

Final Draft

NIGERIA: SOCIAL PROTECTION STATUS REPORT

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2/11/2015

NIGERIA: SOCIAL PROTECTION STATUS REPORT

Draft Final Report February, 2015

Acknowledgments

List of Acronyms

APAA	Accelerated Poverty Alleviation Agency
BACYWORD	Bauchi State Agency for Youth and Women Rehabilitation and Development
BOA	Bank of Agriculture
BSC	Business Support Center
BIC	Business Information Center
BIG	Basic Income Guarantee
CBHIS	Community-Based Health Insurance Scheme
CCT	Conditional Cash Transfer
COPE	In Care of the People
CPS	Contributory Pension Schemes
CR-RAMP	Cross River Rural Access and Mobility Project
CR-ROMA	Cross River Road Maintenance Agency
CUDA	Calabar Urban Development Authority
DB	Defined Benefit
DC	Defined Contribution
DFID	UK Department for International Development
DRG	Debt Relief Gain
DOPT	Department of Public Transportation
ECS	Employees Compensation Scheme
EPV	Ekiti Project Volunteers
FCT	Federal Capital Territory
FMBN	Federal Mortgage Bank of Nigeria
FMF	Federal Ministry of Finance
GIS	Graduate Internship Scheme
HGSFHP	Home Grown School Feeding and Health Program
HNLSS	Harmonized National Living Standard Survey
ICT	Information and Communications Technology
ILO	International Labor Organization
LEEDS	Local Economic Empowerment and Development Strategy
LGA	Local Government Authority
MCH	Maternal and Child Healthcare
MDA	Ministries, Departments, and Agencies
MDG	Millennium Development Goal
MSME	Micro, Small, and Medium Enterprises

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MSWCD	Ministry of Social Welfare and Community Development
MWA	Ministry of Women Affairs
NAPEP	National Poverty Eradication Programme
NARDB	Nigerian Agricultural Credit and Rural Development Bank
NBS	National Bureau of Statistics
NDE	National Directorate of Employment
NEEDS	National Economic Empowerment and Development Strategy
NEMA	National Emergency Management Agency
NFDP	National Fadama Development Project
NGO	Non-Governmental Organization
NHF	National Housing Fund
NHIS	National Health Insurance Scheme
NPC	National Planning Commission
NPPE	National Policy on Poverty Eradication
NSITF	Nigeria Social Insurance Trust Fund
NWCSS	National Working Committee on Social Security
ODA	Overseas Development Aid
OSSAP-MDG	Office of the Senior Special Assistant to the President of Nigeria on MDGs
OVC	Orphans and Vulnerable Children
OYES	Osun Youth Empowerment Scheme
PENCOM	National Pension Commission
PFA	Pension Fund Administrator
PFC	Pension Fund Custodian
PMT	Proxy Means Test
POWER	Partnership Opportunity for Women Empowerment Realisation
PRAI	Poverty Reduction Accelerator Investment
PRSP	Poverty Reduction Strategy Paper
SA	Special Adviser
SEEDS	State Economic Empowerment and Development Strategy
SHIP	Social Health Insurance Program
SME	Small and Medium Enterprises
SMEDAN	Small and Medium Scale Enterprise Development Agency
SPAG	Social Protection Advisory Group
SRM	Social Risk Management
SSA	Senior Special Assistant
SWF	Sovereign Wealth Fund

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UBE	Universal Basic Education
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
VVF	Vesicovaginal Fistula
WECA	Wealth Creation Agency
WHO	World Health Organization
YEP	Youth Empowerment Programme
YES-O	Empowerment Scheme of Oyo State
YESSO	Youth Employment and Social Support Operation

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Executive Summary

1. *Nigeria is the most populous African country with a population of about 168million, about one-fifth of the population of the African continent. This means that the social context in Nigeria largely determines the social status of a substantial proportion of the African populace.* Nonetheless, Nigeria's social context is currently not very encouraging. As of 2004, using National Bureau of Statistics (NBS) data, 48.7% percent of Nigerians were poor, with 43.2 and 53.3 percent living in poverty in urban and rural areas respectively. By 2010, the proportion of people living in poverty is estimated at 45.7percent (NBS, 2012) but the number of the poor increased beyond the 2004 figures. In addition to those who are currently living in poverty, there are also many vulnerable groups who are likely to fall into poverty as a result of risks and negative shocks. The proportion of vulnerable people in Nigeria is high. Alayande (2003) estimated that 87 percent of households in the country are vulnerable to poverty, with 70.9 percent of urban households and 89 percent of rural households being in this position. Although this proportion had declined to 59 percent by 2010, the over 100 million Nigerians who are vulnerable need to be protected if poverty is not to be passed on to the next generation of Nigerians.

2. *The relatively high poverty incidence in the country is a paradox given that the country has experienced robust economic growth in the past 10 years.* In fact, Nigeria's growth rate has been one of the highest in the world (World Bank, 2010). However, it has been argued that this growth has not been inclusive and thus has bypassed many poor Nigerians because of the absence of social protection programs (Soyibo et al., 2011)and because of growing inequality reflecting broader divide in the country in terms of educational outcomes, health care provision and general economic opportunities(World Bank 2013). Nevertheless, economic growth and higher incomes alone cannot alter the many social and political factors that create poverty. Even if Nigeria's recent growth had been inclusive, some people still would not have been able to take advantage of economic opportunities because of their vulnerable circumstances. The existence of these poor and vulnerable people means that there is a need for a rigorous social protection strategy for the country for everyone to be included in the growth and development process.

3. *Social protection encompasses a set of publicly mandated actions – state or private – to address risk, vulnerability, and chronic poverty* (Holmes et al., 2008). The aim is to prevent adverse events, mitigate their impact, or enhance the capacity of poor people to cope with them. The vulnerability of households can also be addressed by, for example, promoting collective action in favor of workers' rights or by supporting farmers' organizations (Holmes et al., 2008).

4. *An adequate social protection program must involve explicitly the government.* Although, the Nigerian government does not have a comprehensive social protection strategy, this does not mean that no efforts have been made to provide social protection in the country. In 2004, the

Federal Government through the Nigerian National Planning Commission recognized the importance of social protection by including it as social charter in its National Economic Empowerment and Development Strategy (NEEDS) and State Economic Empowerment and Development Strategy (SEEDS). In these strategies, the government declared that effective social protection strengthens social cohesion, human development, and the livelihoods of Nigerians. The NEEDS policy paper set out its broad goals as being “wealth creation, employment generation, poverty reduction, and value re-orientation.” The social protection component of NEEDS was an offshoot of a national Social Protection Strategy (SPS) developed by the National Planning Commission earlier the same year (Olaniyan et al., 2004).

5. *The SPS document listed the kinds of social protection interventions needed to mitigate the risks, shocks, and vulnerability experienced by each age group.* They are as follows: (i) early childhood development programs for children aged 0 to 5 years old; (ii) human capital development programs for young people aged 6 to 24 years old; (iii) human development and employment-related programs for adults aged 25 to 60 years old; and (iv) pension and health-related programs for those aged 65 and above. A new national social protection policy is being developed with draft prepared in November, 2013.

6. *Despite the government’s commitment in 2004, Nigeria still lacks a coherent/comprehensive social protection policy and implementation framework.* However, many programs exist that can be classified as some form of social protection activity. These include the National Pension Commission (NPC), the National Emergency Management Agency (NEMA), and National Health Insurance Scheme (NHIS). NEMA formulates policies relating to emergency management activities as well as coordinating programs and plans for responding to disasters in Nigeria. A small number of the social protection interventions operated either by the government or by its development partners also provide safety nets for the poorest households but these are few and far between. This explains why welfare costs resulting from exposure to risks have been on the increase. (Olaniyan et al., 2012). It is imperative to examine these programs, given Nigeria’s high poverty incidence and plethora of social protection and risk management programs, to assess whether they are achieving their objectives and improving the welfare of the all Nigerians.

7. *The World Bank Africa Region Social Protection Strategy document established the fact that social protection helps to reduce inequality and can promote social stability.* Many countries especially in the Africa region now appreciate that significant benefits can be realized by creating integrated social protection systems. African countries that are emerging from conflict situations have used social protection to foster peace and to rebuild their social capital while those in chronic poverty as well as those with high level of vulnerability to economic, natural and climatic shocks now recognize that safety nets are critical part of a government capacity to respond to shocks and manage risks of falling into further poverty. So social protection is now regarded among policymakers as a key component of poverty reduction strategies in the region, and dialogue and debate on social protection has continued to expand.

Governments are investing in social protection programs that are proving to be effective, and lessons from the design and implementation of these programs are now informing the expansion of social protection across the continent.

8. *The central theme of this document therefore is to assess the status of social protection in Nigeria since the advent of democracy, which refers broadly to the period from 1999 to the present day.* The terms of reference for this study involved reviewing the following three reports: (i) the World Bank sponsored Vulnerability Study; (ii) assessments of current social safety net interventions in 10 states in Nigeria; and (iii) the six reports related to the UNICEF Social Protection Study and (iv) five commissioned reports on governance and political economy of social safety nets.. In addition, other relevant academic and policy documents were consulted to produce this summary report and to identify any gaps in the knowledge base that might require the collection of data in the future. In sum, this report is essentially a desk review of documents related to the status of the social protection in Nigeria.

9. *However, before assessing the social protection programs, we first classify them in line with the transformational framework of protection, prevention, promotion, and the voice that was developed in the UNICEF Social Protection Study.* Social protection programs are thus organized according to the risks against which they are protecting their beneficiaries while also isolating the gaps and challenges of social protection in Nigeria.

10. *The social protection sector in Nigeria has so many gaps.* The present state of social protection programs is fragmented and ad hoc; the programs are extremely small, and coverage is estimated to be only a tiny fraction of the poor. This low coverage is a result of a combination of constraints, including political, financial, and capacity limitations. In addition, the value of transfers is low, which inhibits the extent to which social protection interventions can reduce poverty and inequality, and create opportunities for the poor and vulnerable.

11. *There is narrow fiscal space for social protection in Nigeria:* Both the federal government and state governments allocate small proportion of their budgets to social protection which at the federal level is about 0.5%. The low allocation in the budget notwithstanding, actual expenditure always ranks below the budgeted amount. There is however space for fiscal deepening for social protection through mobilisation of domestic resources, reprioritizing expenditure, increased discretionary expenditure, improved financial management of expenditure, to a lesser degree increase aid, and political commitment to support the expansion of provision of social protection.

12. *Most social protection interventions in Nigeria still lag behind in governance bordering on rules of the game, roles and responsibilities of actors involved and controls and accountability mechanisms to ensure getting right benefit to the right people at the right time:* The governance in social protection programs across states is limited by weak Monitoring and Evaluation (M&E) and Management Information System (MIS). This is due to low level of computerization; hence administrative activities are not integrated or are yet to be incorporated

online. In most cases, communications are through dialogues, use of media, bills and text messages. Some errors and corruption observed in the programmes include political interference on selection of beneficiaries, payment errors, and presence of ghost beneficiaries, mismanagement and irregular release of funds. Adequate measures are yet to be employed to completely put such errors and corruption to a halt.

13. *One of the key concerns is the limited coverage and reach of existing social protection programs.* While the majority of Nigerians live in poverty, most social protection programs – including the federally-led MDG-DRG and NAPEP safety nets In Care of the People (COPE) and Maternal and Child Healthcare (MCH) – reach only a few hundred to a few thousand households. In fact, the benefits structure provides limited incentives, especially in the pension scheme, conditional cash transfers (CCT), National Health Insurance Scheme (NHIS), and School Feeding Program. Only the CBHIS has the explicit goal of reaching 100 percent of the poor (in the informal sector). This may be due to its presidential mandate to achieve universal health insurance coverage and access to healthcare for all Nigerians by 2015 (NHIS, 2008).

Coverage of Some Social Protection Programs

Program	Projected Coverage	Actual Coverage
	<i>(Number of Households / Percent of Poor)</i>	
COPE	22,000 households/less than 0.001% of poor households nationally*	Currently not available
CCT Girls' Education	Kano – scaling up to all eligible girls in LGAs where CCT is implemented	12,000 girls, Kano/0.002% of the poor (9.2 million population; poverty incidence approx. 60%) 7,000 girls, Katsina / 0.001% of the poor (6 million population; poverty incidence approx. 70%)
MCH	851,198 women and girls as of June 2010 (Phase 1: 615,101, Phase 2: 236,097)	Less than 0.01% of the poor (assumption 75 million poor; poverty incidence 54%)
CBHIS	100% informal sector workers (when fully rolled out, expected to cover 112 million Nigerians in informal sector)**	Currently unavailable

Source: Holmes et al. (2012).

Note: *Dijkstra et al. (2011), **PATHS2 (2010).

14. *Nigeria's social protection programs also remain focused on a narrow set of risks and target groups, and have undefined targeting mechanisms.* For example, in the case of COPE, while it has multiple objectives (health, education, and investment), its design does not take into account the needs of households (especially if they are labor-constrained). Many of the other interventions have no clear targets, goals, or benchmarks against which their performance can be measured and monitored. In the rare cases where targets exist, their broad definition allows the

elite and the non-poor to receive benefits. This targeting problem can be further attributed to the absence of an overall framework on social protection devised with the consensus of all stakeholders, including the government, development partners, civil society, and the private sector.

15. Even within the MDG-driven social protection agenda, productivity-enhancing instruments have received little attention. And, although some programs are designed to be gender and child sensitive, so far there has been no concerted approach to reducing inequities. The following are challenges of social protection sector in Nigeria.

Financial Resources

16. *Funding is a major challenge in implementation of social protection programs.* The operators of social protection programs indicated that funding is a major constraint, militating against the achievement of program goals. An examination of the budgets of these organizations indicates that they have been declining over time and that this might have adversely affected their performance. Since most of the agencies and institutions depend on government financing, it was evident that no mechanism has been put in place to ensure the sustainability of the programs. In addition, financing that the various levels of government allocate to social expenditure is low. The creation of appropriately financed and designed large-scale social transfer schemes would benefit millions of people living in poverty, but affordability is a key concern and Nigeria is already highly dependent on foreign aid (Holmqvis, 2012).

Political Commitment

17. *The political commitment to protecting poor and vulnerable families is very low.* Well-targeted programs (e.g., AIDS widows with children) garner limited political support and thus are allocated a small budget at the state and even at the federal level. In contrast, a more broadly and ineffectively targeted program, like one that targets *all* vulnerable families, tends to elicit greater political support and a larger budget. Therefore, the social protection sector in Nigeria is encouraged to target broad programs for it to be guaranteed political commitment as well as budget. That being said, most of the well-resourced social protection programmes are supported by development partners, civil societies, or private sector organizations – with relatively low counterpart contribution by the federal or state government (which require results to justify budget allocation). With the close of such partner support, grave sustainability concerns arise.

Service Delivery and Governance

18. *Most of the social protection programs have no measurable indicators, targets, or benchmarks with which to monitor the progress of the interventions.* Nor can their impact – either through objective measures or the subjective perceptions of beneficiaries – be measured for lack of mechanisms and systems. To compound matters, all of the agencies seem to be working independently irrespective of the other agencies involved in social protection and among the agencies in the social protection sector, coordination is scant.

19. *In the public sector, despite recent reforms, there are still indications of overlaps in the functions and activities of the various social protection/poverty alleviation agencies (e.g., the many agencies involved in microfinance activities).* Furthermore, the governance structure of some of the agencies inhibits their ability to fulfill their responsibility. For example, while the Bank of Agriculture is able to provide micro-credit for the moderately poor, it lacks the capability to provide these services to the very poor. On the other hand, the focus of NAPEP has shifted toward interventions from its original mandate of coordination and M&E functions.

Six Policy Implications

- a. Develop an overarching social protection policy framework that assigns clear institutional roles and responsibilities and that guides the design and implementation of social protection initiatives at the federal and state level. There is the need for a social protection platform at State and Federal level for coordination of Social protection interventions.*
- b. Support and generate political commitment for social protection at the federal and state levels*
- c. Allocate and realign the resources needed to scale up social protection programs. There is sub-optimal utilization of funds in social protection programs. Accountability and result-based financing approach will ensure value for money.*
- d. Increase investment in service delivery for the poor. There is considerable fiscal space in the Nigerian budget to fund social protection. However, the creation of fiscal space for social protection should not come at the expense of other social sectors if the impact of social protection on human development is to be maximized, hence the need to generally increase funding and capacity for service directed at the poor. Early Child Assistance Program such as Nutrition, School feeding Program, conditional cash transfers, School Materials Subsidy Program, Public workfare, Elderly Pensions Scheme are examples of good service delivery interventions for the poor and vulnerable that currently merit increased investment*
- e. Integrate an equity focus into the design and implementation of programs. A dynamic unified register of poor household used as a basis for identifying beneficiaries of social protection intervention will help improve equity and foster inclusion.*
- f. Strengthen the governance features of social protection programs and establish integrated and coordinated social protection system. A strong monitoring and evaluation system is imperative for effective and efficient social protection programs.*

20. *Finally, this report is organized as follows.* It begins by discussing the profile of risk and vulnerability in Nigeria in Chapter 1. In Chapter 2, it goes on to give a detailed description of the country's existing social protection policies and programs, including the coverage, benefit structure, and contribution rates of each program where these data are available. Information is also given on the management and governance of the programs and on how federal, state, and local governments are involved with them. Any gaps in provision according to the transformative framework as well as the challenges that are likely to be involved in filling these gaps are highlighted in Chapter 3. Chapter 4 deals with fiscal space for social protection while chapter five discusses governance issues in social protection in Nigeria. Finally, the report concludes in Chapter 6 with a discussion of the policy implications of these findings as well as a set of recommendations.

1 Diagnostics of Risks and Vulnerability in Nigeria

1. The World Bank (Bank) has generated a sizeable amount of work on both individual and household-level risk and vulnerability, especially since 2000 when the Bank developed its social risk management (SRM) framework. The documents that were studied for this report provide ample evidence of how these risk management strategies have been implemented in Nigeria.¹

1.1 Risk Profile and Shock Incidence in Nigeria

Nigeria is a country of enormous human and material resources and of high levels of poverty and poverty and rising inequality. The population of Nigeria is about a fifth of the African population population estimated at 168,833,776 in 2012. In spite of the sustained growth in the economy hovering around 6.5% and above in the last decade and half, there has not been appreciable improvement in the standard of living of Nigerians. The GDP per capita ranks the country as a Low Middle Income Country (LMIC) with an amount of \$1,555.4 per capita in 2012. As at 2012, the 2012, the highest quintile of the population controls 54 percent total wealth while only 4.4% is accounted for by the lowest quintile. The income inequality as depicted by Gini coefficient at 48.8% in 2010 confirms that there is still high disparity in the income distribution which can lead to polarization of the population at both ends of the income pole. On human development, the UNDP ranks Nigeria as 153 with human development index of 0.471 in 2013 moving a step up from the 2011 rating. According to the data from the World Bank Open Access Data more than 6 out of every 10 Nigerians are poor in 2012. Hence as many as 104,676,941 Nigerians are living below the poverty line. Poverty rate has been on the increase over increase over the years owing to the fact that a large number of people are likely to be poor at all all times (vulnerability issues) as a result of their exposure to one shocks or the other. Labour statistics does not fare better either with 23.9% total and 30.1% youth unemployment rates respectively in 2010. As at 2012, the unemployment rate has moved up by another 1.3 percentage percentage points (Yusuf, 2014). The policies and programs devised to reduce poverty have had had little effect,² leaving most Nigerians to live a highly volatile and unpredictable life on a daily daily basis. The sources of risk supporting this profile are found in

¹Olaniyan et al. (2003), Okunmadewa and Elder (2003), Alayande (2004), Oni (2008), Oni and Yusuf (2008), and Olaniyan et al. (2012).

²Holmes et al. (2012).

1. Table 10.

Table 10: Major Risk and Key At-risk Groups

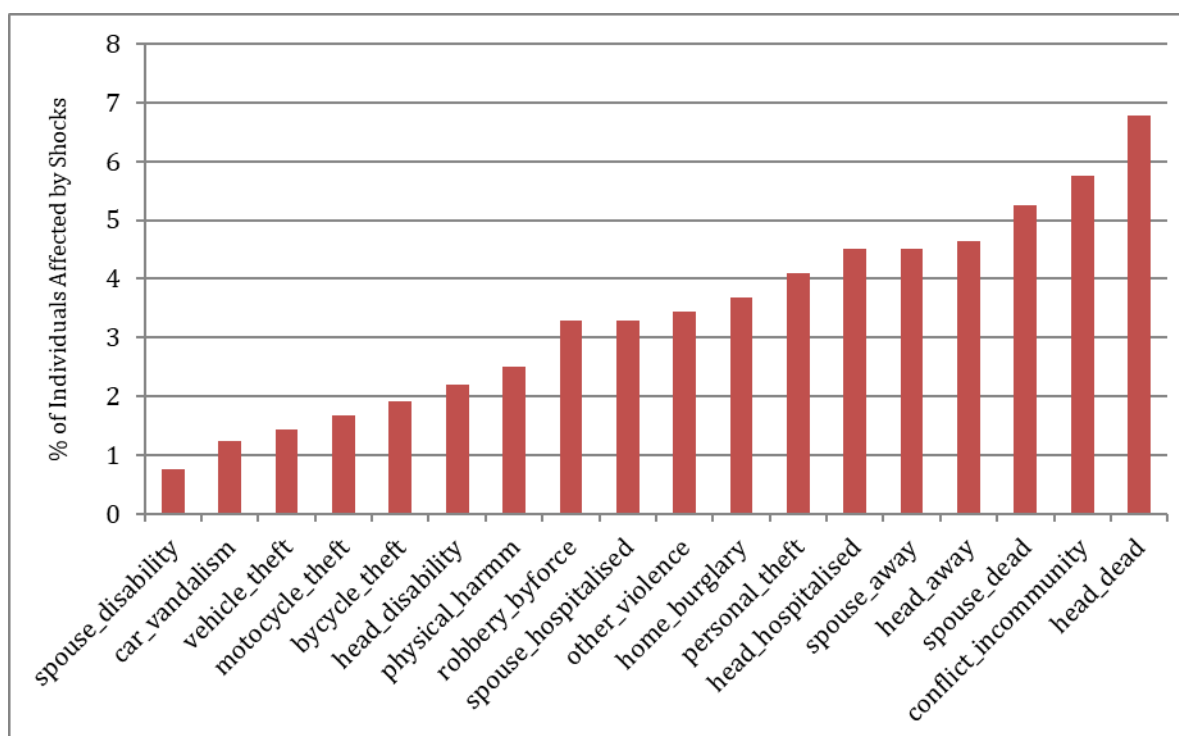
Sources	Key Factors/Elements
Natural	Earthquakes, erosion, droughts, floods, heavy rainfall, hurricanes, landslides, strong winds, volcanic eruptions
Health	Accidents, disability, epidemics, illness, injury, malnutrition
Environment	Bush burning, deforestation, desertification, land degradation, overgrazing, pollution
Gender	Burial rites of widows, lack of access to credit, lack of inheritance rights
Conflict	Ethnic, indigenous/settler, religious, separation of family members
Labor Market	Loss of job, lack of income, unemployment, lack of unemployment compensation, no savings, displacement from place of business, lack of educational attainment, low educational attainment
Life Events	Birth, maternity, old age, family break-up, death of spouse, loss of land due to construction work by the government
Economic Risks	Unemployment, harvest failure, output collapse, balance of payments shock, financial crisis, currency crisis, technological or trade-induced terms of trade shocks
Other Macro-economic Risks	Political corruption, stunted growth of the economy, instability in economic policy, irregular payment of salaries, delay/non-payment of pensions, high costs of business
Social Risks	Crime, domestic violence, terrorism, gang wars, riots
Others	Lack of access to healthcare, inability to pay children's school fees, disability or chronic illness, large family size, lack of access to justice, insecure access to food, displacement due to government projects

Sources: Heitzmann et al. (2002) and Okunmadewa and Elder (2003).

A recent comprehensive analysis using data from the 2009/2010 Harmonized National Living Standard Living Standard Survey (HNLSS) indicated that respondents had reported experiencing at least 18 different kinds of shocks (Olaniyan *et. al.*, 2012). The most prevalent shocks are the death of the household head, conflicts in the community, the death of a spouse, the household head being away, the spouse being away from home, the household head being hospitalized, and personal theft. The shocks with the lowest incidence are the disability of a spouse, car vandalism, vandalism, and vehicle theft at 0.8, 1.2, and 1.4 percent respectively of the population. These shocks are idiosyncratic in nature in the sense that they are felt by only a few households within the sample unit, as opposed to a covariant shock such as an earthquake, which is felt by a large proportion of the sample (

2. Figure 3).

Figure 3: Incidence of Reported Shocks in Nigeria, 2009/2010



Source: Olaniyan *et. al.* 2012 The study also examined the relative incidence of reported shocks by household and location characteristics. The household characteristics comprised gender, age, and educational level of the household heads and the household's poverty status. The location characteristics used were urban or rural location and region (North-east, North-west, North-central, South-east, South-west, or South-south).

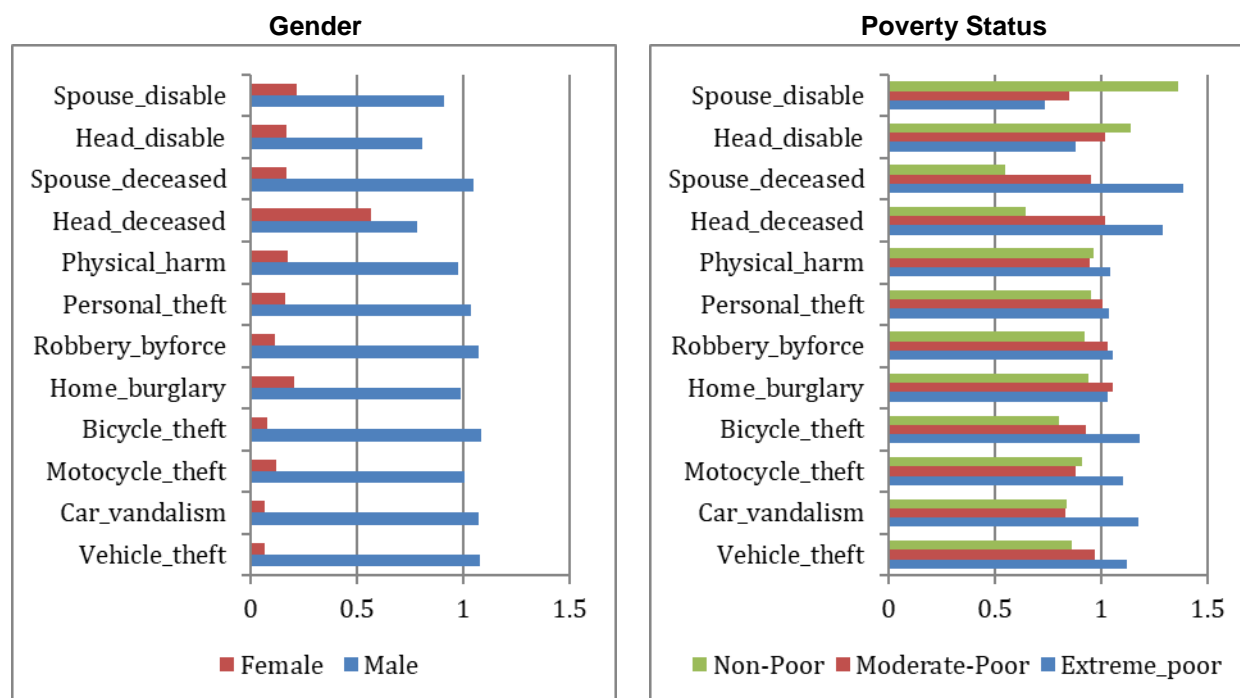
3. Figure 4 illustrates the relative incidence of the most prevalent shocks in Nigeria.³The relative incidence of shock reported below 1 implies that the occurrence of the shock is lower than the national average, while when it is higher than 1, this implies that the occurrence of shock is more frequent than the national average. The shock with the highest incidence of occurrence is the death of the household head at 6.8 percent. With respect to the gender of the household head, the relative incidence of experiencing the shock of the death of a household head is 0.6 for female-headed households and 0.8 for male-headed households. The implication of this result is that male-headed households are more vulnerable to losing the life of their head than female-headed households. Extremely poor households have an incidence of 1.3 for this shock, while the moderately poor and non-poor have incidences of 1.02 and 0.6 respectively. Thus, the extreme poor experience the death of a household head more than the moderately poor and non-poor.

4. There are also sectoral dimensions to the relative incidence of experiencing shocks (Figure 4). The incidence of experiencing the death of the household head is 1.04 for rural

³The relative incidence is the ratio of the incidence of the shocks on a particular population relative to its country-wide incidence (Tesluic and Lindert, 2000).

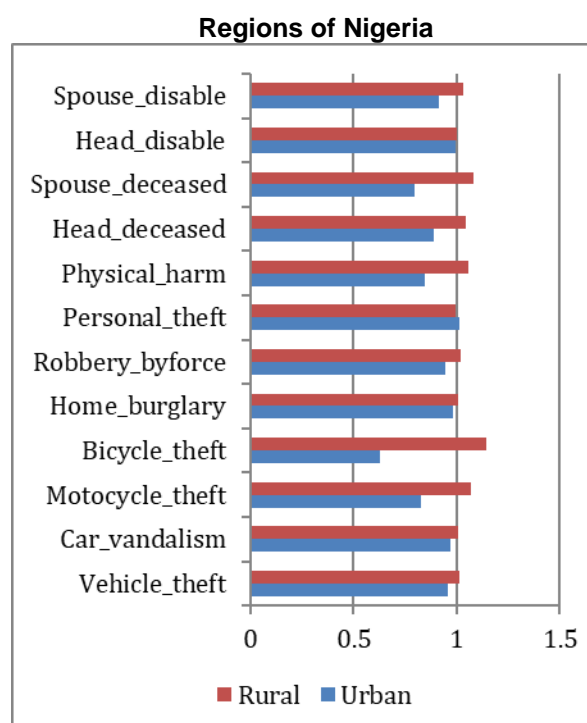
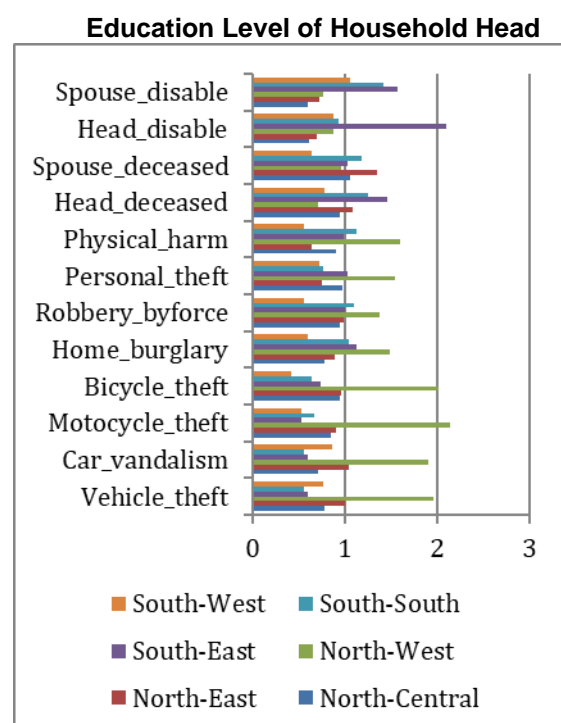
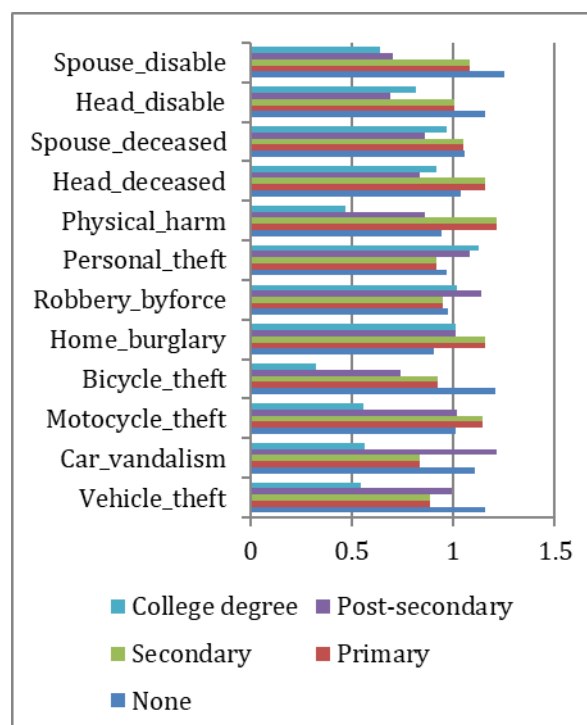
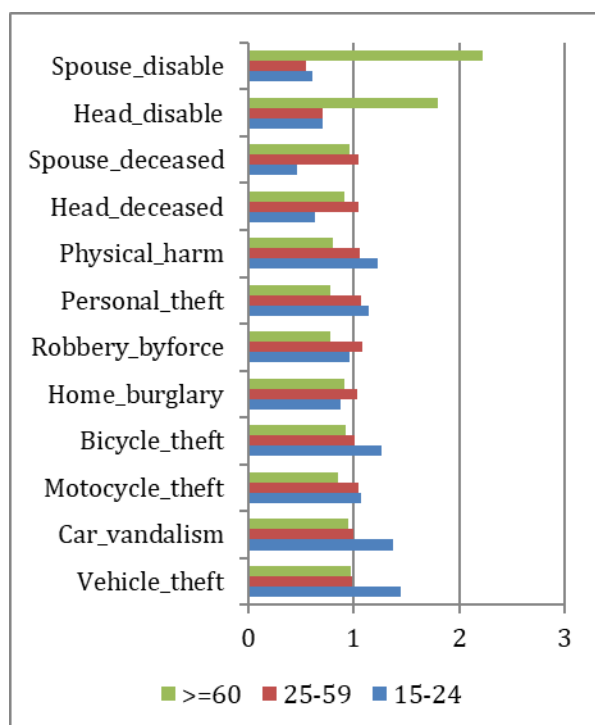
and 0.88 for urban households, with a relative incidence of 4 percent higher and 12 percent lower than average for the rural and urban sector respectively. This implies that rural households experience the death of a household head more than the national average and much more than urban households.

Figure 4: Relative Incidence of Shocks by Household and Location Characteristics 2009/2010



Age of Household Head

Rural versus Urban Areas



Source: Olaniyanet. al. 2012

5. In terms of gender, female-headed households are less exposed to shocks than male-headed households.

6. As regards poverty status, the spouse or the head of the household becoming disabled is the main shock that the non-poor experience. The extreme poor are worse off than the

national average in terms of how often they experience the death of a spouse, the death of a household head, physical harm, personal theft, car vandalism, and robbery by force. The only shock that moderately poor households experience more than the national average is home burglary. Therefore, the extremely poor are worse off in terms of security and lifecycle risks.

7. The age of the household head also is indicative of the prevalence of shocks. The results in Olaniyan *et. al.* (2012) reveal that households headed by people aged 60 years old and over are more likely than average to experience the disability of a spouse or of the household head. In contrast, households whose heads are aged between 25 and 59 years are more vulnerable to the death of a spouse or the household head, robbery by force, and home burglary. Households whose heads are aged between 15 and 24 years are more vulnerable to shocks such as vehicle theft, car vandalism, bicycle theft, personal theft, and physical harm. Therefore, the aged are more prone to health shocks and risks, while those in the active working-age group are more apt to security and lifecycle shocks and risks.

8. Analysis by sector of residence reveals that rural households are more vulnerable than the national average in all of the shocks highlighted in Figure 2, except for personal theft. This implies that the rural households are worse off in terms of lifecycle, health, and security risks than urban households. When further delineated by geopolitical zones, the North-west is, thus, worse off in terms of security risks: it is more vulnerable than average to vehicle theft, car vandalism, motorcycle theft, and bicycle theft as well as home burglary, robbery by force, personal theft, and physical harm. On the other hand, households in the South-east are more vulnerable to health and lifecycle risks than any other geopolitical zone in Nigeria, while the North-east region is more vulnerable in terms of the death of a spouse (a lifecycle risk). The implication of these findings is that the South-west and North-central geopolitical zones are less vulnerable to shocks than the North-west, North-east, South-east, and South-south geopolitical zones of Nigeria.

