

# Advancing Social Protection in a Dynamic Nigeria.

**ASA P165426 –**

(formerly “Adapting Social Protection in a Changing Nigeria”)

Main Report

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## Abbreviations

ERGP	Economic Recovery and Growth Plan
CDGP	Child Development grant program
CSOs	Civil Society Organizations
FGN	Federal Government of Nigeria
FOCU	Federal Operation Coordinating Unit
GDP	Gross Domestic Product
GNP	Gross National Product.
IDA	International Development Association
IDP	Internally Displaced Person
IDPs	Internally Displaced Persons
NASSCO	National Social Safety Nets Coordinating Office
NDE	National Directorate of Employment
NGOs	Non-Governmental Organizations
PIUs	Project Implementation Units
PWF	Public Work Fare
SP	Social Protection
SOCU	State Operation Coordinating Unit
S4J	Skills for Job
SRB	Single Register of Beneficiaries
SSRB	Single Social Register of Beneficiaries
SSN	Social Safety Net.
SSNIA	Social Safety Nets Intervention Agency
TGT	Targeted Grant Transfer
URB	Unified Register of Beneficiaries
YESSO	Youth and Social Support Operation

## Introduction

Nigeria accounts for 20% of the population of Sub-Saharan Africa (SSA) and is projected to be the third most populous country in the world with over 400 million people by 2040. It is a lower-middle income country that is large and richly endowed. Yet, it hosts more of the world's extreme poor today than any other country. By 2030, the share of Nigeria's population living in extreme poverty will have risen from 42.8 percent (in 2016) to 45.0 percent, representing about 120 million people living on less than US\$1.90 a day.<sup>1</sup> It also has some of the poorest human capital outcomes in the world. Nigeria's prosperity has implications for Africa and the world.

Despite being a middle-income economy, Nigeria fares astonishingly poorly in poverty and human capital related outcomes. The number of people living in extreme poverty has gone up from 2011 to 2016, and many more are vulnerable to falling into poverty, especially in the Northern regions of the country. Nigeria ranks among the worst seven performers in the World Bank Human Capital Index and the poor lag far behind the rich in every human capital outcome. Income inequality has risen despite high economic growth until the recession in 2016, partly due to high-growth episodes benefitting the rich disproportionately and being largely driven by high oil-prices as opposed to improvement in sound macroeconomic fundamentals. Unemployment, underemployment, and employment in low-productivity jobs, all contribute to the persistently high poverty rates. Conflict and climate change, especially in the North-East, have not only contributed to high poverty and vulnerability but have also eroded social cohesion. There is a dire need to implement policies and programs that protect the poor and provide foundations for a more just, productive, and equitable society. The high level of extreme poverty and the low levels of human capital in Nigeria, if not addressed, have consequences that extend beyond its borders.

The Government of Nigeria realizes the urgency required to turn the tide of poverty and vulnerability in the country and has recently taken important steps to set up the foundations of a national social protection policy in support of the pro-poor agenda. A social protection coordinating platform has been set up in the Office of the President to provide oversight to all social safety net interventions at Federal and State level and a Social Register of poor and vulnerable households has been established at the State and National level. As part of a social investment program, the government has increased the budget allocated to social protection programs at the Federal level, and preliminary foundations are being laid out for the establishment of an electronic national ID system. Despite these efforts, major challenges remain. Nigeria spends less on social protection than every other lower-middle income country and most of its regional peers. Instead its fiscal space is taken up by subsidies. The limited amount of social protection programs that do exist suffer from low coverage, weak targeting, and fragmentation, and are

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<sup>1</sup> World Bank (2019), Systematic Country Diagnostics (forthcoming)

devoid of any linkages to productive opportunities for its large and growing youth population. Large groups of population in the north are vulnerable to conflict and climate change with limited protection mechanisms, and low coverage even among the poorest. The absence of a clearly defined policy framework at the institutional level is a primary bottleneck that the government is trying to address with the ratification of the Social Protection Policy.

Moving forward, there are a number of steps that the government can take to improve the resilience of the Nigerian people and restore pro-poor economic growth in the country, both of which are important objectives set out in the EGRP. To continue to improve the institutional mandate on social protection, the government could consider identifying a lead agency to oversee social protection programs and to align social protection efforts among the three tiers of the government. With Nigeria's spending on the social protection sector (as a percentage of GDP) lower than many of the low-income countries, there is an urgent need to scale up safety-net interventions that provide struggling families with supplemental income and alleviate demand-side constraints for human capital investments. Improving targeting to place a lid on leakage should free more resources to help the government reach more of the poor, especially the ones in conflict-affected regions of the country. New initiatives to link safety net interventions to productive livelihoods through access to finance, skills, and employment opportunities will help improve the productivity of the poor while they look for work. Large number of Nigerians working outside of the formal sector and in need protection of welfare-reducing risks and shocks could benefit from well-designed social insurance schemes, many of which are already being piloted across different regions of the country. Finally, better channeling of oil and non-oil revenues towards social protection programs could free up fiscal resources while managing political economy considerations.

This report, on Advancing Social Protection in Nigeria, provides a reasonably detailed analysis of the social protection sector and draws on recent evidence to provide policy options in support of the objectives laid out in the EGRP. Nigeria's Economic Growth and Recovery Plan (EGRP) 2017-20, a medium-term plan for restoring economic growth in the country, aims to increase the resilience of the Nigerian people recognizing them as the nation's most priceless assets. The EGRP sets out the objectives to provide support for the poorest and most vulnerable members of society by investing in targeted social programs to reduce inequalities and prioritizing job creation to reduce unemployment and underemployment, particularly among the youth. This report contributes to the agenda of advancing social protection in Nigeria by providing an assessment of the social protection sector. It is divided into three parts. The first part provides a preliminary analysis of available data to highlight the trends and determinants of poverty and vulnerability. The second part analyzes the state of social protection programs, highlights gaps that curtail poverty reduction efforts, and discusses the institutional and governance structure of the social

protection programs. Finally, the third part offers some policy recommendations on advancing the social protection agenda in the country as well as suggestions on future analysis that would be important to further the SP agenda.

However, the report has limitations. First, it is constrained by the availability of representative household survey data to understand the coverage and adequacy of social protection programs, by poverty levels. The Nigeria Living Standard Survey (NLSS) was last conducted in 2009/2010 and provides household level poverty data that is representative at the state level. The new round of NLSS is scheduled to be available in October 2019, based on which several of the analysis presented in this report can be updated. In the absence of NLSS, this report uses General Household Survey (GHS) 2010/11, 2012/13, and 2015/16 data<sup>2</sup> to present preliminary estimates of social safety net coverage. Second and related to the first point, this report does not present poverty reduction simulations at different levels of social protection coverage – a key missing feature for a social protection assessment report. Third, multiple impact evaluations of social protection programs discussed in this report are ongoing and the results to discuss impact of select programs on welfare level of beneficiaries will be available at a later date. Instead, the report presents project level information for four illustrative social protection programs in the Annex. Finally, the report is limited in its scope and does not cover a broad range of substantive issues in the social protection and jobs sector, ranging from active labor market programs to protection of the disabled and elderly, to citizen engagement platforms in social programs. Further substantiation of these topics, that are relevant for a complete assessment of the social protection sector, will be carried out through future analytical and technical assistance work once the necessary quantitative and qualitative information becomes available.

## 1. Background and Context

### Poverty and Vulnerability

**Nigeria's extreme poverty rate is high and increasing.** Despite its middle-income status, almost four out of ten Nigerians lived below the national poverty line in 2016.<sup>3</sup> Measured at international poverty line of US\$ 1.90 per day, Nigeria is home to the largest number of extremely poor people, overtaking India in 2018. Nigeria's poverty rate measured at US\$ 1.90 per day was almost 50 percent in 2018, considerably higher than its neighbors.<sup>4</sup> In recent years, Nigeria has been experiencing an upward trend in poverty. Based on the national poverty line (Figure 1), the rate of poverty increased from 35.0 to 38.8 percent of the total population from 2011 to 2016. Between

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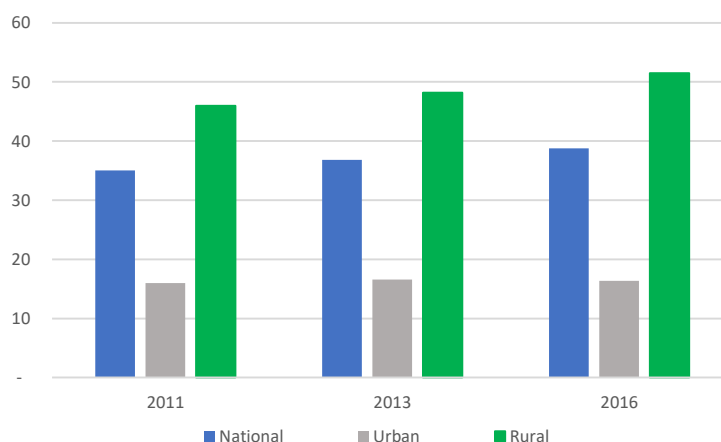
<sup>2</sup> Representative at the geopolitical zone level. The report also uses data from the World Bank Atlas of Social Protection Indicators (ASPIRE).

<sup>3</sup> World Bank (2018), Investing in Human Capital for Nigeria's Future, Page 17

<sup>4</sup> Ibid, Page 17

2011 and 2016, the total number of people living in poverty increased from 57 million to 74 million, which was both fueled by rise in poverty incidences as well as rapid population growth rate.<sup>5</sup>

Figure 1: Population living in poverty in percent of population in strata



Source: GHS 2010/11, 2012/13, 2015/16

**Large number of Nigerians are vulnerable to falling into poverty.** According to findings from the three waves of General Household Surveys, about half of households fell into poverty at some point during 2011–16, reflecting the high degree of vulnerability of the population. During this period, 17 percent were chronically poor in all three waves of the survey, 55 percent of the population was in poverty at least once while 45 percent were never poor. 17 percent of Nigerians were chronically poor in all three waves of the survey, 55 percent were poor at least once while 45 percent were never poor. In the south, more than 70 percent of the population surveyed were not poor, while, in the north, the share of people who had never been poor was significantly lower, at 25 percent.<sup>6</sup>

**The rapid growth in gross domestic product (GDP) until the recent recession did not translate into sufficient poverty reduction.** From 2004 to 2014, Nigeria grew at an average rate of 8 percent annually.<sup>7</sup> This performance was achieved in a context of economic and political reforms characterized by prudent macroeconomic management and a return to political pluralism. As a result, poverty rates declined by 10 percentage points between 2004 and 2013.<sup>8</sup> However, compared with the rest of the region and other lower-middle income peers, Nigeria’s poverty reduction has been less responsive to economic growth. For every 1 percent increase in growth,

<sup>5</sup> Source of total population data is the National Population Commission (Nigeria).

<sup>6</sup> World Bank (2019), Systematic Country Diagnostics (forthcoming), Page 1

<sup>7</sup> World Bank (2016), Poverty Reduction in Nigeria in the last decade, Page X

<sup>8</sup> Ibid, Page X



poverty declined by only 0.6 percent, a ratio that was half and one-fourth of what its regional and lower-income peers achieved, respectively.<sup>9</sup>

**Four major underlying causes for the low growth elasticity of poverty during 2004-2014** were: (a) Nigeria had one of the highest fertility rate in the developing world and its population grew at an average of 2.7 percent per year, thus diluting per capita economic growth, (b) For every 1 percent increase in growth, employment increased only by 0.1 percent as Nigeria exhibited a lack of capacity to absorb the increase in labor force<sup>10</sup>, (c) Inequality widened as the economic growth benefitted the rich more than it benefitted the poor, with some simulations estimating that poverty would have dropped 18 percentage points rather than 10 if inequality had not widened,<sup>11</sup> and (d) Nigeria's high growth episode before the recent recession was highly correlated with the rise in oil prices in the international market. As oil exports grew, Nigeria's non-tradable sectors that provide jobs to the vast majority of the poor suffered, leading to a stagnant employment to population ratio despite growth in GDP.<sup>12</sup>

### Multidimensional Poverty and Conflict

**Nigeria fares poorly in multi-dimensional poverty measures, with high inequality across regions.** Based on a 2017 report by the Oxford Poverty and Human Development Initiative (OPHI), 53.3 percent of Nigerians are categorized as multi-dimensionally poor. The Multidimensional Poverty Index (MPI) uses 10 indicators to measure poverty in three dimensions: education (years of schooling and school attendance), health (child mortality and nutrition) and living standards (electricity, sanitation, drinking water, floor, cooking fuel, and assets). Further, Figure 4 shows that Nigeria's multidimensionally poor are disproportionately concentrated in the Northern regions of the country. Seven out of the thirteen states in the Northern regions have an MPI score of 0.5 or worse, and eleven out of thirteen have an MPI score of 0.3 or worse. Nigerians in the lowest quintile bear most the brunt of depravity relating to several indicators of multidimensional poverty. A recent report from the World Bank found that 71 percent of the households in the lowest wealth quintile lack access to improved water and poor children are about four times more likely to get diarrheal disease.<sup>13</sup>

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<sup>9</sup> Nigeria's growth elasticity to poverty (GEP) is lower compared to number of African countries including Ghana, Kenya, Ethiopia and Uganda, whose GEP are -.7, -1.0, -1.1 and -2.4 respectively.

