Nigeria: Leveraging social protection for inclusive climate action and a just transition

July 2025

Summary

- **Climate challenges.** Nigeria is highly vulnerable to climate change, with droughts, increasing water scarcity and desertification threatening the agricultural sector, which employs a large part of the population. At the same time, Nigeria's ecological transition must account for the livelihoods of millions of workers currently engaged in carbon-intensive sectors and practices. This includes tens of millions that rely on charcoal and firewood production and consumption, Nigeria's primary source of greenhouse gas emissions.
- **Current system.** Nigeria's vulnerability is compounded by low social protection coverage (14.8 per cent of the population). However, the country can build on considerable experience with conditional cash transfers and maintenance of social registries, that can facilitate timely responses to climate shocks. Contributory schemes are also in place and can be further strengthened.

Fulani people sitting around a fire pit, Nigeria, 10/2021© Fatima Yusuf/Unsplash

- **Priority action areas.** Several measures have been identified to and adapt Nigeria's social protection system. Integrating these into Nigeria's next Nationally Determined Contributions (NDC) and other climate strategies is a concrete way towards operationalize the imperatives of a just transition:
    - **Institutionalizing emergency cash transfers** by increasing coverage, introducing solidarity-based financing mechanisms, and ensuring minimum legal guarantees for affected population groups to provide meaningful protection across the life cycle.
    - **Providing income support, through environmentally linked cash transfers**, to help households – especially those relying on firewood and charcoal – transition to cleaner energy sources, supported by awareness campaigns and LPG cookstoves.
    - **Integrating cash benefits during unemployment with skills development initiatives** and other forms of employment promotion for workers who lose their jobs in the transition, while laying the groundwork for unemployment insurance.
    - **Linking social protection with resilient livelihoods interventions** such as agricultural extension services, microgrants for small entrepreneurs and crop and livestock insurances.

> Nigeria's ecological transition must account for the livelihoods of millions of workers currently engaged in carbon-intensive sectors and practices.

1. Introduction

This note has been developed to inform the government, social partners and other stakeholders on how social protection systems can play a pivotal role in supporting a just transition in Nigeria. By highlighting opportunities to link existing and new social protection initiatives to climate change adaptation and mitigation efforts, the objective is to equip readers with concrete insights and considerations for safeguarding livelihoods, addressing social risks, and promoting resilience among workers and vulnerable populations affected by climate change and a shift to a greener economy.

It is based upon the findings of a background paper authored in 2023 by Dr S.K. Alonge under the project "The social dimension of the ecological transition", supported by the *Agence française de développement (AFD)* and implemented by the International Labour Office (ILO). Those findings were reviewed and validated at a workshop organized by the Nigerian Ministry of Finance, Budget and National Planning (MFBNP) in Mararaba (Nasarawa State) from 13 to 14 June 2023. This note summarizes and contextualizes the recommendations, endorsed by participants, against the landscape of existing social protection and climate policies and programmes in Nigeria. The findings of this note should inform the development of national climate strategies and plans, most importantly, the revision of Nigeria's NDCs, due in 2025.

NDCs are nationally defined strategies to mitigate climate change and adapt to its impacts. All countries that have signed the Paris Agreement are required to submit updated NDCs every five years. Nigeria's last NDC was previously submitted to the United Nations Framework Convention on Climate Change (UNFCCC) in July 2021. Each new round of NDCs should mark increased levels of ambition to accelerate climate action. NDCs are also an opportunity to reflect concrete actions to move towards a just transition, which must include social protection.

Social protection in climate change mitigation and adaptation

Climate change is increasing the frequency and severity of extreme weather events that threaten jobs, livelihoods, health and overall living standards. Social protection systems, if well-designed, can serve vital tools to support populations dealing with these shocks. Timely assistance, including support through cash transfer programmes, in the wake of such events can help households recover, prevent further loss of income or assets, and maintain economic stability. Ensuring that vulnerable groups are adequately covered will also be essential to reduce the long-term impacts of climate-related hardship and enhance resilience. Through its well-documented positive impact on human development and productive risk-taking, social protection can enhance people's adaptive capacities and support the transition to more climate-resilient livelihoods.

Group picture of participants at the workshop, Nasarawa State, Nigeria, 13/06/2023 © ILO

While efforts to combat climate change and reduce greenhouse gas emissions have the potential to create job opportunities in new greener sectors of the economy, as countries scale back or eliminate polluting industries and practices, people whose livelihoods depend on these activities may be negatively affected. To ensure that the transition to greener economies is fair and inclusive, efforts must be made to help affected workers take advantage of new opportunities. This includes protection against joblessness, loss of livelihoods and income, through initiatives such as unemployment protection schemes or cash transfers, and access to skills training, entrepreneurship support, and other active labour market policies. Extending social security to the green economy is also crucial to ensure that the transition creates decent and high-quality jobs, which in turn enhances the resilience of workers.

3. Climate challenges for Nigeria

3.1. Direct effects from climate change

Nigeria is considered highly vulnerable to the impacts of climate change. Extreme weather events and increasing climate variability – such as droughts, floods, erosion, and sea-level rise – are already affecting large parts of the country and are projected to intensify.

