Journal of Contemporary International Relations and Diplomacy (JCIRD)
Vol. 5, No. 1, 2024, pages 37-58 Doi: https://doi.org/10.53982/jcird.2024.0501.01-j

Published by the Department of International Relations and Diplomacy, Afe Babalola University, Ado-Ekiti (ABUAD), Nigeria.
E-mail: jcirdabuad@gmail.com

ISSN: 2714-3414
E-ISSN: 2971-6470

The Challenges of President Muhammadu Buhari's (PMB) Cash Transfers as Poverty Reduction Strategy in Nigeria

Adaora OSONDU-OTI[1]

Abstract

Poverty has been on the increase in Nigeria. In 2016, the Federal government of Nigeria under President Muhammadu Buhari (PMB) established the National Social Investment Programs (NSIPs), including Cash Transfers (CTs). The cash transfers programme targeted the poorest of the poor by giving eligible households N5000 monthly (transferred bi-monthly), with the aim of graduating them out of poverty after three years of implementation. This paper analyzed the challenges that impeded the successful implementation of the PMB cash transfers. Using qualitative case-study methods, six Nigerian States were studied. Findings revealed that the program encountered several challenges such as poor targeting, inconsistent and incomplete payments, inadequate monitoring, bribery among other issues that resulted in its failure to lift the "poor beneficiaries" permanently out of poverty. For any future cash transfers to make positive impacts, it is recommended that Nigeria's policymakers ensure that the challenges identified in this paper are adequately addressed.

Keywords: Challenges, Cash Transfers, Poverty Reduction Strategy, President Muhammadu Buhari (PMB), Nigeria

[1]Adaora Osondu-Oti is a Professor of International Relations and Diplomacy at Afe Babalola University, Ado-Ekiti, Nigeria. She was a Visiting Research Fellow at Institute for Advanced Study (IAS), Central European University, Budapest.

Introduction

In Nigeria, poverty is an unrelenting challenge. In December 2022, 133 million Nigerians were reported to be multidimensional poor in the National Bureau of Statistics (NBS) Multidimensional Poverty Index (MPI) survey. The 2022 NBS survey revealed a huge rise from the 2018 survey where only close to 90 million Nigerians were reported as poor. Nigeria contributed three million people to global extreme poverty, and is “home to a large share of the global extreme poor” (Nwannekanma and Musa, 2022). It is on record that Nigeria failed to meet the Millennium Development Goal 1 (eradicate extreme poverty and hunger) in 2015, and less than 7 years to the 2030 Sustainable Development Goals (SDGs) agenda, poverty is still on the rise. President Muhammadu Buhari (PMB) initiated a cash transfer program in 2016 to support the poor with the goal to get the country on the best track to achieve SDG 1 ((zero poverty) by 2030. As proposed by PMB in 2016, the poorest and the most vulnerable households in Nigeria would have access to social safety nets through a US$500 million International Development Association credit approved by the World Bank Group’s Board of Executive Directors. In addition to the World Bank $500 million credit, Nigerian government contributed of $1.3 billion, which was part of the late General Sani Abacha’s (Nigeria’s former Head of State) loot returned ($321.5 million) by the Switzerland government. The PMB cash transfers popularly called the Household Uplifting Program (HUP) with the slogan, “Beta Don Come” (better things have arrived), were expected to enhance the socioeconomic status of the poor and vulnerable households (PVHHs) for a maximum of three years, by which time they would graduate out of poverty. However, the program was extended by another three years due to several challenges thereby lasting for six years.

The efficacy of PMB’s cash transfer program has been questioned in many quarters especially as the country continues to grapple with poverty. The International Centre for Investigative Reporting in its 2018 assessment of the cash transfer program asserted that the poorest Nigerians were excluded (Omeje, 2018), resulting to little or no positive results in poverty reduction. Also, at the peak of the Covid-19 pandemic in 2020, the leadership of the country’s National Assembly faulted the cash transfer program, and its impacts on poverty reduction and Nigeria achieving the SDG 1 targets by 2030 were doubted. In the words of the Lawmakers, “Nigeria spent over N700 billion on the program with no visible impacts” (Ezugwu, 2020).

In view of the controversies that surround the PMB cash transfer program in Nigeria, this paper based on a field study conducted between June and September 2022 examined the challenges that confronted, and that seriously hampered the

PMB cash transfers' ability to meet its stated goal of lifting the poor out of poverty, even after six years of implementation. Starting with the introduction, this paper has six sections. Section two contains the research methodology. Section three is a brief clarification of the concepts of cash transfers and poverty. Section four has a brief history of the cash transfer program across the world. Section five analyzed the challenges that confronted the PMB cash transfer program (2016-2022). The sixth section, which is the last contains the conclusion and recommendations.

Research Methodology

This paper used a qualitative case-study approach and documentary research in its data gathering. Six Nigerian States were selected as case studies (randomly picked from the six geopolitical zones of the country). These States are Kebbi, Taraba, Niger, Oyo, Cross River, and Anambra. The empirical data collection tools used during the field study were interviews, focused group discussions (FGDs), and observation. Interviews were conducted with officials at the National Cash Transfer Office (NCTO), State Cash Transfer Office (SCTU), and National Social Safety Nets Coordinating Office (NASSCO). Interviews were also conducted with some beneficiaries using convenience sampling. Convenience sampling relies on data collection from target population members who are conveniently available to participate in the study. The author also assessed the income-generating activities of some beneficiaries by simple observation. FGDs were held with beneficiaries with the assistance of State Cash Transfer officials. Data was analyzed using content analysis. Descriptive and prescriptive methods (describing "what exists" and prescribing what ought to be done to make it better) were employed in the analysis, and where necessary data were presented in figures and tables to guide and navigate points of analysis.

Cash Transfers and Poverty

Here the concepts of cash transfers and poverty are clarified.

Cash Transfers

Simply, cash transfers are direct payments of cash to eligible persons/households (Osondu-Oti et al., 2023). Cash transfers are usually a component of a country's social investment programs (also called, social protection programs). Social protection programs are often designed to support the poor and vulnerable people, help them to take care of basic welfare needs, and better manage risks and economic shocks. Social protection programs target is for the poor to escape from poverty. Social protection programs are expected to play three vital roles: protection, prevention, and promotion. According to Garcia and Moore (2012), social protection provides ex-post protection to those who have suffered shocks to ensure that they maintain a basic level of well-being and do not suffer irreversible losses. It has an ex-ante prevention role, ensuring that shocks when they occur, would not greatly hurt those experiencing them. Social protection also plays an ex-ante role of promotion of individuals and poor households into increased and higher-return investments in assets, human capital, and livelihoods. Some of the promotive programs include nutrition programs, extension programs, vocational training, micro-credit programs, and cash transfers (Garcia and Moore, 2012).

