



POWER SECTOR REFORMS, THE GAINS, CHALLENGES AND NEXT STEPS

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PREAMBLE



In Nigeria and other developing countries of the world, governments have the major responsibilities for the maintenance of stability and the promotion of rapid economic and social development.

These responsibilities of governments have become more compelling in Nigeria today in view of the harsh economic climate and the highly deplorable conditions of living of most Nigerians. Government agencies are therefore designed for the realization of these responsibilities





01

WHAT ARE REFORMS





WHAT ARE REFORMS

Reforms are simply an amendment of what is wrong, corrupt, and unsatisfactory. It is instituted to change to a better state by alteration or abolition of what currently exists or its substitution for something with better prospects and promises. In Nigeria, the culture of reform is part of our political history and has become more pronounced since the return to democracy in 1999.



WHY REFORMS IN NIGERIA

Public Service in Nigeria and all over the world is characterized by reforms and reviews that are aimed at increased performance, Efficiency and Effectiveness in productivity and service delivery.

Nigerian Public Service history is replete with such reforms from the colonial days up to our current dispensation.



TIMELINE OF MAJOR REFORMS IN THE NIGERIAN PUBLIC SERVICE

The Morgan
Commission
of 1963.

The Adebo
Commission
of 1971.

The Udoji
Commission
of 1972 to
1974.

In 1979
Nigerian
Public Service
was modeled
after the
United States.

There was the
Dotun Philips
Panel of 1985
that attempted
to also reform
the Nigerian
Public
Service.

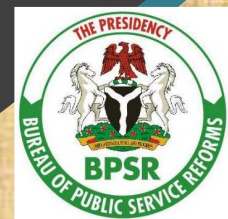


TIMELINE OF MAJOR REFORMS IN THE NIGERIAN PUBLIC SERVICE

The 1988 Public Service reorganization decree promulgated by Gen Ibrahim Badamasi Babangida's administration

The Ayida Panel made reversals of some of the innovations introduced in the past.

1999, Nigerian made one systemic reform that still prevail today in the Nigerian Public Service.

