The Architecture for Urban Safety Nets - Institutional and Financing Models

The Nigerian Experience

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Background

• Country Context:
  – GDP: US$522.6 billion
  – Poverty rate: 45.7%
  – Governance: Presidential System
    • 3 Tiers of Government: Federal, State and Local Government.
  – Major Foreign Exchange Earner: Oil and Gas
  – HDI: 152 (2014)
  – Country Classification: Low Middle Income Country (LMIC)
  – Notable SPL initiatives: NHIS $ CBHIS; PENCOM; NHF; Various labour laws; Various SSN initiatives.
Drivers of Urbanization (flee over)

- Population Dynamics
  - population growth rates
  - changing population demographics

- Economic Growth
  - Oil Boom (70s & 80s)
  - Unsustainable resources exploitation reducing rural productivity base.
  - Alienation of rural land for development priorities (RBDA etc)
  - Declining productivity base for agriculture.
  - Increased density of rural trading centres

- Government policies
  - creation of new states and LGAs, Development areas
  - establishment of a Fed. Capital Territory.
  - Creation of new universities and institutions of higher learning.
  - large scale infrastructural development

- Social and Environmental:
  - Natural and anthropogenic (deforestation driving desertification, gully erosion and flooding etc)
  - Rising communal land resources/use conflict.
  - Insurgency.

- All contributing to accentuating Poverty
Structure of Local Governments in Nigeria

- Constitution guarantees Autonomy (administrative, political and fiscal)
- Lowest administrative unit (774) across 36 states and FCT; sub-divided to wards – lowest political unit (8,812).
- Executive- Chairman, Legislature-Councillors, Judiciary – Magistrate courts.
- Elective positions (Executive & legislature) every three years; not more than 2 terms
- Elections conducted by State Independent Electoral Commissions (SIECs).
- 20.2% of Federation revenue (Fed 52.8%, States 26.0)?
- Resources managed through a Joint State Account.
- Attempts to create Mayoral Status for FCT and some mega cities dependent on constitutional review
# Constitutional Responsibilities of Local Governments in Nigeria

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<td>Collection of rates</td>
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<td>Establishment and maintenance of cemeteries, burial grounds and homes for the destitute or infirm</td>
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<td>Licensing of bicycles, trucks (other than mechanically propelled trucks), canoes, wheel barrows and carts</td>
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<td>Establishment, maintenance and regulation of slaughter houses, slaughter slabs, markets, motor parks and public conveniences</td>
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<td>Construction and maintenance of roads, streets, street lightings, drains and other public highways, parks, gardens, open spaces etc</td>
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<td>Naming of roads and streets and numbering of houses</td>
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<td>Provision and maintenance of public conveniences, sewage and refuse disposal</td>
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<td>Registration of all births, deaths and marriages</td>
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<td>Assessment of privately owned houses or tenements for the purpose of levying such rates as may be prescribed by the House of Assembly of a State</td>
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<td>Control and regulation of out-door advertising and hoarding, movement and keeping of pets of all descriptions, shops, kiosks, restaurants, bakeries, laundries and licensing, regulation and control of sale of liquor</td>
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<td>Provision and maintenance of primary, adult and vocational education</td>
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<td>Development of agriculture and natural resources other than the exploitation of materials</td>
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<td>Provision and maintenance of health services (Primary Health Care)</td>
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Overview of Poverty

- Rural Population: 94.7mil (53.06%)
- Urban Population: 83.8mil (46.94)
- Rural Poor: 50 mil (52.8% of rural population and 28% of total population. Poverty portal, 2014)
- Economically active population (15 – 64) – 103.5million
- Labour force population – 74million (NBS, 2015)
- High unemployment (especially youth); high rural urban migration
- Increasing crime rates
- Environmental degradation on the rise: pollution, sanitation.
- Rising urban slum settlements.
- Inadequate infrastructure and services: power; Housing; Transportation; Water.
- Capacity constraints (government):
  - Planning and visioning processes.
  - Integrating participatory governance
  - Revenue (collection, management and mobilisation).
  - Inadequate institutional arrangements.
  - Inadequate capacity to galvanise informal sector.
Institutional Arrangement for SPL