9. In summary, household and location characteristics are able to explain the relative incidence of certain shocks. The results revealed that male-headed household reported experiencing more shocks than their female-headed counterparts. The non-poor experience more shocks relating to the spouse or the head of the household becoming disabled, with the extreme poor experiencing the death of a household head more than the moderately poor and non-poor. Health shocks and risks are more likely among the aged, while those in the active working age group are more prone to security and lifecycle shocks and risks. The North-western part of Nigeria is worse off in term of security risks, with the South-west and North-central geopolitical zones being least vulnerable to shocks.

1.2 Profile of Vulnerability in Nigeria

10. According to Okunmadewa and Elder (2003), poverty and vulnerability to poverty in Nigeria are driven by the same set of factors. The determinants of vulnerability to poverty include unemployment, increasing age, household size (the dependency rate), and increasing

number of wives, education level, and number of rooms available in the household. This was supported by the findings of Hagen-Zanker and Holmes (2012) and Samuels et al. (2012). Given this broad scope of vulnerability, Olaniyan *et al.* (2012) estimated a vulnerability index for Nigeria based on different individual and household characteristics, as presented in Table 11. It is noted that, in the same vein, based on the recent estimate, released by the NBS in 2013, there is high poverty incidence across the region. See details in Annex 4.

11. As shown in Table 2, the vulnerability-to-poverty ratio forecasts that one out of every 100 rural households will fall into poverty in the future while households in urban areas are likely to move out of poverty. Households are expected to move out of poverty in the North-central, South-south, and South-west; whereas the reverse is true for households in North-east, North-west, and South-east geopolitical zones, with three, nine, and two out of 100 households falling into poverty respectively.

12. Gender categorization shows that male-headed households are likely to be poorer in the future than female-headed households, as two out of 100 male-headed households are expected to fall into poverty, while female-headed households are more likely to rise out of poverty. The impact of education on reducing poverty is confirmed in Table 11, which shows that the higher the educational status of household heads, the lower the expected poverty level of the household. Household heads with primary education are likely to become poorer in the future closely followed by those with no formal education. Households whose heads have secondary education and above are expected to move out of poverty.

13. Age groupings reveal that households whose heads are between 41 and 60 years old are the most likely to be poor in future, while those under 21 years are likely to be the least poor. Interestingly, Table 2 reveals a positive relationship between household size and expected poverty. Specifically, the poorest households are the largest, as the predicted/observed poverty ratio shows that 9 and 13 out of 100 households with five to six members or seven to ten members are expected to fall into poverty. Households whose heads are agricultural workers are expected to be poorer than those whose heads are non-agricultural workers. Explicitly, four out of 100 households whose heads are agricultural workers are expected to fall into poverty, while those in the non-agricultural sector are expected to move out of poverty.

Table 11: Vulnerability Profile of Nigerian Households 2009/2010

Dimensional Variables	Share of Vulnerable	Mean Vulnerability	Vulnerability Headcount	Vulnerability to Poverty Ratio
Total	100	0.56	59.27	0.98
Urban	19.37	0.43	40.04	0.90
Rural	80.63	0.61	67.00	1.01
Region				
North-central	18.94	0.55	58.90	0.90
North-east	15.55	0.66	74.49	1.03
North-west	30.59	0.69	79.65	1.09
South-east	13.61	0.52	52.50	1.02
South-south	8.67	0.51	51.02	0.95
South-west	12.64	0.42	36.80	0.84
Gender				
Male	92.16	0.60	64.65	1.02
Female	7.84	0.36	29.99	0.70
No formal	53.47	0.62	69.11	1.03
Primary	26.14	0.59	64.40	1.05
Secondary	12.46	0.45	41.99	0.79
Post-secondary	6.11	0.47	44.25	0.93
College degree	1.82	0.31	25.02	0.72
Age Group				
Under 21 years	0.69	0.37	28.54	0.86
21 - 40 years	35.01	0.52	53.97	0.95
41 - 60 years	46.5	0.63	70.27	1.04
Over 60 years	17.8	0.51	50.48	0.94
1 - 2 members	3.67	0.26	7.97	0.37
3 - 4 members	27.06	0.51	56.93	0.92
5 - 6 members	35.22	0.69	86.80	1.09
7 - 8 members	20.33	0.83	97.64	1.13
9 - 10 members	13.72	0.93	99.51	1.13
Occupation				
Agric. worker	80.57	0.63	70.79	1.04
Non-agric. worker	19.43	0.41	35.22	0.81

Source: Olaniyan et al. (2012).

14. In recognition that vulnerability to poverty involves more than just consumption poverty, Olaniyan (2012) assessed vulnerability using the lifecycle approach highlighted in Tesliuc and Lindert (2002). Given the dearth of available lifecycle data on age and associated risks, the study used households with children between the ages of 0 and 19 years old as a proxy for the ages of the household heads.

15. Table 12 shows the profile of the poor and vulnerable by age group and the risks associated with each of these groups. It presents four indicators of population and the proportion (in parentheses) within each age category of the extremely poor, the poor, and the vulnerable as of 2010. Generally, there is a high proportion of extremely poor, poor, and vulnerable people in every age category. Specifically, among individuals aged between 0 and 4 years old, 69 percent are extremely poor out of the 81 percent are poor, while 86 percent are vulnerable, with malnutrition being the main risk in this group. Low human development and child labor are the main risks faced by those in the 5 to 9 and 10 to 19 years old age groups, as indicated by their lack of enrollment in school. However, the patterns of poverty and vulnerability are the same for both age groups. The proportion of the extremely poor in both age categories (5 to 9 and 10 to 19) is 64 percent and 66 percent respectively; the proportion of poor individuals is 76 percent and 77 percent respectively; and, 81 and 83 percent are vulnerable.

Table 12: Poverty and Vulnerability Risks by Age Profile

Age Groups	Main Risks	Leading Indicators of Selected Risks	Percentage of Affected Persons		
			<i>Extreme Poor</i>	<i>Total Poor</i>	<i>Vulnerable</i>
0 – 4	Malnutrition	Stunting, wasting	69%	81%	86%
5 – 9	Low human development, child labor	Not enrolled in school or late entry, child labor	64%	76%	81%
10 – 19	Low human development, child labor	Not enrolled in school or late entry, child labor	66%	77%	83%
20 – 29	Low human development, unemployment	Not enrolled in school, youth unemployment, underemployment, low wages	28%	39%	31%
30 – 59	Low income, poor nutrition	Unemployment, underemployment, low wages, obesity	54%	66%	67%
60 and Above	Low income, poor nutrition, chronic diseases	No health insurance, no pension coverage	45%	56%	54%
Other Population Groups	Poor basic services	No water	50%	63%	65%
		No sewage	53%	65%	62%

Source: Olaniyan et al. (2012).

16. The proportion of the extreme poor (28 percent) and vulnerable (31 percent) in households where the head is aged between 20 and 29 years is lower than the proportion in other age groups, though they are still at risk of low human development and unemployment. However, among the 30 to 59 age group, the key risks are low income and poor nutrition as a result of unemployment, underemployment, and low wages, with 67 and 54 percent among the vulnerable and extremely poor. In addition, the major risks faced by those aged 60 and over are chronic diseases, low income, and malnutrition due to having no health insurance or pension coverage. Up to 54 percent of the people in this age group are vulnerable.

2 Current Social Protection Interventions in Nigeria

17. This chapter describes the social protection system in Nigeria. The first section presents the various policies that have been adopted, and this is followed by an analysis of the social protection programs that are in place in the country. The last section provides information on the institutions responsible for the management of social protection in Nigeria.

2.1 Social Protection Policies in Nigeria

18. Social Protection are policies and programs designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risks and enhancing their capacity to manage economic and social risks. They are interventions that buffer individuals from shocks and equip them to improve their livelihoods and create opportunities. In a sense social protection is broader than poverty reduction, because it is concerned with preventing, managing and overcoming situation that adversely affects people's well-being. It addresses poverty and the vulnerability to poverty. Social protection policies and programs therefore consists of social safety nets, social insurance and social legislation (labor laws and health and safety standards), which ensures minimum civic standards to safeguard the interests of individuals. In some parlance social protection is a basic human right.

19. While Nigeria currently has poverty reduction strategies, the country has no coherent policy for social protection. Some of the poverty eradication policies, however do have significant implications for social protection. Even then, the policies have not constituted a consistent and coherent approach to human capital development and poverty alleviation as well as to social protection.

20. The first major attempt at solving poverty problems in the country was the establishment of different agencies and programs in key sectors (e.g., the health or education sectors). By 1999, there were so many programs under the supervision of so many different agencies that their objectives, mandates, and activities had become fraught with overlaps and coordination problems. It is in view of this that the Anglo Abdullahi Committee (headed by Professor Anglo Abdullahi) was set up in 2000 to review various poverty alleviation agencies, policies, and programs.

21. Thirteen years later, the Anglo Abdullahi Committee report remains relevant to the development and operations not just of poverty alleviation measures but also social protection initiatives. One of the findings was that too many agencies and programs were doing the same job and addressing the same issues, which reduced their efficiency and

effectiveness. The Committee therefore recommended that many of the poverty alleviation programs and agencies be merged together to streamline their activities (see Table 13). Another important proposal was to set up an institution or agency whose role would purely be to coordinate, monitor, and evaluate all poverty eradication efforts in the country. As a result, the government created the National Poverty Eradication Program (NAPEP)⁴ in 2000, and the previous poverty-related functions of the federal ministries and agencies were streamlined. This reorganization is presented in Table 14.

22. At that time, the World Bank was in the process of preparing a Poverty Reduction Strategy Paper (PRSP) for Nigeria, but there was no comprehensive poverty alleviation policy in the country. Therefore, one of the first actions of NAPEP was to prepare a 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. Nor did it address poverty as a cross-sectoral issue. Even within the policy-making community, it had little support.

Table 13: Structure of Poverty Alleviation Agencies after 2000 Merger

Former Agencies	New (Merged) Agency
Nigerian Agricultural and Cooperative Bank (NACB) Peoples Bank of Nigeria (PBN) Family Economic Advancement Program (FEAP)	Nigerian Agricultural, Cooperative, and Rural Development Bank (NACRDB)
Nigerian Industrial Development Program Nigerian Bank for Commerce and Industry (NBCI) National Economic Reconstruction Fund (NERFUND)	National Bank of Industry
Nigerian Mortgage Finance Limited Federal Mortgage Bank of Nigeria (FMBN)	Federal Mortgage Bank of Nigeria (FMBN)
National Directorate of Employment (NDE)	NDE was retained but could no longer provide credit and was limited to skills acquisition and other employment-generation activities.
Nigerian Agricultural Insurance Corporation (NAIC) to be merged with National Insurance Corporation (NICON)	Nigerian Agricultural Insurance Corporation (NAIC) and National Insurance Corporation (NICON) are still presently retained as separate entities agencies.
National Primary Healthcare Development Agency (NPHCDA)	NPHCDA was retained.
National Primary Education Commission (NPEC) National Commission for Nomadic Education (NCNE) National Commission for Mass Literacy, Adult, and Non-Formal Education (NCMLAE)	Universal Basic Education
National Agricultural Land Development Authority (NALDA) Federal Agricultural Coordinating Unit (FACU) Agricultural Project Monitoring and Evaluation Unit (APMEU)	All of these agencies were closed and their functions were transferred to the Federal Ministry of Agriculture and Rural Development. A new project coordinating unit was established in the ministry but not as a parastatal.
The 21 Industrial Development Centers in Nigeria Rural Agro-Industrial Development Schemes	Small and Medium Industries Development Agency (SMEDAN)

⁴ NAPEP has recently been scrapped.

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(RAIDS),Ibadan National Center for Agricultural Mechanization Institute (NCAM), Ilorin	
River Basin Development Authorities (RBDAs)	Restructured for commercialization
National Center for Women's Development (NCWD)	Transferred to the Federal Ministry of Women Affairs and Youth Development
Family Support Trust Fund Federal Urban Mass Transit Agency(FUMTA)	Closed
	<p>National Poverty Eradication Program (NAPEP) was established for policy formulation, coordination, and monitoring of all poverty eradication efforts by the government and to fill the gaps in all the other programs.</p> <p>NAPEP was to be the secretariat of the National Poverty Eradication Council (NAPEC).</p> <p>It was not to be an employment agency.</p>

Source: Ango Abdullahi Committee (2000).

Table 14: Streamlined Functions of Poverty-related Ministries and Agencies, 2000

Function	Relevant Ministry/Department/Agency
Employment	Federal Ministry of Labor and Productivity National Directorate of Employment (NDE)
Education	Federal Ministry of Education Universal Basic Education
Agriculture and Rural Development	Federal Ministry of Agriculture and Rural Development Nigerian Agricultural, Cooperative, and Rural Development Bank (NACRDB)
Water Resources	Federal Ministry of Water Resources River Basin Development Authorities
Energy	Federal Ministry of Power and Steel Federal Ministry of Petroleum Federal Ministry of Science and Technology National Electric Power Authority Nigerian National Petroleum Corporation Energy Corporation of Nigeria
Healthcare	Federal Ministry of Health National Program of Immunization National Primary Healthcare Development Agency
Women, Youth, and Gender Development	Federal Ministry of Women's Affairs National Youth Service Corps (NYSC)
Industry	Federal Ministry of Industry National Bank of Industry Small and Medium Enterprise Development Agency of Nigeria (SMEDAN)
Environment	Federal Ministry of Environment Ecology Fund
Transport and Shelter	Federal Ministry of Works and Housing National Housing Authority
Communications	Federal Ministry of Communications NITEL
Social, Recreational, and Public Utilities	Federal Ministry of Sports
Debt Management	Federal Ministry of Finance Debt Management Office
Privatization	Bureau of Public Enterprises
Corruption	ICPC
Coordination, Monitoring, and Evaluation	NAPEP

Source: Ango Abdulahi Commission (2000).

23. In recognition of these shortcomings, in 2004, the government created the Social Protection Advisory Group (SPAG), comprising representatives of relevant ministries and parastatals (assisted by the World Bank), to prepare a draft social protection strategy for Nigeria (SPAG, 2004). The strategy laid out a vision for social protection that involved taking a lifecycle approach to protecting the poor and vulnerable. **Box 2** presents some of the key issues discussed in the document. A new draft of social protection policy has been prepared by the National Planning Commission. Highlights are contained in **box 1** too.

Box 2: Key Features of 2004 Social Protection Strategy

In the draft, policy, priorities, and interventions are grouped according to lifecycle stages.

- Priorities in the *0-5age* group include: child health and early childhood education. Proposed interventions include: nutrition supplementation, establishment of childcare development centers, a national immunization program, and civic registration of births.
- Priorities in the *6-14age* group include: improving the quality of primary education, reducing late entry to school, grade repetition, and child labor, delaying early marriages, and avoiding vesicovaginal fistula (VVF) through scholarships, return to school incentives, and school feeding programs.
- Priorities in the *15-24 and 25-64age* groups include: increasing human capital and reducing health risks, unemployment, underemployment, teenage pregnancy, early marriage, violence, and substance abuse. Proposed interventions include: expanding school scholarship programs and providing reproductive health education and counseling, interventions against drug abuse and violence, skills acquisition programs, unemployment insurance, income support programs, active labor market policies, and public works programs.
- Finally, the priority for the *65 and overage* group is to manage the risk of income loss and poor health through interventions such as income transfers and a non-contributory pension.

Source: SPAG (2004) as presented in Holmes et al. (2012).

24. This draft Social Protection Strategy though never implemented was integrated into the National Economic Empowerment and Development Strategy (NEEDS). The priority of NEEDS is to significantly improve the quality of life for Nigerians and to create social safety nets for vulnerable groups in the population. NEEDS contains four key strategies: (i) reforming the way in which the government and its institutions work; (ii) growing the private sector; (iii) implementing a social charter for the people; and (iv) recreating an enduring African value system (NPC, 2004). Based on the NEEDS document and other political and economic diplomacy, Nigeria was granted debt relief by key creditors. One of the conditions that the creditors put on Nigeria's debt relief was to channel some of the resources saved from the debt repayment into poverty alleviation activities and into the attainment of the Millennium Development Goals (MDGs). Therefore, the Office of the Senior Special Assistant to the President on the MDGs (OSSAP-MDGs) prepared a National Study on Targeted Safety Net Interventions. This in turn led to the creation of a social safety net scheme that would receive funding from the MDGs-Debt Relief Gain (MDGs-DRG) fund to enable it to provide top-up funds to ministries, departments, and agencies (MDAs) to help them to achieve the MDGs. At the same time, the government initiated a conditional cash transfer (CCT) program with NAPEP as the implementing agency. These schemes were part of NEEDS.

25. In order to make the strategy relevant to all three levels of government in the country, a State Economic Empowerment and Development Strategy (SEEDS) and a Local Economic Empowerment and Development Strategy (LEEDS) were also established. Although the NEEDS, SEEDS, and LEEDS documents proposed the introduction of several social protection programs, the proposed interventions were quite broad and could not all necessarily be considered as core social protection interventions (Holmes et al., 2012). In addition, many were likely to have excluded the poor, as they required contributions (unemployment insurance, health insurance, and contributory pensions).

26. In 2009, there was an effort to produce a national Social Protection Bill when the Nigeria Social Insurance Trust Fund (NSITF) and the National Working Committee on Social Security (NWCSS) drafted the National Social Security Policy for Inclusiveness, Solidarity, and Sustainable Peace and Prosperity and submitted it to the then National Assembly. The bill sought to incorporate a formal social security framework with social protection mechanisms for informal sector workers and the poor. Its main goal was the promotion and protection of human dignity, in particular through measures to reduce vulnerability to risks arising from poverty, unemployment, job loss, ill-health, loss of breadwinner, old age, or disabilities (NWCSS, 2009). The bill emphasized the need to critically examine the gaps that existed in the provision of social assistance for children less than five years of age, Orphans and Vulnerable Children (OVC), people with physical and mental challenges, the elderly with no employment history or pension, and people unable to join a contributory social security scheme.

27. To date, the bill has not been passed. The implication of this is that the country does not yet have a comprehensive approach to social protection, despite having identified safety nets as a key policy in two recently developed national development plans (NEEDS and Vision 20: 2020), both of which aim to reduce poverty.

28. Holmeset al. (2012) summarized Nigeria's policies for social protection over the last decade as follows:

“Social protection as both a conceptual and a practical approach to addressing economic and social risks in Nigeria has made some progress at the policy level. However, it remains compartmentalized in the current national development strategy, Vision 20: 2020, with little evidence of policy traction among key policy-makers to translate policy commitment into implementation. The 2004 Social Protection Strategy was a good starting point to build on for a future social protection strategy, but it has not enabled more than a programmatic focus on cash transfers, health insurance, and health fee waivers. Meanwhile, despite its attempt at a multi-sectoral approach, the 2009 National Social Security Policy for Inclusiveness, Solidarity, and Sustainable Peace and Prosperity has failed to garner broad political support, partly because NSITF is not seen as the most appropriate institute to lead on it. It is not clear whether the bill will be passed and, if it is, whether it will result in implementation.”

The government through the National Planning Commission in 2013 produced a draft of the new social protection policy framework for Nigeria. The key elements of the policy framework are presented in Box 2.

Box 2: Short and Medium Term Social Protection Strategy as enunciated by the New Social Protection Policy

The government will establish and provide a Basic Minimum Social Protection package in the short to medium term. For the short term measure, attention will be focused on the prioritized areas of interventions. In achieving these, the policy objectives and strategies discussed below will be applied.

Policy Objectives

1. Poor and vulnerable citizens have access to essential health care benefits including maternity benefits, where the government will accept the general responsibility for ensuring the adequacy of the delivery system and financing of the benefits;
2. Children of poor and vulnerable families enjoy income security at least above the poverty level: through family/child transfers aimed at facilitating access to nutrition, education and health care;
3. Targeted income support for the poor and unemployed in active age groups especially through cash-for-work and other labour intensive programmes;
4. Residents in old age and disability enjoy income security through pensions and transfers granted at least

Strategies

1. The Government shall be committed to bringing service delivery closer to the people. Thus, the SP Policy will prioritise the vulnerable in gaining access to basic services provided by the government.
2. For children to achieve security of income, access to nutrition, education and care, the Government shall provide cash transfer (both conditional and unconditional).
3. Through links to youth and general employment promotion schemes, the SP strategy shall ensure these schemes are inclusive of marginalized groups and individuals and target the poorest among the poor. Such schemes will include the public work programmes of the government.
4. Income security for the aged and those with disabilities will be provided through social transfer projects of the Governments. Government will target all those in need of support, based on agreed targeting criteria and administrative systems for registration and payments.

Source: National Planning Commission (2013) Draft National Social Protection Policy (October)

2.2. Social Protection Programmes in Nigeria

29. Even though there was no explicit Social Protection strategy, there are social protection interventions in the country. This report reviewed existing social protection interventions in Nigeria, by (a) examining the programs in terms of the risks that they address and (b) using the UNICEF transformational approach. In this paper, both approaches were integrated. First, the various social protection programs in the reviewed documents were identified using the UNICEF transformational approach (see Table 6). Following this, the social protection programs were reclassified according to the types of risks that they address (as presented in Table 7). This is supported by information on social protection institutions and actors (see Annex 1).

Table 6: Social Protection Programs in Nigeria
Protective Social Assistance Programs

1.	<i>Conditional Cash Transfers</i>
	In Care of the People (COPE)
	Girls' dropout reduction (Kano, Katsina, Bauchi)
	Oil to Cash (Niger Delta)
	Bayelsa Child Development Account (CDA Stars)
	Social Security Allowance for physically disabled people (Jigawa)
2.	<i>School Subsidies / Fee Waivers (UBE)</i>
	Free uniforms for primary school girls (Adamawa)
	Ambassador's Girls' Scholarship Program (AGSP) in 13 states funded by USAID
	School scholarships and in-kind transfers (school materials) to orphans and vulnerable children by NGOs
	- Center for Women and Adolescent Empowerment (CWAE) (Adamawa)
	- Positive media support group under the Association of Women Living with HIV and AIDS in Nigeria (ASHWAN) (Benue)
	-Girls' power initiative (Edo)
	- School feeding programs (Osun, Oyo, and Delta)
3.	<i>Health Subsidies / Fee Waivers</i>
	Maternal and Child Healthcare (MCH) program
	Health support programs in various states
4.	<i>Targeted Nutrition Programs</i>
	HIV and AIDS-related programs
	Vitamin A supplements to children aged 6-59 months every six months as part of immunization program in seven states
	Iron foliate for pregnant women and de-worming of children 12-59 months (Benue)
	Nutritional services and de-worming exercise for OVC every three months (Edo Girls' Power Initiative)

Preventive Social Insurance Programs

	Community-based health insurance programs by NHIS and NPHCDA in Lagos
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Productive Transfers, Public Works, and Subsidy Programs

1.	<i>Public Works Programs</i>
	National Job Creation Scheme
	- Special Public Works by NDE, SMEDAN, and NAPEP
	Job creation schemes in various states: Lagos, Osun (OYES), Oyo (YESO)
	UNDP's Local Development Program (Ondo and Balyesa)
2.	<i>Targeted Subsidized Inputs</i>
	Seeds/fertilizer subsidies
	- Fertilizer Market Stabilization Program (Adamawa, Edo, and Benue)
	Millennium Village Project (Kaduna and Ondo)
	Microfinance
3.	<i>Training, Grants, and Savings</i>

Social Equity/Transformative Social Protection Programs

	<i>Extant Laws for Equality and Human Rights</i>
	Civil and Political Rights Covenant (443)
	Economic, Social, and Cultural Rights Covenant (444)
	Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) (445)
	Convention on the Rights of the Child (CRC) (446)
	Children's Rights Act

Source: Holmes et al. (2011).

30. In 2005, the Nigerian government successfully negotiated debt relief with the Paris Club⁵ and the resulting Debt Relief Gain (DRG) has largely been used to finance pro-poor expenditure in line with the conditions set by the Paris Club. The money is known as the MDGs-DRG fund.

Table 15: Typology of Social Protection Programs

Social Assistance Programs	Social Insurance Programs	Specific Government Policies/Programs	Specific Risk Addressed
Agricultural Development (Targeted subsidized inputs)		National Fadama Development Project Fertilizer subsidy Bank of Agriculture (BOA)	Agricultural
Employment Generation		National Directorate of Employment (NDE) Employees Compensation Scheme (ECS) Small and Medium Scale Enterprise Development Agency (SMEDAN) SURE-P (Public works and Graduate Internship Program)	Unemployment
Conditional Cash Transfer (In Care of the People (COPE))		In-Care of the People (COPE) by NAPEP, State level CCTs, Maternal and Child Health (MCH)	
Health subsidies/fee waivers Free maternal and child health Targeted nutrition	National Health Insurance Scheme (NHIS)	National Health Insurance Scheme (NHIS) Act 1999	Health
Education subsidies/fee waivers Scholarships, bursary, and grants		Universal Basic Education Act 1999 Federal Government Scholarship Policy	Education
Disaster Management Programs		National Environmental Management Agency (NEMA) Act 1999	Environmental
Non-contributory Pension Scheme	Contributory pension scheme Nigeria Social Insurance Trust Fund (NSITF)	Pencom Act	Old Age
	National Housing Fund (NHF)		

Source: Adapted from Olaniyan *et al.* (2012).

⁵ The Paris Club is an informal group of financial officials from 19 of some of the world's biggest economies. It provides financial services such as, war funding, debt restructuring, debt relief, and debt cancellation to indebted countries.

Protection against Agricultural Risk and Food Shortages

31. The main agricultural risk that Nigerians are being protected against is the risk of food shortage. This protection is offered through the following initiatives among others:

- i. The National Fadama Development Project (NFDP) aims to encourage and help resource-poor farmers to engage in dry season cropping in order to generate more income and alleviate poverty. Fadama targets groups of farmers involved in the same set of economic livelihood activities. The World Bank contributes to project costs depending on components, while the federal and state governments and the farmers themselves contribute counterpart funds. The NFDP is funded from credit from World Bank and Africa Development Bank (AfDB). The scheme is in its third phase.
- ii. The federal government in 2012 introduced a subsidy on high-quality fertilizer and seeds to rural farmers through the Growth Enhancement Support Scheme. This scheme delivers inputs (fertilizer and seeds) to farmers directly by using their cell phones. Registered farmers are sent electronic vouchers directly from the federal government to their cell phone. The vouchers or e-wallets inform the farmers that he or she is entitled to buy two 50kg sacks of fertilizer at 50 percent of purchase price. The vouchers thus serve as cash on the farmer's phone, with this cash covering 50percent of market price of fertilizer. The farmer therefore pays only 50 percent of cost of retail fertilizer (www.harambefarmland.comAgrinews 2013).
- iii. The Bank of Agriculture (BOA), formerly known as the Nigerian Agricultural Credit and Rural Development Bank (NARDB), is a development bank owned by the federal government. It provides low-cost credit to small-scale and commercial farmers as well as to small- and medium-sized rural, non-agricultural enterprises. By ensuring the effective delivery of agricultural and rural finance services on a sustainable basis, the BOA is supporting the national economic development agenda that aims to increase food security, reduce poverty, generate employment, reduce rural-to-urban migration, reduce dependency on imported food items, and increase foreign exchange earnings. As a result, the BOA has both a credit and a developmental function.

Protection against Unemployment Risks

32. In spite of high rates of broad-based growth in Nigeria in recent years, particularly in the non-oil economy, unemployment has not fallen significantly since 2000. More alarmingly, youth unemployment has risen (NBS, 2011). The 15 to 24 age group has the highest unemployment rate of 37.7 percent; whereas the 45 to 59 age group has only 18 percent, and 60 to 64age group has 21.4 percent. This pattern applies equally to urban and rural areas. Ever since the Nigerian government acknowledged unemployment as the main source of poverty, policies, programs, and agencies have been put in place to reverse this trend.

The *National Directorate of Employment (NDE)* was established to facilitate the generation of generation of mass employment opportunities for the millions of unemployed school leavers,

vulnerable members of the society, and graduates of tertiary institutions in the country. The NDE's four basic programs essentially aim to equip beneficiaries with skills acquisition.

33. Table 16 provides information on the NDE program and its target groups.

Table 16: NDE Programs and Target Groups

Program	Target Groups
Vocational Skills Development	Primary and secondary school leavers and disabled youths in rural areas
Small-scale Enterprises Program	Primary and secondary school leavers and disabled youths in rural areas
Rural Employment Promotions Program	Primary and secondary school leavers and disabled youths in rural areas
Infrastructure Development through a Special Public Works Program	States, local governments, and local communities

Source: Olaniyan(2008).

34. In 2012, the number of unemployed youths and women who benefitted from the various NDE programs was 142,135 from a high of 182,937 in 2011. The breakdown of the number of beneficiaries by components is presented in Table 17. The number of beneficiaries by categories declined in 2013 except for enterprise creation and in labour based work.

Table 17: NDE Beneficiaries, 2012 and 2013

Programme	Beneficiaries in 2012	Beneficiaries in 2013
Training in Skills Acquisition	33,205	26,087
Training in Entrepreneurship	60,146	8,020
Enterprise Creation	316	6,200
Transient Jobs/Labour-based Jobs	1,527	2,430
Job Centre Employment Counseling Services	48,001	39,101
Total	143,195	81,838

Source: National Directorate of Employment (2012 and 2013).

Box 3: National Directorate of Employment (NDE)

The National Directorate of Employment (NDE) was established in November 1986, although it was not established in law until Decree 24 was passed in October 1989. The mandates of NDE are as follows:

- Design and implement programs to combat mass unemployment
- Articulate policies aimed at developing labor-intensive programs
- Maintain a database of employment vacancies to act as a clearing house to link jobseekers with vacancies in collaboration with other government agencies

NDE focuses on two types of risks: employment and income. When it was founded, NDE was directed “to design and implement program to combat mass unemployment and to articulate policies aimed at developing work programs with labor intensive potentials.” The targeted beneficiaries of NDE programs are mainly youths and the unemployed. The targeting mechanism covers a given geographical area (usually a state), within which applications are sought from prospective participants who are then shortlisted and employed/trained.

Four basic NDE programs (see table below) have the potential for mass job generation in various sectors of the economy, and each has several sub-programs. The programs aim to provide beneficiaries with skill acquisition or entrepreneurial training prior to providing them loan/starter packages. The dynamics of the labor market were constantly taken into consideration, resulting in minor realignments where necessary.

Evidence from Olaniyan et al. (2003) reveals that, despite the large number of people who have applied to NDE programs over the years, the Directorate has only been able to accommodate less than 20 percent of all applicants. Apart from 1992 when 62.34 percent of those who applied were accepted, the percentage has been much lower in the subsequent years. By 2001, NDE was accepting fewer than 3 percent of its applicants. Male applicants have benefitted more than females, and most beneficiaries are non-poor. Between 2000 and 2006, there were 896,388 beneficiaries. Over the next five years, NDE programs benefitted 3,675,311 people throughout the country (NDE (2011)).

NDE programs are funded mainly by the federal government, with additional support from international organizations in some cases. This means that NDE funding has fluctuated because of the volatility of government revenues. The program encountered financial problems between 1989 and 1991 due to low repayment rates by beneficiaries, but assistance from the International Labor Organization helped to revitalize it in 1991. While NDE is a laudable program, the major obstacles that it faces are the shortage of lendable funds and the high default rates of loan beneficiaries. The sustainability of the program therefore is entirely dependent on the commitment and finances of the federal government.

Employment Generated by the National Directorate of Employment

Activity	Years							Total Beneficiaries
	2000	2001	2002	2003	2004	2005	2006	
Vocational Skills Development Program	13,871	31,283	16,495	36,874	30,295	42,252	26,848	197,918
Small-scale Enterprises Development	109,625	113,642	67,682	98,944	174,894	135,558	141,523	841,868
Rural Employment Promotion Program	996	2,378	2,777	3,867	8,768	19,062	1612	39,460
Special Public Works Program	340	340	540	102,811	5,550	3,515	4,775	117,871
TOTAL								1,197,117
	124,832	147,643	87,494	242,496	219,507	200,387	174,758	1,197,117

35. SURE-P⁶ Labour Intensive Programmes: Vocational training programme is a component of the SURE-P intervention aimed at helping to tackle the significant problem of youth unemployment by training youth in selected areas of need. These include ICT/telecom, Marine, Oil & Gas, Agro and Agro allied productions, creative industry, mass housing, artisan, fabrication technology etc. by designated centres. The centres are spread across the country with focus on strategic advantage that exists within the zone (SURE-P, 2013) The SURE-P Vocational Training programme aims to reduce unemployment and poverty in Nigeria through development of skills, building of institutional capacity and investing in training Infrastructure. In specific terms, the programme is to boost the capacity of the youths for gainful employment and enterprise thereby making them financially independent. The Sub-Committee of the Project Implementation Unit serves as the custodian of the mandate of the Committee in all projects under Vocational Training programme initiation, verification and approval. It has been recorded that ₦1.4 billion has been spent on the programme since it on-set (SURE-P Internship programme 2014). Table 10 shows the start up cost of the vocational training programme based on approved commitments for 2012.

Table 10: Programme Cost of the SURE-P Vocational Training Programme (Year end 2012)

Project Activity	Amount Expended (₦)	% of Total
Office rent for 42 staff, 2NO blocks	21,050,000.00	6.0
Personnel and Overhead cost	102,510,000.00	29.3
Facility tour/ inspection	10,000,000.00	2.9
Completion of procuring PIU and Zonal project vehicles	91,959,000.00	26.3
Additional advertisement/publicity	5,000,000.00	1.4
Completion of framing and design	12,800,000.00	3.7
States Beneficiaries selection, Orientation & placement of trainees	96,000,000.00	27.5
Zonal Project retreat & stakeholders Engagement	10,000,000.00	2.9
Total	349,319,000.00	100.0

The selected focus areas of training activities include the following:

⁶ The Subsidy Reinvestment and Empowerment Programme (SURE-P) came into force in early 2012 in response to the crises that accompanied the partial removal of the subsidy on petroleum products on January 1, 2012. The SURE-P is to ensure proper management of the funds that would accrue to the Federal Government from the partial withdrawal of subsidy. The programme has a 21 man committee formerly chaired by Dr. Christopher Kolade, CON with Maj. Gen. (rtd) Mamman Kontagora, CON as the Deputy Chairman. The mandate from the President to the SURE-P Committee is to deliver service with integrity and restore people's confidence in the government. The Committee is supported by a Secretariat that will also be responsible for communication and press briefing. SURE-P is to be implemented for the duration of the administration in 2015. The main SSN programmes under SURE-P includes: Maternal and Child Health Care, Public Works (FERMA), Vocational Training, Mass Transit and Community Service (which include Women and Youth Employment-CSWYE and Graduate Internship Programme) programmes.

- Enterprise Support Platform in selected areas that can provide mass employment opportunities via a youth Train and Retain programme in their business area.
- Client Based Training for MDAs such as Federal Road Maintenance Agency (FERMA), Nigerian Railway Corporation, Federal Ministry of Land and Urban Development, Federal Ministry of Communications Technology, Federal Ministry of Water Resources among others.
- Citizens based training in the following focused area spread across the geopolitical zones;: IT/ICT, Creative Industry, Agricultural Mechanisation/Irrigation and Agro Allied Industry, Fabrications (SURE-P 2013, Annual Report)

36. The programme is training

- 150 Electrical/Mechanical Engineers for Power Industry at the National Power Training Institute of Nigeria (NAPTIN)
- 1000 Auto Technicians at the National Automotive Council (NAC)
- 1000 Personnel including Rail Line Inspectors at the Nigerian Railway Corporation (NRC)
- A total of 18,593 trainees had been registered across the federation in areas of ICTs, Agri-business, Hospitality, Mechanical/Fabrication, etc. (SURE-P final draft, 2013)

Challenges of the Vocational Training Program include;

- Delay in the release of funds
- Operational Monitoring capability hindered due to wide range of project coverage and spread.
- Effective manning and training of huge number of personnel is needed.
- Effective stakeholder's management of expectations are not available.

