

Report of PDF II Closeout Event: Leaving a Legacy of Change

Location: Fraser Suites, Abuja

Date: 6 February 2020

Event Overview

Policy Development Facility Phase II (PDF II) is a flexible, rapid-response facility set up to support Champions of Change in implementing economic and social policies that help reduce poverty in Nigeria. Funded with UK aid from the UK government, PDF II was billed to run from 1st April 2015 to 31st March 2020. As its March 2020 terminal date approached, PDF II organized a closeout event to showcase and celebrate the many successes of the programme and its beneficiaries (developed and documented as PDFII “Stories of Change”) under the theme, “Leaving a Legacy of Change”, and sub-themes: “Delivering Results”; “Scaling Up Results”; and, “Sustaining Results”. The event, which started at about 9.30am had in attendance beneficiaries of the programme –from government institutions and the private sector, development partners and PDF II staff and Embedded Advisors.

The event was sectioned to highlight achievements and share lessons. Some of the key highlights were:

- A Legacy of Change: The PDF II Story: Dr. Titilola Akindeinde, Programme Manager of PDF II took the opportunity here to share the PDF II story with participants, taking them through the conception phase and the many successes of its novel interventionist approach;
- Trade Testimonials and PDF Voices: These were beamed in 3 separate multimedia presentations where PDF beneficiaries and Embedded Advisors shared success stories of PDF’s interventions in the nonoil export sector; the Office of the Auditor-General of the Federation and the National Assembly; and at the Office of the Vice President, in tailoring the government’s social investment programmes to the insurgency-stricken North East;
- Delivering Results: Mrs. Aisha Abubakar, Former Minister of State for Industry, Trade and Investment and Ms. Patience Oniha, Director-General, Debt Management Office took turns to share their experiences on how they delivered change in the MSME sector and at the government’s Efficiency Unit, respectively;
- Sustaining Change: The session had Dr. Joe Abah, Country Director, Development Alternatives Inc. (DAI) Nigeria shared his experience on and approach to “Achieving and Sustaining Result as a Reformer” in the Nigerian public sector;
- Presentation of Products and Launch of PDF II Resource Centre: The PDF Resource Centre was launch by Dr. Titilola Akindeinde at this session: www.pdfnigeria.org/rc. The website archives PDF II’s work with its numerous partners, as captured in “Stories of Change”, “PDF Voices”, reports and studies;

- Scaling Up Results: Dr. Kayode Fayemi, Governor, Ekiti State and Mr. Anthony Ayine, Auditor-General of the Federation, took turns to share their experiences in leveraging on collaborative partnership to scale up successes recorded in the Mining sector and the Auditor-General's Office, respectively.



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Background

The Policy Development Facility Phase II (PDF II) is a 5-year £18.5 million flexible, rapid response facility set up in April 2015 to support “champions of change”, to implement economic and social policies that lead to poverty eradication in Nigeria. Funded by UK Aid, its goal is to provide these “champions of change” with improved capacity and evidence to enable them pursue vital economic and social reforms. The support has largely been either in form of Embedded Advisers who work with the champions of change or through studies/researches that provide evidence to galvanize action. PDF II also provides support to other high-level government officials, including relevant Committees of the National Assembly and also, non-government actors like NGOs and CSOs who are involved in ensuring the implementation of pro-poor social and economic policies. Inching towards its March 2020 closing, the closeout event was organized to showcase and celebrate the many successes of the programme and its beneficiaries (developed and documented as PDFII “Stories of Change”) under the theme, “Leaving a Legacy of Change”, and sub-themes: “Delivering Results”; “Scaling Up Results”; and, “Sustaining Results”.

Welcome/Opening Remarks

DFID, Head of Office:

On behalf of DFID and the UK Government, Chris Pycroft, DFID Head of Office, welcomed participants to the closeout event, urging them to freely discuss and celebrate the huge successes of PDF II over the past 5 years. He noted that the UK government through DFID Nigeria has provided targeted technical assistance to Nigeria through PDF II. Some of the assistance provided includes:

- Assistance to the Office of the Auditor-General of the Federation to improve its financial performance, IT audit capability and critical review of its operations;
- Assistance to the Office of the Auditor-General of the Federation get an Audit bill passed by the National Assembly and also prepare its submission for presidential assent;
- Assistance to the Efficiency Unit in blocking leakages in government spending and saving over £500 million in the cost of governance.
- Assistance to the Efficiency Unit to enhance transparency of procurement processes and uniform pricing to help further cuts on MDAs operational cost;
- Assistance to the N-Power programme which has resulted in the creation of over 500 thousand temporary jobs and series of empowerment programmes for Nigerians, forging/encouraging PPP with private sector in tech-startups and supporting tech solutions to victims of the insurgency under the North East innovation humanitarian hub
- Assistance to the Office of the Vice-President, including on the establishment of the Nigerian Office of Trade Negotiation (NOTN) and in supporting the government’s ease of doing business reform which has help propel the country up the World Bank’s Ease of Doing Business Index – making a leap of 20 places in the 2020 rankings.

