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**Nigeria Economic Reform and Agricultural Growth  
Quarterly Performance Report  
for January 1, 2001 through March 31, 2001**

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Submitted to:

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and

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Contract # OUT-I-801-97-00017-00  
Task Order # 801

Submitted by:

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**April 20, 2001**

**NIGERIAN ECONOMIC REFORM PROJECT**  
**BUREAU OF PUBLIC ENTERPRISES**  
**QUARTERLY REPORT – JANUARY 1 – MARCH 31, 2001**

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**General Information**

1. Contract Number: OUT-I-801-97-00017-00
2. Performance Dates: January 1 to March 31, 2001
2. Project Management: Michael B. Dan
3. Project Description: Economic Reform and Agricultural Growth – National Council for Privatization

**I. Executive Summary**

The Nigerian Privatization Program contemplates the implementation of three phases (Phase I, II, and III) of increasing difficulty. Currently, the Federal Government of Nigeria (FGN) has nearly completed Phase I of this privatization program. This phase mainly involves selling Government minority holdings in companies already listed, while it prepares for the subsequent phases. Given the relatively uncontroversial nature of this first phase, the program, as expected, has not faced substantial difficulties in its implementation. The main difficulty has arisen because the Privatization Law requires to sell specific allotments of shares to inhabitants/institutions of individual states. This problem has now been resolved and Phase I of the privatization program is expected to be successfully completed by April 2001. The first phase of the privatization program is expected to yield revenues of about US\$ 190 million.

The upcoming two other phases of the Nigerian Privatization Program will be far more complex, and controversial since each includes the privatization companies that are major employers, and are engaged in activities that have received a substantial Nigerian government investment (steel, paper, sugar, and automotive assembly). It also includes companies in the public infrastructure sectors (electricity, ports, telecoms, pipelines) and/or other sectors, primarily, oil and oil related activities, which Nigeria considers to be strategic.

Phase II of the privatization program started in late 2000 and is scheduled to be completed during 2001. FGN plans the privatization of 42 companies in Phase II, including Nitel, the Nigerian telephone company. Substantial delays can already be anticipated at this early stage. By this time, at the end of the first quarter, no Phase II company has been privatized. The privatization of Nitel is still on schedule, but no African telephone company has been privatized within a six month time frame, as is hoped for Nitel. Moreover, the progress of the Nitel transaction can be delayed by the offering of a license to a second national carrier.

While FGN is committed to the privatization program, according to the press, it still makes substantial investments in the private sector. Recently, for example, FGN announced that it would invest more than US\$ 550 million in the steel industry, US\$ 150 million in the aluminum

industry, and US\$ 30 million in the paper industry. It should be emphasized that the functional ministries are making these investments, not the Bureau of Public Enterprises.

The emphasis of this USAID-funded project has been in providing technical assistance to support in the planning activities as well as in the institutional capacity building for Phase II of the FGN's Privatization Program. Concurrently, the project is also providing substantial implementation assistance for the completion of Phase I of the program. However, this component is expected to be completed early in the next quarter.

During the first quarter of 2001, the contractor continued to focus its efforts in the execution of tasks related to the following six sets of activities emphasized by the project:

1. Completing Phase I of the privatization program.
2. Planning and capacity building for Phase II of the program.
3. Planning and implementing a Public Awareness (PA) strategy for Phase II.
4. Continuing training of BPE staff in the areas of valuation and utility privatization (telecoms and electricity) to prepare for Phases II and III.
5. Completing a needs assessment and an implementation plan for management information systems.
6. Conducting a series of focus groups and meetings with unions to assess needs and priorities of the workers and unions and begin to create a database for assessment of the costs of alternative retrenchment packages.

## **II. Project Status/Accomplishments – Focus of Activities for the First Quarter of 2001\***

### **II.1 Completion of Phase I of the Privatization Program**

For political and institutional reasons, the implementation and completion of the first phase of the Privatization Program was delayed. The most difficult issue to overcome was the requirement posed by the Nigerian Privatization Law that shares of enterprises being sold must be allocated on the basis of electoral districts. Unfortunately, the investors' interest for the shares offered did not conform to this pattern. While this has been resolved, the poor quality of the investment intermediaries and the allotment proposals continue to delay the process. To overcome this issue, high quality, verified allotment proposals are urgently needed. During the first quarter of 2001, IBTCI's team continued to work together with BPE and the investment intermediaries seeking to achieve this.

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\* A follow up on the work plan submitted in the October to December 2000 Quarterly Report will be provided in the report for the month of May.

## **II.2. Planning and Capacity Building for Phase II of the Program**

During the first quarter of 2001, BPE continued planning its strategy and tactical approach to its operations for 2001 and the implementation of the second phase of the privatization program. In January, BPE held a management retreat to plan for Phase II of the privatization program. During this retreat, the plans for Phase II were made more concrete. As a result, while the project continued its emphasis on organization, systems and staff development, and advisor and core investor selection, the project is also helping BPE complete the diagnostic reviews and get the companies (in particular the airports, ports, sugar plants, paper mills, and oil palm companies) ready for Phase II privatization. Moreover, the staff of the project has been extensively involved in assisting in practical selection of advisors for privatization transactions, including Nitel and the hotels. Finally, the project has been responsible for developing a draft report on Nigeria Railways.

## **II.3. Planning and Implementing a Public Awareness Strategy for Phase II**

The overall National Campaign Budget has been held in abeyance since the 3<sup>rd</sup> quarter of 2000, as the National Council on Privatization is currently reviewing it for approval. Therefore, for the last quarter, external PA has been limited to activities for which no budget is needed, e.g. press briefings, columns, etc.

The project has continued to assist in developing concepts for domestic marketing, particularly by assisting in the better management of the key issues facing BPE. This has resulted in a weekly issues meeting each Monday, where key events and approach to managing affairs from a PA perspective is discussed among BPE top managers (see Annex I.B for sample agendas from these meetings).

In addition, the project has helped prepare the tender for outsourcing the international marketing of BPE, particularly for Nitel.

Moreover, the project started to support the planning of the campaign to promote the share loan program, pursuant to which citizens can receive loans to purchase shares. Twenty-four banks have already pledged to participate. Final launch awaits approval of national campaign.

Finally, following a considerable effort, the project has succeeded in getting a weekly column about privatization into a local newspaper (the Post Express). The first column will likely be published during the first week of April (see Annex I.A for the column). Hopefully, this can subsequently be supplemented with a radio show, as radio is the most important media to reach Nigeria's dispersed rural poor population. The radio shows can be expected to commence later this year, as resources become available.

## **II.4. Continuing Training of BPE Staff**

During the Quarter under review, the project continued with the implementation of activities

related to the upgrading of professional skills as part of the overall effort to support the institutional strengthening of BPE. Continuing the training program, the project offered a new seminar centered on topics that were pertinent and specific to the privatization of infrastructure and public services with emphasis in power and telecommunications. The project trained about 60 persons in valuation techniques (see Annex II for a copy of the presentation). Roughly half of the people trained were from BPE, in electricity and telecoms privatization issues.

## **II.5. Completing a Needs Assessment and an Implementation Plan for MIS**

During the early part of the Quarter under review, the activities under this task focused on the preparation and completion of the MIS needs assessment report, the same that detailed and specified the MIS needs that the BPE has in order to carry out its core and non-core activities more effectively. A Needs Assessment Report was submitted for the consideration of BPE's top management.

Based on the needs assessment, the consultant in charge of the MIS task focused his activities on the preparation of an MIS implementation plan. The objective of this was to determine how best could the BPE implement a comprehensive MIS plan, given the variety of MIS needs that had been identified. A MIS Implementation Plan in the form of a report was submitted to the consideration of BPE's top management in February, the same that is currently being considered.

Following this, the contractor is suggesting that any further work i.e. the implementation of the MIS plan be postponed until such a time when the BPE has decided on what recommendations from among the many that were included in the MIS Needs Assessment as well as in the MIS Implementation Plan would adopt. The implementation of the plan would take between nine-months and one year. Presumably, the best time to initiate this implementation would be in congruence with the beginning of the new USAID technical assistance support program to the BPE as a continuation of the present TA effort.

## **II.6. Conducting a series of focus groups and meetings with unions to assess needs & priorities of the workers and unions and begin to create a data base for assessment of the costs of alternative retrenchment packages**

During the Quarter under review, the consultants continued to carry out activities related to the assessment of needs and continues to design policies and an approach for mitigating the impact of privatization on workers. With this purpose in mind, the labor specialists conducted more than twenty focus group sessions with officials from union representing labor interests of sectors and particularly companies that are targeted for privatization. The purpose for holding these focus group sessions has been primarily to identify the workers concerns and to prioritize their needs with a view to use these findings in the development of model retrenchment packages and form a basis for a general BPE strategy towards redundancy and post-privatization industrial relations strategy. A draft preliminary report on the information gained through these sessions was prepared and submitted to the top management of BPE.

Later in the quarter, the project started to focus on the identification of issues and the development of specific components of a retrenchment package and the associated costs for each alternative that is presented for consideration of BPE. The process of collecting data and discussions with workers has commenced, and proposals for severance packages, including an assessment of costs and benefits, based on this will be forthcoming.

## **II.7. Strategic Review of Privatization Implementation Timetable**

During the month of March, the project conducted a strategic and tactical review of the privatization plans and timetable set by the BPE for the implementation of Phase II privatizations. The review was conducted at the request of USAID in order to determine the focus of further support and activities that USAID would be predisposed to fund under a new task order to provide technical assistance for the BPE. The review focused initially on the identification of accomplishments by BPE and the progress of the Privatization Program as a whole. The results of this aspect of the review were integrated into the Mission's privatization section of a report prepared by the Mission as part of the R4 exercise.

In addition, the project examined in detail the implementation plans for Phase II set by the BPE focusing on the implementation timetables and the resource requirement that such plans would require from this institution. A draft memorandum with conclusions and recommendations on the feasibility of this plan, the ability of the BPE to execute it within the time-frames specified and measures that should be considered in order to enable the acceleration of the privatization of the enterprises was submitted to USAID and is included here as Annex V.

## **III. Progress against Benchmarks**

All benchmarks have been complied with, as outlined in the table below.

<b>No.</b>	<b>Short Description</b>	<b>Status</b>	<b>Detail</b>	<b>Date for Next End Product</b>
1.	Detailed work plan	✓	A draft work plan for the original and revised TOR and SOW completed.	Delivered on 04/06/01.
2.	Needs Assessment	✓	Needs assessment concluded as part of initial scoping of project and used as the basis of the Task Order Amendment.	Updated needs assessment attached as Annex III.
3.	Need Assessment - MIS	✓	Needs assessment and implementation plan submitted for the consideration of management (see Annex IV).	Implementation will follow.

No.	Short Description	Status	Detail	Date for Next End Product
4.	Training	✓	All training envisaged completed.	Completed
5.	Public Awareness	✓	Continuous support being provided	On-going
6.	Labor and social policy and issues	✓	Initial benchmarks achieved for labor and social issues. BPE has sought several additional tasks to be carried out in this area.	On-going
7.	Review and revision of sales packages	✓	Help provided on review of packages but BPE wants us to review its activities to build transparency and international best practices into their systems.	On-going
8.	Progress Reports	✓	Project reports being prepared and delivered as required.	On-going

#### **IV. Obstacles to Achieving Targets**

Currently, no obstacles are operative that impede the progress of the project.

#### **V. Projected Activities for Next Quarter**

Activities are expected to be the following:

1. Completion of Phase I of the privatization program.
2. Assisting in implementing plans for Phase II, including support for quick assessments/diagnostic reviews, assistance in selecting privatization advisors, monitoring of the work of the privatization advisors.
3. Agreeing on the MIS Needs Assessment and implementation plan.
4. Finalizing the retrenchment framework for labor and trade unions.
5. Implementing PA strategy, including domestic and international.
6. Assist in core investor selection.

## **VI. Expatriate Labor**

Team Days Worked	Jan. - Mar. 2001	To-Date
<b><i>IBTCI:</i></b>		
Gordon Thompson	0	91
Jayant Kalotra	0	53
Michael Dan	75	121
Barry Scutt	45	72
Medappa Chottepanda	70	126
William Cleary	62	112
Lori Brock	0	11
Patricio Crespo	14	45
Richard Sines	0	52
Glenn Dunmire	10	71
<b>Total:</b>	<b>276</b>	<b>754</b>
<b><i>K&amp;M Engineering:</i></b>		
George Lear	16	16
Ronald Behrns	17	17
George Branscombe	17	17
<b>Total:</b>	<b>50</b>	<b>50</b>

**VII. Administrative Information**

International Business & Technical Consultants, Inc.

Contract # OUT-I-801-97-00017-00

Nigeria Economic Reform and Agricultural Growth – National Council for Privatization

Quarterly Financial Report

January 1 to March 31, 2001

<i>Level of Effort Mix</i>	Total Level Of Effort	Level of Effort Expended January – March 2001	Level of Effort Cumulative May – March 2001	Unused Level Of Effort
Fixed Daily Rate Professionals	779	306	744	35
Local/Third Country National Professionals	1,235	337	757	478
<b>Total</b>	<b>2,014</b>	<b>643</b>	<b>1,501</b>	<b>513</b>

<i>Contract Expenditure</i>	Total Task Order Budget	Budget Expended January – March 2001	Cumulative Expended May – March 2001	Balance Task Order Budget
Labor Cost (FDR)	\$843,441	324,369	800,814	42,627
Labor Cost (Local/Third Country)	\$832,189	220,652	505,411	326,778
Total Labor Cost	\$1,675,630	\$545,021	\$1,306,225	\$369,405
Travel Cost	\$180,022	89,957	226,338	-46,316
Other Direct Cost	\$144,049	40,315	125,127	18,922
Total Cost	\$1,999,700	\$675,293	\$1,657,690	\$342,011

### **List of Annexes**

- Annex I    Public Awareness  
            Annex I.A Sample PA Work: Ahead of the Facts (To be published in the Post Express during April 2001)  
            Annex I.B Sample PA Work: Agendas from Monday Issue Meetings
- Annex II    Making Privatization Work – Training Programs  
            Valuation Seminar for Electricity and Telecoms
- Annex III    Supplementary/Updated Assistance Needs Assessment
- Annex IV    Assessment of MIS Situation  
            Annex III.A Assessment of MIS Needs  
            Annex III.B MIS Implementation Plan
- Annex V    Strategic/Tactical Planning Review of Privatization Program, Phase II

# Annex I

*In this column, we hope to explain reasons for privatization, its importance, its relevance to the country and the people. We shall discuss issues. We shall do so honestly, not hiding from facts when they are ugly, but also offering a focus which is based on the merits and benefits of a market based economy, and those implementing policies chosen now by Nigeria as its preferred direction and means to create and distribute wealth.*

**Dr. Priv**

## **Ahead of facts They ask for heads**

Lately, those representing the Nigerian Shareholders Solidarity Association (NSSA), as reported in *This Day*, say privatization has been poorly handled.

They offer aggrieved shareholder concerns related to the technical suspensions of nine companies -- a standard capital market requirement -- as one example of a mismanaged process which has taken too long.

They say that the Bureau of Public Enterprises (BPE) and National Council on Privatization should be sacked.

### ***They howl for themselves***

Stockbrokers complain, too. Why? Technical suspensions mean shareholders trade less, so brokers make less. So, shareholders and brokers howl for themselves, not for thee.

The ‘suspended nine’ companies, according to the BPE, include: WAPCO, Africa Petroleum Plc (AP), Ashaka Cement, Cement Company of Northern Nigeria (CCNN), FSB Int. Bank Plc, NAL Merchant Bank, IMB, Unipetrol Plc, and NOLCHEM.

Delays? BPE must comply with the Public Enterprises (Privatization & Commercialization) Act of 1999 which apportioned shares to federal constituencies. BPE must also ensure that the allotment exercise is not manipulated by a few who want to corner the shares on offer at the expense of the many.

According to BPE, in the past two months, its staff has processed more than 200,000 applications, rejecting as many as 20,000 based on attempts to defraud the process or for failure to comply with the terms and conditions of the offer as stated on the forms supplied.

Criteria? Repeated signatures, multiple applications, and so on. Each of the more than 20,000 rejects has a reason stipulated, and following BPE’s final report to the Securities & Exchange Commission (SEC) -- the regulatory authority for the process -- the records will be open to public scrutiny.

***All the same***

Some states were over-subscribed, others, under-subscribed. Shift the shares to meet demand? Against the law. Effectively, shareholders and applicants had to wait for the legal and political process to be served.

In some states, potential applicants who may perceive themselves as traditionally “marginalized” by government programs, eventually came around. As of March 2001, BPE was in the process of incorporating feedback from public, allotment committee meetings prior to filing final allotment proposals with the SEC.

The Nigeria Stock Exchange (NSE) already has lifted the technical suspension on WAPCO shares.

BPE promoted and held -- again, a *public* -- allotment committee meeting for the last three companies on the schedule -- AP, CCNN and NOLCHEM -- on March 19<sup>th</sup>. This brings to an end the allotment committee meetings which have been successfully held for all the public offers under Phase I of the program.

BPE expects SEC approval for all the outstanding public offers: NAL, IMB, UNIPETROL, ASHAKA, CCNN, AP, NOLCHEM and FSB before the end of March. Within five days of SEC approval, the companies will issue certificates to new shareholders, and return money collected from unsuccessful applicants. Within eight days of SEC approval, shares will be introduced to trading on the Nigerian Stock Exchange.

If a quicker process had denied this additional time, would we have heard a different set of critics asking for the same set of heads?

***Bottom line***

Maybe equal, fair, transparent, and fast do not always go together. Given the choice, which one do we give up? And, if the process is slower than investors might like, how have they been hurt?

Let’s consider the “damages.”

Investors knew a technical suspension always follows a share allotment. So, although share price is frozen, current shareholders always have been able to buy-and-sell shares.

Investors receive excess application money, plus interest. Dividends accruing to shareholders will be paid in full, with interest, to successful allottees.

At issue? The wait to take capital gains -- or losses. When the NSE lifts the technical suspensions, as it will company-by-company, share prices for the “suspended nine” -- depressed

for the past 20 years or so -- will likely gain big time, reflecting the value added by investments made by core investors in the meanwhile.

And there is more.

Core investors in the “suspended nine” will likely rush to buy more of their own shares, ironically trying to “buy low” even as their interest helps to drive share price upward to the benefit of current shareholders. Why would they want to own more of their company’s shares? For two reasons. They anticipate an increased profit based on their earlier capital investment and they like their own management. As a benchmark, in the past year, the Nigeria Stock Exchange overall has gone up approximately 40%.

So, have shareholders been mistreated?

*What about my nodule futures?*

Shareholders who claim they are “victims” of the technical suspension, can argue, with some validity, that they forfeit the difference between capital gains from shares when sold and what they might have made in profit from those same proceeds when re-invested.

For example, suppose an investor decides that manganese nodules mined from the floor of the Pacific Ocean represent a better investment opportunity than the WAPCO shares he currently holds. He could claim he lost the difference between what he might have made by re-investing the capital gains from a WAPCO sale and the nodules when sold.

Manganese nodules are as real as Dutch tulips. There is always a time for such investments. So, if investors missed an opportunity for fantasy returns, instead of what they might realize for the shares they hold now, they won’t have much longer to complain.

This time, NSSA and selected brokers complained even as Council and BPE followed the laws to protect all, lest a “marginalized minority” complain instead. One thing is almost certain. Do the right thing, and even then someone will still call for your head, because even as privatization will benefit all, it doesn’t do so for all, all at once.

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*“Dr. Priv” is an observer of the Nigeria privatization program. His column appears in this newspaper in the public interest. His opinions are informed, but also his own, and do not necessarily represent an “official view.” He welcomes your questions care of this newspaper.*

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## **Monday Meeting January 29, 2001**

### ***Focus:***

- *“High impact” decisions -- those which will likely produce a headline when known*
- *“High visibility” issues -- those likely to produce a headline this week regardless of source*

### ***Issues This Week?***

- *Has Nasir el-Rufai been offered a new position? Will he accept one if offered?*  
***Assessment:***  
Likely lead story this week  
***Actions:***  
As a contingency, develop confidential statement for release as of Wednesday, January 31, 2001, unless more immediate response needed (PA, Cleary)  
Hold for questions/do not lead with this statement at News Briefing (PA)
- *20,000 NEPA workers laid off? What El-Rufai really said*
- *Is El-Rufai's "lack of respect" really integrity at work?*  
***Actions:***  
Letter in draft for PA review (Cleary)  
Statement approval (PA/DG)  
Submit to National Concord this week (PA)  
Announce at News Briefing, distribute letter (PA)
- *Nigeria Airways pilots' position: balance sheets are a long way from cockpit*
- *National Theater: To be, not to be privatized?*  
***Actions -- procedural***  
C&F, PA, Cleary meet to review ad approvals, trafficking procedures  
Develop a "need to know" staff list (PA)  
Circulate schedule of upcoming ads to "need to know" staff (PA)  
Circulate ads to al – specific  
***Actions staff***  
Point-by-point review of National Theater letter (D/O assigns)  
Technical action plan (D/O assigns)  
Prepare key messages/statement based on technical action plan (Cleary)  
Schedule for News Briefing, 7 February 2001
- *NEPA: senior staff association assessments*
- *Telecommunications bill: seminar underscores transparency, participation, feedback ahead of sector reform, and a privatized NITEL*

- *Others from Issue Group members*

### ***Issues Last Week***

- *National Assembly's new law as proposed will effectively kill the privatization program*  
**Assessment**  
House chairman out of country three months gives us a "window" to monitor  
**Action update:**  
Legal working group convenes, reviews proposed law  
Working draft of key messages completed  
**Actions pending:**  
Assess economic impact: "cost of delay/full stop" to economic growth, penalties (VP economic advisor?)  
Complete legal, economic impact of proposed legislation (Legal team)  
Add points, approve key messages (Cleary)  
Draft, schedule Dr. Priv column, same subject (Cleary)  
Distribute key messages to zonal consultants, factor into national campaign (C&F)  
Track developments in House, Senate, manage "window" (Council Affairs)
- *Nigeria Stock Exchange statements concerning shareholder loss as a consequence of privatization delays*  
**Actions:**  
Letter drafted for Nasir el Rafai (C&F)  
**Actions pending:**  
Prepare key messages based on C&F letter (Cleary)  
Include as topic in this week's news briefing (PA)  
Track coverage (PA)
- *Share Loan Purchase Fund shortlisting of banks will force a preliminary announcement of scheme (Cleary + C&F, PA, Legal, Operations)*  
**Actions:**  
Criteria list developed (Hassan, Osuji)  
Timing of related actions: letter to Vice President, related legal/legislative checks, announcement, participants, input to National Campaign components (All, next week)
- *Members of steering committees suspended could construe same as "lack of transparency" (Cleary + others to prepare Response To Query (RTQ))*
- *Union position paper urges "don't rush" (C&F, Cleary + others)*

### ***News Briefing Issues - 31 January 2001 Planned***

- Nasir el-Rufai commitment/status statement + handout
- GSM licenses: statement from key messages (prepared/Cleary) (Anichebe, Hassan)

- Announce response + handout (letter to editor) to *National Concord* re: "tread softly, El-Rufai" (Anichebe)
- Shareholder concerns: statement + handout (DG letter to NSE) (Anichebe, C&F)
- NEPA labor discord: announce this week's labor meetings + statement + handout (agenda) (Anichebe, Med, Legal, + others)

### *Tracking List*

- National theater statement (D/O assigns?)
- Governors conference includes parastatals: impact? (Council Affairs)

*D R A F T*

*Bureau of Public Enterprises*

Letter to the Editor  
*National Concord*  
January 29, 2001

Dear Sir:

In a letter published in the *National Concord*, Jan. 26, 2001, Evan. Osagiator-Obude, advises Nassir el-Rufai to "tread softly" in his criticism of government ministers, including naming names. He warns Mr. El-Rufai that his position is not permanent, and therefore he should be much more temperate in his comments.

Mr. El-Rufai has said the same thing. He came from private industry, with a private industry perspective, and in the long term, plans to return to private industry. He has worked very hard to instill a private industry sense of performance in his agency, meaning, individual accountability, and an adherence to a timeline to produce results based on the policy formulated by the National Council for Privatisation, acting for the government.

So, it would seem rather lame for Mr. Osagiator-Obude to threaten Mr. El-Rufai with the fact, in time, his own Mr. El-Rufai's own "coming in position." Just the opposite, this fact should help underscore Mr. El-Rufai's credibility for the job, something Nigeria needs at home and abroad. Since Mr. El-Rufai is neither career bureaucrat nor a politician, he can and does base his positions on the technical merits of what's best for Nigeria and what's best for Nigerians, case-by-case, and is a position to insist his staff do the same.

No one is infallible, everyone makes mistakes, but Mr. Osagiator-Obude might want next time to attack the facts, the logic, the arguments of the business at hand, offering a better business case for what Nigeria must do for its economy and its people, both of which ultimately will benefit from the programme. That's the proper standard to judge the programme. On that basis, Mr. El-Rufai welcomes criticism at any time because, by definition, it will produce a better good.

Instead, Mr. Osagiator-Obude prefers simply to "attack the man," not his positions, not his ideas, not his business plan. Why? Apparently because he has nothing better to offer.

If Mr. Osagiator-Obude chooses not to like Mr. El-Rufai on the basis of his personality, so be it. He's a business executive selected by the Vice President because he knows how to run the programme and produce results. Mr. El-Rufai is not running for public office nor trying to win a popularity contest. He's trying to run a fair, open, transparent programme for the benefit of all, not a few, and he's willing to put the process on the line. His plan includes an invitation to Transparency International to audit the process, something we don't believe Nigeria has had the courage to offer before.

Nigeria has much riding on a successful privatisation programme; and as Mr. El-Rufai has reported more than once, publicly, the government's total expenditure of more than \$100 billion over the past 20 years has returned .05%. No investor -- as the owner, the government is simultaneously an investor -- can afford this kind of waste.

No one, including Mr. El-Rufai, can afford to create conflict, but if conflict exists, the public should know about it. You can't ask for transparency, and then when you get it, complain about facts when they are known. Facts, when known, tend to produce change, and Nigeria needs change for the better. For the record, Mr. El Rufai has never attacked "the person," only the position taken if in fact that position is contrary to the Nigeria's best interests, based on technical merits of the privatisation programme. In the future, Mr. Osagiator-Obude would do well to do the same.

Sincerely,

JCA  
Deputy Director  
Public Affairs

## **Monday Meeting February 5, 2001**

### ***Focus:***

- *“High impact” decisions -- those which will likely produce a headline when known*
- *“High visibility” issues -- those likely to produce a headline this week regardless of source*

### ***Issues This Week?***

- High cost of the “sounds of silence”: respected journalist fills a vacuum
- Labor update: BPE is, has been working with unions
- 20,000 NEPA workers laid off? What El-Rufai really said
- Others from Issue Group members

### ***Issues Last Week***

- *Has/Was Nasir el-Rufai been offered a new position?*  
***Actions:***  
As a contingency, develop confidential statement for RTQ (PA, Cleary)
- *Nigeria Stock Exchange statements concerning shareholder loss as a consequence of privatization delays*  
***Actions:***  
Letter drafted for Nasir el Rafai (C&F)  
***Actions pending:***  
Prepare key messages based on C&F letter (Cleary)  
Include as topic in this week's news briefing (PA)  
Track coverage(PA)
- *Share Loan Purchase Fund shortlisting of banks will force a preliminary announcement of scheme (Cleary + C&F, PA, Legal, Operations)*  
***Actions:***  
Criteria list developed (Hassan, Osuji)  
Timing of related actions: letter to Vice President, related legal/legislative checks, announcement, participants, input to National Campaign components
- *Nigeria Airways pilots' position: balance sheets are a long way from cockpit*
- *National Theater: To be, not to be privatized?*  
***Actions -- procedural***  
C&F, Cleary met to review ad approvals, trafficking procedures/PA  
Develop a "need to know" staff list (PA)  
Circulate schedule of upcoming ads to "need to know" staff (PA)

Circulate ads to al – specific

***Actions staff***

Point-by-point review of National Theater letter (D/O assigns?)

