

REPORT OF THE STIMULUS AND SUPPORT OFFERED TO ORDINARY PEOPLE AND WORKERS IN FCT, LAGOS & OGUN STATES

Preamble

The federal government took a drastic measure on the 29th of March with the lockdown of major cities namely Abuja, Lagos, and Ogun States where the incidence of Covid-19 was earlier prominent and promised to make available palliatives measures such as food distribution, cash transfers and loans repayment waivers to ease the pains of restrictive policies during this difficult time. These measures are said to be sustained on the 13th of April when the first lockdown began. It is believed that the effort will mitigate the challenges of the stay-at-home order.

Stimulus and Support Offered to Ordinary People and Workers

With nearly 90 million Nigerians (50 percent) living in extreme poverty, it believed that sustaining a lockdown would require people staying at home with little or no income to sustain themselves. As a result, different stimulus packages are being put in place by the government and corporate bodies to cushion the effect of the Covid-19 in the three target cities.

Federal Capital Territory (FCT)

The FCT with six Area Councils has a population of over 3 million people¹. Since the discovery of the first case several weeks ago, FCT now has the third-highest of Covid-19 cases in Nigeria with over 266 cases, 36 discharged, and 3 deaths. However, after several weeks of lockdown in the capital city, the authority commenced the distribution of the palliatives on the 17 of April to cushion the effect. The Mr. president has earlier directed the payment of the four-month (amounting to N20,000) to the beneficiaries of the conditional cash transfer across the countries, Abuja inclusive. The total number of people benefitting from programme in Abuja as of March 31 was 20,129 poor and most vulnerable members. On the 1st of April 2020, several poor and vulnerable people were paid, although the total number of the people who received the payment cannot be ascertained.

Also, about 600,000 bags of rice and 600,000 packs of condiments was made available to be distributed in FCT to 600,000 households. Each of the six (6) Area Council namely Gwagwalada, Kuje, Kwali, Abaji, Bwari and Abuja Municipal was expected to get 100,000 of both the rice and a pack of condiments². The distribution which was flagged off in Abaji local council showed truckload of 25,000 condiments and 25,000 bags of rice taken to the council for distribution to the vulnerable in rural communities³. It was believed that each ward gets 2,500 of the items and five per households⁴ and would be done across the six (6) Area Councils. As of the May, 2nd 2020, all the six (6) Area Councils have received the palliatives⁵.

Lastly, on the 3rd of May, 2020, about 1,800 palliatives was handed over to religious leaders in FCT, to cushion the effect of lockdown. The palliatives were received by the head of Christian

¹ NBC: 2017 Demographic Statistic Bulletin, May 2018

² <https://twitter.com/OfficialFCTA/status/1248875953478152193>

³ <http://saharareporters.com/2020/04/17/covid-19-fct-residents-condemn-distribution-pattern-palliative-items->

⁴ <https://twitter.com/OfficialFCTA/status/1251204196923330568>

⁵ <https://twitter.com/DrRamatuAliyu/status/1251878785080844288>

Association of Nigeria (FCT Chapter), and Head, League of Imams in Nigeria (FCT Chapter) on behalf of their respective organisations.⁶

Lagos State

The Lagos State with a population of over 12 million people has the highest records of the Covid-19 cases as of the period of writing this report with 1,068 cases, 247 recovered, and 30 deaths as of May 3, 2020. It could be recalled that the Lagos State government had earlier ordered for the lockdown 5 days before the FG took the same measures⁷. As the largest commercial city in the country, a lot of people are kept at home doing nothing and the majority are either low -earners or informal sector operators who largely depend on daily income.

Although, the federal government announced a series of measures to the people of Lagos state such as conditional cash transfer and the sending of palliative. It must be noted that Lagos was not part of the CCT beneficiaries, although there are 14,434 in Lagos State already captured in the National Social Registered. Nonetheless, effort is ongoing to ensure that the state also benefit from the cash transfer. It hoped that the prospective beneficiaries will be identified through BVN and mobile phone networks⁸. Therefore amidst of the lockdown, the federal the government has delivered food palliative made up of a total of 6,000 bags of 50 kilograms of rice and two trucks of 20kg vegetable oil to the state⁹ on the 10 Friday 2020.