Climate change poses a serious threat to key sectors, particularly agriculture, which is among the most sensitive to climate change impacts and where the majority of the population work. Coastal areas face growing risks from flooding and erosion, while desertification and water scarcity threaten livelihoods in the north. Agricultural productivity could further decline with significant implications for livelihoods, food security and the wider economy. In Nigeria's current NDC, the development and dissemination of climate-smart agricultural techniques are cited among future adaptation measures. However, for such adaptation measures to be effective and inclusive, it is also critical to address the immediate needs of impacted individuals to protect and build their adaptive capacities and to strengthen household resilience to enable uptake of new practices and technologies.

In Nigeria and elsewhere, the potential of social protection as a tool for climate adaptation remains largely untapped. ILO data show that coverage rates for social protection are often lowest in countries most vulnerable to climate risks.[1] Strengthening social protection systems can not only address underlying drivers of vulnerability to climate change and directly respond to its impacts, it can also support more transformative forms of adaptation by directly supporting workers and vulnerable groups. To leverage the potential of social protection for climate change adaptation, NDCs should identify concrete options for strengthening and adapting social protection systems to address the impacts of climate change.

3.2. Nigeria's contributions to global greenhouse gas emissions

Nigeria ranks as the fourth-highest emitter of greenhouse gas (GHG) in Africa, largely due to its large and growing population. However, its emissions per capita remain significantly below the global average. This contrast underscores the country's continuing economic development needs and its limited historical responsibility, as it contends with rising climate risks and increasing pressure to decarbonize.

In its 2021 NDC, the combustion of fuel in the energy sector is cited using 2018 data as the largest contributor responsible for 60 per cent of GHG emissions primarily through fugitive emissions from oil and gas production, equal to between 33 and 36 per cent of all energy sector emissions, followed by electricity generation, transport, residential and others. In terms of domestic consumption, traditional solid biomass including firewood and charcoal makes up the largest share – 65 per cent – of Nigeria's primary domestic energy demand followed by fossil fuels.[2] The production of solid biomass provides hundreds of thousands of jobs in Nigeria but contributes to deforestation. Its combustion is the most important contributor to GHG emissions. An assessment carried out by the ILO in 2021 estimated that over 41 million workers in the informal economy depend in some form on the production and consumption of firewood and charcoal. Some engage in firewood and charcoal production mostly for their own consumption needs, while others actively

[1] https://www.ilo.org/sites/default/files/2024-09/WSPR_2024_EN_WEB_1.pdf

[2] Climate Transparency. 2020. Nigeria: Country Profile 2020. Climate Transparency Report. Accessed May 15, 2025. https://www.climate-transparency.org/wp-content/uploads/2021/01/Nigeria-CT-2020.pdf

engage in it for commercial activities. Overall, the informal work associated with informal firewood and charcoal trade translates to some 530,000 full-time equivalent direct jobs and 200,000 indirect jobs in related transportation for retail and wholesale trade. Meanwhile, 65,000 full-time jobs remain at stake in the country's oil and gas industry.[3]

A woman sitting next to an open fire pit, Nigeria, 10/2021
© Emmanuel Offei/Unsplash

Nigeria is a signatory to the Paris Agreement on climate change and is committed to global efforts to combat climate change. As part of its commitments under the agreement, Nigeria has pledged to reduce its greenhouse gas emissions by 20 per cent unconditionally and by up to 47 per cent with international support by 2030, compared to business-as-usual projections. In 2021, the country submitted its first set of Nationally Determined Contributions (NDC), which prioritize addressing emission stemming from gas flaring, enhancing energy efficiency, promoting climate-smart agriculture, and transitioning to cleaner energy sources, including a plan to convert cooking equipment for over 25 million households away from firewood and charcoal to liquefied petroleum gas (LPG).

While Nigeria's current NDC lays out specific commitments to reduce GHG and identifies green sectors for new job creation, negative impacts on employment and livelihoods are only marginally recognized. The document focuses primarily on employment and environmental co-benefits of additional investments in certain sectors. It recognizes the potential threat to the firewood and charcoal sector but does not provide examples of measures that could support a just transition for these or other workers currently in carbon-intensive sectors.

This gap presents an opportunity to further develop the thinking around a just transition – and the potential role of social protection – for Nigeria's workers and others.

4. Overview of the Nigerian social protection system

Nigeria has made important progress in developing its social protection system, though key international and domestic frameworks remain underutilized or absent.

At the international level, Nigeria has only ratified the ILO Equality of Treatment (Accident Compensation) Convention, 1925 (No. 19), and has yet to ratify the Social Security (Minimum Standards) Convention, 1952 (No. 102), which serves as the principal benchmark for comprehensive social security systems.