Technical action plan (D/O assigns)

Prepare key messages/statement based on technical action plan (Cleary)

Schedule for News Briefing, TBD

- *Telecommunications bill: seminar underscores transparency, participation, feedback ahead of sector reform, and a privatized NITEL*
- *Union position paper urges “don’t rush” (Med, C&F, Cleary + others)*

***News Briefing Issues – February 7, 2001 – Planned***

GSM licenses: statement from key messages (prepared/Cleary) (Anichebe, Hassan)

- *Telecommunications bill key message: seminar underscores transparency, participation, feedback ahead of sector reform, and a privatised NITEL*
- *Shareholder concerns: statement + handout (DG letter to NSE) (Anichebe, C&F)*
- *Labor + stakeholder issues (Anichebe + Med + Legal)*
- *20,000 jobs issue: repeat, correct record + announce this week's labor meetings + statement + handout (agenda) (Anichebe, Med, Legal, + others)*

***News Briefing Issues – February 7, 2001 Response to Query (RTQ)***

- *Key messages + handout (letter to editor) to National Concord re: “tread softly, El-Rufai” (Anichebe)*

***Tracking List***

- *Governors conference includes parastatals: impact? (Council Affairs)*
- *“Tread softly” response*

***Actions scheduled:***

Incorporate selected points into *Dr. Priv* column, as appropriate

- *National Assembly’s new law as proposed will effectively kill the privatization program*

***Assessment***

House chairman out of country three months gives us a “window” to monitor

***Action update:***

Legal working group convenes, reviews proposed law

Working draft of key messages completed

***Actions pending:***

Assess economic impact: “cost of delay/full stop” to economic growth, penalties (VP economic advisor?)

Complete legal, economic impact of proposed legislation (Legal team)

Add points, approve key messages (Cleary)

Draft, schedule *Dr. Priv* column, same subject (Cleary)

Distribute key messages to zonal consultants, factor into national campaign (C&F)

Track developments in House, Senate, manage “window” (Council Affairs)

- *Members of steering committees suspended could construe same as “lack of transparency” (Cleary + others to prepare Response To Query (RTQ)).*

## **Monday Meeting February 12, 2001**

### ***Focus:***

- *“High impact” decisions -- those which will likely produce a headline when known*
- *“High visibility” issues -- those likely to produce a headline this week regardless of source*

### ***Issues This Week?***

- Labor update: participation, concerns, fairness, transparency, protection, next steps
- Share allotments: re-iterate messages this week in advance of meeting February 19<sup>th</sup>  
Is this matter related to, relevant to closure on 1% of what 1% issue (Legal, Operations)?  
NAL Merchant Bank Plc  
International Merchant Bank Plc  
Unipetrol Plc
- Flak? Participants object to use of consortia only for TBS, National Theater, International Trade Fair Complex (P&M, DG)
- House: actions? Discussion? (Council Affairs)
- Africa Common Market? VP advance statement? Related privatization message?
- Timeline reference: distribute “model” without dates? Discuss process?
- Share purchase fund documents finalized (P&M): announce when?
- Announcements:  
Advisors to Niger Dock, NAHCO, NICON Insurance & Re-insurance  
Harry Bush visit, purpose (Council Affairs)  
PricewaterhouseCoopers/BPE seminar: ministers, governors (date?)  
WAPCO technical suspension due lifted this week. Status?  
Short version of rural Telecommunications/Universal Access report?  
Power: EPIC February 15<sup>th</sup> meeting: importance? Opportunity?
- Power Sector committee meeting last week: announcements?
- Others from Issue Group members

### ***Issues Last Week***

- *Nigeria Stock Exchange: statements concerning shareholder loss as a consequence of privatization delays*  
***Actions pending:***  
Update to key messages based on C&F letter (Cleary)  
Include as topic in this week's news briefing (PA)
- *Share Loan Purchase Fund shortlisting of banks will force a preliminary announcement of scheme (Cleary + C&F, PA, Legal, Operations)*  
***Actions:***  
Criteria list developed (Hassan, Osuji)

Timing of related actions: letter to Vice President, related legal/legislative checks, announcement, participants, input to National Campaign components

***News Briefing Issues – February 14, 2001 -- Planned***

- Labor issues (Anichebe + Med + S.N. Muhammad + Legal)
- Shareholder concerns update: statement + handout (DG letter to NSE) (Anichebe, C&F)
- Model timeline distribution

***Interviews + Features***

- Labor leaders + workers (C+F?): print, radio, TV
- Harry Bush comments
- BPE Council Affairs unit: News peg monthly National Assembly briefing? Transparency at work? What issue? Insurance Sector Reform Committee?
- Feature: Privatization & Efficient Use of Resources (Paper by P&M)? News peg for DG interview?

***Dr. Priv/Yabracks***

- *Take the money and go away? Or, wait and work another day?*

***Issues Tracking List***

- Operations:  
African Petroleum Plc: allotment finished by February 28<sup>th</sup>?  
Announcement of Phase I closure: late February. Ceremony?  
Six national parks report. When?  
Palm oil companies: DG decides consultant when?
- Union position paper urges “don’t rush” (Med, C&F, Cleary + others)
- Telecommunications bill key message: seminar underscores transparency, participation, feedback ahead of sector reform, and a privatized NITEL
- Announce roadshow departure? Date?
- Governors conference includes parastatals: impact? (Council Affairs)
- National Concord “tread softly” response  
***Actions scheduled:***  
Incorporate selected points into *Dr Priv* column, as appropriate
- *National Assembly’s new law as proposed will effectively kill the privatization program*  
***Assessment***  
House chairman out of country three months gives us a “window” to monitor

***Actions pending:***

Assess economic impact: "cost of delay/full stop" to economic growth, penalties (VP economic advisor?)

Review legal team draft in response to proposed legislation

Add points, approve key messages (Cleary)

Draft, schedule Dr Priv column, same subject (Cleary)

Distribute key messages to zonal consultants, factor into national campaign (C&F)

Track developments in House, Senate, manage "window" (Council Affairs)

- *Nigeria Airways pilots' position: balance sheets are a long way from cockpit*
- *National Theater: To be, not to be privatized?*

***Actions -- procedural***

C&F, Cleary met to review ad approvals, trafficking procedures/PA

Develop a "need to know" staff list (PA)

Circulate schedule of upcoming ads to "need to know" staff (PA)

Circulate ads to al – specific

***Actions staff***

Point-by-point review of National Theater letter (D/O assigns?)

Technical action plan (D/O assigns)

Prepare key messages/statement based on technical action plan (Cleary)

Schedule for News Briefing, TBD

## **Monday Meeting February 19, 2001**

### ***Focus:***

- *“High impact” decisions -- those which will likely produce a headline when known*
- *“High visibility” issues -- those likely to produce a headline this week regardless of source*

### ***Issues This Week***

- *Shareholder concerns*  
Date extensions, related points by the “aggrieved” cumulatively lead to allegations of “poor management” and calls for “sacking” BPE, and Council  
Actions:  
Major point-by-point review to respond to Solidarity Association  
Statement from BPE and National Council on Privatization
- *Legal matters this week? Leyland*  
Actions:  
Statement regarding issues, and when known, “bridge” to key message
- *El-Rufai oil & gas paper, trip announcement: preview*  
Action:  
Key message on sectoral reform in advance of privatization?  
Result of EPIC February 15<sup>th</sup> meeting: importance? Opportunity?  
Power sector committee meeting: actions, updates from last week?
- *Labor update: participation, concerns, fairness, transparency, protection, next steps*  
Action:  
Chottepanda & Nuhu to report preliminary findings
- *Share allotments: today’s meeting*  
Closure on 1% of what 1% issue (Legal, Operations)  
NAL Merchant Bank Plc  
International Merchant Bank Plc  
Unipetrol Plc
- *House: actions pending. Discussion? (Council Affairs)*  
Right or wrong: Two members say privately that BPE doesn’t inform them of actions, process  
National Assembly will leverage this as a basis for suggesting new legislation  
BPE will need to respond privately, then jointly, publicly at a time determined by DG w/Council Affairs

- *Timeline reference: distribute “model” without dates? Discuss process?*  
*Action:*  
Repeat “fair,” “transparent” key messages  
Allotments as news peg
- *Share purchase fund documents finalized (P&M): announce when?*  
Letter sent?  
CBN?
- *Former BPE benefits & pending legal action?*  
RTQ?
- *Announcements:*  
Advisors to Niger Dock, NAHCO, NICON Insurance & Re-insurance  
Two steps left: consortium cheaper?  
Council approval next  
Short list from P&M  
PricewaterhouseCoopers/BPE seminar: ministers, governors (date?)  
WAPCO technical suspension due lifted last week? Status?  
SEC letter  
When investors to receive money? (D-O/T)  
Short version of rural Telecommunications/Universal Access report?
- *Others from Issue Group members*

### **Internal & Procedural**

- *March 19<sup>th</sup>: no budget and lasting effects of another month’s delay*

### **Issues Last Week**

- *Nigeria Stock Exchange: statements concerning shareholder loss as a consequence of privatization delays*  
**Actions pending:**  
Update to key messages based on C&F letter (Cleary)  
Include as topic in this week's news briefing (PA)
- *Share Loan Purchase Fund shortlisting of banks will force a preliminary announcement of scheme (Cleary + C&F, PA, Legal, Operations)*  
**Actions:**  
Criteria list developed (Hassan, Osuji)  
Timing of related actions: letter to Vice President, related legal/legislative checks, announcement, participants, input to National Campaign components

***News Briefing Issues – February 19, 2001 -- Planned***

- Shareholder concerns update: statement + handout (DG letter to NSE) (Anichebe, C&F)
- Advance power sector DG London appearance: use as news peg for sectoral reform process
- Labor issues (Anichebe + Chottepanda + Nuhu + Legal)
- Model timeline distribution
- Afribank?

***Interviews + Features***

- Labor leaders + workers (C+F?): repeat print, radio, TV
- BPE Council Affairs unit: News peg monthly National Assembly briefing (“blueprint”)? Transparency at work? What issue? Insurance Sector Reform Committee?
- Feature: Privatization & Efficient Use of Resources (Paper by P&M)? News peg for DG interview?

***Issues Tracking List***

- Operations:  
African Petroleum Plc: allotment finished by February 28<sup>th</sup>?  
Announcement of Phase I closure: late February  
Six national parks report. When?  
Palm oil companies: DG decides consultant when?
- Union position paper urges “don’t rush” (Med, C&F, Cleary + others)
- Telecommunications bill key message: seminar underscores transparency, participation, feedback ahead of sector reform, and a privatised NITEL
- PricewaterhouseCoopers governors and ministers seminar conflicts with above?  
Resolve conflict? Cleary w/PA
- Announce Vice President roadshow  
Date?  
VP advance statement? BPE key messages?  
Add BPE key messages to roadshow script?
- Governors conference includes parastatals: impact? (Council Affairs)
- National Concord “tread softly” response  
**Actions scheduled:**  
Incorporate selected points into Dr. Priv column, as appropriate
- National Assembly’s new law as proposed will effectively kill the privatization program

***Assessment***

House chairman out of country three months gives us a "window" to monitor

***Actions pending:***

Assess economic impact: "cost of delay/full stop" to economic growth, penalties (VP economic advisor?)

Review legal team draft in response to proposed legislation finished? (Legal?)

Add points, develop key messages (Cleary)

Draft, schedule Dr. Priv column, same subject (Cleary)

Distribute key messages to zonal consultants, factor into national campaign (C&F)

Track developments in House, Senate, manage "window" (Council Affairs)

Assess National Assembly feedback

- *Nigeria Airways pilots' position: balance sheets are a long way from cockpit*
- *National Theater: To be, not to be privatized?*  
*Participants object to use of consortia only for TBS, National Theater, International Trade Fair Complex (P&M, DG)*

***Actions – procedural***

Revise ad approvals, trafficking procedures (C&F, PA, Cleary)

Develop a "need to know" staff list (PA)

Circulate schedule of upcoming ads to "need to know" staff (PA)

Circulate ads to all – specific

***Actions staff***

Point-by-point review of National Theater letter (D/O assigns?)

Technical action plan (D/O assigns)

Prepare key messages/statement based on technical action plan (Cleary)

Schedule for News Briefing, TBD

## **Monday Meeting February 26, 2001**

### *Focus:*

- *“High impact” decisions -- those which will likely produce a headline when known*
- *“High visibility” issues -- those likely to produce a headline this week regardless of source*

### *Issues This Week*

- ***Labor: National Oil worker strike imminent, possibly today***  
If El-Rufai Washington meeting postpones his Friday meeting with union, we have potential credibility problem  
***Actions:***  
Key messages on issues, pending actions, efforts to date  
Will anyone from BPE substitute for El-Rufai if he remains in Washington?
- ***Allotments: New, critical statements from Shareholder Solidarity Association***  
***Actions:***  
News release: Major point-by-point review to respond to Solidarity Association  
Statement from BPE and National Council on Privatization  
Update status of “suspended 10”  
Technical review draft Dr. Priv  
Closure on 1% of what 1% issue (Legal, Operations)
- ***El-Rufai: Washington visit: agenda for World Bank power sector meeting, followed possibly by loan negotiations***  
DG doesn’t think a final negotiation possible after a two-day look at World Bank document, but Minister of Finance, others may urge quick action to meet Bank deadlines  
Delay now likely to postpone negotiation to July, leading to another installment of “too slow” from critics  
***Action:***  
Key message: Lead statement for news briefing about Washington trip should cover power sector meeting  
Key message: prepare two separate statements, both for Response to Query (RTQ)
  - 1) El-Rufai et al just received, currently reviewing document, linking review to implications for BPE timeline, others
  - 2) If el-Rufai does not attend negotiations planned for Wednesday-Friday, position this as his judgment call: no blind commitments, doesn’t disagree with World Bank substance, and no significant impact on pace of *program or funding*
- *Legal matters this week? Leyland*
- *House: actions pending. Discussion? (Council Affairs)*

Right or wrong: Two members say privately that BPE doesn't inform them of actions, process  
National Assembly will leverage this as a basis for suggesting new legislation  
BPE will need to respond privately, then jointly, publicly at a time determined by DG w/Council Affairs

- *Timeline reference: distribute "model" without dates? Discuss process?*  
**Action:**  
Repeat "fair," "transparent" key messages
- *Share purchase fund documents finalized (P&M): announce when?*  
Letter sent?  
CBN?
- *Announcements:*  
*Advisors to Niger Dock, NAHCO, NICON Insurance & Re-insurance*  
Two steps left: consortium cheaper?  
Council approval next  
Short list from P&M  
PricewaterhouseCoopers/BPE seminar: ministers, governors (date?)  
WAPCO technical suspension? Status?  
SEC letter  
When investors to receive money? (D-O/T)
- *Short version of rural Telecommunications/Universal Access report?*
- *Nigeria Airways: will come up but how?*
- *National Theater:*  
*Participants object to use of consortia only for TBS, National Theater, International Trade Fair Complex (P&M, DG)*  
**Actions**  
Point-by-point review of National Theater letter (D/O assigns?)  
Technical action plan (D/O assigns)  
Prepare key messages/statement based on technical action plan (Cleary)
- *Oil & Gas deregulation*  
**Actions**  
Key messages from El-Rufai presentation
- *Others from Issue Group members*

### ***Issues Last Week***

- *Nigeria Stock Exchange: statements concerning shareholder loss as a consequence of privatization delays*
- *Share Loan Purchase Fund shortlisting of banks will force a preliminary announcement of scheme (Cleary + C&F, PA, Legal, Operations)*  
**Actions:**  
Criteria list developed (Hassan, Osuji)  
Timing of related actions: letter to Vice President, related legal/legislative checks, announcement, participants, input to National Campaign components

### ***News Briefing Issues – February 26, 2001 -- Planned***

- National Oil: actions to date (Anichebe + Chottepanda + Nuhu + Legal)
- World Bank meeting(s) as outlined
- Allotment/Shareholder concerns update: statement + handout (DG letter to NSE) (Anichebe, C&F)
- Model timeline distribution
- Nigeria Airways
- National Theater
- Oil & Gas deregulation

### ***Issues Tracking List***

- **Operations:**  
African Petroleum Plc: allotment finished by February 28<sup>th</sup>?  
Announcement of Phase I closure: late February  
Six national parks report. When?  
Palm oil companies: DG decides consultant when?
- Union position paper urges “don’t rush” (Chottepanda, C&F, Cleary + others)
- Telecommunications bill key message: seminar underscores transparency, participation, feedback ahead of sector reform, and a privatized NITEL
- PricewaterhouseCoopers governors and ministers seminar conflicts with above?  
Resolve conflict? Cleary w/PA
- Governors conference includes parastatals: impact? (Council Affairs)
- National Assembly’s new law as proposed will effectively kill the privatization program  
Assessment  
House chairman out of country three months gives us a “window” to monitor

***Actions pending:***

Assess economic impact: "cost of delay/full stop" to economic growth, penalties (VP economic advisor?)  
Review legal team draft in response to proposed legislation finished? (Legal?)  
Add points, develop key messages (Cleary)  
Draft, schedule Dr. Priv column, same subject (Cleary)  
Distribute key messages to zonal consultants, factor into national campaign (C&F)  
Track developments in House, Senate, manage "window" (Council Affairs)  
Assess National Assembly feedback

- *Nigeria Airways pilots' position: balance sheets are a long way from cockpit*

***National Campaign: interviews + features to be scheduled***

- Labor leaders + workers (C+F?): repeat print, radio, TV
- BPE Council Affairs unit: News peg monthly National Assembly briefing ("blueprint")? Transparency at work? What issue? Insurance Sector Reform Committee?
- Feature: Privatization & Efficient Use of Resources (Paper by P&M)? News peg for DG interview?
- *National Concord* "tread softly" response  
Incorporate selected points into *Dr. Priv* column, as appropriate

## **Monday Meeting March 5, 2001**

### ***Focus:***

- *“High impact” decisions -- those which will likely produce a headline when known*
- *“High visibility” issues -- those likely to produce a headline this week regardless of source*

### ***Issues This Week***

- ***Media: Your decide: fair, accurate reporting dead?***  
***Actions:***  
Discuss last week’s report: share purchase scheme  
Key message:  
Assumed you wanted these sessions  
If we can’t keep it professional, we both lose credibility in the short term, but in the long term, facts will win, and we’ll work with those who report the facts
- ***Labor: National Oil workers settle strike?***  
***Actions:***  
Key messages:  
Labor, management understanding averts strike as both sides listen to each other’s concerns = win-win-win situation  
BPE as de facto mediator as a result of communication + confidence through meeting with both sides as a consequence of normal “follow through” to assure compliance of all provisions of sales agreements  
Convene joint news conference? Identify date
- ***El-Rufai:***  
*Washington visit: update results of World Bank power sector meeting, status of loan negotiations*  
***Action:*** Key message to answer  
“What’s left?” for World Bank agreement  
*Phase One completed?*  
***Action:*** Key message to update
- ***Nigeria Airways: What’s the business case?***
- ***NEPA: when will differences emerge?***  
*Ministry disagrees on what issues? World Bank seeks private sector solution, but Ministry, NEPA, BPE lack unified position*  
***Action:***  
Need details, likely dates, as prelude to strategy, key message development
- ***Others from Issue Group members***

### **Issues Last Week**

- *Allotments: New, critical statements from Shareholder Solidarity Association*  
**Actions:**  
News release: Major point-by-point review to respond to Solidarity Association  
Statement from BPE and National Council on Privatization  
Update status of “suspended nine”  
Technical review draft Dr. Priv  
Closure on 1% of what 1% issue (Legal, Operations)  
Prepare announcement for March 19<sup>th</sup> allotment report deadline
- *National Assembly decree on port privatization (The Guardian, others)*  
**Action:**  
Copy of decree (Council Affairs), analysis (Legal)  
Prepare Response to Query (RTQ) statement  
Prepare statement in advance of March 19<sup>th</sup> “blueprint” report to Council
- *Timeline reference: distribute “model” without dates? Discuss process?*  
**Action:**  
Repeat “fair,” “transparent” key messages
- *Share purchase fund documents finalized (P&M): announce when?*  
Letter sent?  
CBN?
- *Announcements:*  
*Guidelines for selection, employment of consultants published (handouts)*  
*Advisors to Niger Dock, NAHCO, NICON Insurance & Re-insurance*  
Two steps left: consortium cheaper?  
Council approval next  
Short list from P&M  
*PricewaterhouseCoopers/BPE seminar: ministers, governors, March 26<sup>th</sup>*  
*WAPCO technical suspension? Status?*  
SEC letter  
When investors to receive money? (D-O/T)
- *Short version of rural Telecommunications/Universal Access report?*
- *National Theater:*  
*Participants object to use of consortia only for TBS, National Theater, International Trade Fair Complex (P&M, DG)*  
**Actions**  
Point-by-point review of National Theater letter (D/O assigns?)  
Technical action plan (D/O assigns)  
Prepare key messages/statement based on technical action plan (Cleary)

- *Oil & Gas deregulation*

*Actions*

Key messages from El-Rufai presentation

*News Briefing Issues – March 7, 2001 -- Planned*

- Media: What's fact? What's fair?
- National Oil: actions to date (Anichebe + Chottepanda + Nuhu + Legal)
- World Bank meeting(s) as outlined
- Allotment/Shareholder concerns update: statement + handout (DG letter to NSE) (Anichebe, C&F)
- Model timeline distribution
- Nigeria Airways

*Issues Tracking List*

- *Operations:*  
*African Petroleum Plc: allotment finished by February 28<sup>th</sup>?*  
*Announcement of Phase I closure: late February*  
*Six national parks report. When?*  
*Palm oil companies: DG decides consultant when?*
- *Union position paper urges "don't rush" (Chottepanda, C&F, Cleary + others)*
- *Telecommunications bill key message: seminar underscores transparency, participation, feedback ahead of sector reform, and a privatized NITEL*
- *Governors conference includes parastatals: impact? (Council Affairs)*
- *National Assembly's new law as proposed will effectively kill the privatization program*  
*Assessment*  
House chairman out of country three months gives us a "window" to monitor  
*Actions pending:*  
Assess economic impact: "cost of delay/full stop" to economic growth, penalties (VP economic advisor?)  
Review legal team draft in response to proposed legislation finished? (Legal?)  
Add points, develop key messages (Cleary)  
Draft, schedule Dr Priv column, same subject (Cleary)  
Distribute key messages to zonal consultants, factor into national campaign (C&F)  
Track developments in House, Senate, manage "window" (Council Affairs)  
Assess National Assembly feedback
- *Nigeria Airways pilots' position: balance sheets are a long way from cockpit*

***National Campaign: interviews + features to be scheduled***

- BPE Council Affairs unit: News peg monthly National Assembly briefing (“blueprint”)?  
Transparency at work? What issue? Insurance Sector Reform Committee?
- Feature: Privatization & Efficient Use of Resources (Paper by P&M)? News peg for DG interview?
- *National Concord* “tread softly” response  
Incorporate selected points into *Dr. Priv* column, as appropriate
- Schedule *Business & Economy* radio program  
National Oil: labor, management, BPE  
Lai/model: fair, transparent, sell “integrity of process”  
Council Affairs + National Assembly member  
What’s a company worth?  
Compliance

## Monday Meeting March 26, 2001

### *Focus:*

- “High impact” decisions -- those which will likely produce a headline when known
- “High visibility” issues -- those likely to produce a headline this week regardless of source

### *Issues This Week*

- **Media: The Economist, Washington Post stories**

#### **Actions:**

Nothing immediate, longer term, byline piece by President or Vice President  
“State of the state” address when?  
Third-party byline piece  
One quality interview per city on Vice President trip  
Prepare Q&A for Wednesday briefing (RTQ)  
Question of “political will” now becoming a liability

- **Share allotments: Finished?**

#### **Actions:**

SEC lifts technical suspension? Trading resumes on which shares, when?  
Invite scrutiny?  
Emeka Obi byline piece? Placed where? Primus radio program?  
Leverage as “breakthrough”?  
Dr. Priv column to be published March 29, 2001, *Post Express*

#### **Key message:**

Process integrity

- **Labor: National Oil workers settle strike?**

#### **Actions:**

Determine status  
Convene joint news conference? Identify date

#### **Key messages:**

Labor, management understanding averts strike as both sides listen to each other’s concerns  
= win-win-win situation  
BPE as de facto mediator as a result of communication + confidence through meeting with both sides as a consequence of normal “follow through” to assure compliance of all provisions of sales agreements  
Respond to points, not article *per se*, by Mike Honren-Owhoko, *Business Times*

- **El-Rufai:**

1) Can we declare Phase I over?

#### **Action:**

Discuss approach, who is “messenger”

Earlier said “late February” for closure  
How, where? Criteria for location?  
2) *World Bank negotiations? Status*

- *Nigeria Airways: What’s the business case?*  
**Action:**  
Solicit statement from either Vice President or President  
Treat as “litmus test” for balance of 2001?  
Leverage to obtain “buy-in” to avoid a repeat of Nigeria Airways battle
- *NEPA: Ministry disagrees on what issues? World Bank seeks private sector solution, but Ministry, NEPA, BPE lack unified position*  
**Action:**  
Need details, likely dates, as prelude to strategy, key message development
- *PricewaterhouseCoopers/BPE seminar: ministers, governors today*  
**Actions:**  
Byline, op-ed piece from Joe for Thursday?  
Need recap of ministry “issues”  
Fallout likely: chance for ministries to taut differences/our response must anticipate  
Need editorial(s) on “fairness,” “openness,” and transparency  
Can we talk about a “before/after” shift?
- *Okpalla Cement Company accusations? Financial Standard*
- *Nicon Insurance: management buy-out option? Business Times*
- *Others from Issue Group members*

#### *News Briefing Issues – March 28, 2001 -- Planned*

##### *Statements*

- National Oil: developments?
- Allotment: conclusion
- Solicit interest in journalist seminar?