37. FERMA –SURE-P Road Maintenance Public Works and Skill Acquisition Project: The FERMA-SURE-P road maintenance public works and skill acquisition is designed as a component of the SURE-P to enhance job creation opportunities in labour intensive Public Works Programme to create social safety nets, skills acquisition and economic empowerment via maintenance of public infrastructure. The project is aimed at achieving Mr. President's Transformation Agenda of rehabilitation of key infrastructure such as roads, creating wealth and employment through the implementation of Road Maintenance Public Works that will provide safe and motorable road linkages across the economic zones of the country and ultimately produce skilled manpower in the sector. The project is implemented by FERMA under SURE-P Administration. The project is centred on the FERMA designed Preventive Road Maintenance (PRM) programme. This involves periodic application of relatively inexpensive pavement treatments to an existing roadway system in order to retard further deterioration, prevent massive failures and make the roads safe and motorable all year round.

38. The key achievements include:

- Drafting of Project design and selection criteria and approved work plan and budget.

- Set up of the Programme Implementation Unit (PIU) in FERMA
- A facility audit of existing centres in Benin, Kaduna, Lagos, Badagry and 6 other regional centres belonging to FMoW/FERMA for suitability and possible upgrading for use of the programme.
- Budgeting and project scheduling of various phases of 23 Major (Priority I) Federal roads across the six geopolitical zones and FCT.
- A pilot program on two major zones commenced (Abuja – Kaduna Road and Lagos Zone). The pilot schemes were being funded via the counterpart funding from FERMA as outlined in the approved PIU work plan and budget.

FERMA Public Works is constrained by:

- Delay in the release of funds.
- Operational Monitoring capability is ineffective due to wide range of project coverage and spread.
- High demand on effective manning and training of huge number of personnel.
- Schedule slippages due to material and mobilisation delays.
- Effective stakeholder's management of expectations not available.

39. SURE-P Community Services Women and Youth Employment (CSWYE): The project aims to create immediate short-term employment opportunities for women and youth through labour intensive public workforce. The specific objectives of the project are as follows:

- i. To create employment opportunities for up to 185,000 women and youth in the 36 states of the Federation and the FCT.
- ii. To serve as a bridge to formal employment through empowering youths, women and vulnerable groups.
- iii. To reduce the vulnerability of women and youth through exposure to income support opportunities offered by the programme
- iv. To create good value systems and self- actualization in women and youth through pre-works orientation sessions.
- v. To enhance societal access to quality social and economic infrastructure and services across the federation

40. At inception, the project was anchored by the Federal Ministry of Finance. This was later handed over to the Ministry of Labour (Oyedele, 2013). The project is executed through the use of community service scheme. The Community Service Scheme is an initiative of the Federal Government with the aim of empowering unskilled and unemployed Nigerian youths, women and people living with disabilities and at the same time improves the quality of socio-economic infrastructures, especially in rural communities, and renews the confidence and thrust of Nigerian masses in government policies and programmes (Soji-Eze Fagbemi, 2013). The project involves the engagement of women and youth in labour intensive activities meant to improve socio-economic infrastructural services in benefiting

communities. Example of these services includes sanitation, tree planting, erosion control and deforestation, security, traffic management etc.

41. The key achievements of CSWYE include:

- Community Services Scheme (CSS) is operational in 36 states and the FCT
- 11 out of 14 pilot states have deployed beneficiaries.
- Beneficiaries' identification, Selection and Orientation completed in 12 states for the first phase.
- The project is operational in 96 communities distributed in the 12 states.
- About 5,624 males and 2,913 female have benefited from the programme in the 12 states.
- Edo is yet to deploy but has 1000 beneficiaries already selected, orientated and documented.
- 8,680 beneficiaries already placed in the scheme and benefit from income support provided the individuals with multiplier effects to households from the scheme; these 8,680 beneficiaries have bank accounts through which stipends are being paid.
- Additional 111,000 are also to enjoy income by end of January, 2013 across all the 774 LGAs;
- Over 2900 women employed and have been economically empowered through provision of income source
- Over 360 Communities benefiting and have improved the quality of social and economic infrastructures (e.g. drainages maintenance, waste/refuse disposal and security and traffic control services;
- Access to infrastructure and social services enhanced.
- Community Services orientation and deployment guide formulated and in use
- All states and the FCT are recruiting 3000 beneficiaries each and there will be 119,680 beneficiaries by the end of January, 2013.
- N72, 030,000 disbursed to the beneficiaries as at November, 2012.
- The scheme has already engaged 120,000 people out of the 185,000 persons targeted for the year 2013 (Oyedele, 2013).
- The project has trained 37 State Implementation Officers of the CSWYE on how to drive the project at the grassroots level (Oyedele, 2013).
- Community Services Women and Youth Employment (CSWYE) project of SURE-P has created 21,000 job opportunities in the North-West Geo-political zone of Nigeria (FRN, 2013).

42. The main challenges of the scheme are:

- i. Delayed inauguration of the State Implementation Committee (SIC).
- ii. Overbearing influence of the SIC over the State Project Implementation Units (SPIU).
- iii. High expectation of the SIC in terms of responsibility and remuneration from the project.
- iv. Failure of the SIC to fully adhere to the approved operational implementation guidelines.
- v. Some SIC are rejecting already selected beneficiaries in pilot state prior to their inauguration.

43. SURE-P Graduate Internship Scheme (GIS): The second component of the Community Service programme is the Graduate Internship Scheme (GIS). Concerned with the wave of graduate unemployment attributed to inadequacy of employability skills, Government initiated the Graduate Internship Scheme to address the problem as part of social safety net interventions of SURE-P. The GIS is domiciled in the Federal Ministry of Finance with a mandate to provide short term employment for graduates. The Scheme aims to achieve this by creating opportunity for them to be attached to firms /organizations, where they can work for a year and enjoy a monthly stipend. Such interns can use the opportunity to develop skills or gain working experience and enhance their employability. The specific objectives of the program are:

- To enhance the employability of up to 50,000 unemployed graduates by 2014 in the 36 states of the Federation and the FCT through internship programs in pre-selected institutions
- To reduce the vulnerability of unemployed graduates.
- To build manpower base towards attaining national development operations.
- Provide a social safety net and income supplement for unemployed graduates

The Scheme aims to achieve this by creating opportunity for them to be attached to firms organizations, where they can work for a year and enjoy a monthly stipend of N18,000. Such interns can use the opportunity to gain working experience and enhance their employability (FMF, 2014). The interns are to enjoy Group Life and Accident Insurance (SURE-P, 2014). The Scheme was created to check the growing rate of graduate unemployment.

The participating institutions are expected to provide adequate opportunities for training and mentoring the interns. The GIS is designed as a short-term measure. It has high prospects for job creation. The statistics of performance as at 2014 includes:

- 10,167 firms have registered on the GIS portal, out of which 3,000 have been approved and activated to take interns across the country; many more have been disqualified for failing to meet minimum requirements. 3,000 newly registered firms are being verified.
- As for graduates, 227,429 have registered on the portal, far above the target figure of 50,000. Out of this, 9,499 have been deployed. 2012 interns have exited the scheme after completing the 12 months of service. More than 500 of them have secured full employment.
- GIS has also experimented with Internship Fairs across the country to encourage participation of private sector firms, so far many lessons are emerging, one of which is speedy selection of interns. So far 5539 additional interns were matched in the last two months through the fairs.

43. In order to facilitate the achievement of the transformation agenda, GIS has opened many windows for the deployment of graduates for internship. These include promoting deployments in the non oil sector as follows:

- a) Discussions are on with various state governments to deploy graduates in various critical sectors like Agriculture, ICT, Construction, Health, Environment and Sanitation, Education in order to buoy up capacity in these sectors. Such states are Kaduna, Katsina, Sokoto, Zamfara, Kebbi, Gombe, Bauchi, Enugu, Ebonyi, Delta, Plateau, Ondo and Niger states.
- b) Internship Opportunities Fairs are being organized in all states to provide a window for the private sector to have direct access to graduates for interaction and selection. This was informed by many reasons; to control the high rate of rejection of matched graduates by firms, to create more awareness and to achieve massive selection figures. So far, the fair has been conducted Edo, Delta, Abia, Anambra, Benue, Cross River, Ondo, Enugu, Katsina, Ogun, Kwara, Plateau, FCT, Enugu, Ekiti and Kogi states and the remaining States will continue in October/November 2014. Three larger versions are to hold in commercial town of Lagos, Port Harcourt and Kano. Over 7000 are being matched from these events.
- c) Partnership has been entered into with the Nigeria Export Promotion Council to integrate GIS into the export trade with a view to encourage and train graduates to key in and participate into government's divestment into the non oil sector. A special vehicle called YEESAP has been established to achieve this and over 3000 graduates are to be engaged at the first instance.
- d) In the same vein GIS has considered the importance of the Creative Industries in the non oil sector development and entered into partnership with the British Council with a view to encouraging sector practitioners to take interns and expand expertise in the sector and increase its contribution to the GDP.
- e) Our partnership with an agricultural conglomerate in Zamfara state has opened new windows, where interns are rekindling the agricultural extension and other practices. These interns have set up and registered cooperative societies on livestock, fisheries, poultry farming and have set up personal businesses. This will facilitate setting up and getting financial support for enterprises to make exit from the scheme easier. Two of these have won grants in the most recent YouWin awards.
- f) The Scheme has also keyed into government policy on financial inclusion and cashless banking, deploying 2000 graduates nationwide in the first instance. More graduates are to be deployed in this prospective sector in the coming months.
- g) One of the key results emerging from the scheme is the high rate of retention of interns by their employers. Many interns have also found employment with other organizations as a result of the skills they have acquired and improved personality they have developed during internship.
- h) GIS is gradually emerging as the bridge between educational institutions and the labour market, providing a pool of skilled, trained, experienced and work ready graduates for firms to select without having to go through a formal, costly process

- i) More Nigerians are calling for the institutionalization of the scheme beyond 2015, so that results are sustained and expanded to cater for more graduates and firms, there are also calls for academic reviews of the opportunities that GIS can create for national development in the execution of its mandate.
- j) 25,000 registered graduates who may never benefit from matching to firms are being targeted for an online employability training in order to avail them an opportunity to develop skills through online modules, which are to be developed in collaboration with and certificated by sector professional bodies.

Challenges of the Graduate Internship Scheme (GIS) are:

- i. Poor internet facility
- ii. Security situation especially in the northern states.
- iii. Poor state of potential firms/organization.
- iv. Poor response from large organised private sector.
- v. Weakness identified in the web operational system for matching of interns with firms.
- vi. Lack of incentives to motivate staff is affecting performance.
- vii. Lack of adequate office space.
- viii. Requirement for additional staff for M & E, and Operational support for CSS & GIS.

44. The *Small and Medium Scale Enterprise Development Agency (SMEDAN)* was established in 2003 to promote the development of micro, small, and medium enterprises (MSMEs) in Nigeria. SMEDAN's guiding principles are as follows:

- *Outreach*: Reaching as many MSMEs as possible to achieve the goal of MSME-led economic growth, industrialization, and job creation
- *Sustainability*: Helping MSMEs to find ways to become independent of the program's support to prevent an over-dependence on subsidies
- *Impact*: Delivering measurable results
- *Efficiency*: Delivering quality services in the most cost-efficient manner by SMEDAN and MSMEs

As at 2010 SMEDAN provides services through 15 Business Support Centers (BSCs) and 37 Business Information Centers (BICs). In 2010, SMEDAN provided information on raw materials, materials, machinery, general business, advisory services, access to finance, and business counseling to a total of 29,993 prospective MSMEs (

45. Table1).

Table11: MSMEs Receiving SMEDAN's Information and Advisory Services, 2010

Location	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Head Office	152	255	159	169	735
BSCs	444	423	182	338	1,387
BICs	49	65	212	47	373
Other States	10,262	2,404	415	14,417	27,498
Total	10,907	3,147	968	14,971	29,993

Source: Preliminary Report on National MSME Collaborative Survey (2010).

46. The *National Poverty Eradication Program (NAPEP)*, created in 2000 to coordinate and monitor all poverty eradication projects in Nigeria, has initiated many interventions in four main areas: skills acquisition and youth empowerment; micro credit activities; empowerment of the poor; and social services. These programs and their corresponding target groups are summarized in Table .

Table 182: NAPEP Programs and Target Groups

Program	Target Groups
Skills Acquisition and Youth Empowerment	Unemployed youths
Intervention by Direct Credit	Poor and small-scale entrepreneurs
Intervention by Partnerships	State governments (poor small-scale entrepreneurs) Religious organizations (poor small-scale entrepreneurs) Nigerians in the Diaspora (poor small-scale entrepreneurs)
Social Services Program	VVF patients All Nigerian citizens
Other NAPEP Programs	All Nigerian citizens

Source: Olaniyan (2008).

47. According to a 2008 analysis (Wohlmuth *et al.*, 2008), NAPEP has been able to train 130,000 youths and has found jobs for 216,000 people. However, most of these beneficiaries were non-poor.

48. The *Employees Compensation Scheme (ECS)*, run by NSITF, provides workers with adequate compensation in the event of any kind of workplace accident that may result in partial or permanent disability or even death. The benefits come from a pool of employers' contributions. The benefits include payment of compensation to the dependants of a deceased worker who died in the course of work, compensation for permanent or partial disability, medical treatment for any injuries sustained, and rehabilitation and vocational training for workers who are no longer able to work at their former workplace. Enacted in 2010, ECS covers nine branches of social security, including, accidents, occupational diseases, and death at the workplace or in the course of work. It covers the entire public sector and the organized private sector (in total about 10 million employers). The scheme requires employers to pay into the fund for the first two years a minimum contribution of 1 percent of their total monthly payroll; thereafter, the contribution rate depends on the employer's risk rating.

Conditional Cash Transfers (CCTs): Cash transfers in Nigeria are based on the Latin American model using conditions linked to education and/or health. There are currently two main cash transfers being implemented in Nigeria – both are conditional cash transfers. The basic idea of CCTs is human development and is strictly attached to regular income transfers, tied to behaviour conditions, e.g. school attendance and health visits. The first of CCT in Nigeria is “In Care of the People” (COPE), and is a federal government-run conditional cash transfer which started as a pilot in 2007 and is reached its third phase. A variant of the COPE is implemented under the Conditional Grants Scheme in the Office of the Senior Special Assistant to the President on MDG (OSSAP-MDG). The second which is referred to as “Conditional Cash Transfers (CCTs) for girls’ education” is currently being implemented through the state education sector in Nigeria, supported by DFID, UNICEF and the World Bank, in Kano, Bauchi and Katsina. The Maternal and Child Health Unit of the Federal Ministry of Health also implements a CCT for mother and child.

49. The objective of COPE is to break intergenerational transfer of poverty and reduce vulnerability of the core poor in society against existing socio economic risks and improve the potential capacity for their contribution to economic development in the community, state and nation. On the other hand, CCTs for girl’s education has as its objective to reduce girls’ drop-out rates due to early marriage specifically in the transition period from primary to secondary school. The MCH-CCT aims to improve health, nutritional and educational outcomes of children in poor households. COPE was designed at the national level by NAPEP, OSSAP-MDGs and state representatives (including the Ministry of Education), with support from the World Bank and is implemented through the state governments. In 2010 the MDG Office announced that state governments would take control of the CCT through the Conditional Grant Scheme (CGS) in order to improve sustainability.⁷ The criteria for approval of CCTs under the CGS include the existence of an implementing agency, the state being conversant with CCTs, and having the supply side in place (tied to school enrolment, Primary Health Care, schools). At the state level, COPE is implemented mainly by NAPEP in collaboration with the Small and Medium Scale Enterprise Development Agency (SMEDAN) and the National Directorate of Employment (NDE), although this may vary by state.

50. Beneficiary households receive a monthly Basic Income Guarantee (BIG) for one year and then receive a Poverty Reduction Accelerator Investment (PRAI). The BIG ranges from US\$ 10 to US\$ 33, depending on the number of children in the household (a maximum of five) and a further US\$ 50 per month is withheld as compulsory savings which is provided as a lump sum (up to US\$ 560) to the head of the household. Entrepreneurship and life skills training are provided to a member of beneficiary households to maximize the PRAI payment. The payments are based on households meeting two key conditions: the enrolment and

⁷ The CGS has a number of thematic areas including education, health, water and cash transfers.

retention of children of basic school age in basic education (primary one to junior secondary education) where a child must maintain at least 80% school attendance and participation in all free health care programmes. The COPE programme is effectively the same across the country even though the name might be different. The third phase the programme is being implemented through the Conditional Grant Scheme which requires state governments to match funding for the implementation of the programme.

The coverage of the programme is extremely small. Twelve states are reported to have committed funding in this third stage:

NW: Katsina, Kebbi
NE: Bauchi, Adamawa
NC: Kogi, Niger
SS: Bayelsa, Cross River
SE: Anambra, Abia
SW: Osun, Lagos.

51. Nationally, NAPEP's own estimations suggest that COPE has now reached about 22,000 households, and Dijkstra *et. al.* (2011b) finds that 18,750 households have been trained by COPE. This results in coverage of less than 0.001% of the poor. The roll out has been uneven, and currently even with matched funding, the resources to reach a wider population are a constraint. For instance, in Jigawa, COPE reaches 50 households per LGA in 17 Local Governments, covering 850 households in total (even though there is currently a proposal to cover about 2,800 households in all the 27 LGAs) – the population of Jigawa is over 4 million and the poverty rate is 90%. In Adamawa, with a poverty of over 70% and a population of over 3 million, only 50 households per LGA in 10 LGAs (out of 21) have been targeted, reaching 500 households in total so far.

52. Targeting guidelines are set at the federal level and initially included a combination of geographical, community-based and household targeting⁸ (NAPEP, 2007). COPE is targeted at households with children of basic school age with the following characteristics: headed by poor females; aged; physically challenged; VVF (vesico/vaginal fistula) patients; HIV/AIDS patients. A Community Development Committee (CDC) coordinates the identification of target beneficiaries which most often includes the district head, social welfare officer, health assistant, headmaster of primary school, woman leader, councillor representing ward, religious leaders (one Imam and one pastor).

⁸ Initial geographical targeting included: North Central – Kogi (88.55%) Kwara (85.22%); North East – Bauchi (86.28%) Gombe (83.5%); North West – Jigawa (95.07%) Kebbi (89.65%); South East – Ebonyi (43.33%) Enugu (31.12%); South South – Delta (45.35%) Cross River (41.61%); and South West – Ekiti (42.27%) Lagos (63.58%) (NAPEP, 2007). Current COPE funding is dependent on states own financial commitment, not geographical targeting.

53. The programme is funded from the Millennium Development Goals and Debt Relief Gains fund (MDG/DRGs) along with state counterpart funding. Budget data on COPE is limited. Dijkstra *et al.* (2011) report that the allocation to three “safety nets” in 2007 was N 10 billion (USD78 million) and N 2 billion (USD 13.2 million) in 2009 through the MDG-DRG fund⁹. NAPEP (2007) states that in Phase 1, the programme cost N1 billion (USD 7.8 million) (NAPEP, 2007), with N2.4m (USD 18,720) allocated to each of the 12 states and FCT. It is estimated that each state allocated N30m (USD234,000) for BIG; N42m (USD 327,600) for PRAI, and N2.4m (USD 18,720) for NGO Paymasters (funds for beneficiaries in FCT was half that of the states, but paymasters received the same). Coordination and monitoring was N131.8m (USD 1 million) (approximately 13% of total cost for Phase 1). Currently, in Phase 3, states are required to match funding from the Federal government.

54. Dijkstra *et al.* (2011a and 2011b) submit that COPE has helped to retain over 100,000 children who would have dropped out of school due to poverty. Further, the cash transfer received by beneficiaries was used for paying for children’s school fees and related school expenses (such as note books), and beneficiaries noted that they were also able to take their children to health centres. These are the two conditions attached to the cash transfer. However, it is unclear as to whether at the end of the programme children continued in school.

55. Some households were able to invest the PRAI lump-sum into small-scale income generating activities. Reports show that the lump sum was spent on establishing a provision store, expanding farms, petty trading, supporting cow meat market, buying a machine for grinding cassava. In some states, such as Adamawa, more women than men have been targeted, as female headed households are often seen to be most in need through community targeting.

There are mixed findings of COPE’s effects at the community level in the four case studies. In Care of the People has benefited the community as beneficiaries who had formerly depended on donations and support from community members were now supported by the cash transfer and were able to set up their small businesses in the community, thus contributing positively to the economic profile of the area. The COPE programme has provided an alternative positive coping strategy. This is an important mechanism in the context of chronic poverty where many beneficiaries receive little or no other type of formal support and usually rely on begging, children hawking in the street, and support from family and friends. While no beneficiaries reported encountering any difficulties in meeting the education and health conditional requirements, where LGAs were not chosen based on the availability of the services, deficits in the supply-side did create challenges. The small value

⁹ Total expenditure includes COPE, the Youth Empowerment Project – Keke NAPEP (a soft loan scheme), and the Village Economic Development Solutions Scheme.

of the transfer was also highlighted as a key challenge, especially in the context of high rates of inflation. Indeed, the value of the transfer in the context of the recent food, fuel and financial crisis would appear to have diminished even further. As ODI (2011) find, increasing food prices have increased in a number of states for households who predominantly buy their food, including those living in urban areas. In addition, heightened fuel prices have also increased transportation costs, making it more expensive for people to travel to access basic services, particularly health care.

Protection against Health Risks

56. The *National Health Insurance Scheme (NHIS)* was established to ensure that every Nigerian has access to good healthcare services. Its other aims are to protect families from the financial hardship of catastrophic medical bills, to limit the rise in the cost of healthcare services, to ensure the equitable distribution of healthcare costs among different income groups, and to maintain a high standard of healthcare services within the Scheme. The rest are; to ensure efficiency in healthcare services, improve and harness private sector participation in the provision of healthcare services, to ensure the equitable distribution of health facilities within the federation, to ensure that Nigerians can access all levels of healthcare, and to ensure the continued availability of funds for the health sector (Olaniyan *et al.*, 2004).

57. In 1999, the Government of Nigeria established the NHIS in an effort to minimize the burden of healthcare expenditure on households. In 2005, it was officially inaugurated as a federally funded social health insurance scheme. The scheme is designed to facilitate the fair financing of healthcare costs through risk pooling and cost-sharing arrangements for individuals. The NHIS is officially organized into six social health insurance programs (SHIPs): (i) formal sector, urban self-employed, and rural community; (ii) mothers and children under the age of 5; (iii) the permanently disabled; (iv) prison inmates; (v) those in tertiary institutions; and (vi) the armed forces, police, and other uniformed services. Of all the programs, only the formal sector SHIP is currently operational. It is available to both public and private organizations of 10 or more employees. The formal sector program is mandatory for all organizations with 10 or more employees and is based on a 10 percent employee and 5 percent employer contribution, which entitles the employee and four children to healthcare, including family planning, immunizations, maternity care, and outpatient care. In comparison, the urban self-employment and community programs require beneficiaries to be members of a user group of at least 500 participants, who pay a flat rate monthly contribution towards premiums (under 10 percent), with the funding shortfall made up by donor contributions (Kannegiesser, 2009).

58. Though the country's lack of data systems makes it difficult to evaluate the NHIS, it is clear that the formal sector program has very limited coverage. Five years into operations, a

total of 5.3 million beneficiaries (3.73 percent of the population) are said to have enrolled, and largely represent formal public sector workers. Although a total of 95 percent of the federal government workforce and their families are now covered, coverage at the state level is abysmally poor with just the Bauchi and Cross River States fully endorsing the scheme for their government staff.¹⁰

59. The *Community-based Health Insurance Scheme (CBHIS)* aims to protect the informal sector and marginalized groups from the burden of high out-of-pocket health expenditures (PATHS2, 2010) by pooling risks within a community. This program is not new to Nigeria; the mismanagement of funds by community members thwarted the first attempt to implement it.

60. The redesigned CBHIS model is being piloted in 12 states with the aim, when fully rolled out, of covering 112 million Nigerians in the informal sector. The package offered by the CBHIS varies across geographic areas, given the different epidemiologic profiles of the zones of Nigeria. The core package covers essential cost-effective maternal, neonatal, and child health services and control of highly prevalent diseases that contribute to the high disease burden in Nigeria. Communities are pooled to spread risks, at least at the LGA level. Fund managers are recruited, and checks occur on finances.

61. The *Maternal and Child Healthcare (MCH)* program provides health fee waivers on primary healthcare for children under5 and on primary and secondary care for pregnant women up to six weeks after childbirth. The coverage of the target groups is universal. The MCH is supported through the DRG, and the state governments are expected to make counterpart funding available to ensure full coverage. The MCH program, which started in 2008, is being implemented in phases. In Phase 1, it was implemented in one state from each zone and in six LGAs in each of these states. Phase 2, which started in September 2009, added six states on the basis of need. Interestingly, some states have implemented their own fee waiver systems.

Protection against Education Risk

62. The *Universal Basic Education (UBE)* program, inaugurated in 1999 as a reform program, aimed at providing greater access to and ensuring the quality of basic education throughout Nigeria. The approach is to make basic education compulsory and universal up to the junior secondary level. The first batch of primary 1 pupils for the program was enrolled nationwide in the 2000/2001 academic session. The implementation of UBE is being funded by a number of different sources: (i) a federal government block grant of not less than 2 percent of the consolidated revenue fund; (ii) contributions in form of federal government guaranteed credits; (iii) donor assistance; and (iv) states' 50 percent counterpart funds. There is a UBE Commission at the federal level, while each state has a corresponding UBE Board.

¹⁰Staff at the local government level are not covered.

63. The primary aim of UBE is to ensure that all children (poor or non-poor) are offered basic (primary inclusive) and compulsory education for at least nine years. Current enrollment rates are rising steadily at all levels. Between 1996 and 2010 enrollment rates increased by about 14percent, 78percent and 207 percent in the primary, secondary and tertiary levels respectively (UBEC, 2013). Also, the number of educational institutions increased modestly within the same period, which can be attributed to the large sums of money spent by all levels of the government on building and marketing infrastructure and acquiring learning tools. The rehabilitation of schools under the UBE program could also be said to have contributed to the increase in the number of schools.

Home Grown School Feeding and Health Program

64. The *Home Grown School Feeding and Health Program (HGSFHP)* was launched in September 2005 by President Olusegun Obasanjo. The objectives of the program are to:

- Reduce hunger among Nigerian schoolchildren
- Increase school enrollment, attendance, retention, and completion, particularly among children in rural communities and poor urban neighborhoods
- Improve children's nutritional and health status
- Enhance students' comprehension of learning
- Correct the gender imbalance by increasing the female enrollment rate
- Stimulate local food production and boost the incomes of farmers

65. The program aims to provide at least one nutritionally adequate meal per school day to all children in Nigerian public primary and junior secondary schools. In the pilot stage of the program, two states in each of the six geopolitical zones of the country were selected to participate plus the Federal Capital Territory (FCT). Table 3 provides information on states selected to pilot the school feeding program.

Table 13: Selected Pilot States for School Feeding Program

South South	North Central
Cross River	Nasarawa
Rivers	Kogi
South East	North West
Enugu	Kano
Imo	Kebbi
South West	North East
Ogun	Bauchi
Osun	Yobe
	FCT, Abuja

Source: Olaniyan and Edgerton (2007)

66. The organization and governance of the program is undertaken at all levels of government (federal, state, and LGA) as well as at the community level. Two distinct functions are associated with the governance structure: political and technocratic. The political functions are carried out by various steering committees at all levels of government, while the technocratic functions are carried out by implementation committees. Monitoring teams for the HGSFHP exist at every level as well. A preliminary evaluation of the program by NAPEP in 2006/2007 indicated that the program has increased the enrollment, retention, and completion rates of primary schools in the pilot states. Nevertheless, the federal government canceled the program in 2008 because there was no feasible or documented results. A few states are trying to continue the program (Olaniyan and Edgerton, 2007).

67. The *Federal Government Scholarship Policy* aims to make higher education more accessible to qualified Nigerian students and to help indigent and disabled students gain access to higher education. Because the highly skilled labor needed for the economic, scientific, and technological development of the nation is positively associated with greater accessibility to higher education, the federal government has instituted a massive scholarship program for postgraduate and undergraduate students in all federal and state universities, polytechnics, and colleges of education. The agency responsible for administering these scholarships is the Federal Scholarship Board, which has four branches:

- Nigerian Award, which processes and implements scholarship awards for postgraduate, undergraduate, and disabled candidates in all of the tertiary institutions.
- Commonwealth Award branch (which operates as part of the Commonwealth Scholarship and Fellowship Plan), which coordinates all correspondence with other Commonwealth countries as well as with successful and prospective scholars, and receives and screens application forms before awarding scholarships.
- Overseas Award branch, which processes and implements scholarship awards received from and granted to countries with which Nigeria has bilateral educational agreements.
- Students Loan Scheme.

Protection against Environmental Risk

68. The most common environmental risks are drought, floods, and erosion. The National Emergency Management Agency (NEMA), established in 1999, has a mandate to formulate policies relating to emergency management activities and to coordinate programs and plans for responding to disasters in Nigeria. It operates beyond the narrow concept of emergency relief to embrace disaster prevention, control, mitigation, and rehabilitation.

69. NEMA is expected to be effective in promptly responding to and mitigating the effects of disasters. In the area of Search and Rescue, in particular, it has been involved in mobilizing humans and materials; providing food, clothing, and medical aid; and temporarily resettling victims in camps, ensuring their security, and providing them with stipends for rehabilitation thereafter. Although, it does not appear to possess the apparatus required to deal with

disasters involving heavy human casualties, NEMA has a standing arrangement with private sector companies and large-scale multinationals like Julius Berger, Shell Petroleum, Chevron, and others to assist in emergencies that involve monumental losses.

Protection against Old Age Risk

70. Pensions are the most common form of social protection for the elderly. These can be either private (contributory) or social (non-contributory), but both are targeted by age. Social pensions have been found to have a significant poverty-reducing effect since the cash transfers tend to be shared within the households of the elderly recipients. Social pensions have been used successfully in a number of southern African countries (Devereux et al., 2008). However, several studies that have reviewed the global experience with social pensions (Palacios and Sluchynsky, 2006 and Soyibo and Mwabu, 2011) have noted that it is essential to take into account the country-specific context, the extent of coverage required, and the relative poverty status of the elderly in the design of any social pension.

71. The World Bank has defined social protection as consisting of one or a combination of five pillars as follows Holzmann and Hinz (2005); zero pillar, first pillar, second pillar, third pillar and fourth pillar. The last four pillars are in one way or the other linked with different forms and types of pension schemes. Detailed discussions on the last four pillars and how they are linked with the pension schemes in Nigeria are discussed below.

- Zero pillar: a minimum level of protection in the form of social welfare or social assistance
- First pillar: a publicly managed, unfunded plan
- Second pillar: a mandatory, privately funded plan
- Third pillar: a voluntary, privately funded plan
- Fourth pillar: complementary services for the public and the poor

72. Nigeria's social protection system can be described as multi-pillar (see Table 14), with a few schemes to cover different sectors of the economy. The zero pillar covers social assistance and other poverty-targeted programs. This pillar would include programs provided by different government departments and financed by the governments at various levels. The first pillar comprises mandatory defined benefit (DB) schemes, including the government pension schemes. The second pillar contains the defined contribution schemes, including the contributory pension scheme run by the National Pension Commission (PenCom). The third pillar covers voluntary occupational or personal pension schemes, which include the company provident/pension schemes of large private corporations. The fourth pillar encompasses voluntary supplementary schemes, and it includes individuals buying additional pension plans or pre-need products for many contingencies in life, usually from the private sector.

Table 194: World Bank Characterization of Multi-Pillar Pension System in Nigeria

Pillar	Characteristics	Funding	Participation	Nigeria's Schemes
0	"Basic" or "social pension," at least social assistance, universal or means tested	Budget/ general revenues	Universal or residual	Federal and state welfare schemes
1	Public pension plan, publicly managed, defined benefit or notional defined contribution	Budget/ general revenues	Mandated: retired civil servants from the three levels of government	Former government pension (before 2004)
2	Occupational or personal pension plans, funded defined benefit or funded defined contribution	Contributions	Mandated: civil servants and private employees	Contributory pension scheme (since 2004)
3	Occupational or personal pension plans, funded defined benefit or funded defined contribution	Contributions	Voluntary: Private employees	Bonds and other personal savings schemes; general and/or life insurance
4	Personal savings, home ownership, and other individual financial and non-financial assets	Personal savings (financial assets)	Voluntary	House ownership, financial and non-financial assets, private insurance

Source: Adapted from Holzmann and Hinz (2005).

73. The Pension Reform Act of 2004 created the *Contributory Pension Scheme*. It is fully funded by individual accounts that are privately managed by pension fund administrators (PFAs), with the pension fund assets being held by pension fund custodians (PFCs). The Act also created PenCom to regulate, supervise, and ensure the effective administration of pension matters in Nigeria. Under the scheme, formal sector employees contribute a minimum of 7.5 percent of his or her monthly emolument while their public or private sector employers contribute a minimum of 7.5 percent of the employee's monthly emolument. An employer may choose to pay its employees' contributions on their behalf, with the total contribution for each employee having to be no less than 15 percent of his or her monthly emolument. Under this arrangement, the PFAs assume the functions of the NSITF; however, the public sector dominates the private sector in terms of both the number of contributors and the contribution amounts.

74. In its 2010 Annual Report and Statement of Accounts, PenCom revealed that there were 35 licensed PFAs in the country and that 16 state governments had enacted their own contributory pension schemes (CPS). PenCom reported that over 4.5 million people held retirement saving accounts in 2010, but given that according to the Central Bank of Nigeria, over 57 million people were employed, this represents only 7.93 percent coverage of all workers.

75. The *National Housing Fund (NHF)* requires that 2.5 percent of the income of both public and private employees be paid into the Fund as mandatory savings. As of the end of 2011, a total of 26 out of 36 states, including the Federal Capital Territory (FCT), were contributing to the NHF. This marks an immense improvement over the 2002 scenario when only three states (Jigawa, Abia, and the FCT) were contributors.

76. A recent study (Ogunsola, 2012) found that NHF has 3,657,354 registered contributors, of whom only 68,221 have received benefits, and 20,192 organizations (i.e., public and private organization) are registered with the scheme. The cumulative amount collected in the two decades between the inception of the NHF in 1992 and February 2012 was N83.3 billion. Out of this amount, the Federal Mortgage Bank of Nigeria (FMBN) disbursed N34 billion as mortgage loans, which has so far financed the construction of a total of 32,831 housing units by 18,431 NHF beneficiaries.

77. The major constraint facing the operations of the NHF is the lack of enforcement of the NHF Act, which is obviously and flagrantly violated by employers in both the public and private sectors. It is worrying that the scheme has only 3.6 million registered workers while there is a large pool of unregistered workers, ensuring that the few registered employees remit their required monthly contributions to the bank. This constitutes a huge challenge to the Fund.

Other Social Assistance

78. The main components of social welfare services in Nigeria are family and child welfare, rehabilitation of the poor and physically challenged/homeless, counseling and corrections, care of the elderly, and employment generation for the unemployed, particularly youths and young adults (as there are no unemployment benefits in Nigeria).

79. Several other social assistance programs are being implemented in an ad-hoc manner by various government ministries, departments, and agencies at the state level, while others are funded by international donors. Social welfare services are also provided within communities by elders, title holders, traditional rulers, family heads, people of same age group, and traditional religious leaders. These leaders are traditionally responsible for the maintenance of discipline and the settlement of disputes in the community, and they also offer rewards where appropriate.

