

# Project Briefing

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## Key points

- Social protection as a response to poverty is emerging in Nigeria, supported by government and development partners
- Programmes remain extremely small-scale in the context of high numbers of poor people
- Building institutional knowledge and capacity will be important to generate political and financial support to scale up existing programmes

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## Social protection in Nigeria: an overview of programmes and their effectiveness

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The government of Nigeria faces an enormous challenge: the strong economic growth the country has experienced has not served to substantially reduce poverty, inequality or instability. The poverty rate doubled in the past 20 years and, although rates have decreased in recent years, the Gini coefficient is high (43.8 as of 2005) and 54% of the population live in poverty – approximately 75 million people.

In recent years, government and its development partners have sought to develop social protection instruments to tackle the country's high rates of poverty and vulnerability. This Project Briefing is part of a project funded by UNICEF Nigeria to support the Government of Nigeria in realising its overarching development strategy and development of a national social protection strategy, and is one of five thematic outputs (the others relate to cash transfers, HIV/AIDS, child protection and fiscal space).

Specifically, this briefing discusses the current social protection policy and programming landscape in Nigeria and the effectiveness of social protection in addressing poverty and inequality in the country. It argues that social protection in Nigeria is falling short as a response to the needs of the poor and puts forward a number of policy recommendations

for consideration by government and development to strengthen the nascent social protection agenda in the country.

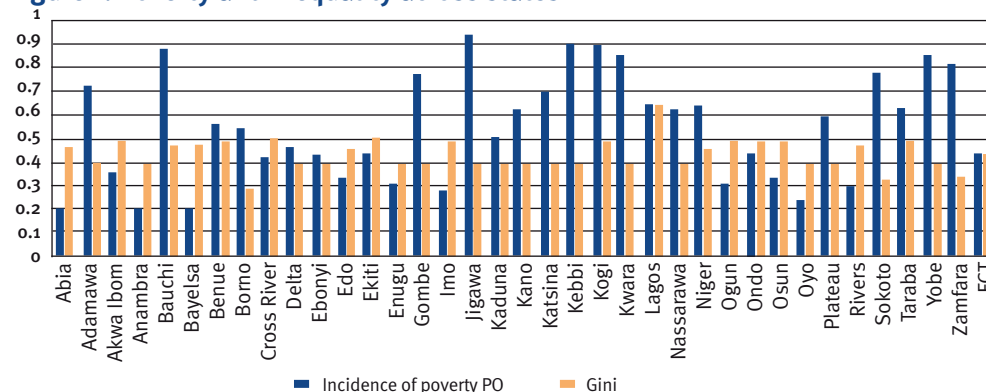
The brief draws on a desk-based review of secondary literature on social protection policy and programming in Nigeria as well as primary research (key informant interviews, focus group discussions and in-depth interviews) conducted in Abuja and selected states (Adamawa, Benue, Edo and Lagos).

## Background

Nigeria's decentralised political system consists of a three-tiered government structure. Apart from the federal level, there are 36 state and 774 local governments, with the federal government responsible for designing policy but sub-national governments largely autonomous in terms of interpreting economic and social policies and setting up budget regimes and expenditure patterns. States and local government areas (LGAs) vary considerably in size, population, resources and capacity, resulting in significant differences in poverty and inequality between states (see Figure 1).

Poverty, inequality and instability are strongly influenced by limited economic opportunities, spatial inequities and ethnicity, age

Figure 1: Poverty and inequality across states



Source: National Bureau of Statistics (2008) in UNDP (2009).

and gender inequalities. The recent food, fuel and financial crises exacerbated many of the existing vulnerabilities facing the poor. Almost half the population work in the agriculture sector, which has a poverty rate of 62.7% (Ojowu et al., 2007). Over 60% of the population is below 18 and children are represented disproportionately in poor households. Nigeria has a low ranking according to the OECD Social Institutions and Gender (Sigi) index,<sup>1</sup> which reflects inequalities in human capital, political representation and economic participation between women and men. Nigeria's under-five mortality rate is among the highest in the world (ranking 18th out of 193 countries) with rates varying from 87 deaths per 1,000 live births for children in the highest wealth quintile compared to 219 in the lowest. High rates of trafficking, prostitution and abuse mean that child protection is also a key concern. Also, the country has an estimated 3.3 million people living with HIV and AIDS, representing nearly 10% of the global burden of HIV.

## Mapping social protection policy, programming and actors

The government of Nigeria spends a relatively low proportion of its budget on the social sectors, compared to other sectors and countries, with education and health accounting for only 12% and 7% of expenditure, respectively (Hagen-Zanker and Tavakoli, 2011). Even within the social sectors, as in other key sectors such as the economic and agriculture sectors, there has been limited prioritisation of the poor.

