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PROGRAM APPRAISAL DOCUMENT
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IN THE AMOUNT OF SDR 445.7 MILLION
(US\$611 MILLION EQUIVALENT)

TO THE

FEDERAL REPUBLIC OF NIGERIA

FOR A

BETTER EDUCATION SERVICE DELIVERY FOR ALL OPERATION

May 30, 2017

Education Global Practice
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective April 30, 2017)

Currency Unit = Nigerian Naira (NGN)

NGN 375 = US\$1

US\$1.37 = SDR 1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

ACTU	Anti-corruption Transparency Unit
ASC	Annual School Census
AWP	Annual Work Plan
BESDA	Better Education Service Delivery for All
BPP	Bureau of Public Procurement
BPSR	Bureau of Public Service Reforms
CBN	Central Bank of Nigeria
CCT	Conditional Cash Transfer
CPS	Country Partnership Strategy
CRF	Consolidated Revenue Fund
CRI	Corporate Results Indicator
CSO	Civil Society Organization
CST	Coordination Support Team
DA	Designated Account
DFID	U.K. Department for International Development
DLI	Disbursement-linked Indicator
DLR	Disbursement-linked Result
EFA	Education for All
EFCC	Economic and Financial Crimes Commission
EHSMP	Environmental Health and Social Management Plan
EMIS	Education Management Information System
ERGP	Economic Recovery and Growth Plan
ESSA	Environmental and Social Systems Assessment
ESSPIN	Education Sector Support Programme in Nigeria
EU	European Union
FCT	Federal Capital Territory
FME	Federal Ministry of Education
FME _{env}	Federal Ministry of Environment

FMF	Federal Ministry of Finance
FTS	Federal Teachers' Scheme
GDP	Gross Domestic Product
GEP	Growth Elasticity of Poverty
GER	Gross Enrollment Rate
GRS	Grievance Redress Service
HGSFHP	Home Grown School Feeding and Health Program
HGSFP	Home Grown School Feeding Program
ICPC	Independent Corrupt Practices and Other Related Offences Commission
ICT	Information and Communication Technology
IDP	Internally Displaced Person
IFMIS	Integrated Financial Management Information System
IFR	Interim Financial Report
IFSA	Integrated Fiduciary Systems Assessment
IPF	Investment Project Financing
IPSAS	International Public Sector Accounting Standards
IR	Intermediate Result
IVA	Independent Verification Agent
JRM	Joint Review Mission
LGA	Local Government Area
LGEA	Local Government Education Authority
MDAs	Ministries, Departments, and Agencies
MDG	Millennium Development Goal
M&E	Monitoring and Evaluation
MLA	Monitoring Learning Achievement
MSP	Ministerial Strategic Plan
MTEF	Medium-term Expenditure Framework
MTR	Midterm Review
NBS	National Bureau of Statistics
NCE	National Council on Education
NCNE	National Commission for Nomadic Education
NCT	National Coordination Team
NEDS	Nigeria Education Data Survey
NEI+	Northern Education Initiative
NEMA	National Emergency Management Agency
NEMIS	National Education Management Information System
NERDC	Nigerian Education Research and Development Council
NGO	Nongovernmental Organization
NLA	National Learning Assessment
NPC	National Population Commission
NPF	New Procurement Framework
NPMT	National Policy and Monitoring Team
NPSC	National Program Steering Committee
NTI	National Teachers' Institute
OAGF	Office of the Accountant-General of the Federation
OGP	Open Government Partnership

OIM	Operation Implementation Manual
PAD	Program Appraisal Document
PAP	Program Action Plan
PDO	Program Development Objective
PEFA	Public Expenditure and Financial Accountability
PEMFAR	Public Expenditure and Financial Accountability Review
PFM	Public Financial Management
PforR	Program-for-Results
PIFANS	Programmatic Integrated Fiduciary Assessment of Nigerian States
PLR	Performance and Learning Review
PPA	Public Procurement Act
PPSD	Program Procurement Strategy for Development
PTA	Parent Teachers Association
SBD	Standard Bidding Document
SBMC	School-based Management Committee
SDI	Service Delivery Indicator
SEB	State Education Board
SEMA	State Emergency Management Agency
SEPIP	State Education Program Investment Project
SME	State Ministry of Education
SMEnv	State Ministry of Environment
SORT	Systematic Operations Risk Rating
SSA	Sub-Saharan Africa
SUBEB	State Universal Basic Education Board
TA	Technical Assistance
TDP	Teacher Development Program
TG	Technical Group
TOT	Trainer of Teachers
TPD	Teacher Professional Development
TRCN	Teachers' Registration Council of Nigeria
TSA	Treasury Single Account
TUGAR	Technical Unit on Governance and Anti-Corruption Reforms
TVET	Technical and Vocational Education and Training
UBE	Universal Basic Education
UBEC	Universal Basic Education Commission
UNCAC	United Nations Convention Against Corruption
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WA	Withdrawal Application

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FEDERAL REPUBLIC OF NIGERIA

Better Education Service Delivery for All (BESDA) Operation

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PAD DATA SHEET
Federal Republic of Nigeria

Better Education Service Delivery for All

PROGRAM APPRAISAL DOCUMENT

Africa Region
Education Global Practice

Basic Information			
Date: May 30, 2017		Sectors:	Early Childhood Education Primary Education Secondary Education Public Administration - Education
Country Director:	Rachid Benmessaoud	Themes:	Access to Education
Practice Manager: Global Practice Vice President:	Halil Dundar Keith E. Hansen		Gender Data production, accessibility, and use
Program ID:	P160430		
Team Leaders:	Dina Abu-Ghaida, Roland Lomme		
Program Implementation Period:	Start Date:	06/20/2017	End Date: 06/31/2022
Expected Financing Effectiveness Date:	01/30/2018		
Expected Financing Closing Date:	10/31/2022		
Program Financing Data			
<input type="checkbox"/>	Loan	<input type="checkbox"/>	Grant
<input checked="" type="checkbox"/>	Credit	<input type="checkbox"/>	Other

For Loans/Credits/Others (US\$, millions):									
Total Operation Cost:	1,371	(Program 1,338; TA IPF 33)			Total Bank Financing:	611	(Program 578; TA IPF 33)		
Total Co-financing:	0				Financing Gap:	0			
Financing Source									
BORROWER/RECIPIENT					Amount (US\$, millions)				
IDA					760				
Total					1,371				
Borrower: Federal Republic of Nigeria									
Responsible Agency: Federal Ministry of Finance									
Contact:	Mr. Aliyu Ahmed				Title:	Director, International Economic Relations Department			
Telephone No.:	+234 805 523 1816				Email:	ahmed4.aliyu@gmail.com			
Responsible Agency: Universal Basic Education Commission									
Contact:	Dr. Hamid Bobboyi				Title:	Executive Secretary			
Telephone No.:	+234 803 705 4764				Email:	hbobbyi@hotmail.com			
Expected Disbursements (in US\$, millions)									
Fiscal Year (FY)	FY18	FY19	FY20	FY21	FY22	FY23			
Program-for-Results									
Annual	117.3	101.8	124.6	99.6	109.6	25.0			
Cumulative	117.3	219.1	343.8	443.4	553.0	578.0			