82. **Youth and Social Support Operation (YESSO):** The YESSO is an operation put in place to address some of the lapses noticed in social protection in Nigeria. It became operational in September 2013. It aims at addressing the not too impressive impact of existing programs on poverty and vulnerability as well as the need to tackle the surging unemployment especially for youths. The operation supports existing institutions to effectively discharge their activities around employment, social services and safety net systems. YESSO as instrument for tackling poverty and vulnerability has as its project development objective to increase access of the poor to youth employment opportunities, social services, and strengthened safety net systems in participating states. There are four components as follows:

- Coordination
- Public workfare (poor households having unemployed youth 18-35years with <JS3)
- Skills for Job (poor households having unemployed youth 18-35years with at least JS3)
- Conditional Cash Transfer (poor households with children of school age, pregnant women and children aged 0-5 years)

83. YESSO is to be coordinated at the state level by the State Operations Coordinating Unit (SOCU) and at the federal level by the Federal Operations Coordinating Unit (FOCU). In particular, SOCU is to serve as warehouse for data for poor and vulnerable households who can benefit in the three main interventions (public workfare, skills for job and conditional cash transfer) while at the same time providing single registry of the poor and vulnerable households for any other intervention. The identification of poor and vulnerable households is done through geographical targeting (to select poor LGAs and poor communities using agreeable criteria) and community based targeting (to identify the poor and vulnerable in the communities using communities self identified criteria for poverty and vulnerability). The identified poor and vulnerable households are then enumerated using a checklist to collect data on every member of the households. The data so collected is then used to populate the Single Registry at SOCU. The single register is then tapped into by various interventions and projects to select their beneficiaries based on relevant eligibility criteria. The database at the SOCU level is also transmitted to FOCU for consolidation and warehousing of national data on the poor and vulnerable households. The existence of coordinating platform and database will assist in ensuring effective targeting that minimises errors of inclusion and exclusion, reduction of duplication of efforts, reduction of double dips, good monitoring and better impact evaluation of the programme outcomes. The first round of Community Based Targeting and single registry is being completed among the first phase states of Bauchi, Cross River, Ekiti, Kwara, Niger, Osun and Oyo.

3. Fiscal Space for Social Protection in Nigeria

84. Financing is a centerpiece for the design of strategies for the implementation of universal social protection systems. Without adequate and sustainable financing, government interventions in this field will have difficulty in achieving their ultimate goals. For this reason, the pursuit of fiscal space to finance the extension of social security is an issue that lies at the heart of the concerns of policy makers in social protection (ILO, 2012).

85. Fiscal space is a term that refers to the flexibility of a government in its spending choices, and, more generally, to the financial well-being of a government. It can also be defined “as room in a government’s budget that allows it to provide resources for a desired purpose without jeopardizing the sustainability of its financial position or the stability of the economy.” The term “fiscal space” is used variously in the literature to refer to the scope for financing the deficit *tout court* or for financing the deficit without either a sharp increase in funding costs or undue crowding out of private investment. Therefore, fiscal space is the difference between the current level of public debt and the debt limit implied by the country’s historical record of fiscal adjustment (Heller, 2005).

86. "Fiscal space" has recently become fashionable in the aid community. The concept has cropped up when governments have argued that fiscal constraints should be relaxed to accommodate additional borrowing to finance infrastructure projects. The logic is that these projects create productive assets that pay for themselves over the long term, thus creating the fiscal space that they need. But recently, the term has also been used by advocates of higher health and education outlays who have argued that these expenditures will eventually pay for themselves through higher returns to human capital. Although the term is new, the concept is not. It has long been an element of sound fiscal analysis. And the challenge of creating fiscal space is one that has always confronted governments and their advisors, including international financial institutions like the IMF (Heller, 2005)

87. Fiscal space can be determined by looking at both the scope for greater public saving through expenditure rationalization and tax reform, and the extra resources that can be mobilized from borrowing and grants. It also appraises underlying factors that affect the outcome of government policies (Heller, 2005). Seven areas for improving fiscal space include reprioritizing expenditure, boosting efficiency, raising revenue, increasing borrowing, and monetary expansion, securing more external grants and pursuing sound macroeconomic policies. Heller (2005) further posits that an analysis of fiscal space looks at whether there is room in the budget for a government to provide greater resources for a particular sector (e.g., social protection) without prejudice to the sustainability of its financial position. It considers the following mechanisms: mobilization of domestic revenues; increased discretionary expenditure through debt cancellation or increased borrowing; reallocation of expenditure between sectors; larger aid flows; improved financial

management of expenditure and increased political commitment to support an expansion in social protection provision

88. Fiscal space actually reflects the importance of clarifying ways to facilitate expanded spending by governments to foster growth through higher infrastructure spending and to finance programs vital to the achievement of the MDG particularly those related to HIV/AIDS.

3.1. Applying Fiscal Space for Social Protection in Nigeria

89. Social protection systems have historically been weak and under-resourced in most of sub-Saharan Africa (where Nigeria remains the most populous), with total spending of 0.1% of gross domestic product (GDP). This is significantly below expenditure in the sector in other parts of the world, such as the Middle East and North Africa, where the average is approximately 5.7% of GDP. Therefore there is a need to examine the current situation in Nigeria with regards to fiscal space with a view to review the need for additional financing of social protection systems and individual programmes and assessing whether there is the potential to raise expenditure on social protection in some or all of the states in the country in a sustainable manner (UNICEF, 2009).

90. In applying the fiscal space to Nigeria SP, an attempt was made to first describe the Nigerian economy taking into cognizance the six main areas of mobilization of domestic revenues; increased discretionary expenditure through debt cancellation or increased borrowing; reallocation of expenditure between sectors; larger aid flows; improved financial management of expenditure and increased political commitment to support an expansion in social protection provision. Thereafter, an analysis of the budget provision for social safety nets in Nigeria is carried out. It must be stated that analysis of fiscal space for social protection is not new in Nigeria. Hagen-Zanker and Tavakoli (2011) carried out a comprehensive review of Nigeria's fiscal space. Their work provides some guide in the discussion on the general economy and the fiscal space for social protection.

91. **Is there really fiscal space for Social Protection in Nigeria?** *Ab. initio*, there is the need to realise that the Nigerian economy has been re-calibrated using 2010 as the base year. This according to the World Bank (2014) has made the economy the largest in Africa and 26th in the world at current estimate of US\$509 billion.¹¹ The GDP growth rate is said to be 5.3, 4.2 and 5.5 percent respectively on the basis of the new GDP value. The GDP growth

¹¹ World Bank (2014): Nigeria Economic Report No 2 July. This report indicates rebasing has not been done since 1990 and that the current estimate is subject to refinement with new data set.

rate amounts to 6.9, 6.6 and 6.4 percent respectively for the three years using the former GDP calibration at 1990 constant prices. The country's revenue profile has been fluctuating since 2007. Total revenue was N5.9 trillion in 2007 and rose to 8.1 trillion in 2008 before plummeting to just N5.0 trillion in 2009. The same pattern is noticed in 2010 through 2013. Oil revenue accounts for the bulk of the total revenue in Nigeria making the country susceptible to vagaries of unstable oil prices. Hence, depending on the nature of world market price for crude oil and the stability of the situation in the oil producing region of the country, there can be high discrepancy in earnings from one year to the other. The fluctuation in revenue of the country has higher proportion of it from the fluctuations in the oil revenue. The last two years (2012 and 2013) have witnessed falling oil prices with its attendant implication for the entire economy.¹² Table 1-10 in annex 7 provides data on Nigeria's ability to finance social protection. Figure 1 and 2 in the same annex show the GDP growth rate between 2007 and 2014 and the debt service rate. The debt service to revenue ratio has been on the increase since 2007 after debt cancellation of 2005. As at 2013, the value has risen to 9.26 percent of total revenue from a low of 3.61 percent in 2007. This has implication for available resources for government activities inclusive of social protection. First, the trend may lead to inability to spend as much as possible on other sectors thereby curtailing their growth. Second, it portrays a growing debt profile for the country with its attendant debt service and the possibility of not being able to source for more credit even for development purpose. It also may affect the discretionary expenditure. However, resources can be made available from the partial deregulation of the petroleum products which frees some money for discretionary expenditure including social protection. The creation of Subsidy Reinvestment Programme (SURE-P) is for this purpose. According to the data available from the budget office of the federation, the social protection component of SURE-P amounted to N38.44 billion or barely 21 percent in 2012. Sectoral allocation of government expenditure shows that Nigeria government spending on social protection as quoted by Hagen-Zanker and Tavakoti (2012) was not up to 1 percent between 2006 and 2009.

92. Though it will seem there is fiscal space for social protection, political commitment is key. In recent time and consequent upon the partial deregulation of the oil sector coupled with the rising youth unemployment, there is some growing interest in social protection by the different tiers of government. This is further affected by the resources from the Debt Relief Gains channeled to critical sectors by the OSSAP-MDG.

3.2 Budget Provision for Social Safety Nets

93. There has been a general increase in the nominal budgetary outlays to the Social Safety Nets (SSN) activities in Nigeria during the period 2009 – 2012, just as there has been a broad-spectrum increase in the budgetary allocations to almost all sectors and activities in the economy during the period. This upward trend in government budgets is attributed to many

¹² The situation will be worse as oil prices have recently fall to its lowest level in 4 years.

factors including the general inflationary pressure in a developing economy; the rapid spread of government intervention in development activities to virtually all areas of human activities; deadweight costs of corruption in governance process and economic relations; dealing with new social challenges such as insecurity and terrorism, health problems such as HIV/AIDS and climate changes; and high costs of administration of democratic structures. In the SSN sub-sector, the increase in budgetary allocations is due to the growth in unemployment and the associated youth restiveness, high rate of violent crimes among youth population, the spread of terrorist activities, encroachment of poverty and increase in vulnerable population, among other factors.

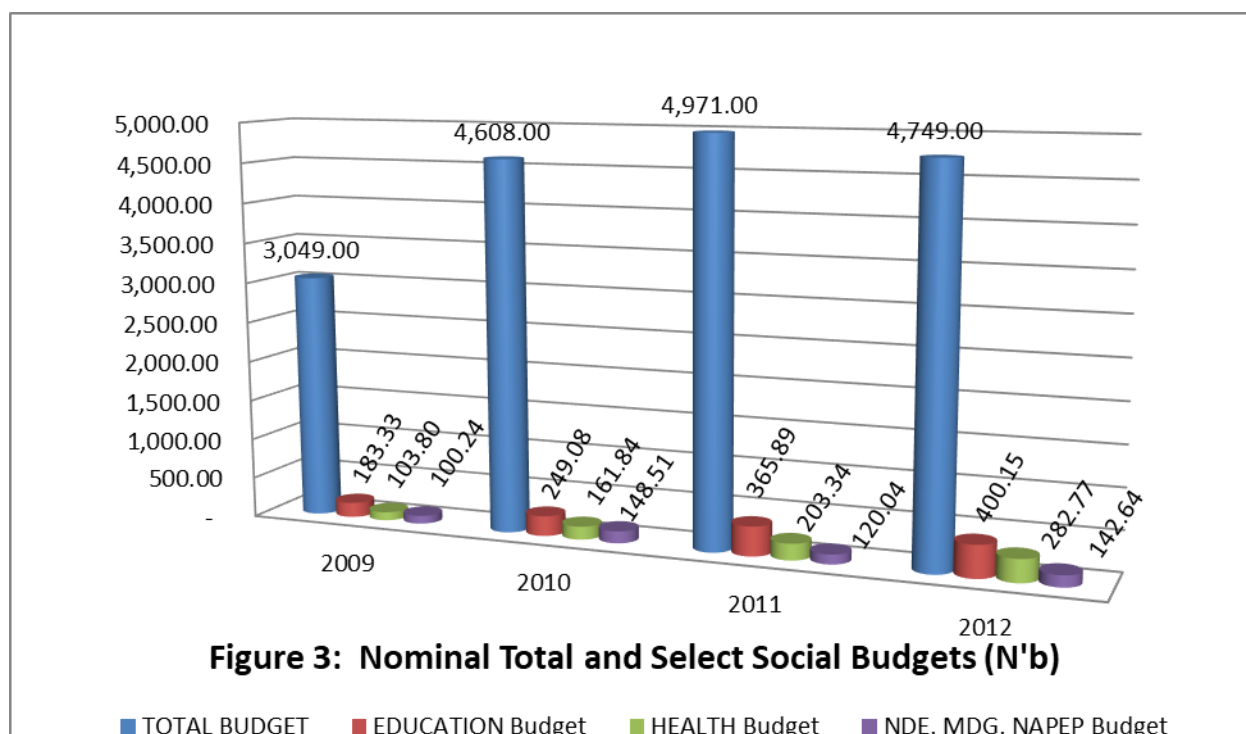
94. Even though youth empowerment and development programme is administered in many MDAs at the Federal Government level, only four project implementing MDAs (namely, NDE, MDG Office, NAPEP and Federal Ministry of Finance) have been chosen for this study. The trend of budgetary estimates and expenditure profiles for these three MDAs are evaluated in this section of report. The data used in this section were collected from these MDAs. The data were complimented by state level finances of social protection for four (Bauchi, Cross River, Kwara and Oyo). In subsequent sections, the focus of the fiscal space is on social safety net as a component of social protection.

3.2.1. Trend of Budget Estimates for Social Safety Nets

95. The Federal Government total budgeted outlays, and those of education, health, and of NDE¹³, NAPEP and MDG for the period 2009 – 2012 are used to trace the trend of the budget estimates for the SSN. The total budget outlays of the Federal Government have been increasing from 2009 through 2011 but receded in 2012. The nominal budgets by sectors are presented in figure 3. Thus while the government budget during the period has risen from N3.049 trillion in 2009 to N4.971 trillion in 2011..

96. The SSN expenditure attracts less of government attention than education or health. Even when the total budgets for three MDAs (namely, NDE, NAPEP and MDG) are pooled, it is consistently less than that of either education or health over the years.

¹³ NDE did not give Appropriation/budget data for 2012. Even at that its average nominal total budget during the 2008 – 2011 was just ₦5.993 billion with its highest budgeted amount of being ₦10.254 billion of 2010 and lowest, ₦4.031 billion of 2009. This cannot alter in any significant way the conclusion inferred from the pooled data. The same cannot be said about MDG which is the expenditure leader of the three with an average budget of ₦119.35 billion during the period.



97. The level of change in budgetary outlays is presented in Table 15. The nominal value of planned expenditure in Nigeria has been increasing faster than the real value of planned expenditure because of the imputation of inflation effects into the nominal values. Apart from the low values of the expenditure in SSN, there is also the problem of unpredictable trend of government expenditure in the activities comprising SSN. This is conferred by the fluctuations in the trend depicted by the increase in 2010 (by 16.7% from the 2009 level) but swung down by 21.1% in 2011 and then for the real budget rose back by 16.9% in 2011 to about the same level as was in 2012.

Table 15: Change in Budgets of Education Health and Select SSN MDAs

	2010	2011	2012
Change in Federal Real Budgetary Outlay	19.057	5.280	(6.049)
Change in Federal Nominal Budgetary Outlay	51.132	7.878	(4.466)
Change in Real Education Budget	7.030	43.360	7.551
Change in Nominal Education Budget	35.864	46.897	9.363
Change in Real Health Budget	22.825	22.618	36.758
Change in Nominal Health Budget	55.915	25.643	39.063
Change in Real NDE, MDG, NAPEP Budget	16.719	(21.120)	16.855
Change in Nominal NDE, MDG, NAPEP Budget	48.164	(19.174)	18.825

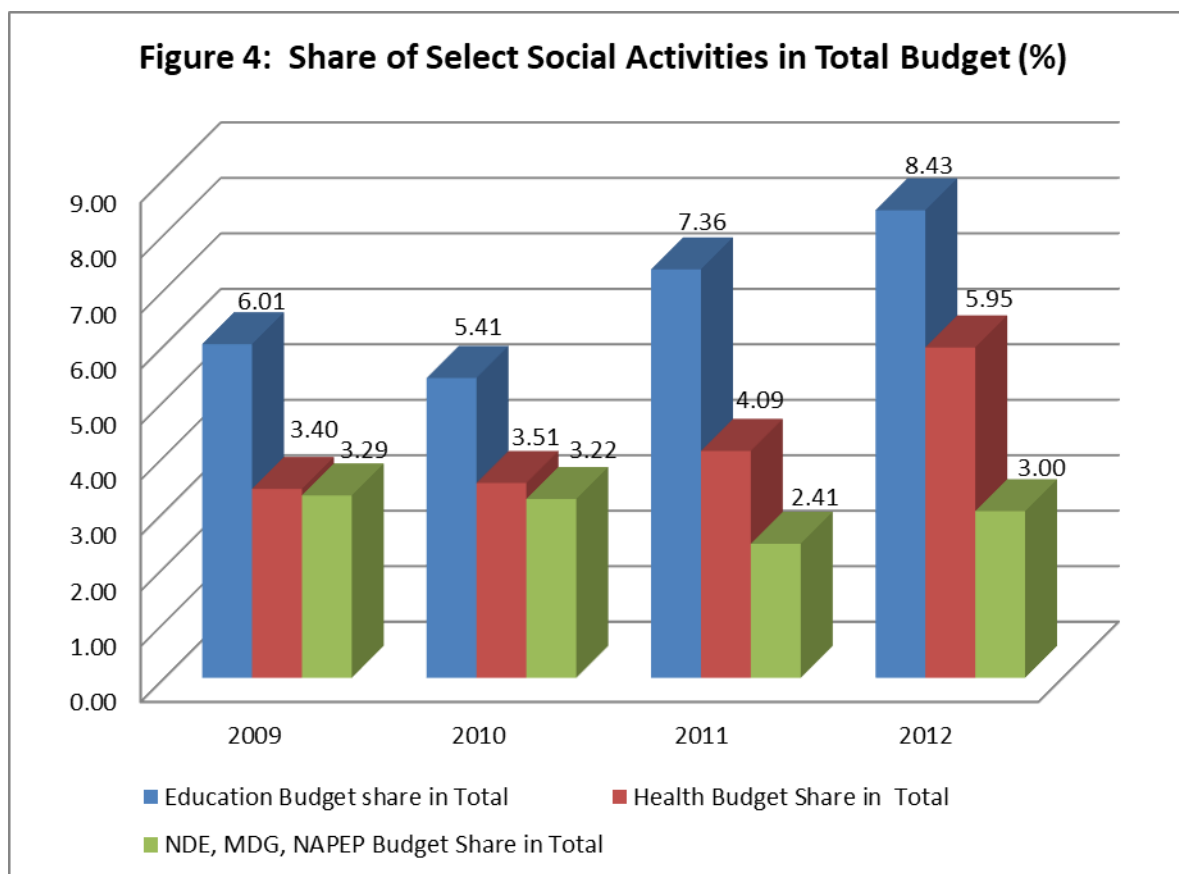
104. The rate of change in nominal budget is greater than the rate of change in real values throughout Table 17. The rate of change in the nominal value is in 2010 is more than twice the change in the real value of the budget in all the MDAs. (See the details in Table 15.)

3.2.2. Composition of Budget Estimates for Social Safety Nets

105. The shares of expenditure estimates for the social sector MDAs in the Federal Government is presented in Figure 4 below. The general pattern has been that education sector has the highest budget share throughout the period. This is followed by the health sector budget. The share is trailed at the tail by the SSN. This is the picture in all years throughout the period under consideration. The share of education in the total budget is close to twice that of any other sector in every year during the period.

106. The combined component of NDE, NAPEP and MDG in the Federal Budget yields an average of 2.98% of the Federal Government estimated expenditure throughout the period under review. The highest share of these three MDAs combined was 3.29% of 2009, with least share of 2.41% recorded in 2011. The SSN implementing MDAs are given less provisions in the budget estimate than education or health. However, it should be noted that even the provisions for education and health are a part of social services and if well managed can reduce the need for

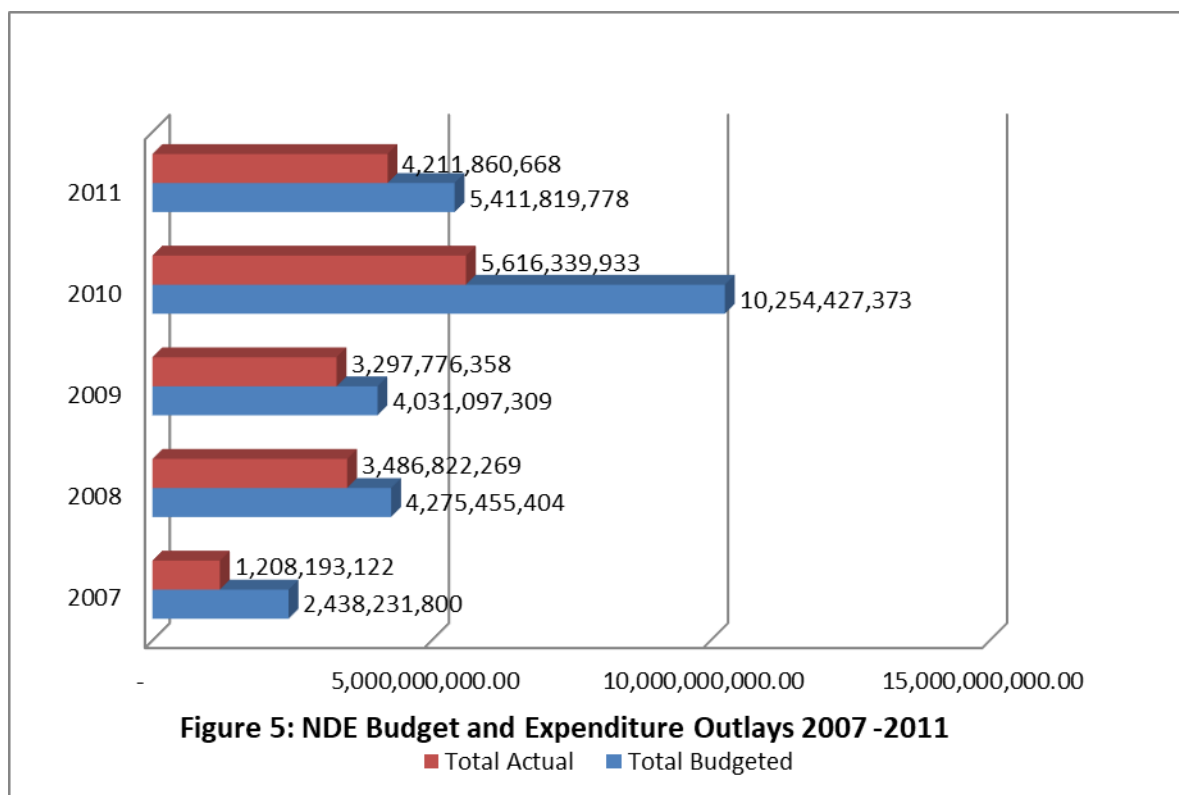
high spending on social safety nets. Besides, expenditure on health and education and their proper management can be a substitute for SSN provision in an economy.



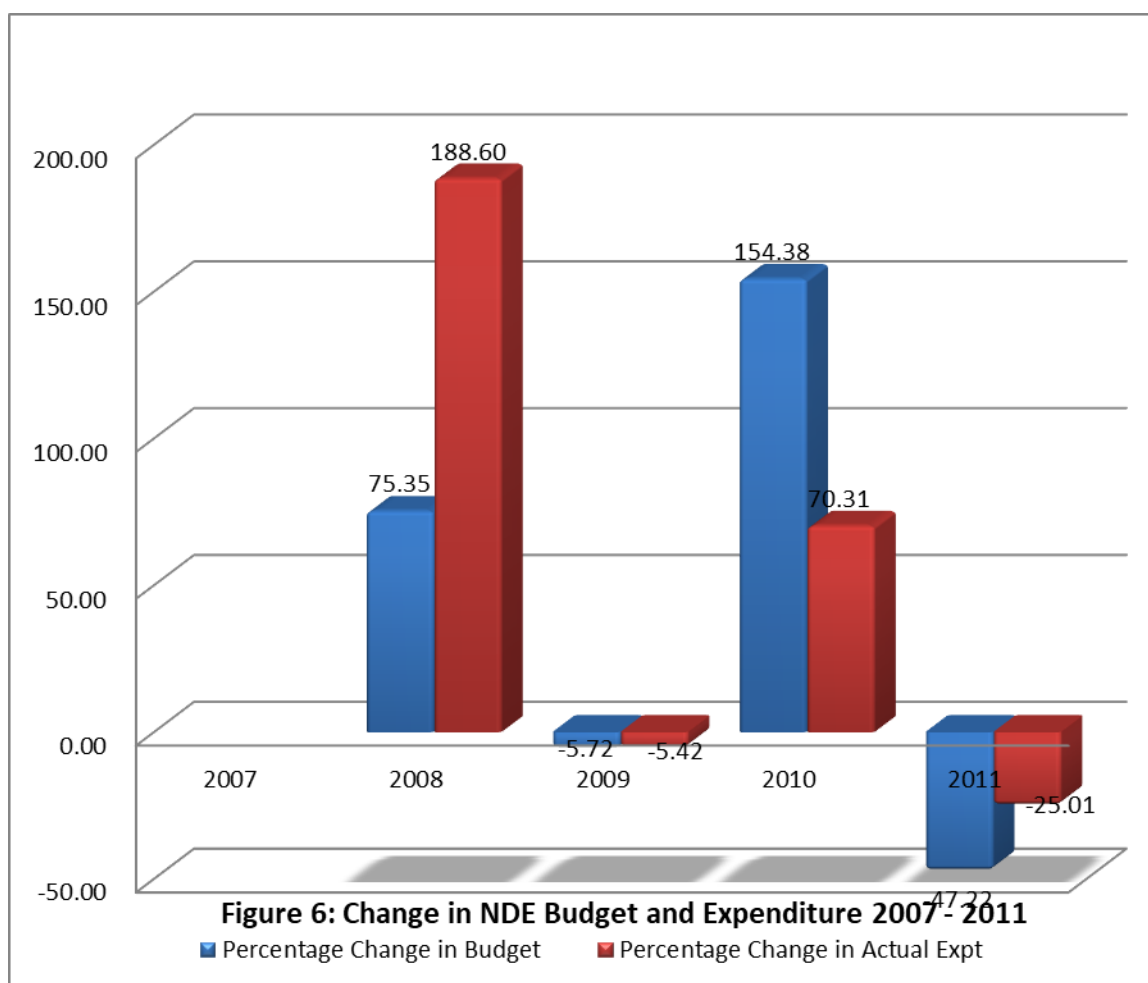
3.3. Expenditure on Social Safety Nets

3.3.1 Trend of Spending on Social Safety Nets

107. The expenditure outlay for each of the three MDAs under study is highlighted in this section. The NDE budget and expenditure for each for the period are presented in figure 4. It is evident that NDE budgets over the years have never been fully implemented. So long as these budgets have undergone reasonable process of appropriation approval at the National Assembly, the consistent underfunding by the Federal Government of the programmes and projects that have been approved does not reveal sufficient commitment of government to the resolution the social problem of young or school leavers and vulnerable tertiary school leavers for which the NDE was set up.

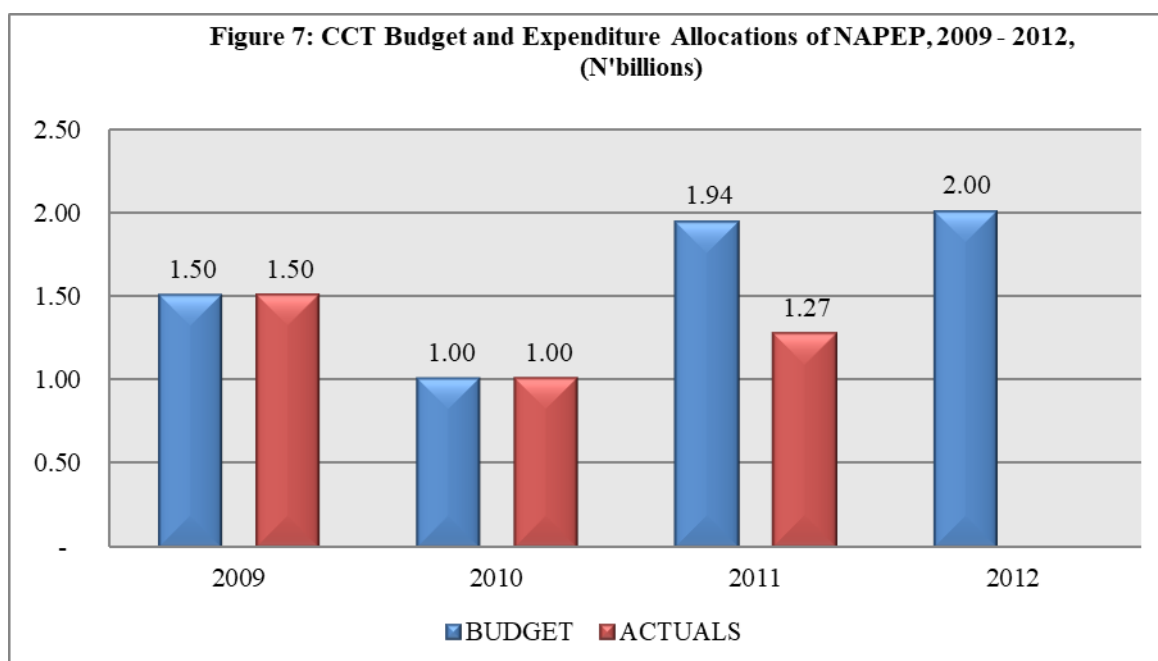


108. Another appreciable fact from the trend of NDE expenditure is the vagary of both the planned and realized expenditure. As revealed in figure 5, the budget estimate for NDE stood at ₦4.3 billion in 2008, but fell to ₦4.03 billion in 2009. The budget leaped again to ₦10.3 billion in 2010 only to nose-dive drastically to ₦5.1 billion in 2011. This is rather an unpredictable trend. The expenditure trend in NDE is similarly and characteristically lacking in predictability (See figure 5). The rate of change has been oscillating in leaps and bounds, demonstrating clearly lack of predictability and instability in the funding and commitment to the programmes. For both the budget and expenditure sides, the increase could rise by more than 150% as in 2008 for expenditure and 2010 for budgeted outlay. There was sudden and drastic reduction in both the budget and expenditure as typified the rate of change in actual expenditure of -5.42% in 2009 and -25.01% in 2011.



109. The trend of budgetary and expenditure regimes NAPEP is relatively stable, with expenditure matching as closely as possible the budget during the period under consideration. Between 2009 and 2012, the budgeted outlays were fully financed in two years¹⁴ of the four-year period (2009 and 2010). But in 2011, the actual expenditure lagged behind the budget with the release of N1.266 billion instead of the budgeted N1.94 billion. This represented a variance of N674.01 million, or 34.74% of the budget for the year. For the year 2012, NAPEP simply presented no release because it could not access any part of the funds meant for financing the budget that year (see the footnote 2 below for detail). The budget and expenditure activities of NAPEP are presented in figure 7.

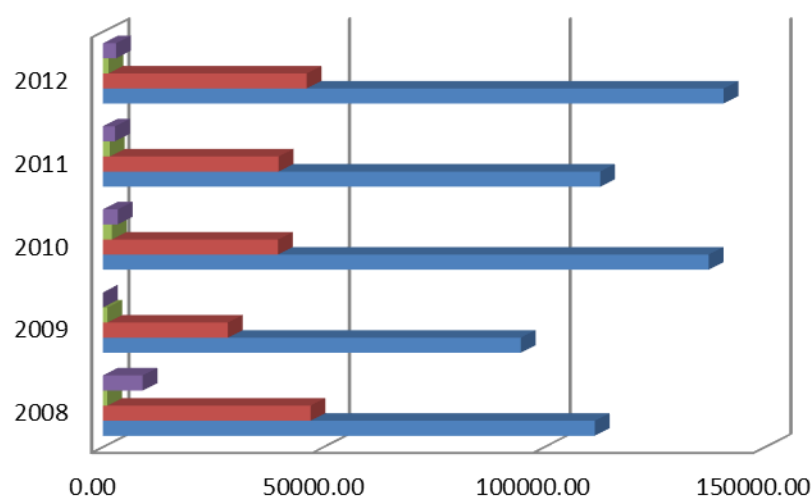
¹⁴ It would have been three years but for the very late release of funds for 2012 budget in December, followed by the mop-back of the whole N2 billion that was released. For this reason NAPEP deemed that there was no release for 2012 because the release came too late to be used and was completely returned. NAPEP has been recently scrapped.



110. For the MDG, the trend of budgeted expenditure profile is presented in figure 8. The total outlay of planned expenditure for MDG an oscillating pattern of MDG budgets in the period under review. Since MDG intervenes in many sectors of the economy, we selected the social sector comprising expenditure on education, health, youth development, women affairs and social safety nets. It was also necessary, because of the link with youth programme to single out youth development spending and the SSN spending for separate evaluation, even though the allocations to these two are low compared to MDG intervention in sectors such as power supply, agriculture, water resources, and housing and urban development activities. The two lines of activities (namely SSN and Youth Development) as shown in figure 8, retain the general trend of fluctuations in the total spending. The sub-aggregate formed for the social sector services declined in 2009 but thereafter has been marginally increasing.

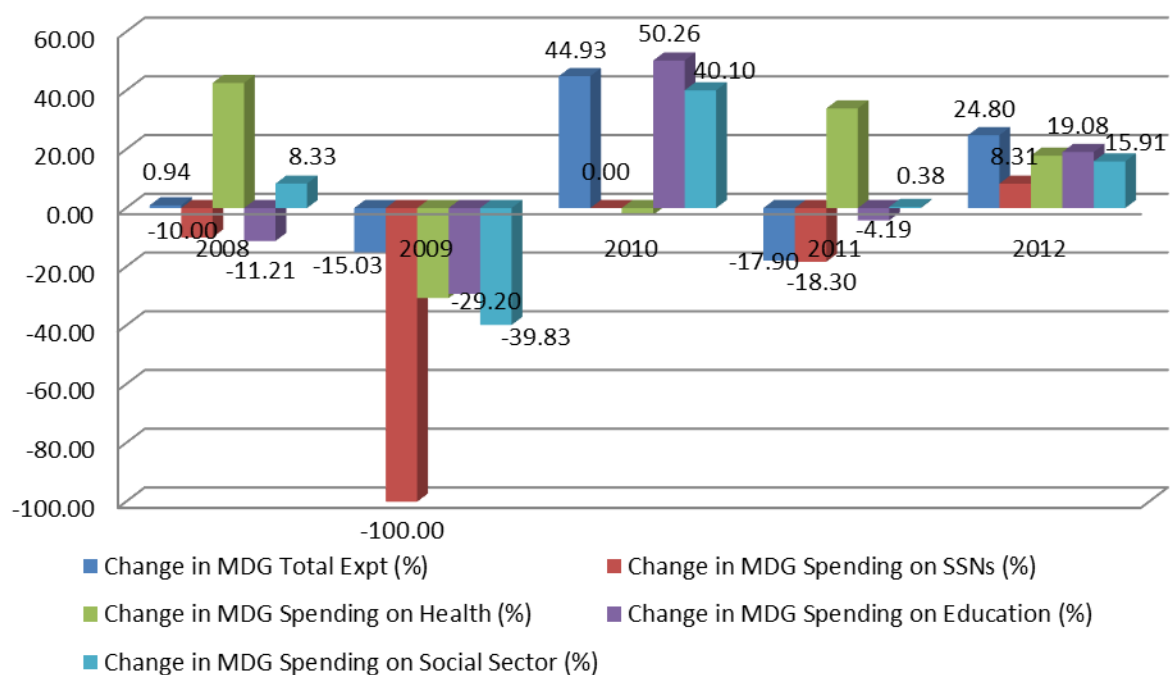
111. The rate of change for the lines of expenditure chosen from MDG is presented in figure 9. The figure aligns with the features for figure 8. The oscillating swing in expenditure, marked by positive change in value of spending (an increase) on activities followed by a negative value of change in spending (a decrease), is common to all lines of activities and MDAs selected for this exercise. For instance, in 2009 all activities in the social sector suffered a decline in funding from MDG. This general decrease in expenditure was almost repeated in 2011 when two for MDAs/activities exhibited reduction in expenditure. In 2011, MDG spending on SSN programmes fell by 18.3% of the previous year level, while education spending declined slightly by 4.19%. However, health sector received an increasing attention from MDG funding as allocation to health sector was increased by 33.94% in that 2011.