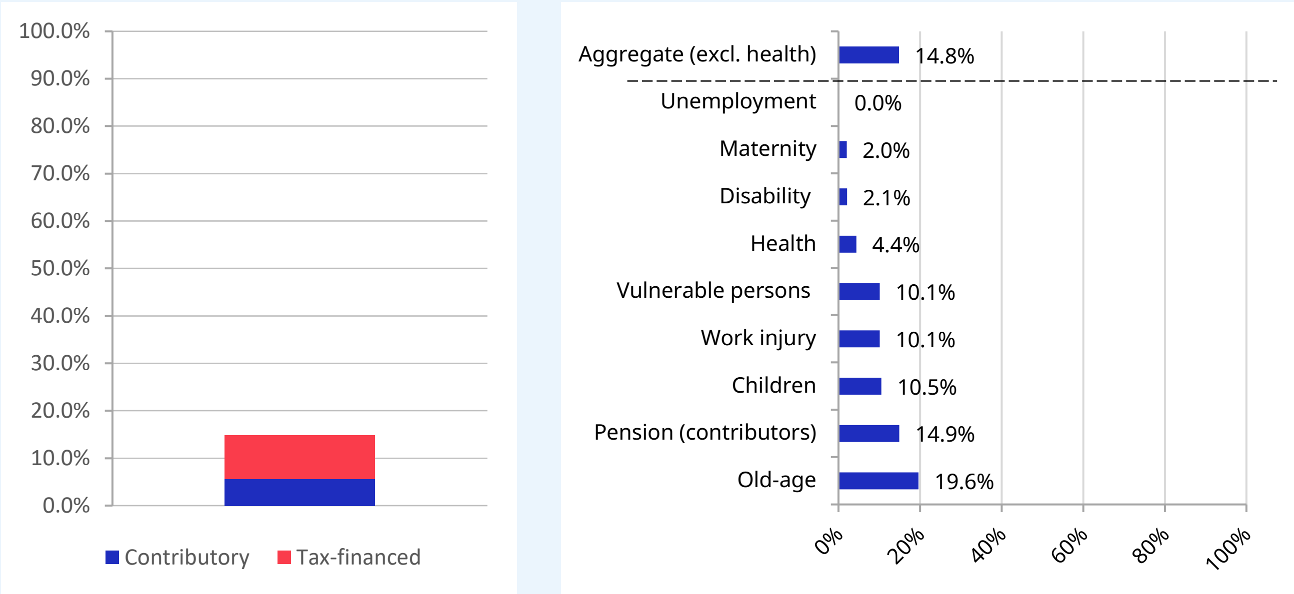
Domestically, recent efforts include the adoption of the National Health Insurance Authority Act in 2022, which aims to expand coverage and improve financial protection for all Nigerians and legal residents in the area of health. This is a crucial milestone given the very low health protection coverage levels (see figure 1) and the projected rise in climate-related health impacts.[4] Additionally, while Nigeria has adopted a National Social Protection Policy (NSPP), the country still lacks an overarching legal framework to guarantee the full range of social security branches outlined in international standards.

Instead, the bulk of coverage is anchored in programmes such as the National Social Investment Programme (NSIP) that provide non-contributory benefits through budgetary allocations and executive oversight, but without any legal guarantees.

[3] https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_emp/%40emp_ent/documents/publication/wcms_818466.pdf

[4] Federal Ministry of Health and Social Welfare (2024). Nigeria climate change and health. National Vulnerability and Adaptation Assessment. https://www.atachcommunity.com/fileadmin/uploads/atach/Documents/Country_documents/Nigeria_Climate_and_Health_VA_assessment_report_-_FINAL.pdf

▶ Figure 1. Per cent of population covered by at least one benefit (aggregate) (SDG 1.3.1) by financing type, and per cent of population group covered by function (all financing types), 2024–26



Source: International Labour Organization (ILO). World Social Protection Report 2024–26: Universal Social Protection for Climate Action and a Just Transition. Geneva: International Labour Office, 2024.

4.1. Existing coverage and social protection instruments

Just over one in seven Nigerians enjoy social protection coverage for at least one benefit as measured by the SDG 1.3.1 indicator. The coverage rate – 14.8 per cent of the population – is achieved through a mix of social contributions and social assistance. Contributory schemes make up just two fifths (37.8 per cent) of the coverage achieved, while tax-financed social assistance is responsible for the remaining coverage through a network of federal and state-level interventions.

4.1.1. Contributory system

Long-term benefits

Coverage for long-term benefits such as old-age, disability and survivorship is based upon mandatory individual savings accounts, currently regulated by the 2014 Pension Reform Act (2014 PRA) after the country converted from a social insurance model for pensions in 2004. Participation is legally mandated for federal and state employees and enterprises with three or more workers. In practice, however, coverage is much more limited and largely confined to the formal sector.