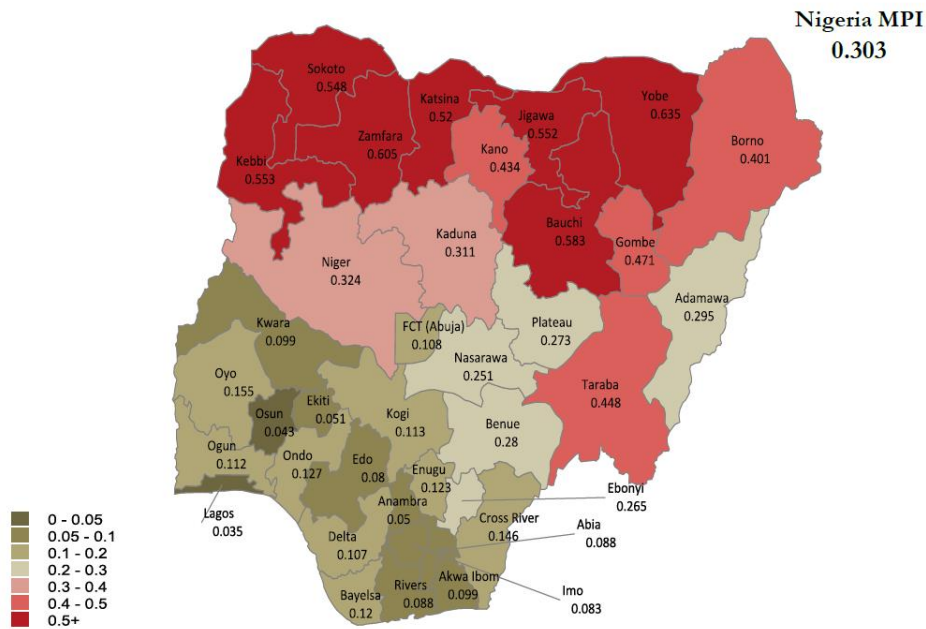
<sup>10</sup> Ajakaiye et al. (2015)

<sup>11</sup> World Bank (2016), Poverty Reduction in Nigeria in the last decade, Page X

<sup>12</sup> IMF (2018), Sub-Saharan Africa: Regional Economic Outlook

<sup>13</sup> World Bank (2017), A Wake-Up Call: Nigeria Water Supply, Sanitation, and Hygiene Poverty Diagnostic. WASH Poverty Diagnostic

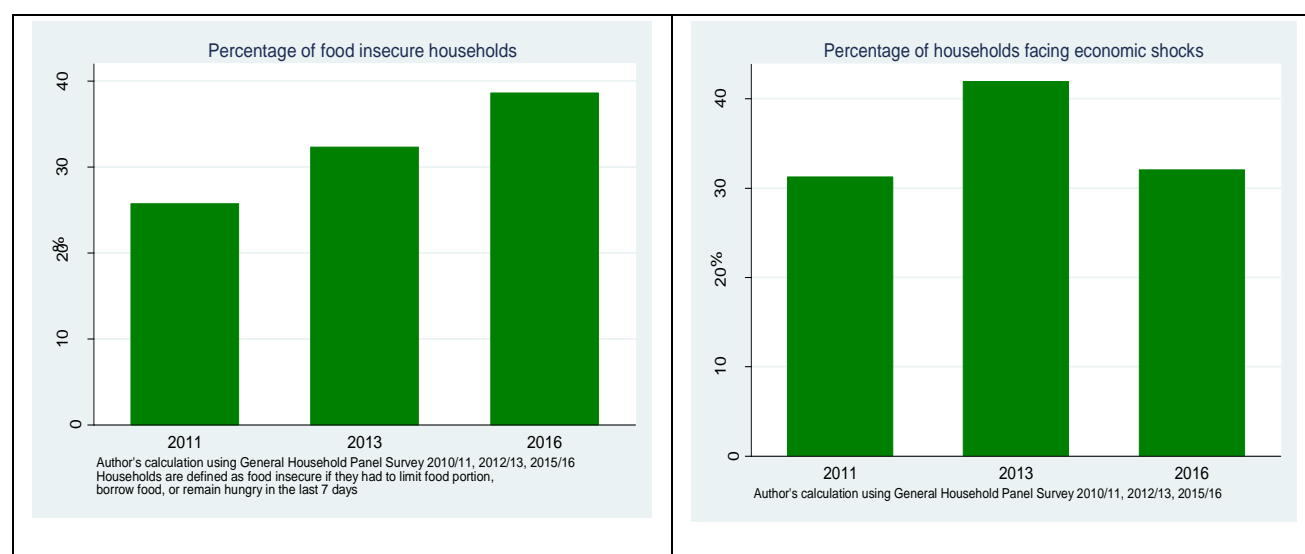
Figure 2: Multidimensional poverty at subnational levels in Nigeria



Source: Oxford Poverty and Human Development Initiative (2017)

**Rising food insecurity and vulnerability to economic shocks highlight emerging needs in the country.** Figure 8 presents data from three rounds of the General Household Panel Surveys and shows that both the percentage of households experiencing food insecurity as well as percentage of households experiencing economic shocks have increased in the last decade. The left side of figure 8 shows that the percentage of households experiencing food insecurity in Nigeria has increased from 26 percent in 2011 to 40 percent in 2016. Similarly, the right side of figure 8 shows that percentage of households facing economic shocks increased from 30 percent in 2011 to 42 percent in 2013 before decreasing to 32 percent in 2016. Economic shocks induce households to deplete their human and physical assets, for example, by selling their livestock or pulling their children out of school. The effects are felt the most by the poorest people. Similarly, food insecurity during early years could have a devastating effect on children and their ability to grow up as healthy, productive adults. These trends corroborate with rising levels of poverty in the country and make investments in people through social protection programs of paramount importance.

Figure 3: Food insecurity and economic shocks are on the rise in Nigeria (2011-2016)



Disasters and conflict have displaced many Nigerians, especially in the Northeast. According to estimates provided by the International Displacement Monitoring Center, there were more than 2 million Internally Displaced Persons (IDPs) in Nigeria as of 31 December 2018.<sup>14</sup> In 2018 alone, more than 600,000 Nigerians were displaced due to natural disasters and more than 540,000 were displaced due to conflict and violence. In the Northeast, the emergence of the militant Islamist group Boko Haram since 2014 has not only caused large scaled displacement, but also several incidences of kidnapping, death, and injuries, and the erosion of social contract due to widespread perception of a failed political promise.<sup>15</sup> Poverty and deprivation have played a central role in fostering a social divide. The youth used by Boko Haram to partake in the conflict are jobless, without skills, or trades, and are easily susceptible to radicalization.<sup>16</sup> Besides conflict, climate related factors have caused additional displacement in the North and the Middle Belt regions of the country. In 2018, flooding affected 80 percent of the country and triggered more than 600,000 new displacements. The social protection measures in the country are neither well-suited to respond to conflict, nor well-placed to anticipate and mitigate the risks of natural disasters caused by climate change. Determinants of Poverty

**Poverty remains high in Nigeria due to its dire social service delivery outcomes and lack of basic infrastructure.** Nigeria has the highest number of out of school children of primary school age in the world with 9 million children out of school.<sup>17</sup> There has been little change in vaccination rates over the last 25 years and Nigeria is set to overtake India as the country with most under-five

<sup>14</sup> IDMC (2018)

<sup>15</sup> UNDP (2018), National Human Development Report: Achieving Human Development in North East Nigeria, Pg 32

<sup>16</sup> Ibid, Page 31

<sup>17</sup> World Bank (2018), Investing in Human Capital for Nigeria's Future, Page 17

deaths in the world.<sup>18</sup> 71 million people continue to live without access to improved water, while 130 million people do not meet the Millennium Development Goal (MDG) standards for sanitation. In the North East and North West regions of the country, only around 25 to 28 percent of households have access to basic services (electricity, water, and sanitation).<sup>19</sup> Diversifying the revenue and foreign exchange base beyond oil, by making necessary investments (public and private) in infrastructure would deliver a needed boost to currently-low revenues that could support the necessary expansion of social service delivery in Nigeria.

**Slow poverty reduction rate in Nigeria is directly linked to the weak resilience and high vulnerability of livelihoods, particularly in the agriculture sector.** Half of all Nigerians work in the agriculture sector, where growth of 2 percent per annum since 2010 has barely kept up with the population growth.<sup>20</sup> Stagnating production and productivity in the farm sector, where half of the population works, is a key reason for continued high poverty levels. Half of the people working in agriculture belong to the poorest 40 percent of the population. Four out of five Nigerians are own-account workers, mostly in the agriculture and services sector. Data on sectoral composition of GDP clearly marks the importance of the services sector, which contributed 52.5% to the nominal GDP in 2018.<sup>21</sup> However, sectoral growth of the services sector has been below 2 percent for the last three years, and services contribution to nominal GDP has gone down from 58% in 2015 to 52% in 2018. The growth in the services sector, which is dominated by small and medium enterprises (SMEs), has been constrained by a subdued demand and limited lending.<sup>22</sup> High-growth sectors such as telecommunications are not particularly labor-intensive and are too small to absorb demand for nonfarm employment, even with high growth rates.<sup>23</sup>

**The weak labor market integration of youth from poor homes, as they transition from education to work, is aggravated by an inefficient skills development system, especially in the informal sector.** Nigeria suffers from a segmented labor market for youth. Underprivileged youth from rural areas and the Northern regions of the country start work early and face premature transition to work, while youth with more education and from wealthier families are more likely to hold out for a “good” job, compared to those with limited education and from poorer families. Both these mismatches generate a loss of human capital. For unemployed and underemployed youth in the informal sector, given their early entry into work, there is a specific need to support productivity of household enterprises and apprenticeships. Most Nigerians work in informal jobs. Some 96

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<sup>18</sup> Ibid, Page 17

<sup>19</sup> World Bank (2017), A Wake-Up Call: Nigeria Water Supply, Sanitation, and Hygiene Poverty Diagnostic. WASH Poverty Diagnostic, Page 11

<sup>20</sup> World Bank (2016). *More, and more productive, jobs for Nigeria: a profile of work and workers*, Page 11

<sup>21</sup> World Bank (2018), Investing in Human Capital for Nigeria’s Future, Page 14

<sup>22</sup> Ibid, Page 36

<sup>23</sup> World Bank (2016). *More, and more productive, jobs for Nigeria: a profile of work and workers*, Page 11

percent of the self-employed working on their own farm and 84 percent of the self-employed in the nonfarm sector are not registered. Alternatives to TVET such as informal apprenticeships and programs to enhance life-skills and job matching services could help improve employability of informal sector workers.<sup>24</sup> Given the role SMEs play as a source of income diversification for the poorest, in tandem with a transformation out of agriculture, it will be important to help workers in these firms increase their productivity and earnings.<sup>25</sup>

**Nigerians affected by conflict, climate change, and forced displacement need protection and assistance to rebuild their livelihoods.** Between 2010 and 2016, overall levels of conflict rose in Nigeria, with 49% of households in the North East experiencing at least one event of conflict or violence against a household member.<sup>26</sup> Climate change is affecting poor agricultural households who rely on low-technology, rainfed farming and are dependent on weather conditions for their daily bread. Only a small minority of conflict-affected households received any type of assistance in support of their recovery. Conflict can contribute to the depletion of physical and human capital and can have a permanent effect on labor market structures, exposure to conflict during early childhood can reduce the future welfare levels of these children as adults, and households might be forced to resort to lower risk revenue activities with clear, negative consequences on their welfare.<sup>27</sup> Those affected by conflict, therefore, are in dire need of comprehensive safety net programs that not only restore their livelihood options, but also provide them with access to basic services and tailored psychosocial support.

**High seasonality of employment patterns, particularly in agriculture, contributes to high poverty in Nigeria.** Nigerians experience significant seasonality in their employment patterns given the high dependence on farm work, but they do not shift significantly between jobs.<sup>28</sup> Based on estimates using the General Household Panel Survey (GHSP), only 8 percent of farm workers who were working during the post-planting season switched to non-farm jobs during the post-harvest season. On the other hand, international migration, though largely beneficial for migrants, sending, and receiving areas, has only been privy to a select group of high-skilled individuals who appear to be more competitive internationally. As a result, there is a latent demand for international migration that is not being met. The recent surge of arrivals in Nigerian asylum seekers to Europe using smugglers is one manifestation of this demand. In the absence of legal corridors to move to other countries, Nigerian youth will continue to undertake dangerous journeys to search for better opportunities.

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<sup>24</sup> World Bank (2016). *More, and more productive, jobs for Nigeria: a profile of work and workers*, Page 24

<sup>25</sup> Filmer and Fox (2014)

<sup>26</sup> Azad, M Abul Kalam et. al (2018). *Conflict and Violence in Nigeria: Results from the North East, North Central, and South South Zones*.

