

**PROJECT INFORMATION DOCUMENT (PID)  
APPRAISAL STAGE**

Report No.: AB2804

<b>Project Name</b>	Nigeria State Education Sector Project
<b>Region</b>	AFRICA
<b>Sector</b>	General education sector (20%); Primary education (80%)
<b>Project ID</b>	P096151
<b>Borrower(s)</b>	FEDERAL REPUBLIC OF NIGERIA
<b>Implementing Agency</b>	
	Federal Ministry of Finance Finance Headquarters Complex Central Business Area FCT, Nigeria
<b>Environment Category</b>	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
<b>Date PID Prepared</b>	January 17, 2007
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## 1. Country and Sector Background

This Project Information Document (PID) proposes the State Education Sector Project (SESP) under the Country Partnership Strategy (CPS), supporting the implementation of the education sector plans of Kaduna, Kano, and Kwara States. These three States have been selected on the basis of (a) demonstrated commitment and ownership of the State Governments to the development of the education sector; (b) quality of the Education Sector Plan (ESP) prepared by each State; and (c) poor education indicators, especially girls' participation.

**Country context and macro-economic situation.** Nigeria is a highly populous country (estimated around 150 million) with a decentralized government structure. There are 36 States and the Federal Capital Territory (FCT) and 774 local government areas (LGAs). Despite being the world's fourth largest exporter of oil and recent economic growth, largely based on windfall from high oil prices, it is one of the poorest countries in the world with per capita income of less than US\$500. Approximately 55 percent of the total population is estimated to be poor (World Bank, 2006). With oil prices currently at historical levels, Nigeria's oil revenues are projected to grow from an annual average of about US\$15 billion between 2000 and 2003 to about US\$36 billion annually between 2005 and 2008. On the macroeconomic front, real GDP is projected to grow at about 7 percent on the basis of higher crude oil and gas production and non-oil GDP growth of about 5 percent.

**Nigeria's Education Sector.** Nigeria's education system comprises 9 years of basic education (6 years of primary and 3 years of junior secondary), 3 years of senior secondary, and 4 years of tertiary education. The provision of education is the concurrent responsibility of the federal, state and local governments, with a fast growing private education sector active in all levels of the education system. The Federal Government plays the dominant role in the provision of post secondary education, while state and local governments have principle responsibility for the provision of secondary and primary education. The Federal Government also provides additional direct funding for education at the state and local government levels through the Universal Basic Education Commission (UBEC) for the implementation of the universal basic education program, the Education Trust Fund (ETF), used

mainly for physical infrastructure, and the virtual poverty fund from the debt relief initiative, for the achievement of the Millennium Development Goals (MDGs).

Nigeria's education sector faces a wide array of serious problems, which are also especially common across Kaduna, Kano and Kwara States, they include: (i) inequitable access to quality education; (ii) inadequate education quality; (iii) weak management, planning and monitoring capacity; and (iv) inadequate funding and inefficiencies in funding.

***Access to learning opportunities:*** Investments in basic education have already led to a significant increase in coverage since the launch of the Universal Basic Education (UBE) program in 1999. Yet, Nigeria is significantly behind in its progress to achieve the UBE goals by 2015. Overall enrollment rates in basic and secondary are low, especially in the Northern Regions, where rates are particularly low for girls. Only 64 percent of school age boys attend primary school and only 57 percent of girls. There are large income and geographic differences in education outcomes, with the Northern regions consistently faring worse than the Southern ones. Girls' education outcomes are much lower, with a decreasing gender gap at the national level. In the Northern regions, including Kano and Kaduna, however, the gender gap is significant, and a key barrier to the achievement of EFA goals and the MDGs. The cost of schooling, both the direct and the indirect opportunity costs of attending school, remain the key reason for low enrolment and for dropping out of school (World Bank, 2006). The poor quality of primary and secondary education also acts as a disincentive to access and completion, particularly for girls. For those children who have access, the quality of education is insufficient to provide basic life skills and knowledge.