Social protection programs are expected to be transformative in the form of bringing an upward positive "change" in the beneficiaries' consumption spending, livelihood activities, etc. For example, in 2016, President Muhammadu Buhari launched four categories of social investment programs including the Home-Grown school feeding program for primary school pupils, the N-Power program for jobless graduates, the Government Enterprise Empowerment Program (GEEP) where microloans were given to small-scale traders, and the cash transfer program to support the PVHHs exit poverty.

Cash transfers (CTs) as a component of social protection programs are often noncontributory cash grants to selected beneficiaries within states and communities. They are noncontributory in the sense that beneficiaries do not pay into a system that later awards them the transfers and it also excludes partially or wholly self-funded pension systems or other forms of deferred compensation (Garcia and Moore, 2012). Cash transfers have two main types: conditional and unconditional. Conditional cash transfers (CCT) require beneficiaries to comply with specific conditions before they are allowed to receive the transfers. Unconditional Cash Transfers (UCTs) do not require any specific action to be undertaken by targeted poor beneficiaries, but they must be enumerated among the poor households. For this paper, the term, "cash transfers" is used because PMB adopted both conditional and unconditional cash transfers. Thus, the challenges of the PMB cash transfers which are examined here cover both the UCTs and CCTs.

Poverty

Clarifying the concept of poverty is necessary because this paper focuses on cash transfers as poverty reduction strategy.

Historically, poverty has been defined in monetary terms, using only income as the determinant of poverty. That is, poverty levels were based on those that live below a given level of income, called the poverty line. Poverty is measured in absolute and relative terms. Absolute poverty (also called extreme poverty) is the lack of sufficient resources to secure the necessities of life. The World Bank had earlier defined absolute poverty as those living on less than $1.90 a day. However, in September 2022, the international poverty line was updated by the World Bank from $1.90 to $2.15 per person per day to reflect new global economic changes in prices (Osondu-Oti et al., 2023). Given the update of the international poverty line, it then means that anyone living on less than $2.15 a day is living in extreme poverty. According to the World Bank (2022), about 648 million people globally were in this situation in 2019. Poverty is also understood as relative. In the relative sense, a person or a household is considered to be poor when their income and resources are worse than what is thought to be adequate or socially acceptable in the society in which he/she lives.

Over the last decades, income definition of poverty has been criticized by scholars and development experts who argued that poverty goes beyond income and access to wealth. As a result, different perspectives to the definition such as the basic needs approach, the capabilities approach, the human development approach, and the multidimensional poverty approach have been espoused. For instance, human development and multidimensional approaches to poverty have been increasingly accepted as broader measures of poverty (Osondu-Oti et al., 2023). The human development index is a comparative measure of various parameters that affect the quality of life in a country, such as life expectancy, literacy, education, standard of living, gender equality, and child welfare (Council of Europe, n.d). The multidimensional approach to poverty entails all forms of deprivation, discrimination, and vulnerabilities that could cause individuals or societies to be categorized as poor. Thus, the Multidimensional Poverty Measure (MPM) goes beyond monetary deprivations by including for example, access to education and basic infrastructure along with the monetary headcount ratio at the current $2.15 international poverty line (The World Bank, 2023).

Nigeria, since the 1990s, adopted a system of measuring development through the recognition of people as the real wealth of nations (National Bureau of Statistics, 2018). In 2018, for instance, Nigeria produced the Human Development and Poverty Report and other subsequent reports such as the Inequality-adjusted Human Development Index (IHDI). The Nigerian government also adopted the Multidimensional Poverty Index (MPI), an international comparable measure of poverty developed by the Oxford Poverty & Human Development Initiative (OPHI) in collaboration with UNDP’s Human Development Office.

Hence, the National Bureau of Statistics (NBS) in its 2018/2019 multidimensional poverty survey provided an elaborate definition of poverty for the country. NBS (2018) defined poverty as not merely the impoverished state in which a person lives, but the lack of real opportunities due to social constraints as a factor and circumstances that inhibit living a valuable and valued life. Poverty, more than income, includes social exclusion, inadequate amenities including poor health and nutrition and unemployment as well as lack of participation in decision-making at the family, community and national levels.

Poverty in Nigeria is measured using consumption expenditures, including food and non-food expenditures. Consumption aggregate has the following main components: (i) expenditures on food, from all sources, including from purchased, self-production and gifted, and meals; (ii) schooling and education expenditures; (iii) expenditures related to health care of household members; (iv) housing expenditures; and (v) expenditures on other non-food goods and services, like clothing, small appliances, fuel, recreation, household items, and repairs, etc. (National Bureau of Statistics 2020). According to National Bureau of Statistics (2020), Nigeria's poverty line is N137,430 per person per year. The value implies that individuals living in households whose per capita annual consumption expenditures are below N137,430 are considered poor by national standards. Poverty line represents the benchmark for assessing whether an individual can attain the minimum level of well-being required to satisfy basic needs in terms of food and non-food expenditures (The World Bank 2018).

To arrive at the poverty line figures which Nigeria uses in measuring poverty, the first step required is to compute the cost of the minimum nutritional basket (food expenditures). This minimum nutritional requirement is expressed in terms of caloric intake derived from Nigeria's recommended caloric allowances of 2251 calories (National Bureau of Statistics, 2020). Table 1 shows the daily caloric requirements disaggregated by sex and age groups.

Table 1 Daily recommended caloric allowances for Nigeria, by age and sex.

Age group (in years)	Caloric Requirement (in kcal)	
	Female	Male
0-1	783	
2-3	1305	
4-6	1769	
7-9	2117	
10-12	2262	2494
13-15	2407	2784
16-19	2233	2958
20 and higher	2117	2900

Source: National Bureau of Statistics. 2020. *2019 Poverty and Inequality in Nigeria: Executive Summary*, Abuja: National Bureau of Statistics (NBS).

Using the value of 2251 calories, the food basket of households in the second through the fifth deciles ranked by real per capita consumption expenditures are selected, and the aggregates of food expenditures and calorie intakes calculated. Based on the aggregates, the cost per calorie is derived, which is then multiplied by the minimum nutritional requirement of 2251 calories. The second step is to calculate the non-food component expenditures. Here, the basic expenditures required to attend to non-food basic needs such as school expenditures, health, housing, clothing, household items, and appliances are calculated in monetary terms to obtain the figure for the non-food expenditures. Thus, both the food and non-food expenditures (generally called consumption expenditures) are used to arrive at the poverty line.

