the success and failures of other units set up within government;
- Set objectives for their staff and hold them to account for meeting them.

3.0 To overall radically the existing managerial systems so they support service delivery, by modernising:

- Modernising strategy & Policy-making, Planning & Resource Allocation, Performance Audit & Review, Human Resources, Procurement and Communications;
- Accountability for the use of resources and delivery of results;
- Establishing a more effective balance between capital and non-staffing revenue expenditure.

4.0 To extend the initiative to services provided to those most in need by:

- Strengthening the policy to delivery chain through agreeing more effective relationships with states and local authorities;
- To adopt an action-oriented approach to working through the complex intergovernmental tiers.

Timescale and Process

The report suggests some milestones and a timescale for the government to take forward this initiative. A dedicated unit will need to be established and staffed with the right people and resources. Under the President's leadership, this unit will be responsible for working with people across government and the wider community in executing the recommendations set out in this report. Their function is to demonstrate transformational change in a few services selected as pilots, and to provide impetus for promoting better service delivery across government. The

success of this initiative will require committed leadership from the top, and effective execution. Ultimately it will be the people who decide its value.

1. The Brief

Following the 2003 elections, President Obasanjo has reiterated his determination to improve the quality of life of all Nigerians. He announced several reforms and senior appointments to set the scene for transformation. But the President and Federal Executive Council have also recognised that no reform process will be credible and sustainable if Government cannot demonstrate that it is serious about service delivery, and even while longer-term reforms take place, that services are actually improving in practice.

In this context, a Nigerian Service Delivery Research Team visited the United Kingdom (UK) in 2003 to investigate how the British government has gone about improving service delivery in its own country. Based on their feedback, the FEC supported design and implementation of a Public Service Delivery Programme (PSDP) for Nigeria. The President and the British Prime Minister tasked a team to analyse key service delivery issues and develop a roadmap for practical, targeted and achievable service delivery.

The Technical Team appointed in January 2004 consisted of the UK Prime Minister's Advisor on Public Service Reform, members of the OPSR and CMPS in the Cabinet Office, consultants from the UK and South Africa; and a Service Delivery Team nominated by the Nigerian government and headed by the President's Senior Special Assistant on Research and Strategy. The team's Terms of Reference covered a review of service delivery in Nigeria and the institutional environment for service delivery; a reflection on people's views and experience of services; and a draft roadmap of suggested key actions and institutional arrangements, deliverables, roles and responsibilities, timescales, key benchmarks and indicators to measure progress, support and TA requirements. These outputs will feed into preparations for a Ministerial Retreat in early 2004. The team undertook analysis of official documents and other literature on service delivery generally and in Nigeria and interviewed key ministers and government officials at strategic, management and operational levels. Independent market research was commissioned to test customer and staff attitudes through focus groups and interviews. Case studies of 5 services examined Policy to Delivery 'End-to-End': Business Registration (Corporate Affairs Commission), Passports (Immigration), Immunisation and Hospital Outpatients in FCT (Maitama General Hospital), and NEPA. We consistently tested findings and perspectives in team context so as to capture nuances and develop a certain level of synergy .

It is important to emphasise the limits of the analysis. The service delivery focus does mean that the analysis may not fully take cognisance of broader structural issues, such as the political, economic and fiscal impacts of oil, the pervasive presence of poverty, institutionalised unaccountability and patronage. This inevitably limits the breadth and depth of our analysis. Moreover, the research took place over 3 to 4 weeks; the case studies are few and mostly confined to the Abuja area; and some of the facilities visited most likely do not represent the full

scale of problems and challenges. Despite these limitations, we identified a consistent pattern of poor services failing to meet low expectations. The sketch that is drawn here and the roadmap to a more attractive destination is only a small part of the overall picture and process of getting there. Our hope is to propose some practical steps that will start up a continuous virtuous circle of higher expectations, leading to a higher quality experience and more satisfied customers.

2. Background to service delivery in Nigeria

2.1 Context

Reconstructing Nigeria after a decade of military rule was never going to be an easy or quick task, but as someone observed: -Everyone underestimated the extent of decay-. Rather than repeating all the problems, realities and challenges here at length, we would like to highlight just a few of particular importance from a service delivery vantage point:

- Perhaps nothing is more fundamental than a need for the government to listen to people's demands for services - what they see as important, how and whether they access those services, what would improve them, etc. No one in government had this function in their responsibilities, nor was able to give us data about public opinions on services. Our brief customer surveys - and some of the news coverage of political issues while we were in Nigeria - all point to strong feelings that this is not currently the case.

- Constitutional issues: Ambiguities over functions of tiers of government have resulted in duplication, conflict of responsibility and a clear indication of lack of coordination in key service sectors like health and education. It is difficult to pin down who is responsible for what, make it difficult to hold people accountable for standards of service delivery.

- The fiscal system: The Budget has not been an effective mechanism for allocating or using resources; dependence on oil reduces the accountability mostly associated with functioning tax systems; revenue from oil-taxes fluctuates, and is mostly over-estimated at all levels of government; payroll and overheads costs consume up to 75 percent of the expenditure budget, and shortfalls mainly affect non-salary recurring expenditure in areas like health and education (according to the World Bank, the public expenditure on health is estimated to be less than \$5 per head) . Disbursements to fund capital maintenance are unpredictable and there is no discretion for senior officers to utilise savings to improve services.

- Legal and institutional complexity: Institutional arrangements and legal requirements often obstruct service delivery at the federal, state and local government levels, and weak systems mean no one is held accountable for actual delivery. Proliferation of Federal Government institutions and over 400 federal government parastatals has contributed to fragmentation, blurred accountability, duplication and wasted resources. Frequent changes often make it difficult to maintain programmes, funding and objectives; and many projects are abandoned or postponed as office bearers and agencies change.

- Weak incentives: Low remuneration and lack of performance management systems provide

weak incentives for vigilant service and encourage corruption and rent seeking. Managers have little power to deal with it and little discretion at operational level in human resource management matters to address under-performance and over-staffing. Together, these factors have destroyed the customer orientation of many civil servants, and undermined the confidence of the public in government.

- Weak information: Reliable information is difficult to obtain, and it has remained one of the major difficulties over the recent years of civilian rule to correct this. Basic statistics on performance are neither generally collected, nor managed through. Accounts are often late.

As a result of these problems, public service delivery in some sectors has effectively broken down, or remains fragile despite some recent gains. Human development indicators (such as in health, education and social welfare) in Nigeria are generally below the average for sub-Saharan Africa .

The re-election of the President in April 2003 marked the beginning of a renewed drive for change in critical areas like macro economic and fiscal management, establishing a credible budgetary process, planning for public service reform, and fighting corruption to achieve transparent governance. The agenda of the National Economic Empowerment Development Strategy (NEEDS) draws these aspects together, and now faces the challenge to build ownership with all other key stakeholders towards these goals. This is a considerable task, as most Nigerians - including many in government - are still unaware or only partially informed about these reform plans.