Technical Assistance IPF									
Fiscal Year (FY)	FY18	FY19	FY20	FY21	FY22	FY23			
Annual	5.2	7.6	6.8	6.8	5.8	1.0			
Cumulative	5.2	12.7	19.5	26.2	32.0	33.0			
Total Operation									
Annual	122.5	109.4	131.4	106.4	115.4	26.0			
Cumulative	122.5	231.9	363.3	469.6	585.0	611.0			
Program Development Objective(s)									
To increase equitable access for out-of-school children and improve literacy in focus states, and strengthen accountability for results, in basic education in Nigeria.									
Compliance									
Policy									
Does the program depart from the CAS in content or in other significant respects?					Yes <input type="checkbox"/>		No <input checked="" type="checkbox"/>		
Does the program require any waivers of Bank policies applicable to Program-for-Results operations?					Yes <input type="checkbox"/>		No <input checked="" type="checkbox"/>		
Have these been approved by Bank management?					Yes <input type="checkbox"/>		No <input type="checkbox"/>		
Is approval for any policy waiver sought from the Board?					Yes <input type="checkbox"/>		No <input checked="" type="checkbox"/>		
Overall Risk Rating: Substantial									
Legal Covenants									
Name	Recurrent	Due Date		Frequency					
The Recipient shall carry out the Program, or cause the Program to be carried out, in accordance with financial management, procurement, and environmental and social management systems acceptable to the World Bank, including those set forth in the Environmental and Social Systems Assessment (ESSA) and the Program Action Plan (PAP) (Schedule 2.I.A).	Yes	n.a.		Recurrent					

<p>The Recipient shall carry out the Program, or cause the Program to be carried out, in accordance with the provisions of the World Bank’s “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing”, dated February 1, 2012, and revised July 10, 2015 (Schedule 2.I.B).</p>	<p>Yes</p>	<p>n.a.</p>	<p>Recurrent</p>
<p>To facilitate the carrying out of the Program, the Recipient shall make the proceeds of the Program Financing available to institutions and entities involved in Program implementation, including the states, on a non-reimbursable grant basis, in accordance with the Recipient’s standard arrangements for education sector financing (Schedule 2.I.C.1).</p>	<p>Yes</p>	<p>n.a.</p>	<p>Recurrent</p>
<p>The Recipient shall maintain or cause to be maintained at all times during Program implementation, adequate institutional arrangements satisfactory to the World Bank as necessary, to achieve the objectives of the Program as further detailed in the Operation Implementation Manual (OIM), including that a National Policy and Monitoring Team shall be constituted by the Federal Ministry of Education no later than three (3) months after the effective date to be responsible for overseeing the Operation (Schedule 2.I.D.1.(b)).</p>	<p>No</p>	<p>No later than three (3) months after the effective date</p>	<p>Once</p>
<p>The Recipient shall prepare an OIM in form and substance satisfactory to the World Bank, containing detailed arrangements and procedures for implementation of the Operation including: (a) disbursement and flow of funds arrangements; (b) institutional arrangements; (c) financial management, governance, and procurement systems; (d) environmental and social management systems including the ESSA and operation of grievance redress mechanism; (e) monitoring and evaluation, reporting and communication, including Operation indicators; (f) PAP; (g) detailed arrangements for verification of achievement of disbursement-linked results (DLRs) (including the verification protocol); and (h) such other administrative, financial, technical, and organizational arrangements and procedures as shall be required for the Operation (Schedule 2.I.E.1).</p>	<p>No</p>	<p>No later than three (3) months after the effective date</p>	<p>Once</p>
<p>The Recipient shall carry out the PAP, or cause the PAP to be carried out, in a manner satisfactory to the World Bank (Schedule 2.I.F).</p>	<p>Yes</p>	<p>n.a.</p>	<p>Recurrent</p>

The Recipient (through the Federal Ministry of Finance [FMF]) shall recruit organizations with experience, independence, and capacity and under terms of reference acceptable to the World Bank (Independent Verification Agents [IVAs]) to verify the data and other evidence supporting the achievement of one or more DLRs as set forth in the disbursement-linked indicator (DLI) verification protocol and recommend corresponding payments to be made (Schedule 2.I.G.1).	Yes	No later than three (3) months after the effective date or such later date as may be agreed with the World Bank	At least once
The Recipient shall: (a) ensure that the IVAs carry out the verification process in accordance with the verification protocol; and (b) submit to the World Bank the corresponding verification reports in a timely manner and in form and substance satisfactory to the World Bank (Schedule 2.I.G.2).	Yes	n.a.	Recurrent
Conditions			
No withdrawal shall be made for DLRs achieved prior to the date of the Financing Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 37,200,000 may be made for such DLRs achieved prior to this date but on or after January 1, 2017 (Schedule 2.IV.B.1.(a)).	Yes	n.a.	Recurrent
No withdrawal shall be made for any DLR unless and until the Recipient has furnished evidence satisfactory to the World Bank that said DLR has been achieved and verified, all in accordance with the DLI verification protocol (Schedule 2.IV.B.1.(b)).	Yes	n.a.	Recurrent
No withdrawal shall be made for a DLR related to a DLI for a fiscal year under Categories for the Program 1, 2, 3, 4, 5, unless the Recipient has furnished evidence satisfactory to the World Bank that: (i) an aggregate amount equivalent to the amount of Program financing withdrawn in respect of the DLR under said Category for the previous fiscal year was, as applicable, transferred to the states, in a timely manner in accordance with the provisions of the Financing Agreement; and (b) for said fiscal year each state has received the amount of the Program financing allocated to it based on the DLR(s) achieved by said state as verified by the DLI verification protocol (Schedule 2.IV.B.1.(c)).	Yes	n.a.	Recurrent

Team Composition			
Bank Staff (in alphabetical order of last name)			
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Amos Abu	Senior Environmental Specialist	Safeguards	GEN07
Dina Abu-Ghaida	Lead Economist	Education/Team Leader	GED13
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Ismaila Ceesay	Lead Financial Management Specialist	Financial Management	GGO25
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Faly Diallo	Finance Officer	Loan Operations	WFALA
George Ferreira da Silva	Finance Analyst	Loan Operations	WFALA
Zoe Kolovou	Lead Counsel	Legal	LEGAM
Scherezad Latif	Senior Education Specialist	Quality Enhancement Review Panel	GED06
Toby Linden	Lead Education Specialist	Peer Review	GED01
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Name	Title	Specialization	Unit
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Olufunke Olufon	Senior Communications Officer	Communications	AFREC
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Shwetlena Sabarwal	Senior Economist	Quality Enhancement Review Panel/Peer Review	DECWD
Aki Tsuda	Senior Social Development Specialist	Safeguards	OPSPF
Manuel Vargas	Lead Financial Management Specialist	Peer Review	GGO23
Juliana Chinyeaka Victor	Senior Monitoring and Evaluation Specialist	Monitoring and Evaluation	GEESO
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Name	Title	City	
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Omezikam Eze Onuoha	Consultant (Environmental Safeguards)	Abuja, Nigeria	

I. STRATEGIC CONTEXT

A. Country Context

1. **Nigeria’s 2015 presidential elections brought to power the opposition candidate on a platform to improve security, address corruption, and promote more inclusive and job-enhancing growth—in reaction to the country’s security challenges, endemic governance issues, and weakened economy.** Nigeria continues to face several security challenges. The Boko Haram insurgency in the North East that began in 2009 has posed a considerable challenge to the country’s security forces, leading to the loss of more than 20,000 lives, the displacement of 2 million people, and negatively affecting the livelihoods of 6 million people. Though an army offensive in late 2015 drove Boko Haram from much of the territory it held in the North East, the militants periodically strike back with suicide bombings and attacks on civilians. In parallel, as the Sahel and farms encroach on pastures and grazing areas, conflicts between herdsmen and farmers have intensified across Nigeria’s ‘middle belt’. Finally, militant attacks on oil and gas infrastructure in the Niger Delta more than halved crude oil production in 2016. Production has recovered since, although uncertainties remain.