In recent years, however, the government has prioritised pro-poor expenditure, especially expenditure resulting from debt relief (Debt Relief Gain, DRG) – negotiated with the Paris Club in 2005. The DRG stipulated among its conditions that resources should be allocated to pro-poor financing of the social sector to address poverty and advance progress towards the Millennium Development Goals (MDGs). Resources from the fund have been allocated to government-led conditional cash transfer programmes (focusing on health, education and economic productivity) and a maternal and child health fee-waiver programme, alongside supply-side interventions in health, education and water and sanitation. Despite this, however, overall expenditure on social protection remains low compared to other countries, at only 1.4% of government expenditure<sup>2</sup> (Hagen-Zanker and Tavakoli, 2011), representing only 5% of the DRG fund at the federal level (Dijkstra et al., 2011).

Social protection policy has been on the agenda since 2004, when the National Planning Commission, supported by the international community, drafted a social protection strategy. More recently, the National Social Insurance Trust Fund drafted a social security strategy. However, neither strategy has generated sufficient political traction

to progress past the draft stage, despite a chapter committed to social protection in Nigeria's most recent national policy implementation plan – the Vision 20: 2020.

The draft social protection policy approached social protection using a life-cycle and gender lens, recognising both economic and social risks, including, for example, job discrimination and harmful traditional practices. The policy was organised around four main themes: social assistance, social insurance, child protection and the labour market. However, only a few of the instruments of this approach were adopted in the national implementation plan, most notably the provision of specific and limited social assistance, social insurance (such as expanding national health insurance to the informal sector) and labour market programmes (such as developing labour-intensive programmes).

The lack of an overarching social protection policy or strategy at federal level is a key constraint to the implementation of social protection at state level. Moreover, in practice, programmes to date have been based on a narrow conceptualisation of social protection (focused largely on conditional cash transfers and two health financing mechanisms driven by the federal government) and have taken the form of ad hoc, small-scale and state-led programmes, with little inter-sectoral or state-federal coordination.

A mapping of the current social protection landscape in Nigeria indicates that a significant number of actors are involved in funding and implementing social protection, including those from government, donors, international non-governmental organisations and civil society. Federal government-led social protection includes three main programmes: i) the conditional cash transfer In Care of the People (COPE) (funded initially through the DRG fund) targeted at households with specific social categories (those with children of school-going age that are female-headed or contain members who are elderly, physically challenged, or are fistula or HIV/AIDS patients; ii) the health fee waiver for pregnant women and children under five (financed through the DRG fund); and iii) the community-based health insurance scheme, which was redesigned in 2011 because the previous scheme had design challenges.

Other social assistance programmes are implemented in an ad hoc manner by various government ministries, departments and agencies at state level, and some are funded by international donors. These include conditional cash transfer programmes for girls' education (in three states), child savings accounts, disability grants, health waivers, education support (such as free uniforms) and nutrition support. HIV and AIDS programming at state level also tends to include social protection sub-components (although not as the primary objective), including nutrition, health and education support. Labour market programmes include

federal- and state-level youth skills and employment programmes, and Nigeria also has agricultural subsidies/inputs – but neither of these are necessarily targeted at the poor.

Nigeria has ratified a number of key international social equity legislation instruments which form part of the transformative social protection agenda, including the Civil and Political Rights Covenant, the Economic, Social and Cultural Rights Covenant, the Convention on the Elimination of All Forms of Violence Against Women and the Convention on the Rights of the Child. However, not all states have passed these, implementation is weak, and there is limited, if any, conceptual link between the broader regulatory policies of equality and rights and social protection policies.

## Effectiveness of social protection

In the context of high levels of poverty and inequality, the existing social protection approach is currently facing a number of challenges. The key ones include the low coverage of existing programmes, the implementation of only a narrow set of instruments, poor service delivery, and the fragmentation of approaches and projects across the country.

The scale of social protection programmes is extremely small (see Table 1). The federal government initially promoted the COPE programme as a pilot and now aims to expand coverage and ensure sustainability (given that the DRG fund is limited to an MDG life-span) through state-level financing. To this end, states have been given the responsibility for COPE expansion through a mechanism called the Conditional Grant Scheme – a financing mechanism which requires states to match federal expenditure. However, only one-third of all states have committed to co-funding COPE, and coverage is estimated at less than 0.001% of the poor.

Low coverage is only one of the challenges facing the COPE programme, however. The monthly grant ranges from \$10 to \$33, depending on the number of children in the household (up to a maximum of five). This is low in relation to household need, especially in large households (particularly in the north, where polygamy is common), and the decreasing purchasing power of the Naira, Nigeria's currency, due to food and fuel price inflation. The grant is conditional on children attending school and health checkups (although compliance monitoring has not been implemented), and the household receives a lump sum payment (up to \$560) to be invested in income-generating activities at the end of the programme period as well as receiving training on basic business skills and entrepreneurship. Participation is limited to one year, however, which restricts the potential effectiveness of the programme to address poverty and vulnerability in a sustainable way.

Discussion on the appropriateness of different types of social protection programmes has been limited. As cash transfers and health fee waivers

remain the main instruments, only a narrow set of risks and target groups is addressed. In the case of COPE, while the objectives are multiple (the promotion of health, education and investment), the design – in terms of the focus on rapidly acquiring skills and investing in income-generating activities – is not necessarily well suited to the needs of all poor households, especially those with only limited labour (such as households living with HIV or single-headed households) or those less willing to take risks on economic activities. Moreover, despite a conceptual approach to gender- and child-sensitive social protection in some programmes (for instance a focus on maternal health care and cash transfers for girls' education), a concerted approach to addressing equity across all social protection instruments is missing.