Most fundamental, however, is a need to ensure that the system works better to serve ordinary Nigerians - especially the poor - and is experienced as doing so, that it does not serve special interests, but that it is accountable, honest and sensitive to what people actually want. In the words of several senior government spokespersons, --it is not business as usual-. We heard the urgency of a focus on service delivery being expressed in different ways:

- Our public offices have for too long been showcases for the combined evils of inefficiency and corruption whilst being impediments to -implementation of government policies. Nigerians deserve better, and we will ensure they get what is better.- (The President)

- The crisis of government is a crisis of service delivery.- (Chief Economic Advisor)

- If this initiative works, 70% of my work would have been done.- (Minister of Commerce)

- Service providers see themselves in a sellers' market, where customers are accustomed to just take what they get. We need to change that so that Nigerians refuse to accept anything less than the best.- (PS of Commerce)

- We must get the incentives right and hold people accountable.- (Minister of Finance)

- let them honour what it means to serve the public -- (a customer at the Abuja Passport Office)

The Service Delivery Initiative (SDI) has been established by the President to address this challenge. Its ambitious aim is to find ways for services to respond to citizens and customers. This is a considerable challenge, given the history and material constraints and the under-developed performance and quality systems that currently exist, let alone the wider societal constraints that have made many services the prerogative of a powerful few, and inaccessible or poorly delivered to most Nigerians. Services do not systematically monitor customers' satisfaction, nor collect performance information on key drivers such as response times, number of people served, waiting lists/backlogs, penetration rates, or access. Nor do baselines exist for

most key areas of performance. Therefore it has not been possible to formulate strategies for service sectors, or to assess neither institutional nor national performance on a comparative basis, or to suggest realistic quantitative targets. The sum total of these shortcomings sets the agenda for what we would call -systemic change- where politicians are held accountable for the quality of services their government provides.

But what this report aims to do is to identify some practical steps that can be taken by Ministers, officials, and citizens, to kick-start a turnaround in service delivery, create changes that will be experienced by the public within the next 2 to 3 years, and support lasting systemic reform.

2.2 The current reform programme

After the April 2003 election, the President took steps to accelerate reforms. Shortly after the new ministers were appointed, a process of developing a reform strategy has been underway. This has developed under the name of the National Economic Empowerment Development Strategy (NEEDS), the overall framework for reform. It envisages reforms of the macroeconomic framework and fiscal system with a credible budget; public sector and service reform; enhanced transparency and an end to corruption; and increased service delivery, especially in the social sectors.

We noted with interest someone describing NEEDS as being -about people, after all!- One idea raised in this respect has been that of a social charter where the social contract between government and the people could be reaffirmed and where key social interventions could be identified. Topping this list has been -education as key to the future-, food security, a contributory pension scheme for the senior citizens, health, and NAPEP (the National Anti-Poverty and Empowerment Programme) that would entail targeted programmes geared towards vulnerable groups. The Government has clearly prioritised health and education as spending areas, and has increased funding in these sectors considerably in the provisional 2004 budget (to N26.3bn for Health and N25bn for Education, from N25.442bn and N17.473bn respectively in 2003). A major challenge is to step up disbursement: spending figures from 2003 for Health were N4.449bn (17% of budget) and N810 thousand (less than 1% of budget).

2.3 Institutional arrangements

We heard numerous accounts of how the institutional legacy depicted in section 2.1 has constrained service delivery, and the Government has taken a number of steps to overcome this problem. The details are not relevant here, but we were struck by a few developments:

- The President creating a number of cross-cutting and specialised bodies to drive particular aspects of the reform agenda - such as the Due Process Office, the ICPC and the EFCC to tackle various aspects of corruption;
- The emergence of task teams to drive particular reforms, such as the NEEDS institutional infrastructure: a National Reform Committee (NRC), headed by the President and including 15 top figures in government - including ministers, judges, the leader of the National Assembly, and the heads of special bodies like the ICPC; a technical Steering Committee headed by the Minister of Finance; a secretariat in the OHCS supports the NRC; and less formally, an Economic Team

headed by the Minister of Finance and including among others the Chief Economic Adviser, the Budget Office and several other relevant role-players;

- Appointment of several special advisers and assistants in the presidency and ministries to deal with a range of issues - some routine, some high priority;

- There is greater recognition of the need for the executive to work with the National Assembly on policy matters (e.g. the 2004 budget);

- A growing trend in policy processes to consult private sector and civil society stakeholders.

These processes are in their infancy, and it will take time and continuous effort to make them credible and to convince the public that government is willing to reflect honestly on its own shortcomings and to learn from others.

2.4 Profile of service delivery and the position of customer service within the reform

Service delivery is an integral part of the reform, for ultimately people will judge its success by what it delivers in concrete terms. That is the brief received from the President for this project, a view that was supported by many of the people we spoke to. Most emphasised the systemic nature of the problem. As the Chief Economic Adviser put it -the failure of government is a failure of service delivery-; and -oil made government a dispensing machine; because government no longer thought it needed revenue from the people, and it could fund itself through oil revenue, it started to think that it was doing people a favour, not delivering services, but being a favour-giving entity.-

In principle, the need for a service delivery focus may be becoming more accepted, but drastic action is needed to bring this sentiment onto the centre stage. Often, reform becomes preoccupied with internal systems and structures of government. These are important but may not be designed with the customer in mind and will take a long time to deliver. Some reform may never be experienced as a good thing to individuals who have benefited from the corruption and old ways of doing things.

Nevertheless in the course of our discussions with people involved in public services in Nigeria, we have picked up a number of good ideas, on which we have drawn in forming our recommendations.

3. The customer experience

There are obviously many diverse groups of customers in Nigeria, so that any generalisations need to be treated with caution. Moreover, it is important to acknowledge that many Nigerians do not have access to many services, so that their foremost need is to get those services in the first place. Their reactions cannot be treated in exactly the same manner as those of people who do have some access, and whose perspectives would tend to be more about quality of service.

These limitations on our data notwithstanding, our literature review and limited customer surveys - mainly through focus groups - have sketched the following picture:

3.1 What customers think: results from independent market research

Discussion of customer perceptions and satisfaction levels ultimately are closely linked to their expectations. As part of our analysis, we extracted customer views on site at some of the case studies. They generally showed that customers have little expectations of the officials at the front line. The actions of these frontline officials are not performance based and not result orientated because of their complaint that they have not been empowered.

Outpatients

At Maitama General Hospital, it was notable how closely the expectations of outpatients reflected the values hospital management and frontline staff aspired to. Both groups emphasised the need for prompt attention with limited time delays; that drugs and other supplies had to be readily available; convenient access - i.e. within acceptable distance from the areas where customers reside and also available on a 24 hour basis; outpatient medical staff being available to attend to patients' medical needs; the need for staff to convey the message that they are motivated, encouraging and empathic towards patients and at all times abide by their professional ethics; and the importance of equipment and facilities to be state-of-the-art.