Chris told participants that as the programme winds down next month, the event was a good opportunity to reflect on what worked and what did not as preparation for the next phase of programming gets underway. He also mentioned that DFID will implement a bridge programme after PDF II closes in order to maintain reform momentum, while waiting for a successor programme. Lastly, he pledged the UK’s is commitment to supporting Nigeria’s economic reform agenda through DFID’s existing and upcoming programmes.



Goodwill Message from the Office of the Vice-President (OVP):

Ambassador Adeyemi Dipeolu, representing the Vice President, expressed warm greetings from the Vice President and specifically acknowledged the support his office has received from DFID Nigeria. He described the closeout event as a happy-sad occasion. *“Sad, because PDF II has which has been an important contribution to the Nigerian development policy is now coming to a close. A happy occasion because the programme stands out as having made an enduring contribution to the Nigeria-UK development partnership”.*

Ambassador Dipeolu further described PDF II as a dependable partner which contributed to government’s policy making and management in the past 4 years. According to him, the OVP received high quality support from PDF II as evident in the work of the Advisory Power Team, Economic Policy Secretariat, Enabling Business Environment Secretariat, and the Rural Electrification Agency etc. He noted that the Programme’s support was also evident in the policy front - in Agriculture, Trade, Power, Digital Economy, economic policy articulation, business reforms and anti-corruption. While thanking the UK government, which through DFID has supported Nigeria’s development aspirations and efforts over the years, Ambassador Dipeolu craved the continued support of DFID and expressed hope that the bridge programme will accommodate the Federal Government’s ever widening needs while waiting for a successor programme to PDF II. He thanked the PDF II team specifically for its invaluable support.

A Legacy of Change: The PDF II Story

Dr. Titilola Akindeinde shared the PDF II story with participants. She told participants that the programme is an £18.5 million flexible rapid response facility, which began in 2015 and was designed to support Nigeria’s “Champions of Change”. While underscoring the fact that the programme is expected to close by March 31 2020, she recalled the difficult times in which the programme birthed. She explained that at the time, Nigeria was going through a difficult time in its economic history – onset of the 2016 economic recession and the onset of the current sluggish economic growth rate. Dr. Akindeinde noted that rather than get fazed, PDF II took advantage of every opportunity to contribute to desired change. She detailed that the programme’s first year was dedicated to programme design, with necessary structures for effective programme delivery put in place within the first 6 months. The first year was also used to conduct political-economy analysis to gain understanding of the political terrain and priorities and also to build relationships with strategic partners like NESG, LCCI and MDAs. In terms of implementation approach, she said that the PDF II is effectively request-driven. Once a request that fits the purpose is made by the government, it is reviewed and if accepted the programme offers support in form of experts to “Champions of Change” or studies to provide evidence basis for needed reforms. According to her, these would desirably result in a successful policy implementation which in turn results in non-oil economic growth facilitated and invariably, expanded opportunities for the poor.

Dr. Akindeinde summed up the achievements of PDF II in its 5-year term as follows:

- Deployment of 116 Embedded Advisers across 155 projects to support Nigeria’s reforms for poverty reduction and economic growth;



- Creation of 28,000 direct, indirect and induced jobs from initiatives like energizing economies, green bonds, innovation hubs, fertilizer initiatives;
- Operationalization of the Development Bank of Nigeria;
- Significant cut to cost of governance in Nigeria through its support to the Efficiency Unit;
- Moved Nigeria up the World Bank's 'Ease of Doing Business' rankings –from 169 in 2016 to 131 in 2019, through its support to business environment reforms;
- Implementation of the country's electrification strategy and boosting its sustainability by securing US\$ 550 million in financing from the World Bank and the African Development Bank.
- Establishment of the Energizing Economies Initiatives – a clean, reliable and affordable off-grid energy solution to MSMEs operating within strategic economic clusters. In the trade field,
- Establishment of and capacity building of a Non-Oil Export Community of Practice (CoP) towards improving their influence on Nigeria's trade policy and increased exports.
- Supported the preparation of necessary documentation and stakeholders engagements that facilitated Nigeria's signing up to the Africa Continental Free Trade Agreement (AfCFTA).

Trade Testimonials – Multimedia Presentation 1

In a multimedia presentation, Mr. Femi Boyede a Certified International Trade Practitioner (CITP) and PDF II beneficiary, testified that before PDF II came on the scene, the Nigerian nonoil export sector was *'quite, deaf, mute, was not being heard'*, but that the PDF-backed 'Exporter Voices' has given the nonoil exporters a vehicle to highlight the challenges of the sector and advanced its development. He explained further that PDF's intervention focused on fostering policies to develop the sector or correcting some of the programs or policies that were not working or were limiting exporters' potentials. He noted with delight that the non-oil exporters' dialogue is now being institutionalized.

In his own testimony, Mr. Osagie Azeta, CEO, Cropsafe Nigeria applauded PDF II for its support in building the capacity of exporters on standards, packaging and branding thereby, providing them with opportunity to secure enhanced access to markets. He affirmed that he now grows improved seedlings and is in collaboration with other exporters in exploring export markets – thanks to PDF support.

