

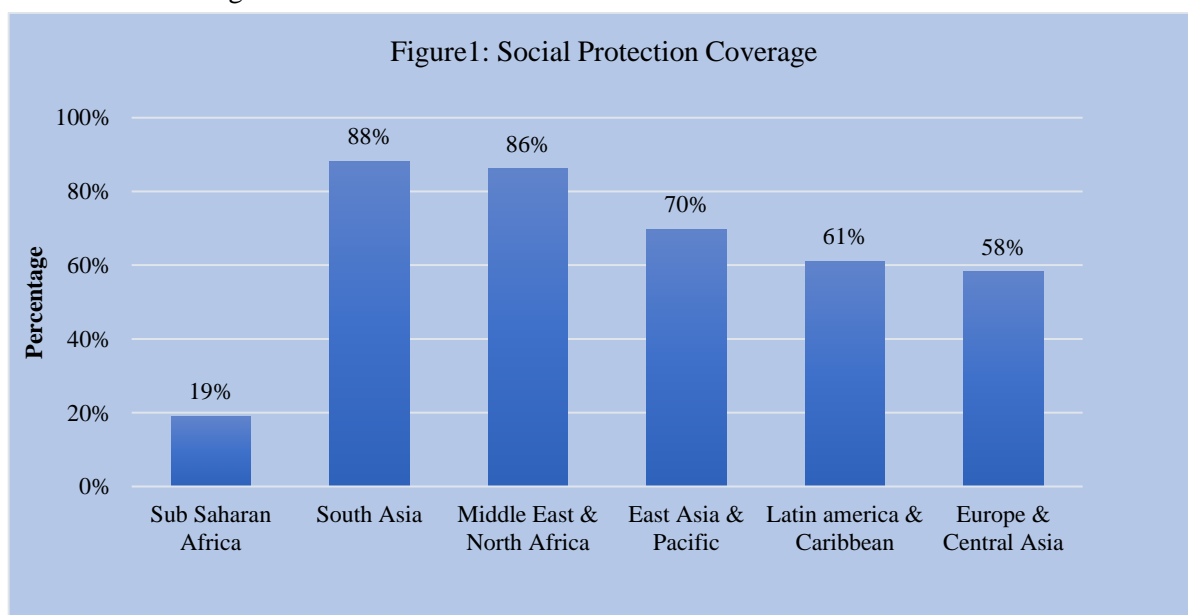
BUILDING RESILIENCE INTO SOCIAL PROTECTION SYSTEMS ACROSS AFRICA – CASE STUDY ON NIGERIA

Authors: Faiza Muntaka and Sone Osakwe

The dawn of the COVID-19 pandemic affected the globe with its far-reaching impacts. Even though the long-term health, economic, and social impact is still indeterminate, the immediate effects have ensued with [significant loss](#) of lives and livelihoods. Those already living in poor and vulnerable conditions have been the hardest hit, suffering extreme hardship from reduction in income and decreased consumption, since existing coping mechanisms are [grossly inadequate](#) to counter the shocks from the pandemic. This scenario is bound to threaten their chances of survival, plunge them further into extreme poverty as well as expand the inequality gap. As a result, the importance of investing in efficient social protection programmes has never been more pronounced.

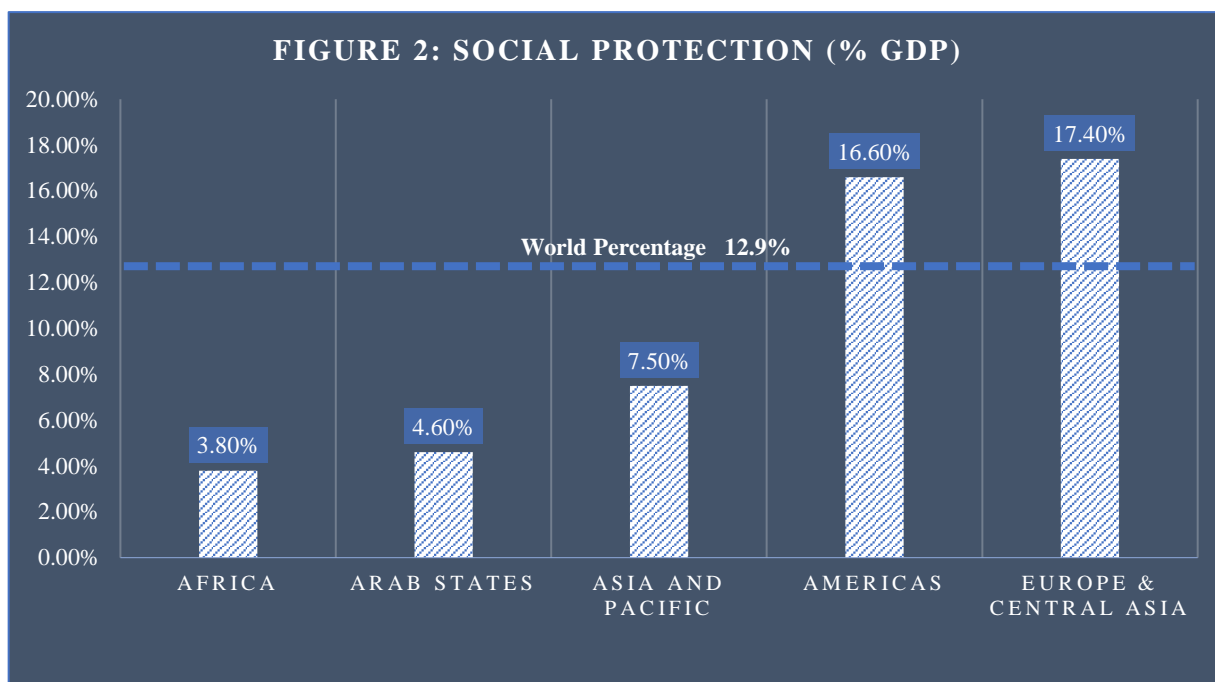
[Social protection](#) systems are critical for protecting the poor and vulnerable in times of crises. It serves as a [financial buffer](#) in response to unprecedented disaster strikes, hence, safeguarding livelihoods, whilst accelerating economic activities. A resilient social protection system does not only safeguard the poor and vulnerable but also prevents the near or transient poor from falling into poverty. In this regard, it is the government's responsibility to reinforce institutional capacities that can foster resilience for its citizens through efficient social protection.