Customers were not satisfied with hospital outpatient services because of:

- Delays in being attended to: Outpatient staff are overloaded and not readily available to deal with patient needs. Patients often have to return to the hospital on consecutive days in order to get medical attention. Staff seemed fully aware of this problem, and says it is largely because they are overworked, often lack stocks, and are not able to take critical decisions locally. Among the comments made in a focus group with hospital users were: -I went there several times and I am yet to see a doctor-- and -I spent three weeks travelling to and from the hospital to have tests done and I eventually had it done outside.-
- Ineffective planning and organisation of the service: Customers expect activities in the outpatient department to take place in a sequential order. Neither the infrastructure, nor the actions of the staff allow for this, which leads to a cumbersome time consuming process.
- Public relations: Although reception and administrative staff are perceived to be trying to uphold good customer relations, the medical staff (with specific reference to the nursing staff) are perceived to be unprofessional (even unethical) and unfriendly.

Electricity consumers

NEPA customers at Karu service centre expected that NEPA should provide them with a consistent power supply that does not have fluctuating currents; they wanted services extended to all residential areas, especially power for domestic (i.e. light, and electricity for cooking and air-conditioning purposes), and for security purposes (i.e. street lights).

In general, the customers at Karu believed that NEPA is committed to delivering effective services to all Nigerians, and customers did emphasise that there have been significant improvements in recent weeks (which seems to concur with NEPA officials' view that technological changes in December 2003 should have led to more sustained power supplies). However despite these views, and the perception that Abuja may be relatively well served compared to many other parts of Nigeria, there are still substantial problems. Customers perceive a high level of interference from federal Government as the cause of inadequate leadership and a poorly motivated workforce. A focus group participant felt that NEPA was --highly run by the government -- Another felt --they take light where they feel and they bring light when they want to-

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The poor communication skills of the personnel, both in terms of knowledge of issues and willingness to communicate, bothered several consumers. Focus group participants expressed these views in different ways: --if you have a problem you cannot ask NEPA officials - they don't know either!-, and - -NEPA is a monopoly, they do not have competition and therefore they do not care about public relations.- On the other hand, there was also a view that --my bill has come down from N7000 to N1000 so I think they are improving.-

And there were very powerful views on the problem of corruption. --you need to tip them to get them to rectify a problem--, said one, while some people in the focus group thought transformers were being vandalised by NEPA officials so that they had to pay those officials to replace the transformers.

The operational structure of NEPA is also perceived to be highly disorganised. NEPA is also viewed as not having adequate resources to facilitate effective service delivery. For example, in addition to the inconsistency in power supply and electrical currents, (which remain priority issues) respondents feel that the transformers deployed by NEPA were inadequate and outdated. The perception was that no attention is given to the upgrading of transformers or to providing more transformers.

Abuja Passport Office

Customers' perceptions and attitudes at the Passport Office brought forward some interesting perspectives in the public's overall expectations and aspirations, as well about the specific service. We were told in various interviews in different ministries and elsewhere, that -Nigerians were really keen for things to work, and do not wish the government ill; being angry that they do not get what they want, does not mean they do not want things to get better.- Thus, we found, interestingly, that customers at the Passport Office appeared to have a strong sense of national pride, believing that the Government has a broader vision of providing services to all Nigerians. Interestingly the Government is perceived, in this regard, to be credible while the Passport Office is seen as a completely separate entity, albeit mandated to carry out the Government's service delivery objectives. The Passport Office's general lack of service is seen by customers as to be undermining the Government's positive objectives.

The service related problems identified by customers include:

- Staff and Communication - poorly trained staff are not willing to communicate with customers and were completely unhelpful; and a poor attitude and lack of commitment from staff that affected service quality (a customer observed: --people sit around all day, waiting, doing nothing at all --);
- Corrupt staff - some did not only find the staff unhelpful, but thought they were -only interested in making money out of urgent customer needs -; claims were made that customers have had to pay a staff member between N6000 and N15000 if a passport is urgently needed;
- Lack of clear, legible forms translated into a language that the customer could not understand;
- Poor outdated equipment and infrastructure, including, surprisingly given the sophisticated scanning equipment team members saw, a view that there was a -lack of computerisation-;
- Lack of facilities such as water, toilets, telephones etc. for customers and a poor maintenance culture amongst staff. (During a team visit to the site, there were also complaints that there was no identifiable reception which creates a situation that is exploited by touts.);
- Inefficiency and a general sense of disorganisation - the collection of passports seemed not

nearly as efficient as the officials say, or as some more prominent members of society anecdotally have told us it was. Customers in the focus group complained that they were told to fetch their passports on a certain date, but when they returned the passports were not ready;

- Insufficient offices resulting in overloading of one office - this is exacerbated by the fact that there is only one passport office in the area and customers may have to travel long distances.

In the light of the image portrayed by staff and management, a few specific customer views seem particularly relevant. These customer views were obviously randomly obtained and not fully tested scientifically, qualified by the specific day the people were accessible and other such constraints. However, they do suggest a variance between what officials at different levels perceive and how their customers view them.

Business registration at the Corporate Affairs Commission in Abuja

Approximately 50% of the customers interviewed about CAC were satisfied with the services provided. They believed that the Office was trying to provide an effective service. In a comment that perhaps says something also about the general expectations of government, someone said: - They are okay. You must remember it is the Government, but they are trying-- Others, however, were not satisfied with the service they obtained, citing insufficient customer care and low levels of performance within the Office.

There were definite beliefs that CAC provides the elite with special favours. One said, --they favour people with big money, bigger companies pay bigger fees--, and another thought -they respect the big men.-

There were also strong hints at corruption: - - after a tip they were more helpful --

Someone contradicted the staff's optimism, and even the team's impression, that dealing with the office is a relatively smooth process, saying - - it was a constant trip, collecting and returning forms --

Immunisation in Abuja and Kano

In general, respondents knew what immunisation is and what the objectives of an immunisation programme are. Respondents identified health risks to children as their main health concern, and worried mostly about diarrhoea, tuberculosis, measles, whooping cough, dysentery, cholera, chicken pox and AIDS. Focus group participants said access to immunisation services was important because --prevention is better than cure...-, but access seems constrained mainly by:

- Location: In some remote areas people do not have access to a hospital or a clinic within 40km of their residence and transportation is not readily available;

- Availability of vaccines: A shortage of vaccines is often experienced at immunisation points which leads to people not being able to immunise their children and they often do not return;

- Service perceptions: Certain perceptions about the quality of service at immunisation points prevent people from making use of the service - mainly that it is a waste of time to go to these service points as vaccines often are not available and staff are overloaded, so that people waste a large amount of time waiting for service in inconvenient and uncomfortable circumstances;

- Suspicion: Some beliefs and rumours about immunisation prohibit certain people from making use of the immunisation programme. Among these beliefs are that some vaccines used for immunisation have the potential of reducing fertility (especially among women); that immunisation is expensive; that -God determines the destiny of each person; immunisation cannot change destiny-; and that, in the past, many babies were paralysed after foreigners came from overseas

and introduced an immunisation programme that everybody used. Some people also had negative experiences after immunisation such as a child running a high fever and therefore do not return. There also seems inadequate government explanation of why certain types of vaccination are prioritised and others not, so that at least one commentator told us: -If you are a parent who has been trying unsuccessfully to get your child vaccinated against measles, TB etc., and then the government starts chasing you into your home to administer polio vaccine, as part of a national immunisation campaign, what do you think- Why is polio different to the other diseases that occur more often- In these circumstances suspicion is perfectly rational, and there is fertile ground for myths to spread- .

