



WHAT YOU **NEED TO**
KNOW ABOUT

NIGERIA'S NATIONAL CASH
TRANSFER PROGRAMME
(NCTP)

By

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WHAT YOU NEED TO KNOW ABOUT NIGERIA'S NATIONAL CASH TRANSFER PROGRAMME (NCTP)

WHAT IS THE NATIONAL CASH TRANSFER PROGRAMME?

The National Cash Transfer Programme (NCTP), also known as the Household Uplifting Programme, is one of the four social investment programmes anchored by the Federal Government of Nigeria. It started in 2016 and it is a component of the National Social Safety-Nets Projects which is supported by the World Bank to provide financial support to targeted poor and vulnerable Nigerian households. The NCTP is designed to deliver timely and accessible conditional cash transfers (CCT) to beneficiary households and build their capacity for sustainable livelihoods.

What is the National Cash Transfer Office (NCTO)

NCTO is an arm of National Social Investment Programme (NSIP) under the Federal Ministry of Humanitarian Affairs, Disaster Management and Social Development responsible for the management of the Conditional Cash Transfers (CCT) to the poor and vulnerable households in Nigeria

HOW IS THE PROGRAMME FUNDED?

The programme is funded from three major sources. Namely:

Federal Government, Credit World Bank and \$322.5m recovered Abacha fund.

Please noted that FGN fully funded NCTP programme from 2016 until 2018 when the spending from IDA funds started





HOW MUCH IS PAID TO EACH BENEFICIARY AND HOW OFTEN?

The NCTP supports the poor and vulnerable with a monthly stipend of N5,000 per beneficiary/month which is paid bi-monthly (i. e. N10,000 every 2 months).

WHY WERE BENEFICIARIES PAID

₦20,000

IN APRIL 2020



The sum of N20,000 is an aggregate of the monthly N5,000 disbursements for the first four months of 2020, (January to April 2020).

The monthly CCT payments were stopped in December 2019. They were to resume payment a few weeks ago when the COVID-19 crisis started. Hence, the President directed that the beneficiaries should be paid for the first four months of the year at once (January to April 2020), making it N20,000

WHAT IS THE PAYMENT SYSTEM

The payment system is an electronic payment system where each beneficiary has their virtual wallet credited before each payment cycle. However, for each beneficiaries to be able to cash out, they need pay point (such as POS or ATM machine), which is not readily available where the poor lives. The payment agents, who are equivalent of ATM machine were engaged to dispense cash using the beneficiaries' payment cards (equivalent of ATM cards) at a convenient location for the poor. NCTO is working on improving the payment system by engaging relevant stakeholders such as CBN Financial Inclusion Secretariat and SANEF to facilitate digitization where feasible.



WHY ARE SOME STATES

NOT BENEFITTING

FROM THE CASH TRANSFER PROGRAMME

In 2016 when the Programme first kicked off, all 36 States and FCT signed Memoranda of Understanding (MOU) to set up Cash Transfer Offices at the State level and provide the needed infrastructure and manpower to facilitate disbursements in each State. However, some States did not make the necessary provisions for infrastructure and manpower, while others took immediate steps in this respect, including setting up cash transfer offices and providing designated staff.

Hence, it is the States that have fulfilled the preconditions for participating in the NCTP, as stated above, that are currently benefitting from disbursements, while those who are yet to fulfil the preconditions are yet to benefit.

WHAT IS THE TIMELINE

FOR THE BENEFICIARIES TO
GRADUATE FROM THE
PROGRAMME/THE EXIT
STRATEGY?

Each group identified in line the methodology discussed above and enrolled in the NCTP will stay on the programme for three years. It is believed that the three-year period would have the impact of enhancing the livelihood of the beneficiaries and graduating them from poverty. During the three-year period, the beneficiaries will not only receive the NGN5,000 monthly stipends, but also livelihood trainings designed to help them understand how to manage financial resources and build livelihood skills. There will also be a livelihood grant given to strengthen livelihood of the beneficiary. Grant amount per household is yet to be determined.

The only people that will not be graduated are the aged people who do not have anybody to take care of them and cannot otherwise work to earn a living. As people exit, others are enrolled

HOW MUCH OF THE PROGRAMME
IS FUNDED BY THE WORLD BANK
AND HOW MUCH IS FUNDED BY THE

RECOVERED
ABACHA LOOT



The credit facility from the World Bank for the National Social Safety-Nets Programme in Nigeria is worth \$500 Million starting from 2016 to 2022.