2. **Nigeria enjoyed strong growth over the 2003–2014 decade until oil prices began to decline at the end of 2014, and the Nigerian economy fell into recession in 2016.** Average annual gross domestic product (GDP) growth during 2003–2014 was 6.7 percent, anchored in the services sector and private consumption, which in turn benefited from the spillovers of the oil economy. However, rapid growth did not translate into significant poverty reduction,¹ as poverty rates in Nigeria declined by only 10 percentage points, from 46.0 percent in 2004 to 36.1 percent in 2013. Estimates of the growth elasticity of poverty (GEP) indicate that for every 1.0 percent growth in GDP per capita, poverty declined by only 0.6 percent, so that Nigeria’s GEP is half that of the regional average and only a fourth of that of lower-middle-income countries. In addition, the Nigerian economy is estimated to have contracted by 1.5 percent in 2016.

3. **The low responsiveness of poverty reduction to growth is primarily due to the stagnation in poverty rates in the North East and North West zones.** The slow progress in poverty reduction in rural areas in the North is linked to slow structural transformation in the agricultural sector. In the North East and North West,² two-thirds of the population is in farming and wage jobs are only 10 percent of total employment (compared to only one in five workers in the South West in farming and one in four in wage work).³ Whereas 40 percent of the labor force in the North has never attended school, in the South the proportion of the labor force without any education is around 20 percent.⁴ In agriculture, in particular, nearly 45 percent of the labor force has never attended school—yet for agriculture to be competitive, there will need to be a shift in the production model toward more mechanization and capital intensity, which in turn will increase the demand for workers with relevant technical, professional, and managerial skills. More broadly,

¹ World Bank. 2016. *Poverty Reduction in Nigeria in the Last Decade*.

² Nigeria is divided into six geopolitical zones or regions, each encompassing several states: North Central, North East, North West, South East, South South, and South West.

³ World Bank. 2015. *More, and More Productive, Jobs for Nigeria: A Profile of Work and Workers*.

⁴ World Bank. 2015. *Nigeria: Skills for Competitiveness and Employability*.

modernizing economies require new forms of skills with expanding skills content of occupations and new demands placed on workers.

4. **After a successful political transition in May 2015, the new government has been focusing on narrowing macroeconomic and fiscal risks, achieving more inclusive growth, and increasing revenues from the non-oil sector.** A paradigm shift in the way the economy is managed, including revenues, expenditure, debt, and investment, will be needed to cope with the new landscape of low oil prices and low oil revenues. In aiming for more inclusive growth, the focus needs to be on addressing the fundamental and structural causes of inequalities across the country, lifting citizens out of poverty, as well as ensuring shared prosperity. To address these multiple challenges, the Federal Government of Nigeria launched on March 7, 2017 an Economic Recovery and Growth Plan (ERGP) for 2017–2020. The ERGP sets out actions to restore macroeconomic stability in the short term and implement structural reforms and social sector programs to diversify the economy and set it on a path of sustained inclusive growth over the medium to long term. The ERGP sets an ambitious target of 7 percent real GDP growth by 2020. To this end, the ERGP has three broad strategic objectives: (a) restoring growth; (b) investing in our people; and (c) building a globally competitive economy.

B. Sectoral and Institutional Context

5. **Education is a shared responsibility of the three tiers of Government—federal, state, and local—and suffers from insufficient interagency and intergovernmental coordination.** The Nigerian education system can be described as a ‘1-6-3-3-4’ system: one pre-primary year (recently introduced), six years of primary, followed by three years of junior secondary education—which together comprise basic education; the next three years are senior secondary education,⁵ followed by four years of tertiary education. Basic and senior secondary education remain mostly under the jurisdiction of the state and local governments, while the Federal Government is responsible for the administration of federally owned universities and Federal Unity Colleges that were set up to serve as model secondary schools. The Federal Ministry of Education (FME) has a policy formulation and coordination mandate, the National Council on Education (NCE) coordinates policy making across the different tiers of Government, and the Universal Basic Education Commission (UBEC) is the executive agency of the Federal Government responsible for basic education policy implementation. At the state level, operational responsibility for basic education rests with the State Universal Basic Education Boards (SUBEBs), with some variations in the institutional framework: in some instances, secondary education falls under a separate executive agency, the State Education Board (SEB), and the State Ministry of Education (SME). At the local level, the institutional framework is not clearly delineated since Local Government Education Authorities (LGEAs)—the local arm of SUBEBs—are in charge of basic education, whereas local governments are involved in the management and financing of primary education.

6. **Despite Nigeria’s commitment to free, compulsory, and universal basic education (UBE) under the Universal Basic Education Act of 2004, basic education continues to suffer from low and inequitable access.** Based on the 2015 Nigeria Education Data Survey (NEDS),

⁵ Senior secondary education can be general academic or technical and vocational education and training (TVET). Junior and senior secondary education combined are referred to as ‘secondary’ education.

Nigeria’s gross enrollment rate (GER) in primary education is 87 percent (compared to 100 percent for Sub-Saharan Africa [SSA]), and while the rate for junior secondary education (65 percent) is above the average for SSA, it remains well below universal. Enrollment rates in basic education are also marked by gender disparities and wide variation across zones of Nigeria, with the North East and North West demonstrating lower outcomes. As table 1 shows, the gender parity index (that is, the ratio of females to males) in GERs is below 1 across pre-primary, primary, and junior secondary education, and lowest in primary. In addition, enrollment rates across all three levels of education are consistently lower in the North West and North East, and these two zones also demonstrate the widest gaps in terms of gender parity, with a gender parity index as low as 0.84 in junior secondary education and 0.86 in primary education in the North West.

Table 1. Education Access and Quality Indicators in 2015, by Geographic Zone (percent)

Zone	Gross Enrollment Ratio						Literacy for 5- to 16-year-olds	Numeracy for 5- to 16-year-olds	Textbooks Freely Available at Primary School
	Pre-primary		Primary		Junior Secondary				
	Total	Gender Parity Index	Total	Gender Parity Index	Total	Gender Parity Index			
North Central	60.9	0.92	101.9	0.98	69.4	0.93	43.7	53.6	44.7
North East	21.2	0.88	60.3	0.96	34.5	0.91	27.6	28.6	29.2
North West	16.9	1	69.2	0.86	41.6	0.84	27.5	27.7	38.8
South East	113.2	0.91	107.9	1.02	80.5	1.04	60.7	74.4	52.6
South South	97.6	0.98	104.7	1	86.2	1	71.5	78.5	34.9
South West	102.1	0.96	100.6	0.97	89	1.08	73.3	82.8	65.8
Total	59.8	0.98	87.3	0.96	65.2	0.99	48.5	54.5	43.8

Source: National Population Commission (NPC) and RTI International. 2016. *2015 Nigeria Education Data Survey (NEDS)*. Washington, DC: United States Agency for International Development (USAID).

7. **Nigeria stands out globally in its number of out-of-school children—in 2013, Nigeria had the largest number of out-of-school children of primary age (8.7 million), followed by Pakistan (5.6 million) and India (2.9 million).**⁶ The fact that Nigeria’s primary age out-of-school population is so large reinforces the urgency of addressing the problem as otherwise the ranks of the lower secondary out-of-school population will swell a few years down the line. A comparison of the 2010 and 2013 data indicates that a total of 13.2 million basic education (that is, primary and lower secondary education) school-age children were out of school⁷ in 2013—an increase of 3.3 million from the 2010 estimate (see figure 1). Unless the issue of out-of-school children is addressed as a matter of urgency, Nigeria’s human capital will continue to suffer with severe negative consequences for the country’s poverty alleviation, growth, and competitiveness prospects.