3.2 Some general perceptions

A Survey of Households, Enterprises and Public Officials, commissioned in 2001 as part of a Governance & Corruption Diagnostic Study , suggests high levels of scepticism of government, the political process and the executive, and the need for confidence building. Households and enterprises rated most public services as poor or very poor, and no services were consistently rated as good. However, the postal service rated less badly than most, and enterprises rated Standards and Safety Inspection (including NAFDAC) relatively highly. On the other hand, the police service was rated by 46 percent of households and enterprises as -very poor- and by 41.2 percent of public officials as -very inefficient-; 39.5 percent of households and 41.4 percent of enterprises placed electricity provision in the same category; and Water Board performances were rated very poor by 28.9 percent of households and 35.1 percent of businesses interviewed. Public health and public education were also generally rated as poor. Public officials rated the Police (41.2%) as the most inefficient agency, followed by NEPA (35%).

Enterprises were asked whether they had had cause to complain about public services, whether they had actually complained, and how effectively this was dealt with. NEPA, NITEL, the Police and the Water Boards attracted most cause for complaints. Few people had actually gone to the trouble of complaining, and the vast majority rated their complaints as completely ineffective, even in services like NEPA and the Police that had dedicated complaints units. Households reported similar dissatisfaction with the complaints procedures. Only the postal service was reported to have effective complaints mechanisms. On corruption, 50 percent of respondents doubted Government's commitment to undoing corruption and said they thought it was in fact getting worse.

3.3 Access to services

The customer perspectives reflected in our market research above all concern people who were actually accessing or trying to access services that were relatively available. The reality is though that large numbers of Nigerians still have no access to key services, or are very far away from where those services are available.

The Survey of Households, Enterprises and Public Officials referred to in section 3.2 shows that poor people in rural areas complain about lack of access to potable water (consistently a top priority); education; healthcare; rural feeder roads; electricity; and general unavailability of

markets. In urban areas, the services typically lacking are piped water; access to health and education facilities; regular electricity supply, if any; community facilities; and good roads . It remains difficult to quantify these shortcomings, but there are a few sources that provide a perspective. Data from the Federal Office of Statistics, interpreted jointly with DFID and a number of state governments provides some pointers, and is reflected in Annex B2. In Annex B1, we also provide collated figures from some international sources to reflect on Nigeria's progress against the Millennium Development Goal (MDGs).

These figures show that the question of customer orientation in Nigeria is not merely one of better marketing and customer relations. Many Nigerians have very little access to services, whereas others do have access, but are not satisfied with what they get. Any service delivery strategy needs to take account of these different realities.

4 How it works

During the course of our review we were able to examine five functions that are part of the Federal Government apparatus. These case studies were chosen in order to get a broad spread of both functionality and organisational form. They were not singled out as examples of particularly good or bad service delivery but more with the intention of providing some general lessons about how services are delivered, what constraints exist and how best practice can be replicated. The cases selected were:

- Immunisation
- Passports
- National Electric Power Authority (NEPA)
- Business Registration (Corporate Affairs Commission)
- Hospital Outpatients Department (FCT)

In all five of our case studies we sought views and information from all the main stakeholders in the service delivery chain, from ministers, through senior managers and front line staff to the customers. Detailed reports of what we found and concluded are contained in the appendices to this report .

Our overall view of what we have seen and heard is poor:

- At the front line in particular the environments were unfit for their purpose and starved of basic maintenance. Many staff members seemed poorly motivated, felt disempowered and had no incentive to improve their performance for the customer. Frequent shortages of basic, vital supplies meant that they could not do their jobs properly. Often this resulted in enforced idleness. In other instances, over-manning and duplication of meaningless control processes created opportunities to intimidate customers;
- The constraints that have led to this situation are powerful, deep-rooted and endemic. Most services suffer from a lack of funds for basic supplies and infrastructure improvements. Even when funds are appropriated, disbursements are irregular and fall well short of the budgeted amounts, making planning a futile exercise and halting implementation of projects and programmes in mid-stream;
- Managers at the front line have little discretion to re-order what resources they do have in the

interests of better service delivery. They have no influence over the numbers and quality of staff assigned to them. Little attention is given to training, particularly in customer care, and there are few real incentives to improve performance;

- There are no clear lines between policy-makers at the top and staff at the frontline, other than the bureaucratic controls. As a result, the strategic direction sometimes articulated by ministers and other senior people do not get translated to the staff that deal with customers directly;

- As section 3 shows, the critical result of these diffuse lines of policy management and of communication, there are notable gaps between ministerial visions and customers. The latter know little about new developments, and also continue to be at the rough end of service provision;

- The Corporate Affairs Commission shows some promise in reorienting services in the interests of the customer. We attempted to capture what made it different. Many of the constraints identified above did not apply to the Corporate Affairs Commission or did not apply with such inflexible rigour. Management were empowered, dynamic and motivated and this communicated itself to staff at the front line. The Commission was self-financing and allowed to re-invest surplus funds from the sale of its services in improvements to the infrastructure, and the terms and conditions of staff who were well trained and motivated. Budgeting was a meaningful process and managers had the confidence and autonomy to plan and organise properly .

On the whole, the case studies show that improvements in service delivery are critically dependent on progress on other reform initiatives:

- Budget reform needs to deliver guaranteed -cash backed- appropriations to finance supplies, non-salary recurrent expenditure and capital on a regular and timely basis;

- Other management reforms need to put more discretion in the hands of front line managers with greater delegations over resource allocation and control;

- Reforms also need to ensure managers are more accountable for the delivery of service outputs and that performance monitoring systems are put in place effectively to hold managers to account.

5 Summary and Recommendations

We have outlined the problem the President asked us to address and set it in the context of the reforms currently underway, including the emerging NEEDS/SEEDS agenda. Our brief is to propose changes that will improve Nigerians' experience of services, capable of being delivered within a 2 to 3 year timeframe, alongside the underlying economic and structural reforms.

In section 3, we relay Nigerian's views about their public services, and remind ourselves of the chasm of expectation that lies between the people and their government. Even where the lack of trust and confidence in government is the result of media portrayal of reforms, as much as their personal experience of poor services, it is no less important. This negativity also shows the importance of the public perception of policy to their ultimate success. Even the 'right' policies poorly presented and delivered will not win public support, and may result in 'blind anger' as was perceived in the recent introduction of fuel tax and the enforcement of development control in

Abuja. This anger will not be resolved through a little more staff courtesy, a point that we must make clear.