***Quality and relevance of education.*** Reliable measures of student achievement are limited, but the few available assessments of student learning outcomes show that the quality of education is low. In Kaduna, for example, the mean score for numeracy was about 31% and for literacy was only 27%. The main contributing factors to low learning outcomes are the poor conditions of the learning environment to support teaching and learning (e.g., poor conditions of physical facilities, including water and sanitation facilities, inadequate distribution of essential textbooks and instructional aids, inadequate teacher training (i.e., pre-service teacher education), limited opportunities for professional development (i.e., in-service teacher training), curricula which have only changed marginally and a lack of linkages to the needs of the labor market). According to Government estimates 254 thousand classrooms are currently available in basic education. An additional 251 thousand classrooms will be needed to provide access to basic education for all. About 51 percent of available classrooms are considered to be in good condition. Only about 30 percent of primary schools have access to water and electricity.

Teacher qualification and deployment issues have become critical to successful delivery of basic and secondary education, with the most deprived areas lacking either qualified or unqualified teachers, particularly female teachers in the Northern regions, while there is also an over-concentration of teachers in the urban areas. In Kwara State, the average teacher-student ratio is 1:36, in Kaduna State it ranges from 1:48 to 1:328. Kano State has an untenable qualified teacher student average ratio of 1:188. In Kaduna State about 34% of primary school teachers possess minimum teaching qualifications. Meeting the demand for qualified teachers will require improved pre-service and inservice training, strengthening of teacher-training institutions, recruitment of female teachers and greater flexibility in teacher deployment.

***Financing of education.*** In 2001, it was estimated that the Federal Government accounted for about 20 percent of total education expenditures, while state and local governments accounted for approximately 80 percent, suggesting that state and local governments are the main financiers of education. Attempts have been made to analyze public expenditures; however, the information base

is currently insufficient to support an analysis of the adequacy, patterns, distribution, and impact of public expenditures across all levels of education and all tiers of government. The few studies that have examined the financing of education in Nigeria suggest that public funding for education increased from about 2.8 to 6.2 percent of the Gross Domestic Product (GDP) spent between 1999 and 2002, as opposed to the SSA country average of 4.7 – 5 percent.<sup>1</sup> It is likely that overall public spending on education has further increased since 2001 because of additional available funds for the implementation of the UBE program and the MDG related activities financed by the debt relief initiative during the past year. Preliminary work has also indicated that the total cost for universal basic education covering grades 1-9 between 2005 and 2015 is estimated at about US\$30 billion.

## **2. Project Development Objectives**

The development objectives of the Project are to: (a) to improve the availability and quality of education inputs and the learning environment in targeted LGAs in the three participating States focusing particularly on girls' participation; and (b) strengthen the capacity of school committees, LGEAs and States to plan and monitor the performance of schools.

While the Project is primarily focused on the improvement of basic education quality and equity, improving the quality of schooling would provide, in itself, an incentive to get children to enroll in school (access), to ensure that children are promoted on time to higher grade levels (efficiency), and to ensure that children stay in school longer (attainment). Furthermore, the goal of increasing girls' participation in both primary and secondary school will certainly have a positive impact on enrollment. The project is also providing support through policy dialogue and sector studies to assist the Government to leverage additional resources through the implementation of their ESPs, to achieve the education MDGs, including universal basic education. This work complements other ongoing efforts to improve access to quality schooling in Nigeria, such as UBEC's matching grants program and classroom construction financing through the ETF.

The project will be carried out in Kaduna, Kano, and Kwara States. It will give priority to the poor and girls, by targeting the poorest LGAs in each state, with the selection of LGAs and schools in each state based on agreed selection criteria. The criteria for selection of targeted LGAs and schools include: (i) poverty; (ii) the readiness and willingness of key education and local government officials to implement the reforms; (iii) absence of other externally funded projects; (iv) enrollment rates in basic education; and (v) per capita public spending on primary and secondary education in 2006. In the selection of schools, the criteria would include: (a) pupil classroom ratio; (b) enrollment rates in urban and rural areas; (c) school needs (d) gender disparities and (e) overall physical conditions.

## **3. Rationale for Bank Involvement**

In the area of human development, the CPS proposes to work on strengthening progress on key MDGs and creating a basis for sustainable development. This is further operationalized in the education focused objectives of the Africa Action Plan (AAP). The Bank has a strong history of involvement in the sector and was selected under the current CPS to be the lead agency in education, working closely with other development partners to support state-specific EFA programs. The Bank is also providing institutional capacity strengthening at all levels (in lead states) to improve management, planning, and monitoring capacity of quality and effectiveness in education; increasing access to distance learning opportunities; working with UNICEF and others to improve girls' access

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<sup>1</sup> Estimates on Nigeria's total expenditures on education were partial and underestimated since most estimates do not include accurate and reliable data on expenditures by local governments, which are responsible for the funding of primary education.

to quality education particularly in northern Nigeria; and providing support to the Government in promoting the knowledge economy through secondary and tertiary education to further Nigeria's role in African science and technological progress for economic growth. Furthermore, much has been learned from the Bank's previous experience with the Second Primary Education Project (PEP2) which closed in December 2004 and the UBE project which closed June, 2006.