##### *Response to Query*

- Nigeria Airways: president/vice president, BPE has nothing more
- What did the seminar accomplish?
- Prepare points vs. known ministry differences

##### *Issues Tracking List*

- *National Assembly decree on port privatization (The Guardian, others)*  
**Action:**

Copy of decree (Council Affairs), analysis (Legal)  
Prepare Response to Query (RTQ) statement  
Prepare statement in advance of March 19<sup>th</sup> “blueprint” report to Council

- *Timeline reference: “model” distributed at News Briefing, March 21, 2001*
- *Share purchase fund documents finalized (P&M): announce when?*  
Letter sent?  
CBN?
- *Advisors to Niger Dock, NAHCO, NICON Insurance & Re-insurance*
- *Short version of rural Telecommunications/Universal Access report?*
- *National Theater:*  
*Participants object to use of consortia only for TBS, National Theater, International Trade Fair Complex (P&M, DG)*  
*Actions*  
Point-by-point review of National Theater letter (D/O assigns?)  
Technical action plan (D/O assigns)  
Prepare key messages/statement based on technical action plan (Cleary)
- *Oil & Gas deregulation*  
*Actions*  
Key messages from El-Rufai presentation?
- *Operations:*  
African Petroleum Plc: allotment finished by February 28<sup>th</sup>?  
Announcement of Phase I closure: late February  
Six national parks report. When?  
Palm oil companies: DG decides consultant when?
- *Union position paper urges “don’t rush”*
- *Telecommunications bill: seminar underscores transparency, participation, feedback ahead of sector reform, and a privatized NITEL*
- *Governors conference includes parastatals: impact? (Council Affairs)*
- *National Assembly’s new law as proposed will effectively kill the privatization program*  
*Actions:*  
Assess economic impact: “cost of delay/full stop” to economic growth, penalties (VP economic advisor?)  
Review legal team draft in response to proposed legislation finished? (Legal?)  
Add points, develop key messages (Cleary)

Draft, schedule Dr. Priv column, same subject (Cleary)

Distribute key messages to zonal consultants, factor into national campaign (C&F)

Track developments in House, Senate, manage "window" (Council Affairs)

Assess National Assembly feedback

***National Campaign: interviews + features to be scheduled***

- BPE Council Affairs unit: News peg monthly National Assembly briefing ("blueprint")? Transparency at work? What issue? Insurance Sector Reform Committee?
- Feature: Privatization & Efficient Use of Resources (Paper by P&M)? News peg for DG interview?
- *National Concord* "tread softly" response  
Incorporate selected points into *Dr. Priv* column, as appropriate
- Schedule *Business & Economy* radio program  
National Oil: labor, management, BPE  
Emeka Obi: fair, transparent, sell "integrity of process"  
Council Affairs + National Assembly member  
What's a company worth?  
Compliance

# Annex II

## **Module 1 - Day 1:**

### **First Morning Session:**

- Greetings by USAID and BPE
- Workshop Introduction, Mission, Goals and Objectives, Orientation, Ground Rules
- Review of Power Privatization Principles (1 hour)

### *Break*

### **Second Morning Session:**

- Past examples of power privatization projects.
- Implications of past practice for Nigeria.
- Management of the privatization process.
- Realistic planning and forecasting issues.

### *Lunch Break*

### **First Afternoon Session:**

- Participants in the Privatization Process

### **Second Afternoon Session:**

- Regulators/Government agencies.
- Potential investors.

### *Break*

- Management/Labor.
- Suppliers.
- Banks/Capital sources.

## Module 1 - Day 2:

### **First Morning Session :**

- Pragmatic Approaches to Financial Issues in the Privatization Process

### **Second Morning Session:**

- Competition for capital.
- Financial requirements of participants.
- Contractual issues with investors, suppliers, capital providers and others.
- Taxes.
- Leadership and control of the process.

### *Break*

- Financial accountability.
- Banking and lending issues.
- Independent reporting processes.
- Non-compliance issues and remedies.
- Cash control.

### *Lunch Break*

### **First Afternoon Session:**

#### **Business Segmentation Considerations**

- Generation issues.
- Transmission issues.
- Distribution issues.
- Resource allocation among power segments.
- Financial vs political vs customer conflicts.
- System reliability and responsibility issues after privatization.

### *Break*

### **Second Afternoon Session:**

#### **DISCUSSION and EXERCISES**

## Module 2 - Day 1 (Workshop Day 3)

### First Morning Session:

- A National Telecommunications Policy
    - The Communications Market In The 21<sup>st</sup> Century-The Target
    - Technology
    - Services
    - Investor Expectations
    - Implications For Nigeria
- Discussion

*Break*

### Second Morning Session:

- The Legal And Regulatory Framework For The 21<sup>st</sup> Century
    - National Telecommunications Policy
    - "The Public Interest"
    - Universal Service
    - Frequency Management
    - Competition
    - Local, National And Foreign
    - Interconnection
    - Pricing And Rates Of Return
    - "The Level Playing Field"
- Discussion

*Lunch Break*

### First Afternoon Session:

- The Current Communications Market In Nigeria
    - Voice
    - Data and the Internet
    - Video
    - Technologies Available
    - Service Levels
    - The People--employees and customers
- Discussion

### Second Afternoon Session:

- The Current Legal And Regulatory Framework In Nigeria
  - National Telecommunications Policy
  - Competition
- Discussion
- The Impact Of Communications On National Economic Development

- Standard Of Living
- Global Competitiveness
- Raising Wages
- Changes In Productivity

Discussion

## Module 2 Day 2 (Workshop Day 4)

### First Morning Session:

- Opportunities For The 21<sup>st</sup> Century
- Closing The Gap
- The Creation Of Wealth For The Stakeholders
- All Of The People
- Some Of The People
- None Of The People
- Changes In Standards Of Living

Discussion

*Break*

### Second Morning Session:

- An Open Discussion-Should Anything Be Changed?

*Lunch Break*

### First Afternoon Session:

- Where To Start And Preliminary Schedule For Implementation
- Preparing For Change
- Attitudes And Perspectives
- Skill Development
- Adaptation Assistance
- Motivation
- Effective Utilization And Matching
- Creating The A "Private Sector Enterprise"
- Organizing For The 21<sup>st</sup> Century

Exercise - Preparation of an Implementation Schedule

*Break*

### Second Afternoon Session:

- Workshop Review
- Evaluation
- Follow-up Activities
- Recommendations
- Workshop Closing

# **TRAINING AGENDA**

## **Telecommunications Privatization Concepts and Practices**

Abuja, Nigeria

## **WHERE DO WE WANT TO GO**

Open Discussion Format

9:00-10:00 am (1 hr)    **National Telecommunications Policy**

◆ **Linkage with your country's National Policies, Strategic Directional Thrusts and Goals**

1. *Total Liberalization*
2. *Market Reform*
3. *Commercialization*
4. *Competition*
5. *Private Sector Led Growth*

"With a democratic government in place...arbitrariness and inexplicable inconsistency ... belong to the past."

◆ **Achieve Modernization and Rapid Expansion of the Network and Available Services**

- Why:
- a. *Enhance national economic and social development*
  - b. *Integrate Nigeria into the global telecommunications environment*
  - c. *Accordingly, telecommunications services should be:*
    1. *Efficient*
    2. *Affordable*

- 3. *Reliable*
- 4. *Available to All*

## **WHERE DO WE WANT TO GO**

Open Discussion Format

◆ 10:00-12:00 am (2 hr) **The Communications Market In The 21<sup>st</sup> Century-The Target**

◆ **Technology**

*Bandwidth On Demand/Ubiquitous Network*

◆ **Services**

*Nationwide availability of affordable Integrated Voice, Data and Video with Wireless Access*

◆ **Investor Expectations**

*Positive Cash Flow*

*Revenue Growth*

*Return on Equity*

◆ **Implications For Nigeria**

*Higher Standard of Living*

## WHERE DO WE WANT TO GO

Open Discussion Format

1:00-3:00 pm (2 hr)    **The Legal And Regulatory Framework For The 21<sup>st</sup> Century**

- ◆ National Telecommunications Policy
- ◆ "The Public Interest"
- ◆ Universal Service
- ◆ Frequency Management
- ◆ Competition

*Local, National And International/Global*

- ◆ Interconnection
- ◆ Pricing And Rates Of Return
- ◆ "The Level Playing Field"

## **WHERE ARE WE NOW**

Open Discussion Format

3:00-4:00 pm (1 hr)     **The Current Communications Market In Nigeria**

- ◆ Voice
- ◆ Data and the Internet
- ◆ Video
- ◆ Technologies Available
- ◆ Service Levels
- ◆ The People--employees and customers

## **WHERE ARE WE NOW**

Open Discussion Format

4:00-5:00 pm (1 hr)      **The Current Legal And Regulatory Framework In Nigeria**

- ◆ **National Telecommunications Policy**
- ◆ **An Independent Regulatory Authority**
- ◆ **Competition**
- ◆ **Autonomy to Operate Independently**
- ◆ **Pending Legislation**
- ◆ **Needed Legislation**
- ◆ **Politics and Power**

## WHERE ARE WE NOW

Open Discussion Format

5:00-6:00 pm (1 hr)

### The Impact Of Communications On National Economic Development

- ◆ Standard Of Living
- ◆ Global Competitiveness
- ◆ Raising Real Wages
  - Changes In Productivity*
- ◆ Improved Communications
- ◆ Openness
- ◆ Improved Level of Community
  - Safety*
  - Security*

Day 2-January 18, 2001-Thursday

## WHERE ARE WE NOW

Open Discussion Format

9:00-11:00 (2 hr) **Opportunities For The 21<sup>st</sup> Century**

- ◆ Closing The Gap
- ◆ The Creation Of Wealth For The Stakeholders

*All Of The People*

*Some Of The People*

*None Of The People*

- ◆ Changes In Standards Of Living
- ◆ Enhanced Technological Capability

## WHERE ARE WE NOW

Open Discussion Format

11:00 am - 12:00 pm

1:00 -2:00 pm (2 hr)

**An Open Discussion-Should Anything Be Changed.  
If not, why not? If so, what and why?**

1.

2.

3.

4.

6.

7.

8.

9.

10.

## GETTING THERE

Open Discussion Format

2:00-3:00 pm (1 hr)      **Where To Start And Preliminary Schedule For Implementation**

- ◆ **Preparing For Change**
  - Attitudes And Perspectives*
  
  - Skill Development*
  
- ◆ **Adaptation Assistance**
  - Motivation*
  
  - Effective Utilization And Matching*
  
- ◆ **Creating The "Private Sector Enterprise"**
  
- ◆ **Organizing For The 21<sup>st</sup> Century**
  - Decision Making Delegated to the Lowest Level*
  
  - Participatory Management*
  
  - Rewards and Penalties*

## GETTING THERE

Open Discussion Format

3:00-5:00 pm (2 hr)

### Preparation of an Implementation Schedule

PLAN, ORGANIZE, STAFF, DIRECT AND CONTROL

Communicate, Communicate, Communicate, Communicate--Transparency, Transparency, Transparency

- ◆ **CREATE** a "GO DO TEAM" and appoint a leader
  - Set a due date*
  - Follow-up*
  
- ◆ The "GO DO TEAM" should develop a "GO DO PLAN"
  - The "GO DO PLAN" should focus on:*
    - National Goals and Objectives*
    - Issues*
  - The "GO DO PLAN" should be segmented into PROGRAMS related to:*
    - Specific Issues*
    - Establish specific goals and objectives for the PROGRAM*
  - Set a due date*
  - Follow-up*

## GETTING THERE

Open Discussion Format

3:00-5:00 pm (2 hr)      **Preparation of an Implementation Schedule**

**PLAN, ORGANIZE, STAFF, DIRECT AND CONTROL**

Communicate, Communicate, Communicate, Communicate---Transparency, Transparency, Transparency

- ◆ **CREATE a "GO DO PROGRAM TEAM" for each PROGRAM and appoint a leader for each PROGRAM**
  - Divide each PROGRAM into specific PROJECTS*
  - Establish specific goals and objectives for each PROJECT*
  - Assign specific PROJECT responsibility to specific people*
  - Set due dates*
  - Follow-up*
  
- ◆ **CREATE a "Go Do Project Team" for each PROJECT within a program and appoint a leader for each PROJECT**
  - Divide PROJECT into specific TASKS*
  - Establish specific goals and objectives for each TASK*
  - Assign specific TASK responsibility to specific people*
  - Set due dates*
  - Follow-up*

**GETTING THERE**  
Open Discussion Format

5:00-6:00 pm (1 hr)

Summation And Wrap-Up

Participant evaluation of the training course/suggestions for change

# **Electric Utility Privatization**

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Abuja, Nigeria

## **Why Do Countries Privatize?**

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### **Economic Issues**

- **Acquiring investment capital**
- **Improving managerial performance**
- **Technology transfer**
- **Reducing the cost of electricity through efficiency gains**
- **Raising revenue through asset sales**

## **Social and Political Issues**

- Subsidizing economic sectors
- Regulation Reform
- Service enhancement
- Monopoly vs open market issues

## **Privatization Assumptions**

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### **True or False?**

- Governments sell state enterprises to make money
- Privatization helps governments balance their books
- Privatization makes companies more efficient but harms workers
- Privatization is primarily an economic issue
- Privatization shrinks the economic role of the government
- Privatization occurs mainly in developing and transitional economies

## Participants in the Privatization Process

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### Regulators / Govt Agencies

- Industry regulation
- Financial regulation
- Environmental regulation
- Other regulation issues

Potential Investors  
Management  
Labor  
Suppliers  
Current capital providers  
Banks  
Citizens

## **Competition for Capital**

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Financial Markets  
Debt Instruments  
Equity Instruments  
Rate of Return Issues

## **Taxes**

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- Tax Structures of Investors
- Applicability of Nigerian Tax Law
- Tax Benefits for Capital Investment
- Utility Tax Issues

## **Financial Accountability**

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Financial Reporting Requirements  
Independent Audit Function  
Internal Audit  
Governmental Audit Authority

## **Banking and Lending Issues**

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Importance of Banking Relationships  
Covenants  
Events of Default  
Remedies

## **Elements of Financial Risk**

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Country Risk  
Currency Risk  
Legal Risk  
Business Risk

## **Composition of Interest Rates**

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Risk Free Rate  
Inflation Premium  
Default Premium  
Liquidity Premium  
Maturity Premium

## **Control of the Privatization Process**

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Early Involvement of All Stakeholders  
Thorough Understanding of Investors' Motivations  
Analysis Capacity  
Centralization of Decision Process  
Post - Investment Oversight  
Good Help

## **Contractual Issues**

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Purchase Process  
Legal Issues  
Protective Covenants  
Incentive Provisions  
Dispute Resolution  
Payment Terms and Conditions

## **Utility Revenue Requirements**

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Expenses  
Taxes  
Depreciation  
Debt Service - Principal & Interest  
Return on Investment

## **Capital Project Cost Considerations**

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Acquisition Funding  
Maintenance and Operations Expense  
Administrative Expense  
Contingency Issues  
Environmental Issues  
Intangibles

## **Privatization Methods**

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Direct Sale of Entire Company to Public  
Partial Sale of Company to Public  
Direct Sale to Other Company  
Deregulation  
Removal of Subsidies  
Voucher Schemes

## **Precursors to Privatization**

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Functional Unbundling  
Increased Private Sector Role  
Creation of Competitive Generation Market  
Initiation of Performance incentives  
Tariff Review Reform  
Contract and Licensing procedures

## **Utility Privatization Trends**

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**Major Focus on Generation  
Increasing Focus on Distribution  
More "Pay-As-You-Go" Structures  
Emphasis on Smaller Specialized Markets**

## **PRIVATIZATION**

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**A Public - Private Partnership**

- **Establish and agree on clearly defined goals**
- **Understand the regulatory and legal framework for necessary agreements**
- **Foster a cooperative atmosphere**
- **Equitably and allocate risk**
- **Qualified management and oversight**

## **Privatization Examples**

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- Kazakhstan
- India
- Kyrgystan

## **Distribution Issues**

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- Metering
- Billing
- Collections
- Theft of Service
- Cash Management

## **Generation Issues**

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- Pre-development Risks
- Finance Methods
- Finance Terms
- Engineering
- Quality Assurance
- Construction Cost Guarantees
- Performance Guarantees
- Operation

# Meeting Attendees

## ELECTRIC UTILITY PRIVATIZATION

15/01/2001

S/N	NAMES	DESIGNATION	ORGANIZATION
1.	Olajide Kehinde Bose	PEO	BPE
2.	Hadiza Usman	NYSC	BPE
3.	Aliyu M. Rufau	EOI	BPE
4.	A.M. Damji	CEO	BPE
5.	Muzakari A. Fagge	AD O)	BPE
6.	Asue Igbodalo		BANWO & IGBODAWO (SOLICITORS) EPIC
7.	Tijjani M. Abdullahi	Director Operations	BPE
8.	Umaru Hadejia		Ministry of Finance
9.	Micheal B. Dan		BPE
10.	George Lear	Consultant	K & M Engineering
11.	A.M. Gwani	EOI	BPE
12.	A. U. Mohammed	CEO	BPE
13.	Tom Hobgood		USAID
14.	Ravi Aulach		USAID
15.	Amina Tukur Othman	SEO	BPE
16.	Hannatu Mohammed	SEO	BPE
17.	Dr. Saad Usman	Economist	EPIC
18.	Hadiza D. Mustapha (Mrs.)	CEO	BPE
19.	Abimbola Ahmed-Kuru (Mrs.)	ACEO	BPE
20.	Hadiza Dagabana-Sani (Mrs.)	PEO	BPE
21.	Hassan Usman	DD	BPE
22.	Igboanusi U.O.C	PM	NEPA
23.	A. O. Olowo	CEO	BPE
24.	Musa Bello	AD (legal)	BPE
25.	S.A Ayo	AD	Utilities Charges UCC
26.	Mohammed Aliyu Bamalli	Special Asst. II DG	BPE
27.	Baba Mohammed	PEO (Council Affairs)	BPE
28.	Engr. J.D. Akinsulire	Ag GM (Marketing)	NEPA
29.	Mohammed Dikko Abdullahi	Deputy Director	BPE
30.	Vera o. Atodo	PEO (CA)	BPE

31.	P.C. Eluemunor		NEPA
32.	D.A Morakinyo	DD	BPE
33.	Fidelis A. Kur	PEO	BPE
34.	Nasir El-Rufai	Director General	BPE
35.	Dr. C.E. Ifesie	General Manager (TRX)	NEPA
36.	Prof. O.C. Iloeje	Director, EPA	Energy Comm. Of Nig.

## ELECTRIC UTILITY PRIVATIZATION

16/01/2001

S/N	NAMES	DESIGNATION	ORGANIZATION
1.	Hadiza Usman		BPE
2.	Baba Mohammed		BPE
3.	Olajide Kehinde Bose		BPE
4.	Aliyu M. Rufau		BPE
5.	Muzakari A. Fagge		BPE
6.	Prof. O.C. Iloeje		ECN
7.	Asue Igbodalo	Banwo & Igbodalo (Solicitors)	EPIC
8.	Dan A. Morakinyo		BPE
9.	Aminu Mohammed Gwanu		BPE
10.	George Lear	Consultant	K & M Engineering
11.	Vera O. Atodo		BPE
12.	Abimbola Kuru		BPE
13.	Hadiza Dagabana – Sani		BPE
14.	Hadizatu D. Mustapha (Mrs.)		BPE
15.	Amina Tukur Othman		BPE
16.	Hannatu Mohammed		BPE
17.	Umaru hadejia		Fed. Min. of Finance
18.	S. A. Ayo		Utilities Charges Comm.
19.	A. O. Olowo		BPE
20.	Mohammed Aliyu Bamalli		BPE
21.	Muhammed Dikko Abdullahi		BPE
22.	Hassan usman	PM	BPE
23.	Egnr. J. O. Akinsulump		GM (mkt.) NEPA
24.	Yakubu Lai Yahaya		BPE
25.	Patrick C. Eluemunor		NEPA
26.	A. M. Damjo		BPE
27.	U.O.C Igboanusi		NEPA

Wednesday 17<sup>th</sup> January, 2001

S/No	NAME	ORGANISATION	JOB TITLE
1.	George Lear	K&M Engineering	Training Specialist
2.	Ucheaga, SCN	M-Tel	GM (O&M)
3.	Ibrahim aliyu	Intercellular	Chairman
4.	Eze Callistus A	BPE	SEO (Internal Audit)
5.	Aliyu M. Rufai	BPE	EO! (Operations)
6.	A.M. Damji	BPE	CEO (Operations)
7.	Hadiza Usman	BPE	NYSC (Operations)
8.	Hannatu M. Mohammed	BPE	SEO (Operations)
9.	Mohammed Aliyu Bamalli	BPE	SADE II
10.	Albert O. Mould-Shalom	BPE	SEO (Operations)
11.	James B. Mamza	BPE	EO I (P&M)
12.	Tenitope O. Borshade	BPE	EO I (DG's Office)
13.	Alwel O. Obegh	BPE	D. Director
14.	Ene Leo Chinedu	BPE	CEO (Operations)
15.	Jude Odu Adinabua	BPE	EO I (DG's Office)
16.	Abdulrazaq A. Oniyazi	BPE	DD, Legal Services
17.	Bolanle Onageruwa	BPE	DD, Legal Services
18.	Moh'd Sani A. Kangiwa	BPE	ACEO (Operations)
19.	Lawal Y. Gada	BPE	SEO (Operations)
20.	C.N. Etta	Min. of Comm.	Deputy Director
21.	Bashir Galadanci	Rural Tele/USO Sub- Committee	NCP, Chairman
22.	Manual	NITEL	Corp. Administration
23.	Femi Olubanwo	BANWO & IGHODALO	Partner
24.	Yemi Candide-Johson	Strachan Partner	Partner
25.	E.C. Ormeata	NITEL	Executive Director (CA)
26.	A.Z Mohammed	M-Tel	FGM Admin
27.	Hassan Usman	BPE	Deputy Director
28.	Suraj Yakubu	BPE	Consultant/Legal
29.	Dalhatu Sani Yola	BPE	Chief Enterprise Officer
30.	Mohammed Admu	Moh, Moh & Co.	Legal Consultant to BPE

Thursday January 19, 2001

/No	NAME	ORGANISATION	JOB TITLE
1.	George Lear	K & M Engineering	Training Specialist
2.	S.C.N. Ucheaga	M-Tel	GM (O&M)
3.	Albert O. Mould Shalom	BPE	Operations
4.	Dalhatu Sani Yola	BPE	Public Affairs (CEO)
5.	A.Z. Mohammed	M-Tel	Admin CSWS
6.	Eze Calistus A	BPE	SEO (Internal Audit)
7.	Aliyu M. Rufai'u	BPE	Operations Department
8.	Mohammed Aliyu Bamalli	BPE	SADG (II) (DG's Office)
9.	Hannatu Mohammed	BPE	Operations
10.	Hadiza Usman	BPE	Operations
11.	Temitope Borishade	BPE	DG's Office
12.	Alwell O. Ibeh	BPE	Deputy Director
13.	Jude Odu Adimabua	BPE	DG's Office
14.	Ene Leo Chinedu	BPE	CEO (Operations)
15.	Mohammed Sani A. Kangiwa	BPE	ACEO (Operations)
16.	Abdulrazaq A. Oniyangi	BPE	DD (Legal Services)
17.	Bolanle Onaguoruwa	BPE	DD (Legal Services)
18.	Lawal Y. Gada	BPE	SEO (Operations)
19.	C.N. Etta	Min.of Comm.	DD (RS)
20.	Bashi Galadanci	Rural Telecom/USO Sub-Committee	Chairman
21.	Hassan Usman	BPE	Dep. Director (Planning)
22.	Femi Olubanwo	Banwo & Ighodalo	Partner
23.	Eighokhan Sammy	BPE	Legal Officer
24.	Ejeh Ogaji	BPE	Legal Officer
25.	Francis Ikio	BPE	Legal Officer
26.	E.C. Omeata	NITEL	Executive Director (CA)
27.	James B. Mamza	BPE	P&M -BPE
28.	F. Abubakar	BPE	DD (A&SS)

# Annex III

## **Updated Needs Assessment for BPE**

### **1. Introduction**

As part of our work with BPE, we have found it useful to update the needs assessment to focus the efforts of the team.

In determining requirements, the specific strategy of a privatization agency is instrumental. Many, but not all, privatization agencies outsource a significant number of their activities, all activities related to the sale of companies. BPE outsources virtually all transactions and regulatory work, and BPE's primary functions are policymaking and follow-up/monitoring of transactions and regulatory work. The USAID scope of work is predominantly within the areas of support of policy follow up and monitoring, which will be the focus of the following discussion of needs assessment.

### **2. Intervention Needs Assessment**

The intervention needs are summarized in the table below.

