Impacts of Climate Change in Nigeria

It is difficult to identify and quantify the impacts of future climate change on different sectors due to the spread of climate model projections and the complexity of natural and societal systems. Many studies suggest that agricultural crops will be adversely affected by climate change but the precise impacts vary across regions and cropping systems. These impacts will be felt across society, but most especially in urban areas, which are experiencing rapid growth, largely through informal and poorly planned peri-urban expansion.

1. In the context of these challenges, research is needed that:
   a. Improves understanding of present day climate risks, how the risk has changed, and how it will change over the next several decades, across the changed risk of climate phenomena, and the changing nature of exposure and vulnerability.
   - Identifies and assesses options and ways to reduce vulnerability and exposure to climate risks. These could include:
     a. developing approaches to reduce risk and/or adapt, including financial mechanisms of risk management;
     b. diagnosing the political-economic, institutional, capacity and governance changes needed to reduce or remove underlying structural drivers of vulnerability and exposure;
     c. Trialing and testing solutions in partnership with key actors who can mainstream and scale out the solutions (including government, development agencies, the insurance industry…).
   - Diagnoses the mechanisms that will enable the widespread implementation of risk reduction and adaptation measures, and works with relevant implementing bodies to achieve this.

2. The output of the research should:
   - Contribute to filling the large gaps in knowledge on climate change risk in Africa identified in previous reports (Washington et al. 2006; Conway 2011; Niang et al. 2014), and focusing on Nigeria;
   - Provide evidence for policy makers, key decision makers and industries on paths to building climate resilience in society;
   - Contribute evidence to support new climate funding mechanisms, but also existing insurance instruments.

3. This call targets specifically Agriculture sector, and Cities and urban areas (incl. coastal areas).

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Financial Inclusion

Overview

Financial Inclusion is a state where financial services are delivered by a range of providers, mostly the private sector, to reach everyone who could use them. Specifically, it means a financial system that serves as many people as possible in a country[1].

Financial exclusion has manifested prominently in Nigeria with the bulk of the money in the economy staying outside the financial system[2]. The issue of financial exclusion is therefore a major economic challenge that is currently receiving wide attention. About 40% of Nigerians are formally excluded from financial services[3], this represents about 36.9m adults. Nigeria is behind South Africa, Namibia and Botswana in terms of the percentage of the population who are formally included[4].

Giving access to the millions of people who are presently excluded from financial services would provide possibilities for the creation of a large depository of savings, investable funds, investment and therefore wealth generation. In other words, access to financial services that are well suited for low-income earners promote enormous capital accumulation, credit creation and investment boom[5].

The consequence of financial exclusion is to minimize the scale of economic activities that can be financed and hence, limiting the potential for higher economic growth. Financial inclusion requires that attention is given to human and institutional issues, such as quality of access to financial services, affordability of products, provider sustainability, and outreach to the most excluded populations. It guarantees improved ability of poor people to save, borrow, and make payments throughout their lifetime.

Apart from the regular form of financial intermediation, financial inclusion takes care of:
- Basic no frills banking accounts for making and receiving payments;
- Savings products suited to the pattern of cash flows of a poor household;
- Money transfer facilities; and
- Insurance (life and non-life).

In the past, evidence has shown that high level of awareness does not necessarily result in high levels of uptake or usage. For example 48.2% of the adult population state that they are familiar with insurance, yet current penetration is 1.1%[6]. In addition;
- 55.9% of adult males are unbanked - 24.3m[6]
- 70.6% of adult females are unbanked - 35.3m[6]
- 75.0% of the rural population is unbanked - 44.8m[6]
- Of the 25.9 million adults who have a bank product - 24.1 million (93.0%) have savings accounts, 19.8 million (76.2%) have ATM/Debit cards, and 7.2 million (27.6%) have current accounts[6]
- 2.6 million adults (2.8% of the adult population) have a microfinance bank account, of which 53.9% are male and 46.1% are female[6]
- Only 1.3 million adults (1.5% of the adult population) had insurance as at 2012[3]
- The top two risks experienced by households are serious illness of a household member and death of a relative/household member, which are usually managed using household savings, cutting back on expenses, borrowing from family /friends, selling livestock, borrowing from other sources, asking for donations and selling assets
- 11.9 million adults (12.7% of the adult population) are aware of mobile money, however only 0.8 million adults (0.8% of the adult population) currently use mobile money services[6]