Moreover, no 'quick wins' would be sustainable or credible, unless they are part of far-reaching change to the fundamentals of Nigerian society - its use of its oil wealth, its systems of accountability, and the basic premises upon which government relates to the people it is supposed to serve. Therefore the importance of cultural change, and economic and social reform as advocated in the centre of government, is essential to the possibility and credibility of the proposals made in this report.

Section 4 reports on our review of 5 services - NEPA, Business Registration, Passports, Immunisation, and Hospital Outpatients. Our conclusions confirm the problems of delivery and culture that customers describe in section 3. It would seem that the service delivery chain suffers from mainly four problems:

- A lack of real levers for ministers to deliver or monitor the outcome of their policy pledges, nor hold anyone to account for delivery;
- Shortages of service capacity and accessibility for most Nigerians;
- Poor service quality and customer care;
- Support services (finance, audit, ICT, procurement and personnel) that neither support nor serve delivery.

This first part of this section will elaborate each of these four problems in turn, and the second will recommend action to improve customers experience, through demonstration pilots and wider systems change.

5.1 Lack of levers for ministers to deliver policies or monitor results

The case studies provide insights into the processes that operate between ministers' strategic leadership and policy-making at one end, and operational managers and customers of front line services, at the other. We refer to this process as the 'policy to delivery' chain; and argue that it should be managed as a complete process - from 'end-to-end'. The concept serves as a reminder, if one were needed, that producing legislation and policy advice is only the beginning of a process that culminates in service delivery. Systems, processes and structures need to be in place and people charged with operating them, to ensure delivery actually happens on the ground. In turn, government institutions operate in a wider social and cultural context that gives meaning to their intentions and impact.

Firstly, there do not appear to be sufficient numbers of leaders of the right calibre to lead reform within the Executive and the Assembly. The reform strategies tend to list activities to be completed, without pinpointing a few strategic priorities that will unlock the greatest support, build

the momentum for reform, and clearly show the links between quick wins and the broader reform agenda. Perhaps not surprisingly, people at the top seem to be too preoccupied with 'head office' concerns to make time to personally visit the front line and experience for themselves how poor services are.

Constitutional and legal powers mean that the FGN can deliver very little by itself; hence its delivery 'landscape' is highly complex constitutionally and institutionally, and is not being actively managed to deliver results. Performance management is in its early stages in a few places, but is not yet generating the information that would allow ministers to feel confident about where progress is being made 'out there' and where it is not. Nor do policy instructions and resources cascade down from the top to the front line.

Neither ministers nor service managers can rely on proper budgets, so services are not funded effectively, fiscal promises are not kept, and - as a result - no one can hold anyone to account. Departments have been able to blame the Ministry of Finance in the past for either not releasing funds on time, or not at all; the latter, again, has retorted that line departments have consistently underspent; hence, everyone has passed the blame.

Genuine two-way communication with staff and customers is the exception (though we saw notable examples), with too great an emphasis on top down instruction over persuasion and involvement. Therefore the little feedback that does come back 'up the line', is not likely to be very well-informed nor honest.

5.2 Shortcomings in range and volume of services

The vast majority of Nigerians have little access to basic public services - people told researchers in 2001 about their problems accessing clean water, reliable electricity and feeling confident in the police. Even in Abuja, though we visited a relatively good hospital, it is the exception and there is neither ambulance an ambulance service nor a reliable supply of pharmaceuticals. There are few state run primary or secondary schools, and the children who attend school do so at their parents' expense.

To expand capacity and extract the maximum value from investment requires financial and data analysis and strategies that identify priorities, harness effort, and measure progress. We did not see analytic work of this kind - what is needed are reliable population-based needs assessments, lined up with accurate data on existing provision, and accurately costed strategies for bridging the gap over time.

Service access and capacity are not the focus of our project, but are critical if government wishes to convince Nigerians that it is going to make services, and life, better for them. It also provides an indication of how most Nigerians will perceive some reform initiatives. For example, one can imagine how people desperate for water and electricity will feel about public expenditure spent on training or attracting better calibre civil servants.

5.3 Poor customer service and service quality

The view of government as being all about 'favours', rather than rights and responsibilities, is evident in the way that people are treated and the quality of service they receive. Staff do not appear eager to serve the customer; public buildings are surrounded by security guards and are often unmarked, unlit and in poor repair. There are no public enquiry points, and people complain of unanswered letters and telephone calls. Many offices seem to have people sitting around, not doing much, watching TV or reading newspapers, or just speaking to friends and colleagues.

And even when improvements have been made, they are not introduced with the customer in mind. For example, though NEPA will be bringing a second electricity grid into Abuja shortly, for security reasons no one is told. As a result, people associate NEPA with more power cuts, rather than noticing improvements on the way. They also do not see the Passport service delivering a passport in 3 days, but remember instead that it requires customers to go to the office at least 3 times in the process. Similarly, there appear to be demonstrable signs of improvement in the Business Registration Service, but the public perception does not yet recognise it.

Treating people fairly and giving them information about why a service is available or not, is especially important for regulatory services, where compliance is most effectively achieved by consent rather than resorting to the use of force or litigation. Even where services may not be particularly effective at delivering their primary objective - i.e. police solving crime, or in utilities delivering reliable power supply - people will be more satisfied if attention is given to providing a positive experience. It matters a lot that services are made easily accessible (signage and information about entitlements and opening times), provide timely responses, and that staff are courteous, honest, and do what they say they will and when they promise to do it.

5.4 Support services

To improve services at the front line, they need to be supported by modern financial, procurement, audit, IT and Human Resource services. We saw little evidence of the shift from traditional 'rule-bound' central services that are concerned with control, to modern support services that see themselves 'serving the customer'. Some ministries are introducing reforms that include plans for improving budgetary systems, civil service structures, HR policies, and extending the use of ICT (which is still small i.e. 400 computers for 25,000 staff in the FCT ministry). And there is evidence of change in some departments where ministers have made a point of requiring work programmes and setting targets for turnaround times (Chief Economic Adviser, Due Process Unit, Federal Health Minister), and driving forward the pilots for civil service reform (FCT Minister, and Minister of Finance). In time the reforms in these departments may result in better support to front line services. However, as yet this is not the case.

Service delivery is being undermined by the problems described in our case studies:

- Budget estimates are not rigorously prepared nor approved by the Assembly and Executive. Consequently the budget does not serve as a tool for realising ministers' policies and priorities. Funds are not allocated to services on a regular or predictable basis. Priority is given to new capital expenditure rather than maintenance and programme costs, with little realisation that non-salary recurrent expenditure can be used to improve service delivery. Financial control is neither effective nor sufficiently delegated to enable service managers to plan or deliver;

- Managers have no discretion to manage - their costs are fixed and outside their control, staff and supplies are provided (or not) from above. There are no incentives to drive out corruption, drive down costs, improve productivity or service quality. The complexity of transactions and processes resulting from overly centralised and inefficient systems is not only dysfunctional it is also increasing the opportunity for rent seeking;

- Overly centralised and rule-bound staffing functions do not enable services to recruit or develop the staff they need, nor establish performance systems that can hold people to account for delivery. There do not appear to be arrangements for managing the 'pay bill', reducing staff numbers and keeping salary expenditure from squeezing out other programme spending;

- IT systems are under-developed, with little automation of high-volume transaction based services that could improve efficiency whilst reducing costs;

- The audit function appears to add to delays and inflate up front costs through requiring pre-payment audits, whilst neglecting to provide a risk-based and systems approach found in more modern public audit functions.