Nigeria uses consumption expenditures, rather than income, because it has the advantage of being comparatively easier to tabulate, especially since household income comes from multiple sources and across different seasons. Thus, for this paper, the country's poor are seen as those who subsist below the poverty line, with experiences of poverty in all its multidimensional forms.

Cash Transfer Program: Historical Background

Cash transfers as component of a social investment program is not new. In the mid-1990s, Latin American countries initiated conditional cash transfer (CCT) programs to tackle poverty. Brazil's Bolsa Escola Program was first introduced in January 1995 by the local governments of the Distrito Federal in the Brasilia capital and Campinas in Sao Paulo. In 1997 Mexico launched a conditional cash transfer program called the PROGRESA which was renamed OPORTUNIDADES in 2001. While Brazil was the first country to initiate conditional cash transfers (CCTs) with two local governments, Mexico's transfer program was the first nationwide CCT program. Other countries in Latin America such as Honduras, Costa Rica, Nicaragua, Colombia, and Chile also launched a cash transfer program. For example, Costa Rica started the Superémonos in 2000, discontinued it in 2002 and later replaced it in 2006 by Avancemos. Nicaragua came up with the Red de Protección Social in 2000 but later discontinued it in 2006. Colombia introduced the Familias en Acción in 2001 and Chile introduced the Solidario.

The number of CCT programs in the region grew significantly from the late 1990s to the extent that by 2006 the number increased to 25 (Cecchini and Atuesta, 2017). Targeted at breaking the inter-generational transmission of poverty, conditional cash transfers were based on compliance with certain conditions. For example, complete vaccination records and health check-ups for children, pregnant women, and lactating mothers were conditions for receiving cash. The ultimate goal of CCTs, although never explicitly stated, was that conditions would allow the accumulation of sufficient human capital to drive the next generation out of poverty so that social assistance would no longer be needed in the future (Stampini and Tornarolli, 2012). Studies showed positive impacts of conditional cash transfers in certain countries where it was initiated. For example, Bolsa Família, the world's largest CCT program, which benefited 11.1 million families every year was adjudged to have decreased income inequality and poverty in Brazil (Ryu, 2021). It is recorded that Brazil's CCT was responsible for decreasing income equality in the country by 12%-21% (Ryu, 2021). Estimates indicate that rates of extreme poverty in Brazil "would be between 33% and 50% higher" if Bolsa Família was not in place (Ryu, 2021).

Given its positive results, CCT expanded to other regions of the world, Africa inclusive. The Mozambique Food Subsidy Program - FSP (*Programa de Subsídio de Alimentos*), though not explicitly called cash transfers started in the early 90s to assist the poor and vulnerable families. When the government's measures to address poverty were not yielding desirable results, the World Bank consultants suggested to the Mozambique government to try out a transfer program to support vulnerable households in urban areas (Maria, 2021; Massingarela & Nhate, 2006). Initially, the program targeted larger cities but later expanded to smaller municipalities and rural settings (Maria 2021; Low et al. 1998). Although it was named "food subsidy", it was not implemented as one of those food subsidies, and did not take the usual form of government subsidies to specific staples, nor vouchers used exclusively for the purchase of food (Maria, 2021) but took the form of cash transfers. The program followed the dominant idea, which understood poverty as the inability to intake a minimum number of daily calories (Maria, 2021).

In 1998, South Africa established a child support grant (CSG); one of the first and largest cash transfer programs in Africa aimed at alleviating poverty and improving child health, nutrition, and income after childbirth for informal workers. The program was initiated because of food insecurity; where an "estimated 25% of the population lived below the food poverty line and food insecurity" (Luthuli et al, 2022). CSG was considered a powerful tool for alleviating poverty, although long delays in accessing the grant was a major challenge that forced some mothers to return to work early (Luthuli et al, 2022).

In North Africa, Ethiopia launched the Productive Safety Net Program (PSNP) in 2005, which has been the cornerstone of the country's strategy to address poverty and food insecurity (Gilligan et al. n.d). The PSNP provided cash and food transfers targeted to the poorest of the poor through public works and direct support for those lacking labor capacity in their households. The public work category concentrated on households that have able-bodied adults for them to engage in public works and receive transfers for 6 months. Approximately 80% of households benefited from the work category. The direct support category had 20% of the PSNP household without labor capacity, who received direct unconditional cash transfers for 12 months.

Kenya launched the Hunger Safety Net Programme (HSNP) in 2009; a conditional cash transfer program to address the failures of emergency aid to contribute to food stability. The HSNP program was implemented in phases and by 2019, it has a coverage of 101, 800 households. The Government of Malawi launched the Social Cash Transfer Programme (SCTP), locally known as the Mtukula Pakhomo, an unconditional cash transfer program targeted to ultra-poor and labor-constrained households. The program began as a pilot in the Mchinji district in 2006, and since 2009 the program has expanded to reach 18 out of 28 districts in Malawi.

Cash transfer programs are increasingly being explored in African countries to help address poverty. Since late 2004, the African Union has also been encouraging countries to develop social policy frameworks. Nigerian government in a bid to tackle rising poverty and the resulting insecurity in the country launched its first conditional cash transfers (CCTs) program, "In Care of the People" (COPE) in 2007. The program covered 12 out of the country's 36 States and Federal Capital Territory (FCT). Although some states in Nigeria had several social protection programs before 2007, COPE was the only "nationwide" government-sponsored CCTs program (Akinola, 2016).

Based on available data, COPE was able to cover 22, 000 households, with not less than N2 billion (13.2 million USD) (Social Protection, 2019) used to fund the program. Similar to CCTs in other countries, COPE was designed with the objectives of reducing socioeconomic vulnerabilities and breaking the cycle of inter-generational poverty by developing human capital (Akinola, 2016). The focus of COPE was on school attendance and healthcare for children.

Eligible households were given monthly a Basic Income Guarantee (BIG) of NGN1,500 per child and up to a maximum of NGN5,000 for households with four children or more. An extra NGN7000 meant for beneficiaries was saved monthly by the government on behalf of beneficiaries. A total of N84,000 (saved fund) was granted in the form of an investment fund, called Poverty Reduction Accelerator Investment (PRAI) (Social Protection 2019) to beneficiaries at end of the 12 months transfer. While PRAI was a backup for beneficiaries to engage in income-generating activities, the amount was judged to be insignificant in establishing a sustainable business for households. Also, the N5000 (maximum) received for only 12 months by large households was criticized as insufficient. For instance, studies such as Akinola (2016) confirmed that the N5000 COPE transfer was too small to enable the beneficiaries to overcome inter-generational poverty and vulnerabilities. In addition, COPE has no wide coverage as just few States benefited. According to Akinola (2016), due to claims of limited resources, the number of participating households was restricted to 10 per community, even when several other households met the eligibility criteria.