The repatriated Abacha loot is worth \$322.5 million and has been contributing to the funding of the NCTP in Nigeria since August 2018.

With specific regard to the cash transfers to the beneficiaries of the programme, 80 percent is being sourced from the Abacha funds, whilst the remaining 20 percent is expected to be from the World Bank facility, with the latter also funding the running cost of the programme. FGN fully funded the programme initially.



WHAT IS
ABACHA 1?

Abacha 1 refers to assets worth **\$480 million looted** and domiciled in financial institutions in the United States by the former military leader of Nigeria, Gen. Sani Abacha.

Following a recovery case commenced in 2013, the monies were forfeited and returned to the Nigerian government in 2014.



WHAT IS ABACHA 2?

At the 2017, Global Forum on Asset Recovery (GFAR), Nigeria, Switzerland, and the World Bank signed an MOU on the return of \$322.5m to Nigeria, which had been stolen and stashed in Swiss banks by Gen. Sani Abacha. This was in addition to the first tranche of \$700m returned to Nigeria from Switzerland, prior to 2015.

The Swiss authorities were displeased with the mismanagement of the initial \$700 million loot returned to Nigeria previously. Consequently, the parties to the MOU agreed to certain terms that sought to promote accountability in the management of \$322.5 million, now referred to as Abacha 2.

One of the terms of the MOU was that the recovered assets would be used to strengthen social security for the poorest sections of the Nigerian population through targeted cash transfers. Hence, the commitment of the funds to finance the NCTP.

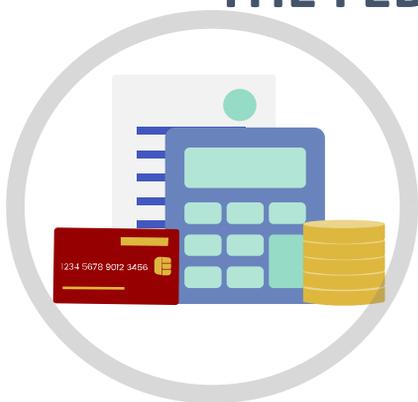


WHAT IS ABACHA 3?

On February 3rd, 2020, the Nigerian government and the United States entered into an Asset Recovery Agreement to repatriate over \$311.7M of forfeited assets linked to late Gen. Sani Abacha, back to Nigeria. It is these funds that are referred to as Abacha 3. The funds were laundered through the US banking system and then held in bank accounts in the Island of Jersey

The recovered funds are to be expended on three major infrastructure projects across Nigeria, namely, the Lagos – Ibadan Expressway, Abuja – Kano Expressway and the second Niger Bridge. The Abacha 3 funds are to be administered by the Nigeria Sovereign Investment Authority.

IS THE NATIONAL CASH TRANSFER PROGRAMME UNDER THE CONTROL OF THE FEDERAL GOVERNMENT?



Yes, it is. The NCTP was managed by the Office of the Vice President through the National Social Safety-Nets Coordinating Office until 2019 when it was moved to the Ministry of Humanitarian Affairs, Disaster Management and Social Development.

HOW DO WE ENSURE TRANSPARENCY



AND ACCOUNTABILITY

IN THE DISBURSEMENT OF THE
CONDITIONAL CASH TRANSFERS
TO TARGET BENEFICIARIES



How many States are
currently benefiting ?

32 States including FCT, effort is on
to encourage the remaining States
to join.

In addition to the monitoring and accountability systems of the Federal Government (The NCTP discloses information and attends to requests regularly) and the World Bank's monitoring and evaluation framework. The Africa Network for Environment and Economic Justice (ANE EJ) through its MANTRA Project supported by DFID under its ACORN Programme is monitoring the disbursement. ANEEJ and its partners are carrying out end-to-end independent monitoring (from the CBN to PSPs to beneficiaries) of the conditional cash transfer process across the country.

ANE EJ has published findings of the monitoring exercise in two major reports so far (January 2019 and April 2020) and periodically makes statements, press releases and infographics to increase knowledge of the public on the programme itself. The reports have improved the quality and level of information on the disbursements, and the overall performance and impact of the NCTP. You can find out more about this by visiting www.aneej.org or www.mantra-acorn.com

ARE THERE CHALLENGES WITH NATIONAL CASH TRANSFER PROGRAMME

PAYMENTS?