The ILO estimates that Nigeria's informal employment represents 93.9 per cent of all employment in the country, leaving many without effective access to social security.[5] To address this, the 2014 PRA included provisions for expanding pension coverage to self-employed individuals and workers in the informal economy through the creation of a voluntary Micro Pension Plan (MPP) launched in 2019.[6] However, reported uptake remains low due to limited

[5] International Labour Organization. SDG Labour Market Indicators (ILOSDG) database, ILOSTAT. https://ilostat.ilo.org/data/ Accessed 15-05-2025. (SDG indicator 8.3.1)

[6] https://www.pencom.gov.ng/micro-pension

awareness of the scheme, low levels of trust, and logistical barriers to registration.[7]

For participants from the formal sector and of the MPP alike, the defined-contribution structure does not benefit from risk pooling or solidary mechanisms, and places financial risk exclusively with individual workers while offering no guaranteed or minimum pension like under social insurance models. The approach leaves workers exposed to the volatility of labour and financial markets throughout their working lives and well into retirement.

Short-term benefits

From 1999, Nigeria had legislation mandating participation in social health insurance for public-sector personnel and private-sector employees of firms with at least 10 employees. In 2022, the country passed the National Health Insurance Act (NHIA),[8] which broadened the application to all Nigerians and legal residents. In 2025, the scheme reported more than 3.4 million active contributors through the ILO's Social Security Inquiry, of which 80,000 were enrolled in the Group, Individual, and Family Social Health Insurance Programme (GIFSHIP), which aims to remove the administrative bottleneck faced by informal workers, the self-employed and others through group purchasing arrangements.[9] However, no subsidy for contributions appears available for those without capacity to pay. Since 2010, Nigeria also has a social insurance scheme for protecting workers against occupational accident and injury financed by employers through payroll taxes.

Meanwhile, employer-liability schemes are embedded in labour law for payments to qualifying workers in the event of sickness and maternity, and workers contributing to the pension scheme can make early withdraws against their balances of up to 25 per cent in case of unemployment.[10]

4.1.2. Non-contributory system

Much of Nigeria's social assistance coverage is achieved through a network of interventions implemented between federal and state-level social protection institutions, nearly all of which have their anchoring in the National Social Investment Programme (NSIP), launched in 2016.

Managed by the Federal Ministry of Humanitarian Affairs and Poverty Alleviation, the NSIP comprises four major components: the (1) Household Uplifting Programme - Conditional Cash Transfer (HUP-CCT), (2) N-Power Programme, (3) the Government Enterprise and Empowerment Programme (GEEP) and (4) the National Home-Grown School Feeding Programme (HGSF).

HUP-CCT

HUP-CCT provides monthly cash transfers of ₦5,000 (US$3.10) to poor and vulnerable households, with an additional ₦5,000 (US$3.10) top-up available to beneficiaries who meet conditions related to school attendance, healthcare use, nutrition or even environmental stewardship. As of November 2020, the programme reached over 985 thousand households with regular transfers, 30,000 of which also received top-up payments, representing approximately 17 per cent of all households living in poverty as of 2024.[11,12] The programme is implemented by the National Cash Transfer Office (NCTO), which oversees enrolment, payments, and compliance monitoring. State-level implementation is led by State Cash Transfer Units (SCTUs), which manage disbursement and beneficiary support in coordination with the federal office (See Figure 2).

A critical cross-cutting institution is the National Social Safety-Nets Coordinating Office (NASSCO). Established under the National Social Safety Nets Project (NASSP) with support from the World Bank, NASSCO plays a systems coordination role rather than implementing any single program. Its core mandate is to develop and maintain the National Social Register (NSR) –a dynamic database of poor and vulnerable households – and to ensure that social protection programs across federal, state, and donor levels adopt harmonized targeting standards.