In 2016, after PMB was sworn in as the President of Nigeria, he came up with the National Social Investments Program (NSIP) including cash transfers. This cash transfer program was confronted with several challenges, which are examined in the section below.

The Challenges of Nigeria's Cash Transfer Programme

President Muhammadu Buhari (PMB)'s cash transfer program had three components: the unconditional cash transfer (referred to as the Base Cash Transfer in the PMB program), the conditional cash transfer (also referred to as the Co-responsibility and Top-up program), and the Livelihood support component. For the unconditional cash transfer, enumerated poor households received N5000 monthly (transferred bi-monthly), and, for the conditional cash transfers, selected households upon meeting specified conditions received an additional N5000 (called top-up) monthly, also transferred bi-monthly. For the livelihood component, few selected households at the end of the program in 2022 received a one-off Grant of N150,000 to start an income-generating activity. The PMB program was designed to cover 1 million eligible households in the 36 States and Federal Capital Territory (FCT) for three years (2016-2019), but was extended for another three year, making it a six year transfer program. At the end of the program 1,997,483 households were covered. Compared to COPE, PMB cash transfer covered all States, although in phases.

The PMB cash transfer program faced several challenges that made it difficult for the program to achieve its goal of poverty reduction. Despite the fact that the program was implemented for six years, poverty state in Nigerian remained worse. For instance, it was reported in December 2022, the same year the program ended that 63 percent of Nigerians (133 million people) were multidimensional poor (National Bureau of Statistics, 2022). For a program that had the long-term goal of lifting 100 million Nigerians out of poverty by 2030, the

National Bureau of Statistics report was a testament that Nigeria's government goal of poverty reduction was only a dream distanced from reality.

One of the challenges that confronted the program at its inception was the delay in the States' signing up. To participate in the program, every State was to sign a Memorandum of Understanding (MoU) with the federal government, with enshrined responsibilities on the roles States should play. While the transfer program was expected to start at the same time in all the 36 States of the federation and the FCT in 2016, it was not achieved because several States delayed in signing the MoU. For example, a State like Jigawa that signed up in 2016 was far ahead of a State like Lagos that only signed up in 2021.

Varied reasons, were given for the delay, but foremost among them was the "conflict of interest" between "States" and the federal government on who would handle the "recruitment" of staff that would work in the State Cash Transfer Office. There was also "unwillingness" (but not in all States) on the part of the "States" to abide by the requirements in the MoU such as setting up and equipping State Cash Transfer Offices with the State funds, which they expected the federal government to fund. As a result of the "disagreement" between the two, and politics involved, the periods of transfer were not the same in all the States. Eligible households that their States signed up at the outset gained from longer cash support (for example, from 2016 to 2022), when compared with those that signed up in either 2019, 2020, or 2021. By implication, each State beneficiaries has different assessments on the "usefulness" (if any) of the transfers.

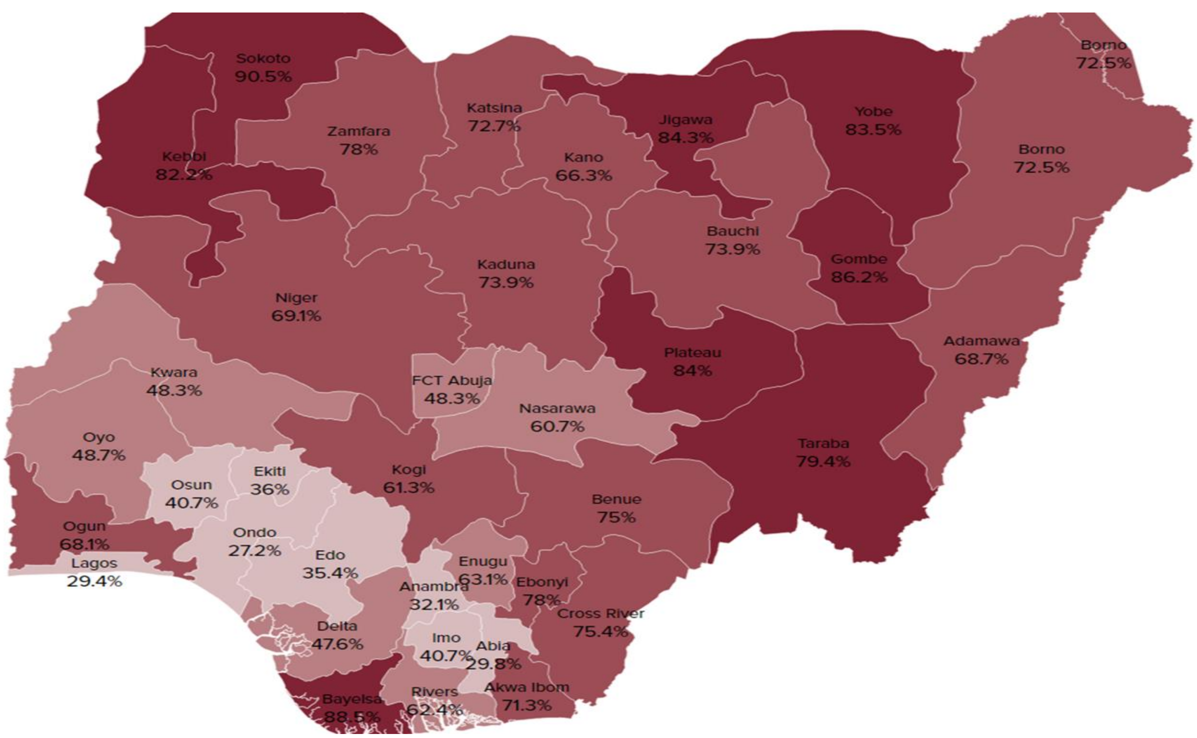
Within States, the periods of transfer were also not uniform in the Local Government Areas (LGAs), due to faulty program design. Based on the program design, there was no State that all its LGAs enrolled at once; it was done in phases. In a State like Oyo that has 33 LGAs, the transfer program started with only 6 LGAs (the same with several other States), and few LGAs were accommodated yearly. It was not until 2021 that all the 33 LGAs in Oyo State were finally enrolled. The reason for this haphazard enrollment was attributed to the program design where the transfers were meant to start with the poorest LGAs identified using poverty map, although the veracity of the poorest LGAs could not be ascertained because the map was unavailable at the State Cash Transfer Offices during my field work.