No.	ISSUE-SUB-ISSUE(S)	DEVELOPMENT NEED(S)	SUGGESTED REMEDY(IES)
<b>A</b>	<b>Institutional and Capability Building</b>		
A1	<ul style="list-style-type: none"> <li>Organizational structure</li> </ul>	<ul style="list-style-type: none"> <li>The current matrix structure is currently insufficiently developed, resulting in unclear roles, accountability and responsibility.</li> </ul>	<ul style="list-style-type: none"> <li>Assessment of the suitability of the current matrix structure to the strategy, programs and activities of BPE and recommendations for the future.</li> <li>Development of job descriptions, processes, systems, responsibilities, accountabilities, etc. in the organization to complement and support the organizational structure.</li> </ul>
A2	<ul style="list-style-type: none"> <li>Organizational and administrative procedures</li> </ul>	<ul style="list-style-type: none"> <li>BPE procedures are not well defined, standardized and adhered to, particularly in the following important areas:                             <ul style="list-style-type: none"> <li>Selecting core investors.</li> <li>Selecting consultants and advisors.</li> <li>Coordinating the ongoing work of consultants and advisors.</li> <li>Invoice processing for advisors.</li> <li>Offering of shares to the public.</li> </ul> </li> <li>Current procedures are not computerized sufficiently.</li> </ul>	<ul style="list-style-type: none"> <li>Thorough documentation of current procedures and requirements internally from BPE and externally from advisors, investors, and other public and private sector stakeholders.</li> <li>Development of procedures consistent with external and internal requirements.</li> <li>Assistance in implementing and securing adherence to procedures by documentation, training and follow up.</li> <li>Customization and /or development of suitable management information system to support implementation of standardized procedures.</li> </ul>
A3	<ul style="list-style-type: none"> <li>Information systems</li> </ul>	<ul style="list-style-type: none"> <li>Current information systems are rudimentary and insufficient to implement the privatization program in an efficient and transparent manner and make inadequate information available to the public and BPE employees.</li> </ul>	<ul style="list-style-type: none"> <li>Use of current systems needs assessment to formulate requirement for system.</li> <li>Implementation of MIS system to deal with information needs.</li> </ul>
A4	<ul style="list-style-type: none"> <li>Staff development.</li> </ul>	<ul style="list-style-type: none"> <li>BPE employees have insufficient technical skills and functional abilities to execute its roles in implementing the program.</li> </ul>	<ul style="list-style-type: none"> <li>Training to directly address skill deficits in an appropriate manner.</li> </ul>

No.	ISSUE-SUB-ISSUE(S)	DEVELOPMENT NEED(S)	SUGGESTED REMEDY(IES)
<b>B</b>	<b>Reform and Privatization of Companies and Sectors</b>		
B1	<ul style="list-style-type: none"> <li>• Telecommunications and power.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of skills to develop and implement regulatory reform and privatization strategies for telecommunications and power sectors, particularly so as to avoid monopolistic behavior in these sectors post privatization.</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of assistance in developing privatization and regulation strategies, and assistance in implementation.</li> </ul>
B2	<ul style="list-style-type: none"> <li>• Other Sectors</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of knowledge of enterprises and ability to identify solutions to various legal, financial and regulatory problems.</li> <li>• No Assurance of conformity of the privatization packages (valuation and information memorandum) with best international practices.</li> <li>• Inadequate preparation of management and staff of the enterprises to be privatized to participate constructively in the sale/privatization process.</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of legal, financial and regulatory support to mitigate skill gaps, act as intermediary and solve specific problems in close cooperation with BPE.</li> <li>• Review and updating of packages to ensure conformity.</li> <li>• Training to directly address skills deficit in appropriate manner.</li> </ul>
B3	Environmental Impact	<ul style="list-style-type: none"> <li>• Limited environmental impact assessments are undertaken and their relevance is not clear to BPE.</li> </ul>	<ul style="list-style-type: none"> <li>• Undertaking of environmental impact assessments for selected enterprises to be privatized in key sectors, e.g. power and telecoms, to establish relevance. In case of negative impact, development of strategy to address the environmental issues.</li> </ul>

No.	ISSUE-SUB-ISSUE(S)	DEVELOPMENT NEED(S)	SUGGESTED REMEDY(IES)
<b>C</b>	<b>Policy Support and Consensus Building</b>		
C1	<ul style="list-style-type: none"> <li>Consensus building</li> </ul>	<ul style="list-style-type: none"> <li>Lack of an overall campaign and campaign coordination across Nigeria.</li> <li>Unfulfilled requirement for information about the Nigerian privatization program abroad.</li> </ul>	<ul style="list-style-type: none"> <li>Assistance in coordination of the campaign and the development of resonating messages across Nigeria.</li> <li>Development and execution of road shows for key capital markets outside of Nigeria.</li> </ul>
C2	<ul style="list-style-type: none"> <li>Policy towards regulation and privatization of infrastructure, e.g. railroad, ports and roads.</li> </ul>	<ul style="list-style-type: none"> <li>Currently, policies are not in place to regulate and privatize these elements of infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>Study the elements of Nigerian infrastructure and provide recommendations for privatization and, if required, regulation.</li> </ul>
C3	<ul style="list-style-type: none"> <li>Labor &amp; social issues</li> </ul>	<ul style="list-style-type: none"> <li>Privatization will impact labor by leading to redundancies and other negative consequences for labor, but no firm framework is in place to deal with these issues.</li> </ul>	<ul style="list-style-type: none"> <li>Continued study of the issues with a view to develop the following policy elements:                             <ul style="list-style-type: none"> <li>- A complete methodology for determining termination benefits, including pensions and early retirement programs. Proposed termination benefits should</li> <li>- Estimation of the costs of termination of workers as a result of privatization.</li> <li>- Development of a policy of measures to abate the consequences of privatization on employment by training.</li> </ul> </li> </ul>

# Annex IV

**THE PRESIDENCY  
Bureau of Public Enterprises  
The Secretariat of the National Council on Privatisation**

**Support to the Government's Broad-Based Privatisation Programme**

**ASSESSMENT OF THE MIS NEEDS**

**International Business & Technical Consultants, Inc.**

**USAID**

**January 2001**

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## EXECUTIVE SUMMARY

This report dated January 2001 makes the following recommendations:

### 1. Privatisation Monitoring Systems

Two systems are required in order to track “pre privatisation and privatisation” activities in respect of each PE. *(Section 2.1)*

### 2. Financial Management Information Systems

An integrated suite of financial systems is required covering such operations as ledger, accounts payable, accounts receivable, budgeting, procurement and contract management. *(Section 2.2)*

### 3. Management Support Systems

Personnel information and document management systems are required. *(Section 2.3)*

### 4. Specific Databases

A number of Databases in respect of consultants and advisors, share registration, contract registers and PE bio data are required. *(Section 3.0)*

### 5. Further WEB site development

The current WEB site should be enhanced, in order to better market the BPE, the PEs and to enable consultant, advisor EOIs and other relevant bio data to be captured. *(Section 4.0)*

### 6. Procedures Manuals

6.1 - A Privatisation Procedures Manual should be developed, agreed and implemented. *(Section 2.1)*

6.2 - A Financial Procedures Manual should be developed, agreed and implemented. *(Section 2.2)*

6.3 - A Procurement Procedures Manual should be developed, agreed and implemented. *(Section 2.2)*

### 7. MIS development resources

7.1 - A local MIS advisor should be appointed, in order to counterpart the international MIS advisor. *(Section 5.0)*

7.2 - Internal MIS/IT personnel should be appointed, in order to provide MIS development capability and first line support to the BPE user community. *(Section 5.0)*

### **8. MIS implementation and development plan**

An MIS development and implementation plan should be produced, which would detail the development timeframes and any additional resources required in order to undertake the development of the MIS programme. *(Section 5.0)*

## **1. Introduction**

This report follows on from the report entitled “*Assessment of the existing MIS situation*”, and is a particular result of recommendation no 6 from this report.

This report is produced in accordance with the deliverables detailed in the work plan for the Management Information Systems (MIS) Advisor in respect of the current intervention. The terms of reference for the complete assignment are described in Annex I of this report. The work plan is described in Annex II of this report, and was approved by the Bureau of Public Enterprises (BPE) on the 6th December 2000.

In accordance with the work plan, this report would be followed by an “*MIS implementation strategy and plan*”, which would take the recommendations in respect of the MIS needs described in this report and develop a time bound action plan for their implementation, resource requirements, and a broad order of costs.

## **2. The MIS Needs**

In determining the MIS needs of the BPE, consideration is given to the requirements of both the core business and the support services of the organisation. The MIS needs are described in the following four sub sections as follows:

- a) Privatisation Monitoring Systems.
- b) Financial Management Information Systems.
- c) Management Support Systems.
- d) Other Desktop Systems.

It is recommended that the Management Information Systems that support the core business (i.e. the Privatisation Monitoring Systems) of the BPE be given priority. As a result, this document has also place greater emphasis in this area.

### **2.1 Privatisation Monitoring Systems**

The core business of the BPE is to take all Federal Government and state owned public enterprises to a particular privatisation status - either full or partial. The actual privatisation status is pre determined by the National Council on Privatisation (NCP). After the privatisation process has been completed, the BPE has a responsibility to monitor the performance of each Public Enterprise (PE) for a limited period of time.

In order to implement these responsibilities a number of procedures and working arrangements have recently been established within the organisation, which now requires support in terms of the introduction of Management Information Systems and Databases.

Crucial to the development of supporting Management Information Systems, would be the creation of an agreed procedures manual covering the Pre Privatisation and Privatisation activities. The creation of such a manual is also in conformity with recommendation no. 5 of the report entitled “*Assessment of the existing MIS situation*”.

The following Management Information Systems are therefore now required:

### **2.1.1 Pre-Privatisation and Privatisation Monitoring system**

A monitoring system is required in order to report on the progress and report on the status of the overall “pre-privatisation and privatisation” programme.

The details of the functionality of this system are described in Annex VI of this report.

The details of this system including processes, procedures, activities and tasks and their respective deliverables are described in Annex VII of this report.

### **2.1.2 Post Privatisation Performance Monitoring system**

A monitoring system is required in order to report on the progress against time of Key Performance Indicators (KPIs) of each PE that has been privatised.

The details of the functionality of this system are described in Annex VIII of this report.

The details of this system including definitions of KPIs are described in Annex IX of this report.

## **2.2 Financial Management Information Systems**

A number of support service areas within the BPE require MIS support. In particular, there is a requirement for an integrated Financial Management Information System.

Crucial to the development of the Financial Management Information Systems, would be the creation of a agreed procedures manuals covering both Financial and Procurement activities. The creation of such manuals is also in conformity with recommendation no. 5 of the report entitled “*Assessment of the existing MIS situation*”.

The components of the Financial Management Information System are detailed below:

### **2.2.1 General Ledger System**

A General Ledger system is required, in order to include accounts payable and receivable, to record all income and expenditure, to maintain cashbook entries, to keep a transaction record of all BPE’s bank accounts and to produce periodic financial statements. It should also produce a tracking of the utilisation of sales proceeds.

The details of this system are described in Annex X of this report.

### **2.2.1.1 Accounts Payable System**

An accounts payable system is required as part of the General Ledger System, in order to improve on the monitoring of all payments.

The details of this system are described in Annex XI of this report.

### **2.2.1.2 Accounts Receivable System**

An accounts receivable system is required as part of the General Ledger System, in order to improve on the monitoring of all receivables.

The details of this system are described in Annex XII of this report.

### **2.2.2 Budgeting System**

A budgeting system is required, in order to improve on the production of income and expenditure variation reports.

The details of this system are described in Annex XIII of this report.

### **2.2.3 Purchase Order Processing System**

A purchase order processing system is required, in order to improve on the monitoring of the processing of all procurement activities.

The details of this system are described in Annex XIV of this report.

### **2.2.4 Contract Performance and Payment Management System**

A contract performance and payment management system is required, in order to support payments made on certification of physical accomplishment (i.e. a deliverable), and to maintain an inventory of all current and ongoing contractual commitments.

The details of this system are described in Annex XV of this report.

### **2.2.5 Fixed Assets System**

A fixed assets system is required, in order to maintain the fixed assets of the BPE and to integrate this with the General Ledger System.

The details of this system are described in Annex XVI of this report.

## **2.3 Management Support Systems**

### **2.3.1 Personnel Information System**

A personnel information system is required, in order to improve on the management of Human Resource (HR) issues.

The details of this system are described in Annex XVII of this report.

### **2.3.2 Document Management System**

A document management system is required to handle the centralised storage, retrieval and general management of all BPE's documents.

The details of this system are described in Annex XVIII of this report.

## **2.4 Other Desktop Systems**

The general organisation and administration of the BPE needs to be strengthened in the use of desktop systems that provide at least the following functionality.

- a) Diary management and meeting scheduling.
- b) Internal mail.
- c) Electronic document storage, access and security.
- d) Anti virus.

## **3. Specific Databases**

In addition to the inherent databases that would form part of, and support the application systems described in sections 2.1 to 2.3 of this report, a number of other specific databases have been identified.

### **3.1 Database of registered contractors, consultants, advisors and professionals**

A database of registered contractors, consultants, advisors and professionals is required. The details of this Database are described in Annex XIX of this report.

### **3.2 Database of documents/centralised filing system**

This database is described within Annex XVII of this report that supports the Document Management System.

### **3.3 Database of share registration details**

A database of share registration details is required. The details of this Database are described in Annex XX of this report.

### **3.4 Database of contract registration details**

A database of contract registration details is required. The details of this Database are described in Annex XXI of this report.

### **3.5 Database of PE bio data**

A database of PE bio data is required. The details of this Database are described in Annex XXII of this report.

### **3.6 Database of activity deliverables**

A database of activity deliverables is required. The details of this Database are described in Annex XXIII of this report.

## **4. Further Web Site Development**

The report on the *"Assessment of the existing situation"* recommended that both the existing BPE and NCP WEB sites should be combined, and that the Public Affairs Deputy Directorate of the BPE should be responsible for its content and continual maintenance.

To support the marketing of Nigeria's reform programme in general and the privatisation programme in particular, the scope and functionality of the site should be enhanced. To improve upon the international marketing of the PEs, and the attraction of core investors and advisors, the site should contain the following additional functions:

- a) Online registration of consultants, advisors, professionals etc.
- b) Basic Bio data on all Public Enterprises.
- c) EOI advertisements.
- d) Tenders.
- e) Information Memorandums.

To improve the ability of the WEB user community to access the site, the possibility of registration with the popular search engines (e.g. Altavista, Excite, Google, Inktomi Lycos, UKPlus, Search) should be explored.

## **5. Critical Success Factors**

The BPE needs to address the following issues, prior to the adoption of the MIS requirements that are described in sections 2.1 and 2.2 of this report.

- a) Privatisation Procedures Manual needs to be developed, agreed and implemented.
- b) Financial Procedures Manual needs to be developed, agreed and implemented.
- c) Procurement Procedures Manual needs to be developed, agreed and implemented.
- d) Local MIS advisor needs to be appointed to counterpart the international MIS advisor.
- e) BPE should recruit internal MIS/IT personnel, in order to provide MIS development capability and first line support to the BPE user community.
- f) MIS development and implementation plan needs to be produced, which should detail the development timeframes and any additional resources required in order to undertake the MIS programme.

### **Annex I - Terms of Reference**

The following terms of reference have been extracted from section IV (Task/work requirements) of the document “Support to the Government’s Broad-Based Privatisation Program”, which forms part of the ToRs provided to IBTCI by US AID.

- Task 2. Carry out an assessment of information technology and computerization needs required for efficient, transparent implementation of the privatisation programme, and recommend a strategy for building and managing such a system. The assessment should include requirements for preparation of a database of key financial and operational data on each state owned enterprise to be included within the scope of this project. Funds and time permitting, the contractor will initiate establishment of the system.

## **Annex II - Work plan of the MIS advisor for the first intervention**

**24<sup>th</sup> November 2000 to 22<sup>nd</sup> February 2001**

### **1. Initial fact-finding**

(Week 1 - 24<sup>th</sup> November to 2<sup>nd</sup> December 2000)

- Studies of relevant materials, documents, and discussions with related personnel.
- Construct work plan.

#### **Deliverables**

- Approved work plan.

### **1. Assessment of existing situation**

(Weeks 2 to 3 - 3<sup>rd</sup> December to 16<sup>th</sup> December 2000)

- Conduct an assessment of the current MIS situation in the BPE.
- Conduct an assessment of BPE's immediate and future MIS plans.

#### **Deliverables**

- Approved "Assessment of the existing MIS situation" report.

### **3. Counterpart arrangements**

(Weeks 2 to 3 - 3<sup>rd</sup> December to 16<sup>th</sup> December 2000)

- Construct ToRs for national MIS counterpart.
- Interview and select national MIS counterpart.

#### **Deliverables**

- Counterpart identified, timeframe and terms of appointment agreed and approved.

### **4. Assessment of needs**

(Weeks 4 to 8 – 17<sup>th</sup> December 2000 to 20<sup>th</sup> January 2001)

- Conduct an assessment of the MIS requirements for the BPE, in order to provide support for an efficient, transparent implementation of the privatisation programme.
- This assessment would include an analysis of processes and procedures and a determination of suitability for computer based implementation.

- This assessment would include, but would not be limited to analysis in the following areas:
  - b. General Accounting.
  - c. Budgeting.
  - d. Fixed Assets.
  - e. Source and utilisation of sales proceeds.
  - f. Management of WB withdrawal and disbursements.
  - g. Procurement management and monitoring.
  - h. Contract performance and payment management.
  - i. Privatisation progress management and monitoring.
  - j. Post privatisation follow up and monitoring.
  
- This assessment would also include, but would not be limited to analysis of the following Database requirements:
  - a) Fixed assets.
  - b) Share register.
  - c) Contracts register.
  
- Make recommendations regarding any additional system functionality that may be identified and required.
  
- Conduct a gap analysis between the assessment of the existing situation and plans, and the needs that emerge from this assessment.

#### **Deliverables**

- Approved “Assessment of the MIS needs” report.

#### **5. Implementation strategy and plan**

*(Weeks 9 to 12 – 21<sup>st</sup> January 2001 to 17<sup>th</sup> February 2001)*

Construct an implementation plan in order to organise a prioritised phased introduction of systems.

- The implementation plan would be constructed to take account of delays in envisaged procurement, and current budgetary provisions.
  
- Determine any procedural changes.
  
- Determine resource requirements in terms of equipment, personnel, one time and recurrent costs.

#### **Deliverables**

- Approved “MIS implementation strategy and plan”.

### **Annex III - Acronyms**

<b>AFTPS</b>	Africa Technical Private Sector
<b>BPE</b>	Bureau of Public Enterprises
<b>CAMA</b>	Companies and Miscellaneous Act
<b>EDMS</b>	Electronic Document Management System
<b>EOI</b>	Expression of Interest
<b>FEC</b>	Federal Executive Council
<b>FGN</b>	Federal Government of Nigeria
<b>GBBPP</b>	Government's Broad Based Privatisation Programme
<b>GFRN</b>	Government of the Federal Republic of Nigeria
<b>GL</b>	General Ledger
<b>HR</b>	Human Resources
<b>IBTCI</b>	International Business & Technical Consultants, Inc.
<b>IDA</b>	International Development Association
<b>ISP</b>	Internet Service Provider
<b>IT</b>	Information Technology
<b>KPI</b>	Key Performance Indicator
<b>LPO</b>	Local Purchase Order
<b>MIS</b>	Management Information Systems
<b>NCP</b>	National Council on Privatisation
<b>NGN</b>	Nigerian Naira
<b>NIPC</b>	Nigerian Investment Promotion Commission
<b>NSE</b>	Nigerian Stock Exchange
<b>OMR</b>	Output Monitoring Report
<b>PE</b>	Public Enterprise
<b>PMR</b>	Project Management Report
<b>PSP</b>	Privatisation Support Project
<b>RFP</b>	Request for Proposals
<b>SEC</b>	Securities and Exchange Commission
<b>ToR</b>	Terms of Reference
<b>USAID</b>	United States Agency for International Development
<b>USD</b>	United States Dollars

## **Annex IV - List of persons met**

### **BPE**

Mr. N.A. el-Rufai, Director General  
Mr. T. Abdullahi, Director of Operations  
Mr. A.A. Udofia, Director of Planning & Monitoring  
Md. T. Abdullahi, Deputy Director Budget & Control  
Mr. E. Obi, Deputy Director of Operations  
Mr. H. Usman, Deputy Director of Planning & Monitoring  
Mr. Y.L. Yahaya, Special Assistant to the Director General  
Mr. S. Yakubu, Deputy Director, Legal Services

### **IBTCI**

Mr. M. B. Dan, Chief of Party / Privatisation Advisor  
Mr. M.M. Chottepanda, Senior Labour Economist  
Mr. W.J. Cleary, Senior Public Relations Expert

### **Inspired Technologies Ltd.**

Mr. S.C Osaje, Computer Expert

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## **Annex VI - Pre-Privatisation and Privatisation Monitoring System**

### **1. Functions**

- a) To monitor the status of the privatisation programme.
- b) To compare the actual progress of the privatisation programme to the plan.

### **2. Sources of Input**

- a) Process stream planned activity and task points and associated deliverables.
- b) Process stream planned task start and end points.
- c) Process stream actual task start and end points.

### **3. Composition of Database**

- a) Activities.
- b) Tasks.
- c) Deliverables.
- d) Turn around times.
- e) Responsibilities

### **4. Outputs**

- a) Status reports.
- b) Actual and planned variation reports.

## Annex VII - Pre-Privatisation and Privatisation Process Details

### 1. Pre-privatisation and privatisation processes within the BPE

#### 1.1 Background

The purpose of this Annex is to be able to describe what should be happening in respect of the implementation processes regarding the privatisation programme, and not what is happening (even though much might still be based upon current practices). It is to look forward.

In terms of transferring a government owned enterprise from its current status to that of being privatised, a number of activities need to be executed by the BPE (and other parties). The main activities are documented in the NCP privatisation handbook (2<sup>nd</sup> and draft 3<sup>rd</sup> editions). The activities as defined in the privatisation handbook would be considered as a template, since depending on the PE/sector in question, it is intended that not all the PEs/sectors would in fact be the subject of all of the activities, and indeed some PEs/sectors would be the subject of additional activities. The particular sequence of activities that a PE/sector could be the subject of has been defined as a “Process stream”, and these streams are defined in section 1.3 of this Annex.

#### 1.2 Activity templates

Each process stream combines a number of activities that are drawn from two activity templates. These templates are defined as follows:

- a) Template of major activity groups as described in the NCP handbook.

This consists of the following:

- i) Activity group no. 1 - Establish steering committees.
- ii) Activity group no. 2 - Policy formulation.
- iii) Activity group no. 3 - Legal/Regulatory framework.
- iv) Activity group no. 4 - Sector restructuring/Liberalisation.
- v) Activity group no. 5 - Privatisation.

- b) Template of the major activity groups from Diagnostic Review.

This consists of the following:

- i) Activity group no. 10 - Diagnostic Review.
- ii) Activity group no. 11 - Insolvent - Liquidate.
- iii) Activity group no. 12 - Solvent - Asset sale.

The templates showing the respective deliverable(s) from each activity within each of the major activity groups above are described in Appendices I and II of this Annex.

### 1.3 Process streams

A PE/sector would be the subject of one of four different internal process streams, which are defined as follows:

#### 1.3.1 Sectoral privatisation

- a) Process stream no. 1 – “Pre-privatisation and privatisation” for Sectors.

#### 1.3.2 PE privatisation

- a) Process stream no. 3 – Consensus building followed by privatisation.
- b) Process stream no. 4 – Diagnostic review followed by privatisation.
- c) Process stream no. 5 – Diagnostic review followed by liquidation or asset sale.

#### 1.3.3 Comments

Process stream No. 3, 4, and 5 are particular subsets of process stream no. 1 and in certain cases contain some minor variations. Process stream No. 3, 4 and 5 apply to PEs only.

#### 1.3.4 Activity group and process stream operation summary

The combination of activity groups and process streams are summarised in the table below:

Process stream no.	Activity group no.							
	10	11	12	1	2	3	4	5
1				X	X	X	X	X
3	X				X			X
4	X							X
5	X	X	X					

**Table 1 – Possible combination of Activity groups and Process streams**

This table shows the activity groups that are involved with each of the process streams. The details of each of the activities from each process stream are described in section 2.0 of this Annex.

## 1.4 External factors

The following table describes the external factors that are involved.

Factor	Measure
Domestic political events	
Domestic Specialist Interest Groups	
Federal Ministries	Level of programme support
International events	Financial, Political
Labour	Job Security/redundancy, Retrenchment and severance arrangements. Social safety net (training, retraining, redeployment, self employment etc).
National Assembly	Legislation
Nigerian Investment Promotion Commission (NIPC)	
PE Management	Level of Programme support
Public opinion	Awareness, Understanding, Attitude

**Table 2 – External factors that could contribute to the privatisation progress of a PE**

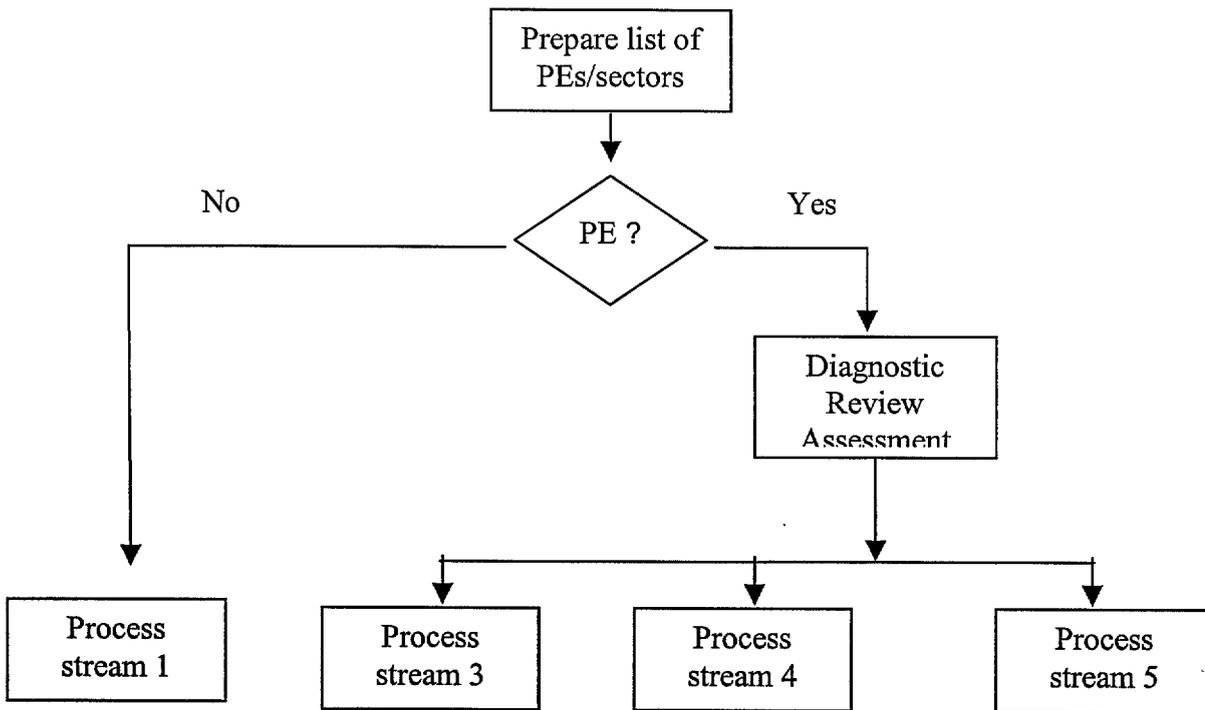
## 2. Process stream modelling

### 2.1 Preliminary Assessment

Before a PE/sector can be placed on a process stream, a candidate list of PEs/sectors slated for privatisation should first be prepared.

A sector would always follow process stream 1, whereas a PE would be the subject of a Diagnostic Review, the results of which, *inter alia*, would determine the process stream that the PE would subsequently follow.