<sup>27</sup> World Bank (2016), *Poverty Reduction in Nigeria in the last decade*, Page 85

<sup>28</sup> World Bank (2016). *More, and more productive, jobs for Nigeria: a profile of work and workers*, Page xvii

**In summary**, lack of basic infrastructure, poor social service delivery outcomes, weak resilience in the agriculture sector, stagnating productivity in the farm and non-farm sectors, mismatches between youth aspirations and employment opportunities available in the economy, poor education and health services utilization, weak governance, climate change, and conflict have contributed significantly to the poverty situation in the country.<sup>29</sup> Both location and the demographic structure of the household also play a significant role in defining a person's poverty status. The risk of being poor is higher in the north irrespective of individual or household characteristics, perhaps indicative of fewer economic opportunities. Individuals with higher education have significantly lower chances of being poor, which reflects higher household incomes. Persons living in households with more children and elderly persons are also more likely to be poor because the earnings of the few working-age adults are needed to support the many dependents.<sup>30</sup> Recent literature also suggests that female headed households have a higher likelihood of being poor in Nigeria.<sup>31</sup> Empirical evidence from the correlates of transient poverty shows that farming household head with secondary and tertiary education, access to credit, and larger farm size decreased transitory poverty. On the other hand, larger household size and dependency ratio, and exposure to flood and pest infestation increased transitory poverty.<sup>32</sup> Analysis of the new NLSS (to be available in October 2019) will provide opportunities for more precise and contemporary assessment of determinants of poverty and vulnerability in Nigeria.<sup>33</sup>

## Inequality

**Nigeria experiences high inequality along geographic lines, with poverty mostly concentrated in the North and in rural areas.** Poverty in the northern regions of the country has been increasing (see Figure 2), especially in the North-West zone. Almost half of all poor lived in the North-West and the north accounts for 87 percent of all poor in the country in 2016. Poverty rates in the southern zones were around 12 percent with little variation across zones. The South-South zone saw the most significant drop in poverty from 2011-2016. Poverty was significantly higher in rural areas of the country in 2016. An estimated 64 percent of all poor lived in rural areas and 52 percent of the rural population lived below the poverty line in 2016. In contrast, the poverty rate in urban areas remained stable at 16 percent between 2011 and 2016.<sup>34</sup>

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<sup>29</sup> ERGP and Economic Outlook Report -World Bank 2018. Several Reports also confirms the drivers of poverty and vulnerability in Nigeria.

<sup>30</sup> World Bank (2019), Systematic Country Diagnostics (forthcoming), Page 3

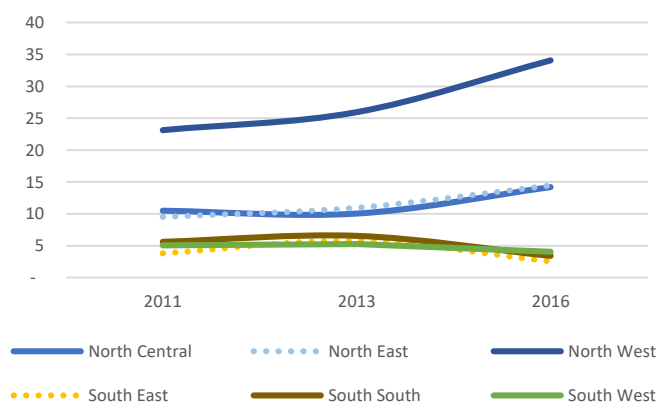
<sup>31</sup> Abdullahi Buba Musa Abdu et. al (2018)

<sup>32</sup> Empirical results from recent unpublished PhD thesis – Obasoro Gbenga (2019): Poverty Dynamics Among Agricultural Households in Nigeria. Department of Agricultural Economics, University of Ibadan. Ibadan

<sup>33</sup>This is an area for further analysis and research.

<sup>34</sup> Staff estimates, based on GHS panel

Figure 4: Total number of poor by zones- million persons



Source: GHS 2010/11, 2012/13, 2015/16

**Income inequality has been worsening over time with rising income polarization.** The Gini coefficient in Nigeria increased from 0.36 in 2011 to 0.42 in 2016. Compared to its lower-middle income peers, inequality in Nigeria is high. More worryingly, incomes are converging at the upper and lower ends rather than in the middle of the income distribution while the size of the middle class has stagnated at 21 percent of the total population between 2011 and 2016. Wide income polarization is associated with increased risk of social conflict and tension. In Nigeria, income polarization also has a regional dimension because incomes in the north and south are converging, respectively, toward a lower and a higher average income.<sup>35</sup>

## Human Capital Outcomes

**Nigeria suffers from very poor human capital outcomes, particularly among the poor.** Data from the Human Capital Index (HCI), which measures the amount of human capital a child born today can expect to attain by the age of 18<sup>36</sup>, shows that a child born in Nigeria today can expect to be only 34 percent as productive when she grows up compared to if she enjoyed complete education and full health. Nigeria's HCI is lower than the average for its region and income group, and lower than what would be predicted for its income level.<sup>37</sup> Nigeria's poor human capital outcomes dim the prospects of sustained growth and poverty reduction in the country, with some studies suggesting

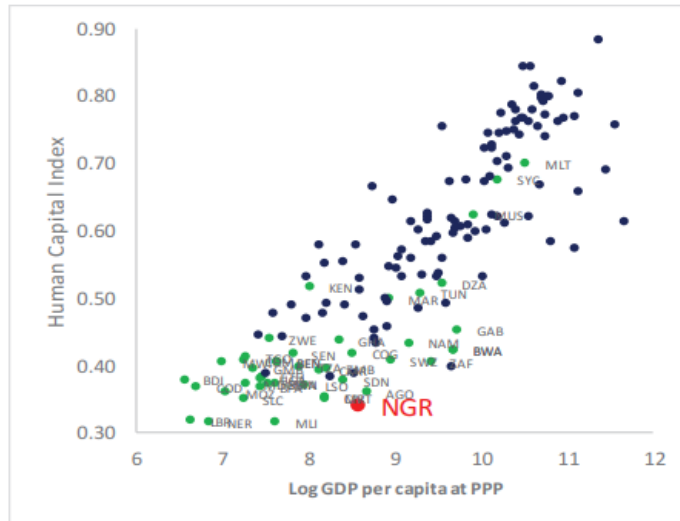
<sup>35</sup> World Bank (2019), Systematic Country Diagnostics (forthcoming), Page 2

<sup>36</sup> HCI conveys the productivity of the next generation of workers compared to a benchmark of complete education and full health. It is constructed for 157 countries. It is made up of five indicators: the probability of survival to age five, a child's expected years of schooling, harmonized test scores as a measure of quality of learning, adult survival rate (fraction of 15-year olds that will survive to age 60), and the proportion of children who are not stunted.

<sup>37</sup> World Bank (2018), Nigeria: Brief on the Human Capital Index (HCI)

that between 10 and 30 percent of per capita income differences between countries can be attributed to human capital.<sup>38</sup>

Figure 5: Nigeria performs poorly in terms of human capital relative to its income level



Source: World Bank (2018), Investing in Human Capital for Nigeria's Future

More worryingly, there are stark differences in the level of human capital outcomes across wealth quintiles, as the poorest suffer from the worst health, education, and nutrition outcomes. 63 percent of children in the poorest quintile are stunted compared to 18 percent in the richest quintile.<sup>39</sup> The Under-5 Mortality rate is 158 per 1,000 live births in the poorest quintile and 56 per 1,000 live births in the richest quintile.<sup>40</sup> 19 percent of children aged 12-23 months have any evidence of vaccination against polio at birth in the poorest quintile compared to 80 percent in the richest quintile.<sup>41</sup> On educational outcomes, 78 percent of children aged 36-59 months attend early childhood education in the richest quintile compared to 8 percent in the poorest quintile.<sup>42</sup> Only 29 percent of primary school age children from the poorest quintile are in school (adjusting for attendance) compared to 89 percent from the richest quintile.<sup>43</sup> Regionally, the North lags far behind the South in every human capital outcome. In summary, not only does Nigeria have low level of human capital outcomes in general, but it also has the poor lagging far behind the rich in human capital indicators. Despite this, Nigeria has the lowest public spending level of any regional

<sup>38</sup> Hsieh, Chang-Tai, and Peter J. Klenow. 2010. "Development Accounting." American Economic Journal: Macroeconomics 2 (1): 207–23

<sup>39</sup> NBS and UNICEF (2017), Nigeria: Multiple Indicator Cluster Survey 2016/17, Page 33

<sup>40</sup> Ibid, Page 27

<sup>41</sup> Ibid, Page 55

<sup>42</sup> Ibid, Page 180

<sup>43</sup> Ibid, Page 202

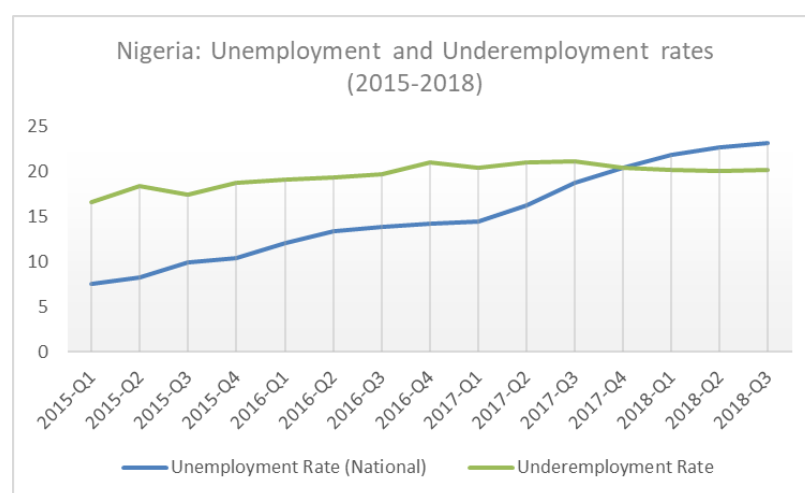


or income peers on social protection, meeting only a fraction of the needs of poor and vulnerable households through targeted programs.<sup>44</sup>

### Labor Outcomes

**Nigeria needs to create another 40 to 50 million jobs by 2030 to create employment to population ratio at current levels.**<sup>45</sup> Despite benefitting from economic and political reforms in the past decade that resulted in relatively high and stable economic growth until the recent recession, those reforms did not manage to reduce poverty levels sufficiently, largely due to lack of diversification of the sources of labor income for most of its population. Data from a recent Afro Barometer survey which asked Nigerians to classify the most important problems facing their country. Unemployment is at the top of the list for both youth and adults above management of the economy, poverty, corruption and electricity.<sup>46</sup> Figure 5 shows that Nigeria's unemployment rate has skyrocketed to 23.1 percent in 2018 from 7.5 percent in 2015. Underemployment rate has consistently ventured around 20 percent. Based on data from the Bureau of Labor Statistics (BLS) in Nigeria, youth are disproportionately affected by high unemployment and underemployment rates. In the third quarter of 2018, unemployment and underemployment rates were around 30 and 26 percent among those aged 15-34 respectively. Unemployment rates were much higher for females (26 percent) compared to males (20 percent), whereas underemployment rates were much higher for females (26 percent) compared to males (15 percent) and for those living in rural areas (23 percent) compared to those in urban areas (14 percent).<sup>47</sup>

Figure 6: Increasing unemployment rate and persistent underemployment rate in Nigeria (2015-2018)



<sup>44</sup> World Bank (2018), Investing in Human Capital for Nigeria's Future, Page 57

<sup>45</sup> World Bank (2016). *More, and more productive, jobs for Nigeria: a profile of work and workers*, Page XX

<sup>46</sup> Nigeria Afro Barometer Survey (2017)

<sup>47</sup> Bureau of Labor Statistics (2018)

Source: Nigeria Bureau of Labor Statistics (BLS) 2018

**The jobless and the inactive population differ markedly in demographic and other characteristics.** Out of those in the working age population (15-64), women, those with less than primary education, and Northern inhabitants are more likely to be inactive, whereas more educated youth from wealthier background, who are less likely to be constrained by family obligations while waiting for a job, are more likely to be unemployed.<sup>48</sup> Data from the BLS shows that those with less than primary education, from poorer background, and in rural areas, are more likely to be underemployed than unemployed whereas those with post-secondary education and above are much more likely to be unemployed. Youth, especially in rural areas, also shift between employment and inactivity, with limited options for mobility between jobs. There is evidence that poverty reduction can be more closely linked to rural diversification of poorer households out of agriculture and urbanization to secondary towns<sup>49</sup>, as urban areas are already feeling significant pressures on land, public services, and jobs market, with half of the Nigerian population living in urban areas as of 2014.

## 2. Social Protection in Nigeria

The social protection agenda in Nigeria is its nascent stages and emerging in terms of policies and implementation framework. Despite existence of many programs that are classified under social protection, their overall coverage and effect on welfare is either minimal or unknown. The limiting factors of social protection intervention impacts include high fragmentation, narrow fiscal space, lack of clearly defined roles for participating stakeholders, and narrow focus in terms of risks and targeted groups. Social protection programs are still largely public sector driven. In 2015, the World Bank assessed the status of social protection in Nigeria through the *Nigerian Social Protection Status Report*, which classified interventions in the country according to the UNICEF transformational approach and the types of risks that they address (shown in Table 1).

Table 1: Classification of Social Protection Policies and Programs in Nigeria

Type	Poverty-focused Social Protection Intervention	Types of Instruments
Protective	Social assistance	Cash transfers, food transfers, fee waivers for social services, school subsidies, school feeding
Preventive	Social insurance	Health insurance, premium waivers, subsidized risk-pooling mechanisms -cooperatives, community basic services provision.

<sup>48</sup> World Bank (2016). *More, and more productive, jobs for Nigeria: a profile of work and workers*, Page xiv

<sup>49</sup> Christiaensen, De Weerd, and Todo (2013)

Promotive	Productive transfers, subsidies, and work	Agricultural input transfers, fertilizer subsidies, asset transfers, public works programs
Transformative	Social equity measures	Equal rights/social justice legislation, affirmative action policies, asset protection

Source: Modified from World Bank (2015), Nigeria Social Protection Status Report.