Speaker Presentation 1 – 'Delivering Results'

Speaking on the sub-theme, 'Delivering Results', Mrs. Aisha Abubakar, Former Minister of State for Industry, Trade and Investment, introduced it as meaning *"to achieve an outcome through the efficient use of resources and a commitment to quality consequence"*, or *"to follow through on an attainable goal so that operations can continue to improve and run smoothly"*. She recalled that a huge challenge in the MSME sector during her time as Minister was the fact that all interventions targeted at the sector, including government interventionist programmes were not making any impact. Speaking of her effort to change that narrative, Mrs. Abubakar shared three experiences from her work as a 'champion of change'. The first was a DFID supported



intervention through the Abuja Enterprise Agency (AEA). The second experience was around the building of the Entrepreneur Complex in Jabi to provide a place for entrepreneurs to acquire new skills, exhibit their products and get office space. The third was an initiative to set up an FCT micro-finance bank. She explained that all three interventions sought to make provision for adjustment costs and capacity building for MSMEs as a result of planned policy changes.

In an attempt to better understand the challenges of the MSME sector, particularly, why no interventionist effort seemed to make impact in the sector, Mrs. Abubakar said she sought PDF II's assistance to investigate the current categorization of MSMEs and if such categorization impacts MSME's competitiveness in government procurement. She said the resultant PDF-commissioned study identified the absence of a 'nano' category, which incidentally forms the bulk of entrepreneurs in the MSME category, as the reason why interventionist efforts were not having any impact in the sector. According to her, 'nanos' are mostly sole proprietors with no experience, no capacity, no collateral and nothing to support them in running their businesses. The PDF II study recommended the creation of a 'nano' category that will provide a window for the implementation of youth and gender differentiated policies targeting the MSME sector and also expanded procurement opportunities. Mrs. Abubakar identified another challenge in the MSME sector as being the difficult and expensive procurement policy, which MSMEs are required to comply with. Once these problems were identified, she said her team immediately activated its strategic plan towards achieving the desired goal. The approach leverage on strong team work; an open door policy; willingness to trade-off in the pursuit of beneficial processes and outcomes. According to her, respecting people's opinion, a readiness to always acknowledge valuable contributions and possessing a proactive leader were instrumental to our success of the team's work.

Also speaking on the sub-theme, 'Delivering Results', Ms. Patience Oniha, the Director-General of the Debt Management Office shared her experience running the Efficiency Unit at the Federal Ministry of Finance. She stated that the Unit was created in 2015 with the support of DFID with a mandate to moderate the Federal Government's expenditure on overheads by eliminating wastage and leakages and improving the procurement practices ('transparency' and 'bulk purchaser' approach). She described the mandate as *'to cut costs and generate savings'*. She said it was clear government was spending much on overheads at the time, even with dwindling oil prices but the question arose as to whether it was the right expenditure and the right headings? In implementing her strategy, she recalled that the first thing her team did was to split up government expenditure and look at where it was spending most of the overhead –top 5, top 10. The team also considered how government was incurring those expenditures. Was government spending more than appropriate? According to her, her team reached the conclusion that there were leakages indeed. With procurement, Ms. Oniha explained that the mandate was only to improve procurement processes in partnership with the Bureau for Public Enterprises (BPE) and not reinvent the law. She noted that MDAs were already breaching some of the rules as they bought things in silos rather than abide by BPP uniform price list. She explained that each MDA made its acquisition independently, mainly in retail so the price was never competitive as compared to a collective acquisition bid by government agencies as a whole.

In terms of challenges, Ms. Oniha explained that starting up such transparency initiative from the scratch and without a reference base was really a huge challenge. She said her team



overcame this, by reading very broadly and conducting extensive internet researches. She added that the Unit also faced rejection and apathy from several stakeholders, many of which felt the initiative was only intent on blocking established means of survival for them in the face of meager civil service wages. For such stakeholders, she noted that the Unit had to spend time helping them understand and believe in its vision, while also sharing expected outcomes/benefits with the stakeholders. The civil service bureaucracy and inadequate staffing for the Efficiency Unit were two other challenges cited by Ms. Oniha. She however noted that on the former, the Unit worked to get the top echelon of the civil service to share its vision and it thus became easier to get approvals for several of its recommendations. On the challenge with shortage of staffs, she said the Unit solicited for staffs from KPMG and PWC, both on part-time and full-time and also sought support to hire from DFID. In ending her presentation, Ms. Oniha highlighted three lessons learnt from leading the Efficiency Unit:

- The public sector will often be resistant to change but change is possible;
- Change happens when there is: acceptance at the highest levels, performance is monitored and published regularly; rewards and sanctions are introduced and actually applied;
- To succeed, the change agent must be a convert, be persistent, walk the talk and be result-oriented and by so doing win the opposition over.

Question and Answer Session – ‘Delivering Results’

Moderator: How do you think the government can intervene in respect of ‘nanos’ to ensure that they get necessary information, and also ensure that despite starting from zero capital, they can still find the opportunity to grow?