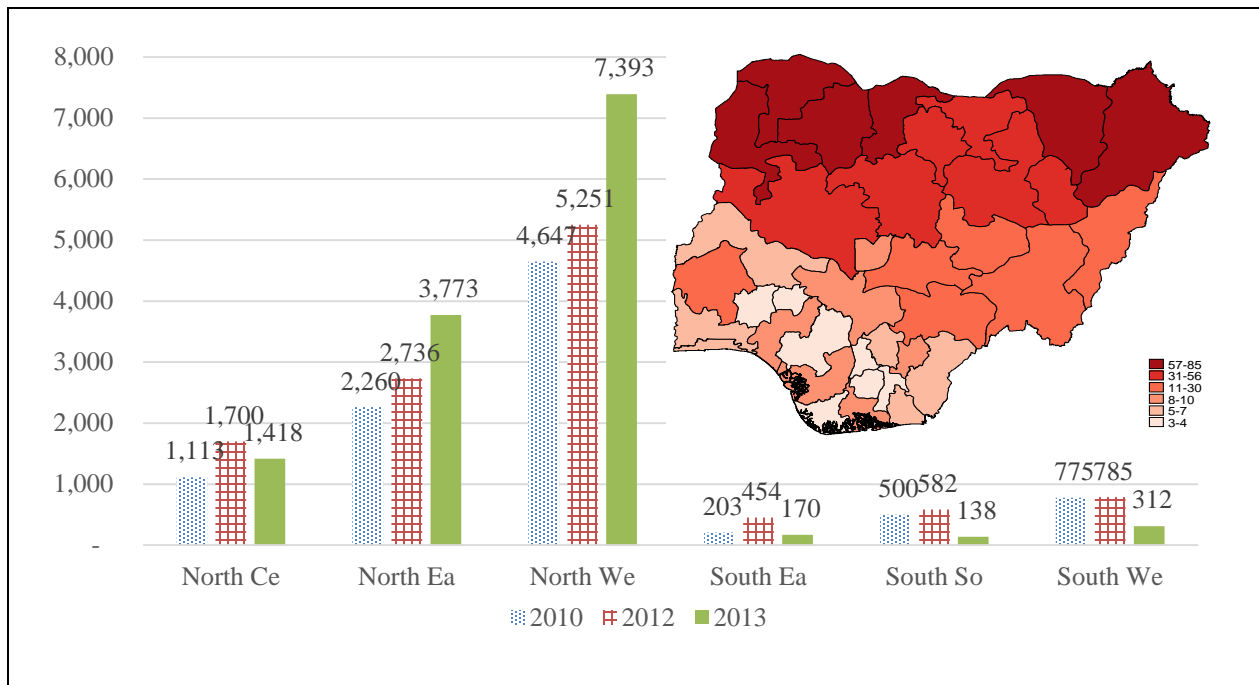
8. **An overwhelming majority of out-of-school children are in the North, and out-of-school rates are also higher among girls, in rural areas, and among the poorest in society** (see

⁶ UNESCO (United Nations Educational, Scientific, and Cultural Organization) Institute for Statistics. July 2016. *Leaving no one behind: How far on the way to universal primary and secondary education?* Policy Paper 27/Fact Sheet 37.

⁷ The definition of ‘out-of-school children’ is children in the basic education age group, that is, 5–15 years, who are not attending any type of recognized basic education institution, whether public, private, or religious schools that integrate the four core subjects of English, mathematics, social studies, and science.

figure 1). Though there are out-of-school children throughout Nigeria, most out-of-school children in the North never attended school, while in the South most dropped out of school.⁸ At the same time, there is variation in the composition of the out-of-school population across different geographic zones, with relatively higher out-of-school rates among girls in the North; children of nomadic pastoralists throughout the country; boys who drop out in the South East and South South zones; the so-called area boys (loosely organized gangs of mostly male street children and teenagers) in the South West; children of migrant fishermen in the South South; and the children in the North East displaced by the Boko Haram insurgency. With regard to the North East, displaced children are adding to the ranks of the existing out-of-school population. Boko Haram has targeted and killed teachers, education workers, and students. At least 611 teachers have been deliberately killed, and more than 2,000 people have been abducted by the group, many from their schools, since the beginning of the conflict.⁹ Between 2009 and 2015, attacks in the North East destroyed more than 910 schools and forced at least 1,500 to close. By early 2016, close to 1 million school-age children had fled the violence.

Figure 1. Numbers of Out-of-school Children by Zone (2010–2013) and Rates of Out-of-school Children by State (2013)



Source: General Household Survey Panel 2010/2011 and 2012/2013, and Demographic and Health Survey 2013.

9. **The quality of basic education, measured in terms of student learning outcomes, is also low in Nigeria.** According to international standards, children who have completed grade 3 are expected to be fully literate. Though Nigeria does not participate in international or regional student assessments, available data show that only 66 percent of public school students can read at least one of three words and 78 percent can add single digits after completing grade 4 (2015

⁸ Out-of-school children are largely children who have never been to school—92 percent nationally (World Bank. 2015. *Governance and Finance Analysis in the Basic Education Sector in Nigeria.*)

⁹ Human Rights Watch. 2016. *“They Set the Classrooms on Fire”: Attacks on Education in Northeast Nigeria.*

NEDS). In terms of variation across the states, a test administered to grade 4 pupils as part of the 2013 Service Delivery Indicator (SDI) Survey produced an overall low score of 32 percent, with the two southern states leading the ranking (with scores of 59 and 54 percent) and the two northern states with significantly lower scores (23 and 20 percent). Pupils in private schools significantly outperformed those in public schools. Poor learning also results in low pass rates at the end of secondary school: only 31 and 39 percent of registered students passed the 2014 and 2015 West Africa Senior School Certificate Examination, respectively.

Constraints to Improving Access and Quality of Basic Education

Weak basic education governance, management, and accountability

10. **The established institutional framework does not ensure effective policy making and implementation.** Conflicts of jurisdiction between the three tiers of government undermine policy coordination. Accountability mechanisms along the service delivery chain are inadequate, and institutionalized social accountability mechanisms, that is, school-based management committees (SBMCs), are not yet fully operational. Existing monitoring and evaluation (M&E) systems, including the education management information system (EMIS) and student assessment, are incomplete and unreliable, and consequently not suitable to inform evidence-based policy making or implementation. In addition, human resource management does not focus on enhancing teacher effectiveness. Finally, regulatory oversight and policy related to non-state provision of education, including education supplied by private and religious providers, are ineffective.

Insufficient and ineffective public spending on basic education

11. **Total public spending on basic education at all government levels has hovered around 1.7 percent of GDP, well below the average for SSA of 4.6 percent of GDP.** Spending increased marginally from 10.2 to 12.5 percent of total public spending over the 2009–2013 period (compared to SSA average of 17 percent). When considering total public as well as private spending on education, household out-of-pocket private payments make up the largest share (40 percent); Federal Government spending amounts to 21 percent; state government to 13 percent; and local government to 25 percent. Public basic education finance depends to a large extent on federal revenues: salaries account for more than 80 percent of total spending in the sub-sector, and are sourced directly through statutory transfers from the Federal Government to the Local Government Area (LGA) accounts. Federal spending includes fiscal transfers to the states for basic education managed by UBEC, the UBE Intervention Fund, which is allocated annually at least 2 percent (guaranteed) of the Federal Government budget under the 2004 UBE Act. This means that public spending on basic education, including the allocation to the UBE Intervention Fund is pro-cyclical and dependent on execution of the federal budget. Low executions rates of federal and state budgets and of fiscal transfers reduce already scarce resource allocations. Since 2014, budget performance has deteriorated further as a result of the fiscal crisis and several states have reported delays in paying teachers' salaries as a result.