Informal social protection provided through social networks also exist and are important in Nigeria, as households that face idiosyncratic shocks usually rely on informal social arrangements where formal arrangements are weak or non-existent. However, these informal social protection mechanisms, as in several economies with high degree of informality, are not properly understood. Given their clear importance in covering a large section of the poor population who do not have access to any form of formal social protection, further analytical work is warranted to study informal social protection mechanism and approaches that is outside the mandate of this report.

This section is structured in two parts. The first part describes the Social Protection architecture, governance, and implementation arrangement in Nigeria. This part: (i) discusses the range of instruments available in social protection programming tools; (ii) their role in addressing poverty, vulnerabilities, and low human capital outcomes; (iii) describes the emerging social protection institutional arrangements in Nigeria; and (iv) details recent Government efforts on improving social protection programs and policies. The second part highlights emerging gaps, issues, and challenges, including by using data from the World Bank Atlas of Social Protection – Indicators of Resilience and Equity (ASPIRE) and the General Household Panel Survey 2015/16. It is important to state that both datasets rely on relatively old information in an emerging social protection landscape in the country. To compensate for this, project level information on four illustrative projects that are currently being implemented is presented in the Annex.

### Social Protection Architecture, Governance, and Institutional Arrangement

**Social Protection and Jobs programs conventionally consist of a range of instruments for achieving three core objectives: resilience, equity, and opportunity.** Programs to strengthen resilience usually consist of social insurance schemes for workers, which protect program participants against loss of income due to illness, unemployment, old age, disability, or death of income earners. Programs to improve equity consist of safety nets or social assistance programs, which are non-contributory transfers that are targeted to poor or vulnerable members of the society. These programs consist of targeted cash or in-kind transfers, price subsidies for food or energy, labor intensive public works schemes, fee waivers for health care, education, utilities or transport, and disaster relief schemes. These programs are designed to help poor individuals and households to cushion them against negative shocks and to ensure that they can meet their basic needs. Finally, programs to

promote opportunity consist of active labor market programs that provide better income earning opportunities by upgrading worker skills or facilitating mobility as well as labor policies and regulations that protect workers.

**Social protection programs provide households with the income support to fight poverty and invest in the human capital of their members.** International evidence from multiple countries shows that social protection programs have been effective in helping countries reduce poverty, increase food consumption, improve dietary diversity, increase the use of preventive health services, and increase school enrollment.<sup>50</sup> Social protection supports poor families from the very early years and through the entire life-cycle. Figure 6 provides an illustrative theory of change on how income support and services offered through social protection programs translate into better education, health, and labor outcomes for beneficiaries of these programs. Besides addressing poverty, boosting human capital outcomes, mitigating against negative income shocks, and promoting equality of opportunities, global evidence also supports the notion that social protection programs supports policies to generate more, better jobs, and ensure access to jobs.

Figure 7: Theory of change showing different ways in which social protection programs affect human capital outcomes



Source: World Bank (2018), The Contribution of Social Protection and Jobs to Human Capital Formation

**The World Bank’s newly unveiled Human Capital Plan for Africa sets an ambitious target of increasing access to safety nets and job training by 2023** and plans to expand social protection coverage among the poorest quintile of households in low income countries by an additional

<sup>50</sup> See Bastagli et al. (2016) for a comprehensive review

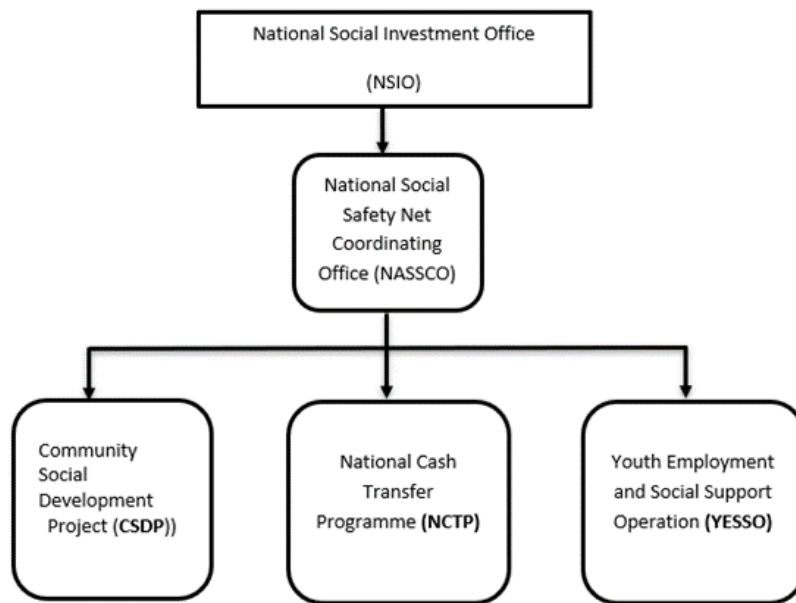
13.1 million by 2023. This agenda comes at a critical juncture as the HCI showed that nearly 60 percent of children born today in 157 countries surveyed, will, at best, be half as productive as they could be with full set of human capital outcomes. Similarly, preparing for the jobs of tomorrow requires prioritizing investments in millions of youth entering the jobs market and equipping them with the right set of skills to be more productive. As the country hosting the largest population of people living under extreme poverty and with lowest level of human capital outcomes among any middle-income country, Nigeria needs to make critical investments in its social protection and jobs systems to achieve the economic transformation it desires.

**The institutional and governance structure in Nigeria is still emerging and a road map is currently under discussion.** The recently approved National Social Protection Policy Framework lays out the foundations for establishment of a national social protection coordinating and implementation system with the Federal Ministry of Budget and National Planning as the policy coordinating and overall monitoring and evaluation hub. In partnership with the Office of the Vice President, the Ministry has since started preparation of implementation framework for the national social protection policy. In tandem with this arrangement, the National Social Investment Programs (NSIPs) is a portfolio of interventions created in 2015 and launched in 2016 by the Federal Government of Nigeria. The purpose is to deliver socio-economic support to Nigerians at the national level. In pursuit of sustainable development, the focus is to deliver various interventions to different target populations, for a comprehensive and holistic impact. A coordinating office was created and select projects were identified at the start of the current administration, towards achieving the national objective for human capital development. Meanwhile as part of the National Social Safety Nets Project (NASSP), a social protection coordinating platform (the National Social Safety Nets Coordinating Office –NASSCO) was also set up in the Presidency to provide oversight and coordination to all social safety net interventions at Federal and State level as part of a specialized social investment program. As shown below in Figure 8, the National Social Investment Office (NSIO) in the Office of the Vice President oversees the NASSCO. The NASSCO in turn coordinates and supervises Bank funded interventions including CSDP, YESSO and National Cash Transfer. It is envisaged that over time, other social safety nets interventions will be coordinated by NASSCO.<sup>51</sup> A similar structure to NASSCO known as State Operation Coordinating Unit (SOCU) is also established by State Governments to coordinate social protection interventions at State level.

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<sup>51</sup> It must be noted that between 2013 and 2017, YESSO piloted the social safety nets coordination in Nigeria at the state level with a Federal Operation Coordinating Unit (FOCU) at the Federal serving as one-stop shop for State Coordinating Units (SOCUs).

Figure 8: Social Safety Net Program Institutional Arrangement



The federal structure of Nigeria and the multiple layers of authorities and stakeholders in the social protection sector presents a complex and bureaucratic governance system for every **SP program or interventions**. The emerging opportunities of State level Social Registers of poor and vulnerable Households under the auspices of State Operation Coordinating Units in State Ministry of Planning and the National Social Safety Net Coordinating Office (NASSCO), under the Office of the Vice President at the federal level provides a unique opportunity to carve out an institutional arrangement that provides sustainable governance framework for the increasing number of social protection programs in the country., Almost all SP programs in the country have the local government authority (LGA) as stakeholder and the LGA is largely involved in sensitization and mobilization of beneficiaries across the programmes. They are also involved with the provision of office spaces and working tools as applicable. A common stakeholder across all the programmes is NGO/International organization with a major responsibility of fund provision. Going forward, the role of LGAs and State government institutions vis-à-vis the Federal level institutions need to follow the constitutional mandates and responsibilities in a federating structure. Partnership among the three tiers of government and with the organized and informal private sector as well as civil societies is currently low and need to be strengthened. The complementarity of roles with civil society and private sector need to be explored beyond the current level. A more detailed implementation arrangement for selected safety net programs such as CSDP, YESSO, and NCTP is presented in Annex 1.

**The Government of Nigeria has recently taken important steps to set up the foundations of the national social protection system in support of a pro-poor agenda.** In July 2017 the Government of Nigeria (GON) laid out the foundations to establish the national social protection system with the ratification of the Social Protection Policy framework under the leadership of the Federal Executive Council. Concurrently, a Social Registry of poor and vulnerable households was established at State and National level. A social protection coordinating platform was also set up in the Presidency to provide oversight and coordination to all social safety net interventions at Federal and State level. GON also increased budget allocation, especially at the Federal level, to social protection activities as part of a specialized social investment program. The program is mainly targeted to the poor and vulnerable and includes cash transfer, school feeding, microcredit to women and traders and skills acquisition and job opportunities for unemployed youths. More than 1.5 million Nigerians are currently beneficiaries of these interventions as stated by the Federal Government.<sup>52</sup> The major elements of a comprehensive Social Protection framework – poverty-based targeting of beneficiaries, automated management information systems, electronic payments, and social accountability mechanisms – are being put in place. Further work on developing an electronic National Identity Number (NIN) system is underway. These efforts have helped to improve targeting performance and efficiency and have reduced leakage.<sup>53</sup> Several states are also developing social protection policies by putting in place coordination and implementation structures for social investment and social safety nets interventions with the support of development partners. Social insurance programs for health and old-age, as well as micro-credit programs for the working poor, are also emerging at the state government level.

**Several relevant programs that are targeted at the poor and vulnerable have been launched in the last few years.** GON's efforts is not just focused on policies as highlighted above. To translate policy into actions, key programs have been launched through the National Social Investment Program (NSIP). The program is operated by the National Social Investment Office (NSIO) under the supervision of the Vice President's office. NSIP has two broad categories of projects: one is focused on social safety nets while the other focuses on social investments. The safety nets aspect is coordinated by the National Social Safety Net Program (NASSCO), which includes the National Cash Transfer Program (NCTP), the Youth Employment and Social Support Operation (YESSO) as well as the Community Social Development Project (CSDP). The social investment programs include the Government Enterprise and Empowerment Programs (GEEP), NPower - Job Creation Program, and National Home-Grown School Feeding Program (NHGSFP). The breakdown of beneficiaries by different programs is presented in Table 2 below.

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<sup>52</sup> World Bank (2016), Poverty Reduction in Nigeria in the last decade, Page 61

<sup>53</sup> Nigeria Social Investment Program (NSIP)

Table 2: Number of beneficiaries under different social protection programs<sup>54</sup>

<u>Programs</u>	<u>Number of Beneficiaries</u>
<i>Social Safety Nets</i>	
HGSFP	9,052,235
National Cash Transfer	297,010
YESSO	30,410
<i>Social Investments</i>	
GEEP TraderMoni	1,102,793
GEEP MarketMoni	330,568
GEEP FarmerMoni	1,172
Npower Volunteer	500,000
Npower Build and Mechanics	20,000

Source: Nigeria Social Investment Program (NSIP)

**Recent State and Federal level programs on productive employment opportunities to the poor and vulnerable, including women and youth, can provide lessons for immediate and future actions.** At the federal level, the Job Creation Program of the National Directorate of Employment (NDE) was set up in 1987 to deliver on the government's objective of generating employment opportunities for the growing workforce. Since its launch, the NDE has implemented a variety of programs, including social assistance programs such as public works for the vulnerable, and training and apprenticeships programs for youth. In 2011, it was estimated that the full set of NDE programs have provided employment to over 3 million unemployed workers.<sup>55</sup> Implementation challenges have included limited funds, inadequate training facilities, and low private sector involvement.<sup>56</sup> The National Job Creation Scheme, announced by the Presidency in 2010 with seed funding of ₦50 billion, was meant to include labor-intensive public works in sectors related to the MDGs. The program's status was, however, unclear. At the state level, the Rice for Jobs Scheme, for example, reintroduced rice farming with an emphasis on implementing modern irrigation systems; the

<sup>54</sup> The list of programs presented in this table are not exhaustive but the ones that we have available information for.

<sup>55</sup> Nigeria Social Investment Program (NSIP)

<sup>56</sup> World Bank (2016). *More, and more productive, jobs for Nigeria: a profile of work and workers*, Page 55



Agriculture Youth Empowerment Scheme in Lagos provides training to involve young people in modern agricultural practices; and YESSO offers a promising learning opportunity to assess how complementary life skills training can assist beneficiaries in graduating from public works programs to self-reliance.

### Gaps, Issues, and Challenges

This sub-section identifies several gaps and challenges that are currently limiting the effect of social protection policies and programs in Nigeria. The sets of issues identified and discussed in the ensuing paragraphs are: (i) fragmentation and limited coordination among different tiers of the government; (ii) limited fiscal resources devoted to social protection and social assistance programs; (iii) low coverage and adequacy of social safety net programs; (iv) poor targeting and leakages among current social protection programs; (v) absence of social protection programs that link to productive employment and skills training platforms; (vi) limited social insurance programs that cover against idiosyncratic shocks; and (vii) lack of data and information to inform policymaking.

