NIGERIA'S EXPERIENCE WITH IDENTITY SYSTEMS FOR CIVIL SERVICE REFORM

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Civil Service Reform in Nigeria - Background

- The Government of Nigeria commenced a study on Public Service Reforms (PSR) on return to democracy in 1999

- Developed a strategy document tagged "National Strategy for Public Service Reform (NSPSR)" in 2003.

- The strategy provided a long-term agenda to guide the rebuilding and transformation of the Federal Public Service with the objective of having a World-Class public service.

  This strategy was based on four (4) pillars:

  i) Create an enabling Institutional and Governance Environment to enable Public Service Institutions deliver public goods and services with integrity, transparency and accountability;

Civil Service Reform in Nigeria – Background Cont'd

ii) Create an enabling Socio-Economic environment in order to accelerate and sustain economic growth and poverty reduction, through institutional pluralism and inclusive participation in the delivery of public goods and services;

iii) Implementing a PFM Reform to achieve strategic, efficient and effective mobilization, allocation and use of public resources, fiscal discipline, transparency, integrity and accountability through timely reporting; and

iv) Implementing a Civil Service Administration Reform to rebuild the Civil Service as the primary institution for efficient and effective delivery of Government Policies and Programmes.

NIGERIA'S EXPERIENCE WITH IDENTITY SYSTEM FOR CIVIL SERVICE REFORM

- **National Identity Scheme** - by the National Identity Management Commission (NIMC);
- **National Voters Registration Scheme** - by the Independent National Electoral Commission (INEC);
- **Nigerian e-passport Scheme** - by the Nigerian Immigration Service (NIS);
- **Biometric based Integrated Personnel and Payroll Information System (IPPIS)** - by the Office of the Accountant-General of the Federation;
- **Biometric Verification Number (BVN) scheme** - by the Central Bank of Nigeria (CBN) in conjunction with the Nigeria Inter-Bank Settlement System (NIBSS) to streamline account numbers across all Commercial Banks in the country, etc.
- **National Drivers' License** – by Federal Road Safety Corp

NIGERIA'S EXPERIENCE WITH IDENTITY SYSTEM FOR CIVIL SERVICE REFORM – Cont'd

- Ideally, these schemes are suppose to leverage on Identity records collected by NIMC, an agency empowered by law to create unique Identity record and issue National Identity Number (NIN) to all citizens of Nigeria. With this in place other Identity systems can perform authentication checks in order to populate their systems with authentic biometric records.

- Unfortunately, NIMC's Database is yet to reach sufficient level of coverage, hence the proliferation of divergent Identity Systems by Agencies to meet their peculiar needs.

- However, efforts are currently being put in place to consolidate these identity systems based on the NIMC's standard going forward.

BIOMETRIC AS COMPONENT OF AN IDENTITY SYSTEM

- Biometric is a measure of identity based on a physiological or behavioral characteristics.

- It is an effective personal identification mechanism unique for each person.

- It cannot be forgotten, lost or stolen like other conventional identification methods.

- It requires devices such as camera or scanner to capture and store the image with the aid of computer hardware and software.

- Features extracted during biometric enrolment and acquisition stages are often transformed through a non reversible process into templates in order to facilitate the storage and matching processes.

THE CIVIL SERVICE REFORM - PAYROLL

- Payroll reform was part of the overall Civil Service Reform initiated during President Olusegun Obasanjo's era (1999-2007) and facilitated through World Bank funding.

- The funding couldn't have come easily without the effort and support given by the then Minister of Finance (Dr. Ngozi Okonjo Iweala) who was a former executive in the Bank.

- Intended at addressing pre-reform payroll issues, some of which are:
    - i.   Payroll based on budget and not nominal roll – subject to abuse;
    - ii. Decentralised Payrolls – Monitoring against budget and Planning extremely difficult;
    - iii. Ghost worker syndrome flourished;
    - iv. Data collation, Reporting and slow decision making

Payroll Reform Tools and Objectives

Tool Used: Integrated Personnel and Payroll Information System (IPPIS)

Key objectives of IPPIS project:

- ➤ To facilitate human resources planning by providing information for decision making;

- ➤ To providing a platform for accurate budgeting and annual recurrent expenditure on staff emoluments;

- ➤ To monitor monthly payment of staff emoluments against FGN's annual budget to ensure minimal wastage and leakage;

- ➤ To aid planning for training and pension purposes.

- ➤ To enable the Federal Government of Nigeria ascertain the actual number of its employees and emolument.

Payroll Reform Tools and Objectives – Cont'd

➢ To eliminate payroll fraud such as multiple payment of emoluments to single employee or payment of monthly salary to a non-existent employee;

➢ To facilitate easy storage, updating, and retrieval of personnel records;

➢ To ensure database integrity so that records that have been created cannot be manipulated by unauthorized users;

➢ To enhance confidence in the process of determining staff emolument cost;

➢ To ensure prompt deduction and remittance to accounts of all third parties payments such as Contributory Pension deductions, National Housing Fund deductions, PAYE, loan repayment, etc.

IPPIS IMPLEMENTATION (NIGERIA'S SUCCESS STORY)

The success recorded thus far, is very encouraging.

➢ About **N12 Billion (USD 60.9 Million)** was saved from pilot implementation between 2007 and 2009. The pilot was funded with **$4.99 Million** World Bank loan.