Mrs. Abubakar: *A NASME/NBS study indicates that there are about 41 million SMEs in Nigeria, out of which 31 million are ‘nano’ businesses. ‘Nanos’ are either sole proprietors (mostly women), or just startups with no capacity to attract support to run their business or even meet licensing requirements. So, government should adopt a holistic approach in addressing their challenges. I suggest that SMEs should be able to access all business information whether it is regulation or licenses or capacity to build support, including information on government interventionist programmes, in one place – perhaps, a one-stop-shop. I also propose an incubation bank where ‘nanos’ could incubate for a minimum of three years to prepare legal requirements, licenses, auditor reports and all other requirements in place including the required capital, all with the support of interventionist agencies like Abuja Enterprise Agency and Bank of Industry.*

Moderator: How many people have the power to initiate procurements on behalf of the Nigerian government? Are there a lot of people who can and do you think they are too many?

Ms. Oniha: *The public service has an established procurement cadre, with trained procurement officers who are supposed to man procurement departments/units in the MDAs. In my opinion, it is not really a question of how much people are involved with the procurement process as much as how much competent people are involved with the procurement process.*



Moderator: Since according to you, the current structuring of government agencies allows MDAs the autonomy to make procurement in silos, how do you think we can get some of the huge bureaucracies to come together and take advantage of the benefits of bulk purchasing, helping cut further waste in government procurement?

Ms. Oniha: *When I say each MDA can go and buy what it wants, what I really mean is that each MDA can procure, subject to the procurement law, which prescribes openness, competitiveness and selectiveness, etc. and of course, there are price thresholds. In terms of prices, the agencies are expected to have prices listings on their website that should serve as a reference but there was hardly any agency with an updated listing.*

Practically speaking, some Ministries already have a guideline for what procurement they plan to implement. So for instance, at the beginning of the year, about five or ten MDAs who use the same sorts of paper, printer, computer can actually pull a collective budget and then one of them is asked to appoint a supplier based on certain criteria. That supplier is then appointed the contractor for that year, and when there's a need, the contractor supplies and the cooperating MDAs pay against an already agreed price list.

Moderator: How do you support the local economy if the MDAs keep patronizing foreign made products, from outside Nigeria? How do you encourage the local economy to work?

Ms. Oniha: *The truth of the matter is that most of the supplies and commodities procured by agencies of government are either produced in the country or by external producers who have offices in the country. Whether Apple, IDM, including papers supplies, we have many foreign paper manufacturers producing within the country. So a lot of procurement is sourced within the local economy. When we are buying, we do not necessarily go offshore; a lot of stuffs are bought here in Nigeria*

Moderator: How do you manage logistics cost in a situation where a Ministry purchases certain items from Aba, for supply to its Abuja office and to offices in the States? Do you suggest the whole thing is tied together to get suppliers to give one price for the purposes of discount?

Ms. Oniha: *In terms of logistics, these companies usually have branches located across the States, so splitting up logistic cost usually does not arise. However, where this is not the case, the procurement process makes provision for a logistic component.*

Aisha Duze, ALEGRIA/ METIS: How do we harmonize interventionist efforts from institutions like the Bank of Industry and the Abuja Enterprise Agency to maximize gains for 'nano' enterprises?

Mrs. Abubakar: *There is currently no recognition of the 'nano' category, as far as government is concerned. The starting point is to advocate for its formal recognition and we are currently doing just, including pushing for its acceptance by Nigerian Association of Small Scale Enterprises (NASME).*

Okpara Tamarapreye, THE OCCULAR: How do you bring in SMEs in the medical to also benefit from the 'nano' initiatives, including securing financing for business?



Mrs. Abubakar: *Access to finance is indeed, a huge challenge for ‘nanos’ in any sector. As already noted, the priority now is to secure government recognition for the category and then after, we could push for all the benefits.*

Rose Gyar, AEMSG/GLOCHEED: In all of your work, have you ever thought of having legislation in place to facilitate purchase of MSMEs products by government?

Mrs. Abubakar: *Actually, Executive Order 3 has 8 clauses which are all designed to encourage local producers. Additionally, MDAs are required to have first recourse to the local market, in respect of certain products.*

Jane Samson, MICTON: With the broad ranging reforms put in place to cut waste in government spending and increase savings, is it likely that we would someday soon see our government not have to borrow to fund national budgets?

Ms. Oniha: *The idea of the Efficiency Unit does not translate to mean that government will never have to borrow. Borrowing depends on budgeted spending vis-à-vis actual revenue. For now, the country is running a larger budget, spending more on capital infrastructure, social investments programmes like the school feeding programme, tradermoni etc, Actually, we all look forward to when we will not only have a balanced budget but a surplus budget. Until then, the check mark for us should be that our debt is sustainable and we can service it.*

Boniface Moses, CREDO ADVISORY: From your experience at the Efficiency Unit, how much time would it take to institute change, that is imbibe a new culture, starting from top management down the ranks?

Ms. Oniha: *Change from the top is important. You need the buy in of top management to succeed. It could be a long process, in terms of time but once convinced, one must keep pushing till change is achieved. At the Efficiency Unit, this was our attitude. We also solicited and got the cooperation of lower rung officers, who are critical to the successful implementation of a reform, anyways. We also collaborated with the external auditors for each MDA to achieve specific reform objectives. It was a multi-approach and one that required plenty of patience rather than a cut-off timeline.*

Ife Felope, NESG: How are these worthy reform initiatives by the Efficiency Unit devolved to the subnational – States and the local governments as true bedrock of the economy?