On the part of the state government, an Emergency Food Response Programme (EFRP)¹⁰ where food stimulus packages have been provided for about 200,000 vulnerable physically challenged and the elderly households in the 20 Local Government Areas (LGAs) and 37 Local Council Development Areas (LCDA).¹¹ It needs to note that this was a relief and not a substitute for the loss of income.¹² The Executive Governor of Lagos State, Babajide Sanwo-Olu, while announcing the second phase of the palliative measure says,

During this time as well, we were also able to feed a large number of the organised informal sector; junior members of the Military and Police Force in Lagos; as well as minimum wage earners in the state's public service.¹³

The second palliative measure include a 3-months moratorium to Micro, Small and Medium Enterprises (MSMEs) and Entrepreneurs. This moratorium is applicable to those who are already borrowed money from the Lagos State Employment Trust Fund (LSETF) and need to repay the loans. The LSETF has 1,170 SMEs and 2,160 Micro Enterprises across sectors in Agriculture, Education, Information Technology, Food Processing, Transport, etc. with a total outstanding loan balance of N2.8 billion¹⁴. A three-month moratorium is granted on the principal and interest

⁶ <https://twitter.com/DrRamatuAliyu/status/1256687296469970945>

⁷ <https://www.bbc.com/pidgin/tori-52022133>

⁸ <https://www.independent.ng/fg-will-use-bvn-to-identify-poor-vulnerable-nigerians-sadiya-farouq/>

⁹ Read more at: <https://www.vanguardngr.com/2020/04/covid-19-lockdown-fg-delivers-6000-bags-of-rice-2-trucks-of-oil-to-lagos/>

¹⁰ Read more at: <https://www.vanguardngr.com/2020/04/lagos-covid-19-lockdown-palliatives-how-far-so-far/>

¹¹ <https://www.independent.ng/996226-2/>

¹² <https://twitter.com/followlasg/status/1250150058617720836>

¹³ Read more at: <https://www.vanguardngr.com/2020/04/lagos-covid-19-lockdown-palliatives-how-far-so-far/>

¹⁴ <https://www.thenewsnigeria.com.ng/2020/04/15/covid-19-gov-sanwo-olu-roles-out-new-palliatives/>

worth over N410 million to reduce the pressure on these businesses as a result of the economy halt caused by the pandemic.

The state government also created 27 Covid-19 makeshift or relief markets across the 20 Local Government Areas (LGAs) and 37 Local Council Development Areas (LCDAs)¹⁵, as part of the palliative measures. The markets are located in schools not too far away from the people. The aim is to enable the residence especially the active and non-vulnerable to go to such places and stock their houses with food. This is helping some informal sector operatives continue to serve the need of the people.

Besides, the Government opened food kitchens in all the local government councils providing one meal per day to 100,000 youths to cushion the effect of COVID-19 lockdown.¹⁶ The daily feeding scheme is decentralised in such a way that each local council is having its food kitchen domiciled at a pre-arranged location agreed upon by residents. This service is provided by the local food vendors within the local council. On the 23 April 2020, a total sum of N13.8 million was released to three local governments (Ikeja, Agege and Alimosho local government areas)¹⁷ in the sum N6.3 million, N4.5 million, and N2 million respectively to kick start the programmes. In complementing the state effort, the chairmen of the six local governments that make up Alimosho added N1 million each to the N2 million, making it a total of N8 million in their own capacity.¹⁸

The Lagos State government also initiated an unconditional cash transfer to 250,000 vulnerable residents and economically who have registered with Lagos State Residents Registration Agency (LASRRA) and who were not part of the people that had already got relief food packages from the Government in previous weeks. Although the news of this initiative has gone viral, there has not been evidence of actual commencement as of the time of writing the report.