This preliminary assessment is show in the following diagram:

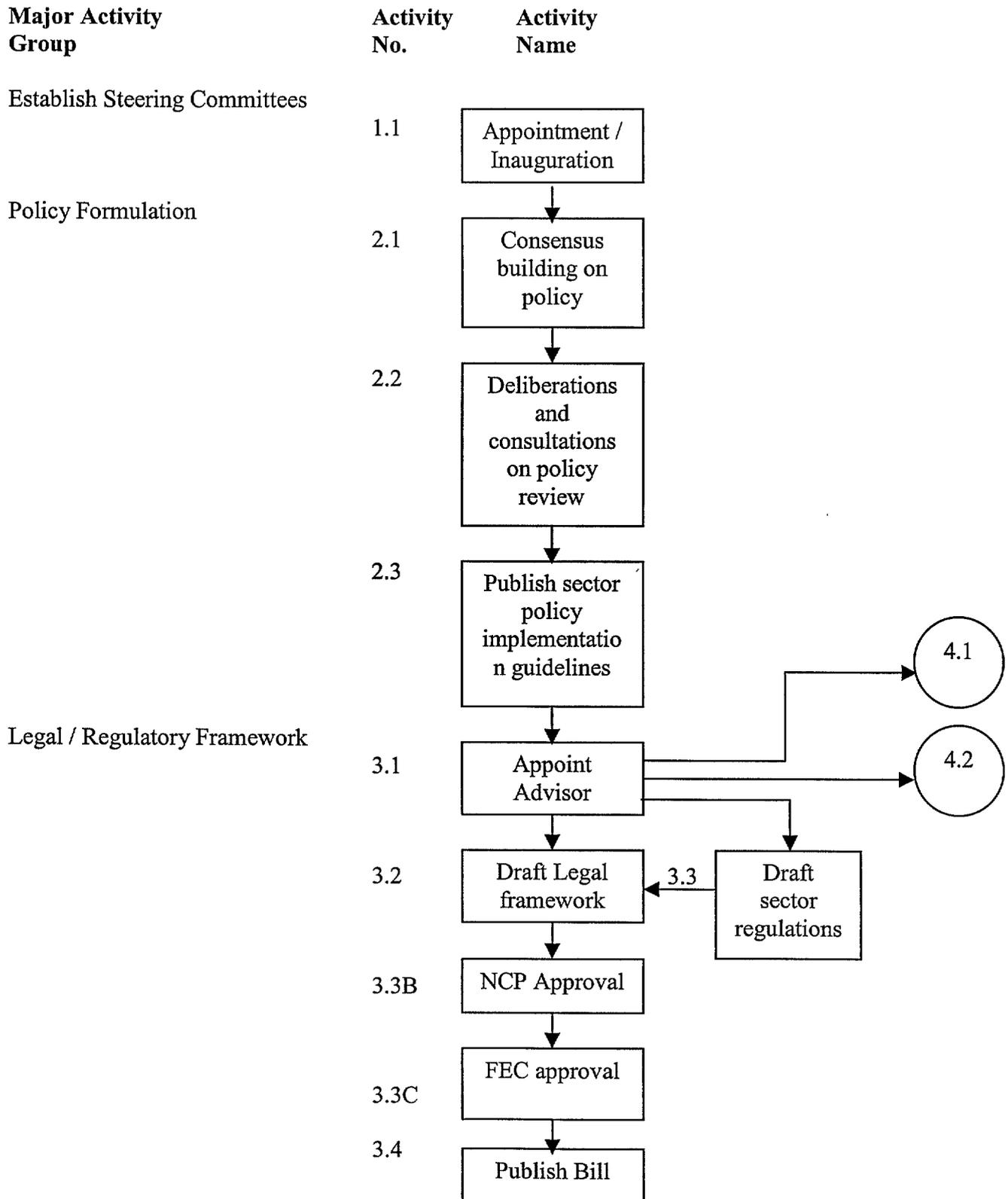


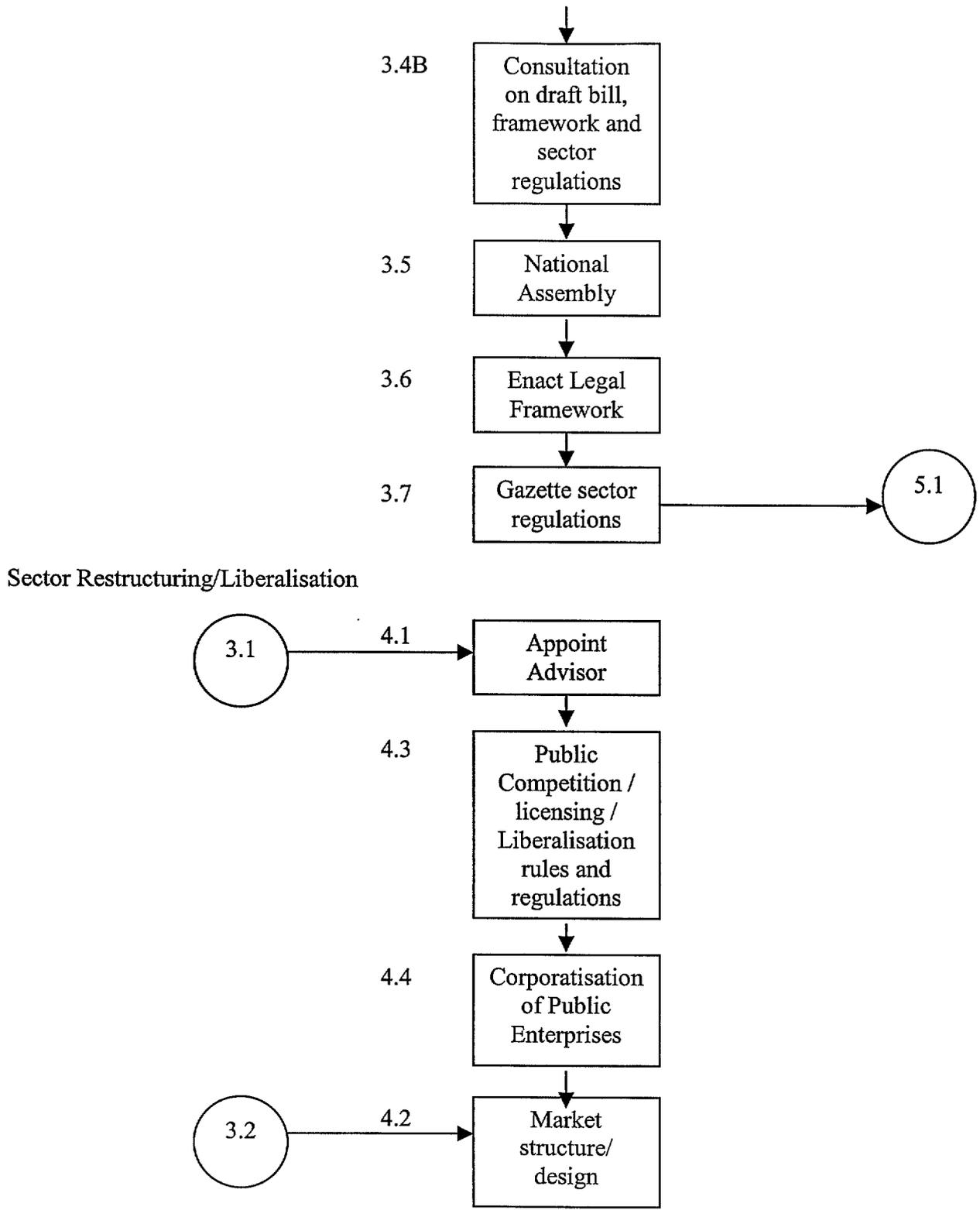
**Diagram 1 - Preliminary Assessment Flow**

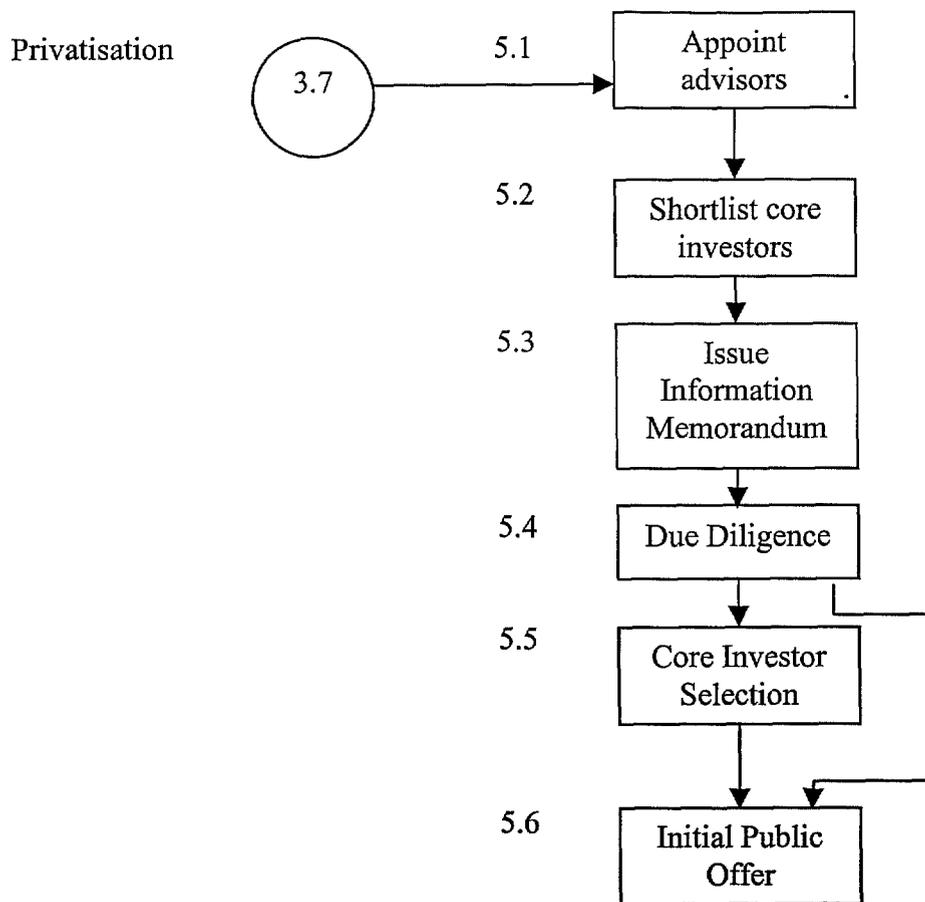
Each of the individual process streams is separately modelled on the succeeding pages, and the activities within each stream are numbered in accordance with the major activity groups described in section 1.2 above. This ensures that the numbering system used in this Annex corresponds to that described in the NCP privatisation handbook 2<sup>nd</sup> and 3<sup>rd</sup> (draft) Editions. It will be noted that each of the process streams 3, 4, and 5 still retain the Diagnostic Review, as deliverables from this activity form an integral component of the particular stream.

2.2 Process Streams

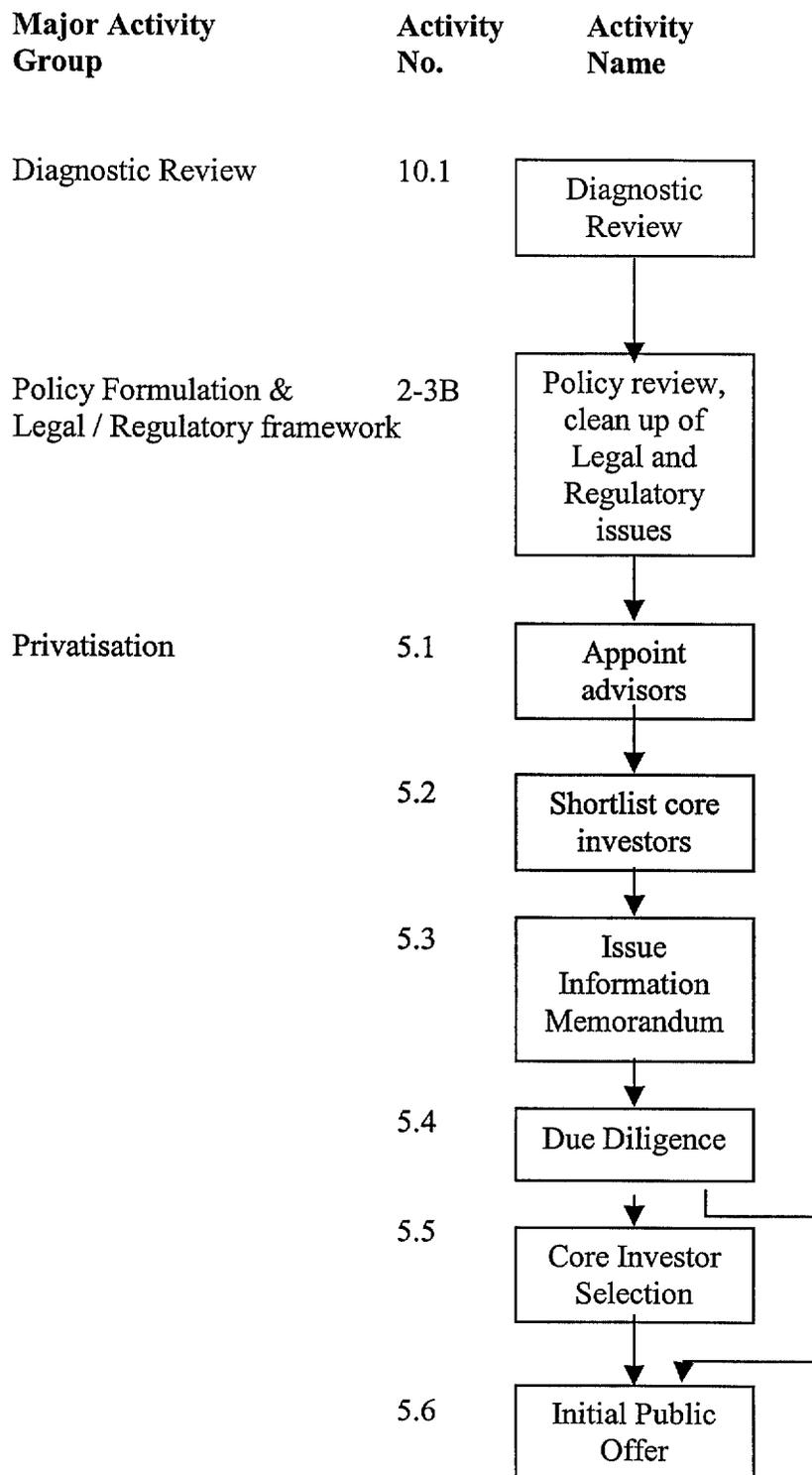
2.2.1 Stream no. 1 – “Pre privatisation and privatisation” for Sectors







2.2.3 Stream no. 3 - Consensus building followed by privatisation



### 2.2.4 Stream no. 4 - Diagnostic Review followed by Privatisation

**Major Activity Group**

**Activity No.**

**Activity Name**

Diagnostic Review

10.1

Diagnostic Review

Privatisation

5.1

Appoint advisors

5.2

Shortlist core investors

5.3

Issue Information Memorandum

5.4

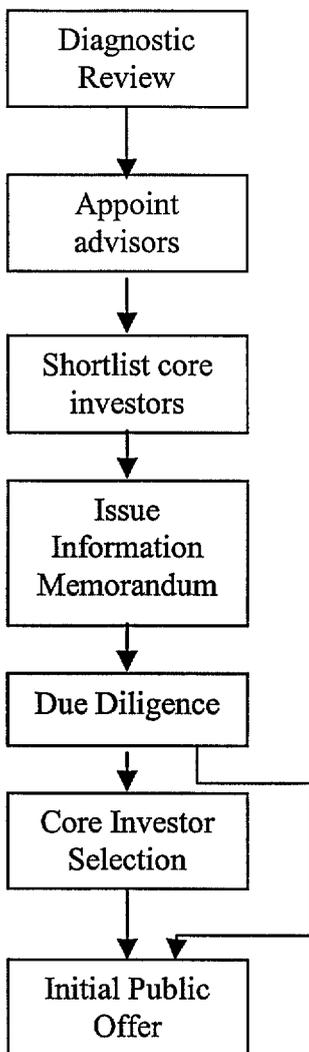
Due Diligence

5.5

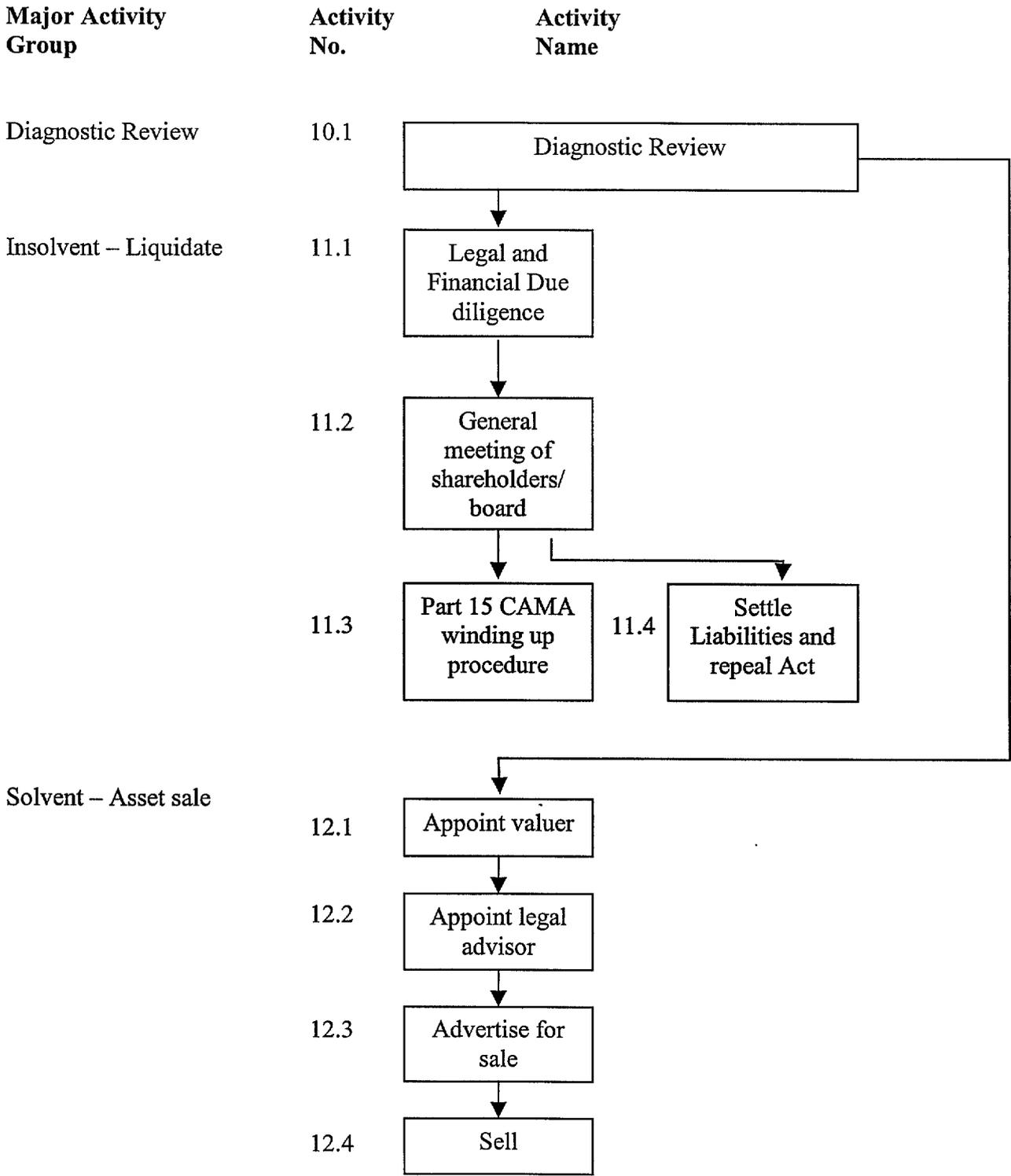
Core Investor Selection

5.6

Initial Public Offer



2.2.5 Stream no. 5 – Diagnostic Review followed by Liquidation or Asset sale



### 3. Task breakdowns

A number of activities of major activity groups are further broken down into their respective tasks.

#### 3.1 Privatisation major activity group (Activity no. 5)

A number of activities, particularly for those activities in the Privatisation major group have been broken down into their respective tasks and milestones as follows:

##### 3.1.1 Appoint Advisors (Activity no. 5.1)

This activity consists of the following **sequential** tasks and milestones:

No.	Task/Milestone name
-----	---------------------

5.1.1	– Advertise for EOIs
-------	----------------------

5.1.2	– Receipt of EOIs
-------	-------------------

5.1.3	– <i>Deadline of submission of EOIs</i>
-------	---

5.1.4	– Evaluation of EOIs (Financial, Technical, Legal, Accounting and Valuation)
-------	--

5.1.5	– Drafting of RFP (Letter of invitation and contract, ToR, scope of work)
-------	---

5.1.6	– Issue RFP
-------	-------------

5.1.7	– Preparation of proposals (Task performed by bidder)
-------	---

5.1.8	– <i>Deadline of receipt for proposals</i>
-------	--

5.1.9	– Evaluation of technical proposals
-------	-------------------------------------

5.1.10	– Verification of technical proposals
--------	---------------------------------------

5.1.11	– Opening of financial proposals
--------	----------------------------------

5.1.12	– Negotiation with applicants
--------	-------------------------------

5.1.13	– Technical Committee consideration / recommendation
--------	--

5.1.14	– <i>Approval by NCP</i>
--------	--------------------------

5.1.15	– Appointment of advisors
--------	---------------------------

5.1.16	– Review and preparation of IM and bid documents
--------	--

Milestones are shown in *italics*.

Tasks/Activities that are not undertaken by the BPE are shown in **bold**.

A task and milestone breakdown, showing the respective deliverable(s) in respect of the *Appoint Advisors* activity is described in Appendix III of this Annex.

##### 3.1.2 Shortlist of core investors (Activity no. 5.2)

This activity consists of the following **sequential** tasks and milestones:

No.	Task/Milestone name
-----	---------------------

5.2.1	– Advert for EOIs
-------	-------------------

5.2.2	– Core investor preparation of EOIs (Task performed by potential investor)
-------	--

5.2.3	– <i>Deadline for submission for EOIs</i>
-------	---

- 5.2.4 – Opening of EOIs and pre qualification by Technical Evaluation Committee
- 5.2.5 – Evaluation of pre qualified core investors
- 5.2.6 – Verification process
- 5.2.7 – Technical evaluation committee consideration / recommendation
- 5.2.8 – *NCP approval of pre qualified candidates*
- 5.2.9 – Inform successful / unsuccessful applicants

Milestones are shown in *italics*.

Tasks/Activities that are not undertaken by the BPE are shown in **bold**.

A task and milestone breakdown, showing the respective deliverable(s) in respect of the *Shortlist of Core Investors* activity is described in Appendix IV of this Annex.

### 3.1.3 Selection of core investor (Activity no. 5.5)

This activity consists of the following **sequential** tasks and milestones:

**No. Task / Milestone name**

- 5.5.1 – *Deadline for submission of bids*
- 5.5.2 – Public opening of bids by Technical Evaluation Committee
- 5.5.3 – Evaluation of bids
- 5.5.4 – *NCP approval*
- 5.5.5 – Announcement of selected core investor
- 5.5.6 – Payment by winning bidder
- 5.5.7 – Commence transition arrangements
- 5.5.8 – Post sale monitoring and compliance

Milestones are shown in *italics*.

Tasks/Activities that are not undertaken by the BPE are shown in **bold**.

A task and milestone breakdown, showing the respective deliverable(s) in respect of the *Selection of Core Investor* activity is described in Appendix V of this Annex.

### 3.1.4 Initial Public Offer (Activity no. 5.6)

This activity consists of the following **sequential** tasks and milestones:

**No. Task/Milestone name**

- 5.6.1 - Selection of Flotation Advisors and Registrars
- 5.6.2 - Hold All Parties Meeting to Review Draft Prospectus, Pricing Memorandum and other Offer Documents
- 5.6.3 - Hold All Parties Meeting to Finalise Draft Prospectus, Pricing Memorandum and other Offer Documents
- 5.6.4 - **Forward Application to SEC**
- 5.6.5 - Selection of Printers, Couriers & Advert Agents
- 5.6.6 - *NCP Approval of Offer Documents & Budget*

**5.6.7 - SEC Approval of Offer Documents and clearance for Completion Board Meeting**

5.6.8 - Hold Completion Board Meeting

5.6.9 - *Public Offer Opens*

5.6.10 – *Public Offer Closes*

**5.6.11 - Issuing Houses/ Registrars compile Returns**

5.6.12 - Review Allotment Proposal

5.6.13 - *Allotment Committee Meeting*

5.6.14 - *NCP Approval of Allotment*

5.6.15 - *SEC Approval of Allotment*

**5.6.16 - Issuing Houses Remit Net Offer Proceeds to BPE**

**5.6.17 - Issue Share Certificates**

5.6.18 - *Trading Commences on NSE*

Milestones are shown in *italics*.

Tasks/Activities that are not undertaken by the BPE are shown in **bold**.

A task and milestone breakdown, showing the respective deliverable(s) in respect of the *Initial Public Offer* activity is described in Appendix VI of this Annex.

**4. Activity, task and milestone monitoring.**

There is a need to monitor the status, and progress against a plan of the “pre-privatisation and privatisation” processes.

Some examples of possible status reports could be as follows:

**4.1 Example 1 – Status of all Public Enterprises by activity as at DD/MM/YYYY**

Activity / Milestone	Public Enterprise								
	1	2	3	4	5	6	7	8	etc.
<b>1</b>									
<b>2.1</b>			X	X				X	
<b>2.2</b>									
<b>2.3</b>	X	X				X			
<b>3.1</b>									
<b>3.2</b>					X				X
<b>3.3</b>									
<b>3.4</b>									
<b>3.5</b>							X		
<b>etc.</b>									

*This report shows the status of each PE, according to the activity that it is currently the subject of.*

#### 4.1 Example 2 – Actual progress against plan of a Public Enterprise by activity

Activity	Week number								
		1	2	3	4	5	6	7	etc.
1.1	Plan	x	x						
	Actual	x	x						
2.1	Plan		x	x					
	Actual		x	x	x				
2.2	Plan				x				
	Actual					x			
2.3	Plan								
	Actual					x			
3.1	Plan								
	Actual						x	x	
3.2	Plan							x	x
	Actual								
Etc.	Plan								x
	Actual								

This report shows the current progress of a selected PE against the original plan.

#### 5.0 Information requirements

In order to achieve and verify each deliverable arising from each activity/task of the various “pre-privatisation and privatisation” streams, an information base needs to be defined. The following table shows which information is required to support each deliverable according to its generating activity / task, what data is needed, and where it comes from.

Activity no.	Activity name	Deliverables	Information requirements	Data requirements	Source
1.	Establish Steering Committees				
1.1	Appointment / Inauguration	Appoint/inaugurate			

2.	Policy Formulation				
2.1	Consensus building on policy	Meetings/workshops			
2.2	Deliberations and consultations on policy review	Steering committee meetings held (fortnightly or monthly depending on sector)			
2.3	Publish sector policy implementation guidelines	Sector policy			
2-3B	Policy review, clean up of legal and regulatory issues				
3.	Legal / Regulatory framework				
3.1	Appoint advisor	Appointed			
3.2	Draft legal framework	Drafts produced			
3.3	Draft sector regulations	Draft produced			
3.3B	NCP approval				
3.3C	<i>FEC approval</i>				
3.4	Publish draft bill	Publication			
3.4B	Consultation on draft bill, framework and sector regulations	Published bill.			
3.5	National assembly	Published bill.			
3.6	Enact legal framework	Act passed			
3.7	Gazette sector regulations	Gazette regulations			
4.	Sector Restructuring / Liberalisation				
4.1	Appoint advisor	Advisor appointed			
4.2	Market structure / design	Inception report, commentary and proposed design/structure sent to BPE			
4.3	Public competition / licensing / liberalisation rules and regulation	Draft and final versions sent to BPE			
4.4	Corporatisation of PEs	Necessary legal steps completed (e.g.			

		registration of companies, filing of documents, announcements etc)			
5.	Privatisation				
5.1	Appoint advisors				
5.1.1	Advertise for EOI	Advert copy (DD(PA))			
5.1.2	Receipt of EOIs	EOIs received by BPE			
5.1.3	<i>Deadline of submission of EOIs</i>				
5.1.4	Evaluation of EOIs	Evaluation team assembled			
		Discussion / acceptance / publication of evaluation criteria and score sheet			
		Evaluation proper D(P&M)			
		Preparation of final report			
5.1.5	Drafting of RFP	RFP containing: TOR Scope of Work Contract			
5.1.6	Issue RFP	RFP issued			
5.1.7	<b>Preparation of proposals</b>	<b>This task is performed by the bidder.</b>			
5.1.8	<i>Deadline of receipt for proposals</i>	<i>Receipt of proposals</i>			
5.1.9	Evaluation of technical proposals	Evaluation team assembled			
		Discussion / acceptance / publication of evaluation criteria and score sheet			
		Evaluation proper			
		Short listing and preparation of final report			
5.1.10	Verification of technical proposals	Crosscheck short listed candidates (e.g.			

		directory listing check; credit check; evidence of technical / partnership agreement; other?)			
5.1.11	Opening of financial proposals	Invite short listed candidates			
5.1.12	Negotiation with applicants	Meeting to negotiate is called			
5.1.13	Technical Committee consideration / recommendation	TC meeting held; evaluation report			
5.1.14	<i>Approval by NCP</i>	<i>Approval</i>			
5.1.15	Appointment of advisors	Announcement			
5.1.16	Review and preparation of IM and bid documents	Draft then final Info Memo Draft then final bid docs			
5.2	Shortlist core investors				
5.2.1	Advert for EOIs	Advert copy (DD(PA))			
5.2.2	<b>Core investor preparation of EOIs</b>	<b>This task is performed by the potential core investor.</b>			
5.2.3	<i>Deadline for submission for EOIs</i>	<i>EOIs received by BPE</i>			
5.2.4	Opening of EOIs and pre-qualification by TEC	Register and safe storage of EOIs			
5.2.5	Evaluation of pre-qualified investors	Evaluation team assembled			
		Discussion / acceptance / publication of evaluation criteria and score sheet			
		Evaluation proper D(P&M)			
		Preparation of final report			
5.2.6	Verification process	Crosscheck short listed candidates (e.g. directory listing			

		check; credit check; evidence of technical / partnership agreement; other?)			
5.2.7	TEC consideration / recommendation	Meeting holds; BPE evaluation report			
5.2.8	<i>NCP approval of pre qualified candidates</i>	<i>Meeting holds; TEC report.</i>			
5.2.9	Inform successful / unsuccessful applicants.	Letters issued			
5.3	Issue Information memorandum	IM issued			
5.4	Due diligence	Set up data room Schedule visits			
5.5	Core Investor selection				
5.5.1	<i>Deadline for submission of bids</i>				
5.5.2	Public opening of bids by TEC	Invite short listed bidder to attend			
5.5.3	Evaluation of bids	Evaluation team re-assembled			
		Evaluation			
		Preparation of final report			
5.5.4	<i>NCP approval</i>				
5.5.5	Announcement of selected core investor	Statement by NCP			
5.5.6	Payment by winning bidder	Transfer advice			
5.5.7	Commence transition arrangements				
5.5.8	Post sale monitoring and compliance				
5.6	Initial Public Offer				
5.6.1	Selection of Flotation Advisors and Registrars	Advisors Appointed			
5.6.2	Hold All Parties Meeting to Review Draft Prospectus, Pricing Memorandum and other Offer Documents	Meeting Holds			
5.6.3	Hold All Parties	Prospectus & other			

	Meeting to Finalise Draft Prospectus, Pricing Memorandum and other Offer Documents	Offer Documents			
5.6.4	<b>Forward Application to SEC</b>				
5.6.5	Selection of Printers, Couriers & Advert Agents	Appointment			
5.6.6	<i>NCP Approval of Offer Documents &amp; Budget</i>	<i>Meeting Holds</i>			
5.6.7	<b>SEC Approval of Offer Documents and clearance for Completion Board Meeting</b>				
5.6.8	Hold Completion Board Meeting	Meeting Holds			
5.6.9	<i>Public Offer Opens</i>				
5.6.10	<i>Public Offer Closes</i>				
5.6.11	<b>Issuing Houses/ Registrars compile Returns</b>				
5.6.12	Review Allotment Proposal	Allotment Proposal			
5.6.13	<i>Allotment Committee Meeting</i>	<i>Meeting Holds</i>			
5.6.14	<i>NCP Approval of Allotment</i>	<i>Meeting Holds</i>			
5.6.15	<i>SEC Approval of Allotment</i>				
5.6.16	<b>Issuing Houses Remit Net Offer Proceeds to BPE</b>				
5.6.17	<b>Issue Share Certificates</b>				
5.6.18	<i>Trading Commences on NSE</i>				
10	Diagnostic Review				
10.1	Diagnostic Review	Business plan			
10.2	<i>Approval by NCP</i>				
11	<b>Insolvent – Voluntary liquidation</b>				

11.1	Legal and Financial due diligence				
11.2.	General meeting of shareholders				
11.3	Part 15 CAMA winding up procedure				
11.4	Settle liabilities and repeal Act				
12	Solvent – Asset sale				
12.1	Appoint valuer				
12.2	Appoint legal advisor				
12.3	Advertise for sale				
12.4	Sell				

## 6. Methods

In order to achieve the modelling and tracking of the activities and tasks that are defined for the process streams that have been described in sections 2 and 3 of this Annex, the following techniques are recommended.