**Social protection programs in Nigeria are fragmented in nature with limited coordination mechanism in place.** Programs designed to address poverty and provide social protection to the vulnerable groups in the country suffer from contradicting mandates and objectives of the different agencies and line ministries supervising them. This lack of coordination often time leads to an overlap of activities and duplication of efforts. To address this challenge, a committee (AngoAbdullahi's) was set up as far back as the year 2000. Key among the recommendations of the committee were to merge and streamline the activities of the many of the poverty alleviation programs and set up an institution or agency whose role would purely be to coordinate, monitor, and evaluate all poverty eradication efforts in the country. This led to the creation of National Poverty Eradication Program (NAPEP) in 2000. A major first effort of NAPEP was preparation of National Policy on Poverty Eradication (NPPE). The document, though very sound in its diagnostics of poverty, failed to set out an overall policy framework, a strategy for implementing the policy, or any institutional arrangements. This has been followed by many attempts to set up institutional mechanism to coordinate the different social protection efforts and activities in the country. A draft Social Protection framework was completed in 2010 but was not approved. The recently approved National Social Protection Policy Document in 2017 provides an opportunity to provide effective coordination of all social protection programs at federal and state levels.

**Nigeria spends less on social protection than every other lower-middle income country and most of its regional peers. Instead its fiscal space is taken up by subsidies.** Nigeria spends 2.6 percent of the GDP on the three social sectors combined,<sup>57</sup> and 0.3 percent of the GDP on social safety nets

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<sup>57</sup> World Bank (2018), Investing in Human Capital for Nigeria's Future, Page 56-57

programs.<sup>58</sup> This is in direct contrast to the objectives laid out in the Economic Growth and Recovery Plan (EGRP) and despite evidence linking cash transfer programs to improved human capital outcomes for the poor in the country.<sup>59</sup> Instead, successive governments have aimed to provide benefits to the population in the form of lower fuel prices, which can directly affect welfare through savings in the purchase of fuel, as well as bring indirect benefits through lower costs of transportation. However, while this is certainly a very valid objective, the regressive nature demands that subsidies be better targeted.<sup>60</sup> International experience shows that fuel subsidies not only constitute a significant drain on fiscal resources of the three tiers of government, but are also inherently regressive, allowing larger and richer consumers to capture most of the benefits.

**Despite several social protection programs being launched in the last few years, coverage of safety net programs remains alarmingly low.** Estimates from the General Household Panel Surveys show that between 2011 and 2016, coverage of social safety net programs has not improved in the country. Figure 8 shows that in 2011, 2013, and 2016, the percentage of households receiving safety net programs was 1.7 percent, 3.3 percent, and 2.1 percent respectively. Most government programs on social protection suffer from weak targeting and identification issues. The weak targeting challenge arises because of lack of comprehensive data base of individuals from where eligible individuals for different program can be drawn to receive adequate help as and when needed. While government awareness of the need and importance of SP programs is rising, the mechanism for identifying beneficiaries is in its nascent stages. There is an urgent need to improve data collection of social protection outcomes at Federal, State and LGA level for optimal tracking and data-driven decision making. Currently, there are no appropriate mechanisms in place for gathering relevant and reliable data to inform policy-making. Reporting on Nigeria's complex public sector suffers from fragmented institutional arrangements in which different agencies produce a range of reports and the established interagency committee does not have clear terms of reference. Lack of funding makes the production of surveys depend on available funding by international partners. The job creation and labor force survey, for example, are conducted irregularly; whereas the demographic survey was last carried out in 2006 but is essential to determine population size and distribution.

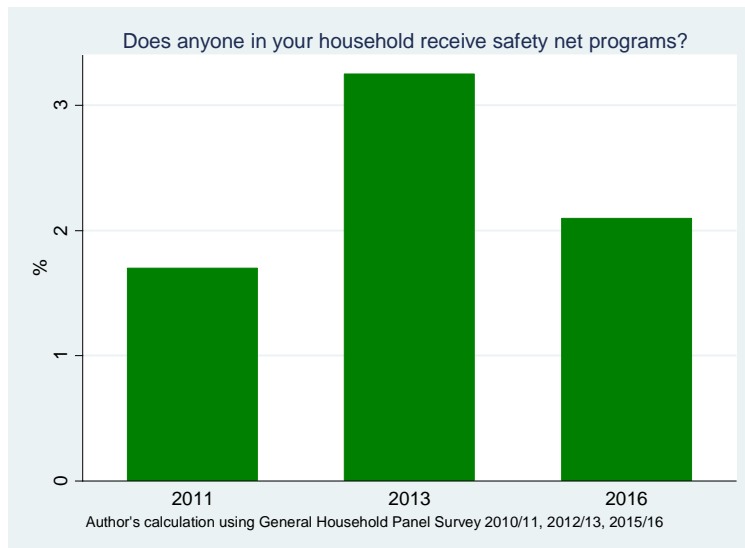
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<sup>58</sup> World Bank (2018), The Status of Social Safety Nets, Page 20

<sup>59</sup> The state of Kano piloted a conditional cash transfer (CCT) program in 2010 to improve the transition of girls to secondary schools. The cash transfers were conditional on regular attendance. An impact evaluation of a randomized control trial built into the pilot found increased attendance and transition of girls to secondary schools in treatment schools compared to control group. Results show that CCTs can help address cultural and financial constraints to female schooling.

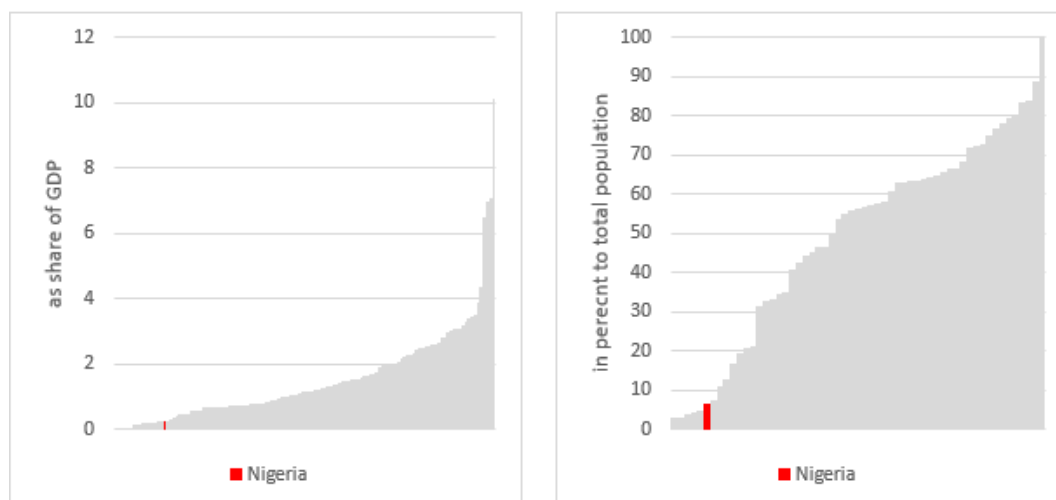
<sup>60</sup> World Bank (2018), Investing in Human Capital for Nigeria's Future, Page 41

Figure 9: Evolution of coverage of social safety net programs in Nigeria (2011-2016)



**The adequate social safety net system in Nigeria has not yet been fully developed.** Social protection systems allow poor households to cope with economic and income shocks and invest in their human capital and is central element of poverty reduction and mitigation agenda. However, linked to decentralized governance system, which is characterized by great diversity of resources and capacity at the local level and lack of political vision at the federal level, the design and adoption of social assistance programs in Nigeria have been sluggish. The left-hand side of Figure 5, using data from the World Bank Atlas of Social Protection Indicators shows that Nigeria spends less on social assistance programs (0.3 percent of GDP, the same level as Madagascar) compared to most countries around the world. As a result, the right-hand side of figure 5 shows that in Nigeria, where extreme poverty rate is high and rising, social protection and labor programs cover only 7 percent of the population.

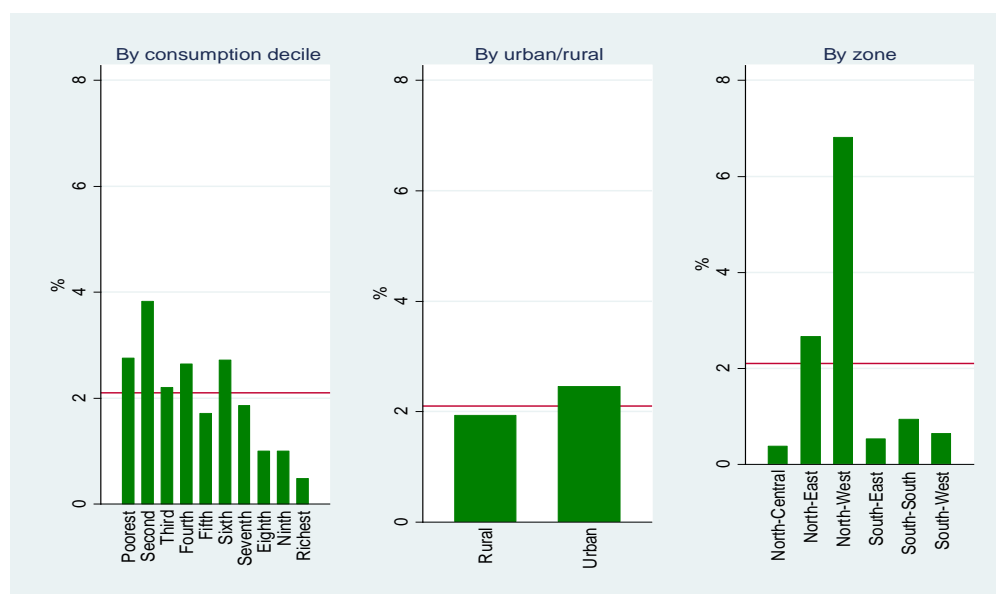
Figure 10: Public spending on social assistance (left) and coverage (%) of all Social Protection and Labor Programs



Source: World Bank (2019), Systematic Country Diagnostics (forthcoming)

**Recent estimates from household surveys confirm that social safety net programs barely cover 2 percent of the households and are not particularly well-targeted.** On average, just over 2 percent of the households were covered by social safety nets programs<sup>61</sup> (red line) in 2016. Further, coverage of social safety net programs by consumption decile, by urban/rural divide, and by geopolitical zones in Nigeria show that social safety net programs are not particularly well targeted towards the bottom decile of the population. On average, just over 4 percent of households in the bottom 40 percent of the consumption quintile have access to any form of social safety net programs compared to 1.5 percent of the households in the richest 60 percent of the consumption quintile. Similarly, despite the high rate of extreme poverty in rural areas, social safety net programs are more prevalent in urban areas. Finally, households in the North-West zone, which hosts the largest number of poor persons in Nigeria, also have higher access to social safety net programs compared to other regions. Overall, however, both the household survey data as well as data from ASPIRE paint a similar picture – Extreme poverty is high, and coverage of social safety net programs is remarkably low in all parts of Nigeria, and particularly among the poorest who gain to benefit the most from these programs.

Figure 11: Coverage of social safety net programs by consumption decile, urban/rural, and geopolitical zones

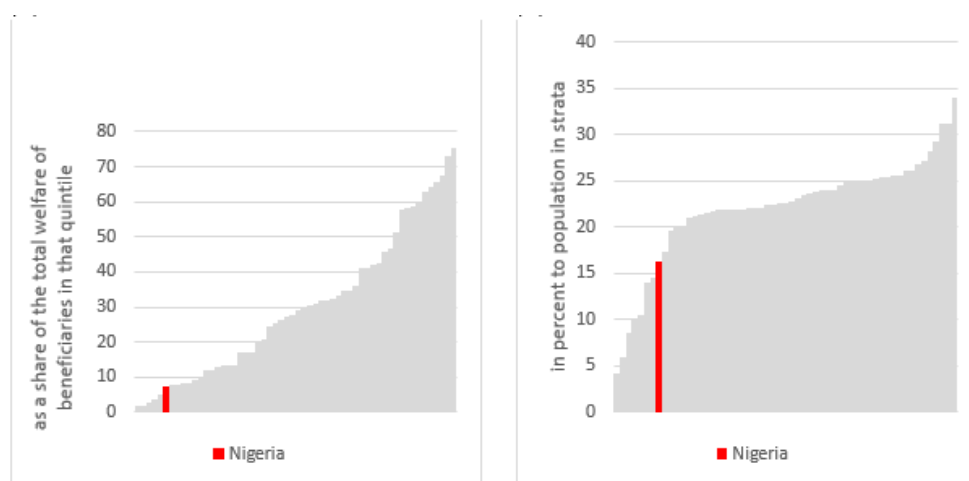


Source: Staff estimates based on General Household Survey 2015/16

<sup>61</sup> Social Safety Net Programs included in the survey are: Free Food/Maize Distribution; Food/Cash-for-Work Programme (e.g. NAPEP); Inputs-For-Work Programme (FADAMA); School Feeding Programme; Targeted Nutrition Programme for mothers and children; Supplementary Feeding for Malnourished Children at a Nutritional Rehabilitation Unit; Scholarships for Secondary Education; Scholarships for Tertiary Education (e.g. University Scholarship, Upgrading Teachers); Government Loan for University and Other Tertiary Education; Direct Cash Transfers from Government; Direct Cash Transfers from Development Partners; Livestock Transfers from NGOs; Growth Enhancement Scheme (GES); and Others

Besides being small in size, the performance indicators and poverty reducing potential of existing social protection programs are also far from best practice frontier. Figure 7, using data from ASPIRE, shows that in terms of adequacy of all social programs, the benefits account for less than 10 percent (left) of household total income/consumption and that benefit only reaches 16 percent of poorest group (right), i.e. those in first quintile. In this context, it is not surprising that social protection system in the country is facing serious challenges. Among the important ones are fragmentation of approaches and financing across states, availability and implementation of narrow set of instruments, poor service delivery and low implementation capacity at central and local levels. At the center of the problem is absence of institutional and clearly defined policy framework for social protection agenda. The harmonized interactions between social protection and other agencies/systems requires efficient institutional set-up, which is yet to be implemented.