Moreover, while some States like Oyo was able to enroll all their LGAs before the end of the transfer program, some did not have that opportunity. In Kebbi State, the transfer program started in 2018 with only six LGAs out of 21 LGAs in the State and it was only that first six LGAs (Bagudo, Shanga, Gwandu, Jega, Danko Wasagu, and Dandi) that benefited till the payment ended in 2022.

According to the former Head of Unit, Kebbi State Cash Transfer Office, Kebbi was told (by the National Cash Transfer Office) when they wanted to enroll more LGAs that they exceeded their quota, which was never disclosed to them at the outset. Kebbi State, has a large population (almost 5 million people), and according to the National Bureau of Statistics (2022) MPI Survey, 82.2% of the population of Kebbi was reported as multidimensional poor (see Nigeria's Poverty Map in Figure 1). However, only 76, 316 households benefited in the State. Leaving out 15 LGAs in Kebbi State is a sign of poor planning and a clear indication that the PMB cash transfer program did not take into consideration poverty indices across the country.

Kebbi was not alone in the large "exclusion" of its poor in the transfer program. In Anambra State, only 11 LGAs benefited out of 21 LGAs in the State, and with such large exclusion, one cannot expect the "six years" cash transfer program to produce results "where it never existed. Even in areas where it existed, it was also obvious that the non-uniform approach to enrollment of households came with huge disadvantages for many households. For example, in places where households were enrolled "early" (for example 2016 enrollment), they had the opportunity "to form savings group" and were able to start petty businesses, but in places where "late enrollment" (2021 for example) occurred, households had nothing to show in terms of savings and investment.

Figure 1 Nigeria's Poverty Map



Source: National Bureau of Statistics. 2022. "National MPI: Explore Multidimensional Poverty Index by State & Zones by Headcount", https://www.nigeriapovertymap.com/explorempi (Accessed 5 May 2023).

The conditional cash transfers (also called the Co-responsibility cash transfers -CCTs) that complemented the Base Cash Transfers had its peculiar challenges. First, CCTs had limited coverage. Only six States (Jigawa, Bauchi, Niger, Oyo, Anambra, and Cross River) out of 36 States in the country and the FCT participated in the CCTs. In the States that participated, only a limited number of households were selected, regardless of their eligibility. For example, Anambra State had a total of 16, 362 households enrolled in the PMB Cash Transfers but only 1, 363 households were selected for the CCTs. Niger State had a total of 81, 382 households but only 13, 398 households were selected for the CCTs. Oyo had a total of 16, 421 households but only 5, 665 households selected the CCTs. Many eligible households were left out in the CCTs for reasons known to the government alone, although some State officials mentioned inadequate funds.

In the livelihood one-off Grant of N150,000 meant for beneficiaries' upon graduation, there was large exclusion. Only six States that participated in the CCTs and few households were picked in the Livelihood component. For example, 482 households received the Grant in Cross River State out of 32, 568 total cash transfer beneficiaries in the State; 424 households received the Grant in Anambra State out of 16, 362 total cash transfer beneficiaries in the State; 142 received the Grant in Oyo State out of 16, 421 total cash transfer beneficiaries in the State, and 419 received the Grant in Niger State out of 81, 382 total cash transfer beneficiaries in the State. The PMB cash transfer was extremely unbalanced, and increasingly a "hit-and-miss" program.

In the PMB's cash transfer program poor targeting was a huge problem. In all the six States studied, several errors of exclusion and inclusion were recorded. Eligible households were either excluded or those not eligible included. For example, Oyo State had over 200 recorded cases of wrongful inclusion and exclusion, and according to the SCTU. Different factors contributed to poor targeting. To some non-beneficiaries, poor targeting was a result of partisanship. In some quarters, the "party of the enumerators" was believed to have played a role in the enumeration of some households. For example, in Niger State, beneficiaries of the cash transfer from Atabo Community, Yangalu Ward in Magama LGA had a dispute because members of the All Progressives Congress (APC) Party accused the members of the Peoples Democratic Party (PDP) of favoritism. According to the APC members, more PDP members were enrolled compared to the APC members. When the PDP members teased the APC members, telling them that “monkey de work, baboon de chop” (meaning that while the APC government works, the PDP members enjoy the fruits of their labour), there was a conflict between the two groups. The APC beneficiaries protested during one of the payment cycles, to the extent that payment was halted for some days until both parties were called cautioned and called to make peace by the State Cash Transfer Office (SCTO). Although the SCTO in Niger State upon investigation confirmed that PDP members had a higher number of enrollees compared to the APC members, but according to them, it was a mere coincidence.[1]

The National Social Safety Nets Coordinating Office (NASSCO) and State Operations Coordinating Units (SOCUs) approach to targeting such as the Community-Based Targeting and Proxy Means Test contributed to errors of exclusion and inclusion. NASSCO had three targeting mechanisms, that is Geographical Targeting, Community-Based Targeting (CBT), and Proxy Means Test (PMT). For example, in the CBT, community members identified the poor households among them. Ensuring that the “real” eligible poor and vulnerable households make the list social register was a process that required painstaking attention but in many cases, issues of nepotism were raised.

In an interaction with some community members, many members of their poor people were not involved in the CBT. They also reported cases where some households that were identified during the CBT were later removed after the Proxy Means Test (PMT) was applied by National Social Safety Nets Co-ordinating Office (NASSCO) without any reason given to them. According to the program manual, the PMT generated proxies (assets or other non-monetary measures of welfare) and those that scored lowest based on a pre-determined criteria (such as type of house, education level, job etc.) were selected as the poorest households. However, communities complained that many poorest households were removed unjustly, and such removal was attributed to the activities of corrupt officials.

Human errors, list manipulation, and the personal interests of community leaders and corrupt enumerators contributed to the issues of wrong inclusion and exclusion. For instance, there was a situation where the wife of a community chief was enrolled and that cannot be far from the actions of corrupt enumerators that must have connived with the community chief. There were also reported cases of community leaders and representatives engaging in extortion during payment. Fraud, bribery, and corruption were reported in all six States studied. In Oyo State, for instance, there were 67 cases of fraud and corruption reported as of June 2021; in Anambra State, there were 27 cases excluding cases of embezzlement of funds by leaders of cooperative and saving groups. In Kebbi State, there were 74 cases of fraud, bribery, and corruption; in Niger State, there were 28 reported cases of bribery and corruption, and in Cross River State, 14 cases of bribery and extortion were reported. Extortion (in form of high service charges) by mobile money agents (POS as popularly called in Nigeria) was also reported. More than 70 percent percentage of the beneficiaries live in rural areas where there are no Banks and ATMs; thus, extortion by mobile money agents was prevalent. According to Olawoyin (2022), over 60 percent of rural communities across Nigeria had no bank branches, agents, or ATMs. Even in few communities where Banks exist, most of the beneficiaries did not have Bank accounts and had to make use of the mobile money agents whose service charges were not only outrageous but made the transfers somehow “worthless”.