### 6.1 Process monitoring

In order to monitor activities and tasks against time, an industry standard project management software is required.

### 6.2 Databases

A database is required in order to hold all information and data pertaining to each deliverable arising from each task. These are described in section 5.0 of this report.

**Appendix I – Template of the major activity groups, their activities and outputs**

Activity no.	Activity / Milestone name	Deliverable	Verification
1.	Establish Steering Committees		
1.1	Appointment / Inauguration	Appoint/inaugurate	Announcement of appointment/inauguration
2.	Policy Formulation		
2.1	Consensus building on policy	Meetings/workshops	Attendance at meetings/workshops
2.2	Deliberations and consultations on policy review	Steering committee meetings held (fortnightly or monthly depending on sector)	Attendance at meetings
2.3	Publish sector policy implementation guidelines	Sector policy	Launching of sector policy
2-3B	Policy review, clean up of legal and regulatory issues		
3.	Legal / Regulatory framework		
3.1	Appoint advisor	Appointed	1. NCP decision 2. Press release issued by DD(PA) 3. Announcement in press
3.2	Draft legal framework	Drafts produced	Advisor submits inception report and sends drafts to BPE
3.3	Draft sector regulations	Draft produced	Advisor sends draft to BPE
3.3B	NCP approval		
3.3C	FEC approval		
3.4	Publish draft bill	Publication	Publication and distribution to all stakeholders
3.4B	Consultation on draft bill, framework and sector regulations	Published bill.	Hold seminar to discuss
3.5	National assembly	Published bill.	National assembly approval.
3.6	Enact legal framework	Act passed	Assent
3.7	Gazette sector regulations	Gazette regulations	Copy of gazetted regulations
4.	Sector Restructuring /		

	Liberalisation		
4.1	Appoint advisor	Advisor appointed	Advisor working
4.2	Market structure / design	Inception report, commentary and proposed design/structure sent to BPE	BPE receives reports
4.3	Public competition / licensing / liberalisation rules and regulation	Draft and final versions sent to BPE	BPE receives reports
4.4	Corporatisation of PEs	Necessary legal steps completed (e.g. registration of companies, filing of documents, announcements etc)	Closing documents sent to BPE
5.	Privatisation		
5.1	Appoint advisors	<b>A breakdown of this activity is described in Appendix III of this Annex</b>	
5.2	Shortlist core investors	<b>A breakdown of this activity is described in Appendix IV of this Annex</b>	
5.3	Issue Information memorandum	IM issued	IM received
5.4	Due diligence	Set up data room Schedule visits	Visits have taken place
5.5	Core Investor selection	<b>A breakdown of this activity is described in Appendix V of this Annex</b>	
5.6	Initial Public Offer	<b>A breakdown of this activity is described in Appendix VI of this Annex</b>	

**Notes** - Milestones are shown in *italics*  
- Tasks/Activities that are not undertaken by the BPE are shown in **bold**

**Appendix II – Template of the major activity groups, their activities and outputs  
from Diagnostic Review**

<b>Activity no.</b>	<b>Activity / Milestone name</b>	<b>Deliverable</b>	<b>Verification</b>
10	Diagnostic Review		
10.1	Diagnostic Review	Business Plan	Business plan produced
<i>10.2</i>	<i>Approval by NCP</i>		
<b>11</b>	<b>Insolvent – Voluntary liquidation</b>	<b>Activity undertaken by shareholder</b>	
<b>11.1</b>	<b>Legal and Financial due diligence</b>		
<b>11.2.</b>	<b>General meeting of shareholders</b>		
<b>11.3</b>	<b>Part 15 CAMA winding up procedure</b>		
<b>11.4</b>	<b>Settle liabilities and repeal Act</b>		
<b>12</b>	<b>Solvent - Asset sale</b>	<b>Activity undertaken by shareholder</b>	
<b>12.1</b>	<b>Appoint valuer</b>		
<b>12.2</b>	<b>Appoint legal advisor</b>		
<b>12.3</b>	<b>Advertise for sale</b>		
<b>12.4</b>	<b>Sell</b>		

Notes - Milestones are shown in *italics*

- Tasks / Activities that are not undertaken by the BPE are shown in **bold**

Appendix III – Task breakdown of “Appoint Advisors” (Activity no. 5.1)

Task no.	Task / Milestone name	Deliverable	Verification
5.1.1	Advertise for EOI	Advert copy (DD(PA))	Advert published
5.1.2	Receipt of EOIs	EOIs received by BPE	Received and registered by DG’s office
5.1.3	<i>Deadline of submission of EOIs</i>		
5.1.4	Evaluation of EOIs	Evaluation team assembled	Team meeting
		Discussion / acceptance / publication of evaluation criteria and score sheet	Distribute score sheets
		Evaluation proper D(P&M)	Processing of score sheets
		Preparation of final report	Report to NCP for approval
5.1.5	Drafting of RFP	RFP containing: TOR Scope of Work Contract	RFP ‘blessed’ by D(O); D(P&M); D(LS)
5.1.6	Issue RFP	RFP issued	Certification of issue (registered mail, courier receipts?)
5.1.7	<b>Preparation of proposals</b>	<b>This task is performed by the bidder</b>	
5.1.8	<i>Deadline of receipt for proposals</i>	<i>Receipt of proposals</i>	<i>Registration of receipts/sorting by DG’s office</i>
5.1.9	Evaluation of technical proposals	Evaluation team assembled	Team meeting
		Discussion / acceptance / publication of evaluation criteria and score sheet	Distribute score sheets
		Evaluation proper	Processing of score sheets
		Short listing and preparation of final report	Report submitted to TC/ NCP for approval
5.1.10	Verification of technical proposals	Crosscheck short listed candidates (e.g.	D(O); D(P&M) issues ‘no objection’

		directory listing check; credit check; evidence of technical / partnership agreement; other?)	statement
5.1.11	Opening of financial proposals	Invite short listed candidates	Open meeting held at BPE offices
5.1.12	Negotiation with applicants	Meeting to negotiate is called	Meeting held, minutes
5.1.13	Technical Committee consideration / recommendation	TC meeting held; evaluation report	Minutes
<i>5.1.14</i>	<i>Approval by NCP</i>	<i>Approval</i>	
5.1.15	Appointment of advisors	Announcement	Announcement
5.1.16	Review and preparation of IM and bid documents	Draft then final Info Memo Draft then final bid docs	IM and bid documents provided

- Notes - Milestones are shown in *italics*  
 - Tasks / Activities that are not undertaken by the BPE are shown in **bold**

Appendix IV – Task breakdown of “Shortlist of Core Investors” (Activity no. 5.2)

Task no.	Task / Milestone name	Deliverable	Verification
5.2.1	Advert for EOIs	Advert copy (DD(PA))	Advert published
<b>5.2.2</b>	<b>Core investor preparation of EOIs</b>	<b>This task is performed by the potential core investor</b>	
5.2.3	<i>Deadline for submission for EOIs</i>	<i>EOIs received by BPE</i>	<i>Received and registered by DG's office</i>
5.2.4	Opening of EOIs and pre-qualification by TEC	Register and safe storage of EOIs	Approval by BPE director
5.2.5	Evaluation of pre-qualified investors	Evaluation team assembled	Team meeting
		Discussion / acceptance / publication of evaluation criteria and score sheet	Distribute score sheets
		Evaluation proper D(P&M)	Processing of score sheets
		Preparation of final report	Report to NCP for approval
5.2.6	Verification process	Crosscheck short listed candidates (e.g. directory listing check; credit check; evidence of technical / partnership agreement; other?)	D(O); D(P&M) issues 'no objection' statement
5.2.7	TEC consideration / recommendation	Meeting holds; BPE evaluation report	Decisions made
5.2.8	<i>NCP approval of pre qualified candidates</i>	<i>Meeting holds; TEC report.</i>	<i>'Prayers' granted</i>
5.2.9	Inform successful / unsuccessful applicants.	Letters issued	Certification (registered mail, courier, Fax confirmation slips?)

- Notes** - Milestones are shown in *italics*  
- Tasks / Activities that are not undertaken by the BPE are shown in **bold**

**Appendix V – Task breakdown of “Selection of Core Investor” (Activity no. 5.5)**

<b>Task no.</b>	<b>Task / Milestone name</b>	<b>Deliverable</b>	<b>Verification</b>
5.5.1	<i>Deadline for submission of bids</i>		
5.5.2	Public opening of bids by TEC	Invite short listed bidder to attend	Opening holds at BPE offices
5.5.3	Evaluation of bids	Evaluation team re-assembled	Team meeting
		Evaluation	Decision has been made
		Preparation of final report	Report to NCP for approval
5.5.4	<i>NCP approval</i>		
5.5.5	Announcement of selected core investor	Statement by NCP	Public announcement (full media)
5.5.6	Payment by winning bidder	Transfer advice	Confirmation by bankers
5.5.7	Commence transition arrangements		
5.5.8	Post sale monitoring and compliance	Regular monitoring reports from PE	Reports analysed by BPE

**Notes** - Milestones are shown in *italics*  
- Tasks / Activities not undertaken by the BPE are shown in **bold**

Appendix VI – Task breakdown of “Initial Public Offer” (Activity no. 5.6)

Task no.	Task / Milestone name	Deliverable	Verification
5.6.1	Selection of Flotation Advisors and Registrars	Advisors Appointed	Vending Agreement
5.6.2	Hold All Parties Meeting to Review Draft Prospectus, Pricing Memorandum and other Offer Documents	Meeting Holds	Report on Meeting
5.6.3	Hold All Parties Meeting to Finalise Draft Prospectus, Pricing Memorandum and other Offer Documents	Prospectus & other Offer Documents	Report on Meeting
<b>5.6.4</b>	<b>Forward Application to SEC</b>		
5.6.5	Selection of Printers, Couriers & Advert Agents	Appointment	Letters of Appointment
5.6.6	<i>NCP Approval of Offer Documents &amp; Budget</i>	<i>Meeting Holds</i>	<i>'Prayers' granted</i>
<b>5.6.7</b>	<b><i>SEC Approval of Offer Documents and clearance for Completion Board Meeting</i></b>		
5.6.8	Hold Completion Board Meeting	Meeting Holds	Meeting Papers
5.6.9	<i>Public Offer Opens</i>		
5.6.10	<i>Public Offer Closes</i>		
<b>5.6.11</b>	<b>Issuing Houses/ Registrars compile Returns</b>		
5.6.12	Review Allotment Proposal	Allotment Proposal	D(O) Approves
5.6.13	<i>Allotment Committee Meeting</i>	<i>Meeting Holds</i>	<i>Allotment Report</i>
5.6.14	<i>NCP Approval of Allotment</i>	<i>Meeting Holds</i>	<i>'Prayers' granted</i>
5.6.15	<i>SEC Approval of Allotment</i>		<i>Letter of Approval</i>
<b>5.6.16</b>	<b>Issuing Houses Remit Net Offer Proceeds to BPE</b>		
<b>5.6.17</b>	<b>Issue Share Certificates</b>		
5.6.18	<i>Trading Commences on NSE</i>		<i>Shares Listed on NSE</i>

Notes - Milestones are shown in *italics*  
- Tasks / Activities not undertaken by the BPE are shown in **bold**

## **Annex VIII - Post Privatisation Performance Monitoring System**

### **1. Functions**

- a) To monitor the performance of PEs after privatisation.

### **2. Sources of Input**

- a) Regular monitoring reports from the PE.

### **3. Composition of Database**

- a) PE name
- b) Index of all reports received.
- c) Date of receipt.
- d) Period covered.
- e) KPI names.
- f) KPI values.

### **4. Outputs**

- a) Reports showing KPI values over time.
- b) Reports showing variance of actual KPI values compared to target.

## **Annex IX - Post Privatisation Performance Monitoring Details**

### **1. Post Privatisation Key Performance Indicator Monitoring**

#### **1.1 Introduction**

The BPE has a responsibility to monitor the performance of a privatised PE, after it has been privatised.

This monitoring could be accomplished by measuring the values of a number of Key Performance Indicators (KPIs) over time. In other words, building a time series containing planned or budgeted targets and actual results.

#### **1.2 Key performance indicators**

Two categories of KPIs are identified as follows:

- a) KPIs required by the BPE that would apply to all PEs. (i.e. general KPIs).
- b) KPIs that are specific to the type of PE.

##### **1.2.1 General key performance indicators**

The following KPIs have been identified in this category:

- a) Shares.
- b) Dividends.
- c) Stock market performance
- d) Contribution to GDP
- e) Indirect government subsidies
- f) (Other financial criteria)
- g) Service quality.
- h) Product quality.
- i) Product diversification.
- j) (Environmental performance)
- k) (Social issues)
- l) Retrenchment.
- m) Labour management
- n) Costs.
- o) (Stakeholder performance)
- p) Sales and purchase agreements commitments

##### **1.2.2 Specific key performance indicators**

Specific KPIs would be required according to the type of PE. These should be decided in agreement with the respective steering committee.

Specific KPIs would be held according to the category of PE as follows:

- a) Airlines
- b) Airport authorities
- c) Communications
- d) Electrical Power
- e) Hotels
- f) Industrial / Manufacturing
- g) Financial Services
- h) Basic Metals and Minerals
- i) Transport
- j) Media
- k) Oil and Gas

### **3. Methods**

Regular time bound collection of data in the form of a report pack.

### **4. Database of KPIs**

- a) PE.
- b) Indicator Name.
- c) Target date
- d) Indicator value – budget.
- e) Indicator value – actual.

## Annex X - General Ledger System

### 1. Functions

- a) To maintain the financial ledgers of the BPE.
- b) To process Journal Vouchers.
- c) To provide management reports detailing variations of budget vs. actuals.
- d) To provide for all statutory reports.
- e) To provide flexible reporting mechanisms.
- f) To provide for expenditure and revenue analysis.
- g) To provide for specific loan (e.g. IDA credit) reporting requirements.
- h) To provide for bank account reconciliation.
- i) To provide for monitoring of sales proceeds.

### 2. Sources of Input

- a) Total purchases and Payments from the Accounts Payable system.
- b) Total receipts from the Accounts Receivable system.
- c) Budget data from the Budget System.
- d) Fixed Assets disposals and receipts from the Fixed Assets System.
- e) Loan receipts.
- f) Budget revisions.
- g) Journals.

### 3. Composition of Database

For each account:

- a) Account type
- b) Account no.
- c) Cost centre code.
- d) Project code.
- e) Donor (credit agreement) code.
- f) Opening balance.
- h) Actual and budget for any given month.
- i) Cumulative to date actual and budget.
- j) Prior years actual and budget.

For journal entries:

- a) Reference number.
- b) Batch total.
- c) Narrative.
- d) Accounting period.
- e) Account code.
- f) Value (debit or credit).

#### **4. Outputs**

Reports:

- a) Daily transaction lists.
- b) Audit trails.
- c) Chart of accounts.
- d) Annual budgets.
- e) Trial Balance.
- f) Balance sheet as at (BPE and programme).
- g) Cash book and cash flow statements.
- h) Budget vs. actual reports.
- i) Revenues analysed by sale.
- j) Expenditure analysed by sale.
- k) Donor (credit agreement) specific reports.
- l) Statement of source and application of funds.
- m) Statement of source and application of sales proceeds.
- n) Cash forecasts.
- o) Statement of withdrawals and disbursements.

Screen Enquiries.

## **Annex XI - Accounts Payable System**

### **1. Functions**

- a) To assist with cash flow management, payment to suppliers by the production of credit listings and cash requirement reports.
- b) To produce cheques and remittance advices.
- c) To update the GL.

### **2. Sources of Input**

- a) Supplier details.
- b) Invoices.
- c) Debit and Credit notes.
- d) Journals.
- e) Accounts payable adjustments.
- f) Purchase Order Processing System.

### **3. Composition of Database**

- a) Supplier reference no.
- b) Date.
- c) Document no.
- d) Value in NGN.
- e) GL account codes.
- f) Due date.
- g) Authorized pay date.

### **4. Outputs**

Reports.

- a) Daily transaction lists.
- b) Suppliers lists.
- c) Age Analysis of Creditors.
- d) Cheque register.
- e) Cash forecast.
- f) Payments list based on supplier's terms.
- g) Purchase analysis.
- h) Unmatched Payments.
- i) Accruals.
- j) Non-purchase order invoices.
- k) Remittance Advices.
- l) Debit Notes.

Screen Enquiries.

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## **Annex XII - Accounts Receivable System**

### **1. Functions**

- a) To record the indebtedness of the BPE.
- b) To record insurance claims.
- c) To enable effective credit control and collection of debt.
- d) To update the General Ledger.
- e) To record monthly Treasury returns (for incorporation into the National Accounts).

### **2. Sources of Input**

- a) Customer details.
- b) Journal adjustments.
- c) Cash Received.
- d) Invoices.
- e) Accounts Receivable adjustments.
- f) Receipts of other financial instruments.

### **3. Composition of Database**

- a) Customer reference no.
- b) Invoice no.
- c) Date.
- d) Due date.
- e) Value.
- f) Amount outstanding.
- g) Cash Received details.

### **4. Outputs**

#### Reports

- a) Daily transaction lists
- b) Customer lists.
- c) Aged debtors analysis.
- d) Overdue debts.
- e) Monthly statements.

#### Screen Enquiries

## Annex XIII - Budgeting System

### 1. Functions

- a) To enable planning to be accomplished based on actual and realistic data.
- b) To enable planning to be accomplished consistently.
- c) To assist with prioritising.
- d) To enable proper monitoring of plans.
- g) To enable budgetary control.

### 2. Sources of Input

- a) Sale Projections.
- b) Donor (Credit agreement) funds.
- c) Inflation.
- d) Fixed Costs.
- e) Variable costs.
- f) Unit costs.
- g) Standard costs.
- h) Prior year actuals and budget data.
- i) Current year objectives.
- j) Current year resource requirements.
- k) Progress performance monitoring indicators.

### 3. Composition of Database

- a) Capital or Recurrent expenditure.
- b) Activity type.
- c) Cost classification.
- d) Cost budget.
- e) Deliverable.
- f) Source of revenue.
- g) Income budget.
- h) Assumptions.
- i) Milestones.
- j) GL code.
- k) Progress monitoring indicators.
- l) Costs - Capital.
- m) Costs - Recurrent.
- n) Costs - Staff.

### 4. Outputs

Reports

- a) Income expenditure budget.

- b) Capital expenditure budget.
- c) Budget analysis reports by time, activity, department, and expenditure category.
- d) Cash flow statements.
- e) Balance sheets
- f) Work plan showing main activities, progress monitoring indicators and time scales.

## **Annex XIV - Purchase Order Processing System**

### **1. Functions**

- a) To manage one-off and recurrent purchases.
- b) To automate the issue of Local Purchase Orders (LPOs).
- c) To monitor status of LPO's.
- d) To maintain an order register.
- e) To maintain a record of order fulfilment.
- f) To maintain a record of goods invoiced but not received.
- g) To maintain a record of goods received but not invoiced.
- h) To ensure that only goods ordered and received are paid for.
- i) To provide information on part deliveries.
- j) To show the current status of all purchase activities.
- k) To provide an automatic link to the Accounts Payable systems.

### **2. Sources of Input**

- a) Supplier details.
- b) Requisitions.
- c) Pro-forma invoice details.
- d) Order amendments and cancellations.
- e) Purchase orders.
- f) Goods Received Notes.
- g) Supplier invoices.
- h) Credit Notes.

### **3. Composition of Database**

- a) Requisition numbers and dates.
- b) Requisition originator.
- c) Purchase order details.
- d) Supplier details.
- e) Delivery dates.
- f) Method of shipment.
- g) Payment terms.
- h) Goods received note details.
- i) GL codes.

### **4. Outputs**

#### Reports

- a) Daily transaction lists.
- b) Order register.

- c) Requisition history.
- d) Supplier lists.
- e) Order history.
- f) List of orders that have not met their delivery date.
- g) Amended and/or cancelled orders.
- h) Price variation reports.
- i) Purchase order commitments report.
- j) Goods received but not invoiced.
- k) Invoices received but goods not delivered.
- l) Supplier invoice analysis.
- m) Actual purchases compared to budgeted purchases.

Screen Enquiries

## Annex XV - Contract Performance and Payment Management System

### 1. Functions

- a) To monitor contractor performance against key milestones.
- b) To ensure that contractor payment is made on certified deliverables.
- c) To report on all current and on going contractual commitments.
- d) To monitor physical and financial progress against verifiable targets.
- e) To provide integrated programme reporting and forecasting.
- f) To link with the Accounts Payable System.

### 2. Sources of Input

- a) Contract documents.
- b) Contractor invoices.
- c) Certificates of physical progress.

### 3. Composition of Database

- a) Contract no.
- b) Contract type.
- c) Contractor details.
- d) Deliverables.
- e) Stage payments.
- f) Milestones.
- g) Contract value.
- h) Start, completion and milestone dates.
- i) Other terms and conditions.

### 4. Outputs

#### Reports

- a) Total contract values and liabilities.
- b) Contractor physical and financial progress against plan.
- c) Payment forecasting against plan.
- d) Payment and cost forecasting on time over runs (Output Monitoring Report (OMR)).
- e) Project Management Reports (PMR)

#### Screen Enquiries

## Annex XVI - Fixed Assets System

### 1. Functions

- a) To maintain custody of the BPE's fixed assets.
- b) To record details of acquisitions, disposals and re valuations.
- c) To calculate depreciation.
- d) To track locations of assets.
- e) To integrate with the General Ledger System.

### 2. Sources of Input

- a) Purchase invoices.
- b) Sales invoices/scrap notes.
- c) Journal entries for transfers and revaluations.
- d) Good Received notes.
- e) Sales receipts.

### 3. Composition of Database

- a) Asset type.
- b) Asset code.
- c) Asset location.
- d) Original cost.
- e) Date of purchase.
- f) Depreciation rate.
- g) Current year depreciation charge.
- h) Accumulated depreciation.
- i) Net book value.
- j) Insurance value.

### 4. Outputs

#### Reports

- a) Weekly transaction lists.
  - b) Asset lists.
  - c) Register by location.
  - d) Register by Department.
  - e) Fully depreciated assets.
  - f) Profit/losses on disposals.
  - g) Insurable values.
  - h) Asset transfers.
  - i) Assets by year of purchase.
  - j) Depreciation schedules.
- Screen Enquiries.

## **Annex XVII - Personnel Information System**

### **1. Functions**

- a) To hold all relevant bio data on employees.
- b) To provide management with information regarding work force planning.
- c) To hold information regarding employee attendance.
- d) To hold the establishment.
- e) To facilitate employee review and appraisals.
- f) To provide information regarding employee allowances and benefits.

### **2. Sources of Input**

- a) Appointment letters.
- b) Application forms.

### **3. Composition of Database**

- a) Name
- b) Family details.
- c) Contact details.
- d) Id numbers.
- e) Date of birth.
- f) Location of work.
- g) Grade.
- h) Salary and allowances.
- i) Incremental details.
- j) Job title.
- k) Career.
- l) Previous employment.
- m) Qualifications.
- n) Training courses.
- o) Leave entitlement.
- p) Attendance records.
- q) Absences.
- r) Advances and loans.
- s) Disciplinary record.
- t) Medical benefits and claim history.
- u) Housing details.
- v) Appraisal results.

### **4. Outputs**

- a) Daily transaction lists.
- b) Employee lists.

- c) Grading structure list.
- d) Starters and leavers lists.
- e) Establishment levels.
- f) Leave details by employee.
- g) Absenteeism reports.
- h) Sick leave reports.
- i) Leave accruals.
- j) Pension contributions.
- k) Appraisal dates, training dates.
- l) Establishment vacancies.
- m) Departmental transfers.
- n) Standard letters.

Screen Enquiries.

## **Annex XVIII - Document Management System**

### **1. Functions**

- a) To provide an organised and centralised electronic repository for document storage.
- b) To provide for stored document retrieval by keywords, date, subject etc.
- c) To provide for document security and access controls.
- d) To provide document accessibility throughout the BPE.

### **2. Sources of Input**

- a) Facsimiles.
- b) Scanned images.
- c) Electronic Office documents.
- d) Emails.

### **3. Composition of Database**

- a) Document date.
- b) Document type (report, memo, letter, etc)
- c) Title.
- d) Subject.
- e) Author.
- f) Keywords.
- g) Comments.
- h) Revision History.
- i) Access history.
- j) Access restrictions.
- k) Security classification.