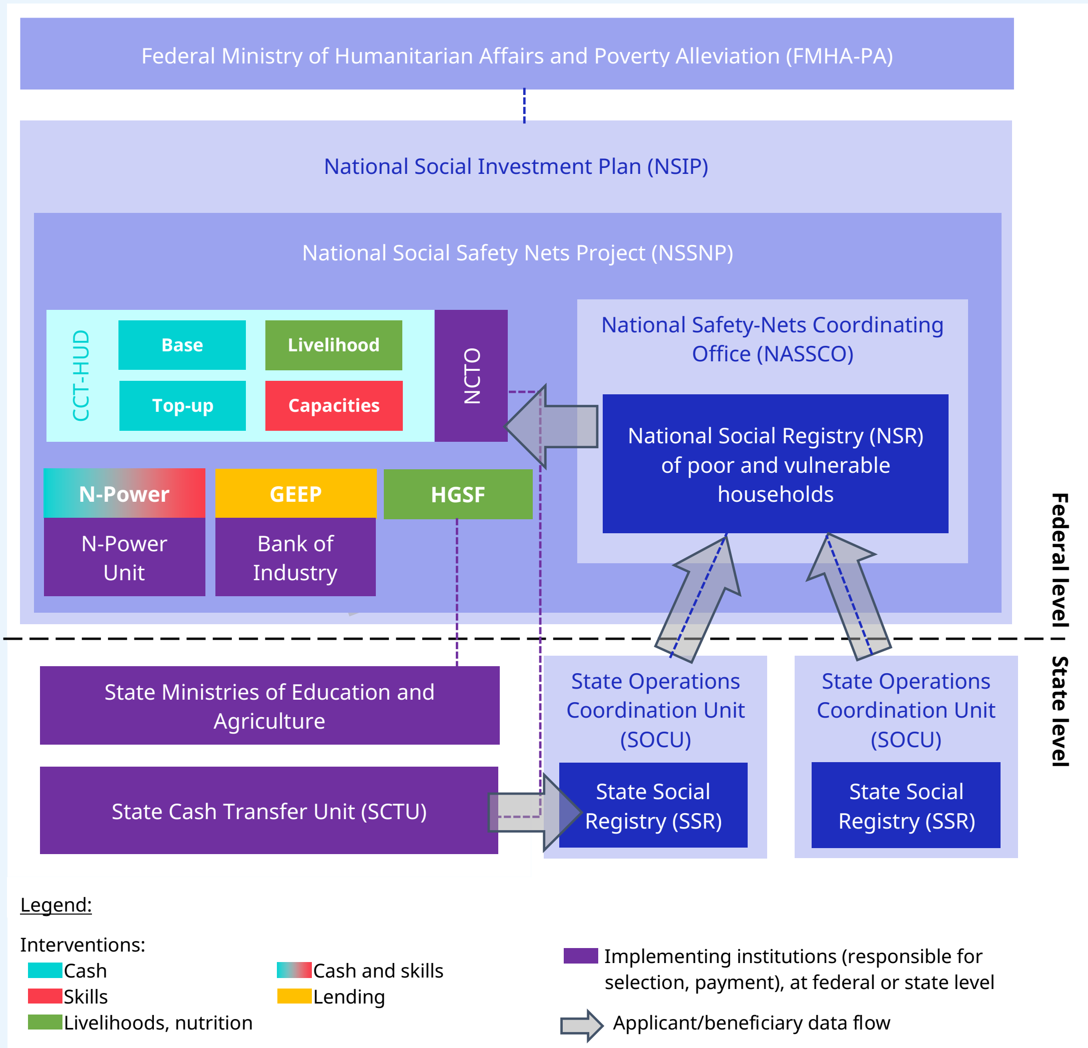
State governments are essential partners in this system. Through State Operations Coordinating Units (SOCUs), they are responsible for building State Social Registers

7 https://www.premiumtimesng.com/news/headlines/536369-three-years-on-nigerias-micro-pension-targeting-informal-workers-struggles-to-thrive.html
8 https://www.nhia.gov.ng/wp-content/uploads/2024/03/NHIA-Act-2022-Gazetted-Copy.pdf
9 https://www.nhia.gov.ng/service/land-insurance/
10 https://www.ssa.gov/policy/docs/progdesc/ssptw/2018-2019/africa/nigeria.html
11 https://www.fmhds.gov.ng/wp-content/uploads/2020/11/CONDITIONAL-CASH-TRANSFER-CCT-REPORT.pdf
12 https://documents1.worldbank.org/curated/en/099101624100574290/pdf/P502989-76dd5e27-3b7a-492b-8e9c-be0acefcb58e.pdf

(SSRs) using community-based targeting and proxy means testing. These registers are then integrated into the NSR, which serves as the primary eligibility tool for programs like HUP-CCT, and increasingly, other NSIP components.

In October 2023, the Nigerian government announced a new phase of HUP-CCT programme, the Renewed Hope Conditional Cash Transfer, aiming to reach 15 million vulnerable households nationwide. The government cited the expansion as part of its efforts to "cushion the effects of fuel subsidy removal and other economic shocks;" Nigeria removed fuel subsidies entirely in May 2023.[13,14] Each eligible household is slated to receive ₦75,000 (US$47.16) in monthly instalments over a three-month period.[15]

Figure 2. Schema of national social assistance interventions and administrative infrastructure



Source: Author's compilation based on official programme and other publicly available sources.

13 https://statehouse.gov.ng/news/president-tinubus-speech-at-the-occasion-of-the-international-day-for-the-eradication-of-poverty-and-the-flag-off-of-the-renewed-hope-conditional-cash-transfer/

14 https://www.aljazeera.com/news/2023/5/31/nigeria-fuel-subsidy-cut-spiralling-costs-all-you-need-to-know

15 https://nassp.gov.ng/fg-launches-conditional-cash-transfer-for-15-million-vulnerable-households

N-Power

The N-Power programme targets young unemployed Nigerians aged between 18 and 35 years. It provides monthly stipends of up to ₦30,000 (US$18.62) and structured training and work experience opportunities in a wide range of sectors.[16] NASSCO's coordination role has expanded beyond HUP-CCT to support broader efforts to align targeting systems across all NSIP programmes, including N-Power, with the NSR.[17]

GEEP

The GEEP program provides one-off microloans of between ₦10,000 (US$6.21) and ₦100,000 (US$62.19) with no financing fees to workers in the informal economy and small entrepreneurs and is implemented in partnership with the Bank of Industry and supported by state-level outreach and mobilization efforts. While GEEP has historically operated outside of the NSR-based targeting framework, as an NSIP programme, efforts are also underway to align its selection criteria more closely with NASSCO's poverty data via the NSR.