The Governor has also ordered the release of all private and commercial vehicles impounded between March 1, 2020, and April 14, 2020, for minor traffic offences by the Lagos State Traffic Management Authority (LASTMA), Vehicle Inspection Service (VIS) and Task Force to commence to the owners. This directive is scheduled to take effect after the Federal Government lifts the lockdown order.¹⁹

Ogun State

Ogun State with a population of over 5 million people²⁰ has 56 cases of Covid-19, 9 recovered, and 2 deaths as of May 3, 2020. After the lockdown, the distributed five trucks of relief items containing 3, 000 bags of 50kg rice and one truck of vegetable oil to vulnerable in Ogun State. This is in addition to several other trucks containing over 100 tons of maize, sorghum, and gari meant for onward distribution to the people in the state in compliance with President

¹⁵ <https://guardian.ng/saturday-magazine/cover/lagos-stimulus-package-is-for-the-aged-vulnerable/>

¹⁶ Read more at: <https://www.vanguardngr.com/2020/04/covid-19-sanwo-olu-releases-n13m-for-daily-feeding-of-youths-in-3-councils/>

¹⁷ Read more at: <https://www.vanguardngr.com/2020/04/covid-19-sanwo-olu-releases-n13m-for-daily-feeding-of-youths-in-3-councils/>

¹⁸ Read more at: <https://www.vanguardngr.com/2020/04/covid-19-sanwo-olu-releases-n13m-for-daily-feeding-of-youths-in-3-councils/>

¹⁹ <https://lagosstate.gov.ng/blog/2020/04/15/lagos-introduces-new-palliative-measures-revises-mode-of-operation/>

²⁰ NBC: 2017 Demographic Statistic Bulletin, May 2018

Muhammadu Buhari's directive on ameliorating the sufferings of the people of the state during the lockdown period.²¹

Although before the federal government intervention, the Ogun State Government on the 6th of April commenced the distribution of stimulus packages of food packs to 100,000 houses in the first phase of the palliative programme. The state is planning to capture 500,000 houses, especially the elderly and vulnerable in each LGA.

As part of the need to ensure effective distribution of the relief materials, a state task force was constituted to monitor the daily report and distribution of the stimulus packages in all the 236 wards of the state. On 11 April 2020, the Ogun State, Mr. Dapo Abiodun participated in the distribution at Qgo-Oko, Isale Ake, Adatan and other parts of Abeokuta metropolis, where he shared food packs containing 5kg of rice, 5kg of beans, 5kg of garri, tomato paste, Maggi and vegetable oil to widows, physically challenged and the aged men and women.²² Therefore, during this phase, relief items were distributed to over 60,000 households of the poor, vulnerable, and elderly, translating to about 300,000 individuals across the State.²³

However, the State government is providing face masks alongside food items to 80,000 households translating to about 400,000 individuals across all wards in the State²⁴ as part of the second phase of the relief food items intervention.²⁵

Also, the State has received donations from various groups and individuals. For instance, the Victim Supports Fund donated ₦100million worth of food items, non- consumables, medical equipment, drugs, as well as toiletries. These included; 2,060 relief packs with each pack containing 10KG of rice, 10KG of Beans, 10KG of Garri, 4 litres of Vegetable Oil, and 2 bags of Salt, non-food items, medical equipment and toiletries for onward distribution to the vulnerable.

Mode Palliative Distribution

Each of the states has a different mode of reaching out to the most vulnerable and distributing the palliatives. For instance, Lagos state has formal distribution channels. The state government identified the most vulnerable through the database of the Lagos State Residents Registration Agency. A form is sent to identified beneficiaries on their mobile phone and replied by answering YES. Similarly, an SMS is also sent to people aged over 60, with questions to answer to see if they were eligible to receive these packs. The state also exploit the presence of Community Development Associations (CDAs) at various communities to help in the final distribution to the vulnerable in their respective community²⁶. Also, some relief items are also distributed through religious bodies, tertiary institutions, informal traders, market women, political parties, among others, for onward sharing to citizens.