Figure 8: MDGs Spendings on Select Activities (₦'m)



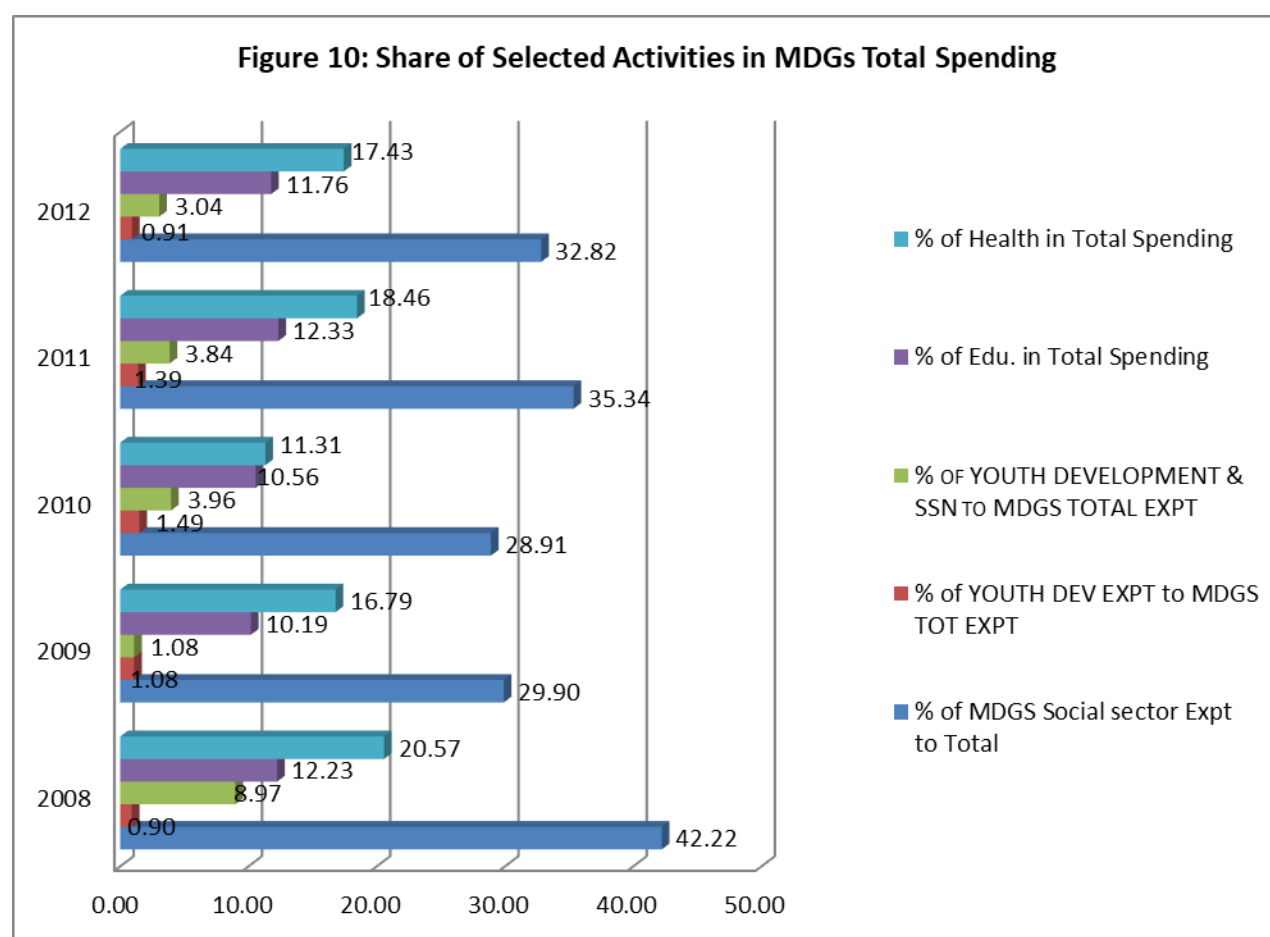
	2008	2009	2010	2011	2012
MDGs Spending on SSN	9000.00	0	3390.00	2769.77	3000.00
MDGs Spending on Youth Dev	1000.00	1026.40	2050.00	1561.91	1276.94
Total MDGs Expt on Social Sector Services	47063.58	28319.08	39676.37	39828.03	46162.87
Total MDGs Expenditure	111461.15	94705.55	137260.00	112686.34	140635.04

Figure 9: Changes in MDG Spending on Select Activities 2008 - 2012



112. The shares of the expenditure of MDG on SSN and youth development activities are important indicator of the relative preference given to SSN on the MDG allocations. Unlike the relative shares in the federal budget where allocations for education were consistently higher than those for health in the period under consideration, MDG placed higher priority on health than education. The relative share of allocations to the health sector averaged 16.91% of the total spending of MDG whereas the share of education in MDG spending only averaged 11.42% in the period 2008 – 2012 per annum over the years. This can be inferred from figure 10.

113. Youth development activities attracted an average share of 1.15% with the highest share being 1.49% in 2010. Spending on SSN by MDG was slightly higher with the average share 3.03% in MDG total expenditure during the period. The combination of the youth development and SSN activities attracted an average share of 4.18% which is lower than that of health or education. Again, it should be noted that some components of health services and other activities of MDG undertaken by MDG fall into what should be regarded as SSN. Generally MDG expenditure in the social sector yielded shares that ranged between 28.91% and 42.22%, with an average share of 33.84% or one-third of its total spending per annum during the period.



3.3.2 Composition of Social Safety Net Spending

114. The trend of actual spending on different programmes of employment creation by NDE from 2007 to 2010 as contained in table 16 fluctuates greatly. From a highest of ₦178.18 million in 2007 on Vocational Skill Acquisition Development (VSAD) Programme, the amount dropped to ₦76.77 million in 2008 and thereafter rose to ₦125.96 million and ₦131.62 million in 2009 and 2010, respectively. Also the beneficiary expenditure per capita in 2008 which stood at ₦2,158.65 rose to ₦2,490.34 in 2009 and dropped slightly to ₦2,282.63 in 2010. Interestingly, in 2008 actual spending on School – On – Wheels (SOW) which is a scheme under VSAD programme was ₦13.14 million with the per capita beneficiary expenditure at ₦5, 037.85. Also, actual spending on MDG special skills acquisition scheme, which is an NDE/MDG/DRG combination under VSAD was ₦980.60 million in 2008 but declined to ₦219.35 in 2010.

115. Spending on Special Public Works (SPW) Programme at ₦37.24 million in 2007, rose to ₦42.74 million in 2008 and dropped drastically to ₦22.05 million in 2009. Accordingly, the beneficiary expenditure per capita dropped from ₦6, 863.33 in 2008 to ₦2, 891.87 in 2009. Under Small Scale Enterprise (SSE) development Programme, actual spending rose from ₦11.08 million in 2007 to ₦91.05 million in 2008 from where it dropped to ₦33.42 million in 2009 and rose to ₦248.25 million in 2010 as the highest. Also, per capita beneficiary expenditure dropped from ₦877.09 in 2008 to ₦253.22 in 2009 and increased again to ₦1,688.67 in 2010.

Table 16: Actual Spending on Employment Creation by NDE, 2007-2010 (N' Millions)

	2007		2008		2009		2010	
	Expenditure	Exp. Per Capita (N)	Expenditure	Exp. Per Capita(N)	Expenditure	Exp. Per Capita (N)	Expenditure	Exp. Per Capita(N)
Rural Employment	4.59	Dna	7.83	1,258.08	6.69	632.66	-	-
Small Scale Enterprises	11.08	Dna	91.05	877.09	33.42	253.22	248.25	1,688.67
Vocational Skills Development	175.18	Dna	76.77	2,158.65	125.96	2,490.34	131.62	2,282.63
School on Wheels	-	-	13.14	5,037.85	-	-	-	-
Special Public Works	37.24	Dna	42.74	6,863.33	22.05	2,891.87	-	-
MDG Special Skills			980.60	na	-	-	219.35	Na

Notes: Dna = disaggregated data not available; NA = Not available

Sources: NDE Additional Information 2 Handout, February, 2013; NDE Statement of Accounts for the Various Years

116. Finally, the Rural Employment Development (RED) programme had the least spending in 2007 at ₦4.59 million. In 2008, spending rose to ₦7.83 million and dropped again to ₦6.69 million in 2009. Accordingly, per capita beneficiary expenditure which stood at ₦1,258.08 in 2008 reduced to ₦632.66 in 2009. It is worthy to note that disaggregated data on expenditure per capita was not available in 2007 for all the programmes.

117. For NAPEP actual spending was equal to her budgets for CCT in 2009 and 2010. On the contrary, in 2011 there was a shortfall of the actual spending from the budget, with a variance of ₦0.67 billion or about 35% of the budget for the year.

3.3.3 Sources of Funds for Social Safety Nets

118. Unemployment reduction programmes by NDE are mostly funded by federal government budgetary allocations. The only scheme that is minimally funded separately is the MDG special skills which are the NDE/MDG Debt Relief Gains collaboration. At the initial years of CCT implementation by NAPEP (2007/2008), the programme was funded by the MDG – Debt Relief Gain (DRG). But from 2009, funding of CCT – COPE by NAPEP had been from direct budgetary allocation to the agency. From 2009, the MDG is funding direct state implementation of CCT under the Conditional Grant Scheme (CGS) through DRG.

119. The recently introduced SSNs component of Subsidy Re-investment and Empowerment Programme (SURE-P) are funded by the proceeds from partial removal of the Petroleum Subsidy which commenced in 2012. Of the ₦180 billion SURE-P fund for 2012, only ₦38.44 billion was allocated to social safety nets (Okogu, 2012). The programmes are namely:

- Community Services, Women and Youth Employment (CSWYE) consisting of Graduate Internship Scheme (GIS), Community Services Scheme (CSS), and Vocational Skills Training Scheme (VSTS) at ₦13.6 billion;
- Maternity and Child Health Care Services at ₦15.94 billion; and
- Urban Mass Transport at ₦8.9 billion.

120. The NDE gave some data on her internally generated revenue (IGR) for 2009 – 2011. The sources of her IGR include tender fees, sales of I.D. cards, sales of unserviceable office equipment, sales of government vehicle (during implementation of monetization policy), rent advance repayment, bank interest received and sales of NDE land to staff. The proceeds from each of these sources never exceeded ₦3,673,700 which was made from sales of NDE land to Staff in 2011. The total sums of IGR for the period were ₦3,080,280, ₦6,614,508.15, and ₦5,857,861.72 for 2009, 2010 and 2011, respectively. This is insignificant relative to NDE total expenditure and budget funding requirement. However, the provision of the data on IGR in a

well organized and tabulated form is a clear indication of high level of management of information and data in NDE and by extension transparency and accountability.

121. All agencies engaging in SSN implementation depend almost 100% on the Federal Government funding through budgetary subventions. The sustainability of programmes would be more ensured if financial flows are timely and releases of allocations from the Federal Government account are not delayed. There has been a case of which the Federal Government released in December the N2 billion budgeted by NAPEP CCT programme in 2012; and in the same month mop the money back fully. Thus the NAPEP CCT budget for 2012 is regarded by NAPEP, and rightly so, as not being funded.

Table 17 below shows the share on sources of fund on the total expenditure on youth employment programmes and CCT by the project implementing MDAs of the respective agencies.

Table 17: Share of Fund Sources in Total Program Expenditure (%)

MDAs	Safety Net	Sources of Fund			
		DRG	SURE-P	Fed. Budget	Partner Fund
NDE	YEPs	20	-	80	-
NAPEP	CCT	20	-	80	-
OSSAP – MDG	CCT	100	-	-	-
PIU of FMF	-	-	100	-	-

Sources: NDE, NAPEP, OSSAP-MDG, PIU-FMF July, 2013

3.4. Data Availability and Quality of Social Safety Nets Budget Execution

3.4.1 Availability of Data on Social Safety Nets

122. There is evidence that each of the MDAs still lacks data management capacity; besides the fact that there is lack of coordination between MIS and data tracking mechanism. MDAs visited for this study have been engaging the services of consultants for the evaluation of their performance. However, the tracking of data from the reports that come out of such consultation has been effected. Similarly, there has not been translation of monitoring and evaluation reports in standard data, nor has there been any concerted coordination of activities among departments and units within an MDA for integrated data collation and management.

123. Out of the three agencies considered at the federal level, data were most readily available at the NDE. There is annual auditing of their account with the statement of such account available for public consumption. Public finance data are easily accessible from those reports. Again, their publication of Annual Report gives a synopsis of each of their programme performance.

124. NAPEP also has copious reports with a good amount of data on various aspects of activities around its mandate. However, there is evidence of lack of coordinated data management procedure within it. Nevertheless, available information and data are made accessible at request. Public finance data made available for this study was lacking in detailed breakdown. With respect to MDG Office, there are proofs that they also have periodic reports, which contain some useful amount of information and data but such report could not be made available even at official request.

125. No funding data was made available on the SSN components of SURE-P at the Project Implementation Unit of Federal Ministry of Finance. The GIS programme and all others administered under the SURE-P programme are just about a year or less, since SURE-P started in May 2012. Lack of data on the programme may be ascribed to the fledgling stage of the programme and not necessary a qualifying condition that is identifiable with the administering unit.

3.4.2 Quality of Budget Execution

126. Execution of budget among the SSN implementing MDAs is fraught with inadequate funding both in terms of short supply of funds and poor timing in release of funds for budgeted programmes. This is the ubiquitous experience for all the implementing MDAs even though each of them is affected to differing degrees. The NDE did not, throughout the period under review, receive complete funds for any year's budget. The detailed representation of yearly actual execution of budget is shown in figure 11. The average actual spending as a percentage of the total budget is 69.1%. This leaves a shortfall average of 30.9% which represents the average variances as presented in figure 12. Intuitively during the period, for every ₦100.00 budgeted only ₦69.00 was released. For NDE the year of greatest achievement of budget target was 2009 when the proportion of realized expenditure to budgeted amount was 81.81% leaving a budget variance of 18.19%, while the worst budget performance was recorded in 2007 followed by 2010.

Figure 11: NDE Actual Spending as Percentage of Budget

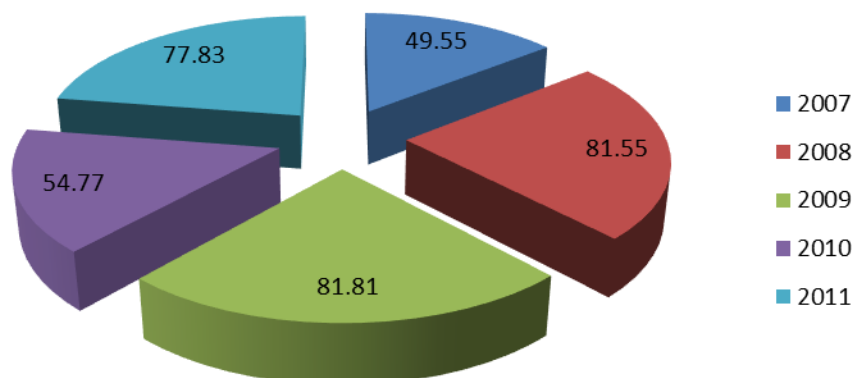
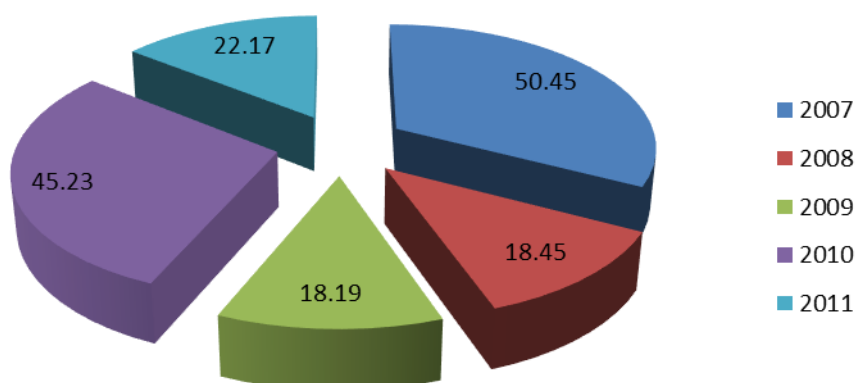


Figure 12: NDE Budget Variance as Percentage of Budget



127. The NAPEP budget implementation assessment shows that there was no budget variance in 2009 and 2010 as the total value of budget for SSN was released for each year (see figure 7). In 2011, however, the budget implementation fell short of the planned outlay, with a budget variance of N0.67 billion representing 34.53% of the year's budget. That was better compared to the experience of 2012 where the budget for SSN was not implemented at all due to lack of budget fund supply (see footnote 2 for more information). In 2012, available information from NAPEP officials indicates that the sum of N2.0 billion appropriated was actually released in December and was completely mopped up in the same month, leaving actual budget variance of N2 billion or 100%. This clearly worsened the quality in budgetary

execution by the Agency given an average budget variance of 33.63% during the period 2009 – 2012. With respect to MDG the budgeted figures were not made available. So quality of her budget execution cannot be ascertained.

3.5. State Government Finances of SSN

128. The summary of budget and expenditure for four states as collected during field exercise is presented in this section. The quality of budget execution was generally low in all the states whose data were available given the margin between the estimated budget and the actual expenditure on the public workfare. In 2011, over 80 percent budget execution performance was recorded in the states examined. The performance dropped slightly in 2012 and the worst scenario was recorded in public workfare budget execution in 2013 as less than 50 percent performance was recorded throughout the states. Table 18 presents the situation across states. Cross River allocated more than N3.6 billion in 2011. The allocation is however for youth related development.

Table 18: Summary of Finances by Selected States on Public Works (2011-2013)

States	Public workfare					
	2011		2012		2013	
	Budget	Actual	Budget	Actual	Budget	Actual
Bauchi	645,000,000	529,161,180	850,000,000	843,124,960	2,549,205,940	297,277,973
Cross River	3,672,000,000	3,339,000,000	2,270,000,000	n.a.	n.a.	n.a.
Kwara	322,000,000	316,520,000	381,500,000	299,460,000	292,850,000	95,890,000*
Oyo	n.a	n.a	1,500,000,000	1,055,450,000	1,500,000,000	287,850,000**

n.a. = not available

129. The “Skills for Job” budget performance for 2011 was 100 percent in Oyo, 140 percent in Kwara but 69 percent in Bauchi. In 2012, the budget performance was at least 99 percent for Oyo and Bauchi but 120 percent for Kwara. However, the performance of Bauchi in terms of Skill for Job execution in 2013 was just about 30 percent whereas 125 percent performance was recorded for Kwara. Data for actual expenditure for Oyo in 2013 is not available (Table 19)

Table 19: Summary of Finances by Selected States on Skills for Job (2011-2013)

Skills for Job						
States	2011		2012		2013	
	Budget	Actual	Budget	Actual	Budget	Actual
Bauchi	100,000,000	69,293,666	100,000,000	99,483,768	150,000,000	43,986,286
Cross River	n.a	n.a	n.a	n.a	n.a	n.a
Kwara	150,000,000	210,000,000	250,000,000	300,000,000	400,000,000	500,000,000
Oyo	1,500,000	1,500,000	10,000,000	10,000,000	100,000,000	

n.a.: not available

130. The budget performance for education is given in table 20. The performance was barely on average of about 60 percent for the three states considered in 2009 but less than 1 percent performance was recorded for Federal in the same year. In 2010, the performance improved for Bauchi, Cross River, and Kwara but a slightly low performance was recorded in Oyo State. In 2011, actual expenditure improved in the three states of Bauchi, Kwara and Cross River respectively in that order but the performance also dropped for Oyo state and still very poor for the federal. In 2012, the performance for Kwara still improved but a sharp drop was noted for Cross River. See table 20.

Table 20: Summary of Finances by Selected States on Education (2011-2013)

Education Expenditure (Nb)								
States	2009		2010		2011		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Bauchi	11.81	5.89	9.94	6.75	11.99	8.75		
Cross River	12.86	9.99	10.54	9.60	18.54	18.26	17.64	9.58
Kwara			7.45	6.85	8.46	8.05	10.76	10.50
Oyo	25.0	15.7	27.8	17.2	44.8	23.8		

131. The actual expenditure on health was low generally for the period 2009 to 2012. In 2009, the actual expenditures were less than 50 percent of the total except for Cross River that was barely 50 percent. The situation improved in 2010 for Bauchi. Cross River and Kwara whose performances were greater than 70 percent but a lower budgetary performance was recorded for Oyo (43 percent). In 2011, it followed the same pattern as it was in 2010. In 2012, only Kwara state achieved about 97 percent actual expenditure, Cross River was less than 50 percent (Table 21)

Table 21: Summary of Finances by Selected States on Health (2011-2013)

Health Expenditure (Nb)								
States	2009		2010		2011		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Bauchi	12.77	5.02	9.43	6.59	8.88	5.30		
Cross River	4.11	2.68	3.81	2.70	4.31	2.76	6.82	2.15
Kwara			3.50	3.08	2.64	2.93	5.37	5.21
Oyo	23.3	4.8	23.9	10.2	25.2	7.9		

132. In 2009, only Cross River actualized about 60 percent of the planned budget, the rest were somewhat poor in their actual expenditures, 42 percent for Bauchi, 20 percent for Oyo and less than 1 percent for the federal. The year 2010 recorded an improvement in actual expenditures for Bauchi, Cross River, and Oyo (though still less than 30 percent). Kwara state also implemented the social protection policy and achieved 89 percent budgetary expenditure. In 2011, the performance of Bauchi dropped by about 16 percent, Oyo equally dropped by about 20 percent of the previous year, Cross River and Kwara improved in their budget actualization but the federal performance of less than 1 percent was maintained. In 2012, Cross River recorded a downturn in actual expenditure of about 7 percent; the Kwara also fell from 150 percent in the previous year to 78 percent.

Table 22: Summary of Finances by Selected States on Social Protection (2011-2013)

States	Social Protection Expenditure (Nb)							
	2009		2010		2011		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Bauchi	4.15	1.74	3.25	1.67	9.83	4.24		
Cross River	1.54	0.92	2.09	1.33	4.39	3.06	3.59	0.24
Kwara			0.26	0.23	0.43	0.64	0.36	0.28
Oyo	3.5	0.7	3.9	1.0	3.9	0.8		

133. The actual total expenditures were above 50 percent for Bauchi and Cross River but less than 50 percent for Oyo state. In 2010, Bauchi, Cross River, and Kwara actualized more than 70 percent of the planned budget but Oyo state could only actualize barely 50 percent. The trend was the same in 2011 though Oyo state actual expenditure dropped slightly. In 2012, Kwara state performance was above 70 percent while data for other states were not available. (See table 23)

Table 23: Summary of Finances by Selected States on Skills for Job (2011-2013)

States	Total Expenditure (Nb)							
	2009		2010		2011		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Bauchi	106.76	55.27	84.72	60.46	137.48	82.47		
Cross River	84.83	61.15	78.09	54.07	118.96	91.17	143.1	
Kwara			75.29	57.28	69.51	66.69	104.16	74.53
Oyo	128.4	59.4	142.1	70.3	163.8	71.1		
Federal	3,049.00	0.884	4,608.00	1.053	4971.00	1.108	4749.00	1.041

3.6. Concluding Remark on Fiscal Space for Social Protection in Nigeria

134. The budgeted outlays for youth employment and CCT have been increasing on the average both in nominal and real terms during the period under consideration. Even though the average rate of budgetary changes is positive, indicating an increasing trend, the pattern is not consistent increase rather it is fluctuating. The share of SSN spending in the total is lower than the share of education or health in the social sector. The combined component of NDE, NAPEP and MDG in the Federal Budget yields an average of 2.98% of the Federal Government estimated expenditure throughout the period under review.

135. All agencies engaging in SSN implementation depend almost 100% on the Government funding through budgetary subventions. The sustainability of programmes would be more ensured if financial flows are timely and prompt releases of allocations to implementing MDAs by the Federal Government. The NDE IGR was insignificant total sums of IGR for the period were N3,080,280, N6,614,508.15, and N5,857,861.72 for 2009, 2010 and 2011, respectively. This is very low relative their total expenditure and budget funding requirement.

136. Execution of budget among the SSN implementing MDAs is fraught with inadequate funding both in terms short supply of funds and poor timing in release of funds for budgeted programmes. The NDE average actual spending as a percentage of the total budget is 69.1%. For NDE, the year of greatest achievement of budget target was 2009 when the proportion of realized expenditure to budgeted amount was 81.81% leaving a budget variance of 18.19%, while the worst budget performance was recorded in 2010 (given the study years of 2008 – 2012).

137. Availability of data from implementing MDAs is a major challenge. Out of the four agencies implementing the SSNs at the federal level, data were most readily available at the NDE.

4. Governance and Corruption Issues in Social Protection Programmes in Nigeria

138. Governance interpreted normatively in terms of good governance has main characteristics of voice and accountability, political stability and lack of violence, government effectiveness, regulatory quality, rule of law and control of corruption (Kaufmann *et al.*, 2010). The United Nations has considered “good” governance as an essential component of the Millennium Development Goals (MDGs), because good governance establishes a framework for fighting poverty, inequality and many of humanities shortcomings (UNDESA, 2007). According to Nzongola-Ntalaja (2003) three aspects of governance are interdependent in a society. Social governance provides a moral foundation, economic governance provides a material foundation and political governance guaranties the order and the cohesion of a society. The 2002 Human Development Report views good governance as a democratic exigency, in order to rid of corruption in societies, give people the rights, the means and the capacity to participate in the decisions that affect their lives and to hold their governments accountable for what they do (Nzongola-Ntalaja, 2002).

139. Governance in Social Protection (SP) can be seen as the set of incentives and accountability relationships that influence the way in which providers are held accountable for their behaviours and ability to deliver services with quality and efficiency. It also focuses on efficient service delivery, governance of social protection programmes and systems. There are three SP governance issues. First, are the rules of the game which define the legal framework governing the SP system, or individual programme? This includes legislation, regulations and operational guidelines such as clear criteria for eligibility, entry, and exit from programmes, and predictable and transparent mechanisms for setting benefit levels. Second, are the roles and responsibilities of actors involved? And third, the controls and accountability mechanisms which enforce broad set of mechanisms and implementation procedures for ensuring that the right benefit gets to the right person at the right time (Basset *et al.*, 2012). Engagement through these three entry points contributes to improved performance, reductions in error, fraud, and corruption, greater political support, credibility, and trust in social protection programs and institutions.

140. Social protection programmes channel a large amount of public resources to targeted beneficiaries with the aim of providing the right amount of benefit to the right recipient on time. Evidence shows that no social protection programme is immune from Error, Fraud, and corruption (EFC). According to Stolk and Tesliuc (2010) EFC present significant challenges to the integrity of social protection systems across countries. They

opine that the level of EFC applied to social protection programmes indicates the extent to which the programme is compliant with its own rules. Using data from developed countries, they submit that a four-pronged strategy to control EFC: prevention, detection, deterrence and measurement are evident. A number of actions considered in the strategy can be mapped to the governance framework. The EFC strategy emphasizes the need for developing appropriate administrative procedures (Rubio, 2011). It pointed to the need for a better definition of institutional responsibilities, adequate implementation of management information systems and thorough control and accountability systems (World Bank, 2007).

141. This section presents the governance issues in social protection in Nigeria using four state and federal government case studies. It highlights the interaction between social protection governance and some shortcomings associated with the programmes. In achieving this, information was collected from certain social protection programmes running at both federal and state levels. These programmes are on public work and conditional cash transfers.

4.1. Social Protection Governance issues in Bauchi state

142. The target group under the Public workfare and skills for job programmes are unemployed men and women between the ages of 16 and 35, youth with violent disposition (sara-suka boys) and young men and women with zero or little education/skill and young school leavers who at present could not gain admission into tertiary institutions due to incomplete results and those with inadequate education. The school leavers seeking admission into higher institutions are to be assisted with extra-mural if they have a minimum of 3 Ordinary Level credits especially in science subjects. Those without 3 credits or credit in sciences are enrolled and prepared for the National Business and Technical Examination Board (NABTEB).

143. The of target CCT are vulnerable households with children or aged persons of 60 years and above, poor female or aged headed, households headed by physically challenged /HIV/AIDs patients and households not benefiting in kind or cash from any other programme. Poverty Alleviation Program target unemployed youths.

144. Beneficiaries of the programmes are selected based on the pre-set criteria of the programmes, available records are scrutinized and beneficiaries are interviewed. The Implementation Committees in the various communities used poverty and vulnerability criteria they developed to identify poor and vulnerable households in the selection of beneficiaries. Proxy Means Tests (PMT) were then applied to verify and establish accuracy. Proxy means tests generate a score for applicant households based on fairly easy-to-observe

household characteristics (e.g. location and quality of house, education, occupation, ownership of durable goods).

145. Public Workfare and Skills for Job beneficiaries were selected by various Ward level Stakeholder Committees in close collaboration with the Commission and verified by Local Government Stakeholder Committees. To ensure equity, equal slots are allocated to the 20 Local Government Areas. Population size is used for the distribution of the beneficiaries to the Local Governments. Other slots are allocated through stakeholders. The lists of selected candidates are submitted to the Local Government Council. The Bauchi State Agency for Youth and Women Rehabilitation and Development (BACYWORD) Desk Officers in the Local Government Areas compile the list and forwards it to the Headquarters for action. The trainees are screened by the screening committee of the commission.

146. Selection of beneficiaries into CCTs is done through the use of Community Implementation Committees (CIC) using criteria and conditions specified in the State CCT Operational Manual. Cash transfers are conditional on all age-relevant family members complying with key human capital development conditionalities. Under the program, cash incentives are provided to encourage poor households to invest in the education and health of their children and women so that they can be more productive youths and adults. The programme includes conditions that require beneficiary children to attend a minimum of 85% of the school time. The health conditionalities of the CCT program include: (a) completion of vaccines according to the recommended schedule, and regular health check-ups and growth monitoring for children ages 0-7 years old; and (b) pre- and post-natal check-ups for pregnant women. Pictures of the selected beneficiaries captured and their names and other details were compiled. There is indication of adherence to the outlined procedure in the selection of beneficiaries who are among the poorest of the poor in the selected communities.

147. In the case of the Poverty Alleviation Program of the Ministry of Cooperatives and Poverty Alleviation, a committee is set up in each LGA to identify and screen potential beneficiaries at ward level. The committee is made up of District Heads, Ward Heads, LGA officials and staff of the Ministry of Cooperatives and Poverty Alleviation. A combination of geographical and community-based targeting was used in selecting beneficiaries to ensure equity of access. By geographic targeting mechanism, eligibility is determined based on the location and community of the beneficiary's residence. Areas with highest concentration of poverty are targeted. In the Community-based approach, community groups or intermediary agents are involved in identification of beneficiaries and monitoring the delivery of cash or in-kind benefits. Three (3) LGAs were selected in each Senatorial Zone. The rural LGAs were selected based on availability of facilities and incidence of family inability to send their children to school, especially the girl-child. The other three (3) LGAs are metropolitan LGAs. At the Local Government level, the LGA Implementation Committee identified and

selected the benefitting Wards/Communities within their respective Local Government together with the Traditional Rulers. At the Community level, the Community Implementation Committee headed by the Community Leader, and other interest groups in the Community selected the poor households to benefit from the scheme. Members of the State Implementation Committee, Local Government Implementation Committee and staff of the MDG Office were usually present at the community gatherings for validation of the beneficiaries.

148. Payment of benefits to BACYWORD beneficiaries is contracted to the banks. Three Accountants travel to the 3 Senatorial Zones of the State with an Officer from the Economic Intervention Department of BACYWORD to promptly pay beneficiaries of the Skill for Job programme using validated beneficiary list. Beneficiaries are paid their stipends by cash monthly at pay points located in secured public places upon presentation of the identity cards issued during enrolment. Selected locations are accessible to most beneficiaries, thereby reducing their travel time and costs. Payments are made based on attendance (duly recorded on attendance sheets), and satisfactory completion of daily assigned duties. It was mentioned that 75% attendance is required for payment of beneficiaries of the Skills for Job programme and payments are not made unless beneficiaries meet this requirements

149. In the case of the CCT program, bank employees travel with the cash for distribution to the beneficiaries who would otherwise have to travel to the nearest branch. Beneficiaries usually received payments on presentation of the identity cards issued to them during registration. The State, Local Government as well as Community Implementation Committees monitor the payment of stipends to CCT beneficiaries. Also, Community-Based Organizations, Community Leaders, Non-Governmental Organizations and Civil Society Organizations are involved in overseeing the payment exercise.

150. Procurement of goods, works and services for SP programmes in Bauchi State is backed by State procurement laws.¹⁵ Review of records and observations suggest strict adherence to the fundamental principles of procurement as articulated in the State procurement law and due process guidelines. Contracts are advertised, the Tender Evaluation Committee analyze the pre-qualified Contractors based on the guidelines. Three (3) of the Contractors are recommended to the Due Process Office for the preferred bidder to be

¹⁵ The law that established the Budget Monitoring, Price Intelligence and Procurement Unit in 2008, charged it with the responsibility of monitoring all procurement of goods, works and services by the Bauchi State Government and all entities which derive at least 35 per cent of the fund appropriated or proposed to be appropriated for any type of procurement from the State share of the Consolidated Revenue Fund. A review of the various reports of the Auditor-General of Bauchi State did not reveal any breach of State procurement laws or guidelines by agencies implementing youth employment programmes and conditional cash transfers in the State.

certified. In sum, the processes are transparent. Procurement records are properly kept, and there is no indication of influence peddling or political interference in procurement processes at BACYWORD and State MDGs office. There has been no significant procurement under the CCT in the State.

151. Expenditures on the programs are subjected to routine internal audit procedures which monitor payments, quality of work done and beneficiaries in the programmes. In addition, the Office of the Auditor-General of the State usually conduct annual statutory audit. Thus, the audit arrangement can be adjudged very effective.

152. Some common vulnerability that may increase the likelihood of error, fraud and corruption (EFC) in the YEPs and CCT in Bauchi State are basically due to intentional and unintentional irregularities. Such unintentional errors encountered are i) Wrong amount of benefit payment ii) Payments to ineligible applicants. Intentional errors in transfer programs include false statement or concealed or distortion of relevant information regarding income or household composition to bias eligibility decisions. Possible “pressure points” for fraud and errors include:

- a) Interference or political biases in the geographic allocation of programme quotas;
- b) Interference, political biases, and administrative errors in the registration process;
- c) Clientelism, interference, and/or administrative errors in the payments process;
- d) Interference in reporting on non-compliance with conditionalities; and
- e) Procurement of service contracts.

153. Corruption issues in the programmes include manipulation of beneficiary rosters e.g. diversion of funds to ghost beneficiaries. Others include bribes, collusion between staff, collusion with claimants, inappropriate practices in the selection of beneficiaries and the related risks of patronage and misappropriation of funds.

154. To reduce EFC in programmes, a number of mechanisms were employed which include supervising interviews, verifying information, comparing targeting registries with other data, carrying out random sample quality control reviews, and encouraging citizen oversight (or social controls).

155. For effective management of social safety net programmes in the state, each of the social safety net programmes has separate M&E system in place. Monitoring and evaluation of Public Workfare and Skill Development Programmes is the responsibility of the Directorate of Monitoring and Evaluation at BACYWORD. The organization is responsible for monitoring the utilization of resources for programmes and projects and checking the attendance of beneficiaries. Monitoring and Evaluation Officers from the Department reportedly conduct monthly M&E visits to organizations to check attendance registers and

confirm the number of beneficiaries. At present, there is no arrangement for beneficiary assessment and third party monitoring of project processes and impacts in order to validate progress and impacts and inform project implementation.

156. The CCT Unit of the MDGs Office and the Project Support Unit headed by the Permanent Secretary is responsible for monitoring the compliance of CCT beneficiary households with the predetermined conditionalities. School Headmasters and Officers-in-Charge of health facilities in the affected communities are also said to be involved in the monitoring activities of the intervention scheme. The CCTs attendance records were said to have been destroyed in a fire incident at the MDG office. The CCT programme is relatively new. Hence, no evaluation has been done. In effect, it is difficult to determine the extent to which school and hospital attendance has improved due to the CCT program. Overall, the M&E system in the programmes is very weak. The M&E arrangement is not results-based and the involvement of stakeholders like CSOs is very limited. Only FAHIMTA Initiative, an organization involved in youth empowerment is mentioned as being involved in monitoring the CCT programme in the State.

157. A Management Information System (MIS) exists in the three main social safety net programmes although not fully developed. The programmes have separate registries of beneficiaries and no single or unified register from which beneficiaries can be drawn for participation in the social safety net programmes. The BACYWORD has a database of unemployed and eligible youth and women in the State. But the database is not online yet.¹⁶

158. In the case of CCT, data collected during enrolment was entered into a web-oriented Management Information System. The system was used to generate the list of beneficiary households. It was developed to monitor the implementation of the programme at the community level with support from the LGAs. The system incorporates a paper-based system at the community level and an interface of the LGA computerized system. The names, pictures and other details of selected beneficiaries were captured and imputed into the computer to develop the comprehensive database.