Whilst the NCTP has proceeded reasonably well until date, there are certain challenges with the programme. In order to ensure effective and efficient delivery of the programme, a Grievance Redress Mechanism (GRM) is established to receive complaints from both beneficiaries and non-beneficiaries on issues such as poor service delivery, lack of or inadequate information on programme activities, payment-related issues, and staff misconduct (including bribery and corruption-related behaviour, intimidation, sexual harassment).

The GRM has revealed Issues of extortion and illegal deduction of beneficiaries' payments in about 5 percent of cases. These issues have been reported and are being addressed by the GRM which now includes a dynamic partnership with Independent Corrupt Practices Commission (ICPC), to ensure that violators are identified and punished.

HOW ARE BENEFICIARIES Of NCTP SELECTED



Beneficiaries of the NCTP are selected using a three-stage approach which includes: Poverty Mapping, to identify the poorest LGAs in each beneficiary State; Community-Based Targeting, a practical and inclusive method for identifying the poor through engendering community ownership; and Proxy Mean Test (PMT), which ranks beneficiary households captured according to their means, thereby ensuring the cash transfers reach the poorest of the poor.

WHAT ARE THE RESPONSIBILITIES OF NCTO?



To ensure that only eligible households from the National Social Register are mined as beneficiaries and enrolled into the programme.

To set up State implementation structures – State Cash Transfer Units (SCTU) including local government and community levels.

To engage payment service providers through transparent and open process to facilitate cash transfer to caregivers in the beneficiaries' households.

To ensure all beneficiary households are paid the agreed amount as at when due through procured payment service providers (PSPs).

To facilitate the early resolution of grievances at all levels.

To facilitate empowerment of poor and vulnerable households (PVHHs) in establishing savings group and sustainable livelihood.

Is the physically challenged included in the programme?



Yes, physically challenged are included provided their household is eligible for CCT.

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WHICH OTHER COUNTRIES ARE IMPLEMENTING CASH TRANSFER/SOCIAL INVESTMENT PROGRAMMES?



 **Argentina:** The government of Argentina has provided social cash transfer interventions to beneficiaries through social protection programmes like the Families Plan for Social Inclusion which caters to families in poverty with children under 19, and persons with disability.

 **Bangladesh:** The Female Secondary School Assistance Project, established in 1994, is a CCT programme that provides tuition and stipends to girls and young women

 **Brazil:** Brazil has implemented successful cash transfer programmes, including the Bolsa Família Programme, which started in the 1990s. The intervention provides monthly cash payments to poor households.

 **Cambodia:** Cambodia Education Sector Support Project, established in 2005, provides cash transfers to support the human development of children.

 **China:** The Rural Minimum Living Standard Guarantee (Dibao) Programme is one of the largest minimum income cash transfer schemes in the world, implemented by China.

 **Colombia:** in 2002, the government of Colombia established the Familias en Acción: a conditional cash transfer programme, consisting of cash transfers to poor families conditional on children attending school.

 **Egypt:** The Minhet El-Osra Programme, began in 2009, and provides social support to urban slums in Cairo, Ain Es-Sira, and 65 villages in rural Upper Egypt by the Egyptian Ministry of Social Solidarity

 **Guatemala:** The Mi Familia Progresá Programme, established in 2008, is a conditional cash transfer programme that is intended to provide financial support to families living in poverty and extreme poverty.

 **Honduras:** The Family Allowance Programme (PRAF II), established in 1998, provides financial support to families living in poverty and extreme poverty

 **Indonesia:** In 2007, the government of Indonesia began implementing the Keluarga Harapan programme involving cash transfers to persons living in poverty and extreme poverty.

 **Jamaica:** The Ministry of Labour implements the Social Security Programme of Advancement Through Health and Education (PATH). The intervention provides cash transfers to poor families.

 **Kenya:** In response to a concern for the welfare of vulnerable children, the Government of Kenya designed a cash transfer intervention, implemented by the Children's Department of the Ministry of Gender, Children and Social Development. The programme provides regular cash to poor households living with orphans and vulnerable children.

 **Lesotho:** The Lesotho Child grants programme is an unconditional social cash transfer intervention targeting poor and vulnerable households, with vulnerable children.

 **Liberia:** The Bomi Social Cash Transfer Pilot is one of Liberia's social cash transfer interventions, piloted in 2010 to empower the country's counties and households. To scale up the project, the Liberian government secured a loan of ten million dollars from the World Bank and a grant of 6.5 Million dollars from the United States Agency for International Development (USAID) between the first and second quarter of 2019.