In Ogun State and Abuja, there are no known formal means of identifying the most vulnerable. Although there is a Covid-19 palliatives task force being assisted with the local government/Area

²¹ Read more at: <https://www.vanguardngr.com/2020/04/covid-19-fg-distributes-3-000-bags-of-rice-a-truck-of-vegetable-oil-in-ogun/>

²² Read more at: <https://www.vanguardngr.com/2020/04/covid-19-lockdown-abiodun-distributes-relief-materials-to->

²³ <https://twitter.com/i/status/1250185073829089280>

²⁴ <https://twitter.com/i/status/1250185073829089280>

²⁵ Read more at: <https://www.vanguardngr.com/2020/04/lagos-covid-19-lockdown-palliatives-how-far-so-far/>

²⁶ Read more at: <https://www.vanguardngr.com/2020/04/lagos-covid-19-lockdown-palliatives-how-far-so-far/>

council chairmen, ward councilors, and the community/traditional leaders who understand their terrains in distributing the relief items. The relief items are given in bulk to the ward leaders who in turn divide among the communities that made up the ward. The community leaders with the help of the CDA (if exist) help identify the vulnerable and distribute the items.

Issues Arising

One of the major issues in the distribution of the palliatives to the vulnerable and poor members of society is the lack of data. There is no comprehensive data on the total number of the poor and vulnerable. It is believed that about 90 million people are living in extreme poverty in Nigeria, the National Social Register could only boast of 11 million. This is weakening the government's effort to identify the real poor and vulnerable who needed the relief items.

Therefore, given the number of poor and most vulnerable, some of whom only heard of government relief items being distributed without any access²⁷. In the case of Lagos, some of those who have registered with LASRRA and also have received a text message from the state government as a beneficiary of the package did not received any relief package. In the words of one of the residents, "I registered with LASSRA. Sometime ago, I received a message because we heard Sanwo-Olu wanted to give out packages to aged. I filled the form and resent it, waiting for their response". It is believed that the programme has been fraught with alleged diversion of the packs by government officials, who were saddled with the distribution process. According to the majority, the programme has been "hijacked by politicians" who have started giving it to loyal party members and followers in the state, thus abandoning the targeted groups.²⁸

In Ogun state, informal sector operators such as Okada riders, taxi drivers, vendors, etc. now go out to work on days set aside for residents to procure their basics needs. While many low-income earners who have no income expectation have now resort to begging, others have resorted to extortion, stealing and robbery (Lagos inclusive)²⁹. In essence, people need food to stay at home and live in peace³⁰.

CBN 50bn Intervention

The Central Bank of Nigeria on the 23rd of March, 2020 launched a 50bn targeted credit facility as a stimulus package to support households and micro, small and medium enterprises (MSMEs) affected by the COVID-19 pandemic. This is implemented by the NIRSAL Microfinance Bank (NMFMB) with final approval by the Central bank. Under this credit facility stimulus, the households can access up to N3 million while MSMEs can access N25 million with an interest of 5% interest rate p.a. (all inclusive) until 29th of February 2021 and thereafter, the interest on the facility shall revert to 9% p.a. (all inclusive) as from 1st March 2021³¹. The objectives are to,

1. Cushion the adverse effects of COVID-19 on households and MSMEs;
2. Support households and MSMEs whose economic activities have been significantly disrupted by the COVID-19 pandemic.

²⁷ Channels TV, "Eyes Witness Report", 2:30pm, 28th April 2020.

²⁸ Read more at: <https://www.vanguardngr.com/2020/04/lagos-covid-19-lockdown-palliatives-how-far-so-far/>

²⁹ <https://punchng.com/hunger-insecurity-as-threats-to-combating-covid-19/>

³⁰ <https://punchng.com/hunger-insecurity-as-threats-to-combating-covid-19/>

³¹ <https://www.cbn.gov.ng/Out/2020/FPRD/N50%20Billion%20Combined.pdf>

3. Stimulate credit to MSMEs to expand their productive capacity through equipment upgrade, and research and development

Modalities for Accessing the Loan

- Eligible household is to submit an application to NIRSAL MFB, which must, among others, contain BVN number, business registration and business plan with clear evidence of the opportunity or adverse impact as a result of COVID-19 pandemic
- NMFB shall appraise and conduct due diligence applications
- Upon satisfactory appraisal of application, NMFB shall forward the applications to the CBN for final approval,
- Then, CBN reviews applications and gives final approval for disbursement to NMFB.