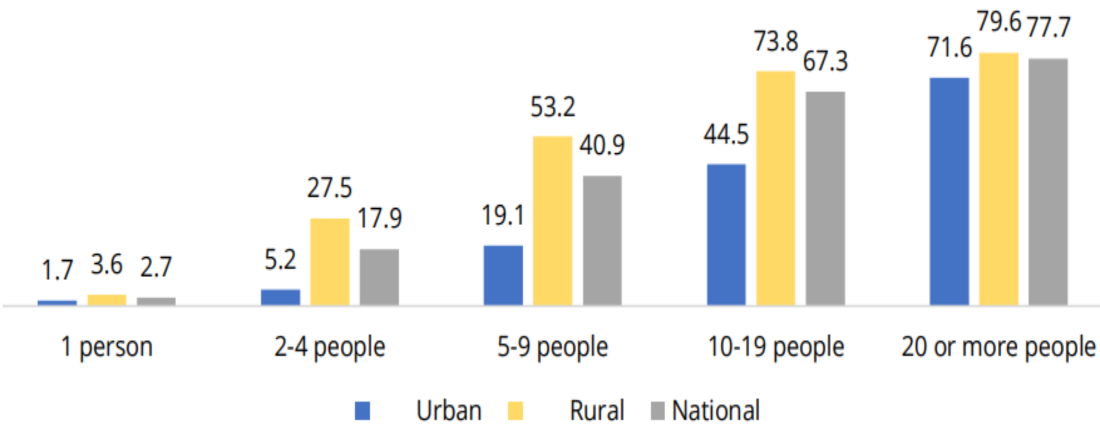
Another problem with the cash transfer program especially in relation to the co-responsibility cash transfers (CCTs) was State’s reluctance to fulfill their part of the responsibilities stated in the Memorandum of Understanding. It was expected that States would fulfill certain responsibilities such as provision of adequate facilities in schools and health clinics if the program must succeed but there was lack of political will. Where women, for example, received the N5000 top-up transfer to attend ante-natal, post-natal visits, and for child immunization, absence of health clinics in their localities, or in some cases, ill-equipped clinics made the cash transfers program an exercise in futility.

Another major problem with the PMB cash transfer was insufficient transfer. The bi-monthly transfer of N10, 000 according to the beneficiaries could not take care of households needs especially in large households. Transferring a flat rate of N10,000 bi-monthly to all the poor and vulnerable households regardless of the household size was a huge flaw in the PMB cash transfer program. In analyzing poverty, household size is a factor (See Figure 2 on Poverty Headcount Ratio by Household Size), just like gender, geographic location, etc. but the PMB’s cash transfer did not take all these into consideration.

The PMB’s annual cash transfer of N5000 monthly (a total of N60000 annually) was far below the country’s poverty line of N137,430 per person per year. In the views of the beneficiaries, PMB’s cash transfer was not expected to lift them out of poverty but to halt “hunger” temporarily. While in countries like Colombia and Nicaragua cash transfers resulted in sizeable reductions because it was “sufficient” (Fiszbein & Schady, 2009), in Nigeria, the case is different because the amount was confirmed insufficient. More than 9 years after the COPE program, PMB transferred the same amount (N5000) without considering the changing economic realities. Inflation has been in double digits in Nigeria since 2016, eroding savings and incomes (Bala-Gbogbo and Ohuocha, 2023), but the

PMB cash transfer paid no attention to it in its six years of implementation (2016-2022).

Figure 2 Poverty Headcount Ratio by Household Size (%)



Source: National Bureau of Statistics. 2020. *2019 Poverty and Inequality in Nigeria: Executive Summary*, Abuja: National Bureau of Statistics (NBS).

Inconsistent payment also hampered the successful implementation of the PMB program. Between July and September 2022 when the field study for this paper was conducted, the last payment made to beneficiaries was in June 2021. Beneficiaries have had to wait for several months before receiving the bi-monthly payment of N10,000. Different reasons were given for the delay. As gathered from National Cash Transfer Office (NCTO), it was due to the bureaucratic bottlenecks from the Ministry of Humanitarian Affairs, Disaster Management, and Social Development. As noted by the NCTO, when the program started in 2016, the Cash Transfer Office was under the Office of the Vice President and there was no delay in payment. The delay in payment started in 2019 when the Office was transferred to the Ministry, and bureaucracy sets in.

Inconsistent payment was also caused by Payment Service Providers (PSPs) that includes Banks and other institutions that provided payment services during the transfers. The fact that PSPs handled more than three or four states' resulted to serious delays because a PSP would have to complete one State before proceeding to another. Some States also had peculiar cases with their PSP. For example, states like Enugu, Kebbi, Edo and Ondo received no payment for almost 2 years because their PSP was accused of diverting funds to private accounts and as result, had to be probed by the Independent Corrupt Practices Commission (ICPC). For several months, these States payments were suspended until the investigation was concluded, and a new PSP was appointed.

Another issue, related to payment, was the denial of missed payments to beneficiaries by the Ministry of Humanitarian Affairs, Disaster Management, and Social Development. It was not uncommon for some cash recipients on behalf of the households not to be available during payment cycles due to ill-health, or other cogent reasons. Thus, complaints of missed payments were often received at the end of payment cycles, according to the State Cash Transfer Officials, and the households that missed payments were usually paid during the next payment cycle. However, payments for the households that missed were stopped by the Ministry for unknown reasons. Thus, at a certain point, missed payments turned out to be "irrecoverable payments" for those that fell under that category.

In the PMB cash transfers, payment issues received the highest number of grievances in the six States studied (see Table 2 for Payment Grievances received between January 2017 and June 2021). The payment grievances received from July 2021 to the end of the program in 2022 was not included in Table 2 because payments were ongoing during the field study. However, in an oral communication with some Grievances Officers in mid-2023, I was meant to understand that large numbers of grievances (such as loss of ATM cards, incorrect pins etc.) were received during the 2022 digital payments and backlogs that were paid in 2023.