In the African context, the region's number of poor persons exacerbated due to COVID-19; currently estimated at [478 million](#) people up from 443 million at the beginning of 2020. [Forecasts](#) suggest that by the year 2030, Africa will be the region housing the largest chunk of the global poor; by contrast, social protection coverage remains low despite having a dire need for such programmes and policies. The International Labour Organization [reports](#) that only the number of economically active population in Sub-Saharan Africa that are covered by social protection schemes, is the lowest globally. Data for the World Bank further corroborates this as shown in Figure 1.



Data Source: [World Bank's Atlas of Social Protection Indicators of Resilience and Equity \(ASPIRE\)](#)

Factors such as limited formal employment, narrow fiscal space, and weak governance mechanisms limit the capacity of African governments to extend social protection to wider segments of the population. These constraints affect total expenditure or budgetary allocations to social protection schemes. Figure 2 provides a snapshot of the expenditure gap between African countries and the rest of the world.



Data Source: [ILO's World Social Protection Data Dashboards](#)

Nevertheless, COVID-19 crisis forced governments across the world including Africa to expand the scope of existing social protection programmes and introduce new initiatives to lessen the burdens experienced by citizens. Nevertheless, the question of how to strengthen social protection schemes to protect citizens from unforeseen shocks remains.

Case Study: Nigeria

Nigeria, Africa’s largest economy, has one of the largest numbers of poor people - about [87 million](#), contributing almost a fifth to continent’s total poor population. To curb this trend, the government has introduced [different](#) forms of poverty reduction and social protection interventions. The pandemic however [exposed](#) the weaknesses of these programmes ranging from poor design and targeting of recipients, policy inconsistencies and lack of proper documentation of the poor and vulnerable. Also, lack of transparency in the execution of these interventions, casts doubt among the public on who the real beneficiaries of these programmes are. The table below highlights some changes made post-pandemic and subsisting shortcomings.

Initiative	Pre-COVID-19 Intervention	COVID-19 Intervention	Gap
National Social Register (NSR)	2.6 million poor households (representing about 11 million persons) were registered on the NSR.	Number of registered households increased to 8,304,029 as of May 2021, representing 35,267,966 individuals.	Less than half of the nation’s poor population are captured in the NSR, which implies that the excluded numbers cannot be supported.

Initiative	Pre-COVID-19 Intervention	COVID-19 Intervention	Gap
Conditional Cash Transfer	408,682 persons are beneficiaries for the conditional cash transfer ₦ 5,000 (\$11) monthly.	Approximately 985,231 beneficiaries were paid four (4) months stipends equivalent to ₦ 20,000 Naira (\$44.4) monthly.	The monthly stipend under the CCT scheme is less than Nigeria's monthly poverty line of ₦11,452.50 (\$25). Also, only about 1% of the country's poor were able to benefit from these stipends during the pandemic, leaving several vulnerable persons without assistance.
National Home-Grown School Feeding Programme (NHGSF)	9,963,726 children have benefited from the school feeding programme.	School closure meant that the programme was halted during the peak of the pandemic.	Other countries such as Mozambique adopted the Take Home Rations (THRs) modalities to ensure that children did not go hungry during the school breaks. Also, the implementation structure for the NHGSF does not include out of school children; estimated to be around 10million in the country.
N-Power	Designed to provide young unemployed Nigerians with work experience and opportunities for future employment. In total, 549,500 youth have benefitted from programme. Beneficiaries are paid ₦30,000 (\$66) monthly.	No significant changes made to augment this initiative.	Around 12,723,133 youths were reported to be unemployed as at the fourth quarter of 2020. The coverage of this scheme is abysmal.
Government Enterprise and Empowerment (GEEP) Tradermoni Marketmoni Farmermoni	GEEP is a micro-lending intervention that provides cheap loans starting from ₦10,000=\$22 for petty traders and ₦50,000 - ₦00,000 Naira (\$111 -\$222) for, small enterprises. In total, there are 2,238,334 beneficiaries of GEEP.	Extended repayment timelines and allowed for more flexible structuring of loans.	Again, coverage is extremely low considering that there are about 49.3million small businesses in the country. Also, the public's awareness and familiarity with the processes required to obtain this assistance is not adequate.