- **Present:**
  - Anchored on constitution as grundnorm
  - Governance structure based on three tier (Federal, State and Local) with clearly defined political, fiscal & administrative responsibilities;
  - Responsibilities for pro-poor initiatives:
    - Social Insurance: Federal (NSITF, NHF, PENCOM, NHIS, CBHIS)
    - Labour laws and Regulations: Federal and State (active mainly at federal)
    - Social Safety Nets – Federal and states; community and individuals

- **Challenges:**
  - Coordination (Policy and Implementation at all levels)
  - Inter-sectoral linkages/synergies (policies, strategies and implementation)
  - Federal and State levels (within and between)
  - Inter-spatial synergies (inter-governmental/horizontal).
  - Weak capacities (designing and implementation)
  - Lack of adequate appreciation of need for social protection
  - Weak CSO involvement.
Enhancing inter-governmental linkages through YESSO

- Coordination:
  - Federal level (inter-ministerial): Federal Operations Steering Committee
  - Intra-governmental: State Operations Coordinating unit, LGA Community Based Targeting team

- Capacity Strengthening:
  - Scheduled trainings
  - Implementation workshops
  - Training on pro-poor targeting (LGA level)
  - Community based participatory engagement processes – including engaging non-state actors.
  - Monitoring and Evaluation as well as supervision
Opportunities and challenges in Urban centres (Skills for Job)

(A) Opportunities:
- New approach to skills training to increase effectiveness of combating youth unemployment.
- Piloted in Urban LGAs
- LGA-facilitated and community-led identification of poor & vulnerable.
- Target unskilled and semi-skilled youths (18 – 35 years)
- Training in Life skills; Entrepreneurship; Vocational/Sector specific; apprenticeship
- Increased buy-in of pro-poor initiatives and engendering gender equality
- Enhancing citizen engagement and consensus building

(B) Challenges:
- Constitutional handicap (Joint State Accounts)
- Usurpation of the little LGA roles for revenue generation by states e.g various licensing, tenement rating, sanitation and Federal – registration of birth and deaths.
- Limited roles of LGAs for pro-poor initiatives
- Difficulty in strict delineation of LGA based urban areas (i.e urban areas cover a number of LGAs)
- State and LGA capacity
- Weakened business environment
- Demand for training incentives by private sector
- Effective Private sector “buy-in”
PERFORMANCE OF CONSTITUTIONAL ROLES BY LGA

(A) APAPA LGA, LAGOS STATE
- Statutory functions of Apapa LG are only partially performed.
- make recommendations to the appropriate State Government agencies on the economic planning and development of its area. Does not have a home for the destitute;
- It has established and maintains markets, parks, gardens, motor parks, drainages - Ijora CDC Junction, Oyekan Road, Wharf Road Service Lane, Wharf Road/Point Road junction, North Avenue, Dan Fodio Road, Rhodes Crescent- and water channels but does not have slaughter slabs.
- Built and maintains several roads (Adele Road, Olofin Road, Plateau Road, Cameroun Road, Bornu Crescent, Moshood Tijani, and Gilbert Udegbunam, Iduganran Road, Rycroft Road), streets, and drains and it also undertakes naming of street and numbering of houses. Some of its motor parks and public conveniences are undertaken under private-public partnerships (PPP).
- De-silted channels are Ijora Oloye channel, Dakar Road channel, Burma Road canal, Creek Road

(B) AKURE NORTH LGA, ONDO STATE
- Education, LGA gives bursary to students and instructional materials.
- Water provision of bore-holes
- Economic empowerment- provisions of micro-credits, training and starter packs.
- Elderly and physically challenged supported through cash donations.
- Relief packages to support poor in cases of roof damage/building collapse or natural
Conclusion

- Experiences sharing provides good platform to sharpen design of SP interventions
- Urbanization accentuating poverty – urgent demand for interventions
- Skills development huge opportunity for urban poor protection; vibrancy of economic development
- Strong inter-government/sector and PS relations essential for effectiveness limited resources;
- Empowerment of LGAs on basis of constitution provision will enhance poverty reduction