Ms. Oniha: *A lot is being done at the subnational. The Debt Management Office (DMO) took the same workshops and engagements held at the federal level to the subnational, achieving a lot of sensitization. The sustainability and efficiency programs of the DMO are effectively passed down to the subnational in a conscious attempt to ensure that the subnational government replicates these programmes of the federal government. Some of these programmes are now being supported by the World Bank as part modality for accessing development credit by the subnational.*



Mrs. Abubakar: *Information is also shared with the States at annual Council meetings of Ministries. Importantly too, Executive Order 1 mandates the publication of information, including on costs and procurement by agencies of the federal government on their website.*

PDF II Voices: Delivering Change at NASS – Multimedia Presentation 2

Mr. Adeleye, Reform Adviser at the Office of the Auditor-General of the Federation (OAuGF) commended PDF for its several interventions in the OAuGF, which ultimately has positioned it in tune with best practices. He also acknowledged the effort at assisting the OAuGF manage its erstwhile lukewarm relationship the Public Accounts Committee (PAC) of both Chambers of the National Assembly, as evidenced by both the smooth passage of the Audit bill in both Chambers.

PDF Embedded Adviser and technical adviser to the Appropriation Committee of the House of Representatives on his part, spoke glowingly about the automation of the information flow channel between the PAC and the OAuGF on the one hand and between the PAC and the MDAs on the other hand, all in respect of matters pertaining to public accounts, auditing and appropriation matters.

Speaker Presentation 2 – ‘Sustaining Change’

With his presentation on the sub-theme titled as “Achieving and Sustaining Result as a Reformer”, Dr. Joe Abah, Country Director, Development Alternatives Inc. (DAI) Nigeria shared his experiences with participants on achieving and sustaining reforms, spanning through his tenure as Director-General of the Bureau of Public Service Reforms Sept (2013 – Aug 2017) and his time as Country Director, DAI (since September 2017). Dr. Abah spoke around Dr. John Kotter’s 8-Step Process for Leading Change:

- Create a Sense of Urgency;
- Build a Guiding Coalition; Form a strategic Vision and Initiatives;
- Enlist a Volunteer Army;
- Enable Action by Removing Barriers; Generate Short-Term Wins;
- Sustain Acceleration;
- Institute Change.

Dr. Abah noted that despite his deference to the framework, his experience has made him to realize the importance of maintaining some flexibility in looking at the big opportunities.

He recalled that in respect of the first step, “Create a Sense of Urgency” he has applied some adaptation that sees him pursue certain chain of objectives from end-to-start rather than the conventional start-to-end approach. Illustratively, he cited the challenge which Nigeria’s Identity Card Management Commission was facing at a time. The Commission aimed to register



Nigeria's in a database and issue a multi-purpose identity card (with a N3, 000 production cost) at no cost to every registered Nigerian. Government had no funds to cover the production cost and so the registration process was delayed. However, upon proposing to the Commission that we could actually just register Nigerians and issue them with just identity numbers instead of identity cards, the entire registration process was reformed. Many more Nigerians are now being registered daily. On passport reforms, Dr Abah said upon discovering that a Nigerian passport can be issued by Immigration within 4 hours or several weeks, depending on how much one was willing to pay, he met with the Comptroller-General to impress it upon him to take the worthy road and standardize the 48 hours passport processing time. As a para-military organization, he has the authority to sanction any officer undermining such reform. He concluded his presentation by nothing that the surest route to sustainability is doing good work that citizens' desire and need and that the best insurance policy a reformer can have is the support of the public, not the fear of the elite.

Question and Answer Session – ‘Sustaining Change’

Moderator: Did you consider involving private sector in solving the identity card problem?

Dr. Abah: *Mastercard was involved in initial efforts at issuing identity cards but not in the identity management as that is a security issue which should rightly be handled by government. On bearing the costs for the cards, there was no way a profit-oriented private company could have agreed to bear the cost of production for free. Sovereignty and security concerns may make it inappropriate to allow private companies advertise on a country's National ID card.*

Mrs Aisha Abubakar: FORMER MINISTER OF INDUSTRY, TRADE AND INVESTMENT: In your experience, any hope that PPP can be successful in addressing some of these challenges?

Dr. Abah: *I believe that privatization by the government agency, the Bureau for Public Enterprise will continue to diminish as PPPs increase in acceptability. As a number of privatized government assets in our country indicate, privatization is not bereft of its own problems and sometimes may clearly not be the best option to achieve efficiency in some operations. Even the UK, a major proponent of privatization is now beginning to consider renationalizing some privatized assets. There sure is a role for PPPs. However, our knowledge of PPPs is quite limited for now, particularly on the government side. We need to brace up and take advantage of the huge gains that PPPs offer.*

O. Popoola, DFID, PERL: What do you think is the real problem causing the delay in passport processing, against the fact that it can be done in 4 hours?