#### **4. Project Description**

The SESP, financed through a Specific Investment Loan (SIL), will be implemented over a period of four years (2007 – 2011) and will support the implementation of the priority areas of the ESPs of Kaduna, Kano, and Kwara States.

The project will consist of four main components, which are further divided into subcomponents: (a) School Development Scheme; (b) Quality Improvement in Basic Education in targeted LGAs; (c) Institutional Development for Key Functions of the State Ministries of Education and LGEAs; and (d) Project management and monitoring and evaluation.

The design of the Project is based on the "school effectiveness model" and will support priority investments in targeted LGAs, while strengthening State management, planning, and monitoring capacity. Targeted schools will receive grants to improve the quality of teaching and learning, particularly for girls and the poor while strengthening the capacity of schools to participate in and manage resources effectively. A subset of these selected schools will be supported under component 2, receiving key quality inputs through teacher development, textbooks and teaching materials and major infrastructure improvements.

**Component 1 - School Development Scheme:** The main objectives of this component are to provide funds directly to schools to: (a) help improve learning conditions in selected LGAs and reduce barriers to access, particularly for girls and the poor; (b) encourage and empower parents and communities in improving the quality of education; (c) strengthen the capacity of schools and the role of School Based Management Committees to plan and manage resources more effectively toward achieving improved learning environments; and (d) promote participation in planning and implementation among school communities and LGEAs. School grant awards will be based on a fixed allocation plus a per-student allocation and will average about US\$3,00-5,000 per year. Technical assistance and training to schools and LGAs in school development approaches and methodologies will also be provided.

**Component 2 - Quality Improvement in Basic Education in targeted LGAs:** This component will support the improvement of the quality of primary and junior secondary schools in the selected LGAs. Schools will be divided into groups that receive support under all three sub-components (package A) and those that only receive quality inputs support from the first two sub-components (package B). The project will support the following activities: (a) Teacher professional development; (b) the provision of textbooks and teaching/learning materials; and (c) infrastructure improvements. The combined activities in this component are expected to lead to a more coordinated approach to meeting the minimum conditions for a school environment that is conducive to learning. As a result, schools are expected to have (a) adequate classroom space and sufficient furniture for the number of children, (b) adequate water and sanitation facilities, (c) sufficient textbooks and learning and teaching materials for students and teachers; and (d) teachers that have the skills to communicate effectively, and to use the curriculum guides, textbooks and other instructional materials effectively.

**Component 3 - Institutional Development for Key Functions of the State Ministries of Education and LGEAs:** This component will strengthen the capacity of State SMOE and LGEAs in

the participating States to plan, manage, and monitor the delivery of education services. More specifically, the project would support the implementation of key reforms and capacity development activities, which would include: (a) the design and establishment of an effective education management information system (EMIS) in the SMOEs and SUBEBs, including the development of the ability of the SMOEs to collect, analyze and disseminate information related to inputs, processes, outputs and other performance, including management information systems (EMIS); (b) the development of policy and planning capacities at the state and LGA levels; and (c) reform of the Inspectorate.

**Component 4 - Project Management and Monitoring and Evaluation:** This component will provide all the necessary resources for effective project coordination, financial management, procurement, monitoring and reporting. The SESP will be implemented by SMOEs in each State and their subordinated institutions (e.g., SUBEB). This component would finance project coordination, financial management, procurement, monitoring and reporting, and the implementation of a communication strategy. Implementing the proposed project, however, will not be possible for these agencies without dedicated technical assistance, especially given the additional fiduciary and reporting requirements placed on an externally funded project. Implementation of the SESP will be measured by the effective coordination mechanisms; proper financial management and procurement practices; and the timely implementation and effective monitoring of project outcomes.