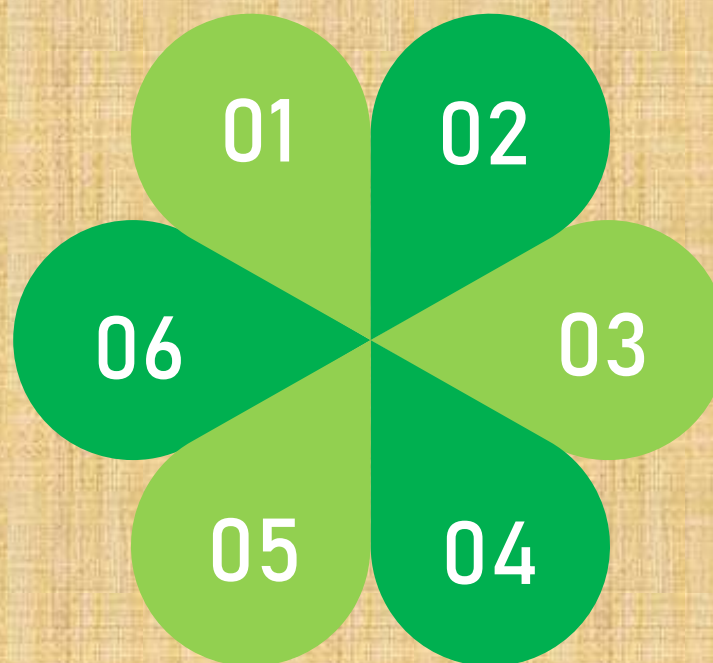


REFORMS UNDERTAKEN IN NIGERIA -1999 to Date

01 POWER SECTOR REFORMS

02 PENSION REFORM

03 MONITIZATION POLICY REFORM



04 INTEGRATED PAYROLL AND PERSONNEL INFORMATION SYSTEM (IPPIIS) REFORM

05 ANTI-CORRUPTION REFORMS

06 HOUSING AND URBAN DEVELOPMENT REFORMS



REFORMS UNDERTAKEN IN NIGERIA -1999 to Date

07 CIVIL SERVICE
ADMINISTRATION
REFORMS

08 BUDGET
REFORMS

09 PUBLIC FINANCIAL
MANAGEMENT
REFORMS

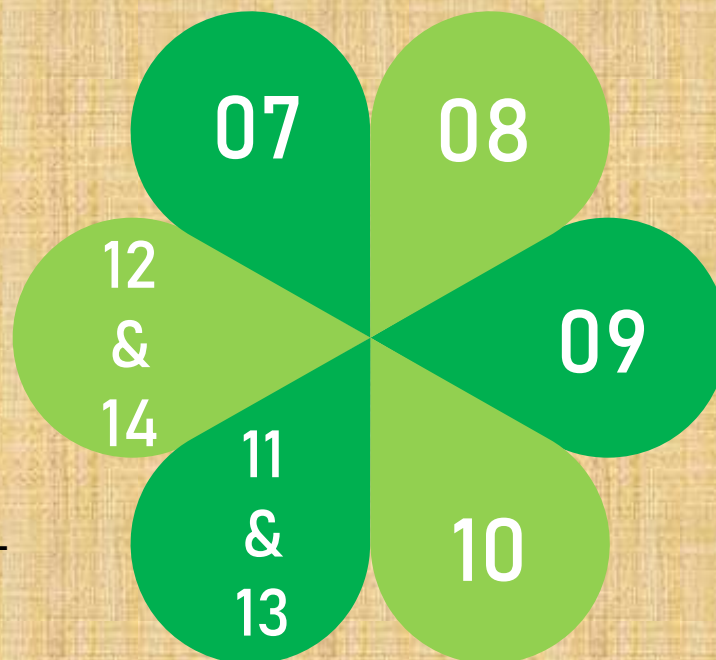
13 FINANCIAL
SECTOR
REFORMS

14 FOOD AND DRUG
ADMINISTRATION
REFORMS

10 PRIVATISATION

11 INFORMATION
COMMUNICATION
TECHNOLOGY

12 ELECTORAL
REFORMS





02

POWER SECTOR REFORMS



POWER SECTOR REFORMS

The unbundling of the Power Holding Company of Nigeria (PHCN) and privatisation of power generation and transmission after many years of unsuccessful attempts remains a significant achievement.

The reforms have also reduced the cost of governance, as government is no longer saddled with huge cost outlays incurred before privatisation. Corruption that was hitherto rife on estimated bills, ghost workers, and inflated contracts is no longer a big issue.



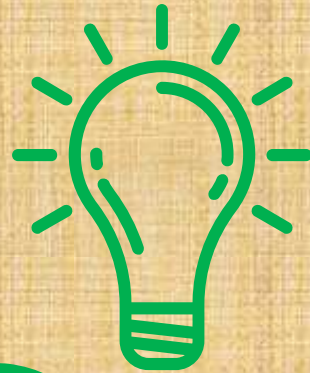
REASONS FOR POWER SECTOR REFORMS

01

INADEQUATE
ELECTRICITY SUPPLY

03

HIGH TECHNICAL AND
NON TECHNICAL
LOSSES

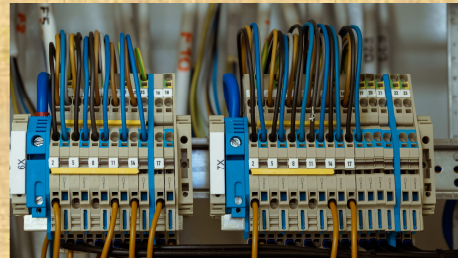


02

LOW GENERATING
PLANT AVAILABILITY

04

INCESSANT
POWER OUTAGE



POWER SECTOR REFORM ACTIONS

The government has been consolidating and deepening the power sector reforms through the following reforms actions

- National Renewable Energy and Energy Efficiency Policy (NREEEP – 2015)
- Rural Electricity Strategy Action Plan
- Nigerian Power Content Development Policy
- Nigerian Renewable Energy Action Master Plan (NREAP) 2015
- National Energy Efficiency Action Plan (NEEAP) 2015
- Sustainable Energy for ALL-Action Agenda (SE4ALL-AA)
- Incremental, stable and uninterrupted power initiative
- **Renewable Energy and Energy Efficiency Policy**
- Power Sector Recovery Plan
- Incremental, stable and uninterrupted power initiative