Figure 12: Adequacy of benefits (left) and Beneficiary incidence (right) of all social protection and labor programs



Source: World Bank (2019), Systematic Country Diagnostics (forthcoming)

**Social protection programs do not provide linkages to productive opportunities for its working age population.** In 2015, 15 percent of the working age population in Nigeria were not in employment or training. These were mostly women, inhabitants of the north, and those with less than primary education.<sup>62</sup> Productive jobs are scarce for most of the employed population of working age. High participation rates, work weeks of 40 hours or more, and low levels of unemployment reflect pervasive subsistence work in agriculture, and the fact that most people lack access to private or public safety nets and cannot afford to be unemployed.<sup>63</sup> Very few Nigerians move between jobs during times of inactivity, especially in agriculture. With majority of Nigerians depending on low-technology, rainfed agriculture, and four out of five Nigerians employed as own-account workers, there is a role for social protection programming to go beyond traditional approaches and

<sup>62</sup> World Bank (2016). *More, and more productive, jobs for Nigeria: a profile of work and workers*, Page 14

<sup>63</sup> Ibid, Page 15

comprehensively address stagnant productivity, vulnerabilities due to conflict and climate change, inactivity, seasonality, unemployment, and erosion of human capital.

**Nigeria has limited social protection programs to cover against risks and shocks.** Despite the implementation of the National Health Insurance Scheme (NHIS) since 2005, Nigeria's health insurance coverage remains low. The health insurance coverage at national level is 16 percent. Rural health insurance coverage is even lower at 11 percent, as most workers work in the informal sector and do not get insurance through the employers. More than 70% of Nigerians' total health-expenditures are paid out of pocket. This is one of the highest levels in the world (comparing to 58 percent and 34 percent in low-to-middle income countries and upper-to-middle income countries, respectively) placing the poor at a very high risk.<sup>64</sup> Enrolment in pension schemes is approximately 40 percent nationally, with little differences between rural and urban areas. Despite close to 50 percent of the population reliant on low-technology, rainfed agriculture, there are limited risk-based insurance schemes to hedge against rainfall or weather shocks. The floods that occurred in 2018 highlighted the lack of preparedness to deal with natural disasters. Over 100 villages along the two major rivers – Niger and Benue – were flooded and 100 people lost their lives. The recourse, due to the lack of compensation mechanism or risk-based insurance, was relief materials. This provides an opportunity for social protection systems and programs to cater to the population affected by shocks or conflict, who have usually relied on humanitarian aid. For example, the coverage of SP programs in the North-East region affected by conflict is slowly expanding, reaching 37,892 beneficiaries through the CSDP community and vulnerable groups micro-projects as of May 2019. However, given the extent of the need in the region, there is a need to serve more of the conflict affected population through streamlined SP systems and channels.

**Finally, the availability of information for decision making remains poor.** Currently, there are no appropriate mechanisms in place for gathering relevant and reliable data to inform policy-making. Lack of funding makes the production of surveys depend on available funding by international partners. The National Household Survey is delayed for more than 5 years and comprehensive data for diagnostics of welfare situation for informing program design is lacking. The data collection and monitoring and evaluation systems for social protection programs need to be improved at Federal, State and LGA level for optimal tracking and data-driven decision making. Both quality and frequency of data hampers monitoring of implementation of public interventions and lack of credible data statistics deprives the country of the benefits of informed policymaking.

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<sup>64</sup> World Bank (2018), Investing in Human Capital for Nigeria's Future, Page 56

### 3. Agenda for Advancing Social Protection in Nigeria

#### Future Policy Directions

In the last couple of years, GON along with development partners and other stakeholders have put in substantial resources and manpower into social welfare improvement, human capital development, and protection of the poor. With the articulation of clear objectives to improve targeted social programs and create employment opportunities for the poor in the EGRP, this section identifies windows of opportunity to advance the progress made in the social protection sector. To this end, this section provides six policy priorities for consideration in the Social Protection sector in Nigeria: (i) Identifying a lead agency to oversee social protection policy and programs and to align various social protection programs among the three tiers of the government; (ii) Scaling up safety net interventions that alleviate demand-side constraints for human capital investments; (iii) Linking social safety net programs to productive interventions through access to finance, skills, and employment opportunities; (iv) Improving targeting of social protection programs generally and especially in conflict-affected areas through extensive outreach and training; (v) Protecting large number of Nigerians working outside of the formal sector from exposure to welfare reducing risks and shocks; and (vi) Gradually increasing fiscal resources available for social protection programs through better channelling of oil and non-oil revenues.

**Identifying a lead agency to oversee social protection policy and programs and to align various social protection programs among the three tiers of the government:** Nigeria's SP Policy Framework, ratified by the Federal Executive Council in 2017, does not identify a lead agency to oversee SP policy and programs. The Federal Ministry of Budget and Planning is the custodian of the SP policy document that was approved in 2017 and is now preparing an implementation framework for the policy document in consultation with stakeholders at Federal and State levels. The National Social Investment Program office in the Office of the Vice President is also working on a roadmap for Social Investment/Social Protection programs in the country. There is an attempt to bring the two initiatives together to lead to the institutionalization of SP in the Country. The Federal Government will have responsibilities for policy guidance, strategic principles, target formulation, monitoring, financing, overall reporting, and evaluation role. Program coordination and implementation will be the sole responsibilities of the State Governments. The ERGP, which is a Federal Level document, encourages the State and Local Governments to formulate corresponding plans that address their own challenges, visions, needs and aspirations and maintains that the Federal Government stands ready to provide technical support to the States and Local Governments when required. Social protection programs such as the Community and Social Development Project (CSDP) are implemented in 30 states and the Federal Capital Territory (FCT). Recently, a federally mandated unit supervised by the Office of the Vice Present has started providing coordination support to CSDP agencies. This is the appropriate institutional arrangement in CSDP and other social protection programs –A Federal coordinating and facilitating unit and a state government

implementing unit is the most effective way forward in a federating country like Nigeria. Further assessments of the proper institutional and governance mechanism for pro-poor service delivery that include lessons learnt from other decentralized settings could provide valuable inputs to this process.

**Scaling up safety net interventions that alleviate demand-side constraints for human capital investments:** One of the major reasons why poor and vulnerable households do not access health care facilities or do not send their children to school is because they cannot afford it. To enable every girl and boy to fulfil her and his potential, the World Bank recently launched an Africa Human Capital Plan that sets out ambitious targets to be achieved by 2023 on child survival, reducing stunting, enhancing learning, and lowering adolescent fertility, among others. Implementing and increasing social safety nets programs targeted at the vulnerable is a key action item set forward in the Social Inclusion objective of the EGRP.<sup>65</sup> Starting 2016, Nigeria's national cash transfer scheme, called the Household Uplifting Program (HUP), has provided targeted income support of US\$ 13 per month to more than 300,000 beneficiary households in 27 Nigerian states. The main features of the program include an overarching Federal structure that has the program coordination role, State Cash Transfer Units (SCTU) that implements the program at the state level, local government desk offices that act as cash transfer facilitators, three-stage targeting process that relies on geographical targeting, community-based validation, and proxy-means-testing (PMT)<sup>66</sup>, and a robust Grievance Redress Mechanism (GRM) system that ensures transfers reach the poorest and the most vulnerable. The program uses a social registry platform for identifying the poor and vulnerable that is widely recognized as being objective and equitable within the country. However, the program covers less than 2 percent of the 87 million individuals that live under the international extreme poverty line of US\$ 1.90/day. Given the extent of extreme poverty in Nigeria and the low levels of human capital outcomes among the poor, it is critical to scale up HUP with necessary implementation support supplemented by proper monitoring and evaluation systems. The program offers an opportunity to pilot mechanisms for digitizing transfers and to serve low-income households through formal financial channels. Necessary evaluations also could be conducted to determine the sufficiency of the transfer value. International evidence suggests that higher transfer values are associated with higher health and education outcomes while low transfer values have limited or no impact on nutrition.<sup>67</sup>

**Linking social safety net programs to productive interventions through access to finance, skills, and employment opportunities:** Under cross-sectoral priorities identified in the EGRP, the government

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<sup>65</sup> Nigeria: Economic Growth and Recovery Plan (EGRP), 2017-20, Page 133

<sup>66</sup> The term "proxy means test" is used to describe a situation where information on household or individual characteristics correlated with welfare levels is used in a formal algorithm to proxy household income, welfare or need.

<sup>67</sup> Bastagli et al (2016), Cash Transfers: What does the evidence say?



of Nigeria is looking to enhance its support for SMEs. These programs need to include vulnerable groups including safety net beneficiaries. “Graduation” programs are clearly the next phase for many of the existing social safety net programs. Households and individuals that benefit from cash transfers, public works, and livelihood support programs need to be able to transition into active labor market programs and be productive. There is a growing body of evidence showing that integrated interventions that provide the poor with a range of services (including entrepreneurship training, life skills, coaching, access to savings, and small-sized grants), often referred to as graduation or productive inclusion programs, generate lasting improvements in earnings and well-being. An evaluation of the graduation approach in six countries showed statistically significant impacts on key outcomes, including consumption, savings, assets, revenues, and hours worked.<sup>68</sup> In terms of existing programs, the public works programs such as those under YESSO can be scaled up as a major safety net initiative for the poor, vulnerable youths, and women - as a partnership between the State government and private sector organization (corporate social responsibility). This could make the program sustainable. The positive impact of social protection programs on the welfare of poor households crucially depends on how effectively these programs link with employment programs and services and the private labor market. These areas are not well understood in the Nigerian context. Effectively studying the design of conditional and unconditional cash transfers for livelihood sustainability from other settings could inform future generation of productive social safety net programs.

**Improving targeting of social protection programs generally and especially in conflict-affected areas through extensive outreach and training:** Poverty and conflict are highly correlated in Nigeria, particularly in the North East region where many Nigerians depend on humanitarian initiatives. Social Protection programs directly address poverty by providing income and in-kind support to households and by helping build social cohesion and participatory governance in areas affected by conflict. During conflict, and right after the end of fighting, responding to the urgent needs of affected populations is a critical part of building resilience and supporting recovery for vulnerable households. A recent experience from Iraq offers a good example of how this can be done, particularly within the context of high internal displacement. Iraq embarked on its social reforms with the adoption of a new Social Protection Law in April 2014. The law targeted various assistance programs by replacing broad categories of recipients with a proxy means testing methodology meant to increase coverage and reduce errors of inclusion and exclusion. The law also established a Social Protection Commission to oversee implementation of the reforms. In November of the same year, the government adopted its Social Protection Strategic Roadmap 2015-2019. The strategy involved an expansion of social programs and includes a wide communication campaign to prepare the population for the changes. In 2015, 1250 social workers were contracted and

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<sup>68</sup> Banerji et al (2015), A multifaceted program causes lasting progress for the very poor: Evidence from six countries

slotted for training in case management. Visits were made to 900,000 households to verify eligibility; data clean-up and cross checking resulted in the exclusion of 140,000 ineligible households. The number of beneficiary households increased from 850,000 in 2016 to 1,100,000 in 2017. Of those, 55 percent were female-headed households. The monthly cash assistance amount for needy households was increased from US\$ 70 to US\$ 150 on average. Iraq's total social assistance budget increased from IQD 1.3 trillion to IQD 1.9 trillion. Through the World Bank supported Emergency Social Stabilization and Resilience Project, the government of Iraq is currently supporting Iraq to: (i) increase livelihood opportunities in liberated areas; (ii) increase access to psychosocial services in liberated areas; and (iii) strengthen the systems to expand the provision of social safety nets. In Nigeria, efforts are ongoing to move towards single identification scheme that will not only allow the government to effectively deliver services to the poor but will also facilitate for effective monitoring of government funds and improve leakages. Recently the federal government has established a national social registry for poor and vulnerable households. Use of technology for enhancing effectiveness of the targeting process in social programs, including sustainable ways of scaling up the electronic ID system are currently being undertaken through Nigeria Digital Identification for Development Project (P167183). The National Social Safety Net Coordinating Office (NASSCO), under the Office of the Vice President, has already established the social registry in 10 states of the federation. In conflict-affected settings, assessing feasibility of using platforms from existing programs (such as CSDP) for delivering basic social services and enhancing the role of civil society and promoting citizen engagement in social protection programming are some of the efforts that are already ongoing to improve targeting and outreach.