### **4. Outputs**

## **Annex XIX - Database of registered contractors, consultants, advisors and professionals**

### **1. Functions**

- a) To hold a central repository of bio data on contractors, consultants, advisors and professionals for use by the BPE.
- b) To enable quick identification of potential candidates, consulting firms by keyword search.

### **2. Sources of Input**

- a) Applications from Expressions of Interest.
- b) Electronic (diskette, email) CVs, statement of capabilities.
- c) Capture through the BPE WEB site.

### **3. Composition of Database**

- a) Record no.
- b) Name / Contact details.
- c) Contact person.
- d) General and specific disciplines.
- e) Specialisation.
- f) Registration date.
- g) Client list (Current and historical).
- h) Experience (types, location, etc)
- i) No. of years in industry (by Sector).
- j) No. of personnel.
- k) Annual turnover.
- l) CVs of key/core personnel.
- m) Comments from previous use by BPE.

### **5. Outputs**

- a) Ranked list of consultants by criteria.

## **Annex XX - Database of share registration details**

### **1. Functions**

- a) To hold details on share applications and allocations.
- b) To monitor geographical allocation of shares.
- c) To identify multiple applications.
- d) To identify share allocation trends and ranges.

### **2. Sources of Input**

- a) Issuing houses

### **3. Composition of Database**

- a) Public Enterprise.
- b) Issuing house.
- c) Receiving agent.
- d) Name of applicant.
- e) Address of applicant.
- f) State and constituency of applicant.
- g) Geopolitical zone of applicant.
- h) Amount paid.
- i) Quantity of shares applied for.
- j) Quantity of shares allotted.

### **4. Outputs**

- a) Reports of state and zonal share distribution.
- b) Reports of share holdings.
- c) Statistics on subscriptions and allocations.
- d) Audit reports on multiple allocations, holding ranges and trends.

## **Annex XXI - Database of contract registration details**

### **1. Functions**

- a) To provide an inventory of all contracts that have been let by the BPE.
- b) To provide a list of all ongoing contracts with the BPE.
- c) To provide a statement of current and future contract liability.
- d) To provide a statement of immediate contract payments.

### **2. Sources of Input**

- a) Applications for Expressions of Interest.
- b) Contract Performance and Payment Management System.

### **3. Composition of Database**

- a) Contract No.
- b) Contract name
- c) Contractor No.
- d) Contract start date.
- e) Contract value.
- f) Deliverables.
- g) Stage payments (value and date).
- h) Stage deliverables (type and date).
- i) Contract completion date.
- j) Contract variations.
- k) Comments.

### **4. Outputs**

- a) To report on current contract liability.
- b) To report on contract history.
- c) To report on current contract status.

## **Annex XXII – Database of PE bio data**

### **1. Functions**

- a) To hold key physical and financial data on each Public Enterprise.
- b) To enable the provision of this data to the BPE WEB site.

### **2. Sources of Input**

- a) BPE.
- b) PE.
- c) Line Ministry.

### **3. Composition of Database**

- a) PE name.
- b) Location(s).
- c) Extent of operation.
- d) Date of incorporation.
- e) Line of business.
- f) Recent financial data (Profit, turnover, balance sheet and cash flow information).
- g) Current ownership arrangements.
- h) No of employees.
- i) Products and services.
- j) Contacts.
- k) Main customers and suppliers.
- l) Relationship within Government.
- m) Future prospects.

### **4. Outputs**

- a) Bio data reports on PEs.
- b) WEB site support.

## **Annex XXIII – Database of activity deliverables**

### **1. Functions**

- a) To hold deliverables, their information requirements and sources, in order to provide support to the Pre Privatisation and Privatisation Monitoring System.

### **2. Sources of Input**

- a) Annex VII of the *Assessment of MIS needs report*.

### **3. Composition of Database**

- a) Deliverable name.
- b) Verification.
- c) Information requirements.
- d) Data sources.

### **4. Outputs**

- a) Deliverable check lists with verification.

**THE PRESIDENCY  
Bureau of Public Enterprises  
The Secretariat of the National Council on Privatisation**

**Support to the Government's Broad-Based Privatisation Programme**

**MIS IMPLEMENTATION STRATEGY AND PLAN**

**International Business & Technical Consultants, Inc.**

**USAID**

**February 2001**

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## EXECUTIVE SUMMARY

This report dated February 2001 makes the following recommendations.

**1. Development phasing and priorities**

To phase in the development of Application Systems and Databases in accordance with the core business of the BPE (*Section 2.0*)

**2. Development timeframes**

To develop the required Application Systems and Databases over a period of 9 months (*Section 3.0*)

**3. Development costs**

To finance the development costs of around NGN 3.6 million (*Section 5.0*)

**4. Additional IT equipment**

To acquire certain items of additional IT equipment (*Section 4.4*)

**5. Additional IT personnel**

To contract database development programmers (*Section 4.4*)

## **1. Introduction**

This report follows on from the report entitled “*Assessment of the MIS needs*” and is a particular result of recommendation no. 7 from this report.

This report is produced in accordance with the deliverables detailed in the work plan for the Management Information Systems (MIS) Advisor in respect of the current intervention. The terms of reference for the complete assignment are described in Annex I of this report. The work plan is described in Annex II of this report, which was approved by the Bureau of Public Enterprises (BPE) on the 6th December 2000.

The details of the various application systems and specific databases are contained in the report entitled “*Assessment of the MIS needs*”.

## **2. Development Priorities**

In terms of development priorities, it is recommended that those application systems and databases that provide support to the “core business” of the BPE should have the highest priority, and that those application systems and databases that provide support to the “support services” of the BPE should have a lower priority.

It is recommended that the MIS implementation and development plan should therefore proceed in three distinct Phases as follows: -

### **2.1 Phase 1 – Core Application Systems**

Phase 1 should consist of the acquisition and/or development of the following applications and specific databases:

#### **2.1.1 Applications**

- a) Pre-Privatisation and Privatisation Monitoring System
- b) Post Privatisation Performance Monitoring System
- c) Further WEB site development

#### **2.1.2 Specific Databases**

- a) Database of registered contractors, consultants, advisors and professionals
- b) Database of PE bio data
- c) Database of share registration details
- d) Database of activity deliverables

## **2.2 Phase 2 – Financial Management Information Systems**

Phase 2 should consist of the acquisition and/or development of the following applications and specific databases:

### **2.2.1 Applications**

- a) General Ledger System
- b) Accounts Payable System
- c) Accounts Receivable System
- d) Budgeting System
- e) Purchase Order Processing System
- f) Contract Performance and Payment Management System
- g) Fixed Assets System

### **2.2.2 Specific Databases**

- a) Database of contract registration details

## **2.3 Phase 3 – Management Support Systems**

Phase 3 should consist of the acquisition and/or development of the following applications and specific databases:

### **2.3.1 Applications**

- a) Personnel Information System
- b) Document Management System
- c) Other desktop Systems

### **2.3.2 Specific Databases**

- a) Documents Database / centralised filing system.

## **3. Implementation and Development Plan**

In terms of timeframes, the baseline for the implementation and development activities has been based on the assumption of a 1<sup>st</sup> March 2001 start date.

Based upon this start date, a summary of the implementation and development plan in terms of possible timeframes and personnel is shown in the table below:

Phase	Dates		Personnel required		
	Possible start	Targeted end	Programming	Data entry	Admin.
1	March 2001	May 2001	4	6	0
2	May 2001	September 2001	3	8	1
3	September 2001	November 2001	2	2	1

**Table 1 – Summary of the implementation and development plan timeframes.**

It should be noted that the complete implementation and development of all three phases of the programme could be accomplished in a period of 9 months, and that a maximum number of 4 programming personnel would be required, who would need to be recruited. This is in conformity with recommendation no. 6.2 described in the report entitled “*Assessment of the MIS needs*”.

The detailed plan and time frame for the implementation and development of the above phases is described in Annex VI of this report.

#### **4. Requirements for Additional IT Resources**

IT resources are identified in three categories, Hardware, Software and Personnel. The choices behind the resources are explained below:

##### **4.1 Hardware**

In terms of Hardware, the main requirement is for additional computers, which would be used as workstations.

##### **4.2 Software**

In terms of the choice of software, reliance has been placed on de facto standards. Thus for Database development, MS-Access is recommended, for time series and project / activity planning and monitoring development, MS-Project is recommended, and for WEB site development, MS-Visual Studio, MS-FrontPage, Visual Basic (VB), Active Server Pages (ASP) and Hypertext Mark-up Language (HTML) skills are recommended.

In terms of specific application software, Industry standard packages are recommended for the Integrated Financial Management System, and Personnel Information System.

##### **4.3 Personnel**

In terms of supporting personnel for the data entry and administration activities, it is recommended that these should be provided from within the BPE.

In terms of suitable database development personnel, these should be recruited. A proposed profile for Database Development Programmers is described in Annex XII of this report.

#### 4.4 Actual requirements

Based upon the requirements of each of the application systems and databases that are recommended to be developed, an analysis of the required supporting IT equipment has been undertaken.

Firstly, a rationale in respect of the development and operational personnel requirements together with necessary software has been undertaken. This is described in Annex VII of this report.

A plan of required supporting IT equipment and their locations by Application System/Database is then described in Annex VIII of this report.

Lastly, a gap analysis of the resultant IT equipment needs by location / responsibility within the BPE is described in Annex IX of this report. This gap analysis has included all existing equipment within the BPE, and all IT equipment that is about to be delivered to the BPE. (For a list of this equipment, please see Annex X of the report entitled “*Assessment of the existing MIS situation*”). It should be noted that the physical quantity of resultant needed equipment has in fact been rounded up to the nearest unit, based upon the estimated operational usage described in Annex VIII of this report.

In summary, the gap analysis shows by implementation phase that the following additional IT equipment / resources would be needed.

Phase	Hardware	Software	IT Personnel
1	None	MS-FrontPage MS-Office user licence increase.	4
2	None	Industry standard accounting package.	3
3	None	Industry standard HR package.	3

**Table 2 – Required additional IT resources**

It will be noted from the above table that no additional hardware is foreseen.

## 5. Broad Order of Costs

The broad order of costs for the proposed implementation and development are summarized in the following table:

Phase	One time costs (NGN)
1	1,194,000
2	1,620,000
3	810,000
Total	3,624,000

Table 3 – Broad order of costs

The detailed broad order of costs is described in Annex X of this report.

## 6. Application System and Database Schematic Linkages

The diagram described in Annex XI of this report shows a simple schematic of the linkages between the required Application Systems and Databases

## 7. Critical Success Factors

A number of critical success factors have been identified as follows:

### 7.1 Personnel

The following personnel issues are deemed to be critical to the implementation of the MIS plan.

- a) Recruitment of Database Programmers
- b) Availability of Data entry personnel
- c) The implementation of the MIS programme needs to be coordinated and lead.

### 7.2 Financial

The following financial issues are deemed to be critical to the implementation of the MIS plan.

- a) Availability of budget to support the identified one time costs

### 7.3 IT Resources

The following IT resource issues are deemed to be critical to the implementation of the MIS plan.

- a) IT resources, particularly equipment and software arrive according to plan

#### **7.4 Training**

The following training issues are deemed to be critical to the implementation of the MIS plan.

- a) The IT training programme as described in section 4.2 of the report entitled “*Assessment of the existing MIS situation*” needs to be implemented.
- b) Successful specific training in the Application Systems and Databases as planned for in the MIS implementation and development plan described in Annex VI of this report.

#### **7.5 Availability of data**

The following data issues are deemed to be critical to the implementation of the MIS plan.

- a) The verification of sources, completeness and quality of data

### **Annex I - Terms of Reference**

The following terms of reference have been extracted from section IV (Task/work requirements) of the document “Support to the Government’s Broad-Based Privatisation Program”, which forms part of the ToRs provided to IBTCI by USAID.

Task 2. Carry out an assessment of information technology and computerization needs required for efficient, transparent implementation of the privatisation programme, and recommend a strategy for building and managing such a system. The assessment should include requirements for preparation of a database of key financial and operational data on each state owned enterprise to be included within the scope of this project. Funds and time permitting, the contractor will initiate establishment of the system.

## **Annex II - Work plan of the MIS Advisor for the First Intervention**

**24<sup>th</sup> November 2000 to 22<sup>nd</sup> February 2001**

### **1. Initial fact-finding**

(Week 1 - 24<sup>th</sup> November to 2<sup>nd</sup> December 2000)

- Studies of relevant materials, documents, and discussions with related personnel.
- Construct work plan.

#### **Deliverables**

- Approved work plan.

### **2. Assessment of existing situation**

(Weeks 2 to 3 - 3<sup>rd</sup> December to 16<sup>th</sup> December 2000)

- Conduct an assessment of the current MIS situation in the BPE.
- Conduct an assessment of BPE's immediate and future MIS plans.

#### **Deliverables**

- Approved "Assessment of the existing MIS situation" report.

### **3. Counterpart arrangements**

(Weeks 2 to 3 - 3<sup>rd</sup> December to 16<sup>th</sup> December 2000)

- Construct ToRs for national MIS counterpart.
- Interview and select national MIS counterpart.

#### **Deliverables**

- Counterpart identified, timeframe and terms of appointment agreed and approved.

### **4. Assessment of needs**

(Weeks 4 to 8 – 17<sup>th</sup> December 2000 to 20<sup>th</sup> January 2001)

- Conduct an assessment of the MIS requirements for the BPE, in order to provide support for an efficient, transparent implementation of the privatisation programme.
- This assessment would include an analysis of processes and procedures and a determination of suitability for computer based implementation.

- This assessment would include, but would not be limited to analysis in the following areas:
  - a. General Accounting.
  - b. Budgeting.
  - c. Fixed Assets.
  - d. Source and utilisation of sales proceeds.
  - e. Management of WB withdrawal and disbursements.
  - f. Procurement management and monitoring.
  - g. Contract performance and payment management.
  - h. Privatisation progress management and monitoring.
  - i. Post privatisation follow up and monitoring.
  
- This assessment would also include, but would not be limited to analysis of the following Database requirements:
  - a) Fixed assets.
  - b) Share register.
  - c) Contracts register.
  
- Make recommendations regarding any additional system functionality that may be identified and required.
  
- Conduct a gap analysis between the assessment of the existing situation and plans, and the needs that emerge from this assessment.

#### **Deliverables**

- Approved “Assessment of the MIS needs” report.

#### **5. Implementation strategy and plan**

*(Weeks 9 to 12 – 21<sup>st</sup> January 2001 to 17<sup>th</sup> February 2001)*

Construct an implementation plan in order to organise a prioritised phased introduction of systems.

- The implementation plan would be constructed to take account of delays in envisaged procurement, and current budgetary provisions.
  
- Determine any procedural changes.
  
- Determine resource requirements in terms of equipment, personnel, one time and recurrent costs.

#### **Deliverables**

- Approved “MIS implementation strategy and plan”.

### **Annex III - Acronyms**

<b>AFTPS</b>	Africa Technical Private Sector
<b>ASP</b>	Active Server Pages
<b>BPE</b>	Bureau of Public Enterprises
<b>CAMA</b>	Companies and Miscellaneous Act
<b>EDMS</b>	Electronic Document Management System
<b>EOI</b>	Expression of Interest
<b>FEC</b>	Federal Executive Council
<b>FGN</b>	Federal Government of Nigeria
<b>GBBPP</b>	Government's Broad Based Privatisation Programme
<b>GFRN</b>	Government of the Federal Republic of Nigeria
<b>GL</b>	General Ledger
<b>HR</b>	Human Resources
<b>HTML</b>	Hypertext Markup Language
<b>IBTCI</b>	International Business & Technical Consultants, Inc.
<b>IDA</b>	International Development Association
<b>ISP</b>	Internet Service Provider
<b>IT</b>	Information Technology
<b>KPI</b>	Key Performance Indicator
<b>LPO</b>	Local Purchase Order
<b>MIS</b>	Management Information System
<b>NCP</b>	National Council on Privatisation
<b>NGN</b>	Nigerian Naira
<b>NIPC</b>	Nigeria Investment Promotion Commission
<b>NSE</b>	Nigerian Stock Exchange
<b>OMR</b>	Output Monitoring Report
<b>PE</b>	Public Enterprise
<b>PMR</b>	Project Management Report
<b>PSP</b>	Privatisation Support Project
<b>RFP</b>	Request for Proposals
<b>SEC</b>	Securities and Exchange Commission
<b>ToR</b>	Terms of Reference
<b>USAID</b>	United States Agency for International Development
<b>USD</b>	United States Dollars
<b>VB</b>	Visual Basic

**Annex IV - List of Persons Met**

**BPE**

Mr. N. A. el-Rufai, Director General  
Mr. T. Abdullahi, Director of Operations  
Mr. A.A. Udofia, Director of Planning & Monitoring  
Md. T. Abdullahi, Deputy Director Budget & Control  
Mr. E. Obi, Deputy Director of Operations  
Mr. H. Usman, Deputy Director of Planning & Monitoring  
Mr. Y.L. Yahaya, Special Assistant to the Director General  
Mr. S. Yakubu, Deputy Director, Legal Services

**IBTCI**

Mr. M. B. Dan, Chief of Party / Privatisation Advisor  
Mr. M.M. Chottepanda, Senior Labour Economist  
Mr. W.J. Cleary, Senior Public Relations Expert

**Inspired Technologies Ltd.**

Mr. S.C Osaje, Computer Expert

### **Annex V - Bibliography**

Africa Regional Office AFTPS, Project Appraisal Document, *Nigeria Privatisation Support Project*, 6<sup>th</sup> October 2000.

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*July 1, 2000 through September 30, 2000, November 15, 2000.*

# MIS Implementation and Development Plan

## Tasks with Gantt Chart









# MIS Implementation and Development Plan

## Calendar

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# March 2001

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
			1	2	3	4
			<b>PHASE I</b>			
			Pre-Privatisation and Priv			
			Data gathering / data entry, 10 days			
			Database of Activity Deliv			
			Design, 5 days			
			Post Privatisation Perform			
5	6	7	8	9	10	11
			Data gathering / data entry, 10 days			
			Development, 5 days			
Design, 5 days			Design, 5 days			
12	13	14	15	16	17	18
			Customisation, 5 days			
			Testing, 5 days			
Data gathering / data entry, 10 days			Development, 5 days			
Development, 5 days			Development, 10 days			
Design, 5 days						
19	20	21	22	23	24	25
Customisation, 5 days			Testing, 5 days			
Testing, 5 days			Data build up, 5 days			
Development, 5 days			Testing, 5 days			
			Development, 10 days			
			Design, 5 days			
26	27	28	29	30	31	
Testing, 5 days			Hand over & Training, 5 days			
Data build up, 5 days			Data build up, 5 days			
Testing, 5 days			Testing, 5 days			
Development, 10 days			Development, 5 days			
Design, 5 days						

Overflow Tasks

ID	Name	Start	Finish
13	Data gathering / Data entry	Thu 3/1/01	Wed 3/7/01
19	Further WEB site development	Thu 3/1/01	Thu 3/1/01
20	Design	Thu 3/1/01	Wed 3/14/01
24	Database of Registered Consultants	Thu 3/1/01	Thu 3/1/01
25	Data gathering	Thu 3/1/01	Wed 3/7/01
31	Database of PE bio data	Thu 3/1/01	Thu 3/1/01
32	Data gathering	Thu 3/1/01	Wed 3/7/01
38	Database of share registration details	Thu 3/1/01	Thu 3/1/01
39	Data gathering	Thu 3/1/01	Wed 3/7/01

# April 2001

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
						1
			Hand over & Training, 5 days			
			Data build up, 5 days			
			Testing, 5 days			
			Development, 5 days			
2	3	4	5	6	7	8
Hand over & Training, 5 days			Hand over & Training, 5 days			
Data build up, 5 days			Handover & Training, 10 days			
Testing, 5 days			Design, 5 days			
Development, 5 days			Testing, 5 days			
9	10	11	12	13	14	15
Hand over & Training, 5 days						
			Handover & Training, 10 days			
Design, 5 days			Development, 5 days			
Testing, 5 days			Data build up, 15 days			
			Design, 5 days			
16	17	18	19	20	21	22
			Testing, 5 days			
Handover & Training, 10 days						
Development, 5 days						
			Data build up, 15 days			
Design, 5 days			Development, 5 days			
23	24	25	26	27	28	29
Testing, 5 days			Data build up, 15 days			
			Data build up, 15 days			
Development, 5 days			Testing, 5 days			
30						
			Data build up, 15 days			
Data build up, 15 days						
Testing, 5 days						



# June 2001

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
				1	2	3
			Procurement, 22 days			
			Data gathering, 5 days			
4	5	6	7	8	9	10
Procurement, 22 days						
Data gathering, 5 days						
11	12	13	14	15	16	17
Procurement, 22 days						
18	19	20	21	22	23	24
Procurement, 22 days						
25	26	27	28	29	30	
Procurement, 22 days						
						General Ledger System Accounts Payable System Accounts Receivable System Budgeting System Purchase Order Processing

Overflow Tasks

ID	Name	Start	Finish
79	Contract Performance and Payment Management System	Fri 6/29/01	Fri 6/29/01
85	Fixed Assets System	Fri 6/29/01	Fri 6/29/01

# July 2001

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
						1
2	3	4	5	6	7	8
Installation, 1 day			Customisation, 5 days			
Installation, 1 day			Customisation, 5 days			
Installation, 1 day			Customisation, 5 days			
Installation, 1 day			Customisation, 5 days			
Installation, 1 day			Customisation, 5 days			
9	10	11	12	13	14	15
Customisation, 5 days			Data build up, 5 days			
Customisation, 5 days			Data build up, 10 days			
Customisation, 5 days			Data build up, 10 days			
Customisation, 5 days			Data build up, 10 days			
Customisation, 5 days			Data build up, 10 days			
16	17	18	19	20	21	22
Data build up, 5 days			Testing, 5 days			
			Data build up, 10 days			
			Data build up, 10 days			
			Data build up, 10 days			
			Data build up, 10 days			
23	24	25	26	27	28	29
Testing, 5 days			Handover & Training, 5 days			
Data build up, 10 days			Testing, 5 days			
Data build up, 10 days			Testing, 5 days			
Data build up, 10 days			Testing, 5 days			
Data build up, 10 days			Testing, 5 days			
30	31					
Handover & Training, 5 days			Handover & Training, 5 days			
Testing, 5 days			Handover & Training, 5 days			
Testing, 5 days			Handover & Training, 5 days			
Testing, 5 days			Handover & Training, 5 days			
Testing, 5 days						

# August 2001

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
		1	2	3	4	5
	Handover & Training, 5 days					
	Handover & Training, 5 days					
	Handover & Training, 5 days					
	Handover & Training, 5 days					
6	7	8	9	10	11	12
Handover & Training, 5 days	Installation, 1 day	Customisation, 5 days				
Handover & Training, 5 days	Installation, 1 day	Customisation, 5 days				
Handover & Training, 5 days	Design, 5 days					
Handover & Training, 5 days						
13	14	15	16	17	18	19
Customisation, 5 days		Data build up, 10 days				
Customisation, 5 days		Data build up, 10 days				
Design, 5 days	Development, 5 days					
20	21	22	23	24	25	26
Data build up, 10 days						
Data build up, 10 days						
Development, 5 days	Testing, 5 days					
27	28	29	30	31		
Data build up, 10 days		Testing, 5 days				
Data build up, 10 days		Testing, 5 days				
Testing, 5 days	Data build up, 15 days					

# September 2001

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
					1	2
Testing, 5 days						
Testing, 5 days						
Data build up, 15 days						
3	4	5	6	7	8	9
Testing, 5 days			Handover & Training, 5 days			
Testing, 5 days			Handover & Training, 5 days			
Data build up, 15 days						
10	11	12	13	14	15	16
Handover & Training, 5 days						
Handover & Training, 5 days						
Data build up, 15 days						
17	18	19	20	21	22	23
Hand over & Training, 5 days						
Data build up, 15 days						
24	25	26	27	28	29	30
Hand over & Training, 5 day			Procurement, 22 days			
<b>PHASE III</b>			Procurement, 22 days			
Personnel Information Sy						
Document Management S						

# October 2001

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
1	2	3	4	5	6	7
Procurement, 22 days						
Procurement, 22 days						
8	9	10	11	12	13	14
Procurement, 22 days						
Procurement, 22 days						
15	16	17	18	19	20	21
Procurement, 22 days						
Procurement, 22 days						
22	23	24	25	26	27	28
Procurement, 22 days			Installation, 1 day		Customisation, 5 days	
Procurement, 22 days			Installation, 1 day		Customisation, 5 days	
29	30	31				
Customisation, 5 days						
Customisation, 5 days						

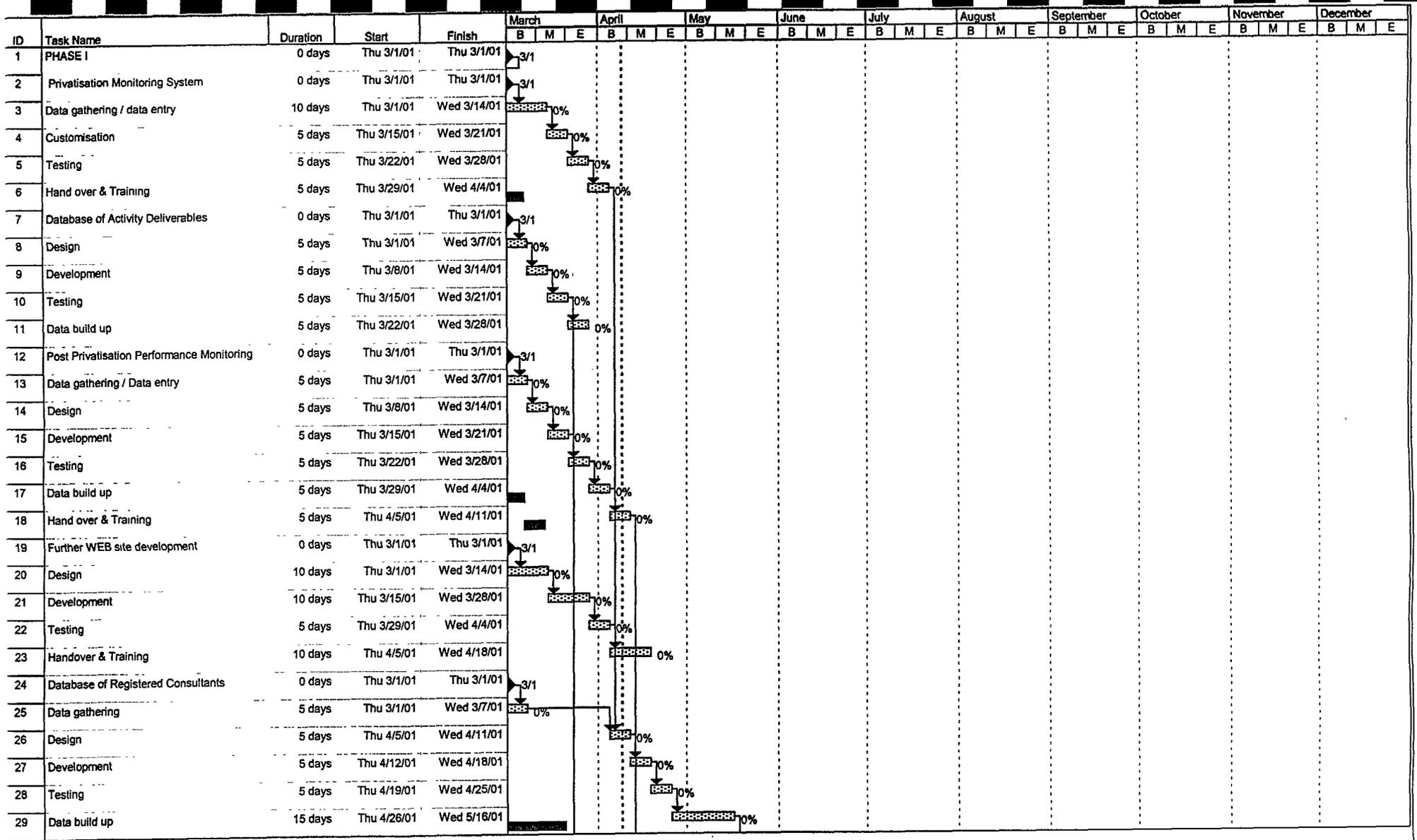
# November 2001

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
			1	2	3	4
Customisation, 5 days				Data build up, 10 days		
Customisation, 5 days				Data build up, 10 days		
5	6	7	8	9	10	11
Data build up, 10 days						
Data build up, 10 days						
12	13	14	15	16	17	18
Data build up, 10 days				Testing, 5 days		
Data build up, 10 days				Testing, 5 days		
19	20	21	22	23	24	25
Testing, 5 days				Handover & Training, 5 days		
Testing, 5 days				Handover & Training, 5 days		
26	27	28	29	30		
Handover & Training, 5 days						
Handover & Training, 5 days						

# MIS Implementation and Development Plan

## Tasks, Timeline, and Gantt Chart

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Project: Annexure VI98 Date: Mon 4/9/01	Critical  Baseline  Rolled Up Critical  Rolled Up Baseline Critical Split  Baseline Split  Rolled Up Critical Split  Rolled Up Baseline Milestone Critical Progress  Baseline Milestone  Rolled Up Critical Progress  Rolled Up Milestone Task  Milestone  Rolled Up Task  External Tasks Split  Summary Progress  Rolled Up Split  Project Summary Task Progress  Summary  Rolled Up Task Progress
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**Annex VII - Rationale in Respect of Personnel and Software Requirements**

Phase	Application System / Database	Software	Personnel	Rationale
1				
1.1a	Pre Privatisation and Privatisation Monitoring System.	MS-Project MS-Access	1 programmer  1 data entry operator	MS-Project to record plans and actuals.  MS-Access to interface with Deliverables Database.
1.1b	Post Privatisation Performance Monitoring System.	MS-Access	1 programmer  1 data entry operator	MS-Access to record time series of KPI data.  MS-Access to interface with PE Bio data Database.
1.1c	Further WEB site development	MS-FrontPage Visual Basic MS-Visual Studio MS-Access	1 programmer	To interface with PE bio data, Consultants, and Share Registration Databases.
1.2a	Database of registered consultants, etc.	MS-Access	1 programmer  1 data entry operator	MS-Access to build and maintain.
1.2b	Database of PE bio data.	MS-Access	1 programmer  1 data entry operator	MS-Access to build and maintain and interface with Share Registration Details Database.
1.2c	Database of share registration details.	MS-Access	1 programmer  1 data entry operator	MS-Access to build and maintain and interface with PE Bio Data Database.