159. Some stakeholders are involved in social safety net programs in Bauchi State. They include youth groups, community members, community/opinion leaders, government officials, government ministries, civil society organizations, non-governmental organizations,

¹⁶ In 2007, the Commission registered a total number of 423,441 of such youth and women between the ages of 18 and 35 years of different educational background. In February 2013, another comprehensive registration exercise for graduates of tertiary institutions and secondary school leavers was carried out over seven days. The exercise includes capturing of biometric data and verification of academic qualifications and permanent addresses. A total of 48,000 youth and women were registered. A new Management Information System has been developed by BACYWORD for the Skills for Jobs and Public Workfare Programmes

community-based organizations, legislators, media, and private sector organizations. Assessment shows that stakeholders have very limited roles and responsibilities in the administration of the programmes, especially in the supervision, and monitoring of implementation, third party monitoring of fund flows and validation of project progress and impacts.

160. Adequate consultation and dialogue with citizens, CSOs, private sector and other actors are embarked upon in the SSNs programmes to inform them, involve them, collaborate with them and empower them with relevant information. The information and communication strategy includes the use of effective communication tools and channels such as traditional leaders, face to face, radio, notice/information boards, town criers, churches, mosques, handbills, field visits, community meetings, age groups, television, women's associations, and youth groups. The media was used to create awareness about the CCT programme to inform the public on the implementation strategies. Messages were translated into local dialects and publicized using the media, posters and fliers. In addition, the modes of communication are socially and culturally sensitive.

161. The key issues for improving governance of SP in Bauchi revolves around the following:

- 1) Adoption modern benefit delivery systems to reduce administrative costs and leakage to non-beneficiaries, to avoid corruption, and to make transfer of payments to beneficiaries quick and flexible.
- 2) Staff SP programmes needs to know how to relate with the political class in the implementation of SP efforts.
- 3) Awareness creation campaigns and rallies for the public can help to minimize or eliminate political influences.
- 4) Establishment of the central database and ensure that beneficiaries are selected from the database.
- 5) Periodic evaluation to strengthen accountability
- 6) Civil or criminal penalties can be used against those found perpetrating fraud in the programmes
- 7) Investment in electronic systems for payments to reduce the number of errors in processing and payment systems.
- 8) There should be clear guidelines on what irregularities are, when a sanction is to be applied and who is responsible for enforcement.
- 9) Appropriate and effective monitoring and evaluation of the operations of the programmes to identify any failure in controls.
- 10) For the weak transparency in the procurement process, it is important to ensure that key stages of cash payments and procurement processes of all activities to be financed by SP are open and competitive and published to key stakeholders like beneficiary-communities
- 11) Third Party monitoring and verification of programmes is necessary.

4.2. Social Protection Governance issues in Cross River state

162. Governance in SP operations in Cross River State is based on decentralized administration. Various MDAs assigned with specific SSN programmes have limited linkages and synergies among them. Most of the SSN programmes were administered in isolation by the implementing MDAs. Those programmes achieved most of their set out objectives.

163. Targeting and selection of beneficiaries for SSN programmes in the State were not based on unified registry of beneficiaries. Selection of beneficiaries was aimed at meeting the criteria of fairness in representation and of poverty of the beneficiaries. Issues related to ascertaining the level of poverty of beneficiaries were determined arbitrarily by the selecting officials for many of the programmes. In the PW programmes, and for implementing MDA like CUDA, CR-ROMA and DOPT, recruitments of beneficiaries into their programmes are based on response to the advertisements of vacancies. The recruitment centre is often at Calabar. The MSWCD and the MWA recently have adopted the use of unified biometric captured register to conduct selections of beneficiaries for their programmes in CCTs. These two MDAs also use LGAs as their centres for selection of beneficiaries.

164. The CCTs and Skills for Jobs, adopt banking procedure for payment of beneficiaries. Some MDAs in PW also make payments of beneficiaries' stipends via the bank, while others in PW adopt both banking procedure and cahier-paying system of direct dispensing of cash to beneficiaries.

165. Procurement of goods and services for SSNs programmes in Cross River State follow strict adherence to procurement guidelines. The process is guided by the Cross River State Due Process and Price Intelligence Bureau Law No. 15 of 2011. Procurement of items within the limit of N5 million is handled internally by the MDAs, while those with greater valuation are handled under a central procurement process.

166. Audit capacity in the state may be considered as high. Annual statutory audit is usually conducted by the Office of the Auditor-General of the State. As at June 2013 when this study was undertaken, the Auditor General Office was working on 2012 accounts of the state. Up to 2011 accounts were ready and accessible. There is an Internal Auditor in every MDA.

167. The following are areas of operation in the implementation of SP programmes that are vulnerable to fraud and corruption; some are more susceptible to errors.

- a) The selection process may create the problem of unfair geographical spread and representation in selection of beneficiaries for the fact that some potential beneficiaries might not have access to information on available opportunity.
- b) The process is also subjected to political pressure.
- c) There is currently no preset cost distribution schedule for administering social protection programmes in the state.
- d) In the state, most of the approved items in the SSNs budgets have not been funded over the years, while budgetary allocation in some other sectors have been rising and receiving prompt funding attention.
- e) Many of the public workfare programmes do not specify exit time except CCTs CCTs program from the MDG and the skills for job component that MEDA anchors

168. Effective monitoring of SSNs programmes and projects in the State is done by the budget monitoring units, the implementing MDAs, NGOs, CBOs and Community/Opinion Leaders. However, there is no blueprint on monitoring of social safety net policy and programmes. Besides, the administration of monitoring of SSN activities is not coordinated as required by YESSO. The information in monitoring reports is not transformed into usable data. Monitoring units of the implementing MDAs have been responsible for monitoring the Public Workfare programmes. The work behaviour of beneficiaries as well as the adherence of contractors to contract terms is monitored. In the case of large-scale construction contracts, some private consulting firms are usually contracted for monitoring and evaluation. Supervision and monitoring are fused together in PW programmes by some implementing agencies concerned.

169. In CUDA, for example, all senior staff members are occasionally conscripted into monitoring team. The effectiveness of monitoring of work activities of PW beneficiaries is reflected in the level of cleanliness of the Calabar City. Currently, the monitoring efforts are not linked with data generated on commitment to duties among beneficiaries. MEDA is the agency that coordinated the skills for job programmes in the State. The agency is more concerned with the effective repayment of loans by beneficiaries. The involvement of MEDA in monitoring is more visible from the lending point through the repayment period. The training in the skills for job programmes are handle by NGOs, such as POWER and Supreme Coalition which have capacity to monitor the level of participation of beneficiaries. However, there is no linkage of monitoring activities reports with MIS for effective assemblage of data. The registration system for this component of SSN programme and the monitoring activities are very effective, even though MIS linkage is also lacking. Reports on monitoring are filed properly but the data contents in those reports are not separated and processed to retrievable data. There are evidences that recommendations from monitoring reports are used for decision making on the programmes.

170. Stakeholders (including NGOs and CBOs) are involved in programme monitoring and evaluation of SP interventions. The Supreme Coalition has been supportive in skills for job and entrepreneurial development programmes, working with MEDA. They are involved in the selection and training of beneficiaries and establishment of shops for qualified/graduated trainees. One of the startling findings of their monitoring activities in each stage of programme they monitor is that almost all those who have absconded from their training programmes are the nominees of politicians. In the public workfare component, CR-RAMP has used the CBOs in the rural communities which are corridors to their roads. Members of the CBOs in the project communities monitor the activities of the contractors and provide security for construction equipment and materials. This arrangement, according to CR-RAMP, has engendered congenial working environment for the timely delivery of the projects.

171. Information management is poor in all MDAs that are connected to the implementation of Social Protection Programmes in the State. There is integration and intensive interaction among departments within the participating MDAs. For this reason, data management is so much uncoordinated, with poor work output of data. There is no intranet and officially subscribed internet facilities. The PIU in Skills for Jobs component (MEDA) MIS adaptation are reflective of the private sector orientation. Data are easily available and accessible in this agency. The organization is also very responsive to public demands on them. The NGOs like Supreme Coalition and POWER, participating in training and skills development, are really backward in the adoption of effective MIS. Supreme Coalition only has one old dysfunctional computer unit that the secretary manages for typesetting of documents. For Conditional Cash Transfers programmes, computers are used, but this does not translate to the adoption computer based MIS. The units/departments in those MDAs are still unintegrated; middle level administrators are assigned personal computer sets. Data management is still manually done and therefore not linked to every aspect of work-design. There is no intranet and officially subscribed internet facilities. There is a need for capacity building in human capital and equipment.

172. The following are necessary to strengthen institutional governance of SP programmes in Cross River State:

- 1) Increase of manpower in MIS and computer applications and supply computers and software for effective service delivery;
- 2) Clear harmonization of institutional functions, definition of organizational structures and design of work-flow charts;
- 3) Embark on coordinated computerization and networking of the work-system in the implementing MDAs;
- 4) Standardization of management information system and intensification of data management for decision making;

- 5) Conscious development of data-based decision making models for use by administration of SP programmes.

173. Mitigating measure for corruption issues include:

- Strengthening of policy and programme monitoring processes and mechanisms;
- Public demand for social accountability responsiveness from the government;
- Encouraging the government and its MDAs to adhere to fiscal responsibility principles;
- Involvement of CBOs and NGOs in the M&E processes and demanding clarification from government on issues raised from such independent monitoring units.
- Government institutions abiding by the Public Procurement (Due Process) Law.

4.3. Social Protection Governance issues in Kwara state

174. The Kwara state government in its commitment to address poverty and unemployment has made effort to strengthen and institutionalise social safety nets in the State. The set out objectives are rightly targeted following useful procedures.

175. The skill development program in Kwara State was designed for unemployed graduates, semi-skilled, un-skilled and vulnerable youth within the 18-35 years age bracket. The Community-Based Approach was used for the selection of beneficiaries in most of the skills development programmes sponsored by the State Government. KWABES Corp Members in 16 LGAs, Liason Officers in the LGAs and Ward Development Associations were involved in the Selection of beneficiaries. Opportunities are provided for youth groups, women groups as well as political and religious leaders to include names of candidates. The lists of beneficiaries are compiled at the various LGAs. Selection was made based on qualification, LG spread and gender adhering to rules, regulations and pre-set criteria. Rules, regulations and pre-set criteria for offer of opportunities are adhered to especially as it relates to qualification, local government spread and gender. Some are of the opinion that patronage was less than 15 percent in the programmes. It was mentioned that two LGAs (Baruten and Kaiama) did not have a single graduate during the selection of beneficiaries. The selection criteria were lowered for them but the selected applicants were placed appropriately by qualification. Eligible youth are encouraged to register on the portal provided by KWABES through newspapers adverts and radio and television sensitization activities. Beneficiaries are selected based on qualification, eligibility and available space.

176. The clean and green programme essentially has as its targeted beneficiary vulnerable members of the society especially women who constitute about 90% of the workforce and unemployed men (10%). Employment forms were issued out to prospective operatives and selections made after an interactive oral interview. Selected applicants are also distributed to the 16 LGAs of the State.

177. Stipends of the beneficiaries are funded by the State Government but paid by the respective contractors managing them. Funds are transferred electronically by the Ministry of Finance to the accounts of the contractors managing the projects. The contractors in turn pay the stipends of the beneficiaries to their respective bank accounts. The beneficiaries in the Skills for Job receive their stipends through bank accounts.. Each beneficiary obtains a clearance letter from his/her employer, endorsed at the KWABES office prior to payment. There is indication of that delay in fund release sometimes constrains the smooth and effective implementation of social safety net programmes in Kwara State. Beneficiaries (especially the first two sets) indicated that money was paid to them during off-farm season. Payment delays were also traced to the cumbersome demand of banks from the beneficiaries of the programme.

178. State procurement law or guidelines were strictly adhered to by agencies implementing Youth Employment Programmes and Conditional Cash Transfers programmes in the State. Responses by key informants, review of records and observations during the mission visit suggest strict adherence to the fundamental principles of procurement. Expenditure on the programmes is subjected to routine internal audit procedures which monitor payments, quality of work done and beneficiaries in the programmes. In addition, the Office of the Auditor-General of the state usually conducts annual statutory audit. Thus, the audit arrangement can be adjudged very effective. By July 2013 the Auditor General's Office was already working on the 2012 accounts of the State.

179. Operations of the various programmes are vulnerable to error, fraud and corruption. Some susceptible/ recorded errors in the skill development programme include;

- 1) Bank mistakes - In one case, someone's passbook was used to collect money at the bank without the bank doing the necessary checks.
- 2) Error in the payment process like the payment of beneficiaries who did not work.
- 3) Administrative error in like double capturing of beneficiary's name and
- 4) Dual local government capturing of beneficiary.
- 5) There was allegation that funds meant for payment to fish farming trainees were diverted.
- 6) There is a high risk of the presence of ghost beneficiaries especially as the beneficiaries do not wear uniforms.
- 7) The most apparent corrupt practice is political interference by politicians, traditional and religious leaders in the State during the selection of beneficiaries.

180. The effectiveness of the programmes is monitored and evaluated. The Ministry of Environment and Forestry undertakes the monitoring and evaluation of projects through its Planning, Research and Statistics Units, the Directorates of Environment and Forestry Services. Monitoring durations include mid-years monitoring, monthly meeting and periodic

visit to sites. There is no evidence of stakeholder involvement in the monitoring of the Public Workfare programme.

181. Monitoring activities for skill development programme include periodic head count, issuance of clearance letter before monthly stipend is paid. The monitoring activity is carried out by the KWABES monitoring and evaluation team. In addition, the Youth Empowerment Coordinators in the 16 LGAs submit monthly monitoring reports to the Office of the Special Assistant on Youth Empowerment. Some external NGOs like the National Youth Council are engaged to embark on independent periodic monitoring exercises. Monitoring exercises are usually done monthly but in some cases unplanned checks are conducted. To reveal that there is a link between the M&E system and the payment system, the organization where beneficiaries are posted are expected to submit a photocopy of the register for the period. The Office of the Special Adviser (SA) Youth Empowerment submits monthly reports to the Executive Governor. Monitoring reports are said to have been used in planning and budgeting, improvement of programme strategy, and enhancing productivity.

182. The Office of the SA Youth Empowerment has a robust database of the unemployed youth in the State. KWABES uses its online portal to register beneficiaries and disseminate information.¹⁷ A strong networking system is in place to exchange information within the office and with the Youth Empowerment Coordinators. Social media is also being used as MIS tools in getting feedback from the public on its activities and necessary changes. The MIS of the Clean and Green programme is coordinated in the Planning, Research and Statistics Unit where data and information related to the projects are stored, analyzed and interpreted.

183. KWABES communicates with stakeholders through dialogues/meetings, correspondences, town hall meetings, and media channels such as radio, television and newspapers. Also, electronic mails are sent through the internet and short message services using mobile phones. In spite of the many channels of communication, many consider current levels of advocacy and enlightenment by the Scheme inadequate.

184. Based on the findings the following are recommended;

- 1) It is also important to reduce the influence of political, traditional and religious leaders in the selection of beneficiaries.
- 2) A central database is required for selection of beneficiaries.
- 3) Identify staff training needs and train relevant staff for effective project implementation.
- 4) Funding levels also need to be scaled up to enable the programme implementation agencies to fulfil their mandates and have the desired impact.

¹⁷ About 73,000 unemployed youth have registered on the portal. Out of this, 55 percent are male while 45 percent are female.

- 5) Local Government Area Councils need to show more interest in the Malete Farm programme. The beneficiaries need to be provided with land cleared by the LGAs to enable them step down their training to the grassroots.
- 6) More importantly, for continuity and further encouragement of the youth, release of loans to beneficiaries as at when required while moratorium is extended based on the type of activity.
- 7) All beneficiaries should be paid through their bank accounts.
- 8) A central database is required for selection of beneficiaries. This will overcome current challenge of beneficiaries benefiting from multiple programmes.
- 9) A more robust M&E system needs to be introduced in all the social safety net programmes and programme impact needs to be determined for greater effectiveness. The involvement of stakeholders in programme monitoring is very important.
- 10) Effort should be made to assemble data on the social safety net programs for them to be accessible in a unified format.

4.4. Social Protection Governance issues in Oyo state

185. Good governance is intended to support the State Government in its commitment to strengthening and institutionalizing social safety nets in Oyo State. The social safety net programmes that are implemented to address poverty and unemployment in the State. The set out objective were rightly targeted following useful procedures.

186. YES-O beneficiaries were selected by the Agency for Youth Development with the assistance of Zonal Officers through the Community Development Associations in all wards in the state. The Local government Community Development Officers also supported the process. Some beneficiaries had close associates holding official positions who might have influenced their selection. The beneficiaries are paid their monthly stipends through the banking system. Payments are made based on attendance records of beneficiaries. There were complaints of delay in the payment of stipends.

187. State procurement laws or guidelines were strictly adhered to by agencies implementing youth employment programmes in the State. A review of the various reports of the Auditor-General of Oyo State did not reveal any breach of procurement. Expenditure on the programmes is subjected to routine internal audit procedures which monitor payments, quality of work done and beneficiaries in the programmes. The Office of the Auditor-General of the State usually conduct annual statutory audit. Thus, the audit arrangement can be adjudged very effective.

188. Common errors identified in the programmes include; Political interference in the selection process, error in the payment process like the omission of beneficiaries and multiple payments of beneficiaries.

189. Programme Monitoring and Evaluation mechanism consists of monitoring of attendance, supervision by Zonal Officers, CDAs, youth organizations and monthly verification of the activities of the cadets. Although reports were produced at each stage, effective M&E system is still lacking.

190. Information Management is manually operated in the SP programmes in the State. The public workfare programme unified registry is evolving through MIS. The Skills for job has a unified registry of beneficiaries, but MIS is also manually operated. However, Communication Strategy adopted in the programmes is poor. The AYD communicates with stakeholders through social media, letters posters and handbills. Also, short message services are sent using mobile phones. The Agency has not considered using media channels such as radio, television and newspapers.

191. Based on the findings the following are recommended;

- 1) Adhere to the criteria for the selection of beneficiaries and ensure stakeholders appreciate the fact that the success of the programmes depends so much on in adhering to the rules and ensuring equity.
- 2) A very robust central database is required for selection of beneficiaries. Use of unified database will significantly address challenge of beneficiaries benefiting from multiple programmes.
- 3) Train the MIS and M&E officers as identified and train other relevant staff as training needs are identified for successful project implementation.
- 4) Funding levels also need to be scaled up to enable the programmes achieves the desired results.
- 5) Delays in payment of stipends and errors associated with payment needs to be addressed.
- 6) Efforts should be made to involve Local Government Area Councils and the private sector more in the financing of social safety nets in the State.
- 7) A proper M&E system needs to be introduced. The involvement of stakeholders in programme monitoring is key.
- 8) Effort should be made to assemble data on the social SP for them to be accessible in a unified format.
- 9) Dedicated telephone lines need to be provided to enable members of the public voice their grievances

4.5. Social Protection Governance issues at Federal level

192. Targeting and selection of beneficiaries is done at the state level because beneficiaries reside there. Criteria for targeting of beneficiaries by MDAs are duly set in their respective programmes and schemes. Selection is done at the state level of the MDAs, sometimes in collaboration with the related state MDAs. The selection of beneficiaries for NAPEP and MDGs CCTs is based on pre-set criteria for core poor households such as:

- Households with children of under five years of age to benefit from free medical care and immunization;
- Households with children of primary and junior secondary school age to make 70% attendance at school;
- Households with pregnant women who must register and receive medical attention from health centres or hospital;
- Households headed by HIV/AIDS or with VVF patient; and
- Child-headed households.

193. In the case of NDE training schemes the beneficiaries include all cadres of youth (secondary school leavers, national diploma, higher diploma and graduates). On the other hand, beneficiaries of GIS of the CSWYE of FMF must be graduate youth of tertiary institutions, who must present their certificate for sighting or even as collateral for the graduation loan for set-up of businesses. This is also an assertive means of right targeting. Selection of beneficiaries for GIS is based on an existing database. Adverse targeting due to factors such as communal pressure, local political influences, corruption on the part of field officials, which are easily observable in the state programme targeting, are also noticeable in social protection programmes administered by Federal MDAs under study. Every MDA is mostly interested in the selection criterion of existence of fair representation in terms of federal character and, within the state, spread through the LGAs. There is no central unified register, at the moment, from which selection of beneficiaries is done in other MDAs participating in YESSO programmes. Selection for each programme is usually done at the inception of the programme, which is expensive in terms of time and financial resources committed to the repetitive selection by each MDA.

194. All federal MDAs visited at the Federal level which had financial commitments to beneficiaries make payments through the banks. This has been the practice in the MDGs and NAPEP CCTs programmes. For the NDE programmes which involve some schemes in entrepreneurship training may entails some financial capital outlay for start-up of business. Such payments, normally treated as soft loans, are usually made through the bank accounts of the beneficiaries.

195. The procurement process of programmes is guided by the Procurement Law of the Federation. The NDE engages in procurement through sourcing for consultants and resource persons and by purchases of goods (machine, equipment and tools) for establishing shops for the graduates of training schemes. The process of procurement in NDE is conformable to procurement due process.¹⁸

¹⁸ For any contractual transaction exceeding N5 million, NDE will have to advertise for expression of interests. The responses on the expression of interests will be evaluated by the Procurement Committee; those who are rated well enough are then requested to submit technical proposal and financial proposal on the contract. The technical proposal will be opened and graded by the procurement team, which may bring experts in the field relevant to the proposed contract/procurement. From the technical proposal two or three who make up to a pre-set score (may be 80%) are selected for competitive bidding which entails opening of

196. The Audit Departments of MDAs are specifically concerned with the examination of the accounting records and financial information. Evidence from those sources affirms conformability of the financial system to established standards and principles. Auditing considered include financial audit and project audit. Functional audit department is found in every MDA, the department reports to the head of an MDA. In some of the MDAs visited, the audited accounts are usually later than expected. NDE has accessible audited accounts which are enclosed in their Annual Reports. For other MDAs, it is difficult to get their audited accounts. Project Audit is administered by the Monitoring and Evaluation Department of the respective MDAs. Project monitoring reports are more prompt and easily accessible than audit reports because of the nature data/information input required for their preparations. The NDE carries out its M&E through the inspectorate department and the planning, research and statistics department.

197. All human-organized system or any public organization where agency arrangement is adopted for execution of its functions is susceptible to errors, fraud or corruption. The level of vulnerability depends on the degree of supervision/monitoring of activities and behaviour of the officials charged with the responsibility of handling any duty under consideration. In the social protection programmes, the areas that is susceptible to mistake include adverse selection of beneficiaries wrong targeting and payments to beneficiaries who may not meet the criteria to continue to benefit from the payments. Fraudulent practices were sometimes spotted at the community level where some community leaders were said to have placed corrupt demands on the CCT beneficiaries before being selected. No fiscal corruption in terms of misappropriation of fiscal resources has been reported in the social protection MDAs visited. Cases of poor timeliness in budgetary fund releases are common practice.

198. Monitoring and evaluation framework involves several of activities. The NDE has high capacity for monitoring its programmes all over the country. Its monitoring is handled by the Monitoring and Evaluation Department at the Federal level, the Department is replicated in NDE State offices all over the country. The State Monitoring and Evaluation Units submit their monthly monitoring reports to the supervisory federal office.

199. The CCT programmes are handled by the NAPEP and MDG Office. CCTs programmes are monitored from the selection, through the payments and exit of the programme. The operational structure and modality for monitoring is similar to that adopted by the NDE. The NAPEP has the Research, Monitoring and Evaluation Department which is

the financial proposal. The person or organization with the most reasonable low bidder, which may not necessarily be the lowest bidder, is then awarded the contract.

headed by a Director who reports to the Executive Secretary of Programmes. The programme execution activities of the state offices are monitored by the M&E unit in the State Office and such monitoring reports are forwarded to the Research, Monitoring and Evaluation Department in the Headquarters for information. The decisions concerning the monitoring outcome at the state level is taken in the state offices but the monitoring reports from all states must be sent to the NAPEP office at Abuja on quarterly basis.

200. MDG CCT has a Monitoring and Evaluation Department in the Headquarters and in all the 36 State Offices. The programme is monitored mainly at the state offices of the MDG. Occasionally the monitoring official at Headquarters in Abuja also goes to the field for a random on-the-spot assessment or for a case-specific assessment. The MDGs also have been engaging the services of consultants to carry out systematic monitoring with some official report given on the performance of every state office. The reports on monitoring activities are usually evaluated by both the respective State and the Headquarters for the purpose of using the inferential conclusions from such evaluations to guide decisions on CCT.

201. Monitoring of programmes at the Federal Level is conducted in multiple stages: the Federal Monitoring and Evaluation Units of the NDE, NAPEP and MDGs respective Monitoring and Evaluation Unit in the Headquarters coordinates monitoring activities in all states offices. The Monitoring Unit in their State Offices turns in their monitoring reports to the headquarters, but the state offices have the responsibility to take steps to ameliorate the situation contained in such reports. Apart from the monitoring units in the MDAs, Local Government field officials such as Agricultural Extension Officers and Social Welfare Officers perform vital monitoring functions for social protection programmes generally. The NGOs and CBOs based at the states also have played major roles in project monitoring at all stages of social protection programmes by offering some useful assistance in monitoring programmes administered by the Federal MDAs.

202. All MDAs visited even at the state level identified the need for computerisation and computer training for staff as a one of their focal objectives. For skill development programmes, NDE has information management system which is more adaptable and closer to the modern MIS. The NDE has a strong database. It has been publishing its annual reports which contain organized set of information and data on activities of NDE. The Report contains data on performance of each programme of the NDE. The collation of the information and transmuting the information into dataset has been part of the processes of MIS and a usual administration procedure in NDE.

203. Integrated MIS adoption gaps in the NDE may include

- 1) Data publications may not represent the true picture of the readiness for the utilization of MIS since such publications are mostly handled by consultants/contactors.
- 2) The level of computerization is still lower than can facilitate the use of modern MIS even at the Headquarters.
- 3) Interdepartmental sharing of information is still low and it is difficult to obtain all information concerning the organization from one point without going through many offices.

204. The NAPEP and MDG which are the implementation unit for the CCTs share similar difficulties with other MDAs with respect to MIS. The NAPEP has more information structure and dataset than the MDG Office. Given the mandate of NAPEP as the coordinator of poverty policies and programmes across the country, it generates the responsibility of gathering data on the subject. Adequacy of the modern Management Information Systems in MDAs at the Federal Level is stronger than the state counterpart. This is because annual publication reports by NDE offers a good foundation for information gathering and data accumulation. The reasons for this performance among MDAs at the federal level are connected to the adherence to the organizational mandates; competition for excellence among MDAs at the federal level, besides availability of funds for information management.

205. Gaps that must be bridged to make PMIS effective

- The computerization of work processes in MDAs must be spread to all sections of the service apart from Accounts and Secretarial activities that have now been computerized.
- Information sharing and networking among departments within an MDA should be purposefully designed and intensified to engender development of sound database for activities of every MDA.
- The internet and intranet services should be installed and used to facilitate access to information within and among MDAs.
- Data tracking mechanism for deriving quantitative information from qualitative information should be well developed and workers should be trained on its application.

206. Mitigating Measures

- 1) The problems of governance and possibility of corruption can be checked by proper monitoring of the government agents that are charged with the responsibilities which are susceptible to corruption. Another means of curbing corruption is to provide sufficient incentives to the agents such that the avenues for corrupt practices become unattractive to the agents.
- 2) On the governance problem that is connected to untimely release of budgeted funds for programme implementation, this simply calls for discipline allocation of funds such that

every aspects of the budget is given attention as when due. Assignment of funds should be based on fund inflows, every MDA should be allocated fund during the monthly allocation meeting.

- 3) The corrupt practice at selection point could be addressed by the introduction of biometric capturing and the use of unified central registration of beneficiaries. These means shall also remove the possibility of payments to the wrong person and the possibility of a beneficiary participating in more than one programme.

4.6. Concluding Remarks on Governance Issues in Nigeria

207. Highlights of governance and mistakes surrounding social protection programmes in various States of Nigeria and federal level has been documented in this section. The programmes are set to address the problems of poverty and unemployment in various states. In the course of solving these problems, an array of interventions were implemented which include skill development and public workfare programs, conditional cash transfers and poverty alleviation programs.

208. Administration of these operational social protection programmes in the country has been decentralized. Most programs operate at LGAs, State and Federal levels. The targets for each programme varies but include men and women from vulnerable households, unemployed youths pregnant mothers, babies and school age children up to junior secondary education. The target groups are selected based on the rules of law governing each programs. Selection criteria are community based in most cases or pre-set criteria most especially of federal programmes. Beneficiaries are selected by independent or collaborative efforts of Ward, communities, other stakeholders and Local Government Officials. In few programs, selection of beneficiaries is from data base. Qualified and eligible beneficiaries who participated in the programs receive their benefits either through banks or by cash.

209. The governance in social protection programs across states is limited by weak Monitoring and Evaluation (M&E) and Management Information System (MIS). This is due to low level of computerization; hence administrative activities are not integrated or are yet to be incorporated online. In most cases, communications are through dialogues, use of media, bills and text messages.

210. Some errors and corruption are observed in the programs such include, political interference on selection of beneficiaries, payment errors, and presence of ghost beneficiaries, mismanagement and irregular release of funds. Adequate measures are yet to be employed to completely put such errors and corruption to a halt.

211. There is evidence of program monitoring by some organizations and implementing bodies, however, there is no uniform blue print on monitoring and evaluating success of programs.

212. Based on the reports, it is recommended that;

- 1) Awareness is created to the general public on selection procedures to check political interference.
- 2) A central data base is established and used to select beneficiaries into different SP programmes.
- 3) A coordinated computerized and networking of the work-system in programs is established
- 4) A clear harmonization of institutional functions, definition of organizational structures and design of work-flow charts are necessary.
- 5) A clear procedure of monitoring and evaluating the success of programmes be put in place.

5. Gaps and Challenges in the Social Protection Sector

213. Social protection is not new to Nigeria rather; a coordinated system of social protection programs that delivers services effectively to the poor and vulnerable and creates fiscal space is novice. The present state of social protection programs is fragmented and ad hoc; the programs are extremely small, and coverage is estimated to be only a tiny fraction of the poor. This low coverage is a result of a combination of constraints, including political, financial, and capacity limitations. In addition, the value of transfers is low, which inhibits the extent to which social protection interventions can reduce poverty and inequality, and create opportunities for the poor and vulnerable. Most challenging is the fact that the social protection programs in Nigeria lack effective targeting, operation management and monitoring and evaluation. Robust solutions to these basic yet complex challenges offer Nigeria a viable way forward.

Limited Coverage

214. One of the key concerns is the limited coverage and reach of existing programs. While the majority of Nigerians live in poverty, most social protection programs – including the federally-led MDG-DRG safety nets In Care of the People (COPE) and Maternal and Child Healthcare (MCH) – reach only a few hundred to a few thousand households. In fact, the benefits structure provides limited incentives, especially in the pension scheme, conditional cash transfers (CCT), National Health Insurance Scheme (NHIS), and School Feeding Program. Only the Community-Based Health Insurance Scheme (CBHIS) has the explicit goal of reaching 100 percent of the poor (in the informal sector). This may be due to its presidential mandate to achieve universal health insurance coverage and access to healthcare for all Nigerians by 2015 (NHIS, 2008). But, it has been officially acknowledged that there are enormous financial difficulties in extending such a scheme to the magnitude of informal workers and Nigerians living in poverty.

215. Table 24 provides figures on the coverage of several social protection programs in Nigeria.

Table 24: Coverage of Some Social Protection Programs

Program	Projected Coverage	Actual Coverage
	<i>(Number of Households / Percent of Poor)</i>	
COPE	22,000 households/less than 0.001% of poor households nationally*	Currently not available
CCT Girls' Education	Kano – scaling up to all eligible girls in LGAs where CCT is implemented	12,000 girls, Kano/0.002% of the poor (9.2 million population; poverty incidence approx. 60%) 7,000 girls, Katsina / 0.001% of the poor (6 million population; poverty incidence approx. 70%)
MCH	851,198 women and girls as of June 2010 (Phase 1: 615,101, Phase 2: 236,097)/less than 0.01% of the poor (assumption 75 million poor; poverty incidence 54%)	
CBHIS	100% informal sector workers (when fully rolled out, expected to cover 112 million Nigerians in informal sector)**	Currently unavailable

Source: Holmes et al. (2012).

Note: *Dijkstra et al. (2011), **PATHS2 (2010).

Poor Targeting and Goals Setting

216. **Nigeria's social protection programs also remain focused on a narrow set of risks and target groups, and have undefined targeting mechanisms.** For example in the case of COPE, while it has multiple objectives (health, education, and investment), its design does not take into account the needs of households (especially if they are labor-constrained). Many of the other interventions have no clear targets, goals, or benchmarks against which their performance could be measured and monitored. In the rare cases where targets exist, their broad definition allows the elite and the non-poor to receive benefits. This targeting problem can be further attributed to the absence of any overall framework on social protection devised with the consensus of all stakeholders including the government, development partners, civil society, and the private sector.

217. Even within the MDG-driven social protection agenda, productivity-enhancing instruments have received little attention. Although some programs are designed to be gender and child sensitive (as shown in (Box and Table 25) no concerted approach has been applied to promote shared growth through reduction of inequities.

Box 4: Child Protection and Social Protection

In order to address the key social and economic drivers of child violence, exploitation, abuse, and neglect, efforts need to be concentrated in at least five broad areas:

- i. Strengthening awareness of and enforcement of protection-related legislative and policy frameworks
- ii. Supporting more effective inter-agency and inter-sectoral coordination, including state-specific initiatives for building capacity in the effective planning, financing, delivery, coordination, and monitoring and evaluation of programs
- iii. Strengthening information systems and knowledge sharing in order to increase the evidence base on child protection vulnerabilities, underlying drivers, and the impact of formal and informal responses
- iv. Investing awareness raising, preventive activities, and response services to address child protection vulnerabilities in a partnership between public service providers (e.g., schools, health facilities, and the police), the justice system, civil society actors (including traditional and religious leaders), and the private sector
- v. Promoting synergies between what are generally small-scale child protection initiatives and broader social protection and poverty reduction programs (including cash transfers, social health insurance, school fee waivers, and public works schemes) in order both to enhance the reach of child protection interventions and to tackle more effectively the multi-dimensionality of children's vulnerabilities

Table 25: Child-sensitive Approach to Social Protection

Child-sensitive Approach	Addressed in Programming?	Examples
Reduction in household income poverty	Limited	COPE cash transfer (government)
Support to access basic services (education and health)	Limited	CCTs (health and education), free healthcare for pregnant women and children under 5 CBHI, support to OVC (NGOs)
Child and maternal nutrition	Limited	HIV-related nutrition programs (NGOs)
Supporting families' childcare role	Limited	Cash transfers
Reducing child labor	No	
Increasing household access to income or employment	Limited	Some state-level employment schemes, agricultural inputs/subsidies
Preparing adolescents for future livelihood	Limited	Some youth employment and training schemes
Preventing and responding to abuse and exploitation	Limited	Laws in place (e.g., CRC) but poor implementation
Addressing gender inequality	Limited	CCTs (girls' education)
Responsiveness to children's perspective	No	

Source: Holmes et al. (2012).

Financial Resources

218. **Funding is a major challenge in implementation of social protection programs.** The operators of social protection programs indicated that funding is a major constraint, militating against the achievement of program goals. An examination of the budgets of these organizations indicates that they have been declining over time and that this might have adversely affected their performance. Since most of the agencies and institutions

depend on government financing, it was evident that no mechanism has been put in place to ensure the sustainability of the programs. In addition, financing that the various levels of government allocate to social expenditure is low. The creation of appropriately financed and designed large-scale social transfer schemes would benefit millions of people living in poverty, but affordability is a key concern and Nigeria is already highly dependent on foreign aid (Holmqvis, 2012).