## 5. Financing

Source:	(\$m.)
BORROWER/RECIPIENT	0
INTERNATIONAL DEVELOPMENT ASSOCIATION	65
UK: BRITISH DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)	5
Total	70

## 6. Implementation

**Partnership arrangements:** The CPS constitutes a strong partnership between DFID and the Bank that is strategically linked and mutually supporting the development of education in Nigeria. DFID is co-financing the design of the project through the provision of technical assistance under its Capacity for Universal Basic Education Project (CUBE). It will also provide a team of long term, resident and short term consultants (both local and international) to assist the States in the implementation of the project. There are several, smaller initiatives supported by other donors or non-governmental organizations being implemented in Nigeria. While these activities are not amenable to formal co-financing arrangements, the project preparation team has actively consulted with the responsible agencies (e.g., USAID, UNICEF, JICA, and AfDB) and the proposed project design builds upon the experiences of these other projects.

**Institutional and implementation arrangements:** The project will be implemented at the state level. The State Ministries of Education (SMOEs) in each participating State will be the responsible agency for the execution of the project in close coordination with the relevant LGEAs, parastatals (e.g., State Universal Basic Education Board, SUBEB) and federal agencies and federal parastatals (e.g., UBEC, ETF). The Federal Ministry of Finance (FMOF) will be the representative of the Borrower as it relates to the financial and legal obligations of the Government. Each State will sign a subsidiary agreement with the MOF.

The FME and FMF will play an oversight and coordination role in the implementation of the SESP. A Consultative Steering Committee (CSC) will be established to provide for an environment where project performance and implementation issues can be discussed at the State and federal level. While the CSC will not have any direct project implementation role as this function will be the primary responsibility of each state MOE, it will become a particularly important forum for discussing project as well as reform issues for information and knowledge sharing, and monitoring; especially as additional States join the project in future rounds of financing. It will also provide advice, as needed, on the activities of related ministries, departments and organizations, public associations and SESP coordinators/working groups by recommending appropriate action to resolve problems as they arise; and recommending and supporting the dissemination of achievements/best practices. The CSC, which will be chaired by the Minister of Education, will meet semi-annually and will include key stakeholders responsible for project monitoring/implementation: such as the FMoF, the FME, State Commissioners of Education, Permanent Secretaries, SUBEB representatives and PSU coordinators.

**A State Project Implementation Committee (SPIC)** will be established in the SMOEs to coordinate the implementation of the SESP in the respective State. The SPIC membership will include key stakeholders responsible for the implementation of the SESP Components and Sub-components, and will comprise (some or all) key departments in the SMOE, as well as external agencies involved in the implementation of the SESP. The Commissioner of Education will have the overall responsibility for the SPIC. The SESP operations of the SPIC will be chaired by the Permanent Secretary. The SPIC will be assisted by a Project Support Unit (PSU) which will be established to support the coordination, fiduciary management, and monitoring and evaluation of project activities. The PSU will be under the responsibility of/report to the Permanent Secretary. PSU staff from within the ministries be will be reassigned based on the agreed TORs. Furthermore, in each State, the PSU and each lead SMOE department or agency will be supported by a team of long-term consultants (e.g. implementation advisor, procurement specialist, financial management specialist) resident in each SMOE and provided by DFID through the TA project (CUBE).

At the **local level**, **LGEAs** will have implementation oversight and will coordinate project activities at this level, with close coordination with SUBEBs and SMOEs. Finally, **school communities** will be responsible for the execution of resources transferred under the school grant scheme. In addition, all the schools receiving support under the project will establish SBMCs and be involved in the supervision of the implementation of project activities in their respective schools.

## **7. Sustainability**

Both Federal and the participating State governments are highly committed to education reforms, including the achievement of MDGs and universal basic education, and are in the process of finalizing long-term education strategic plans (ESPs). State governments have requested the Bank's support for the implementation of their ESPs.

The findings of the social assessment showed that there is a strong demand for quality education in Nigeria, as shown by the growth of enrollment and willingness of low income

parents to contribute to education when the public sector is able to provide an effective service delivery.

The activities initiated by the project are not likely to generate additional post-project costs, except minor maintenance and operation costs for the EMIS and physical facilities to be upgraded under the Project. Post-project sustainability will depend on sufficient allocations from the State Budget for operational costs and the retention of high quality staff. State governments will provide an increasing share of overall operational and maintenance costs as part of the education budget. Additionally, the planned decreases in the student/teacher ratios and average class-sizes are likely to increase annual post-project costs equivalent in the form of teacher salary costs. However, projections suggest that the resources available to the education sector will be growing fast enough to sustain the additional salary costs arising from the project.