CBN 50bn Loan Collateral Requirement

The collateral to be pledged by beneficiaries under the programme shall be as may be acceptable by NIRSAL MFB, but may include any one or more of the following:

1. Moveable asset(s) duly registered on the National Collateral Registry (NCR).
2. Simple deposit of title documents, in perfectible state
3. Deed of Debenture (for stocks), in perfectible state
4. Irrevocable domiciliation of proceeds
5. Two (2) acceptable Guarantor
6. Personal Guarantee of the promoter of the business
7. Life Insurance of the Key-Man, with NMFB noted as the First Loss Payee
8. Comprehensive Insurance over the asset.

Low Wage Workers, Informal Sector Operators and CBN 50 bn Intervention

US Department of Health and Human Services defines low-wage workers living in low-income families as those with income less than twice the poverty line are of special concern. According to the department, these workers not only earn low wages but their families face difficult economic circumstances.³² On the other hand, the informal sector operators here refers to those workers who are self-employed, or who work for those who are self-employed. People who earn a living through self-employment in most cases are not on payrolls, and thus are not taxed. Many informal workers do their businesses in unprotected and unsecured places. While the former income depends on the service rendered for the employers, the later income also depends on the work done daily.

However, the low income and informal sectors accessing the N50bn loan has been a source of worry. Although, the low income may apply as households to obtain loans up to N3 million. But the question has been that do the target households has the necessary criteria to access the loan? This is because, they would need to provide a collateral to access the loan. However, since the announcement of the initiatives, several weeks ago, no one has successfully accessed the loan including the MSMEs that must have been registered with CAC. The most disheartening part of the programme is that the implementing Micro finance bank is Collecting N5000 from those without a business plan when there is no guaranteed that they will be given the loan.

³² <https://aspe.hhs.gov/basic-report/who-are-low-wage-workers>

From the definition of informal sector above, it could be deduced that most informal sector operators are not registered, neither do they have a business plan. Certainly, without Corporate Affairs Commission/Business registration number, they may not qualify for the loan. This raised a question of government of the readiness to assist the operators of the informal sector as there is no known evidence of the programme or measures to assist the set of people in the Ogun, Lagos, and FCT. As of the time of preparing this report, only Kwara state presently effecting this measure under its State Social Investment Programme. It unfortunate that Lagos state with huge informal sector operators has not taken into condition their welfares.

Windows Opportunities

Recently, the CBN and some commercial banks have granted moratoriums on SME loans for 90-days, meaning that repayments will be deferred until a later point through an extension of the loan maturity by 90-day.³³ Apart from these measures, there is no known other window of opportunity for the informal sectors operators and the workers at the time of writing this report in the FCT, Ogun and Lagos States apart from the food palliatives being implemented. This as becomes a source of worry to many concern Nigerians³⁴.

Also the some corporate organisations like Facebook has also pledge creating a \$100 million grant program for small businesses. Although, applications aren't open yet, the social media and technology company says the program will include both ad credits and cash grants that can be spent on such operational costs as paying workers and paying rent. The grant will be available to up to 30,000 small businesses in over 30 countries where Facebook operates.³⁵

Labour Union, Nigerian Workers and Covid-19 Pandemic

As the coordinating entity for all workers in the country, the Nigeria Labour Congress (NLC) has reiterated its interest in ensuring the recovery of jobs, income restoration, and sustainability of livelihood of Nigerians at the end of the lockdown. the organisation maintained the following positions.

1. The government at various levels should not contemplate stoppage or reduction in staff salaries.³⁶
2. Daily income workers in the informal sector should be made to benefit from the government palliatives to avoid putting additional pressure on the savings of formal sector workers.³⁷
3. Electricity Regulation Commission (NERC) should halt the electricity tariff increase. Through consistent engagement of relevant stakeholders, the NERC has suspended the electricity tariff increase till June 30, 2020.