Table 2 Payment Grievances Received in the States Studied between January 2017 and June 2021

Kebbi State	Niger State	Oyo State	Anambra State	Cross River State
171	1842	250	2,856	210

Source: Author's Computation

The PMB cash transfer program also faced the problem of faulty gender mainstreaming approach that was used. In both design and implementation, the PMB cash transfer program was "women-centered intervention." Gender mainstreaming is concerned with making the concerns and experiences of men and women an integral part of the design and implementation. However, women were the primary target of the PMB cash transfer, and it was only in rare cases (such as death of a wife) that men were allowed to receive the cash. Exclusion of men had its disadvantages for women. For example, every State studied recorded several gender-related cases including gender-based violence (GBV) against women because men viewed the transfer program where women handled the cash payments as a slight on their authority as heads of households. For example, Niger State and Cross River State had more than 80 reported gender issues including GBV cases. In Kebbi, there were over 60 cases, and according to the former Head of the Unit (HoU), there were many “unreported” gender issues because reporting a family member to an authority attracts certain punishment in some communities for women. In essence, lack of proper gender mainstreaming created diverse problems in households, including divorce.

Another challenge to the program implementation was inadequate support from State governments. According to State Cash Transfer Units (SCTUs), there was little or no support from State governments. Although all the State governments provided cash transfer offices (part of their responsibilities as stated in the MoU between the Federal Government of Nigeria and States), support to the cash transfer offices in the form of running costs during payment cycles was almost absent. There was a lack of commitment by the State because the program was seen as a federal government project. The SCTU staff also complained of no remuneration for extra duties performed on weekends during payment cycles. There was no hazard allowance and no insurance coverage, even while some SCTU staff worked in very volatile and insecure environments. Although not explicitly mentioned by the SCTUs, none remuneration and lack of attention to staff welfare, must have indirectly contributed to several problems encountered in the transfers such as bribery and extortion.

Lack of attention to monitoring and evaluation (M &E) processes also posed a challenge to the success of the cash transfer program. M &E are crucial in any project implementation to track success, report progress, and identify areas where improvements are needed. While each SCTU had a Monitoring and Evaluation Officer who provided insights on program performance, it was obvious during the field study that attention was not paid to M & E reports. Having the M & E position in the State Cash Transfer Units (SCTUs) was just a formality and not necessarily to track the progress and institute changes where necessary. For instance, a critical look at the available grievance reports (between January 2017 and December 2022) showed that the same issues continued to resurface without any attention paid to it.

There was also the issue of inadequate monitoring due to “limited funds” and insecurity. According to the Head of Units, M & E Officer’s allowance (which was not disclosed to me) was insufficient to track progress in the LGAs. For example, Taraba has 16 LGAs; Kebbi has 21; Niger has 25 LGAs; Oyo has 33;

Anambra has 21 LGAs, and Cross River has 18 LGAs. Besides insufficient allowance, only one M & E Officer was assigned in each State to monitor all the LGAs. Beside the large number of LGAs, some of the States had large numbers of household beneficiaries too such as Niger State with over 80, 000 beneficiaries and Kebbi State with over 70, 000 beneficiaries.

Insecurity in the country such as Boko Haram terrorists in the north and increasing kidnapping in the north and south also made it almost impossible to track, analyze and report progress. M & E is integral to any project, and once it failed or was neglected, mistakes and failures were compounded.

Conclusion and Recommendations

The PMB cash transfer program is the first nationwide cash transfer program with the widest coverage and longest periods of cash payments. The cash transfer, which started with a base transfer, or unconditional cash transfers of N5000 bi-monthly in 2016, had the co-responsibility cash transfers (CCTs) of N5000 added to it in 2019. Its main livelihood component was a one-off Grant of N150, 000 given to few beneficiaries upon “graduation”. The PMB’s cash transfer program, which was implemented between 2016 and 2022 covered close to 2 million households in Nigeria.

Although many scholars that have examined PMB cash transfers generally use the term “conditional cash transfer” without a clear distinction, it is important to emphasize here that conditional cash transfer is just one component of the PMB’s cash transfers. PMB cash transfers had three components (conditional, unconditional and livelihood), and the challenges that confronted these transfers are what this paper examined. While the cash transfer, though, insufficient supported household consumption and also gave some beneficiaries the opportunity to form savings group and start micro-businesses, several challenges were encountered. For instance, issues of inconsistent payment and denial of missed payments, poor service delivery, extortion, bribery, corruption and fraud, poor targeting, poor monitoring etc. hampered the intended goal of lifting the poor and vulnerable Nigerians out of poverty.

If future cash transfer programs must have positive impacts on the poor Nigerians, it is recommended, first, that proper targeting of the poor be conducted to eliminate errors of exclusion and inclusion. This can be done by paying more attention to CBT and PMT to ensure that the real poor benefits from the program. Second, the issue of bribery and corruption must be handled properly, with strict sanctions/penalties meted out to those who has a different goal, which is to extort and exploit the poor.

Third, to successfully implement a cash transfer program, Nigerian government have to establish an independent monitoring team/committee to monitor the program from start to the end. Fourth, payments must be timely and consistent to make an impact (no matter how little) on the lives of the poor. Also, the cash meant for the poor must reach them, and not diverted by corrupt officials when beneficiaries miss payments due to ill-health. Fifth, the amount transferred should reflect market prices and inflation at any point in time, and other factors such as household size. In other words, the amount has to be reviewed upwards except Nigeria's poverty reduction programs are only for the sake of "political gains" and not for the poor to escape poverty permanently. Sixth, M & E reports should not be for the sake of formality but actions must be taken to ensure that mistakes are corrected whenever/wherever they occur, and reported. M & E tasks should not also be left to one officer at the State Cash Transfers Units (SCTUs).It is a huge tasks that require extra hands.

Finally, without the current and succeeding governments in Nigeria reviewing to learn key lessons from the mistakes of the PMB cash transfer program, Nigeria is set to become "poverglued" (that is, poor Nigerians would remain permanently "glued" or "superglued" to poverty) due to lack of commitment to the goal of poverty reduction by the leaders. Poverty reduction program is expected to provide sufficient support that would help the present and next generations move out of poverty so that social assistance would no longer be needed in the future. However, graduating out of poverty remains a dream far from reality for poor households in Nigeria.

[11111] **Notes**

The dispute between the All Peoples Congress (APC) and Peoples Democratic Party (PDP) members in Niger State occurred due to party politics. The dispute escalated during the March/April payment cycle on 25 May 2019. The APC beneficiaries, who felt cheated during enumeration mobilized other party members who were not beneficiaries to halt payment. However, the State Cash Transfer Unit (SCTU), Niger State successfully settled the matter. According to the Grievance Officer, Niger State, the conflicting parties were called for a meeting where the process of enumeration was explained to them and the PDP members were warned to desist from making provocative utterances. It is important to state that SCTUs were not in charge of enumeration but the State Operations Coordinating Units (SOCUs) and the National Social Safety Nets Coordinating Office (NASSCO) at the federal level. The author was unable to reach the SOCUs in Niger State during the field study. Targeting is a huge topic and will be treated extensively in a separate paper.