Dr. Abah: *One good development is that one has to now register for National ID before you can get a Nigerian passport. Information captured is easily transmitted to immigration, making the passport process faster. The harmonization of data systems among government agencies will check corrupt systems and enhance efficiency. Nigerians must be also willing to demand more in terms of service delivery government institutions. There is no justifiable reason for undue delays in passport processing.*



Charles Abani, CHEMONICS: How do we as citizens who are at the mercy of poor service delivery by government agencies ensure that public officers are held accountable for their actions and inactions, and consequences follow any non-performance by such officers?

Dr. Abah: *Citing examples from India, Dr. Abah underscored that there is no alternative to getting citizens to demand more from public officials. He emphasized that citizens should be engaged to realize that they can indeed constrain the behavior of such officials.*

PDF II Voices: JCU & iHub; EEI – Multimedia Presentation 3

Special Assistant to the President on Internally Displaced Persons (IDPs), Mohammed Brimah shared stories of PDF's intervention in the North East. He noted that as an Embedded Advisor, he was tasked with preparing victims of insurgency in the area for post-insurgency life. He said the high point of successes recorded so far is the successful tailoring of the government's social investment programmes like conditional cash transfer, tradermoni etc, to suit the peculiarities of the conflict-stricken North East region. He also cited the establishment of the North East Humanitarian tech hub to help equip the survivors of the insurgency with tech skills as another major success story of PDF support.

Mr. Ife Adebayo, the Special Assistant to the Vice president on Entrepreneurship and Innovation took the opportunity to acknowledge the support of PDF in achieving the economic goals of the government. He explained that as an Embedded Adviser in the Office of the Vice President, he worked to ensure a linkage between private sector initiatives in the ecosystem and what government itself is doing. According to him, this contributed immensely to successful designs and implementation of government policies.

Presentation of Products and Launch of PDF II Resource Centre

Dr. Titilola Akindeinde, Programme Manager, PDF II formally launched the PDF Resource Centre: www.pdfnigeria.org/rc. The website archives PDF II's work with its numerous partners, as captured in "Stories of Change", "PDF Voices", Reports and Studies. She urged the public to take advantage of the huge wealth of resources on the website as evidence for policy decisions and inspiration for even more work. The resource centre is anchored on the PDF II's website 'www.pdfnigeria.org'.

Speaker Presentation 3 – 'Scaling Up Results'

Speaking on the sub-theme, 'Scaling Up Results', Dr. Kayode Fayemi, Governor of Ekiti State shared personal experiences from his time as Minister, of Mines and Steel Development (2015 – 2018) and as Governor of Ekiti State (since 2018). Upon his posting to the Ministry of Mines and Steel Development (MMSD), he described himself as an 'accidental manager' as he had no prior background in the mining sector. On resumption at the Ministry, he said he was immediately confronted with the twin-challenge of a demotivated work force and a virtually non-existent budget for the Ministry. He recalled that he spent his early weeks at the MMSD acquainting himself with all other challenges confronting it, top of which where:

- Lack of seismic data;



- Low technology utilization and productivity;
- Lack of credit facilities for the sector;
- Infrastructure deficit;
- Illegal mining and community challenges;
- Institutional weakness / low technical capacity;
- Federal-State subsidiarity tensions over mining rights and land ownership.

Expatriating on some of the challenges, Dr. Fayemi noted that only two banks offered some credit facilities, albeit insufficient, to activities in the sector, specifically, for cement production and quarrying. This was a huge disincentive in efforts to attract investments to the high-risk mining sector. He also noted that artisanal miners dominated the sector and their activities not only deprived government of revenue but also contributed to the degradation of the environment. Dr. Fayemi also emphasized that with mining placed under the exclusive list of the Constitution of Nigeria and land under the control of State Governors, the Federal-State subsidiarity tensions over mining rights and land ownership had become entrenched.

With a clear idea of the task at hand, Dr. Fayemi said his next move was to send a request to UKaid for an expert to assist him implement reforms in the Ministry. Shortly after he received the expert, Dr. Fayemi said he established a Mining Implementation Strategy Team (MIST) to oversee the implementation of his reform agenda. The MIST was immediately tasked with drawing up a plan on how to overcome the challenges confronting the sector. Dr. Fayemi recalled that the Team produced a 2-year plan (2016-2018) to reform the sector, including underscoring the need for a roadmap for the growth and development of the local mining industry. The team also developed a National Policy & Guidelines on artisanal miners (ASM) operations, geo-data acquisition and interpretation (aeromagnetic geo-information), on assurances to investors on sanctity of mining titles/licenses (implementation of IT Integrated Automation and Interactive Solid Minerals Portal) etc.

In easing the Federal-State subsidiarity tensions, Dr. Fayemi said his team sought for an administrative restructuring of the relationship instead of the more arduous constitutional one. He explained that the Ministry advised the States to incorporate Special Purpose Vehicles to which the Ministry could then issue mining licenses, as private companies. In this way, the States were able to participate in mining resources within its land and the Federal Government could more freely administer mining activities in the States. He remarked that the arrangement also protected indigenous peoples' rights to resources in land.

On the issue of non-existent credit for the sector, Dr. Fayemi said he made a successful case to the Federal Executive Council to increase special intervention funding to mining. Subsequently, mining was able to access the Natural Resource Development Fund – statutory support fund for Agriculture, Water and Mining. He emphasized that this was the first time mining accessed the Fund, unlike Agriculture and Water, which had always benefited from the Fund.