Demand- and supply-side factors impede access to education

12. **The large number of out-of-school children is the result of a wide range of demand- and supply-side factors that vary by state and geographic location.** On the demand side, household poverty prevents children from enrolling in school as families face many direct and indirect costs, including the opportunity cost of child labor. Perceived low benefits of education,

especially for girls, and inappropriateness of formal education are also important contributing factors. In the conflict-affected areas of the North East, given Boko Haram’s targeting of the education system, demand-side constraints have become particularly severe. On the supply side, school facilities can be distant, classrooms overcrowded and ill-equipped, and in the conflict-affected North East, schools may be completely destroyed or in dire need of repairs. The 2013 SDI Survey tracked the availability of minimum teaching and learning materials and equipment in schools (pens, pencils, notebooks, textbooks, black boards, chalk, and so forth) and minimum infrastructure. With regard to teaching equipment, only 55 percent of schools surveyed in the four states had the required minimum. With regard to availability of textbooks, only 38 percent of pupils had mathematics and English textbooks. A lack of proper infrastructure was also observed, with only 19 percent of schools having the minimum. Significantly, given the well-documented adverse effects on female enrollment in particular, only 27 percent of school toilets were clean, 44 percent private, and 38 percent accessible.

Table 2. Supply-side and Demand-side Obstacles to Education

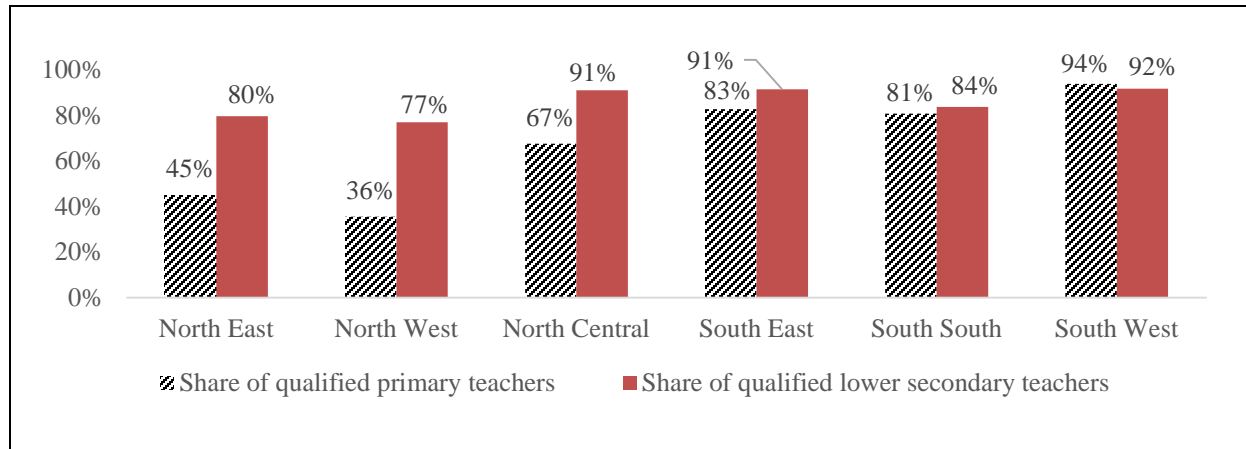
Demand	Supply
<p>A. Socioeconomic factors</p> <ul style="list-style-type: none"> • Poverty • High costs (fees, uniforms, transportation, levies) • High opportunity costs/low rates of return • Children needed for household/agricultural/petty trading tasks • Residence in remote, sparsely populated areas • Limited employment opportunities for school leavers <p>B. Cultural factors</p> <ul style="list-style-type: none"> • Parents’ low level of education • ‘Western’ education perceived as incompatible with traditional/cultural beliefs and practices • Skeptical attitudes toward the benefits and outcomes from education 	<p>C. Political/institutional factors</p> <ul style="list-style-type: none"> • Budget constraints • Insufficient public support for the poor • Political instability • Inconsistency in educational policies • Poor quality of educational programs • Ill-adaptation of educational systems to local learning needs <p>D. Factors linked to the school</p> <ul style="list-style-type: none"> • Limited school/classroom space • High school fees • School curricula and school organization in conflict with traditional culture • School calendar incompatible with farming cycle • Lack of school canteens or school feeding facilities

Source: UBEC. October 2015. *UBE Programme 5-Year (2015-2020) Road Map*, page 25, Table 7 (reproduced verbatim in its entirety).

Low teacher competencies impede education quality

13. Most basic education teachers lack formal qualifications as well as required content knowledge and skills for effective teaching. In 2010, on average, 32 percent of teaching staff in pre-primary education, 40 percent in primary education, and 15 percent in junior secondary education lacked formal qualifications (UBEC 2012). In addition to being concentrated in the South (see figure 2), qualified teachers tend to be in urban areas and private schools. As part of the 2013 SDI Survey in two northern and two southern states, teachers’ skills were assessed. The average score on the English and mathematics assessments, among English and mathematics teachers, was 32.9 percent, with only 3.7 percent of the teachers obtaining a score of at least 80 percent. These findings indicate that the large majority of teachers in Nigeria do not have the subject knowledge to teach their subject matter. In addition, there is evidence of overcrowded classrooms in urban areas and poorly staffed schools in rural areas, so that recruitment and deployment of teachers is a concern.

Figure 2. Formally Qualified Teachers, by Education Level and Zone (percentage share in 2013)



Source: EMIS 2013.

Government Strategies to Improve Access and Quality of Basic Education

14. The Government’s primary vehicle for ensuring universal access to quality basic education is the UBE program. The objectives of the UBE program are to:¹⁰

- Ensure unfettered access to free and compulsory nine years of formal basic education for children of school-going age;
- Reduce drastically the incidence of dropping out from the formal school system, through improved relevance, quality, and efficiency; and
- Ensure the acquisition of appropriate levels of literacy, numeracy, manipulative, communicative, and life skills as well as the ethical, moral, and civic values needed for laying a solid foundation for lifelong learning.

15. In 2016, the FME prepared the Ministerial Strategic Plan (MSP) 2016–2019, which is built around the three themes of access, quality, and systems strengthening; and is comprised of ten pillars, the first of which focuses on out-of-school children.¹¹ The MSP aims to strengthen the education system overall by “improving evidence-based decision making that will assist transparency, governance, accountability, and innovation in education delivery” (page 20). The MSP was adopted by the NCE, but its national goals have not yet been translated into state-level goals and activities. In addition, costing of foreseen interventions has only been completed for federal activities—and to date, no budgetary allocations have been made toward these activities. The MSP includes several activities, for example, expansion of school infrastructure, for which UBEC is responsible. In short, the MSP is the Government’s vision for the education sector as a whole and confirms its commitment to its reform.

¹⁰ See <http://ubeconline.com/> accessed on January 13, 2017.

¹¹ Remaining MSP pillars are: basic education; teacher education; adult literacy; Nigeria EMIS; basic and secondary curriculum; TVET; tertiary education; information and communication technology (ICT); and library services in education.