POWER SECTOR REFORMS ACTIONS



POWER
SECTOR
RECOVERY
PLAN



RURAL
ELECTRICITY
STRATEGY
ACTION PLAN



NIGERIAN
POWER CONTENT
DEVELOPMENT
POLICY



SUSTAINABLE
ENERGY FOR
ALL-ACTION
AGENDA
(SE4ALL-AA)

ADDITIONAL REFORM ACTIONS

Some of the reform initiatives undertaken by the various agencies responsible for ensuring adequate and stable power supply are as follow:



DISTRIBUTION
EXPANSION
PROGRAMME



METER ASSET
PROVIDER
REGULATION



NIGERIA ELECTRICITY
LIABILITY MANAGEMENT
LTD/GTE



RURAL
ELECTRIFICATION
AGENCY



GAINS OF POWER SECTOR REFORMS



POWER SECTOR REFORMS - GAINS





CHALLENGES OF POWER SECTOR REFORMS



POWER SECTOR REFORMS – CHALLENGES

Lack of maintenance of aging (old) Generation, Transmission and Distribution infrastructure e.g. Turbines, transmission Towers, transformers, etc.

Prevalence of estimated billing system by old Discos due to inadequate metering of Customers which result in revenue shortfall.

Tariff – The current tariff for the Power supplied to consumers cannot cover all the costs of production especially in view of the fact that the cost of gas being used in generating power is usually priced in foreign currency and not in Naira which has continuously depreciated against the US Dollar.

Poor remittance of revenue by the DISCOs – According to the sales agreement, the DISCOs are supposed to pay 60% of the revenue by they generate but they pay only 30% according to the Market Operator and this is negatively affecting the operations of the power value chain.

POWER SECTOR REFORMS – CHALLENGES

- Funding;
- Electricity theft.
- Liability creep on inherited liabilities;
- Inadequate Skilled technical manpower to manage the Power Infrastructure.
- The incessant system collapse
- Reduction in the amount of Generated MW as stranded power due to low Transmission capacity.
- Constant vandalism of Power distribution, transmission facilities and gas pipelines in the years under review
- DISCOs ineffective billing collection system and their inability to meter their consumers.
- Debts owed to Electricity Distribution Companies – All the Electricity Distribution Companies are collectively being owed more than N100 billion by Ministries, Departments and Agencies; as well as Military and Para-Military establishments. The heavy debt is seriously affecting the operations of the Distribution Companies as well as liquidity in the Nigerian Electricity (NESI).



NEXT STEPS OF POWER SECTOR REFORMS



POWER SECTOR REFORMS – NEXT STEPS

NEXT STEPS

As part of the Interim Market Rule to guide market operators, Government is partnering with stakeholders in order to arrive in fixing a cost-reflective tariff which would stimulate and sustain the growth of the Power Sector, and also attract investment to the sector;

NEXT STEPS

On Metering, the Distribution Companies need to be given deadline by the Nigeria Electricity Regulatory Commission to stop estimated billing and provide meters intensively to their Customers. Also Distribution Companies should provide access to power to our people in the rural areas via energy mix. (Renewable Energy);

NEXT STEPS

Government is to Introduce Digital Security Surveillance of the Gas Power Infrastructure in order to reduce to minimum the cases of vandalism on the Power generation and the economy at large.

POWER SECTOR REFORMS – NEXT STEPS

NEXT STEPS

In view of the problems of Gas infrastructure vandalism which often reduces the generation output of the thermal Power Stations, Government is to intensify and give priority to Renewable Energy in order to achieve the Electricity Vision 30:30:30 through which by the year 2030, 30GW of electricity is expected to be generated out of which 30% will be from the Renewable Energy as resolved at the Second National Council on Power in July 2016;

NEXT STEPS

Introduction of Credit Advance Payment for Metering
Implementation (CAPMI) programme;

NEXT STEPS

NELMCO consideration to warehouse post privatization liabilities; and Debt restructuring, or debt swap to convert some creditors to holders of long term bonds