**Protecting large number of Nigerians working outside of the formal sector from exposure to welfare reducing risks and shocks:** Despite the heavy contribution of the agriculture sector to the economy and in providing employment, there is limited penetration of agriculture-based insurance in Nigeria.<sup>69</sup> Agricultural Insurance markets suffer from a variety of issues that include: limited and asymmetric information, crowding out by post-disaster relief efforts, lack of insurance culture, and inadequate regulatory environments. Addressing this requires (i) strengthening of agricultural extension systems that can increase farmers' knowledge of insurance; (ii) development of disaster risk management strategies that provide farmers with incentives to manage their risks through insurance instead of relying on relief materials during crises, and (iii) phasing out of products that do not fit the regulatory environment through effective monitoring. Outside of the agricultural sector, experimenting with innovative ways to expand social insurance to cover the self-employed and informal workers can lower the vulnerability of households to shocks.<sup>70</sup> For example, *The Micro Pension Plan* (MPP) is designed for self-employed people, with irregular income, usually in

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<sup>69</sup> Hansen et al (2015), Evidence-Based Insurance Development for Nigeria's Farmers

<sup>70</sup> World Bank (2016), Poverty Reduction in Nigeria in the last decade, Page 91

the informal sector and have limited or no access to financial services, especially a pension plan. The scheme, launched in March 2019, is the first time such window of opportunity is opened to self-employed Nigerians and those working in the informal sector. The MPP targets market women, members of the National Union of Road Transport Workers (NURTW), members of textile, garment and tailoring associations, Tricycle (Okada & Keke Napep) riders associations, butchers associations, workers in the movie and performing art industry, mechanics and other workers in the automotive industry as well as single professionals like lawyers, accountants among others.

**Gradually increasing fiscal resources available for social protection programs through better channelling of oil and non-oil revenues:** While government awareness of the need and importance of SP programs is rising, there is an urgent need to significantly increase fiscal resources available for social assistance programs to address increasing poverty and vulnerability levels. Given the strong global evidence suggesting that social safety nets can play a vital role in the fight against poverty and vulnerability, and more generally in building human capital, empowering women, and protecting households against shocks and natural disasters, there is a need to expand social protection programs with smart technical, political, and institutional features. Nigeria critically underinvests in social protection, which contribute in dimming the prospects of economic growth and poverty reduction in the country. The EGRP specifically mentions its objectives to use oil and non-oil revenues to develop and diversify the economy. In line with this approach, Nigeria needs to re-direct some of the revenues to invest in supporting poor households improve their labor incomes and invest in human capital of their children. Other resource-dependent countries such as Botswana have prudently invested revenues from natural resources into social sectors in the country.<sup>71</sup> Nigeria already has an established sovereign wealth fund – National Sovereign Investment Authority – that channels revenues into infrastructure investments. Modifications to the NSIA to increase the mandated sectors for investment could provide much needed fiscal resources for social protection programs without necessarily creating an alternate funds for the social sector. Modifications to the NSIA to increase the mandated sectors for investment could provide much needed fiscal resources for social protection programs without necessarily creating an alternate fund for the social sector. The country can also draw on the experience of previous programs that have channelled savings from removal of petroleum subsidies into targeted expenditures in the social sector. For example, to contribute to the reduction of maternal and new-born deaths in Nigeria, the Subsidy Reinvestment and Empowerment Programme Maternal and Child Health Project (SURE-P MCH) was launched on January 1, 2012, using funds from the removal of subsidies on petroleum. SURE-P MCH consisted of an innovative combination of interventions that target both supply of and demand for maternal health services.<sup>72</sup> Evaluation of the program found that mothers who live in a SURE-P MCH-supported catchment area are 12

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<sup>71</sup> Maria and Moortaza (2001)

<sup>72</sup> World Bank (2016), The SURE-P Maternal and Child Health Project in Nigeria

percentage points more likely to receive skilled birth attendance than they would have been without the project.<sup>73</sup> International experience also shows that reforming fuel subsidies and investing it on targeted transfers as a compensatory measure to the poor is an effective tool in financing safety net programs that are progressive in nature.<sup>74</sup>

### Future Advisory and Analytical Directions

Several areas where further work is required to comprehensively inform the design of future social protection programs, suffer from lack of high-quality and high-frequency data. In addition to that, many of the policy directions proposed in the previous section would benefit from technical assistance, capacity building, and advisory services to agencies implementing social protection programs at the federal, state, and LGA level. Following offers some of these analytical questions that need to be answered to comprehensively address broader issues relevant for the social protection sector.

- First, a more precise and contemporary assessment of determinants of poverty and vulnerability based on nationally representative household survey data is required. The new round of NLSS, to be completed in October 2019, will provide this opportunity. Understanding micro-level determinants help assess both the magnitude and direction in which household and community level characteristics are related to welfare outcomes. Such survey data also allows for checking the association between access to various social protection and labor programs and household level welfare. While this report presented preliminary analysis of safety net coverage by household consumption, there was no information available to conduct comparable analysis on social insurance and active labor market programs.
- Second, there is a need to understand the impact of increasing social protection coverage on poverty levels using simulations. In order to capture the dynamic link between social protection and poverty, such an analysis needs to be conducted with varying degree of targeting accuracy in implementing social protection programs. Given that the number of social protection programs have been increasing in Nigeria, and fragmentation of efforts between the three tiers of the government is a major issue, such simulation exercise also allows for filtering out programs that have minimal impact on poverty, welfare, and human capital outcomes.
- Third, an analytical agenda is needed to understand linkages between SP and jobs in Nigeria. For example, it is important to understand the SP program infrastructure for identifying socioeconomically disadvantaged households and individuals, for employment programs and services, delivering these programs and services, and monitoring programs

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<sup>73</sup> Ibid

<sup>74</sup> See Sumarto and Bazzi (2011); Verme (2016)

and service coverage, progress, and performance. Design and testing of SP programs that seek to actively connect prospective, incumbent, or former SP program beneficiaries to employment programs and services and the private labor market (both formal and informal) is needed. The potential interaction of heightened labor market barriers for youth and women with opportunities for social protection programming need to be assessed.

- Fourth, it is essential to understand the determinants of labor market outcomes such as labor force participation, unemployment, and underemployment, as well as constraints to jobs access, jobs equity, and jobs quality for the majority of Nigerians, including through the use of labor intermediation platforms, worker protection mechanisms, and promoting worker mobility. This research needs to be conducted with respect to jobs in the domestic as well as international labor markets. Based on keen interest from the government, a new ASA on Employment, Skills Partnership, and Labor Migration (P170964) will aim to understand the potential of well-designed, temporary migration schemes to promote safe and remunerative overseas jobs for youth. The role of SP programming in managing internal and international labor migration that provide productive employment opportunities for youth need to be analyzed carefully.
- Fifth, the performance of social protection programs in relation to the management of social (conflict/fragility), economic, and natural (climate change, adverse weather events) shocks and implications for overall labor market functioning in those contexts need to be understood. It is important to understand how to better design SP programs and policies to address conflict and the role of social protection programs in promoting social cohesion and stopping the spill-over of conflict into neighbouring regions.
- Finally, given the current fiscal and macroeconomic challenges, detailed analytical work through a Public Expenditure Review of the sector can shed light on whether resources allocated to the Social Protection and Jobs Programs in Nigeria are being used in the most cost-effective and pro-poor manner, which could provide useful guidance on both future strengthening of expenditure management as well as ensuring sustainability of key social programs.

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## Annex: Illustrative Features of Select Social Protection Programs

To further understand the status of social protection in Nigeria, four interventions and programs are examined in detail. The programs are: *Community and Social Development Program (CSDP)*; *Public Workfare (PWF) of the Youth Employment and Social Support Operation (YESSO)*; *Cash Transfer Program (CTP)*; and *Child Development Grant Program (CDGP)*. The choice of the four programs is based on several considerations. First, it was an attempt to select programs based on the four categorizations from Table 1 above - social assistance, social insurance, productive transfers, and targeted transfers (pregnant women). Second, each of the four programs discussed target a different group of beneficiaries. CSDP provides safety net (pro-poor basic services opportunities) at community level; PWF focuses on unemployed and unskilled youth; CTP focuses on household with women as caregivers and recipient; and the CDGP focuses on pregnant women and child's welfare – with strong mechanisms to support early childhood development. Third, one of the programs (CTP) is managed at the Federal level while CDGP, PWF and CSDP are managed directly at the State level. Fourth, the four programs provide opportunity for quick and rapid data/information despite the limitation of time and resources (as the data collection coincided with the period of national and state level election in the country).

### Community and Social Development Program (CSDP)

Community and Social Development Program (CSDP) was established in 2008 as a Community Driven Development (CDD) Project to build social and natural resource infrastructure services at the community level. It is a scale-up of the pilot Community-Based Poverty Reduction Project (CPRP) and the Local Empowerment and Environmental Management Project (LEEMP) which were aimed at supporting the empowerment of local communities and strengthening the skills and capacity of local government to support communities. CSDP operations are in almost all States of the Federation. Project level data suggests that for 1 naira spent, 1.44 naira is delivered to the beneficiaries

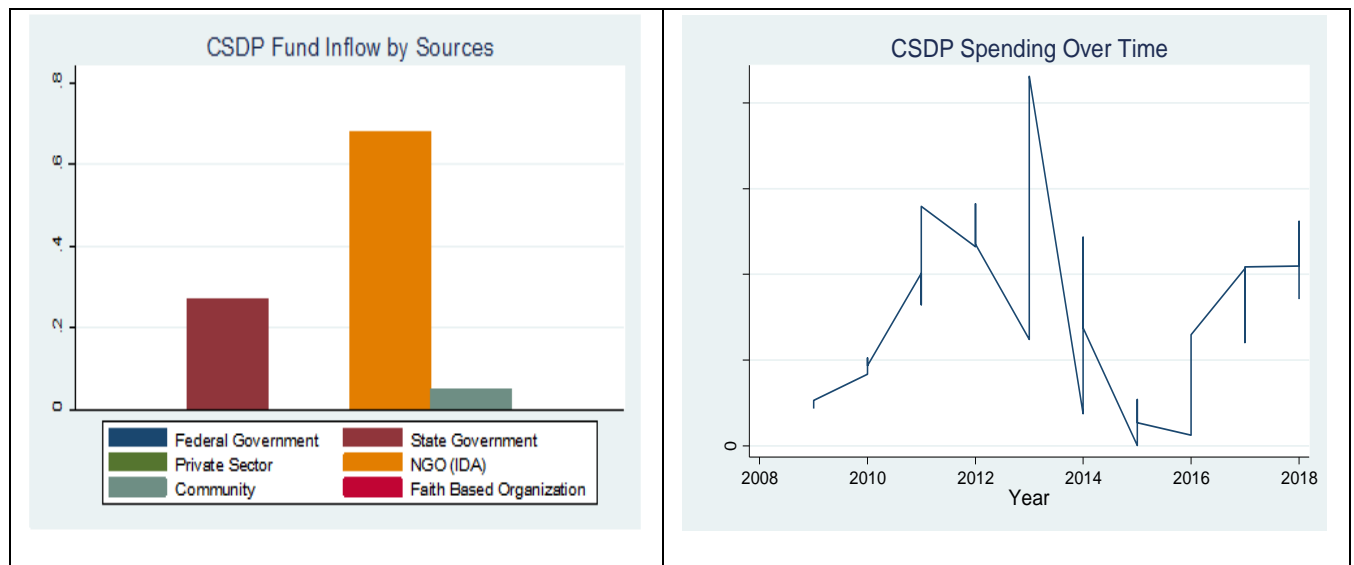
The CSDP operates in close to 1,400 communities across the 4 sampled states and over 4.1 million individuals benefiting from the micro projects supported by the project. Table 3 presents the distribution of CSDP beneficiaries. Figure 8 shows sources of funds and spending over time for the project. Finally, Table 4 outlines key roles and responsibilities of stakeholders responsible for implementing CSDP.

Table 3: Distribution of CSDP Program's Beneficiaries, May 2019.