Certainly the 'needs of the service' - for the right staff, minimal overhead costs, and prompt response - is not driving system design nor do the attitudes of support staff reflect a concern for the end customer. We have considered a pragmatic approach to addressing these problems in developing the following recommendations.

Recommendations

Our diagnostic analysis has highlighted several challenges, many of which are systemic and the result of many years of misrule. Service backlogs are vast, inequalities high, public confidence low and many institutional weaknesses exist. Disentangling them, let alone correcting them, is an onerous task. With such an agenda, it would be easy to lose faith and ongoing elaboration of the problems could easily become self-defeating.

Our approach is pragmatic and driven by the need to demonstrate improvement, rather than solve all Nigeria's problems. The Government has begun to take important steps to address these challenges, first through a number of initiatives in its first term and after April 2003, through a new concerted effort. 'The most crucial thing is vision', said one of our interviewees. The formulation of NEEDS is a major development in that direction. The roadmap here starts with the

vision of reform as a point of departure, and suggests how some critical interventions around service delivery can deliver some results that the public would appreciate.

Our brief is grounded on the UK experience that we outline here to draw some insights and recommend action. On that basis, the discussion focuses on empowering the customer; making a difference through Service Pilots; getting everyone involved through system-wide change; institutional arrangements; and a roadmap for actions, lead and timescale.

5.5 The UK experience

Worldwide, countries are seeking to improve their public services - aiming to create a virtuous circle where support for investment, and delivery of public services is sustained by people's experience of better services, electoral support, and consent to consequent levels of taxation. This is the approach of the current UK government, based on its commitment to social justice realised through universal services that are modern in character and responsive to individual needs. The philosophy is captured in their message - 'Fair for All' and 'Personal to You'.

Priority has been placed in delivery of a few specific commitments. In 1997 there were only 5 electoral pledges communicated widely on a pocket-sized 'pledge card'. Public Service Agreements (PSAs) were agreed between the Treasury and spending departments and the Prime Minister and the Secretary of State she appointed. Whilst there were over 600 PSA's in the first spending review, they were reduced to 130 in SR 2002. Even within this reduced number, the PM's personal focus is specific improvements in health, education, criminal justice and transport. He receives regular information about progress in delivering these targets, which are discussed with relevant SoS in regular 'stocktakes'.

System-wide, the commitment is to modernise public services, shifting their culture to serve the customer rather than being driven by professional providers, making use of IT and diversifying supply. Building on the experience of the first term, this phase of reform has focused on reforming services designed around the needs of customers, and founded 4 organising principles of:

- National standards in a framework of accountability - realising the commitment to quality services, fairness and holding people to account for delivery;
- Devolution to the front line - bringing decisions and resources to where customers experience delivery;
- Flexibility in working conditions and organisational arrangements;
- Choice to the customer, wherever practical, and contestability in supply.

Reform has been most effective at delivering quickly to the public when it has been focused on a few priorities and delivered through single purpose bodies, specifically funded and performance

managed with results reported to the public. What has been successful is a delivery process with these elements:

- Well-defined critical task;
- Allocate dedicated funds, tied to targets with timescales;
- Set up a dedicated body with staff selected to run it;
- Devolve accountability and resources to that body to deliver, approve its plans, and incentivise delivery of results;
- Produce regular performance information, on comparative basis and monitor performance and intervene to tackle failure,
- Review service quality and performance by independent audit and inspection;
- Publish results in comparative league tables, with star ratings.

Given the challenge facing Nigerian public services, there is a high risk that reform will not deliver anything tangible to the public in the timeframe of this government or the next. That is why we argue for a highly focused approach, working through selected pilots, within the parameters of realistic and credible budgets.

5.6 Empowering the -Customer-

The objective of the Nigerian President is no less than to change the relationship between Nigerians and their government, from one of suspicion and indifference to one of trust and confidence in its service delivery. An important step in forming this new relationship is to recognise the realities of life for most people living in Nigeria; their relative and absolute poverty, their quality of life reflected in the backlogs against the millennium targets, low levels of employment, poor access to water and energy, high levels of infant and premature death, sickness and chronic ill-health, insufficient education of poor quality, etc .

Even in this development context, our assumption is that a better-informed citizenry makes for better government, and strengthens a culture of active customers. Given the starting point, this is not a small task, and any claim about 'satisfied customers' needs to recognise that such views are the outcome of an equation where:

Satisfaction = Expectations +/- Experience

(Satisfaction is the result of people's expectation minus or plus their experience).

In much of Nigeria, people expect very little, and are not disappointed when that is what they receive. Occasionally people's experience of exceptionally poor treatment (physical abuse or extortionate bribes) is beneath even their minimal expectations, and their dissatisfaction turns to anger. If the shift is to be made to a government that serves and a population that feels confident,

then expectations need to be increased (on a realistic and informed basis) as well as experience improved, in order for their status as 'customer' and satisfaction to be meaningful.

To meaningfully change this equation will require a transformation of social relations in Nigerian society; government and the FGN can only play a part. With these caveats, nevertheless there are steps it can take that would begin that process of wider social change.

Expectation - Changing the culture

Improving services requires that individuals and communities make demands from the 'bottom up' as well as government delivering from the 'top down'. We recommend action for the FGN to take to stimulate such demand and begin this process of change.

1. Communicating entitlements: The President, ministers and the assembly could pledge their commitment to service delivery, plan realistic service expansion, make transparent people's entitlements to specific services and ensure that access is improved. Communications of this commitment should be 'two-way', seeking people's support and enlisting their help as much as telling them what government is doing 'for them'. It should engage NGOs, business and community groups in the design and communication of service improvements. Once the budget is agreed, it should be disaggregated to show the funds available to individual local services, and published so the public can see what should be spent so they can judge what they can reasonably expect.

2. Publish accurate and timely information: Services should regularly publish information telling people about the performance of services, and honestly acknowledging difficulties and the steps being taken to address them. This is important for major infrastructure services (electricity, water, roads) that are high priority for the public, but where progress may take time. It should make public examples of good services that are rewarded with additional resources, and poor or corrupt ones that are being reorganised or replaced by government. Services should have targets for the standards and improvements they are expected to deliver and the progress they are making. If such information is validated by an independent source, it could be published in 'league tables' that compare one service outlet with another. Such comparison enables the public to make judgements about their local service, and inform their expectations.