Initiative	Pre-COVID-19 Intervention	COVID-19 Intervention	Gap
CBN SME Funding	The CBN launched the SMEs fund in 2013 with share capital of 220 billion Naira . This is to provide low interest funds to SMEs sub-sector in Nigeria.	The CBN disbursed 50 billion Naira targeted credit facility to affected households and SMEs. Also, the CBN disbursed additional 218.16 billion Naira to 474,376 beneficiaries., 34% of the beneficiaries are SMEs.	There is lack of transparency on the loan disbursement. As at March 2021 only 3% of SMEs have benefitted from the government Covid-19 SMEs funding.
Allocated Budget for Humanitarian services	The sum of 500 billion Naira was allocated for Special Intervention programmes in year 2019.	In 2020, 400 billion Naira was allocated to Social Investment Office. However, due to the pandemic, the budget was amended which dropped the allocation to 342 billion Naira . In 2021, the FGN approved 400 billion Naira for special intervention programmes. Also, additional 365 billion Naira was approved for the upscaling of the National Social Investment Programme (NSIP).	The budget allocation for social investment programme is inadequate to cover for the large number of the poor in Nigeria. This is more glaring when compared to other countries. For instance, while, South Africa allocated the sum of 205.2 billion Rand (\$14.1 billion) on Social Development Programmes in 2021, the FGN allocated only the sum of 765 billion Naira (\$1.8 billion) for National Social Intervention Programmes (NSIP).

To buttress the highlighted shortcomings, [Nigeria ranks 0.07](#) on the global social protection index, with its performance on social protection coverage and expenditure much lower than both global and regional average. It is therefore imperative that the country develops a social protection system that is able to [mitigate the effect of shocks](#) through the implementation of disaster risk reduction policies, that guarantee early warning and preparedness, while ensuring that resources are readily available in a timely manner if and when the need arises.

Recommendations

African governments need to rethink their approach to protecting citizens against unanticipated events such as the covid-19 pandemic or climate change related disasters, by ensuring wider coverage of social assistance and appropriate programme strategies. These strategies should include the following:

- Proper design and targeting approach: to widen its social protection target recipients; expanding a nation's register of poor households is one thing, ensuring that registered households can obtain the necessary assistance required is yet another task. This involves adequate funding as well as scaling up the existing social investment programmes. These programmes should include all categories of vulnerable persons including but not limited to children, youth, the disabled, internally displaced persons, women, and aged persons. There also needs to be greater adoption of programmes that build capacity for handling and absorbing shocks. Such programmes would need to be geared towards protecting jobs, empowering micro entrepreneurs and reducing high rate of unemployment. For example, agricultural support programmes that offer affordable micro insurance products can protect livelihoods of those in rural communities in the event of natural disasters (flood, drought, pest, and diseases). Also, social protection schemes must incorporate skills acquisition and educational advancement initiatives to reduce the number of out-of-school children and unemployable youths. Intervention programmes for vulnerable persons should not be limited to the central government alone rather, sub national governments should be involved in the design and implementation at the grassroots.
- Good governance, transparency and accountability: the government should outline clear roles and responsibilities of all actors involved in social protection programmes, setting mechanisms and implementation procedures to ensure that social benefits get to the right persons at the stipulated time. Information should always be made available to the target beneficiaries about their rights to assistance and the mandatory documentation or process involved in obtaining assistance.
- Enhance domestic revenue mobilization: by improving the tax system. An efficient progressive tax system can assist in redistributing the income from higher income quintiles to lower income quintiles. Still, this will only be effective where mobilized resources reach the poorest quintile and the most vulnerable.
- Leveraging data and digital tools: data is required to assess how households currently manage their vulnerability to shocks, and the nature of risks that they experience. This would guide in formulating interventions that are fit for purpose. Updating the region's information systems is therefore critical to this end. Meanwhile, the pandemic has revealed the significance of digital tools on the effectiveness of social protection. It becomes relevant to incorporate digital tools in existing social protection programmes. This will enhance efficiency and transparency.
- Stakeholder collaboration: Governments should build a synergy with civil society groups that work closely with the target groups and already have effective aid delivery systems. There is also a need for greater coordination with these groups to avoid duplication of programmes and/or working at odds.