1.2d	Database of activity deliverables.	MS-Access	1 programmer 1 data entry operator	MS-Access to build and maintain.
2				
2.1a	General Ledger System.	Industry standard accounting package.	0.33 programmer 1 data entry operator 1 administrative	To provide an integrated Financial Management Information System.
2.1b	Accounts Payable System.	Industry standard accounting package.	0.33 programmer 1 data entry operator	To provide an integrated Financial Management Information System.
2.1c	Accounts Receivable System.	Industry standard accounting package.	0.33 programmer 1 data entry operator	To provide an integrated Financial Management Information System.
2.1d	Budgeting System.	Industry standard accounting package.	1 programmer 1 data entry operator	To provide an integrated Financial Management Information System.
2.1e	Purchase Order Processing System.	Industry standard accounting package.	1 programmer 1 data entry operator	To provide an integrated Financial Management Information System.
2.1f	Contract Performance and Payment Management System.	Industry standard accounting package. MS-Access	1 programmer 1 data entry operator	To provide an integrated Financial Management Information System. MS-Access to interface with Contracts

				Register Database and Consultants Database.
2.1g	Fixed Assets System.	Industry standard accounting package.	1 programmer 1 data entry operator	To provide an integrated Financial Management Information System.
2.2a	Database of contract registration details.	MS-Access	1 programmer 1 data entry operator	MS-Access to build and maintain, and interface with Contract Performance and Payment Management System,
3				
3.1a	Personnel Information System.	Industry standard HR package.  MS-Access	1 programmer 1 data entry operator  1 administrative	To provide an Integrated HR system.  MS-Access to interface between the Personnel Information and Planning and Resources Databases. (?)
3.1b	Document Management System.	Industry standard document management system.	1 programmer 1 data entry operator	To provide integrated document management.
3.1c	Other desktop systems.			
3.2a	Documents Database.	Provided by Document Management System		To provide integrated document management.

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**Annex VIII - Resource Plan of Supporting IT Equipment and Location by Application System/Database**

Application System / Database	Location / responsibility within the BPE	Required equipment / software	Estimated operational usage
<b>Phase 1</b>			
Pre Privatisation and Privatisation Monitoring System.	Planning & Monitoring. (Monitoring & Evaluation)	1 Computer  MS-Project MS-Access	Full time (100%)
Post Privatisation Performance Monitoring System.	Planning & Monitoring. (Monitoring & Evaluation)	1 Computer  MS-Access	Part time (50%)
Further WEB site development	Director General's Office. (Public Affairs)	1 Computer  MS-Access MS-FrontPage Visual Basic MS-Visual Studio	Full time (100%)
Database of registered consultants, etc.	Council Affairs. (Register)	1 Computer  MS-Access	Full time (100%)
Database of PE bio data.	Planning & Monitoring. (Research) Operations. (Transactions)	2 Computers  MS-Access	Part time (50%)
Database of share registration details.	Operations. (Transactions)	1 Computer  MS-Access	Part time (50%)
Database of activity deliverables.	Planning & Monitoring. (Monitoring & Evaluation)	1 Computer  MS-Access	Part time (10%)
<b>Phase 2</b>			
General Ledger System.	Finance & Administration.	1 Computer  Industry standard accounting package.	Full time (100%)
Accounts Payable System.	Finance & Administration.	1 Computer	Full time (100%)

	(Financial Accounting and Loans/Grants)	Industry standard accounting package.	
Accounts Receivable System.	Finance & Administration. (Treasury and Loans/Grants)	1 Computer  Industry standard accounting package.	Full time (100%)
Budgeting System.	Finance & Administration. (Budgeting and Cost Control)	1 Computer  Industry standard accounting package.	Part time (50%)
Purchase Order Processing System.	Finance & Administration. (Procurement)	1 Computer  Industry standard accounting package.	Part time (50%)
Contract Performance and Payment Management System.	Finance & Administration. (Financial Accounting)	1 Computer  Industry standard accounting package.  MS-Access	Part time (50%)
Fixed Assets System.	Finance & Administration. (Administration)	1 Computer  Industry standard accounting package.	Part time (20%)
Database of contract registration details.	Operations / Legal / Finance & Administration.	3 Computers  MS-Access	Part time (50%)
<b>Phase 3</b>			
Personnel Information System.	Director General's Office. (Human Resources)	1 Computer  Industry HR package.  MS-Access	Part time (50%)
Document Management System.	All Directorates.	Industry standard document management system.	Full time (100%)

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Other desktop systems.			
Documents Database.	All Directorates.	1 Server  Industry standard document management system.	Full time (100%)

**Annex IX - Gap Analysis of IT Equipment Needs by Location/Responsibility**

Location / responsibility within the BPE	Required equipment / software	Available equipment / software			Additional equipment / software needed	
		Existing		New		Total
		D	M			
<b>Director General's Office</b>						
Human Resources	1 (0.5) Computer Industry standard HR package. MS-Access			2	2	None needed Industry standard HR package. MS-Access (MS-Office)
Public Affairs	1 Computer MS-Access MS-FrontPage	1	2	6	9	None needed MS-Access (MS-Office) MS-FrontPage
<b>Council Affairs</b>						
Register	1 Computer MS-Access	1	2	7	10	None needed MS-Access (MS-Office)
<b>Finance &amp; Administration</b>						
Administration	1 (0.37) computer Industry standard accounting package. MS-Access	1			1	None needed Industry standard accounting package. MS-Access (MS-Office)
Budgeting	1 (0.25) computer Industry standard accounting package.			1	1	None needed Industry standard accounting package.

Cost Control	1 (0.25) computer Industry standard accounting package.			1	1	None needed Industry standard accounting package.
Financial Accounting	1 Computer Industry standard accounting package. MS-Access			1	1	None needed Industry standard accounting package. MS-Access (MS-Office)
Loans / Grants	1 Computer Industry standard accounting package.			1	1	None needed Industry standard accounting package.
Procurement	1 (0.5) computer Industry standard accounting package.			1	1	None needed Industry standard accounting package.
Treasury	1 (0.5) Computer Industry standard accounting package.			1	1	None needed Industry standard accounting package.
<b>Legal</b>						
Agreements	1 (0.17) Computer MS-Access	1	2	7	10	None needed MS-Access (MS-Office)
<b>Operations</b>						
Transactions	2 (1.17) Computers MS-Access	1	3	13	17	None needed MS-Access (MS-Office)
<b>Planning &amp; Monitoring</b>						
Monitoring & Evaluation	2 (1.6) Computer MS-Access MS-Project	1	1	12 1	15 1	None needed MS-Access (MS-Office)

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Annex IV.B – MIS Implementation Plan*

Research	1 (0.5) Computer			1	1	None needed
	MS-Access					MS-Access (MS-Office)
MIS (Server room)	1 Server			1	1	None needed
	Industry standard document management system.			1	1	
	SQL server.			1	1	

**Key:**

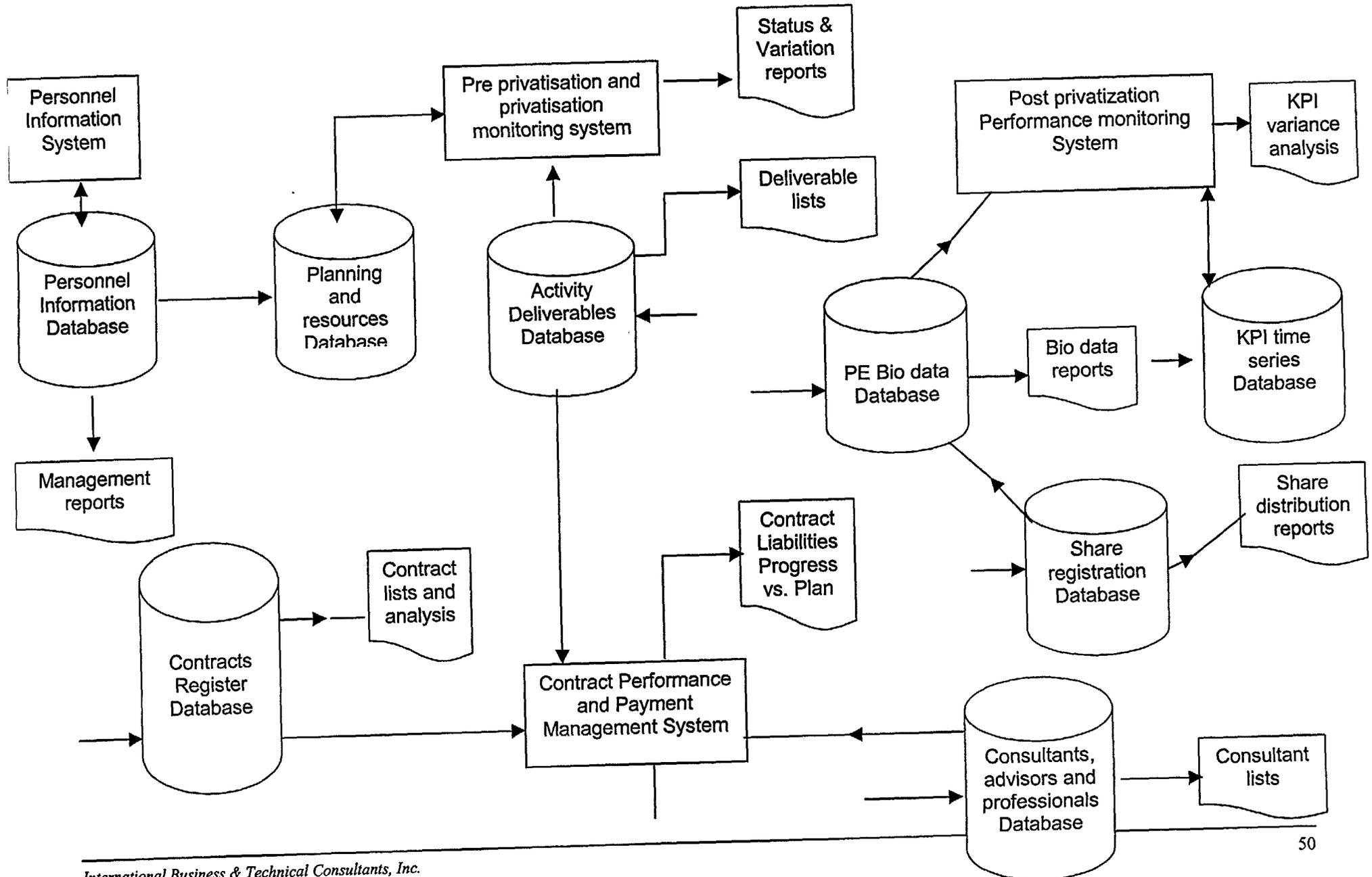
D – Director / Deputy Directors Office

M – Main Office

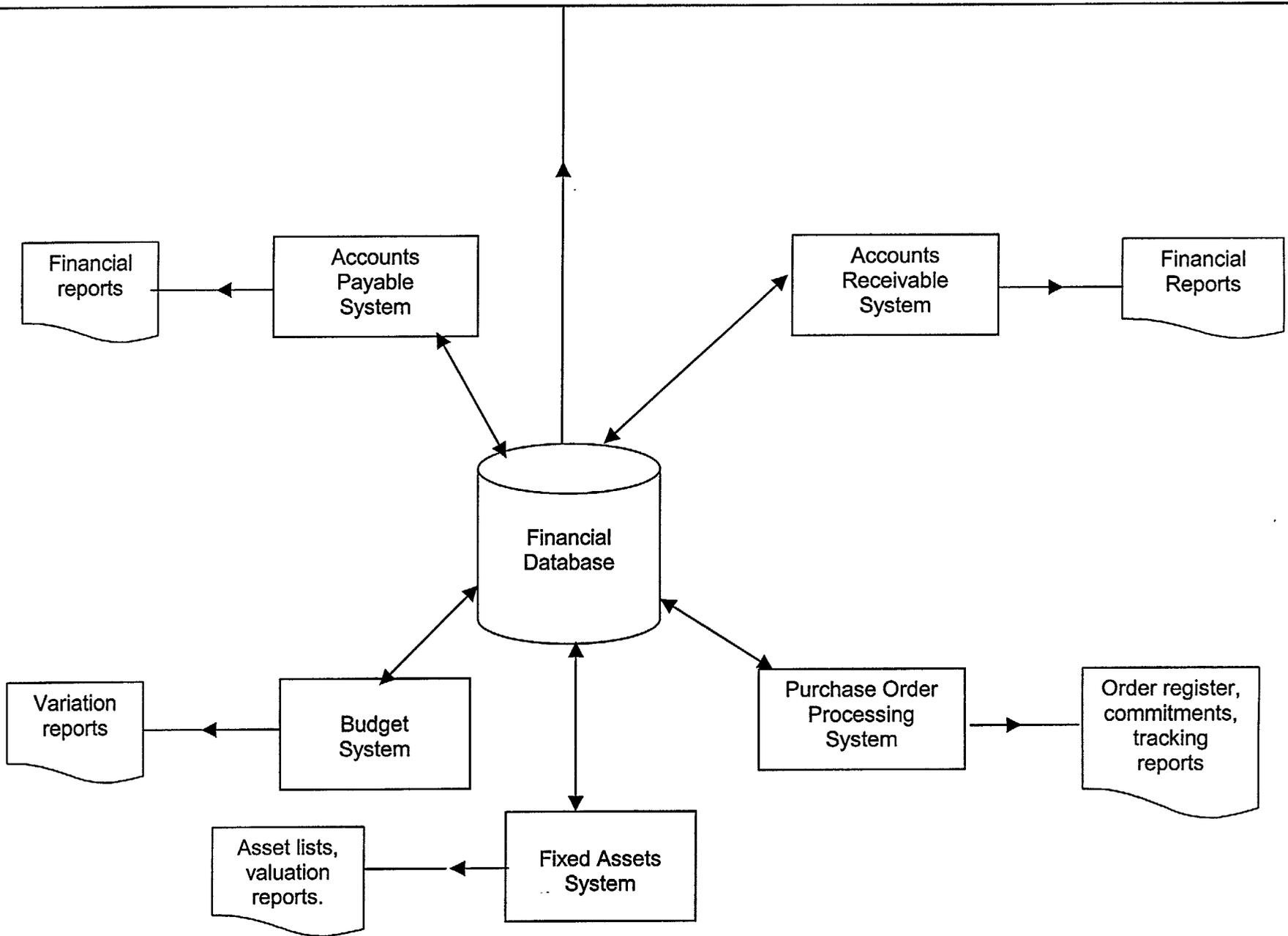
**Annex X - Broad Order of Costs**

Phase	Item	Quantity	Unit cost (NGN)	One time costs (NGN)
1	MS-Office Professional	50 licences		70,000
	MS-FrontPage	1	24,000	24,000
	MS-Visual Studio Professional	1	200,000	200,000
	Programming personnel	4 x 3 months	75,000 / month	900,000
	<b>Total phase 1</b>			<b>1,194,000</b>
2	Industry standard accounting package	1 x 10 clients		720,000
	Programming personnel	3 x 4 months	75,000 / month	900,000
	<b>Total phase 2</b>			<b>1,620,000</b>
3	Industry standard HR package	1 x 3 clients		360,000
	Programming personnel	3 x 2 months	75,000 / month	450,000
	<b>Total phase 3</b>			<b>810,000</b>
	<b>Total all phases</b>			<b>3,624,000</b>

Annex XI - Application System and Database Schematic Linkage Diagram



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## **Annex XII - Profile of Database Development Programmer**

**Qualifications and Experience:** Minimum two years experience in the use of MS-Windows, MS-Office and in particular MS-Access.

A graduate (or in the process of graduating) from a recognised computer training institute.

**Duties:** To develop database structures according to a predefined design.

To contribute to the database design.

To test the database structure.

To write data conversion programmes.

To test and run the data conversion programmes.

To assist with training in the use and maintenance of the database structures to BPE personnel.

To assist with the preparation and entry of data.

To customise and maintain database housekeeping functions.

# Annex V

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### **Strategic/Tactical Planning Review**

The Bureau of Public Enterprises (BPE) of the Federal Government of Nigeria (FGN) is executing a three-phase privatization program. The Phase I results are almost complete, resulting in the successful privatization of 14 companies by the end of April 2001. The FGN privatization program budget target for Year 2000 is N20 billion, and when the final proceeds are collected from the sales, the BPE estimates that it will exceed this amount. This successful Phase I represents the increasing momentum of the privatization program and the rapidly increasing technical expertise of the BPE professional staff.

Based upon a review of the Privatization Program Implementation Timetable, Phase IIa: 2001/2, it is extremely likely that the current staff and resources of the BPE will be severely overextended in terms of workload and efficiency, assuming that no external delays over which the BPE has limited control do affect the timing associated with the plan. This will most likely put the execution of Phase II at risk of failure at a time when privatization is succeeding visibly and almost all sectors of Nigeria are calling for increasing privatization actions.

Consequently, it is at precisely this time that resources should be added to the privatization program and the BPE technical operations in order to both satisfy the public demand that the program succeed tangibly, and that the BPE is able to build on its momentum in successfully closing as many of the targeted companies as is realistic.

Phase IIa of the FGN privatization program is highly ambitious in terms of the number of projected transactions and the timetable outlined for execution of those transactions. From this document it is clear that the aggressive momentum of the last 12 months of the Phase I program will accelerate in terms of the number of privatizations undertaken. Several items are very important in this document.

First, that a detailed timetable itself has been drawn up and circulated, and that this calendar contains all of components necessary for successful completion of transactions on a transaction by transaction basis demonstrates the increasingly professional ease with which the BPE is operating. During the Phase I operations selection criteria for identifying, evaluating and selecting advisors and for core investors were adopted as key consistent components of the transactions, moving the BPE from an agency operating on an ad-hoc basis to one which is increasingly systematizing its operations at the level of international standards. This has the benefit of enhancing the BPE's credibility with investors, making transactions consistent and more easily managed towards closure, and increasing the efficiency of its small staff to manage those transactions.

Second, a review of the timetable shows the level of transaction and procedural detail that is now the operating norm at the BPE, making the process consistent and operationally transparent. The addition of internationally trained and experienced professionals has clearly had a significant impact on the BPE's operations.

As a planning tool, the timetable is quite valuable. It sets forth an operating schedule that is extremely optimistic to the point of being unrealistic. The same small qualified staff of the BPE is expected to manage more than twice the number of transactions in Phase II as they did in Phase I, including the highly visible NITEL transaction, and to accomplish this in the first three quarters of 2001. This workload would overburden the investment banking services of an international investment bank operating at full capacity. The level of time and professional expertise required to execute this number of transactions in a responsible and professional manner is not currently available within the resources of the BP. Consequently, the timetable has already demonstrated its value as a planning and management tool.

Realistically, in order to both streamline and to accelerate the execution of Phase II we would make the following recommendations with the goal of making maximum use of the time and resources available.

1. **Prioritize the most likely successes.** The BPE and the NCP must be acutely realistic when choosing the method of sale for each enterprise. It is difficult to justify spending scarce professional and financial resources on obsolete, defunct, or inoperable companies that have little or no marketability. Instead, BPE should seriously consider selling those companies where shareholders by Nigerian law already have rights of first refusal to buy the shares. The group of oil service companies already fits this description. Therefore, that group of 10 companies could successfully be sold quickly and profitably, demonstrating a BPE success.
2. **Liquidate or auction obsolete companies.** Companies that are no longer operating, or that have only one client, or that have had no economic viability are not going to be attractive to investors. Preparing these companies for sale will be very costly in terms of time, personnel and money. The BPE should put them into liquidation or sell them at out-right auction to the highest bidder on a scheduled basis. This has the benefit of removing them from the portfolio, while reaping some financial value and also demonstrating a professional seriousness about the sale of the portfolio.
3. **Don't misuse time restructuring or unbundling complex companies prior to sale.** Specifically in the case of the insurance companies, this will take a huge amount of time and manpower in order to do the job adequately. It is doubtful that the BPE has either the expertise or the number of professional staff to undertake this level of effort in its current situation, where the complications will delay the process and may be detrimental to the sale of the companies. Furthermore, such unbundling increases the number of transactions that the BPE will have to manage under its already taxed resources.
4. **Hire and use optimally advisors to manage the actual process of sale, and externalize the management of the transactions** by using consortia of advisors with the BPE supervising the transactions. The volume of transactions is very large; they are complex; the management of the advisors is difficult and resource intensive; they are time-consuming. It is not realistic or feasible for a small professional staff to actually do all of the detailed work on all of the transactions laid out. Furthermore it is not physically

possible to do them within the first three quarters of 2001 given the number of days required to actually execute the various tasks simultaneously. One way to maximize the number of transactions is to appoint consortia of advisors to actually complete and manage the work, and have the BPE manage the consortia managers. This way a small number of capable staff can manage more transactions from the oversight standpoint, leaving the day-to-day operations to advisors with large professional staffs.

5. **Make the timetable more flexible and realistic.** In a number of instances there is an appointment of an advisor that takes place on day X and the beginning of due diligence on day X+1. The real world does not operate this way. There will be contracts to negotiate, details to review and agree upon, and professional teams to assemble and put in place. All of this takes time. It is more realistic to increase the flexibility of the schedule to avoid being in a situation where more has been promised than can be delivered, recognizing the complexities of the various transactions.
6. **Increase the professional staff of the BPE.** With this doubling of the number of transactions, and the correct procedures that the BPE is using in order to sell the companies, it will require additional internationally trained and experienced professionals to manage the technical aspects of the transactions, even with advisors overseeing the day-to-day operations. Due diligence requires supervision, managing investor teams requires time, managing the politics takes sensitivity and time on the part of all of the senior personnel. Managing the public relations, managing the labor issues and the myriad of other elements that make up a privatization transaction requires dealing with unexpected issues and consumes professionals on a full-time basis. There is simply not enough of a professional base to accomplish all of this.
7. **Manage the NITEL transaction with care.** The large scale of operations, the technical specificity, the political sensitivity, the high visibility of the NITEL transaction requires a separate team managing this transaction alone. The March 12/13 international advertisement of the NITEL solicitation of interest for core investors should garner interest from the small world of telephony investors. Currently, there does not appear to be adequate personnel or time to put together the necessary components of meeting with those prospective investors. The preparation of the “book” on the company appears to be relatively complete and is expected to be finalized by April 2001. This is a critical component of marketing the company. With the transaction so visibly under the national political and social microscope, however it merits full-time attention from a dedicated professional team, including international telecom experts. Furthermore it will require significant amounts of time and planning in order to organize an effective set of international meetings—an international investment bank with deep telecom experience could manage this, in conjunction with a BPE team dedicated to this transaction only. To prepare for such meetings requires significant experience and credibility in the telecom investor community. Furthermore, a separate team will be required to manage the NITEL side—preparation of the officials traveling, preparation of the technical team that will be making presentations to various interested parties. This preparation alone will require significant amounts of time, the availability of NITEL management and its cooperation,

and the coordination with the other technical teams in order to maximize the opportunity. This is particularly true in light of world market conditions, which are not favorable for the telecom industry at the moment—missteps can result in the transaction being derailed with the resulting embarrassment and political consequences. Finally, here the timetable should be as rapid as possible, as the holders of competing GSM licenses will be building out their networks at the same time NITEL is being sold. The longer the sale period goes on, the greater the competition. The greater the competition, the lower the prospective value NITEL will hold for a core investor and the lower the price will be for the shares.

8. **Concentrate the portfolio companies by industry sector in order to sell more effectively.** Hotels could be sold as a group with a lead advisor managing the sale; same with manufacturing companies, same with financial services companies. In this way the limited BPE resources will be maximized by delegating the day-to-day work to advisory teams while maintaining management of those activities. In that way the professional technical teams can accomplish their work on a continuous basis, completing all assignments in as timely a fashion as possible, accelerating the process with the minimum of burden on the professional staff at the BPE.

The point of this memorandum is to use the existing BPE planning documentation for implementation in Year 2001 in such a way as to both streamline the process and the transaction and to accelerate it as well. Transactions each have a life of their own, and do not easily lend themselves to strict timetables. This is particularly true of privatization transactions as they are basically political in nature and consequently have additional constraints and sensitivities. It is essential to have a schedule such as this, but it needs to be flexible to account for the vagaries of the privatization program and its demands. Increasing the professional team inside the BPE, prioritizing the transactions in order to have a large number of successful sales as rapidly as possible, realistically managing the portfolio by liquidating or auctions obsolete companies increases the likelihood that the ambitious Phase II Privatization program will carry forward the successes of Phase I.