 **Mexico:** The Mexican government implements a poverty eradication programme called Oportunidades. The programme empowers poor families in rural and urban communities.

 **Namibia:** Namibia implements the Special Maintenance Grant (SMG), which provides N\$200 per month to all caregivers of children below 16 years of age who have been diagnosed by a State doctor as being temporarily or permanently disabled, including blind children and those with AIDS.

 **Nepal:** As a response to the devastating earthquakes in Nepal in 2015, the United Nations Children's Fund developed and implemented a large-scale Emergency Cash Transfer Programme, in collaboration with the Government of Nepal.

 **Peru:** The Juntos Program was established in 2005 and provides a monthly dividend to mothers (married or single) living in extreme poverty.

 **Philippines:** The Department of Social Welfare and Development implements the Pantawid Pamilyang Pilipino Programme, which provides conditional cash grants to extremely poor households to improve their health, nutrition and education.

 **Rwanda:** Rwanda implements the Girinka programme, which was established in 2006. Girinka makes a onetime transfer of a productive assets to small businesses.

 **Sierra Leone:** The Social Safety Net (SSN) Programme in Sierra Leone involves cash transfers to identified vulnerable households.

 **South Africa:** In 2009, South Africa provided CCT to poor households through its Child Grant Support intervention

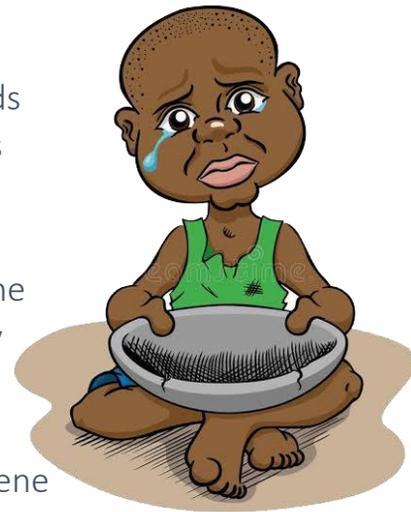
 **United States of America:** The Opportunity NYC was the first major CCT initiative implemented in the United States and ended in 2010.

 **Zambia:** In 2010, Zambia's Ministry of Community Development, Mother and Child Health started making CCT payments to poor and vulnerable households, to combat high rates of mortality, morbidity, stunting, and wasting among children.



HOW IS THE NATIONAL CASH TRANSFER PROGRAMME ADDRESSING POVERTY?

The NCTP has made cash available to beneficiary households and contributed to sustaining the livelihood of beneficiaries enrolled in the programme through a meticulous selection process, which ensures that only the poorest of the poor benefit from the conditional cash transfers. In addition to the money paid to beneficiaries, Local Government Community Facilitators have been trained in every ward to provide beneficiaries with training, mentorship and support, in the formation of savings groups, financial skills, sanitation, hygiene and nutrition.



To achieve poverty reduction, there is a need for direct targeted interventions to reduce poverty. Nigeria's NCTP has been designed as an institutionalised cash transfer programme which makes it more efficient and effective in strengthening household productivity, human development and capacity for income generation.



ABOUT ANEEJ

The Africa Network for Environment and Economic Justice (ANEEJ) is a non-government organization in Nigeria, West Africa. ANEEJ has been in operations since 1997 and aims to “amplify the voice of the weak, the less privileged and the marginalized groups in the society including women, youths, and people living with disabilities in order to increase their participation in the democratic decision-making process”. ANEEJ is the host of the Monitoring of Recovered Assets through Transparency and Accountability (MANTRA) project

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ABOUT MANTRA

ANEEJ established the Monitoring of Recovered Assets in Nigeria through Transparency and Accountability (MANTRA) project in 2018 with funding from the UKAID under the Anti-Corruption in Nigeria (ACORN) programme to monitor the utilization of the recovered assets.

MANTRA is created to achieve the goal of strengthening the capacity of CSOs and citizens to monitor the use of repatriated loot, embark on advocacy to improve the policy, legislative and institutional framework for the recovery and management of looted assets in Nigeria and mobilise collective action in demanding a cleaner society. Currently, ANEEJ is working with its eight partners across six geo-political zones in the country to undertake the monitoring exercise across all States where the National Cash Transfer Programme is being implemented.

ANEEJ-MANTRA PARTNERS