➢ About **N160 Billion (USD 812.18 Million)** was saved, and over **60,000 Ghost workers** removed as at 2014;

➢ About **N220.8 Billion (USD 1.12 Billion)** was saved cumulatively, and **391 MDAs** with a **total employee enrolment of 288,858** were captured on the IPPIS Platform, by December, 2015.

Note: 2nd Phase Service-wide Contract was funded from budget with about **N2.11 Billion (USD 10.76 Million)** exclusive of yearly operational cost allocations.

IPPIS ENROLMENT PROCEDURES

- ➢ Online registration and input of personal information
- ➢ Generation and printing registration slip for a successful enrollee, which must be counter-signed by HOD and Head of Personnel
- ➢ Loading of online registration data onto a mobile server or laptop for biometric data capture at the MDAs' locations
- ➢ Verification, Scanning of supporting documents and Biometric capture;
- ➢ Automated Finger Identification System (AFIS) run on the Biometric Data to check the quality of finger prints captured and as well ensure that there are no matching finger prints already existing in the system with the incoming ones.
- ➢ All successful employees are automatically migrated to the AFIS Database and then replicated into IPPIS Database for proper pay rolling and subsequent salary payment.

BENEFITS OF IDENTITY SYSTEM IN PAYROLL MANAGEMENT IN NIGERIA

The benefits from Implementing the Identity System Payroll Management in Nigeria includes the following:

i. Reduced payroll bill;

ii. Centralized Personnel Records for all MDAs that are currently on the platform;

iii. Instant reporting capability for prompt decision making (how many staff on payroll at a particular point, their location, State/Local Government of origin, Grade Level);

iv. Greater efficiency, transparency and accountability in the payroll and personnel cost management for all MDAs on the IPPIS platform;

BENEFITS OF IDENTITY SYSTEM IN PAYROLL MANAGEMENT– Cont'd

v.   Prompt release of salaries to employees' accounts and payment to third parties at the end of the payroll processes;

vi.   Effective and efficient manpower planning process and quick decision making;

vii. Ease in the storage and retrieval of personnel records to support monitoring of staff emolument payments against budget;

viii. Prevention of wastages and leakages by ensuring that staff remuneration is based on factual and correct information.

IMPLEMENTATION CHALLENGES OF IDENTITY SYSTEM IN PAYROLL MANAGEMENT

i. Poor state of supporting infrastructure – Connectivity (inadequate bandwidth, delayed provision of link between PDC and SDC for online data replication) and Power;

ii. Resistance from Stakeholder MDAs by prolonging implementation period;

iii. Lack of sufficient skill transfer to government personnel which prolongs Consultants stay on the Project;

iv. Burden of high License and System Maintenance fees;

v. Paucity of fund to fast-track project completion;

vi. Lack of clear agreement on Project scope between government and Solution vendor;

vii. Posting of employees from IPPIS MDAs to Non-IPPIS MDAs and vice versa creates Personnel Cost Budget constraints for some MDAs.

Lessons Learnt

Lessons learned from the IPPIS implementation in Nigeria, includes:

- ✓ Sufficient time for planning, scoping and sensitization is key for successful project delivery, lack of which leads to high cost, prolonged delivery, and possibly, disputes;

- ✓ Despite deficiencies in the Change Management delivery of the project significant achievement of the objectives of the project are being realized;

- ✓ Non involvement of Government technical staff in the setup and configuration of the system is a big challenge for skill transfer;

- ✓ The poor state of infrastructure (Connectivity and Power) is a basis for increased resistance for the IPPIS project;

- ✓ The IPPIS has demystified the hitherto complex Personnel and Payroll management in terms of cost and reporting.

Overcoming Challenges of ID System Implementation for Civil Service Reform

i.   Proper and well defined scope should be agreed before embarking on such projects.

ii. A sustained source of funding should be established.

iii. Effective change management process should be developed to weaken any form of resistance that may occur during the lifecycle of the project.

iv. Use of Biometric Technology is a veritable tool for weeding payroll systems of ghost workers or employees because of its ability to enforce uniqueness of records in databases. It should therefore, be incorporated in the automation processes of Civil Service Payroll, especially where there is no central Identity System

v.   Use of Central Identity System if any exists to reduce enrolment cost and increase speed of enrolment.

vi. Investment in Identity system should be given high priority by Government to gain more economic value from their reform initiative.

Conclusion

➢ Nigeria's experience with the use Identity System in its Civil Service Reform has been found to be very laudable. The use of biometric technology to ensure no duplicate employee records are created has reduced payroll fraud significantly. There are also successes recorded in other Identity System projects embarked upon in the country which in most cases have some economic values attached to them.

➢ The huge savings of about **₦220.76 Billion (USD 1.12 Billion)** recorded as a result of the implementation of a Payroll solution with imbedded AFIS technology for the Civil Service in Nigeria plus the anticipated savings from the remaining 134 MDAs inclusive of security Agencies would indeed prove that there is **significant economic value in the exercise, which justifies investment in identity systems**. This is indeed worthy of emulation by other countries.

➢ Donor nations in particular, should show interest in such projects by making funds available to interested countries for successful implementation of the schemes.

End of Presentation

Thank you for listening!