Political Commitment

219. **The political commitment to protecting poor and vulnerable families is very low.** Well-targeted programs (e.g., AIDS widows with children) garner limited political support and thus are allocated a small budget at the state and even at the federal level. In contrast, a more broadly and ineffectively targeted program, like one that targets *all* vulnerable families, tends to elicit greater political support and a larger budget. That being said, most of the well-resourced social protection programmes are supported by development partners, civil societies or private sector organization – with relatively low counterpart contributions by the federal or state government. The eventual close of this support combined with lack of government ownership raises grave concerns of sustainability.

Service Delivery and Governance

220. Most of the social protection programs have no measurable indicators, targets, or benchmarks with which to monitor the progress of the interventions. Nor can their impact – either through objective measures or the subjective perceptions of beneficiaries – be measured for lack of mechanisms and systems. To compound matters, all of the agencies seem to be working independently irrespective of the other agencies involved in social protection and among the agencies in the social protection sector, coordination is scant.

221. In the public sector, in spite of recent reforms, there are still indications of overlaps in the functions and activities of the various social protection/poverty alleviation agencies (e.g., the many agencies involved in microfinance activities). Furthermore, the governance structure of some of the agencies inhibits their ability to fulfill their responsibility. For example, while the Bank of Agriculture is able to provide micro-credit for the moderately poor, it lacks the capability to provide these services to the very poor. On the other hand, the focus of NAPEP has shifted toward interventions from its original mandate of coordination and M&E functions.

6 Policy Implications and Recommendations

6.1. Policy Implications

222. Nigeria has reached a threshold in the global economy that necessitates a cohesive society to undergird its potential economic growth, and the provision of effective social protection to the poor and vulnerable is a direct and simple way of sharing the benefits of growth among all Nigerians. This is especially true among those who are unable to contribute productively to the economy, such as, children, the elderly, and the disabled as well as those at risk of shocks. In addition, today's relatively high proportion of poor and vulnerable families requires new approaches and thinking. Rather than being an exception, the design and implementation of social protection programs will have to shift in focus to pro-poor growth and shared prosperity. Where the will of the government to fund and build the in-country capacity is lagging (i.e., state and local governments responsible for implementing programs at the grassroots level), the sustainability of programs supported by international development agencies is jeopardized. Stakeholder involvement is, therefore, vital to the robust dialogue on social protection policies and programs, and the only way to ensure this is to develop a fully articulated policy document for poverty alleviation in Nigeria.

223. Within the framework of this policy document, priorities have to be set based on what resources are available and what is institutionally feasible. Three areas need to be emphasized in relation to the poor – opportunity, empowerment, and security—and they must complement one another. To create more opportunity, private investment needs to be encouraged, and international markets have to be expanded. There is the need to build up the assets of poor households and to address the inequality of assets across gender, ethnic, racial, and social divides. More and better infrastructure is needed in rural areas, as well as more and better access to information.

6.2. Recommendations

224. As a way of guaranteeing the security of the poor, it will be necessary to design national systems to prevent civil conflicts and to help poor people manage risk. The analysis of the status of social protection in Nigeria points to some major policy implications as follows:

- a. Develop an overarching social protection policy framework that assigns clear institutional roles and responsibilities and that guides the design and implementation of social protection initiatives at the federal and state levels*

225. A comprehensive and strategic social protection framework is needed in Nigeria. The framework should recognize the federal nature of the country by taking the state and local governments into consideration and clarifying the institutional roles and responsibilities of all key stakeholders. The framework should designate an institution to coordinate, oversee, and guide social protection policy at the federal level, while also being accountable and responsive to the needs of the states. This is crucial because of the current lack of coordination in the sector and the overlap of functions between the National Planning Commission (NPC), and the MDGs office. This agency will also be responsible for mobilizing both domestic and international funding for poverty reduction in Nigeria.

226. There must be constant monitoring and evaluation of all poverty alleviation programs to ensure that they are on track to achieving their objectives. As of now, there are no appropriate mechanisms for tracking of financial flows into the programs or for measuring their outcomes or impact. These are major gaps that are hindering the fight against poverty in Nigeria.

227. The effectiveness of the governance and institutional framework for poverty reduction should also be monitored from time to time, and the role that the Budget Office plays in coordinating the Federal Ministry of Finance (FMF), NPC, and MDG needs to be streamlined. These three ministries, departments, and agencies all have mandates related to poverty reduction, which currently results in both overlaps of and gaps in efforts. This would not be the case if Nigeria had a comprehensive social protection framework overseen by one designated institution.

- b. Support and generate political commitment for social protection at the federal and state levels*

228. The implementation and success of social protection programs will depend on strong political commitment from all levels of government in Nigeria. This will require not only legislation but also active pressure from NGOs and civil society organizations. At present, social protection does not appear to be a priority for the federal government, although a number of state governments have demonstrated political and financial commitment to cash transfers. It is important to understand that, for social protection to become a significant instrument of poverty reduction, the federal and state governments must be fully involved in implementing major, long-term programs of assistance. This is an area where donors can help by ensuring that their support is coordinated with the priorities of the government as laid out in the framework. This can only happen if there is political support for the evolution and public financing of long-term social protection programs. Getting the

politics right may be as important, or even more important, than getting the initial technical design of programs right.

c. Allocate and realign the resources needed to scale up social protection programs

229. A conscious effort should be made to increase the number of poor individuals and households covered by social protection in Nigeria. While this will clearly require a substantial financial commitment, as this report has discovered, many options are available for increasing the fiscal space to scale up pro-poor social protection initiatives. A realignment of resources for optimal utilization is also required. Result-based financing approach is imperative. While development partners can help in financing some of the initial scaling-up efforts, recent trends in donor funding toward the short term, bring into question program sustainability (Nino-Zarazua et al., 2010). It is therefore imperative that the government not only take ownership of the financial and governance implications of this long-term expansion of coverage but also build the requisite capacity to facilitate a smooth transition and fiscal space. Any discussion of whether Nigeria can afford social protection must be balanced by an examination of the costs of not providing effective social protection. These include long-term restrictions on the development of human capital that will constrain economic growth and development. Pockets of social protection activities already are springing up around the country, especially in the area of social assistance. There is thus the need to find a way to scale up social protection coverage in the country, especially where there is evidence of positive results, without relying on uncertain and unsustainable donor funding. There is also the need to integrate the various social protection interventions especially around a coordinating platform. The current arrangement in Youth Employment and Social Support Operation can assist in this regard because of existence of central coordinating bodies both at the state and federal levels. This might also serve as the platform for obtaining a single registry of all poor and vulnerable households from which interventions based on their own eligibility criteria can select beneficiaries.

d. Increase investment in service delivery for the poor

230. There is a huge challenge in ensuring adequate financing for delivery capacity in the social sector and especially for social protection services. One of the reviewed papers, Hagen-Zanker and Holmes (2012), identified considerable fiscal space in the Nigerian budget to fund social protection. However, the creation of fiscal space for social protection should not come at the expense of other social sectors if the impact of social protection on human development is to be maximized. Early Child Assistance Program such as Nutrition, School feeding, conditional cash transfers, School Materials Subsidy Program, Public workfare, Elderly Pensions Scheme etc are examples of good service delivery interventions for the poor and vulnerable.

231. Therefore, donors and domestic social protection advocates need to strengthen their engagement with the Nigerian government to support the argument for increased pro-poor expenditure in general. Hagen-Zanker and Tavakoli (2011) argue that the greatest scope for increasing fiscal space for pro-poor social protection is by: (i) increasing the mobilization of domestic resources; (ii) allocating an increased proportion of overseas aid to social protection programs; and (iii) improving public expenditure management. It is important to explore options for the Sovereign Wealth Fund (SWF) to be used to finance public works programs and other social protection programs. The proceeds from partial subsidy removal should be reallocated under the SURE-P in such a way as to give social protection at least 50% of the funds. Besides, having a social protection policy framework backed by law will ensure financial sustainability. The temporary nature of the MDG Office suggests the need for a permanent body to coordinate social protection interventions. Added to this, there can be some percentage (about 2.5%) of federally generated revenue on the first line of charge just as are ecological funds, sovereign wealth fund and the DRG funds. Indeed a consolidated account for social protection can be evolved. This should be through public private partnership with certain percentage of tax for corporate bodies allocated to social protection as obtained in the tertiary education fund.

232. For purpose of clarity, a SWF is a state-owned investment fund composed of financial assets such as stocks, property, bonds, precious metals or other financial instruments. Essentially, it is a state-owned pool of money invested in various assets. The purpose of a SWF is to channel a nation's budgetary surplus back into the country through investments. The essence of the Nigerian SWF is to invest excess oil revenues to generate revenue for future generations and also to act as a buffer for the economy against the risk of oil-price fluctuations. However, as good as the sovereign wealth is, the actual beneficiaries may long have gone before the funds matured due to poor human capital development and unemployment which make them vulnerable. Thus, taking a little of this sovereign fund into the social protection consolidated account will assist in helping the vulnerable develop their human capital.

e. Integrate an equity focus into the design and implementation of programs

233. It is vital that social protection programs take equity into consideration from the time of inception. Equity refers to not only economic inequalities (e.g., access to labor market opportunities) but also social inequalities related to gender, age, ethnic, or geographical location. Sharing growth resources in Nigeria is clearly an antidote to the current social, ethnic and political tension in the Country. Appropriate targeting mechanism to reduce leakage and wastage of resources is key. As part of the improvement in targeting, a dynamic single register of poor and vulnerable households as part of the Management Information System of a Social protection Platform will help to increase the equity and inclusion focus of social protection interventions.

f. Strengthen the governance features of social protection programs

234. Good governance is synonymous with accountability and transparency. Robust social protection and labor systems require adequate capacity for monitoring and evaluation, including not only formal monitoring and evaluation but also participatory monitoring and evaluation. The key area for governance focus will include: clearly defined rules of the interventions bordering on legislation, regulation and operation guidelines; clearly defined roles and responsibilities of different actors involved; and controls and accountability to ensure right benefits get to the right person at the right time. This in effect will help check the Errors, Fraud and Corruption inherent in most of the social protection interventions. Once these are in place, the M&E can function properly based on well defined indicators for inputs, activities, output, outcome and impact along the result chain. A strong MIS that is fully computerised will complement good M&E and facilitate communication.

6.3. Recommendations for Future Research

- ***There is a need to understand the drivers of change in social protection in the different states and local governments of Nigeria both from a quantitative and a political economy point of view.*** This is likely to vary greatly given the widely differing degrees of commitment to social protection among the various levels of government. Considerable investments must be made in the collection of data at the state and local level to make it possible to conduct poverty and vulnerability profiling, particularly social vulnerability profiling, disaggregated by age, sex, wealth, and ethnicity.
- ***There is also a need to gather evidence on the benefits of social protection in terms of reducing poverty, supporting economic growth, and contributing to social stability through reduction in inequality.***
- ***A good monitoring and evaluation system is needed to ensure the efficiency and effectiveness of the various social protection programs.*** This should not just involve

formal monitoring and evaluation (M&E) but also participatory M&E to give beneficiaries and non-beneficiaries a say in the evaluation of programs that have a direct impact on their lives. An M&E plan is needed that encourages the use of best practices in the design of M&E indicators and impact measures disaggregated by sex and age. It might be necessary for the government to ask for support from its development partners to fund the development of a common M&E framework to allow for comparisons between programs or states and to enable the aggregation of information up to the state and national level.

- *A proper structured fiscal space and governance study is also ideal to be able to determine actual situation of things in social protection interventions.*

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Annex 1: Profile of Social Protection Programs in Selected States of Nigeria

	Objectives	Number of Participants	Source of Finance	Partnership	Sustainability
ABIA STATE					
Abia State Youth Empowerment in Partnership with GLO	To train the participants in entrepreneurship skills and empower them after the training.	2,000 youths participated in the training. The participants were trained in two areas: business management and management of public phone booth.	N25,000 per person Abia State government		One-off program. Most businesses are dead b/c phone business is no longer lucrative.
Skill Acquisition Training in Partnership with NDE	Partnership with National Directorate of Employment (NDE) to train youths in different skills with the purpose to empower them with equipment after the training.	Not available.	N/A	NDE	
Skill Acquisition in Partnership with UNFPA	Skills acquisition training for youths in the state to increase their skills in various trades including: barbing, tailoring, hair dressing, ICT, confectionary, with the aim of empowering them after the training.	150 (20 empowered).	Total cost of the program is N2, 248,000	UNFPA	
Women's Development Skill Acquisition Center	Increase the skills of women and youths of the state in various trades so they can find jobs in the market place or become self-employed upon graduation.	573 women and youths (both male and female) have graduated from the training center.			
Abia State Youth Empowerment Program	Public works program where participants are given temporary employment and a stipend at the end of every month to engage in activities in the following areas: environmental sanitation, traffic control, greening of the environment, security, agriculture etc. The target group for the program is youths 18-35 years with individuals as the main focus.	5000.			

Observations on the Abia State Youth Empowerment Program The Abia State Youth Empowerment Program is laudable and has the capacity to engage poor unskilled and semi-skilled youths from extremely poor households in the state if well articulated. As it stands, the program neither seems to have a clearly defined purpose or mission nor defined eligibility criteria that target the poor and unemployed youths in the state. The only criterion used in selecting beneficiaries is nomination by stakeholders in the state, which is not an objective means of selecting beneficiaries to programs of this nature. There is no documented framework for the Youth Empowerment Program, though it has not fully evolved. At the moment, the focus of the program is on security. The other aspects of the program - environmental sanitation, greening of the environment and agriculture, are yet to take off. It is necessary to expedite action on these aspects of the program to meaningfully engage the youths effectively. There is no defined exit strategy in the program yet, though there is the thinking that the youths will be trained in different skills before the expiration program.					
BAUCHI STATE					
Bauchi State Commission for Youth and Women Rehabilitation and Development (BACYWORD)	Capacity building and extra mural studies.	4,821 students	State government		
Bauchi State Conditional Cash Transfer (CCT) Program		5,995 families@5,000 naira per family	MDGs		
Bauchi State Poverty Alleviation Program	Training in different skills.	Since 2003, 6,577 individuals of which 5,337 males and 1,240 females. 4,789 were from rural areas while 1,788 were from urban areas.			
CROSS RIVER STATE					
(a) Conditional Cash Transfer (CCT)	The CCT has conditions/co-responsibility for the benefiting households as follows: Households must ensure that their children are enrolled in primary and secondary schools; they must ensure 80% school attendance; and they must also ensure school completion by their children.	Total number of beneficiaries: 5,880(2,940 in 2009 and 2,940 in 2010).			
Youth Empowerment Initiative for Unemployed Graduates	The goal of the project is to train 1,000 unemployed graduates in ICT professionals and entrepreneurs across the 18 LGAs of Cross River State. The specific objectives of the project include:	Total -270			

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	train 270 unemployed graduates in the first tranche with employable ICT and entrepreneurial skills within the next twelve months.				
Project Sunny Graduate Scheme	Produce self-employable youths, create programs that can create business opportunities for unemployed youths in the State especially in ICT, agriculture and tourism, and to assist those in business to scale up what they are doing so they can become employers of labor.	26 graduates have benefitted from the program in the first tranche.			
EKITI STATE					
Youth Empowerment: Ekiti State Volunteer Corps Scheme (Ekiti Project Volunteers)		Total number of beneficiaries of the EPV corps scheme to date is 4,776. Volunteer's monthly allowances are remitted to banks of their choice on a monthly basis after clearance had been issued by office of primary assignment.			
Skills Acquisition and Entrepreneurship Scheme					
Conditional Cash Transfer: Ekiti State Street Sweepers and Facility Managers					
Social Security Scheme for the Elderly		10,084 persons registered as beneficiaries from a total of 52,167 whose data were captured.			
<p>The mission observed the following</p> <ul style="list-style-type: none"> • Availability of Database: The database being queried by the JCEA for its activities is robust. This is a good development as most of the development efforts rely on inadequate or in some instance lack of data. • Neglect of Public Training Institutions: Public training institutions are largely neglected in terms of funding and rehabilitation. This has led to the collapse of many of these institutions. However, if rehabilitated and properly funded, the institutions can contribute significantly to training and empowerment of youths in the state. 					

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- **Monitoring and Evaluation is manual:** The M&E system is still manual and will require improvement for it to function optimally.
- **Delay in payment of allowances to Ekiti Project Volunteers (EPV):** The beneficiaries of EPV were not paid as indicated for the months of October and November. This can dampen the morale of these young men and women.
- **Enabling Law being institutionalised:** It is a welcome development that the state is thinking of institutionalising social security for the elderly. This must also be extended to other safety nets such as youth empowerment and conditional cash transfer to ensure sustainability of the programs. Besides, this will assist in getting an operational manual with which each of the schemes can work.
- **Individual versus household beneficiaries:** It was noticed that in most of the schemes, individuals constituted the target. This may, however, lead to more than one member in a household benefitting from the state support.

ENUGU STATE

Conditional Cash Transfer (CCT) In Care of the People (COPE)	
Youth Empowerment Program (a)Adani Songhai Farm Initiative (Green City)	
Coal City Taxi Scheme	

KWARA STATE

Youth Integrated Training Farm Center	The Farm Centre started in August 2005 with three basic objectives. These include training young people to become successful commercial farmers; creating a generation of youth that would derive wealth from the land; and changing the perception that farming is only for the poorly educated and resource poor in the society.
Youth Empowerment Program	There is no documented framework for the State's Youth Empowerment Program. The program is expected to employ 2,000 youth (unemployed) out of the applicants who are in the region of 30,000. The recruitment of 2,000 youth is regarded as the first phase and the program.
Small- and Medium-Scale Enterprises (SME) Program	The Senior Special Assistant (SSA), who pilots the affairs of this program, was recently appointed and was in the process of articulating the visions, missions, and strategies of the government with respect to SMEs at the time of my visit. The SSA undertook a tour with me to the Farm Centre at Malete to explore the extent to which the Centre's activities can be enhanced under the SME framework. The post-training empowerment program for Malete graduates and the need for training on entrepreneurship are some of the likely proposals to be considered by the SME program.

NIGER STATE

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Vocational Skill Acquisition	The vocational skill acquisition was to train 1,500 youths between 2009 and 2011. It was proposed by the State's Ministry of Youths Development and implemented in collaboration with private and public agencies; the training consultants (privately owned and contracted); also involved are the government established National Directorate of Employment (NDE) and the National Agency for Science and Engineering Infrastructure, Federal Scientific equipment Institute, Niger State.
Graduate Employment Scheme	The Graduate Employment Scheme was initiated in 2008 by the Office of the Head of Service, Niger State. The objective is to train unemployed youths with National Certificate of Education and Degree Certificate in methodology of teaching and also to provide them with civil education for absorption into the state civil service and other sectors of the economy.
Talba Skill Acquisition & Vocational Training Program	The program was initiated and approved in the fourth quarter 2011 by Niger State Executive Council via conclusion N0 C22 (2011) 4.1-4.1.9 of November 17, 2011. The Talbaskill Acquisition Scheme was proposed by the State's Ministry of Youths & Development and implemented in collaboration with private and public agencies; the training consultants (privately owned and contracted); Standard 86 Nigeria Limited; also involved are the government established National Directorate of Employment (NDE) and the National Agency for Science and Engineering Infrastructure.
Conditional Cash Transfer (CCT) Project	The preliminary office set-up and operationalization of instruments, including the development of the Project Implementation Manual and the payments system, were concluded before August 2009. The program has two basic components: Basic Income Guarantee (BIG) and Poverty Reduction Accelerator Investment (PRAI).
Social Welfare Service Reformation of Juveniles (Correctional Institution)	The program started in 1976 with the establishment of a Remand home in Kotangora, which was followed by that of Minna and Bida in the year 1981 and 1998 respectively, due to the increasing rate of social vices among young persons in the state. The program is funded through budgetary provision by the state government at ₦7,500.00 per month per beneficiary for six months (the maximum period of stay in a correctional institution).
Care for the Aged	This program was established by the native authority in 1935 and was handed over to the local government in 1972. The state government took over the program from the Local Government for the care and welfare of the aged in it 1986. This program is funded through budgetary provision by the state government.
Care for the Pauper Patients	This program was established in 1976 to alleviate the sufferings of indigent patients admitted to some major general hospitals in the states (Minna, Bida, Suleja, Kontagora, Mokwa, New Wushe, and Wushishi). This program is funded through budgetary provision by the state government, as well as support by philanthropist and individuals. Each Unit is provided N50,000.00 per month (N3,000.00/patient), totaling N1,620,000.00 per annum. To date, a total of N10,950,000 has been expended on caring for pauper patients.
Skills Empowerment for the Blind	A program to engage the blind and other forms of the physically challenged was first introduced in 1962 at Bida Blind Centre to help make themselves self-reliant/productive and increase the life and security of the citizenry. There are currently five such institutions: Ordinary/Advanced Blind Centre Bida (1962); Ordinary Blind Centre Ibetu (1989); Ordinary Female Blind Center Minna (1999); and Spinal Cord Injuries Association Center (1987)). They are boarding institutions. This program is funded through budgetary provision by the state government. Each trainee is cared and fed @ ₦7,500 per month. Beneficiaries are the blind persons and admission is through LGAs, which are expected to provide pocket money as well as employment.
<ul style="list-style-type: none"> • Care for the Mentally Challenged • Care for the Abandoned Children • Provision of Life and Vocational Skill 	

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Centers for Women • Provision of Microcredit Facilities to Registered Women's Cooperative Groups	
OSUN	
Osun Youth Empowerment Scheme (OYES)	OYES is a product of deliberate and well-planned program that is included in the governor's campaign brochure tagged, "My Pact with the People of Osun State." 20,000 people were finally selected, representing 1 in every 15 applicants. The successful applicants were to be deployed in six main areas of Osun state: sheriff's corps, Osun paramedics, traffic marshals, sanitation czars, public work brigade, and green gang.
OYO STATE	
Youth Empowerment Scheme of Oyo State (YES-O)	The program started on July 18, 2011 when eligible applicants were asked to register online. The selected applicants were matriculated on December 1, 2011. The first batch of 3,400 employed youth, called cadets, started a two-week orientation program on January 30, 2012.
Oyo State Job Creation and Poverty Alleviation Program	There are four different sub-programs under the state's Job Creation and Poverty Alleviation Program. These are graduate taxi operators, mobile phone operators, skill acquisition program and <i>Keke Ajumose</i> (tricycle transport operators).
Global Fund Project Program	The program was introduced in 2009 to alleviate the plight of orphans and vulnerable children (OVC) and to provide care and support for them in the areas of education and nutrition.
Micro-Credit and Widowhood Loan Scheme	The program was set up in 2002 to alleviate the plight of indigent widows who could not pay their children's school fees after the demise of their husbands.
Conditional Cash Transfer Programs	The two conditional cash transfer (CCT) programs in the state are still at the planning phase. However, the one proposed in the Ministry of Health could be said to have progressed more than the one proposed.
Abiyamo Project (Safe Motherhood Program)	The program started in October 2011. A baseline survey was conducted in January 2012 to gather relevant data on the potential beneficiaries. The program is meant to reduce to the barest minimum the incidence of maternal death and also to enhance child survival with full involvement and support of fathers/husbands. The basic objectives of <i>Abiyamo</i> Project include creating awareness within communities about safe motherhood issues, encouraging antenatal care attendance and healthy facility for delivery.
Education for the Vulnerable Children	The program is proposed to commence in 2012. It is meant to assist children who have lost one or all their parents to attend school. The assistance will become necessary for children whose surviving parents/guardians lack the wherewithal to ensure their attendance in the school.
ONDO STATE	
Public Works and Skills for Job	The program started on December 21, 2009. It focuses on unemployed youth and adult. The first and second batches of unemployed beneficiaries were first taken through a series of training in physical fitness, public works, and entrepreneurial development. After the training, they were deployed to control traffic (under Ministry of Transport), sweep the streets (under Waste Management Authority), plant trees (under Ministry of Environment), and control crowd.

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Wealth Creation Agency (WECA)	The Agency was set up in 2010. Its predecessor was the State's Accelerated Poverty Alleviation Agency (APAA). WECA was meant to engage the youth in agriculture in the short term, empower them in the medium term, and create wealth for them in the long run. The basic agricultural activities of the Agency are crop production (arable farming), fishery.
Ondo State Micro-Credit Agency	The Agency was established in 2001 and obtained legal status in May 2002. Its basic objectives are provision of easy access to credit, creation of wealth, boosting domestic production, generation of employment, and meeting the millennium development goals especially with respect to reduction in extreme poverty and hunger.
Conditional Cash Transfer	The program was at the planning stage as at the time of the consultant's visit. It was gathered that efforts were made to set up three committees to oversee the implementation of CCT in the state on May 10, 2012. See the Appendix for the composition of each of the committees.

**ANNEX 2: SUMMARY OF GOVERNANCE STRUCTURE ACROSS SELECTED STATES
AND FEDERAL GOVERNMENT SOCIAL PROTECTION ACTIVITIES**

Key Item	Bauchi State	Cross River State	Oyo State	Kwara State	FCT
Targeting and selection of Beneficiaries	<p>The poor and vulnerable households are the target</p> <p>Criteria for targeting beneficiaries vary by programmes.</p> <p>Poverty and vulnerability criteria were employed by implementation committee in various communities to identify the targets. A proxy means test is applied to verify and establish accuracy.</p> <p>Public workfare and skill for job beneficiaries selections were carried out by Ward Level Stakeholder Committee in collaboration with the commission and verified by Local Government Stakeholder Committees</p> <p>Beneficiaries are distributed equally by size to Local Government Areas</p> <p>CCT Beneficiaries selection was through the use of Community Implementation Committees(CIC) using criteria and conditions specified in the State CCT Operational Manual</p>	<p>Unemployed youths from poor households are the target.</p> <p>Recruitment of beneficiaries into programmes is based on response to advertisements of vacancies.</p> <p>MSWCD and MWA recently adopted the use of unified biometric captured register to conduct selection for programmes in CCTs</p>	<p>Target group are Youths</p> <p>A community based approach is adopted.</p> <p>The Agency for Youth Development selected beneficiaries under YES-O with the assistance of Zonal Officers through Community Development Associations in all State wards.</p>	<p>Targets include unemployed graduates, semi-skilled, unskilled and vulnerable youths within 18 and 35 years</p> <p>A Community Based selection procedure was employed.</p> <p>KWABES Corp Members in 16 LGAs, Liason Officers in the LGAs and Ward Development Associations were involved in the Selection of beneficiaries</p> <p>Selection was made based on qualification, LG spread and gender adhering to rules, regulations and pre-set criteria</p>	<p>Targets include the poor and vulnerable people.</p> <p>MDAs are done at State levels.</p> <p>Selection of beneficiaries for NAPEP and MDGs CCT is based on pre-set criteria for core poor households such as; -</p> <p>i) Households with children under the age of 5years to access free healthcare and immunization.</p> <p>ii) Households with children of primary and secondary school age to make 70% attendance at school</p> <p>iii) Households headed by HIV/AIDS or VVF Patient</p> <p>iv) Child headed households</p> <p>Selection of beneficiaries for NDE training scheme and GIS of CSWYE of FMF are based on qualifications and on presentation of proof of evidence.</p>

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	<p>Beneficiaries for Poverty Alleviation Programme of the Ministry of Co-operatives and Poverty Alleviation are identified and screened by a committee in each LGA at ward level.</p> <p>The Committee members include District Head, Ward Head, LGA Officials and Staff of the Ministry.</p> <p>Equal access to program was determined by location and community of residence and involving intermediary agents at community level to identify and monitor beneficiaries</p>				<p>GIS beneficiaries were selected from existing data base</p> <p>MDA Beneficiaries were selected a fair representation of Federal character, within the state and LGAs.</p> <p>Selection for each programme is usually at the inception of the program.</p>
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Key Item	Bauchi	Cross River State	Oyo State	Kwara State	FCT
Payment System and Payment delays	<p>Beneficiaries of Skills for Jobs programme receive their monthly stipends by cash upon presentation of their identity card issued during enrolment.</p> <p>CCT beneficiaries were paid through bank.</p> <p>The State, LG civil society organization Community Leaders and Community Implementation Committees monitor the payment of stipends to CCT beneficiaries</p>	<p>Beneficiaries of CCTs and Skills for Jobs are paid through banking system</p> <p>Some MDAs in PW make payments of stipends via bank and cash-paying systems</p>	<p>Beneficiaries receive their monthly stipends through banking system.</p> <p>Payment are based on attendance records of beneficiaries</p> <p>There were complaints of delay in the payment of stipends</p>	<p>Participants in the Beautician Scheme receives a monthly stipend of ₦10,000 each.</p> <p>Operators in the Waste Management receive ₦7,500 monthly</p> <p>Stipends are paid by respective contractors through beneficiaries' bank account.</p> <p>Each beneficiary obtains a clearance letter from their employer, endorsed at the KWABES office</p>	<p>Financial commitments to beneficiaries at federal level are made through banks for MDGs and NAPEP CCTs programs.</p> <p>NDE financial commitments to beneficiaries are through banks.</p> <p>Irregularities to MDGs CCTs payments are common.</p>

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				prior to payment. Delays to payment were traced to the cumbersome demand of banks from beneficiaries	
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Key Item	Bauchi State	Cross River State	Oyo State	Kwara State	FCT
Assessment of Procurement Process	Strict adherence to the fundamental principles of procurement as articulated in the process guidelines.	Procurement process is guided by State Due Process and Price.	There was strict adherence to the fundamental principle of procurement	There was no breach of State procurement law or guidelines by agencies implementing Youth Employment Programmes and Conditional Cash Transfers	Procurement process is guided by the Procurement Law of the Federation.
Audit Capacity	Contracts are advertised, the Tender Evaluation Committee analyse the pre-qualified Contractors based on guidelines. 3 contractors are recommended to Due Process Officer for preferred bidder to be certified Expenditure on the programmes is subjected to routine internal audit procedures which monitor payments, quality of work done and beneficiaries in the programmes. The Office of the Auditor-General of the State usually conduct annual statutory audit	MDAs internally handle procurements of item within the limit of ₦5 million, while those with greater valuation are handled under a central procurement process. Annual statutory audit is usually conducted by the Office of the Auditor-General of the State. The programmes have a high audit capacity	Expenditure on the programmes is subjected to routine internal audit procedures It monitors payment, quality of work done and beneficiaries in the programmes. Annual statutory audit is conducted by the office of the Auditor-General of the State.	Expenditure on the programmes is subjected to routine internal audit procedures which monitor payments, quality of works done and beneficiaries in the programmes. Annual Statutory audit is usually conducted by the Office of the Auditor-General of the State.	NDE make the procurement through sourcing of consultants and resource persons and by purchases of goods. Audit Department of MDAs are charged with the responsibility of confirming the accounting records and financial information Monitoring and Evaluation Department of the respective MDAs administer Project Audit.

Key Item	Bauchi State	Cross River State	Oyo State	Kwara State	FCT
Vulnerability to	Unintentional errors encountered	Susceptible errors in the	Omission of	Recorded errors in the	Susceptible

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Error, Fraud and Corruption	<p>were;</p> <p>i)Wrong amount of benefit payment</p> <p>ii)Payments to ineligible applicants</p> <p>Intentional errors intransfer programme include;</p> <p>i) False statement or distortion of relevant information regarding income or household composition</p> <p>Pressure Points Errors include;</p> <p>i)Political biases in the geographical allocation of program quotas</p> <p>ii) Administrative errors in registration and payment processes, clientelism</p> <p>Common corrupt practise include manipulation of beneficiary rosters e.g diversion of funds to ghost beneficiaries, bribes, collusion between staff, claimants, risk of patronage and misappropriation of funds</p>	<p>programmes include;</p> <p>i)Registration and selection malpractices</p> <p>ii)Unregulated cost of administering SSNs</p> <p>iii)Procure malpractices and mismanagement</p> <p>iv)Wasteful collaboration</p> <p>v)Irregular release of budgetary funds</p> <p>vi)Indeterminacy of exit time for some programs</p>	<p>beneficiaries in the payment process</p> <p>Multiple payment of beneficiaries</p> <p>Others include Presence of potential errors, fraud and political interference in the selection process.</p>	<p>skill development programmes include</p> <p>i)Bank mistakes</p> <p>ii)Error in payment process</p> <p>iii)Double capturing of beneficiary's name</p> <p>iv)Dual L.G capturing of beneficiary.</p> <p>Others include</p> <p>i)Allegation of diverted fish farming funds meant for trainees</p> <p>ii)Risk of ghost beneficiaries</p> <p>iii)Political interference on selection of beneficiaries</p>	<p>mistakes include</p> <p>i)Wrong targeting</p> <p>ii)Payment to beneficiaries who do not meet criteria</p> <p>YESSO programme witness late release of budget funds for MDAs operation</p>
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Key Item	Bauchi State	Cross River State	Oyo State	Kwara State	FCT
Programme Monitoring and Evaluation	<p>For Public Workfare and Skill Development Programmes</p> <p>The Directorate of Monitoring and Evaluation monitors the utilization of resources for the programme, projects and attendance of beneficiaries</p> <p>Monitoring and Evaluation Officers conduct monthly M\$E visit to organisations</p> <p>Currently there are no record of any Youth programmes evaluation</p>	<p>SSNs monitoring is done by the Budget Monitoring Units, the implementing MDAs, NGOs, CBOs and Community/Opinion leaders.</p> <p>Monitoring Units of Implementing MDAs are responsible</p>	<p>Monitoring mechanism involves taking attendance, supervision by Zonal Officers CDAs, Youth Organizations and monthly verification of activities of the Cadets.</p>	<p>The Ministry of Environment and Forestry undertakes the monitoring and evaluation of projects through its Planning, Research and Statistics Units and the Directorates of Environment and Forestry Services</p> <p>Monitoring durations include mid-years</p>	<p>The M\$E at the Federal level monitors NDE Skills for Jobs program</p> <p>CCT programmes by NAPEP and MDGs are monitored from selection through payments and exit of programme. Reports from the State M\$E Units are forwarded to Research, M\$E Department in the NAPEP Headquarters in Abuja</p>

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	<p>The CCT Unit of the MDGs office and Project Support Unit headed by the Permanent Secretary is responsible for monitoring the compliance of CCT beneficiary households with the predetermined conditionalities</p> <p>School Headmasters and Officers-in-Charge of health facilities in affected communities are involved in monitoring activities</p> <p>No evaluation has been done on the program as the programme is new. No arrangement made for robust M&E of CCT programme.</p>	<p>for monitoring Public Workfare Programmes.</p> <p>MEDA and NGOs collaborate to monitor Skills for Jobs Programmes</p>		<p>monitoring, monthly meeting and periodic visit to sites.</p> <p>Monitoring activities for skill development program include periodic head count, issuance of clearance letter before monthly stipend is paid.</p> <p>The monitoring activity is carried out by the KWABES monitoring and evaluation team</p>	<p>MDGs programme of CCT is monitored at all State offices of MDGs and by monitoring officials at headquarters in Abuja occasionally.</p> <p>Local Government Field Officials- Agric. Extension Officers and Social Welfare Officers monitor social protection programmes</p> <p>NGOs and CBO at State level play a major role by offering assistance in programme monitoring.</p>
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Key Item	Bauchi State	Cross River State	Oyo State	Kwara State	FCT
Existing Management Information Systems(MIS)	<p>The programmes have separate registries of beneficiaries.</p> <p>The BACYWORD has a database of unemployed and eligible youth and women in the state</p> <p>BACYWORD has a new MIS for Skills for Jobs and Public Workfare Programmes yet to be placed online</p> <p>CCT enrolment has been incorporated into a web-oriented MIS. The system was used to generate list of household beneficiaries</p>	<p>There is low level MIS adoption among MDAs and CCTs</p> <p>MIS adoption for Skills for Jobs programmes is reflective of private sector orientation(MEDA)</p> <p>NGOs operated with dysfunctional computer units.</p>	<p>There is a unified registry for beneficiaries</p> <p>MIS is manually operated under the Skills for Jobs</p>	<p>KWABES uses its online portal to register beneficiaries and disseminate information</p> <p>Social media is also used as tools to get feedback from the public.</p> <p>MIS of the Clean and Green Programme is coordinated in the Planning, Research and Statistics Unit</p>	<p>NDE Skill Development Programmes has MIS adaptable to modern MIS</p> <p>NDE has its annual reports been published and contains organized set of information -- data on activities of NDE and performance of each programme</p> <p>CCTs of NAPEP have more information structure and dataset than the MDGs office.</p>

Key Item	Bauchi State	Cross River State	Oyo State	Kwara State	FCT
Communication	Existence of adequate consultation and dialogue with citizens,		AYD	KWABES means of	

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Strategy	<p>CSO, Private Sectors and other actors to inform them, involve them, collaborate with them and empower them with relevant information.</p> <p>Common information and communication strategy includes the use of channels such as traditional leaders, face-to-face, radio, notice/information board, town criers, churches, mosques, handbills, field visits, community meetings, age groups, television etc.</p> <p>Implementation strategies of CCT Programmes were disseminated in local dialects and publicized using media, posters and fliers</p>		<p>communicates with stakeholders through social media, letters, posters and handbills</p> <p>Short messages are sent using mobile phones.</p>	<p>communication with Stakeholders include dialogue/meetings, correspondence and media.</p> <p>Electronic mails are sent through the internet and mobile phones.</p>	
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Annex 3: Social Protection Institutions and Actors

1.	National Planning Commission (NPC)
2.	Office of the Senior Special Assistant to the President of Nigeria on the MDGs (OSSAP-MDGs)
3.	National Poverty Eradication Program (NAPEP)
4.	Ministries, Departments, and Agencies (MDAs)
	• Ministry of Women's Affairs and Social Development
	• Ministry of Youth Development
	• Ministry of Education
	• Ministry of Health
	• Ministry of Agriculture
	• Ministry of Labor and Productivity
	• Labor Inspectorate
	• National Directorate of Employment (NDE)
	• Nigeria Social Insurance Trust Fund (NSITF)
	• National Pension Commission (NPC)
	• National Health Insurance Scheme (NHIS)
5.	Development Partners
	i. Social Protection Development Partners Group (SPAG)
	ii. UK Department for International Development (DFID)
	iii. UN Population Fund (UNFPA)
	iv. UN Children's Fund (UNICEF)
	v. World Health Organization (WHO)
6.	National and International NGOs
	• Save the Children (HIV, AIDS, and nutrition)
	• Oxfam (strengthen the capacity of small-scale farmers)
	• SOS Children Villages (family strengthening program)
	• Empowering Women and Youths Program (HIV, child protection and social protection elements)

Source: Holmes and Akinrimisi (2011).