References

Akinola, Olabanji. 2016. "Rethinking the Design and Implementation of Nigeria's COPE Conditional Cash Transfer Programme". http://www.ipc-undp.org/pub/eng/OP330_Rethinking_the_design_and_implementation_of_Nigeria_s_COPE.pdf (Accessed 5 September 2023).

Bala-Gbogbo, Elisha and Ohuocha, Chijioke. 2023. "Nigeria inflation rises further in June, putting pressure on Central Bank". https://www.reuters.com/world/africa/nigeria-inflation-up-slightly-2279-yy-june-2023-07-17/ (Accessed 10 December 2023).

Cecchini, Simone, and Atuesta Bernado. 2017. "Conditional Cash Transfer Programmes in Latin America and the Caribbean: Coverage and Investment Trends", *Economic Commission for Latin America and the Caribbean (ECLAC) Social Policy Series* No. 224 Santiago: United Nations.

Ezugwu, Obinna. 2020. "Controversy trails covid-19 palliative cash transfer". https://hallmarknews.com/controversy-trails-covid-19-palliative-cash-transfer/ (Accessed 4 May 2023).

Fiszbein, A. and Schady, N.R. 2009. "Conditional Cash Transfers: Reducing Present and Future Poverty." *World Bank Policy Research Report*. Washington, DC, United States: World Bank

Garcia, Marito and Moore, Charity M. T. 2012. "The Cash Dividend: The Rise of Cash Transfer Programs in Sub-Saharan Africa". Directions in Development; Human Development. Washington DC: World Bank.

Gilligan, Daniel O; Alejandra Arrieta, Stephen Devereux, John Hoddinott, Dereje Kebede, Natasha Ledlie, Keetie Roelen, Alemayehu Seyoum Taffess. n.d. "Integrating Service Delivery with Cash Transfers to Improve Nutrition in Ethiopia: An Impact Evaluation of the IN-SCT Pilot Project in Oromia and Southern Nations, Nationalities, and Peoples' Region", UNICEF, Policy Brief. https://www.unicef.org/ethiopia/media/3431/file/Integrating%20Service%20Delivery%20with%20Cash%20Transfers%20to%20Improve%20Nutrition%20in%20Ethiopia (Accessed 3 January 2024)

Luthuli, Silondile; Haskins, Lyn; Mapumuol, Sphindile and Horwood, Christiane. 2022. “Does the unconditional cash transfer program in South Africa provide support for women after childbirth? Barriers to accessing the child support grant among women in informal work in Durban, South Africa”. *BMC Public Health*, 22:112

Maria Clara Oliveira y Teresa Almeida Cravo. 2021. “Social Protection and Cash Transfers in Mozambique: Between international consensus and local agency”. https://journals.openedition.org/cea/6474?lang=es#quotation (Accessed 5 June 2023)

Massingarela, Claudio, & Nhate, Virgulino. 2006. “The politics of what works: A case study of food subsidies and the Bolsa-Escola in Mozambique.” Background paper for the Chronic Poverty Report 2008-09. Chronic Poverty Research Centre

National Bureau of Statistics. 2022. *Nigeria Multidimensional Poverty Index (2022*), Abuja: National Bureau of Statistics

National Bureau of Statistics. 2020. *2019 Poverty and Inequality in Nigeria: Executive Summary 2019*, Abuja: National Bureau of Statistics

National Bureau of Statistics. 2018. *Computation of Human Development Indices for the UNDP Nigeria Human Development Report 2016*, Abuja: National Bureau of Statistics

National Bureau of Statistics. 2012. *Annual Abstract of Statistics*. Abuja: National Bureau of Statistics, 2012

Nwannekanma, Bertram and Musa, Waliat. 2022. “Nigeria’s hunger level ‘serious,’ ranks 103 out of 121 countries”. https://guardian.ng/news/nigeria/nigerias-hunger-level-serious-ranks-103-out-of-121-countries/ (Accessed 10 June 2023)

Olawoyin, Oladeinde. 2022. “As POS merchants target Nigeria’s unbanked population, banks’ troubles haunt them”. https://www.premiumtimesng.com/news/headlines/543413-as-pos-merchants-target-nigerias-unbanked-population-banks-troubles-haunt-them.html?tztc=1 (Accessed 5 May 2023)

Omeje, Chikezie. 2018. “INVESTIGATION: Poorest Nigerians deprived of federal government’s cash transfer”.

https://www.icirnigeria.org/investigation-poorest-nigerians-deprived-of-federal-governments-cash-transfer/ (Accessed 2 May 2023)

Osondu-Oti, Adaora; Adam, Ibraheem Salisu and Shimang, Shikfu. 2023. Cash Transfers to Poor and Vulnerable Households in Nigeria: A Critical Analysis of the Gender Mainstreaming Approach, *Journal of Contemporary International Relations and Diplomacy (JCIRD)*, Vol. 4, No. 1, 2023, pp. 687-709

Ryu, Anna. 2021. "Countries with Conditional Cash Transfer Programs". https://borgenproject.org/conditional-cash-transfer/ (Accessed 2 May 2023)

Social Protection. 2019. In Care of the Poor, COPE. https://socialprotection.org/discover/programmes/care-poor-cope (Accessed 10 June 2023)

Stampini, Marco and Tornarolli, Leopoldo. 2012. "The growth of conditional cash transfers in Latin America and the Caribbean: did they go too far", Latin America: Inter-American Development Bank, *IDB Policy Brief* No. No. IDB-PB-18

The World Bank. 2023. "Brief: Multidimensional Poverty Measure". https://www.worldbank.org/en/topic/poverty/brief/multidimensional-poverty-measure#: (Accessed 2 May 2023)

Tunji, Sami. 2023. "Subsidy removal: Poor Nigerians will hit 101 million without palliatives, says World Bank". https://punchng.com/subsidy-removal-poor-nigerians-will-hit-101million-without-palliatives-says-wbank/ (Accessed 10 June 2023)

The World Bank. 2022. "Fact Sheet: An Adjustment to Global Poverty Lines". https://www.worldbank.org/en/news/factsheet/2022/05/02/fact-sheet-an-adjustment-to-global-poverty-lines#2 (Accessed 5 May 2023)

The World Bank. 2021. "Nigeria to Scale-up Delivery of Social Assistance to 10.2 Million Households". https://www.worldbank.org/en/news/press-release/2021/12/16/nigeria-to-scale-up-delivery-of-social-assistance-to-10-2-million-households (Accessed 2 May 2023)