HGSF

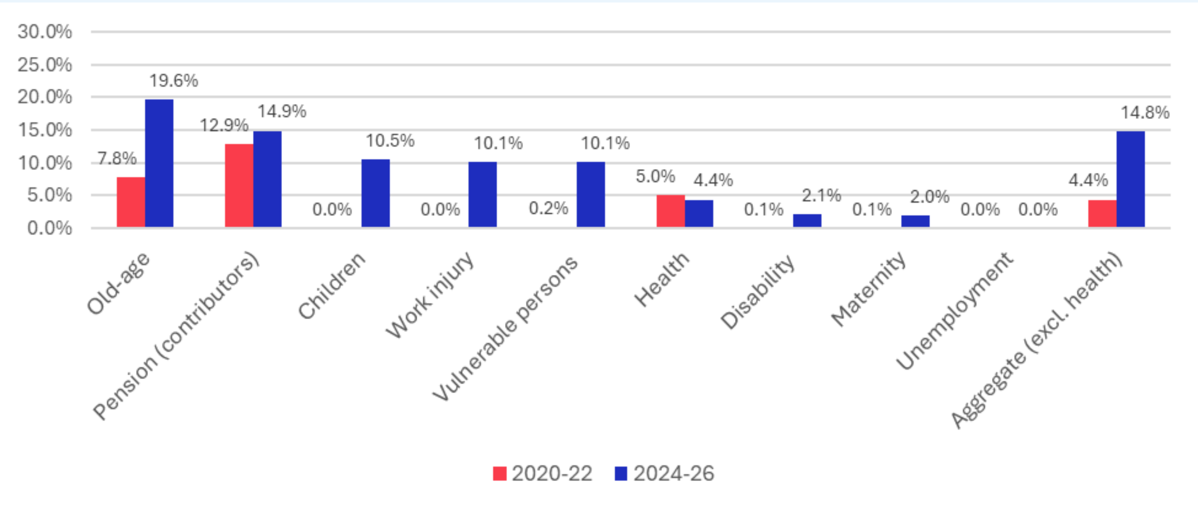
The HGSF provides meals for schoolchildren and income-earning opportunities for primarily women beneficiaries of the programme who prepare them. While federally funded and guided, HGSF is largely state implemented with states identifying schools, hiring vendors, and overseeing meal delivery through local education and agriculture ministries.

Importantly, NASSCO's coordination function even extends to programmes and partners outside the NSIP, including humanitarian and emergency cash transfers delivered by international development agencies such as UNICEF and WFP. Many of these actors now rely on the NSR for targeting, underscoring its centrality to the evolving architecture of social protection in Nigeria.

4.2. Evolution of coverage and key gaps remaining

Over the past several years, Nigeria has made progress in expanding social protection coverage across its social security system. Comparing coverage data from the World Social Protection Reports 2020–22 and 2024–26, gains have been recorded across many branches and population groups, although notably not all (See Figure 3).

Figure 3. Comparison in coverage rates, by function (2020–22 and 2024–26 report data)



Source: International Labour Organization (ILO). World Social Protection Report 2024–26: Universal Social Protection for Climate Action and a Just Transition. Geneva: International Labour Office, 2024.

[16] https://statehouse.gov.ng/policy/economy/national-social-investment-programme/

[17] https://www.vanguardngr.com/2024/11/tinubu-writes-nass-seeks-approval-for-social-investment-programme-amendment-bill/

The most significant improvement can be observed in old-age coverage, where the share of the elderly population covered has nearly tripled, from 7.8 to 19.6 per cent, reflecting progress in extending non-contributory benefits for older persons under its cash transfer programming. Similarly, coverage for children rose from negligible to 10.5 per cent of the child population, reflecting increased uptake of child-focused social assistance and health insurance schemes including child dependents. Marked gains can also be seen for work-injury (10.1 per cent) and vulnerable persons (10.1 per cent), both of which previously had near-zero reported coverage, reflecting recent implementation of legislation introducing workplace injury insurance.[18]

However, important gaps persist. Despite modest increases, health coverage remains very low at 4.4 per cent, and maternity (2.1 per cent) and disability (0.1 per cent) benefits continue with negligible reach. Meanwhile, unemployment protection remains entirely absent, highlighting a significant and uncovered risk for workers, including young first-time job seekers.

5. Social protection for inclusive climate action and a just transition

The primary function of social protection in the context of climate change and ecological transitions is to protect workers and vulnerable groups from the adverse direct effects of climate change and the impacts of climate policies on employment and livelihoods. Access to benefits such as health and unemployment protection, as well as lifecycle cash benefits (e.g., child benefits, disability and old-age pensions) and other social assistance, should be strengthened to respond to an anticipated increase in health risks and income losses related to climate change, work disruptions and structural unemployment and loss of income resulting from a shift away from polluting industries and practices.

The recommendations below are aligned with the discussions held in Mararaba on 13-14 June 2023, some of which have also been integrated into a revised version of the NSPP's Implementation Plan submitted to government for publication following the workshop. They are also further informed by the review of Nigeria's existing social protection system contained in this note.