NEXT STEP

8 things public servants have learned from Covid-19



03

CONCLUSION/ RECOMMENDATION



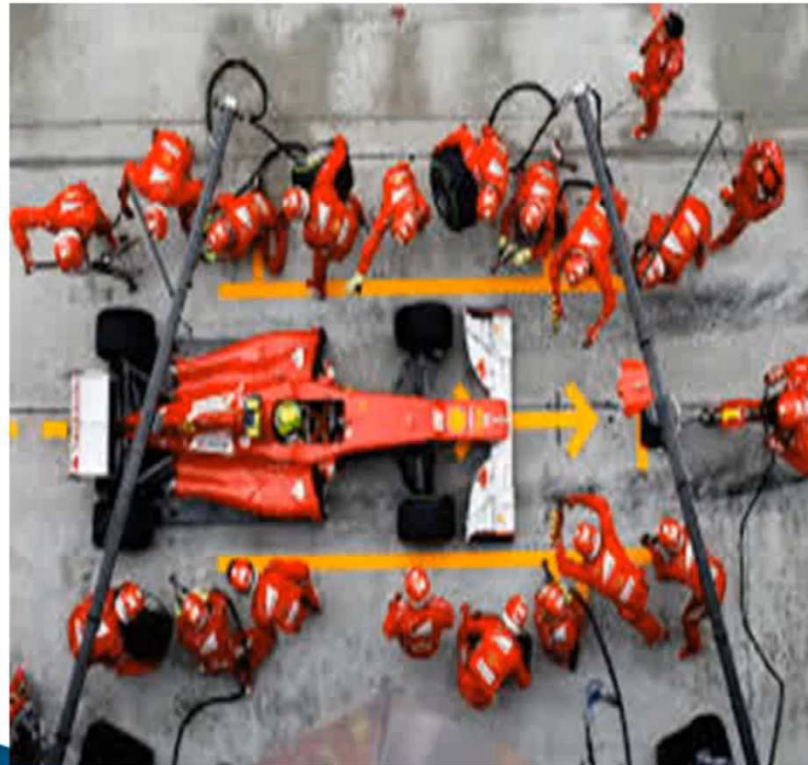
CONCLUSION

The decades of appalling performance of the Nigerian Electricity Supply Industry,[NESI], have left many Nigerians wondering if NESI could ever be remedied given that its role in Nigeria's economy cannot be overemphasized.

It is worthy of note that despite the plethora of Reforms from several quarters – national and even international, citizens are calling for improvement.

It is however clear that beyond the mysticism that has characterized the possibility for an effective NESI, a cursory look at the Proposed Next Steps reveals that there are huge learnings to lean from them and more importantly, that a vibrant and efficient NESI is possible if only ALL hands are on deck to achieve same.

TEAM WORK IS ENCOURAGED IN NELMCO



Excellent
Team
work

RECOMMENDATION

The Following are recommended:

- Revaluation of the capital base of the electricity Distribution Company , Investors, and possible increase in the capital base.
- Further unbundling of the current distribution sub-sector to 1 Investor per state: It has been canvassed severally that the coverage areas for the DisCos are too large and would not make for effectiveness of the DisCos hence, the need to further unbundle the distribution sub-sector of the value chain comprised of 11 DisCos into 36 DisCos. This will ensure effectiveness of DisCos as well as monitoring.
- Development and Monitoring of Implementation of Performance Improvement Plan ,PIP.
- TCN should also be required to periodically upgrade the equipment and infrastructure.
- Need for Regulatory and Policy Consistency and Clarity
- Training ,upskilling and reskilling of human resources in the Sector

04

ABOUT US



ABOUT US

The Bureau of Public Service Reforms (BPSR) was established in 2004 as the lead Agency and 'Engine Room' for integrated reform initiative, implementation, coordination and harmonization.

BPSR was established based on the need to have an "engine room" that is enabled with the required capability and resources to leverage on local and international knowledge networks and communities of public administration best practices, to support policy, institutional and governance reform processes with required expertise, and good practices on an on-going basis.