C. Relationship to the Country Partnership Strategy and Rationale for Use of Instrument

16. **The proposed Better Education Service Delivery for All (BESDA) Operation is well aligned with the World Bank Group’s 2014 Nigeria Country Partnership Strategy (CPS)¹² for FY2014–2017, as well as its adjustment under the 2016 Performance and Learning Review (PLR)¹³.** The CPS lays out a program that is structured around three strategic clusters: (a) *promoting diversified growth and job creation* by reforming the power sector, enhancing agricultural productivity, and increasing access to finance; (b) *improving the quality and efficiency of social service delivery* at the state level to promote social inclusion; and (c) *strengthening governance and public sector management*, with gender equity and conflict sensitivity as essential elements of governance. The PLR confirmed that the CPS objectives remain aligned with Nigeria’s development goals and introduced a fourth cluster to respond to the country’s macroeconomic priorities: *restoring macroeconomic resilience*. The proposed Operation will, therefore, support both the second CPS cluster on improving the quality and efficiency of social service delivery and the third cluster on strengthening governance and public sector management.

17. **The Program-for-Results (PforR) instrument is considered the best fit to support the Government’s UBE program; ensure a focus on education outputs and outcomes; and incentivize performance at all levels.** By focusing on an agreed set of results, yet allowing flexibility and incentivizing home-grown solutions (to respond to specific needs) at the state and local levels, the PforR instrument accommodates Nigeria’s federal nature. Given the diverse challenges across states, there will be differences in states’ priority concerns and, in turn, their reform choices. In addition, a PforR can incentivize performance and results along the delivery chain in a manner suited to the specifics of Nigerian federalism, that is, the Federal Government has an oversight role, whereas responsibility for service delivery is primarily vested in states. Further, the PforR instrument leverages and strengthens key country and sector systems, including public financial management (PFM), procurement management, social and environmental systems management, as well as M&E—all needed for the Program to achieve its desired results.

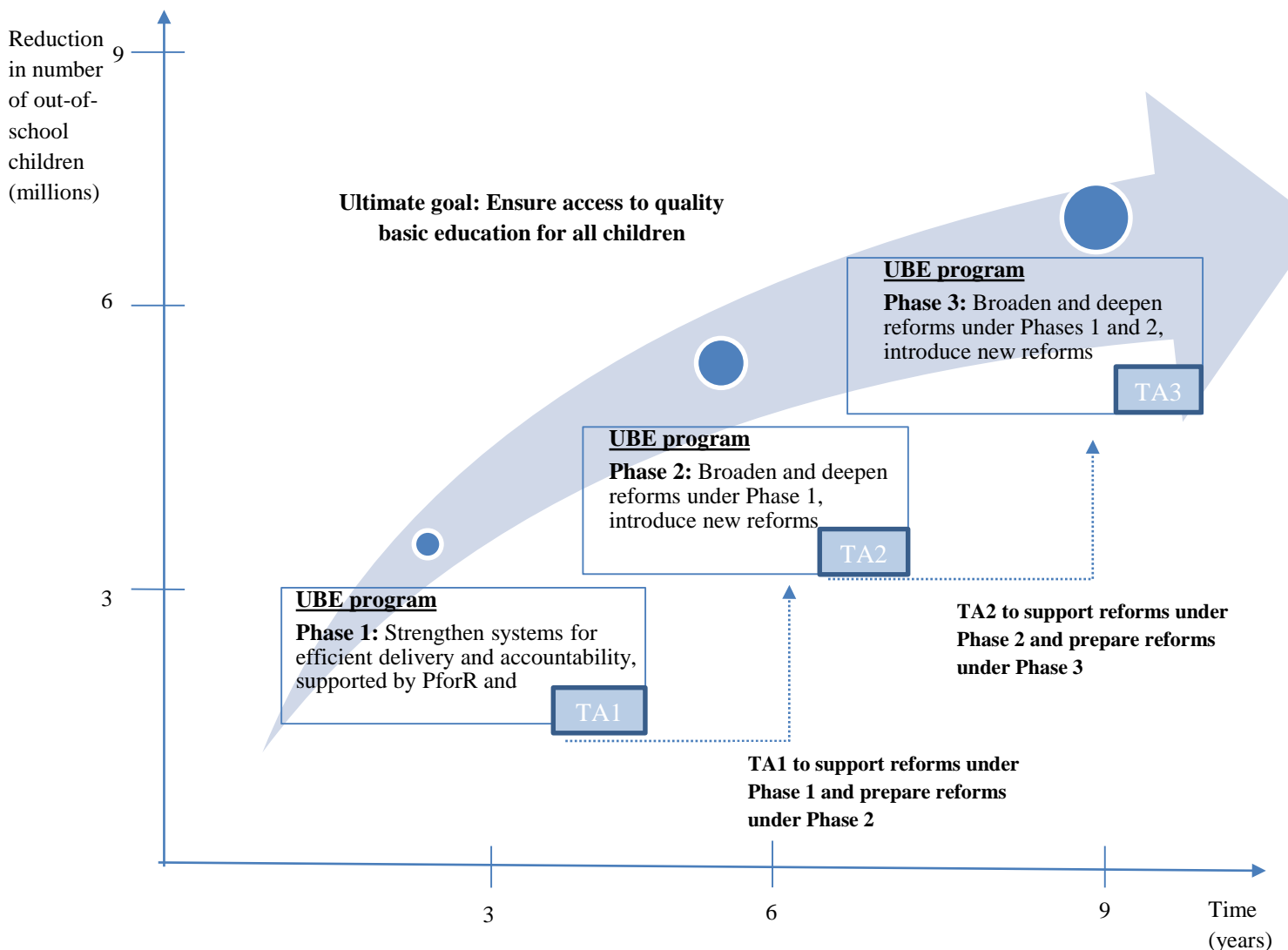
18. **The proposed BESDA Operation is designed as a hybrid consisting of two parts: the Program (US\$578 million), using a PforR instrument, and a technical assistance (TA) component (US\$33 million), which uses an Investment Project Financing (IPF) instrument.** TA funds finance specific expenditures, for example, consulting services, in accordance with the World Bank’s fiduciary policies and guidelines. Despite strong government commitment to UBE, the capacity of both the Federal Government and state governments for planning, coordination, and M&E is weak. The TA component will complement the Program and finance a set of TA activities both at the federal and state levels aimed at strengthening the capacities of relevant education sector entities in these areas. The TA component will also play a key role in fostering learning across states, so that forerunner states can demonstrate accomplishments, and lagging states can be assisted in their efforts. The TA component includes a research agenda that will build partnerships with local think tanks and universities, including for third-party verification and monitoring.

¹² Report No. 82501-NG

¹³ Report No. 104616

19. **Given the scale of the challenge of out-of-school children in Nigeria, and the commitment of the World Bank to transformational improvement in education outcomes in Africa in general and Nigeria in particular, this Operation supports a first phase of the Government’s longer-term education reform agenda.** The focus on results through system strengthening, combined with funds allocated under the TA to a research agenda to inform future reforms, means that this Operation could be followed by future support to strengthening the UBE program that ultimately could accomplish the task of absorbing the stock of out-of-school children as well as stemming the flow. Future support would initiate new reforms that build on earlier phases (see figure 3), as well as exploring new approaches, for example, expanding private sector provision of education in certain states. System strengthening under this first Operation—such as mainstreaming education data collection and use—could lead to open data in basic education and evidence-based policy formulation in the future. In addition, the Operation’s focus on need- and performance-based resource allocation may encourage a review of the current UBE Intervention Fund allocation formula further down the line.