Concerns over basic service delivery and the accessibility of other infrastructure (such as banking for the poor) are also key challenges. While the need for social protection to support the demand for basic services is strong, especially in terms of the direct and indirect costs associated with accessing health and education for instance, poor service delivery also needs to be addressed. The health sector, for example, is characterised by low efficiency and effectiveness in terms of poor budgetary allocations; ineffective use of system financing; and the inequitable distribution of resources (skilled personnel, health care providers, etc.), largely in favour of urban elites (National Health Insurance Scheme, 2010). Improving the quantity and quality of service delivery requires addressing a range of institutional, financing and governance constraints.

Given the inter-linkages between social protection and other services, there is a need to promote improved institutional coordination and efficiency among a variety of actors and programmes. In the absence of an overarching framework, the existence

**Table 1: Coverage of selected social protection programmes**

Programme	Actual coverage: number of households/
COPE	22,000 households/less than 0.001% of poor households nationally <sup>1</sup>
Conditional cash transfer for girls education	12,000 girls, Kano/0.002% of poor people, Kano <sup>2</sup> 7,000 girls, Katsina/0.001% of poor people, Katsina <sup>3</sup>
Maternal and Child Health Care (MDG-DRG funded)	851,198 women and girls <sup>4</sup> /less than 0.01% of the poor <sup>5</sup>

Notes:

1: Calculation based on assumption of 54% poverty rate, population 140 million and mean household size of 4.4 (NPC, 2008).

2: 9.2 million population in Kano; incidence of poverty approximately 60%.

3: 6 million population in Katsina; incidence of poverty approximately 70%.

4: Coverage as of June 2010 (Phase 1 615,101 and Phase 2 236,097).

5: Assumption 75 million poor (poverty rate at 54%).



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of multiple actors at federal, state and LGA levels results in social protection programming that is ad hoc and fragmented. Weak institutional capacity at the federal level, high staff turnover and limited coordination structures are key challenges. Although the MDG Office has been spearheading the social protection agenda within the MDG framework, the sustainability of this agency post-MDG DRG funding is of critical concern. There is currently no institutional lead on social protection with the requisite political authority to foster improved coherence between ministries, departments and agencies; harness political and financial commitment; or take on a coordination and leadership role to drive the agenda forward at federal and state level.

## Conclusion and policy implications

In light of the recent emergence of the social protection sector in Nigeria, and the challenges identified in developing an effective social protection agenda, a number of policy recommendations for government and development partners need to be considered:

- Develop an overarching social protection policy framework to provide clear institutional roles and responsibilities, lay out numerous options for social protection in the country, facilitate dialogue and knowledge exchange on the different types of social protection interventions suitable in the Nigerian context, and promote inter-sectoral and federal-state coordination.

- Generate political commitment to social protection at the federal and state level.
- Allocate additional resources to finance the scaling up of social protection programming.
- Increase fiscal space for social protection by: i) mobilising domestic resources (future growth) ii) promoting increases in ODA specifically targeted at social protection and/or iii) improving the public financial management (efficiency) of public expenditure (at both federal and state levels).
- Increase investment in social service delivery to maximise the effectiveness of social protection programmes in terms of human development impacts.
- Integrate an equity focus into the design and implementation of programmes.
- Strengthen governance features of social protection programmes within institutions as well as sensitising programme participants to hold implementers accountable.

Government and donor coordination and commitment will be critical if these recommendations are to translate into positive change.

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## Endnotes, references and project information

### Endnotes:

- 1 [www.oecd.org/document/39/0,3343,en\\_2649\\_33935\\_42\\_274663\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/39/0,3343,en_2649_33935_42_274663_1_1_1_1,00.html)
- 2 Owing to the federal structure and the lack of a computerised budget system, it is extremely difficult to get comprehensive budget data (both budget and actual expenditure) on a federal, state and local level for Nigeria. To compensate for data gaps, we have utilised estimation techniques to present a complete picture. Data sources, methodology and limitations are discussed in more detail in the full report. Social protection includes all expenditure on women, poverty and social development affairs.

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### Project Information:

This Project Briefing is part of a UNICEF Nigeria funded project on child-sensitive social protection entitled 'Social Protection Diagnostic and Forward Agenda for UNICEF'. The project aims to support the Government of Nigeria in realising its overarching development strategy (*The Vision 20:2020*) and the development of a national social protection strategy. The project has five thematic sub-components: social protection mapping and effectiveness; cash transfers; HIV/AIDS; child protection; and fiscal space. The study has been commissioned by UNICEF Nigeria and the National Planning Commission and funded by UNICEF Nigeria and UNFPA. It was carried out by ODI in partnership with Gender and Development Action (GADA) and the Centre for Women's Health & Information (CEWHIN).

For more information visit: <http://bit.ly/social-protection-nigeria>