5.1. Action areas to leverage social protection in support of a just transition

The following action areas with regards to social protection in support of a just transition have been identified in the context of this study. Integrating these actions in Nigeria's next NDC could be a strategic and concrete way to operationalize the imperatives of a just transition in the country. This would further ensure that Nigeria aligns its climate objectives with its socioeconomic development goals.

5.1.1. Institutionalizing emergency cash transfers to address impacts of climate-related disasters

Emergency cash transfers are a critical means of protecting individuals and households vulnerable to the impacts of climate change and environmental degradation. By enabling rapid delivery of financial assistance in anticipation of, or immediately following, climate-related shocks, such as droughts or floods, they can help stave off hardship, preserve livelihoods, and support early recovery efforts.

Nigeria has experience in the administration of conditional cash transfers and the maintenance of social registries at the state and national level that can facilitate timely targeting and disbursement in support of an emergency response. To strengthen resilience, efforts should continue to **expand and update social registries**, particularly in hazard-prone areas, and to develop clear emergency protocols and triggers, including but not limited to those produced by early warning systems and official disaster declarations, that allow for swift and coordinated activation of support, including through existing programmes such as HUP-CCT and others, with work-related and other co-responsibility conditions waived during the response.

To move from ad-hoc to more institutionalized responses, eligibility criteria and transfer values and durations should be pre-determined, **anchored in legal frameworks, and underpinned by pre-arranged financing**. This may

[18] The coverage figure of 10.1 represents the ratio of social assistance recipients to the total number of vulnerable persons. The population of vulnerable persons is calculated by subtracting from total population all people of working age who are contributing to a social insurance scheme or receiving contributory benefits, and all persons above retirement age receiving contributory benefits.

include the development of a disaster risk financing strategy which defines the linkages with the social protection system. Emergency support should be provided across the lifecycle, including for families with children, people with disabilities, older persons and workers who lost their jobs, livelihoods or incomes as a result of climate-related disasters or extreme events.

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5.1.2. Providing income support to facilitate the transition away from firewood and charcoal consumption

Nigeria already uses co-responsibilities linked to its cash transfer programming under the NSIP in many states in order to induce environmental stewardship and sustainable activities among beneficiaries. The specific environmental activities required under the HUP-CCT vary by state, as each state selects co-responsibilities that reflect its particular environmental or climate priorities. For example, eligible household members (between 18 and 40 years of age) are expected to plant and maintain woodlot or a home garden, practice erosion control, or maintain household sanitation depending on what the state selects.[19] Such initiatives could be strengthened through **expanded access to cash transfers with environmental co-responsibilities** defined in cooperation with states on the basis of informed assessments regarding activities with high impacts on GHG emission reduction and conservation efforts.

With respect to commitments to reduce emissions from solid biomass consumption and reduce deforestation, cash transfers represent a potentially powerful tool to induce behavioral change among workers in the informal economy and their households engaged in charcoal production and firewood harvesting to meet their own energy needs. Targeted income support should be paired with access to cleaner energy technologies – such as the plan to convert millions of households to LPG cookers – and information campaigns and awareness raising, to promote take-up and compliance among beneficiaries.

5.1.3. Providing compensation to workers who lose their jobs in the transition and laying the groundwork for an unemployment insurance scheme

Nigeria currently lacks legal provisions or policies to protect workers from the risk of unemployment. The most fortunate of workers may withdraw against their individual savings balances in the event of job loss, ultimately reducing the value of future old-age and other long-term benefits. Most are without any form of protection at all.

In the context of foreseen structural labour market disruptions anticipated as part of Nigeria's ecological transition, there is a strong case for establishing some form of **unemployment protection**. In the immediate- to short-term, time-bound unemployment assistance in the form of cash transfers, conditioned on the active search of alternative employment, should be extended to workers affected by climate-related restructuring and the phase-out of environmentally harmful industries and practices. To facilitate protection against job loss due to the closure or transformation of polluting industries, administrators should prioritize registration of workers in the energy, agriculture, forestry and other land use (AFOLU), and waste sectors. This is also relevant for those workers engaged in the informal firewood and charcoal value chain who will see their jobs and income disappear as households transition to cleaner energy technologies. Unemployment cash benefits should be provided in combination with skills development initiatives and other forms of employment promotion, including support for microenterprise development.

Such a scheme could serve as the basis of an eventual institutionalized unemployment protection system, introducing unemployment insurance as a primary pillar while maintaining non-contributory protection for first-time job seekers and others with insufficient contributory history at the time of dismissal.

[19] https://www.yemiosinbajo.ng/fact-sheet-on-conditional-cash-transfer/

5.1.4. Linking income support with green skills and resilient livelihoods interventions

Skills promotion

Social protection initiatives developed in support of a just transition must be linked to opportunities for beneficiaries to enhance relevant skills and (re)enter the labour market, when appropriate. To achieve this, robust systems that support the regular collection and analysis of skills data – at both the individual and macro levels – should be developed:

- This includes collecting **skills profiles** information from social protection beneficiaries to complement existing data points stored in state and national social registries, and the potential creation of a **Just Transition Observatory** to track the types of jobs and skills being affected through economic restructuring, as well as those required in new greener jobs.
- Activities of the **Industrial Training Fund** should also take into consideration the need to support the design of technical vocational and educational training, skilling, and lifelong learning programmes, on the basis of up-to-date skills data, to facilitate the just transition. Targeting skills in alternative and clean cooking technology and its supply chain sectors as well as renewable energy technologies will further accelerate the energy transition away from charcoal and firewood consumption and production.