Figure 3. Phased Approach to Ensuring Access to Quality Basic Education for all School Children in Nigeria



II. PROGRAM DESCRIPTION

A. Government Program

20. **The UBE program, funded by the UBE Intervention Fund and channeled through UBEC, is a basic education program aiming to “eradicate illiteracy, ignorance, and poverty as well as stimulate and accelerate national development, political consciousness, and national integration.”**¹⁴ The UBE program was launched on September 30, 1999, and aimed to support Nigeria in achieving Education for All (EFA) and the education-related Millennium Development Goals (MDGs). Though it was expected that the program would be implemented following the launch, its implementation was hampered by the lack of an enabling law. Following its passage by the National Assembly, the UBE Bill was signed into law on May 26, 2004. The 2004 UBE Act mandates that the overall financing of basic education is the responsibility of state and local governments, and that the Federal Government intervenes to support the provision of basic education using at least 2 percent of its Consolidated Revenue Fund (CRF). This act also provides for the establishment of UBEC¹⁵ in addition to state and local executive agencies of the UBE program, that is, the SUBEBs and the LGEAs, respectively.¹⁶

21. **The UBE program has evolved over the years.** The early targets, for example, for 2006–2008—described in later years self-critically by UBEC as representing more of a ‘wish-list’¹⁷—included achieving a 100 percent graduation rate from basic education with literacy, numeracy, and basic life skills; elimination of gender disparity in basic education; 80 percent of teachers having the National Certificate of Education; and 50 percent of basic education schools having a conducive teaching and learning environment. The *Roadmap for Universal Basic Education: 2009–2011* aimed to refocus the UBE program and identified several issues that were preventing achievement of the UBE program goals, including: (a) insufficient federal-state policy communications and between the supervising ministry and implementing agencies; (b) program management shortfalls at all levels and a low level of coordination among related and relevant parastatals; and (c) generalized absence or inaccuracy of education sector data, as well as the lack of harmonization of existing data sources. Following the 2009–2011 Roadmap, the *Four-Year Strategic Plan for the Development of the Education Sector: 2011–2015* identified strengthening the institutional management of education as the first focus area for the UBE program. Yet a review of the 2011–2015 Plan found many of the same barriers as in previous years, in particular the inability of relevant institutions to work in synergy to meet critical goals (for example, UBEC, the National Teachers’ Institute [NTI], and the Teachers’ Registration Council of Nigeria [TRCN]) as well as absence of an adequate and functional EMIS. The current *UBE Programme 5-Year (2015–2020) Road Map* focuses on addressing system challenges, entrenching strategic planning, and ensuring result-oriented implementation at national and state levels.”¹⁸ This Road Map highlights that the goals of the program are equitable and inclusive quality education, stressing the need for better policy making and system management that is based on reliable data, including data on learning outcomes. The UBE program today continues to suffer from interrelated constraints: lack

¹⁴ See <http://ubeonline.com/> accessed on January 13, 2017.

¹⁵ UBEC was formally established on October 7, 2004.

¹⁶ See <http://ubeonline.com/> accessed on January 13, 2017.

¹⁷ UBEC. October 2015. *UBE Programme 5-Year (2015–2020) Road Map, Volume I & II*, page 6.

¹⁸ UBEC. October 2015. *UBE Programme 5-Year (2015–2020) Road Map, Volume I & II*.

of accountability for results; an approach to resource allocation to states that is untied to states' needs and performance; and an overreliance on supply-side interventions to promote access to basic education.

22. **The proposed Operation is structured to address UBE program constraints through the Program (including the Program Action Plan [PAP]), the TA component, as well as the implementation arrangements.** The Program is geared toward rewarding states with the highest numbers of out-of-school children for increasing equitable access and improving literacy—by lifting both demand- and supply-side constraints. The Operation also incentivizes data collection on key education system attributes and outcomes, and use of these data in institutionalizing need-based state plans and in coordinated strategic planning across federal and state levels. Accountability will be strengthened at all levels, including reporting by UBEC and SUBEBs, as well as validation of school data by SBMCs. Implementation arrangements are structured to foster interagency coordination at federal and state levels between the FME and UBEC.

B. Program Development Objective and Key Results

23. **The BESDA Program Development Objective (PDO) is to increase equitable access for out-of-school children and improve literacy in focus states, and strengthen accountability for results, in basic education in Nigeria.** The PDO mirrors the priorities of the UBE program, reaffirmed in the MSP focus on increasing access, improving quality, and strengthening the education system. Specifically, BESDA aims to support increases in access to basic education above and beyond natural population growth, so that out-of-school rates are reduced. With regard to increasing *equitable* access to basic education, key population groups include girls and the internally displaced, in addition to others (see further below). With regard to improving the quality of basic education, BESDA focuses on literacy specifically given its foundational nature, the low literacy rates in Nigeria, and the fact that increases in literacy rates builds on improvements in several other important areas—including teaching quality and the learning environment (both infrastructure and textbooks). Finally, BESDA supports system strengthening through its focus on accountability for results—incentivizing measurement of results under the UBE program while fostering mutual accountability at the federal and state levels toward achievement of these results.

24. **Based on the PDO, BESDA has three results areas: increasing equitable access for out-of-school children, improving literacy, and strengthening accountability for results.** All three results areas relate to basic education and the children of basic education age (5- to 15-year-olds since basic education includes pre-primary education). Results Areas 1 and 2 are focused on states with the greatest number of out-of-school children, covering thereby the North West and North East, and additionally the state with the greatest out-of-school population in each of the other 4 zones of Nigeria, resulting in a total of 17 states. Results Area 3 cuts across all states and the Federal Capital Territory (FCT).¹⁹ PDO indicators are proposed to measure progress toward achievement under each of the three results areas. These indicators are part of the results chain shown in figure 4.1 in annex 4. A detailed Results Framework is shown in annex 2.

¹⁹ FCT includes the capital, Abuja.

Results Area 1: Increasing equitable access for out-of-school children in focus states (US\$341.5 million)

- *PDO indicator:* Reduced number of out-of-school children in focus states, by gender

Results Area 2: Improving literacy in focus states (US\$180 million)

- *PDO indicator:* Improved literacy rates in focus states, by state

Results Area 3: Strengthening accountability for results (US\$56.5 million)

- *PDO indicator:* Publicly disclosed UBE program strategic plan reflecting annual progress reports and program evaluation findings

C. PforR Program Scope

25. **The UBE program, funded by the UBE Intervention Fund that is channeled through UBEC, represents the relevant government program.** In defining the UBE program as the relevant government program, BESDA aims to incentivize three key behaviors that will lead to the desired change, that is, improved performance of the UBE program:

- (a) Adopting a results-oriented approach that fosters mutual accountability among federal and state actors;
- (b) Allocating funds to those states that demonstrate the greatest need (defined in terms of size of out-of-school population) and performance (defined in terms of reducing numbers of out-of-school children and improving literacy); and
- (c) Addressing constraints to access to basic education in a holistic manner, that is, both demand- and supply-side constraints, where relevant.