In the context of these challenges, research is needed that**:**
- Focuses on understanding the needs, preferences and behavior of the target population towards financial services, most importantly:
    a. identify their risk exposure
    b. risk understanding and
    c. risk management practices

- Identifies required changes and modifications to be implemented by the financial service institutions, this includes products, processes and distribution channels amongst others
- Identifies existing opportunities that can be leveraged to deepen financial inclusion and insurance penetration
- Shows how insurance can be used to add value to this segments of the population,
- Improves understanding of past perception of insurance, current awareness and how it can be improved in the future to enhance insurance penetration in Nigeria
- Identifies and analyses insurance products, distribution channels and service delivery models that can be of benefit to the identified population segments
- Identifies and proposes government policies that will help drive financial inclusion

Target population segments (All within Nigeria) would be:
- Females – 43.5% are financially excluded[7]
- Low-income earners – Represents 38.8% of the financially excluded population[7]
- Uneducated adults – Represents 39.1% of the financially excluded population[7]
- Rural Population – 47.8% are financially excluded[7]
- Young adults – 47.4% are financially excluded[7]

[1] Financial Inclusion in Nigeria: Issues and Challenges by Central Bank of Nigeria
[2] Financial Inclusion in Nigeria: Issues and Challenges by Central Bank of Nigeria
[3] EFInA Access to Financial Services in Nigeria 2012 survey
[4] EFInA Access to Financial Services in Nigeria 2014 survey
[5] Financial Inclusion in Nigeria: Issues and Challenges by Central Bank of Nigeria
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[7] EFInA Access to Financial Services in Nigeria 2014 survey

Road Safety

Road traffic injuries are among the leading causes of death and life-long disability globally[1]. The World Health Organization (WHO) reports that about 1.24 million people die annually on the world's roads, with 20–50 million sustaining non-fatal injuries[2]. The Institute for Health Metrics and Evaluation (IHME) estimated about 907 900, 1.3 million and 1.4 million deaths from road traffic injuries in 1990, 2010 and 2013, respectively[3].

In Africa, the number of road traffic injuries and deaths have been increasing over the last three decades[4]. And Nigeria is having the second highest rate of road accidents among 193 ranked countries of the world.

It is often stressed that road traffic deaths are preventable. The means to successfully address the Road Safety burden are well known: the five pillars defined by the UNRSC for the Decade of Action 2011-2020 cover the critical sets of measures to be taken. This framework is unanimously recognized as comprehensive and, when systematically adapted in a country, enables to drastically reduce road safety accidents and deaths[5]

When there is such a gap between the evidence of the path to take and the slow uptake, a major contribution can be expected from research: where legislation is weak, compliance is low, post-crash response is insufficient[6], what are for all stakeholders -- states, communities and individuals -- the key blockers to enhance road safety?

In particular, research is needed to:
- Identify and assess the key causes of road crashes provoking injuries and deaths for all road users and by type of road user (pedestrians, motorized four-wheeler occupants, motorized two–three wheeler users and cyclists). The output of the project should include statistical databases (type of injuries, type of vehicles including information on vehicle safety, meteorological conditions, road infrastructure characteristics, urban/countryside…).
- Identify and assess options and ways to reduce vulnerability and exposure to road threats, including insurance mechanisms and what it means in terms of regulation.
- Diagnose the mechanisms that will enable prevention. Engagement research activities with relevant bodies are guarantying the impact of the research.

The field study should target Nigerian areas.
A comparison with a country where road safety has been significantly improved in the last decade would strengthen the research project.

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[5] South Korea reduced fatalities by 90% in few years through policy reform – Source, GRSF, World Bank

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