3. Individual advice and advocacy: The most effective information is personal advice and advocacy. If resources could be found, advice services should be set up in local communities, separate from government, and people trained to serve as expert advisers and advocates. This has the added benefit of opening space for building a productive relationship with civil society.

4. Provide remedies and choice where services fail: Complaints handling could be taken more seriously by local services, and include remedies where things go wrong. They should be recorded and the feedback used to inform service improvements. In a few services, customers could be given a choice to go elsewhere if the public service doesn't work or receive payment for securing the service for themselves. Every service could publish a Service Charter (with quality standards and response times for post, telephones, enquiries) and back it up with rewards and sanctions.

Responsibility for taking forward these ideas will rest mainly with the President, ministers and departments, supported as necessary by a dedicated Service Delivery Unit.

Experience - changing the services

No amount of communication or information will result in increased expectation and willingness to

make demands, unless people also experience actual improvements in service. Given the problems of fair access, adequate capacity and quality, tangible change across all services will take time. It is very important to only promise what can be delivered. Therefore, we recommend that a Service Delivery Initiative focus on selected service pilots. These pilots should encompass change in 4 dimensions that should be organised on a programme basis:

Understand people's experience: Assess what people need and make use of modern market research techniques to understand people's views about services and what drives their satisfaction and dissatisfaction with them.

Redesign services: Having found out what is important to customers, improve those elements that can be done quickly. Make use of 'collaborative' approaches that involve customers, outside experts, policy makers, and professional providers in service redesign. A 'Collaborative' approach can improve quality, efficiency and effectiveness, through better systems and management of customer flows. Communicate examples of services that are made to work, using third party endorsements wherever possible. Introduce elements of choice, between suppliers ideally, but also from different services offered within the public sector. Introduce quality assurance and customer service standards, laying the groundwork for launching a Nigerian service award.

Develop the right people: Make service delivery and customer focus a core competence for staff employed in the service, and select and appraise staff on that basis. Train staff in modern customer service and employ live feedback techniques (such as 'mystery shopping', exit polls, surveys). Introduce reward systems that make it attractive for staff to provide a good service, with personal consequences for failing to do so.

Finance, audit, and regulation: Strengthen the role of finance as a tool for service planning. To stimulate a performance culture, funding should be awarded on a competitive basis, inviting selected services and states to submit bids for how they would make use of the money. Make partnership with the private sector and involvement of the community a critical factor in successful bids. ('Challenge' funding). Introduce a modern audit approach and use it provide independent assessment of services. Strengthen regulatory agencies, by involving ordinary citizens, so that they more actively protect the interests of customers (e.g. GSM phone system).

The recommendation on 'Demonstration Pilots' incorporates these ideas and suggests arrangements for taking them forward.

Satisfaction - actively promoting it

Satisfaction is the outcome of this equation of 'Expectation plus/minus experience' equation. No one should expect people in Nigeria to be suddenly satisfied with their public services; that would not be credible, nor at this point, desirable. Nevertheless, high priority should be given to the public's views about services.

This priority can be translated into some practical actions, such as introducing independent monitoring of customer satisfaction, starting out with establishing the baselines in each local service unit, and measuring it at regular intervals. An independent task force could be set up by FGN in collaboration with NGOs and business, that would receive reports about the public's views about key services and propose interventions for government. A targeted communications strategy could begin to bridge the 'perception' gap between what government intends what is actually delivered and what people perceive. The Executive could submit a report on Service

Delivery to the National Assembly every year until the next election. An appropriate standing committee of the National Assembly could consider the report and take further evidence to inform a debate.

5.7 Demonstration Pilots

Influencing a change of culture amongst 'customers' and staff is a huge task. Leadership from the top plays an important part, as will ministers setting an example through personal behaviour and style. Communication is also important in influencing public perception. But good intentions are not enough, particularly in this context. To be credible and sustainable, people's experience of public services has to change. This will not happen necessarily as a result of major changes of internal systems and structures, but requires 'customer-focused' change in a few services.

Criteria

There will be discussion about which services are the subject of pilots. We recommend that no more than two or three services be selected as pilots, and that they be chosen on the basis of the following set of seven criteria:

- Important and visible to the public;
- Capable of delivering improved customer satisfaction with 12 to 18 months;
- Led by capable people who are committed to reform;
- Capable of replication in other services or places, and of bringing to the fore lessons about structural and systemic weaknesses and options for addressing them;
- Improvement will build support and credibility for public service reform amongst ministers and the public;
- Complements and strengthens budget and civil service reform, and the NEEDS/SEEDS agenda;
- Can attract the necessary investment, from within existing budgetary envelopes, and/or donor support.

Options

The services that will serve as the first demonstration pilots are a matter for the President and his Cabinet to decide. From our discussions during the course of this project, however, the following options and mix of services have been suggested most frequently:

- Strategic services - while comprehensive reform in key agencies is needed and will take time, two key areas of concern among most Nigerians are NEPA and police. If elements of these strategic services could be improved it would provide a powerful message to inspire others;
- Target health (outpatients, immunisation) in specific states - beginning with services in 6 states (one from each zone), possibly based on a model developed in the FCT;
- Single service functions - passports and business registration lend themselves to measurable change to improve delivery.

5.8 Dedicated delivery vehicle

The pilots should be driven by a dedicated unit (the Service Delivery Unit), established for a very specific and limited time, headed by someone experienced in leading service transformation, who

can bring in specialist expertise as needed for specific projects from Nigeria and around the world. Its staff should be flexible and be recognised leaders in their field, and enjoy the confidence of the President and ministers. The Unit would provide technical assistance to services for example in preparing 'bids' for Challenge funding, or sign-posting best practice. The SD Unit would work under the leadership of the President, who might wish to nominate individual ministers to head up different pilots or stages. It would work closely with the Ministers of Finance, FCT, Chief Economic Adviser and officials in the office of the Head of the Civil Service. The SD Unit should test out the 'delivery' process outlined in section 5.5, and be charged with a well-defined task, carried out by a dedicated team, with dedicated resources, who are held to account for its delivery of results.

The Function of the Unit

The Unit should tailor its approach for the services selected, but will need the capability to operate at two levels:

- One, at the broad programme of culture change, ensuring that the broad 'expectation' setting activities described in section 5 are undertaken by the right people across government and the community. This team will require skills in high-level strategy, market research, communications, and customer service. It will need people who will be credible outside as much as inside government;
- Two, at the level of specific services, getting alongside existing services and engineering their transformation in whatever ways are necessary to change customers' actual 'experience' of service. The approaches required to improve experience of a few services, are illustrated in section 5 and include undertaking population based research, service redesign, people development, and changes in the way services are funded, audited and regulated. It will require people who have operated successfully in top management, who have experience of change in the service sector that is the subject of the pilot.

These 2 functions will require different skills and ways of working, which is why it is important that dedicated teams be established for the two different functions.