Annex 4: Review of Relevant Literature

Definitions and Conceptual Understanding of Social Protection Worldwide

1. The need for social protection has been rigorously debated in the literature in recent times in the context of risk as key determinants of poverty, wealth, and development in developing countries. While risk is an unpredictable change in the economy that causes a decline in well-being, vulnerability is the risk of being in poverty or falling into deeper poverty in the future (Heitzmann et al., 2002). Cafiero and Vakis (2006) revealed that vulnerability can be viewed from two main angles. In the first, vulnerability is the condition of being at risk of experiencing any potentially harmful event, while the second regards it as the possibility of becoming or remaining materially poor in the future. There is a very rich and extensive literature on risk and vulnerability, including but not limited to Tesliuc and Lindert (2002), Olaniyan et al. (2003), Cafiero and Vakis (2006), and Dev (2009).

2. Kozelet et al. (2008) consolidated risk and vulnerability analysis together and had the following unique features:

- It focuses explicitly on poor and other vulnerable groups who are generally seen to be more exposed to uninsured risk, more likely to suffer shocks, and less able to manage these effectively than the average individual or household.
- The poor consist both of those who are always poor (at any point in time) and of those who move in and out of poverty. Accordingly, a static estimate of poverty (measured at a specific point in time) is likely to underestimate those who are at risk of falling into poverty (at some other point in time). This report looked at poverty explicitly as a dynamic process. It focused on vulnerability as a forward-looking concept, capturing the possibility that an individual will have a level of welfare (as measured by, for example, consumption) below some benchmark (e.g., the poverty line) at a given time in the future.
- It examines the links between risk and shocks on the one hand and welfare and poverty on the other. It identifies the most important downside risks as being potential fluctuations in the circumstances of a household that affect its income and/or welfare. In particular, risk refers to *states of the world* that an individual or household faces, coupled with the likelihood that each of these states will occur. It defines shocks as the realization of these different states of the world, such as the occurrence of an earthquake, trade fluctuations, or the death of a household member. In other words, shocks connote the events that produce vulnerability, which consequently increases the probability of people sinking into poverty.
- Given risk profiles, a risk and vulnerability analysis identifies *ex ante* and *ex post* risk management strategies that can be used by individuals, households, and communities to

protect their welfare, as well as policy measures to promote the effective management of risk.

3. Recent literature has emphasized social protection policies and programs as a way of dealing with these risks, shocks, and vulnerability. There is a wealth of literature on social protection in developing nations, the vast majority of which has focused on the design, impact, or type of programs that exist. A closer review of the social protection literature reveals four common types: social assistance, social insurance, labor market interventions, and community-based or “informal” social protection. Barrientos and Hulme (2008) simply categorized those who need social protection into the following three groups:

- *Weak and Unable*: Those who are prevented from earning a living through disability, long-term sickness, youth, or old age.
- *Able but Excluded*: Those who are healthy and capable of earning an acceptable livelihood but who cannot do so, either because they lack skills, capital, or other assets or because they are excluded from the economy in some way.
- *Able but Vulnerable*: Those whose living is at risk of a sudden collapse.

4. There is a consensus among scholars and development workers that social protection is important given the understanding that poverty is multi-dimensional and persistent in time and across generations. However, the literature is still fraught with disagreements about definitions. While some authors have focused on the role of social protection, which is to lift the constraints to human and economic development posed by social risk, others described it within the context of ensuring the satisfaction of basic needs. Some others described it within the context of implementing a rights-based approach to human development. These differences arise from competing views of what social protection seeks to achieve (Munro, 2008).

5. These arguments have shaped how development partners define what social protection actually means. For example, the World Bank defines social protection as social risk management and proposes policies that seek “to assist individuals, households, and communities in better managing income risks” (Holzmann and Jorgensen, 1999). This contrasts with the perspective of the International Labor Organization (ILO), which is rooted in human rights. Therefore, the ILO defines social protection as “entitlement to benefits that society provides to individuals and households – through public and collective measures – to protect against low or declining living standards arising out of a number of basic risks and needs” (van Ginneken, 2003).

6. The UK’s DFID defines social protection as a sub-set of public actions that help address risk, vulnerability, and chronic poverty. This approach is accepted as cardinal by many policy-makers both as a conceptual approach and as a concrete set of policies. As a conceptual approach, it revolves around the needs of groups and individuals to live a fulfilling life, the role of the state in facilitating this, and the vulnerabilities of particular groups or individuals that prevent them from achieving this. As a set of policies, it consists of interventions that address

vulnerabilities and any factors that hinder a group or individual's capacity to enjoy a fulfilling life (GSDRC, 2011). Specifically, social protection is primarily concerned with those who are vulnerable or at risk in some way¹⁹ and seeks to transfer assets to these vulnerable groups.

7. Furthermore, the European Report on Development (ERD, 2010) defines social protection as “a specific set of actions to address the vulnerability of people’s lives through social insurance, offering protection against risk and adversity throughout life; through social assistance, offering payments and in-kind transfers to support and enable the poor, and through inclusion efforts that enhance the capability of the marginalized to access social insurance and assistance.” This definition is in line with that of the United Nations, which describes social protection as “a set of public and private policies and programs undertaken by societies in response to various contingencies to offset the absence or substantial reduction of income from work; to provide assistance to families with children as well as provide people with basic healthcare and housing” (United Nations, 2000).

8. Social protection can therefore be summarized as an effective response to poverty and vulnerability in developing countries and an essential component of economic and social development strategies (Barrientos and Hulme, 2008). However, there is also a consensus in the literature that well-designed social protection may contribute to growth. Dercon (2011) has argued that social transfers and other social assistance can offer the poor the productive assets that they need to engage productively in the economy and that will enable them to graduate from dependence. Public works programs can not only perform this function but also build relevant public goods and infrastructure in local communities, thus contributing to growth. In addition, well-designed social insurance can plug gaps in private insurance markets and complement community-based systems.

9. While in the past, social protection was restricted to supporting people in managing and mitigating shocks and heightened vulnerability, in the last two decades it has been expanded to encompass four types of interventions: protective (recovery from shocks), preventive (mitigating risks in order to avoid shocks), promotive (promoting opportunities), and transformative (focusing on underlying structural inequalities that give rise to vulnerability) (Oni, 2008 and Oni and Yusuf, 2008).

10. A close review of the social protection literature reveals four common types of programs: social assistance, social insurance, emergency relief, and a range of other policies designed to assist particular poor or vulnerable groups, including labor market quotas, employment support (public works), price supports and subsidies, microfinance, and land reform. Although, social protection has traditionally focused on short-term protection from the impact of shocks (e.g., floods, drought, unemployment, or death of a breadwinner) and on insurance for formal sector workers, the need to support equitable growth means that it must also include longer-term preventive and promotive perspectives. These approaches highlight the structural causes of

¹⁹ These include children, women, the elderly, the disabled, the displaced, the unemployed, and the sick.

chronic poverty and attempt to address the social, economic, and political barriers faced by vulnerable people as they try to rise out of poverty (Shepherd et al., 2004).

11. Social assistance refers to government and non-governmental action to transfer resources to people whose vulnerability warrants some form of entitlement. It aims to reduce poverty and develop the capabilities of the most vulnerable, thus increasing social and economic participation and equality of opportunity. As articulated by Howell (2001), it covers cash transfers, social pensions, public works programs, and in-kind transfers. When aligning these social protection types with the most relevant target group, social assistance is most appropriate for those “weak and unable” people who cannot earn their own living and cannot afford to contribute to insurance or participate in other targeted programs. Social insurance and emergency relief are suitable for individuals who are able but vulnerable, while specific programs, such as land reform and labor market quotas, are effective in helping those who are able but excluded to overcome the barriers that have alienated them from a growing economy.

12. As discussed by Holmes et al. (2008), there is the need to distinguish between core social protection and complementary interventions. Core social protection includes interventions such as asset transfers, income transfers, and public works; while complementary interventions include micro-credit services, social development and skills training, and market enterprise programs (Holmes et al., 2008). The elements of protection enable households to meet their basic needs, and these include cash and in-kind transfers, which can also reduce seasonal hunger. The elements of prevention aim to break the vicious cycles that can trap households during shocks and stresses. This includes income support so that households do not have to resort to selling their productive assets to smooth their income following a shock or to pay for major family events. Such negative coping strategies can undermine households’ future productivity and livelihoods. The “promotion” element involves providing cash transfers that households can invest in production or transferring productive assets such as agricultural input transfer, thus boosting incomes and improving livelihoods. More broadly, the transformative element gives people a greater voice in decision-making, as well as access to institutions (e.g., markets) and information from which they were previously excluded.

13. In conclusion, it becomes imperative from the above-reviewed literature that a better understanding of Nigeria’s social protection status can be guaranteed only if its constituent programs are assessed as regards whether they are achieving their objectives and improving the welfare of the people of Nigeria.

Social Protection Approach

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
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 Olaniyan et. al. 2012

Complementary Pro-Poor Measures and Programs

Complementary Social Services	Health, education, social welfare, child protection
Complementary Economic Services	Financial inclusion, agricultural extension, infrastructure, markets, microcredit, microfinance

Source : Olaniyan et. al. 2012

Messages on Social Protection Systems

14. Going by the various definitions and understandings of social protection by development agencies and countries worldwide, there is a need to provide clear understanding of how social protection system can be institutionalized in Nigeria and other African countries. This involves planning ahead to evolve Social Protection strategies for Nigeria and other African countries in the next ten years.

15. The following are the key messages, according to World Bank(2012), that are imperative for institutionalizing social protection in any country, though most especially Nigeria, which is the main concern of this study:

1. Social protection is a powerful way to fight poverty and promote growth.
2. Social protection reduces inequality and promotes social stability.
3. Safety nets, an instrument of social protection, are a critical part of a government's capacity to respond to shocks.
4. Countries like Nigeria can realize significant benefits by creating an integrated social protection and labor system.
5. Social protection is affordable in low-income countries and also in Nigeria despite tight budget.

6. The social protection strategy will be implemented by leveraging partnerships, knowledge, and financing instruments of the World Bank and other development agencies.
16. Other *key messages*, per the World Bank (2012), include:
 - ❖ Social Protection is needed more than ever in Africa and especially Nigeria. **This is so since despite** modest gains of social protection strategies in Nigeria, rates of chronic poverty remain high and millions of people are vulnerable to a range of well-known risks, which are increasingly exacerbated by new sources of vulnerability such as climate change.
 - ❖ Social Protection will contribute to development outcomes of countries such as Nigeria in the following ways:
 - ✓ *Social protection programs have an immediate and direct impact on chronic poverty*, by providing poor households with resources to meet their basic consumption needs, protect assets, and achieve better health, nutrition, and education outcomes.
 - ✓ *Social protection programs build the productive assets of households and expand their income-earning opportunities by building their labor market skills and enabling them to invest in their assets and human capital.*
 - ✓ *Social protection encourages local economic development* by improving labor market functioning, stimulating local markets through cash transfers, and creating community infrastructure.
 - ✓ *Social protection contributes to broad economic growth* by boosting aggregate demand and facilitating difficult economic reforms, through the provision of support to populations that are negatively affected by such reforms.
 - ❖ Social protection systems, programs and policies help individuals and societies to build resilience to risks, achieve equity, and avail of opportunities. Thus it promotes economic growth through three functions.
 - ✓ Resilience through insuring against the effects of drops in well-being from a range of shocks.
 - ✓ Equity through protecting against destitution and promoting equality of opportunity.
 - ✓ Opportunity through promoting better health, nutrition, education, and skills development and helping men and women secure better jobs.
 - ❖ Finally, social protection can increase social cohesion and reduce inequality.
17. In order to promote a social protection system that will guarantee the above-stated contributions to Nigerians social life, the Africa Social Protection Strategy outlines the vision for the World Bank's work in social protection over the next decade. Its main objectives are to

strengthen social protection systems in order to *reduce vulnerability and poverty* by helping poor citizens to:

- i. *Manage risk and respond to shocks*
- ii. *Build their productive assets and increase their access to basic services*
- iii. *Engage in productive income-earning opportunities.*

18. Other **key messages** to achieving sustainable social protection system as pointed out by the World Bank (2012) include:

- ✓ Building a social protection system is made up of public policies and programs and private and informal social protection mechanisms that deliver the resilience, equity, and opportunity functions of social protection to reduce poverty and contribute to inclusive economic growth.
- ✓ Social protection systems evolve according to a country's characteristics, including its political economy and institutional capacity.
- ✓ Social protection systems are shaped by the political economy.

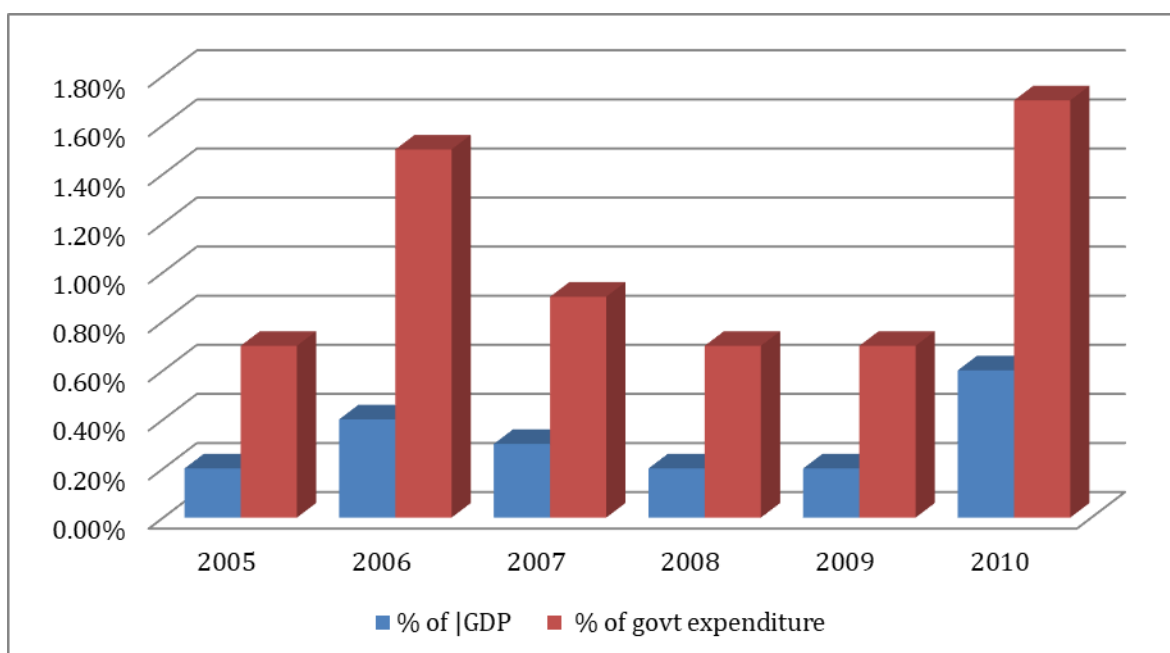
19. Finally, to guarantee a stronger social protection and labor system for Africa, most especially Nigeria, the following according to the World Bank (2012) are the ***fundamental approaches/actions/messages***:

- The first of these approaches involves defining a long-term vision and a coherent set of policies.
- The second set of actions that governments can take to improve the functioning of their social protection systems is integrating, harmonizing, and consolidating their social protection programs.
- A third set of actions is to adopt common administrative systems for all social protection programs.

Annex 5: Financing Social Protection in Nigeria

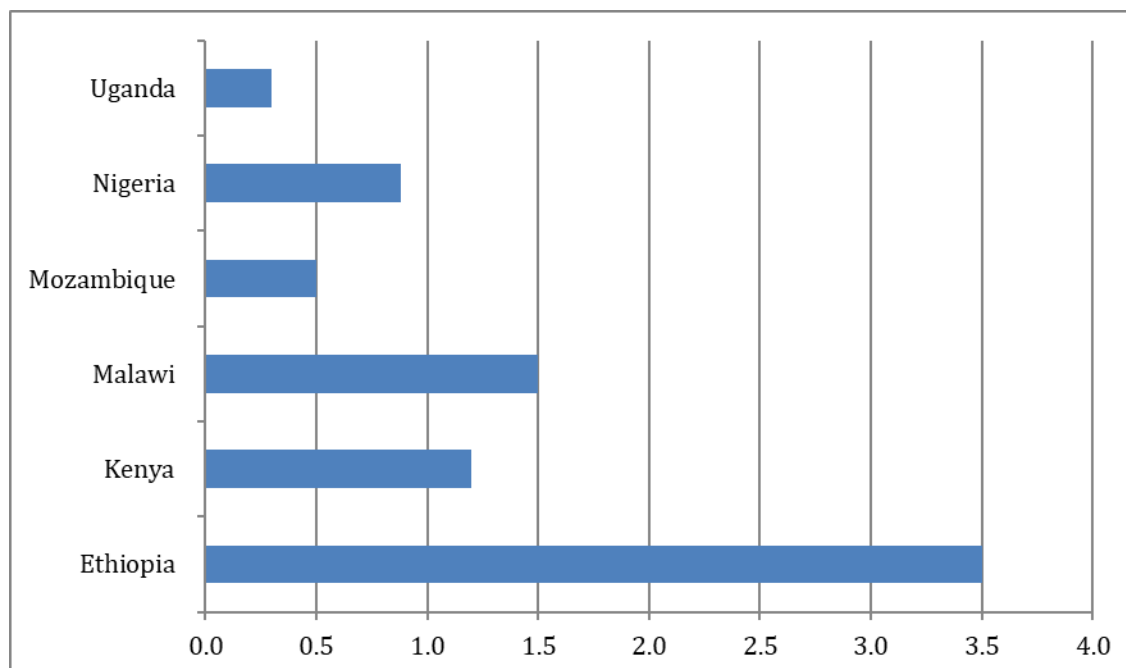
1. Clearly, very little is spent on social protection in Nigeria. This is partly because there are few programs in the country. This is a key issue because despite Nigeria's relative wealth, it spends less on social protection than many other African countries. One study (Hagen-Zanker and Tavakoli, 2011) has revealed that the fiscal space for social protection can be increased by increasing the efficiency of government expenditure but this will depend on political commitment.

Expenditure on Social Assistance in Nigeria (Excluding Civil Servant Schemes), 2005-2010



Source: Olaniyan et al 2012

**Expenditure on Social Assistance as Percentage of Government Expenditures
in Selected African Countries (Excluding Civil Servant Schemes)**



Source: Olaniyan et. al. 2012

What Is Fiscal Space?

An analysis of fiscal space looks at whether there is room in the budget for a government to provide greater resources for a particular sector (e.g., social protection) without prejudice to the sustainability of its financial position. It considers the following mechanisms:

- Mobilization of domestic revenues
- Increased discretionary expenditure through debt cancellation or increased borrowing
- Reallocation of expenditure between sectors
- Larger aid flows
- Improved financial management of expenditure
- Increased political commitment to support an expansion in social protection provision

Source: Heller (2005).

2. Information on the scope for fiscal space for social protection in Nigeria, based on measures and recommendations, is presented in the table below.

Scope for Fiscal Space for Social Protection

Mechanism/Measure	Recommendations
Mobilization of domestic revenues	There is scope to increase fiscal space through strong expected future growth as well as through robust and more stable revenues. This will come from contributions from Nigeria's sovereign wealth fund (SWF) and improvements in tax administration and compliance. The SWF is currently earmarked for non-recurrent expenditure, but if innovative approaches to public works programs are pursued, it may be a potential source of funding for these social protection activities.
Reallocation of funds between sectors (cut lower priority expenditures to make room for more desirable ones)	There may be scope to reallocate the funding previously earmarked for the oil subsidy to new social protection activities. In addition, there may be scope for reallocating resources from regressive civil servant schemes to more progressive provision, although this may be politically difficult to achieve. However, analysis of discretionary and non-discretionary expenditure suggests there may be increasingly less scope for funding to be allocated to social protection activities as discretionary expenditure is falling as a percentage of total expenditure. It is hard to make a judgment on the potential for reallocating funding across sectors and activities without having a detailed understanding of the government's priorities, programs, and activities. It is recommended that a public expenditure review be carried out for this purpose.
Increase discretionary expenditure through debt cancellation and/or increased borrowing	Debt cancellation is not an option. Also, given Nigeria's history of high debt levels (as a percentage of GDP), borrowing to fund future recurrent liabilities and long-term social protection investments should only be pursued with care.
Increase aid	It is difficult to judge whether overseas development aid (ODA) will increase over the next few years. Beyond debt relief, ODA support to Nigeria has historically been quite stable. Nigeria's ownership of significant natural resources and its human development improvements (albeit slow) suggest that increases in ODA levels are unlikely. In addition, ODA to social protection in Nigeria has historically been very low. However, with CCT pilots, a recent increase in development partner interest in social protection and the global trends towards social protection programming suggest that there may be potential for more ODA for social protection (even if overall ODA is unchanged), which would increase the fiscal space for social protection spending.
Improve financial management of expenditure	There is scope to increase fiscal space by increasing the efficiency of government expenditure. This will take time to achieve, and the exact savings from such improvements will be difficult to quantify and hence to translate into exact measures of increases in social protection funding. The ongoing effort to strengthen the efficiency and effectiveness of spending is important not only for social protection allocations but also for outcomes.
Political commitment to support an expansion in social protection provision	Social protection is slowly being recognized as a policy instrument in Nigeria but is not currently a high priority for the federal government, as reflected by its limited budget. The commitment to social protection among the states varies significantly, though some states are showing an interest in and channeling financial resources to pro-poor social spending in general and, increasingly, social protection in particular. In terms of future development, social protection needs to build on these successes and leverage the political will that exists at the state level. Development partners should present the Nigerian government with the rationale for expanding social protection and the costs and benefits of doing so.

Annex 6: NIGERIA Poverty Numbers 2003-04 and 2009-10

	Poverty Headcount		Variation	Poverty Gap		Poverty Severity	
	2003/04	2009/10		2003/04	2009/10	2003/04	2009/10
National	48.48	45.72	2.75	18.23	16.64	9.22	8.26
Rural	57.31	52.43	4.88	21.94	19.68	11.14	9.94
Urban	37.09	33.83	3.26	13.44	11.25	6.76	5.27
North Central	56.83	48.43	8.39	25.06	17.92	14.46	8.84
North East	59.19	59.41	-0.22	21.88	22.95	10.68	11.84
North West	56.20	57.52	-1.32	20.73	22.28	10.10	11.45
South East	29.20	38.58	-9.38	8.64	13.37	3.79	6.47
South South	42.74	36.51	6.24	14.83	12.53	6.90	5.97
South West	41.12	30.26	10.86	15.96	9.11	8.37	4.02
Abia	27.08	30.45	-3.37	8.09	8.98	3.56	3.90
Adamawa	63.29	64.51	-1.22	26.21	28.45	13.86	16.05
AkwaIbom	38.20	33.46	4.74	13.33	10.99	6.51	5.14
Anambra	22.78	30.05	-7.26	5.59	7.52	2.09	2.81
Bauchi	75.05	65.31	9.75	28.76	23.92	14.08	11.65
Bayelsa	27.72	28.77	-1.06	9.28	7.06	4.55	2.58
Benue	45.27	61.33	-16.06	14.45	25.34	6.70	13.51
Borno	41.29	42.78	-1.48	13.20	11.75	5.61	4.78
Cross-river	50.10	43.18	6.92	18.56	16.51	9.01	8.43
Delta	54.22	41.80	12.42	18.67	15.74	8.09	7.88
Ebonyi	43.99	71.17	-27.18	15.13	33.25	7.38	19.02
Edo	38.34	42.74	-4.40	11.55	13.95	4.82	6.16
Ekiti	43.27	40.21	3.07	13.58	14.16	5.92	6.77
Enugu	32.12	47.65	-15.53	8.70	17.88	3.71	8.84
Gombe	56.23	73.52	-17.29	20.81	35.41	10.52	20.55
Imo	29.36	28.04	1.32	9.64	8.03	4.39	3.32
Jigawa	87.37	77.92	9.45	42.88	39.23	24.79	24.32
Kaduna	35.17	45.50	-10.33	9.29	15.14	3.77	6.73
Kano	40.20	55.56	-15.35	12.78	22.85	5.40	12.08
Katsina	56.48	57.19	-0.71	18.05	18.45	7.70	8.20
Kebbi	78.63	50.10	28.53	31.00	15.95	15.12	7.04
Kogi	86.81	54.14	32.66	53.57	21.28	36.45	10.83
Kwara	82.98	51.89	31.09	45.87	18.01	29.27	8.00
Lagos	60.25	22.69	37.57	29.68	4.74	17.66	1.51
Nassarawa	46.38	55.38	-9.00	14.27	19.04	5.93	8.28
Niger	44.30	28.94	15.36	13.75	8.51	5.86	3.78
Ogun	32.74	40.48	-7.73	10.71	14.15	4.55	6.89
Ondo	46.30	40.49	5.81	14.69	13.59	6.51	6.67
Osun	26.42	22.96	3.46	7.37	7.03	3.19	3.00
Oyo	21.11	29.69	-8.58	4.99	9.21	1.76	4.02
Plateau	50.81	53.77	-2.96	19.27	20.92	10.03	11.10

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	Poverty Headcount		Variation	Poverty Gap		Poverty Severity	
	2003/04	2009/10		2003/04	2009/10	2003/04	2009/10
Rivers	39.96	29.76	10.20	14.50	9.92	7.09	4.72
Sokoto	62.54	71.52	-8.98	22.60	29.08	10.90	14.79
Taraba	45.09	47.41	-2.32	13.78	15.47	5.68	6.59
Yobe	71.61	67.98	3.63	27.17	28.43	13.86	15.48
Zamfara	67.32	50.90	16.41	26.33	16.93	13.26	7.83
FCT Abuja	35.72	30.89	4.82	12.45	9.20	5.68	3.50

Source: 2013 World Bank PREM – Draft Poverty Assessment report - Nigeria
 Authors calculations based on NLSS 2003/04 and HNLSS 2009/10

Annex 7: Tables on Nigeria's Fiscal Space for Social Protection

Table 1: Mobilization of Domestic Resources (2007-2014)								
GDP & Natural Revenue (Nigeria Consolidated Government) (N'billion)								
	Actual Values						Projections	
	2007	2008	2009	2010	2011	2012	2013	2014
Total Revenue	5926	8063	5003	6883	11285	10393	8938	10469
Nominal GDP	20657.3	24296.3	24794.2	33984.8	37409.9	40544.1	42396.8	
GDP Growth Rate	6.40	6.00	7.00	8.40	6.90	6.60	6.30	
Oil Revenue	4564	6535	3192	4809	8834	7581	5794	6854
Non-Oil Revenue	1362	1529	1811	2074	2451	2812	3144	3615
Import and Excise Duties	241	281	298	309	422	475	502	548
Companies Income tax	327	417	568	657	717	849	1012	1189
Value Added Tax	302	405	468	563	649	710	859	1024
Others (Education tax & Custom levies)	92	129	201	166	236	306	243	216
Federal Government Independent Revenue	243	115	73	154	182	207	241	326
State & LGs Independent revenue	158	182	204	225	245	265	288	312
Sources: CBN Statistical bulletin 2013, IMF country report (2011(pg 24),2014(pg 27))								

Table 2: Nigeria Government Operations (2007-2014) (N'billion)								
	Actual Values						Projections	
	2007	2008	2009	2010	2011	2012	2013	2014
Total Revenue	2311	3029	1614	2181	2838	2763	3046	3533
GDP Growth Rate	6.4	6	7	8.4	6.9	6.6	6.4	7.3
Oil Revenue	1767	2539	1079	1506	2045	1851	1993	2269
Non-Oil Revenue	544	490	535	675	794	912	1053	1264
Import and Excise Duties	109	127	134	139	190	214	226	247
Companies Income tax	152	194	264	306	334	394	471	553
Value Added Tax	41	54	63	76	87	95	115	138
Federal Government Independent Revenue	243	115	73	154	182	207	241	326
Sources:IMF country report (2011 (pg 22), 2014 (pg 26))								

Table 3: Revenue as percentage of GDP (consolidated)								
	2007	2008	2009	2010	2011	2012	2013	2014
	Actual Values						Projections	
Total Revenue	11.1	12.3	6.4	20	29.9	25.3	20	21.1
Oil Revenue	8.5	10.3	4.3	14	23.4	7.1	12.9	13.8
Non-Oil Revenue	2.6	2	2.1	2	2.1	2.1	2.2	7.3
Import and Excise Duties	0.5	0.5	0.5	0.4	0.4	0.4	0.3	
Companies Income tax	0.7	0.8	1.1	1	1	1	1.2	

Value Added Tax	0.2	0.2	0.3	0.2	0.3	0.3	0.3	
Federal Government Independent Revenue	1.2	0.5	0.3	0.4	0.4	0.4	0.4	
Sources:IMF country report (2011 (pg23), 2014 pg(28))								

Table 4: Public Sector Debt and Debt Servicing								
	2007	2008	2009	2010	2011	2012	2013	2014
Public (Domestic) Sector debt (N'billion)	2170	2320	3228	4552	5623	6537.5	7119	
External debt (\$billion)	431	523	591	690	897	1027	1387	
Debt Service	214	381	252	416	527	679	828	
Public Sector debt (% of GDP)	10.5	9.6	13	13.4	17.4	16.1	16.8	
Debt service-revenue	3.61	4.72	5.04	6.04	4.66	6.53	9.26	
Source: CBN Statistical Bulletin 2013								

Table 5: Percentage growth in Revenue Earnings (Consolidated)								
	2007	2008	2009	2010	2011	2012	2013	2014
Total Revenue		36	-38	38	64	-8	-16	17
Oil Revenue		43	-51	51	84	-14	-24	18
Non-Oil Revenue		12	18	15	18	15	12	15
Import and Excise Duties		17	6	4	37	13	6	9
Companies Income tax		28	36	16	9	18	19	18
Value Added Tax		34	16	20	15	9	21	19

Federal Government Independent Revenue		-53	-37	111	18	14	16	35
Sources: computed from Table 1								

Table 6: Seigniorage								
	2007	2008	2009	2010	2011	2012	2013	2014
Inflation (Average CPI)	5.4	11.6	12.5	13.7	10.8	10.8	10.2	8.2
Annual % change SWF (Investment)				-5.5	-6.6	-4.7	-3.4	
SWF (Foreign Investment balances) (\$b)				5.5	12.1	16.8	20.2	
External debt (Nominal) (\$b)	4	4.6	6.3	6.5	6.9	6.6	7.2	
External Debt (% of GDP)	2.3	2.3	2.7	2.5	2.5	2.3	2.3	
Broad Money (N'b)	5810	9167	10767	12067	14511	16863	19517	
Sources:IMF country report (2011 (pg 28), 2012 (pg 25))								

Table 7: Consolidated Government Expenditure (2007-2014)								
All figures are in N'billion (unless otherwise stated)								
	2007	2008	2009	2010	2011	2012	2013	2014
Total Expenditure	6001	6934	7619	9244	11093	10541	11030	11922
Federal Government Expenditure	2425	2784	2952	3980	4070	4153	4489	4586
State and LG Expenditure	2156	2886	3092	3300	4332	4434	4742	5454
Implicit Fuel Subsidy	239	377	203	381	975	688	0	0
Shared of Infrastructure and Social Spending			240	565	0	144	157	174

Foreign financed capital spending	59	43	81	170	273	150	297	311
Sources: IMF country report (2011 (pg 24), 2014 (pg 27))								

Table 8: Allocation of Spending between sectors								
Consolidated Sectoral Expenditure (N'billion)								
	2007	2008	2009	2010	2011	2012	2013	2014
Education	241.3	255.3	244.1	261.9	391.5	406.4		
Health	130.1	146.9	136.6	147.7	261.5	229.1		
Agriculture	77	156.2	113.5	102.4	110.8	91.1		
Defence	99.3	130.3	89.3	229.7	311.2	319.7		
Internal Security	147.1	280.2	306.2	299.7	347.2	417.8		
Discretionary	1180	1181	1222	1816	1349	1334	1482	1520
Non-discretionary	1246	1605	1730	2164	2721	2819	3000	3066
Sources: CBN Statistical Bulletin 2013, IMF Country report 2014 (pg 26)								

Table 9: Discretionary and Non-discretionary Spending as a percentage of GDP								
	2007	2008	2009	2010	2011	2012	2013	2014
Discretionary	5.7	4.8	4.8	5.3	3.6	3.2	3.3	3.1
Non-discretionary	6	6.5	6.9	6.3	7.2	6.8	6.8	6.2
Sources: computed from Tables 1 and 8								

Table 10: Budget Allocation by functional classification, 2005 to 2009									
Functions	2005 budget		2006 budget		2007 budget		2008 budget		2009
	N'Million	%	N'Million	%	N'Million	%	N'Million	%	N'Million
General Public Services	303485	19.36	558245	28.82	539060	23.34	605586	24.75	879000
Defence	116524	7.43	101452	5.24	138407	5.99	151941	6.21	223000
Public Order and Safety	165022	10.53	191417	9.88	202703	8.78	390780	15.97	431000
Economic Affairs	274148	17.49	408632	21.09	471343	20.41	397649	16.25	752000
Environmental Protection	3696	0.24	6055	0.31	5693	0.25	4242	0.17	15000
Housing and Community amenities	122160	7.79	32928	1.7	228847	9.91	81573	3.33	80000
Health	61544	3.93	106924	5.52	126219	5.47	138180	5.65	154000
Recreation, Culture and Religion	22549	1.44	28909	1.49	37287	1.61	30005	1.23	33000
Education	137509	8.77	200555	10.35	224500	9.72	266451	10.89	282000
Social Protection	4889	0.31	12626	0.65	9096	0.39	8432	0.34	14000
Others (Debt Repayment)	355723	22.7	289500	14.94	326000	14.12	372000	15.21	283000

Source: Jessica Hagen-Zanker and Heidi Tavakoti (2012): An analysis of fiscal space for social protection in Nigeria