On artisanal mining, Dr. Fayemi explained that his approach to checking the menace was to move to formalized the activities of artisan miners rather than declare their activities illegal. This way, it was a win-win situation for all concerned parties, as government was able to better regulate the artisans and the artisans were also able to carry on their economic activity.



Dr. Fayemi commended DFID for its support in the execution of aspects of his reform agenda. He noted that PDF II was instrumental to putting together the support team that spearheaded the reform. Detailing some of the highpoints of reforms implemented in the mining sector, he proudly revealed that the sector now has a comprehensive Roadmap for its growth and development. He also cited the greater transparency in the sector, particularly, following the introduction of IT in the Ministries' activities, as another success story. Investments in the sector have seen a steady rise as a result, he exclaimed. Dr. Fayemi noted that between 2016 and 2018, the sector had achieved a significant growth trajectory, recording about 50% growth according to the Nigerian Bureau of Statistics. He also pointed to the increase in royalties paid by mining companies to the Government and the Government's approval of the extension of the resource derivation principle to the mining sector, as evidence of the huge strides in the mining sector during his tenure as Minister.

Drawing lessons from his partnership with DFID, through PDF II, Dr. Fayemi noted that tensions would always arise between embedded experts and civil service bureaucrats in the pursuit of reforms. A critical part of reforming is knowing how to manage the relationship between the two in such a way that does not compromise the reform objective. He advised development partners to always ensure that embedded experts work closely and in confidence with the bureaucrats. Embedded experts should seek to leverage on the bureaucrats knowledge of the system while the latter is encouraged to understudy the embedded experts. To buttress his point, Dr. Fayemi described his own experience in requesting an external expert from the Office of the Head of Service to support his non-expert Director of Research and Planning at the MMSD. He further stated that an embedded expert would hardly ever succeed without the trust and confidence of the bureaucrats. He warned that the bureaucrats know the system enough to either frustrate or facilitate the work of an expert.

On his approach to reforms as Governor of Ekiti State, Dr. Fayemi disclosed that he has had to leverage on support from development partners to pursue his programmes. With lean resources, he said his government had no other choice. He went on to note that he is already taking advantage of a competent team (mix of technocrats and politicians) with focused vision to implement his reform agenda. As Governor, Dr. Fayemi said he has also endeavoured to ensure the right balance between technocrats and professional politicians. According to him, in his first term as Governor, he had a 70%-30% ratio in favour of technocrats but in the current term, he has 60%-40% ratio, in favour of politicians. He noted that such re-balancing was necessary in order to win the trust and cooperation of the local politicians in the pursuit of reforms. He explained that he has done this without compromising his reform agenda as the technocrats hold critical portfolios in his government, despite being fewer in number than the politicians. He further explained that in this way, he has been able to manage *"local legitimacy without losing the impact that I want in government"*.

In concluding, Dr. Fayemi emphasized that in order to champion change, one must be clear about his vision and realistic on the timing and have the courage of conviction. He reeled out some of the lessons learnt in championing change as:

- Growth is formula-specific;
- Development is a deliberate process;
- Discipline and focus are key ingredients;



- Long-term vision and short-term planning are important;
- Periodic checks and balance (alignment) are routinely required.

Mr. Anthony Ayine, Auditor-General of the Federation also spoke on the sub-theme, 'Scaling Up Results', particularly, sharing experiences in leveraging resources to scale up reforms at the office of the Auditor-General. Laying a background, he noted that the Office of the Auditor-General of the Federation (OAuGF) had suffered decades of neglect and was in need of urgent reforms at the time of his assumption of office. Speaking further, he said the Office lacked basic requirements to exercise its role, including a lack of specific audit methodology or standards, no audit manuals were in use, inadequate trainings for staff, majority of audit staff had no equipment (laptops in particular), no enabling audit law for the institution, audit reports lacked rigour and credibility, and no IT Audit practice nor Performance Audit practice was in place.

Mr. Ayine said his first move on assumption of office was to put in place wide ranging audit reforms in the OAuGF. He accordingly established a 5-year strategic development plan for the OAuGF in 2017, with the support of DFID. He noted that the wide acceptability of the plan was evidenced in the fact that the Office received a special intervention fund as a direct result of the 5-year Plan, which was launched by the President himself. He explained that the fund allowed the Office to implement many areas of activity that otherwise would have been impossible, in particular: training of the entire staff on international standards of audit and accounting; provision of laptops for 100% of staff, up from 10%; purchase of data analytics software and initial training completed.

On the other hand, support from DFID was channeled towards the entire process leading up to a first ever enactment of an enabling Audit bill by the country's National Assembly. Mr. Ayine noted that the bill, which is currently awaiting Presidential assent, is expected to not just strengthen the OAuGF but also establish best practices in accountability institutions. He summed up the support to the process from DFID to include, hosting stakeholders' engagements and advocacy, sponsorship of 3 retreats for legislators to work on the bill and a study tour to the UK for stakeholders.