³³ <https://guardian.ng/business-services/nigeria-support-your-small-and-growing-businesses/>

³⁴ that helps in distributing the relief items with the help of the

³⁵ <https://www.techcityng.com/covid-19-facebook-pledges-100m-support-30000-small-businesses/>

³⁶ <https://www.independent.ng/well-resist-any-attempt-to-stop-deduct-workers-salary-on-account-of-covid-19-labour/>

³⁷ <https://www.independent.ng/covid-19-nlc-expresses-worry-on-workers-plight-writes-presidential-task-force/>

4. That the \$US3.5 billion stimulus package for SMEs and other businesses as announced by the Central Bank of Nigeria (CBN) go to businesses that need it the most.³⁸³⁹
5. No bank in Nigeria shall retrench or lay-off any staff of any cadre (including full-time and part-time). This was part of the CBN directed to the Nigeria banking industry to help minimise and mitigate the negative impact of the COVID-19 pandemic on families and livelihoods.⁴⁰

The NLC is also hoping to set up a situation room that would interface with the inter-ministerial committee on policy interventions and recommendations on post-COVID-19 economic response. The duty of the situation room will be to engage federal government and relevant stakeholders on the expansion and distribution of palliatives and other social support initiatives in a manner that captures every Nigerian especially the working poor, daily income workers and other workers in the informal sector, leveraging on technology and interface with the committee⁴¹. This initiative has not been implemented.

The NLC in Partnership with over 70 civil society groups across the Nigeria launched a campaign for the protection of the interest of workers and the vulnerable poor against the far-reaching economic and socio-cultural impact of COVID-19 in Nigeria on the 29th of April 2020⁴². With Mr. Femi Falana (SAN) as the interim chairman, the coalition condemned a regime of policies driven by investments in consumables rather than production. It is believed that if the government is not production driven, COVID-19 will have long and short term implications for the political economy of Nigeria. Hence, addressing the plight of the Nigeria workers in during and post covid-19 pandemic was the key mission of the coalition.

Conclusions

It could be seen from the above that various efforts have been put in place by both federal and state governments to assist the poor and workers in the FCT, Lagos and Ogun State. The government is keen in ensuring that people are not stranded at home while observing the lockdown order and maintaining social distancing. Wealth are being redistributed in such a way that everyone enjoys at least a minimal standard of living. In reality, many people are yet to see the benefit of this policy. Consequently, there are some critical issues in which the existing palliative measures has not addressed. Some of which include the integration of the informal sector operators such as barbers, commercial drivers, street vendors, among others into the various government relief intervention like the CBN N50bn Covid-19 Credit Facilities which mainly targeted at the formal sector. The informal sector that constitute significant number of population and seriously affected by the lockdown are neglected.

Another issue, is translating existing intervention to a more productive measures. The existing measures targeted at relieving the poor and vulnerable from their current situation. Some of which could only last for three to five days. It is a one-off intervention, and when consumed, the

³⁸ <http://nlcnblog.org/increase-in-electricity-tariff-a-deafening-expression-of-insensitivity/>

³⁹ <http://nlcnblog.org/workers-day-address-by-the-president-of-the-nigeria-labour-congress-comrade-ayuba-p-wabba-mni/>

⁴⁰ <https://www.cbn.gov.ng/Out/2020/CCD/CBN%20Bankers%20Comm%20Suspend%20Layoffs.pdf>

⁴¹ <https://www.dailytrust.com.ng/nlc-warns-against-lockdown-extension.html>

⁴² <http://saharareporters.com/2020/04/29/covid-19-falana-heads-new-coalition-champion-workers%E2%80%99-interest-welfare>



beneficiaries would have to seek for more while government struggles to extend the intervention to other areas for equitable distribution. This is creating a lacuna and does not allow for a long term effect.

In view of this, lapses, there is an urgent need to constitute an economic recovery team for post-Covid-19 recovery, and allow critical sectors start operations. Also, the state governments need to be more production centered by empowering private sector, ensure inclusive growth strategy, fix productivity challenges and recreate a long term effect palliative measures. This is to promote rapid socio-economic growth, lessen the risk of job layoff and ensure sustainability.

While the campaign newly launched coalition to champion workers' interest, and welfare is timely, we call on all and sundry to continue to assist and complement the state's efforts with kind donations. The government should ensure that all donated funds and materials are judiciously utilised and that workers' salaries should not be stopped. This will mitigate challenges posed by the lockdown.