Supporting the adaptation of livelihoods

Social protection initiatives can also promote livelihood adaptation and diversification among beneficiaries by linking them with initiatives facilitating access to climate-proofing agricultural technologies and services, including through comprehensive farmer school and extension service provision to impacted households in the adoption of **drought-tolerant seed varieties, agro-forestry and other climate smart agricultural practices** and **improved water management techniques** for those engaged in farming. Income support measures can also be linked to **micro-grants for small businesses** in sectors aligned with national climate goals (e.g., renewable energy generation, sustainable agro-processing, etc.).

Access to **crop and livestock insurance** could be linked with the Micro Pension Plan (MPP) to offer a package coupling access to the long-term benefits offered by the pension authority with more immediate protections against climate-related risks offered by a public or private provider. Such an approach could serve to increase the appeal of affiliation among workers in the agricultural sector to the MPP and promote uptake of the scheme by addressing both present vulnerabilities and concerns over longer-term financial security.

A man in his hometown of Mafa, Borno, Nigeria, 05/2017
© Bridget Jangfa/UNDP

5.2. Recommendations for enhancing policy coherence and coordination

The following recommendations are intended to guide the strategic integration of social protection and the action areas above into Nigeria's broader development and climate agendas.

- **Mainstream social protection for a just transition across development planning:** Ensure that principles of social protection and just transition are systematically mainstreamed into Nigeria's medium- and long-term development strategies. This includes aligning national planning documents with commitments to inclusive, climate-resilient development and safeguarding livelihoods against climate change effects and throughout the ecological transformation through social protection among other measures.
- **Foster inclusive social dialogue for social protection for a just transition:** Expand participation in national and subnational fora on social protection and just transition, such as, for example, the National Council on Climate Change. Efforts should aim to reinforce the role of workers' organizations while actively including state-level authorities, organizations of persons with disabilities (DPOs), and other civil society groups representing marginalized populations. Strengthening social dialogue mechanisms will help ensure a more representative and responsive policy formulation

process and promote the uptake of policies developed through consultation.

- **Build institutional capacities across key ministries and social partners:** Invest in capacity-building initiatives for focal ministries – including the Federal Ministries of Environment (FMEnv), Agriculture and Food Security (FMAFS), Petroleum Resources (MPR), Federal Ministry of Humanitarian Affairs, Disaster Management and Poverty Alleviation (FMHAPA), and Labour and Employment (FMLE) – for subnational authorities, and for employers' and workers' organizations. Activities could include inter-ministerial training workshops, exposure visits (e.g., study tours), and structured learning exchanges to foster a common understanding and coordinated approach to social protection and just transition.
- **Enhance and diversify financing for social protection:** In line with the NSPP, Nigeria should pursue additional financing options to close the estimated funding gap for comprehensive coverage. According to ILO estimates, in Nigeria, there is a need to invest an additional 3.5 per cent of its GDP, annually, to achieve universal social protection coverage for children, persons with disabilities, mothers of newborns, persons in old-age and the unemployed.[20] An additional 11.9 per cent of its annual GDP would be needed to ensure universal coverage for essential health care services. Interestingly, the NSPP outlines several innovative mechanisms – including an information and communications technologies (ICT) tax, luxury tax, corporate contributions to a proposed National Social Protection Trust Fund, among others – which merit further exploration.

Specifically, existing and proposed climate-related funding sources could be further leveraged to strengthen social protection financing, which include:

- **The Climate Fund,** established by the Climate Change Act (2021), could be used to establish policies and projects that help facilitate a just transition, notably among the most impacted low-income households through the expansion of social protection, including unemployment protection and employment generation opportunities.
- **A national just transition fund** proposed and financed through pecuniary penalties called for in the Petroleum Industry Act (PIA), which fines for environmental violations across the petroleum value chain. A portion of these new revenues could be earmarked to support communities and population affected by climate and environmental-disaster—particularly emergency cash transfers—aligned with a Polluter Pays Principle (PPP).

This note was drafted by James Canonge and coordinated by Jana Bischler, as part of a project titled 'The social dimension of the ecological transition' (2021-2025)' implemented by the ILO and funded by the French Development Agency (AFD). The French Ministry of Labour, Health, Solidarity and Families also provided critical support to the project's activities. The authors would like to thank Stephen Agugua, Emmanuel Danjuma and Céline Peyron Bista for their comments. This note is based on a background paper developed by Dr. S.K. Alonge in 2023 as part of the same project.

Suggested citation: ILO. 2025. Nigeria: Leveraging social protection for inclusive climate action and a just transition.

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