Mr. Ayine additionally cited the establishment of erstwhile non-existent audits standards and methodology for the OAuGF as another major mark of the support from DFID through PDF II. He detailed specifics of the support to include: train-the-trainer programmes; design and production of audit manuals and guides (Financial Audit, Compliance Audit, Performance Audit, IT Audit, and Quality Assurance manuals); capacity building by the UK National Audit Office; training to extractives team in oil & gas audit. Resulting from this support, the OAuGF now has: 40 Trained Trainers (FAM and CAM); Performance Audit and IT Audit practice in place; a Quality Assurance Unit; and has introduced Continuous Training Programme (CTP) for staff.

In terms of lessons learnt, Mr. Ayine suggested that a key bill like the Audit bill could have been more successful if the Executive arm of government was more involved in the process, and perhaps, owned the bill as an Executive bill. On trainings, he affirmed the realization that a culture of training and retraining must be established internally, as donor support is not a sustainable means to address all needs.

Question and Answer Session – 'Scaling Up Results'



Moderator: Why was there a conflict between land ownership and mineral ownership? What lessons were there to be learnt and did your views on the issues change with your roles as Minister and Governor?

Dr. Fayemi: *Logically, anyone who changes role would not necessarily have his views remain static because of new information at his disposal. My State's Mining Division kept emphasizing that we cannot run away from decentralization in the management of resources and for accountability purpose, government must move closer to the people. We take the view that natural resource governance must take into account local level interest. There must be a balancing of this two.*

Moderator: How have you managed relations with the current Minister since you left to be Governor, in terms of the land ownership and mineral dichotomy?

Dr. Fayemi: *Fortunately, the current Minister of MMSD has stuck to the roadmap that we developed. Also, at the National Economic Council, I chair the sub-committee on solid minerals and given the fact that the NEC is responsible for management and direction of economic activities in the Federation, I still have routine contact with the Ministry and its work. Relations have been very cordial with the Minister and in terms of continuity; he has done so well in falling back on the rich institutional knowledge at the Ministry to ensure continuity.*

Gbenga, DATA RELATIONS: Given the framework that is now in place in the mining sector, can we expect huge revenue from the sector anytime soon?

Dr. Fayemi: *Mining is actually a long-term business, in terms of returns. However, the returns are huge when they eventually come. Patience is required. Government must be willing to invest heavily if it expects heavy returns in the future. Perhaps, a rejig of the framework to ensure a balance between federal-state-local interests could be more rewarding,*

Chiagozie Nwisu, FRANCHISE BUSINESS DEVELOPMENT SERVICES: What do you think are the prospects to use franchising in scaling up the opportunities in the mining ecosystem and in Ekiti State?

Dr. Fayemi: *Franchising could be a good approach. However, I do not believe a straight-jacket (sic) approach is the way to go. We must be content-specific with what we do with franchising. Concessions, PPPs etc are examples of other models we could adopt to scale up opportunities in the sector.*

Simon Tuleh, DAPINES GLOBAL: How can private investors interested in investing in the public projects secure their returns, particularly, in the face of the several bottlenecks plaguing the public sector?

Dr. Fayemi: *Unfortunately, government in Nigeria may be "bad business". In principle, succeeding governments are never bound by their predecessors. In Ekiti State, we have decided to do things differently. We are moving the State's assets to the State Investment Corporation. Investors can then deal with the Corporation – a private entity. We have also*



enacted a transition law in Ekiti State to guarantee continuum of government actions and responsibilities.

Retan Gukas, CORONA MANAGEMENT: Having worked as Minister and now as Governor, how do you make room for the poorer part of the population in your work?

Dr. Fayemi: *In my experience, it is easier to impact the poor as a State Governor with all the paraphernalia of executive power. A Minister does not have all that power to act unilaterally, without recourse to the President, even if he has all the good intent. Even where he has the cooperation of the President, he still has to rely on the hugely bureaucratic civil servants to execute his policies.*

Moderator: You spoke of home-grown trainings. What advantage do you think these offer compared to donor funded training? What benefits do you consider the Audit bill as offering?

Mr. Ayine: *By home grown trainings, I mean using local trainers to deliver trainings. Local trainers better know the local needs and can tailor training programmes to suit the local peculiarities. When passed into law, the Audit bill will provide the OAuGF with both operational and financial independence. We will effectively have control and management over our staff.*

Moderator: What is OAuGF doing to secure presidential assent for the Audit bill?

Mr. Ayine: *We are currently engaging with the Executive on the bill; advocating on its importance and re-examining areas of concerns raised by the Executive.*

Closing

The event ended at about 2.45pm with some words of appreciation to the PDF team from Dr Abah, Country Director, DAI. He commended the resourceful team led by Dr. Akindeinde for its hard work over the past 5 years.

Dr. Akindeinde, Programme Manager, PDF II in giving her vote of thanks expressed her appreciation to Governor Fayemi and all the other “Champions of Change”, the Office of the Vice President and the PDF II Embedded Advisers who all worked with PDF II to bring about the resounding successes recorded by the programme. Dr. Akindeinde also paid special tributes to Dr. Abah for his inspirational support to the PDF II team. She expressed gratitude to her husband who encouraged her to keep exceeding limits. Lastly, she thanked the PDF II team whose hard work brought about all the accomplishments.