Risks

There are inherent risks to this approach. In selecting the pilots, one set of pressures is to be overly ambitious in attempting to resolve Nigeria's services backlogs and development challenges in one big swoop. This is set to fail. Another is to be totally confident of delivery in relatively achievable sectors, but of services that no one much cares about. The ideal is to strike the right balance between stretching ambition and achievability.

An ad hoc initiative led by a 'unit', risks becoming marginal and adding to the institutional debris that already litters the Nigerian delivery landscape. The best insurance is excellent leadership, realistically funded, and supported. If signs of atrophy appear, they should be acted on and ultimately the unit replaced.

There is also the risk that the unit will be rendered powerless by the lack of co-operation from mainstream service departments and the corporate centre, who resent the interference of a specialist unit reporting to the President. Good working relations need to be formed early, with clear accountability assigned to the unit and the pilots. Service pilots should be selected who are willing and able.

Dedicated funding may take time to be assembled, and be accompanied by conditions that can

involve delay and lose momentum. We need to enlist assistance in making progress speedily, possibly through phased implementation of the pilots and parallel activities in mainstream funded departments or the Presidency.

5.9 Building wider support for service delivery

Though concerted action in specific services is the course of action we are very strongly advocating, in parallel other supporting action can be taken to signal the revolution in service delivery 'across the piece' and tackle staff and customer's low expectations. We have set out such programmes directed at changing 'expectations' in section 5.5. Here we suggest how these initiatives are taken forward, and who would take the lead with support as necessary from the SD Unit.

The President will need to demonstrate his personal commitment and support for the Service Delivery Initiative. A leadership declaration about Service Delivery has been suggested that will introduce the idea of the public as 'customer'. It will need to be honest about the problems of the past and the present, make a commitment to listening more, communicating better, and seeking consent. Such a statement needs to reiterate the need for any medium term improvements to be sustained through wider economic and social reform.

Under the President's direction, a core 'Service Charter' could be designed that commits federal services to better quality services and sets the standards it expects service to meet. Every service would be expected to comply with this core charter, adding additional attributes that are appropriate to their particular service. The charter would be backed up with rewards and sanctions for service organisations, and provide remedies for customers when things go wrong. It is important that this charter is developed with the active engagement of people outside as well as government, and is subjected to consultation.

The President may wish to ask ministers to undertake specific service delivery programmes, or lead specific service pilots. Policies and resource proposals presented for agreement to Cabinet must show evidence of their impact on the 'front line'. Such resource 'bids' should be based on evidence of the needs of the population, drawn from statistical, management and market research sources. They should demonstrate evidence of the systematic involvement of stakeholders in development of policy and feedback of performance. No national policy should be agreed nor funds allocated unless they include credible proposals for delivery.

There may be value in the President encouraging his ministers to embark on a programme of visits to the 'front line', supported by officials to 'listen' to and bring forward action on key issues. This would convey commitment to customers whilst providing useful information gathering.

If the President decides to use the Service Delivery Initiative as a focus for improving focus across departments, he could meet bilaterally with Service Ministers in a system of monthly performance 'stocktakes'. It would require officials to develop valid information on which ministers can assess progress, set targets and base interventions.

It would be a powerful message from the President were he to commission an independent organisation to report on the progress of SD Initiative to the Cabinet in one year's time.

Ministers will need to provide visible leadership and commitment in their departments for the services for which they are responsible. A good beginning is the behaviours exhibited by them

and their immediate staff.

They should complete the departmental mission statements and prioritise a few targets for service delivery, as initiated through the budget process by the Ministry of Finance. Through this process they should agree the specific changes they will make to improve service delivery for their areas of responsibility. They should make transparent the budget allocated to specific services and the element to be given to each front line service unit.

In the centre and in each department, people need to be charged with changing the Managerial Systems in order that they support service delivery. The strategic processes to harness for delivering better services are 1) Strategy and Policy-making, 2) Planning and Resource Allocation; 3) Performance management, Audit and Review; 4) Human Resources and Capacity Building; 5) Procurement and Project Management; 6) External and Internal Communications. The over-riding imperative is to strengthen accountability for the use of resources and delivery of results - whilst devolving responsibility for delivery, and enabling people at the front line to secure the finance, personnel, and goods/services that they need. The Corporate Affairs Commission illustrates some good practice, and enjoys the most operational autonomy and financial self-sufficiency from government. The best results will be achieved where ministers and the 'centre' retain control over strategy and set standards for good governance and delivery, but within this framework, empower front line managers to improve local services in response to customer's requirements.

As the Service Delivery Initiative gains momentum, it will need to work closely with states and local government to reach the services and communities who are the most 'in need'. In the course of this project, confused jurisdictions and poor intergovernmental relations were sited as major obstacles to reform. We are recommending that these relations are strengthened through joint and concerted action to improve specific services in tangible ways - 'learning through doing'. This appears a more productive starting point than attempting to re-engineer the complex institutional map that currently governs these relationships (though that may be necessary in the medium term).

One option we have not firmly recommended is a wholesale introduction of market solutions into public services, nor their externalisation to the private sector. In principle, greater involvement of the private sector offers many advantages. It can attract private investment, bring in commercial disciplines, grow professional management capacity, drive down costs and drive out waste, and import more customers focused cultures. However, it may require investment 'up front' to prepare services for sale in the market, and demands different procurement, contracting and management skills than those currently available. The services we saw, and the financial and information systems underpinning them lead us to believe that privatisation for most services is a medium term option, or one proceeded more quickly at a rather high risk. Ill-prepared privatisation may inadvertently result in further delay rather than making things better in the short or medium term.

6. Milestones and Critical Path

| Month | Action |
|-------|--------|
|-------|--------|

| | |
|----------------------|--|
| January | Team on site in Abuja 30th - Draft report circulated for comment (WT) |
| February | Commence preparations for the retreat (AO) - dates, programme, invitations, venue, facilitation, inputs of papers, speakers, logistics, message handling. 6th - Comments on draft to the SDI team 9th - Final draft incorporating comments (WT) Further investigation of feasibility for pilots - research on NEPA, Police, health, etc. (AO/DFID) Meetings with ministers and opinion formers to gain support for the SD proposition (AO) Consult donors about scope and logistics of funding or technical assistance - options for procurement strategy; sourcing of experts (DFID) |
| March | Final stages of preparation for retreat Ministerial Retreat Outline design of SDI unit, core staffing, budget, and implementation strategy (WT/DFID) |
| May | Shadow SDI unit set up - to design structures, manage recruitment, procure premises, disseminate information Series of SD statements made by ministers - orchestrated by the Presidency Mission statements and priorities agreed by ministries - for submission to cabinet Recruit people to serve as associates |
| May 2004 | SD programmes launched in enthusiastic ministries (such as a May day clean up) With some symbolic changes in staff attitudes, presentation, response rates, staff movement Appointment of SDI Unit head, and commissioning of fixed term expertise |
| November 2004 | SD Unit is fully operational with agreed work programme |
| March 2005 | First interim progress report submitted to the President, and next steps decided on that basis |

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