The project will strengthen the capacity of the SMOEs and LEGAs for management, planning, and monitoring for more effective service delivery and accountability to their stakeholders. The enhanced SMOEs and LGEAs will have stronger capacity to manage the education budget and schools will have greater autonomy and capacity within a clearer regulatory framework and greater financial flexibility to continue the reforms.

## 8. Lessons Learned from Past Operations in the Country/Sector

The project design takes into account lessons from previous education projects in Nigeria as well as those with similar objectives elsewhere in the region. In addition, the project design benefited from the previous (World Bank, 2004; 2006) and ongoing analytical and project preparation work in the areas of education expenditures, teacher education, institutional assessment, EMIS, etc).

- (i) **Realistic assessment of institutional capacity and level of readiness before project effectiveness will increase the chances for success.** The Project should address the prioritized needs as identified in each state's education sector plan so as to avoid *ad hoc* implementation activities.
- (ii) **Project effectiveness is considerably enhanced when there is strong leadership, political ownership and commitment to education reform at the State and local government levels.** The design of the project has largely been at the demand of the State Governments, following their priorities as discussed in the ESPs. The ESPs and general project design have been discussed with all key stakeholder groups.
- (iii) **The credit amount allocated per State must be sufficient and focused to have a catalytic impact on the implementation of education sector plans.** The available Credit amount will be increased substantially as compared with the previous initial allocation of US\$5m under the UBE project. Good state performance is encouraged by allowing successful States to accelerate project implementation based on the agreed and monitored implementation plans

- (iv) **Effective and efficient project delivery requires a jointly agreed results-based M&E system, including well-defined and measurable performance indicators, to be used effectively as a tool for monitoring progress during implementation.** Furthermore, project supervision should be targeted and based on a jointly agreed set of key performance indicators.
- (v) **Project effectiveness is considerably enhanced when technical assistance is available, especially in the areas of project implementation, procurement, financial management and monitoring and evaluation, given existing weak implementation capacity.**

## 9. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
<a href="#">Environmental Assessment (OP/BP 4.01)</a>	[x]	[ ]
Natural Habitats ( <a href="#">OP/BP 4.04</a> )	[ ]	[x]
Pest Management ( <a href="#">OP 4.09</a> )	[ ]	[x]
Cultural Property ( <a href="#">OPN 11.03</a> , being revised as OP 4.11)	[ ]	[x]
Involuntary Resettlement ( <a href="#">OP/BP 4.12</a> )	[ ]	[x]
Indigenous Peoples ( <a href="#">OP/BP 4.10</a> )	[ ]	[x]
Forests ( <a href="#">OP/BP 4.36</a> )	[ ]	[x]
Safety of Dams ( <a href="#">OP/BP 4.37</a> )	[ ]	[x]
Projects in Disputed Areas ( <a href="#">OP/BP 7.60</a> )*	[ ]	[x]
Projects on International Waterways ( <a href="#">OP/BP 7.50</a> )	[ ]	[x]

## 10. List of Factual Technical Documents

### Project Implementation Plan

- Kaduna, Kano, and Kwara State Ministries of Education. (October 2006). State Education Sector Project: Draft Project Implementation Plans.

### Bank Staff Assessments

- World Bank (2005). Country Partnership Strategy. Report No.32412. Washington, DC.
- World Bank (2003). Universal Basic Education Project. Project Appraisal Document. Washington, DC.
- World Bank (forthcoming). Nigeria: Poverty Assessment. Report No. Washington, DC.
- World Bank. 2005. *Implementation Completion Report for Second Primary Education Project*. Washington DC.
- World Bank (forthcoming). *Implementation Completion Report for Universal Basic Education Project*. Washington DC.
- World Bank (2006). From Schooling Access to Learning Outcomes: and Unfinished Agenda: An Evaluation of World Bank Support to Primary Education. Washington, DC. World Bank.

### Other

\* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas



- Kano, Kaduna and Kwara State. 2003. SEEDS.
- Kano, Kaduna and Kwara State Ministries of Education. (September 2006). Draft Education Sector Plans.

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