Bureau for Public Service Reforms statutory responsibilities to initiate action on reforms at the Public Service Level; Coordinate, Monitor and Evaluate the Implementation of Reforms in Ministries, Departments and Agencies (MDAs) as well as Disseminate Information on all aspects of Public Service, amongst others,



VISION, MANDATES & MISSION

VISION:

As a result of BPSR implementing its Mandate, We see Nigeria with a well functioning, effective and efficient socio-economic system

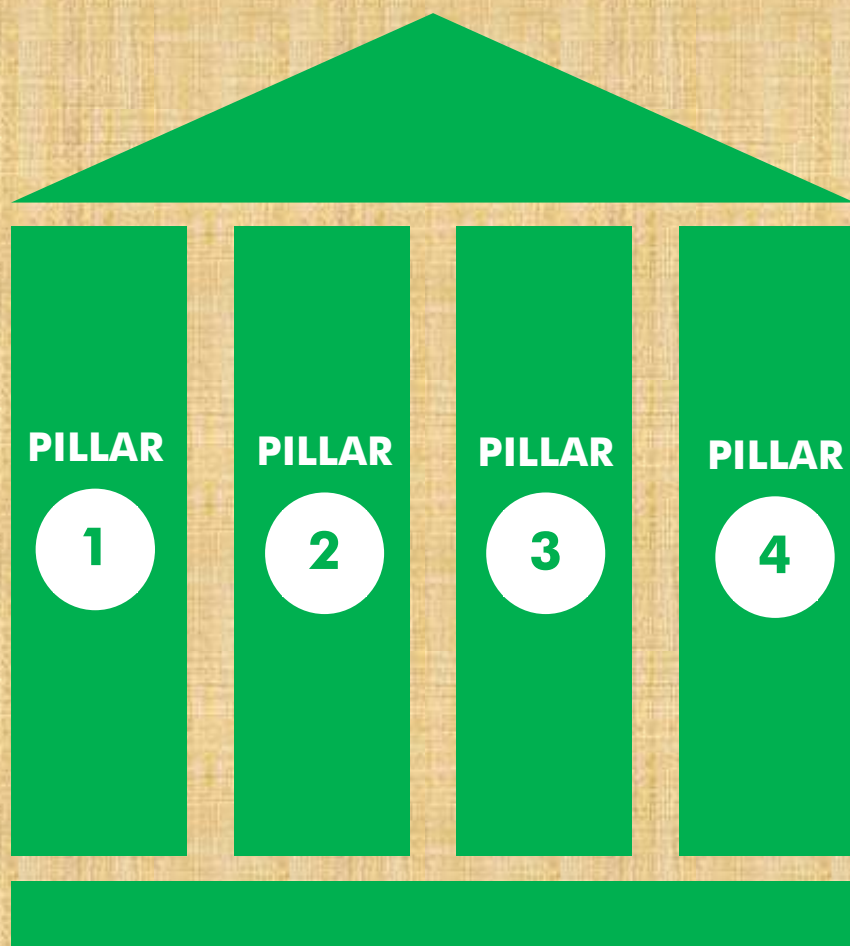
MANDATE:

To Initiate, Coordinate, Monitor and Evaluate implementation of reform programmes and policies, Conduct research on implementation efforts and present 'best practice' models

MISSION:

To facilitate the building of Nigeria's Public Service into a highly functional, professional, customer-focused and result-oriented institution

THE FOUR PILLARS OF NSPSR



PILLAR 1 –Coordinated By OSGF

An enabling institutional and governance environment

PILLAR 2 –Coordinated By MFBNP

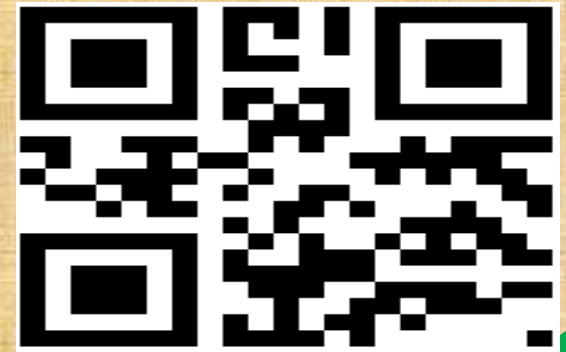
An enabling socio-economic environment

PILLAR 3 –Coordinated By MFBNP

Public Financial
Management Reform

PILLAR 4 –Coordinated By OHCSF

Civil Service
Administration Reform



Thank You

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