Indicators	Total Micro projects (MP)	Sectoral Share of Total MP	Total Communities	Total Individual	Male-Female Share <sup>75</sup>
Education	363	0.24829	296	1,097,252	1.181548
Electricity	78	0.053352	126	221,095	1.976498
Environment	194	0.132695	185	526,734	1.063375
Gender and Vulnerable Group	52	0.035568	44	19,388	1.576897
Health	251	0.171683	248	855,105	1.307752
Socio Economic	100	0.068399	124	300,020	1.159364
Water	424	0.290014	369	1,084,614	1.354384
<b>Total</b>	<b>1462</b>	<b>1</b>	<b>1392</b>	<b>4,104,208</b>	<b>1.250904</b>

Source: Project level data

Figure 13: Sources of funding and Spending over time for CSDP



Source: Project level data

Table 4: Stakeholders and their responsibilities under CSDP

Stakeholders	Roles
<b>Communities</b>	Planning, part financing, implementation, monitoring and maintenance of social inclusiveness of multi-sectoral micro projects.
<b>CPMCs</b>	Implement CDPs
<b>LGA</b>	Sensitization, monitoring and supervision Assist communities with design and provide technical support
<b>CSDAs</b>	Mobilize and sensitize community members; Review Approve and fund Communities and Vulnerable groups plan
<b>MDAs</b>	Support field appraisals of CDPs Provision of technical supports to communities
<b>FPSU</b>	Project Coordination and technical support.
<b>State, Federal supported by World Bank</b>	Provision of Funds, Supervise and Monitor Implementation. Provide technical and advisory assistance

Source: Project level data

### Public Welfare (PWF)

*Public workfare (PWF) program* provides support to the participating State governments to provide immediate labor intensive work opportunities for unskilled youths from poor and vulnerable households. Beneficiaries need to be unemployed with less than JSS 3 certificates and between the ages of 18 and 35<sup>76</sup>. Persons with disabilities selected from the Single Register of poor and vulnerable households are eligible to participate. In the North-East, the Register of Beneficiaries at State Operation Coordinating Unit (SOCU) is used for selection of beneficiaries. It provides stipends and opportunities for the poor and unskilled to utilise their labour in addressing environmental, sanitation, and security problems and improve basic social and economic infrastructure. The PWF program is in operation in 16 States. Project level data suggests that for 1 naira spent, 3.21 naira is delivered to the beneficiaries. Table 5 shows the distribution of PWF beneficiaries by age-group. Figure 9 shows sources of funds and spending over time for the project

<sup>76</sup> There has been some flexibility in recent times to accommodate state peculiarities. For instance, in the North East, due to insurgency, the age limit has been set between 18 and 55 years while in the South West, the educational qualification has been increased to completion of senior secondary school

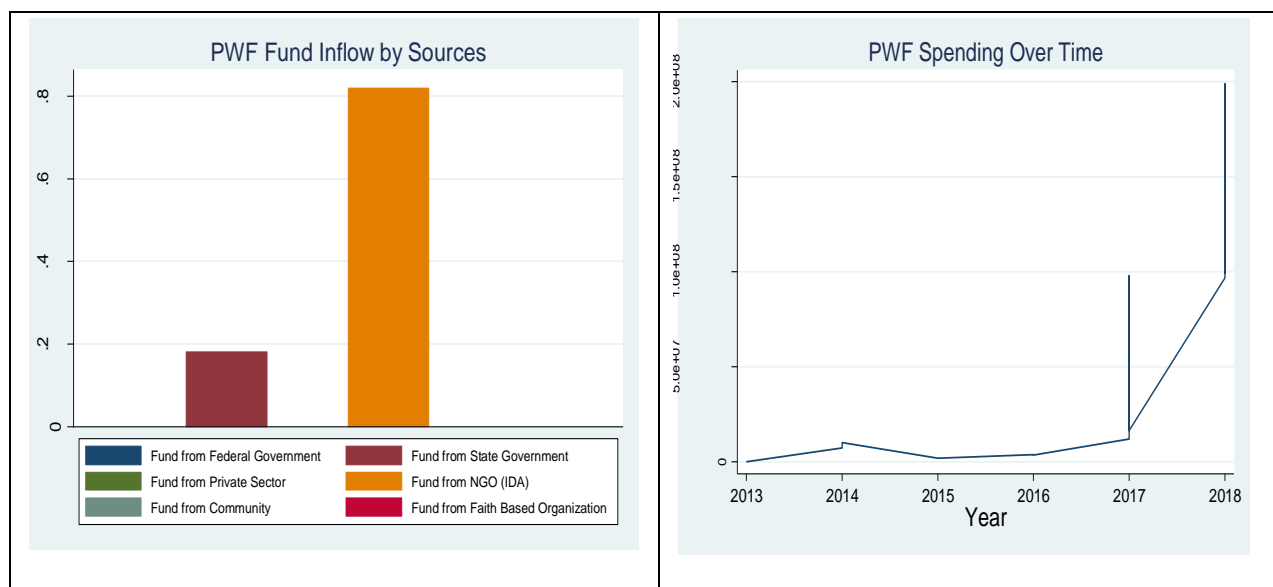
and Table 6 outlines key roles and responsibilities of stakeholders responsible for implementing PWF.

Table 5: Distribution of PWF Beneficiaries, May 2019.

Variables	Total Beneficiaries	Total Male Beneficiaries	Total Female Beneficiaries	Male-female ratio	Share Receiving payment
Youths receiving payment under PWF	10,012	3,892	6,120	0.63595	
Number between 18 and 35 years	20,252	11,912	8,340	1.428297	0.17
Number above 35 years	37,723	17,260	20,463	0.843474	

Source: Project level data

Figure 14: Sources of funding and Spending over time for PWF



Source: Project level data

Table 6: Stakeholder Responsibility under PWF

Stakeholders	Roles
State MDA	<ul style="list-style-type: none"> <li>- Performance of oversight functions</li> <li>- Serve as state government representative in relevant meetings.</li> <li>- Provision of State Government counterpart fund.</li> </ul>
STATE PWF PIU	<ul style="list-style-type: none"> <li>- Mining of beneficiaries from SR.</li> <li>- Deployment of beneficiaries</li> <li>- Supervision of PWF activities</li> <li>- Payment of Stipends using PSPs</li> <li>- Reporting, Monitoring and Evaluation</li> </ul>
LGA	<ul style="list-style-type: none"> <li>- Partake in supervision and monitoring</li> <li>- Provision of working tools and Kits</li> <li>- Engagement of PWF beneficiaries in Public works activities at community level</li> </ul>
SOCU	<ul style="list-style-type: none"> <li>- Fund disbursement based on annual approved budget to PIUs</li> <li>- Coordination at State level</li> <li>- Creation and Management of State Social Register</li> </ul>
FOCU	<ul style="list-style-type: none"> <li>- Serve as Federal Government representative</li> <li>- Disbursement fund to SOCU</li> <li>- Provision of overall guidance, coordination, technical assistance, Monitoring and evaluation to PIUs.</li> </ul>
State, Federal supported by World Bank	<ul style="list-style-type: none"> <li>- Provision of Funds,</li> <li>- Supervise and Monitor Implementation.</li> <li>- Provide technical and advisory assistance</li> </ul>

Source: Project level data

### Cash Transfer Program (CTP)

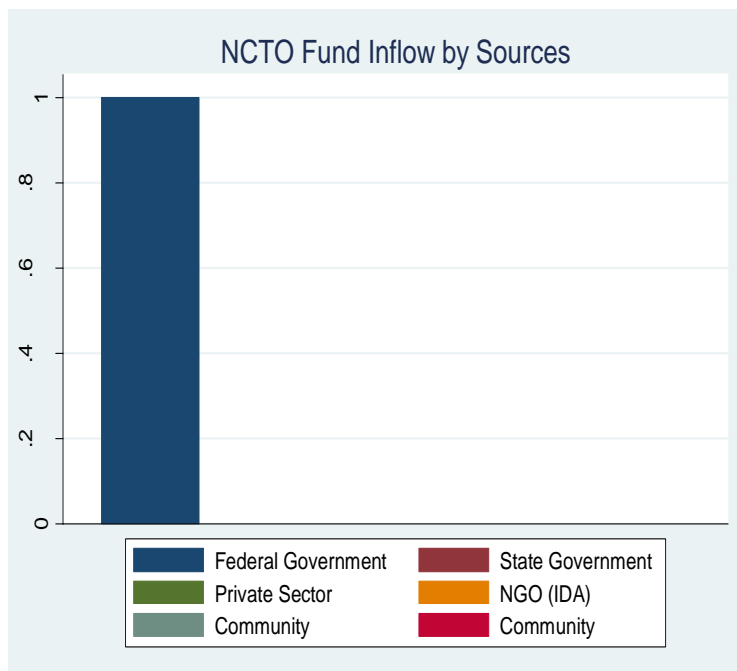
The National Cash Transfer Program (CTP) came into existence after the establishment of National Cash Transfer Office (NCTO) in 2016. The role of the office is to provide cash transfers to poor and vulnerable households under an expanded national social safety nets system. All states in Nigeria are eligible. The cash transfer has windows for unconditional and conditional components with a pilot livelihood component. Project level data suggests that for 1 naira spent, 2.94 naira is delivered to the beneficiaries Table 7 shows the distribution of CTP beneficiaries by gender. Figure 10 shows sources of funds and Table 8 outlines key roles and responsibilities of stakeholders responsible for implementing CTP.

Table 7: Distribution of CTP Beneficiaries, May 2019

Variable	Total	Male	Female	Male-Female Ratio
<i>Number of poor households that received Cash Transfer</i>	379,424			
<i>Number of individuals that received Cash Transfer from poor Households.</i>	1,976,052	995,846	980,206	1.02

Source: Project level data

Figure 15: Sources of funding for CTP



Source: Project level data

Table 8: Stakeholder responsibilities under CTP

Stakeholders	Roles
LGA	- Responsible for the CCT implementation activities at community level
SCTU	- Implements the CCT at State Level
MDAs	- Supports the programme in the areas of co-responsibility in the areas of education, environment and nutrition.
NCTO	<ul style="list-style-type: none"> <li>- Provide technical support and stakeholder engagement.</li> <li>- Facilitate beneficiaries' enrolment and issue programme card to beneficiaries.</li> <li>- Support capacity building of states and LGAs to deliver training and sensitization by developing training materials and training of trainers.</li> <li>- Integrate the Payment Service Providers (PSPs) into the systems developed under NASSP (these are the NSR, MIS, and financial management (FM) systems).</li> <li>- Provide effective coordination for the payment system.</li> <li>- Provide technical and financial support to SCTUs and LGAs to carry out their responsibilities.</li> <li>- Conduct performance assessment, review and reporting.</li> <li>- Liaise with MDAs and Civil Societies Organizations to support delivery.</li> <li>- Provide framework for the co-responsibilities for state selection.</li> <li>- Facilitate beneficiaries training, coaching and mentoring.</li> <li>- Monitor the progress of activities at state levels to ensure conformity to plans and standards.</li> <li>- Provide grievance redress hub and ensure that grievances emerging from states are investigated and addressed.</li> <li>- Establish and implement system to minimize fraud, error and corruption.</li> <li>- Engage and supervise payment service providers.</li> <li>- Disburse Cash Transfers to beneficiaries.</li> </ul>
State, Federal supported by World Bank	<ul style="list-style-type: none"> <li>- Provision of Funds,</li> <li>- Supervise and Monitor Implementation.</li> <li>- Provide technical and advisory assistance</li> </ul>

Source: Project level data

### Child Development Grant Program (CDGP)

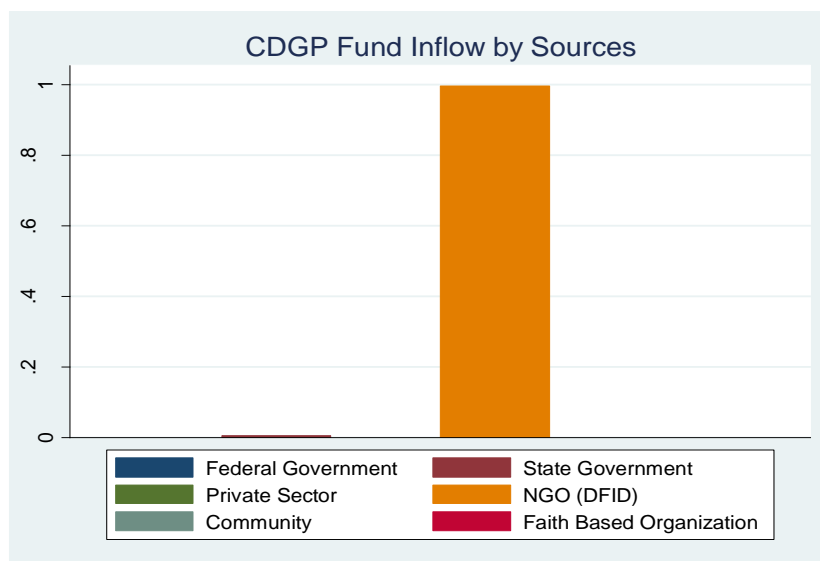
Child Development Grant Programme (CDGP) is a DFID funded project which is implemented by Save the Children and Action Against Hunger in Zamfara and Jigawa States. The program provides unconditional cash transfers to pregnant women and women with children under the age of two. The cash transfer is accompanied by a Social Behavioural Change Communication (SBCC) to reduce stunting. The project's goal is to scale up nutrition sensitive social protection programs that have a proven track record. Table 8 shows the distribution of CDGP beneficiaries by age group. Figure 11 shows sources of funds and Table 9 outlines key roles and responsibilities of stakeholders responsible for implementing CDGP.

Table 9: Distribution of Beneficiaries under CDGP

Variable	Total Number	Share of Total
<i>Beneficiaries below 18 years</i>	16,606	0.150268
<i>Beneficiaries between 18 and 35 years</i>	75,896	0.686786
<i>Beneficiaries over 35 years</i>	18,007	0.162946
<i>Beneficiaries who received N4000 unconditional cash transfer.</i>	110,509	1
<i>Beneficiaries who received nutritional advice/counselling</i>	94,824	0.858066
<b>Total Number of Beneficiaries</b>	<b>110,509</b>	

Source: Project level data

Figure 16: Sources of funding for CGDP



Source: Project level data



Table 10: Stakeholder responsibilities under CDGP

Stakeholders	Roles
LGA	<ul style="list-style-type: none"> <li>- Office provision</li> <li>- Seconding of staff to the programme.</li> <li>- Sensitization and mobilization of beneficiaries.</li> </ul>
MDAs	<ul style="list-style-type: none"> <li>- Helps in constituting State Steering Committee (SSC).</li> <li>- SSC provides oversight and external support to the CDGP ensuring adherence to the state strategic development plan.</li> <li>- Collaborates with LGA to provide seconded staff and offices for the programme.</li> <li>- Provides institutional basis for the programme</li> <li>- Discussions/ negotiation with development partners</li> </ul>
NGOs, Action Against Hunger, DFID and UNICEF	<ul style="list-style-type: none"> <li>- Provision of technical support at every level of the programme.</li> <li>- Fund provision for CDGP (100% from DFID).</li> </ul>

Source: Project level data