26. **Currently, the UBE Intervention Fund allocates over 82 percent of the Fund for supply-side interventions equally across all states, regardless of out-of-school population or other education outcomes** (see table 3 for an overview of the allocation of the UBE Intervention Fund).²⁰ The matching grants allocation is used for the provision of infrastructure such as classrooms, toilets, furniture, workshops, libraries, and equipment—and is allocated equally across all states and the FCT. Recognizing that access to textbooks and other reading materials is critical for learning achievement, the UBE program allocates 15 percent of the UBE Intervention Fund for the provision of core textbooks (4 textbooks at the primary level and 5 at the junior secondary level) and funding is shared equally among the states and FCT.²¹ To support the capacity-building programs for teachers and school managers, the UBE Intervention Fund allocates 10 percent annually to teacher professional development (TPD), shared equally among the 36 states and FCT.²² The funding can be used for in-service teacher development programs (TDPs) (covering both subject content and pedagogy) that are provided by NTI, National Institute of Education Planning and Administration, Faculties of Education, Colleges of Education, and other appropriate training providers. Special education receives 2 percent of the Fund allocation, 70 percent of which is distributed equally across the states and FCT (for infrastructure, learning materials, and teacher

²⁰ Based on information in the *UBE Programme 5-Year (2015–2020) Road Map, Volume I & II*.

²¹ Textbook demand is determined by the State Commissioner for Education and SUBEB Executive Chair. Over 126.5 million books were distributed to states during 2009–2014.

²² Over 1 million teachers were trained during 2009–2014.

training), with the remaining 30 percent distributed to private providers selected by UBEC. Despite its stated objective of addressing equity and promoting inclusiveness, half of the 14 percent allocated to the Educational Imbalance Fund is distributed equally between the states and FCT—again for purposes of infrastructure and textbooks, primarily. The other half of the Educational Imbalance Fund—7 percent of the total UBE Intervention Fund—goes toward building model schools in disadvantaged states (targeting specific vulnerable population groups including girls) and supplying them with learning materials. Along the grants for good performance (5 percent of the UBE Intervention Fund)—which are intended for the 3 top performers in UBE program implementation in each geopolitical zone and the national winner—allow differentiated amounts across the states. However, though 22 states benefited from the good performance grants between 2005 and 2009, these awards have not been made to any state since 2010.

Table 3. UBE Intervention Fund Allocations

Fund	Share of Total	Type of Activities	Geographic Scope
Matching grants	50	Provision of infrastructure such as classrooms, toilets, furniture, equipment	Equal allocations to 36 States+FCT
Instructional materials	15	Core subject textbooks and reading materials	Equal allocations to 36 States+FCT
Educational imbalance	14	Provision of model schools, textbooks, and teachers' guides	50% allocated equally to 36 States+FCT; 5% girls' education; 10% <i>almajiri</i> education; 35% community self-help projects
Teacher professional development	10	In-service training for teachers and education managers	Equal allocations to 36 States+FCT
Good performance	5	Encourage States implementing UBE program well	3 top performers in each zone and the national winner
Special education	2	Provision of infrastructure, learning materials, and teacher training	70% allocated equally to 36 States+FCT; 30% to private providers selected by UBEC
UBE monitoring	2	UBEC monitoring State implementation of UBE program	
UBE implementation	2	UBEC operations	

Source: UBE Programme 5-Year (2015–2020) Road Map, Volume I and II.

27. **Two percent of the UBE Intervention Fund goes toward UBE program monitoring by UBEC, but also for specialized programs, some of which address demand-side constraints.** In terms of monitoring, UBEC verifies that SUBEBs have executed the plans they submitted and agreed with UBEC, for example in terms of new school construction or teachers to be trained. This verification entails on-site visits by UBEC, and in the case of teacher training, for example, the presence of an UBEC official at the training to monitor even items such as food and accommodations provided to the trainee teachers. The monitoring is more output- than outcome-oriented, in the sense that information on numbers of teachers trained and textbooks provided are collected without monitoring or assessing how these inputs may have affected outcomes, such as enrollment and student learning. Additionally, data on spending by UBEC to achieve certain outputs are not always publicly disclosed. With respect to the matching grant allocation (that is, 50 percent of the UBE Intervention Fund), publicly available data report only on funds *released*

and accessed by states (meaning states put up the counterpart funding) but not on *actual* construction completed or equipment purchased, or impact of these activities on enrollment and learning outcomes. In terms of demand-side programs under the UBE program monitoring allocation, these include advocacy visits by UBEC to the states to raise awareness on the need to enroll children in basic education, as well as mentoring of SBMCs to enhance their role in attracting students. A final 2 percent of the UBE Intervention Fund goes toward UBE program implementation, that is payment of UBEC staff salaries and overheads.

28. BESDA aims to bolster the UBE program’s ability to channel more funds to states with greater needs. Therefore, the PforR Program boundary is roughly half that of the UBE program, corresponding to 17 focus states (out of a total of 36 states and FCT) under Results Areas 1 and 2 and all states under Results Area 3. The UBE program objectives are currently being pursued through the UBE Intervention Fund allocation formula that is subject to revision, if deemed necessary.²³ The Operation, though it supports the UBE program, does not rely on the current allocation formula of the UBE Intervention Fund. Instead of the UBE Intervention Fund approach of equal allocation to all states, a subset of states facing the greatest challenges in ensuring access to basic education will be eligible for the Program funds dedicated to increasing access to basic education and improving literacy. At the same time, given the importance of establishing the foundation for system-wide education quality reform and strengthening accountability and results-orientation for the education sector as a whole, the FME, UBEC, and all states will be able to access the funds dedicated to this end. The Operation’s results- and needs-based focus will provide a demonstration effect, or proof of concept, both for the federal and state levels, as to how the UBE program could operate more effectively and achieve desired results.

29. Under Results Area 1, this Operation will support increased equitable access to basic education in states with the highest out-of-school rates by incentivizing these states to address their binding demand- and supply-side constraints. Focus states, that is states with the highest out-of-school populations, will prepare state UBE plans, in line with the Federal UBE program as well as the sector-wide state education plans, using administrative and budget data to lay out overall UBE targets and specific targets to be achieved under BESDA. The key out-of-school populations in Nigeria include girls, children of nomadic pastoralists (whose itinerant lifestyle makes it difficult for them to participate in regular formal education), and *almajiri* children. The latter are pre-adolescent to early teen pupils who attend residential Islamic religious schools that have only one curriculum, the Qur’an. Given the crisis in the North East, UBEC is in the process of defining a strategy for the North East in general and for internally displaced children in particular, the latter also a key out-of-school population for the Program. Demand-side factors also play a key role in families’ decisions to send their children to school. In response to a federal promise of co-funding, several states have recognized the importance of some of these factors and launched school feeding programs in 2016 to attract children to school. Under this Operation, SUBEBs may choose different types of interventions, such as school feeding, to increase enrollment in basic education. Other options could include conditional cash transfers (CCTs) for girls—also an approach that has been tried successfully in Nigeria in the past. Often, specific

²³ The allocation formula is determined by the UBEC Board of Directors and its revision requires the approval of the Federal Executive Council (or Cabinet). A revision of the allocation formula in favor of allocating more funds to enhancing the quality of education was recommended in the 2015–2020 Road Map and recently proposals were entertained to reduce the counterpart funding requirement for states to facilitate their access to the infrastructure matching grant—but none of these proposals have moved forward.

circumstances will need to be considered in selecting and designing the most appropriate approach to increase enrollment—for example, nomadic children will require flexible approaches that cater to their particular circumstances. For *almajiri* children, SUBEBs could pursue the integration of core basic education subjects into the curriculum, thereby rendering the education provided equivalent to formal basic education. Furthermore, in the conflict-affected North East, the combination of demand- and supply-side interventions will likely need to vary over time, as displaced populations decide to return to their original communities (see further in annex 1).

30. Under Results Area 2, this Operation focuses on improving literacy in the same states that are increasing access to ensure that the two go hand in hand. The focus on literacy is important for many reasons: increased literacy will demonstrate the benefits of education to families and encourage continued school enrollment; as described earlier, literacy rates—the fundamental building block for education—are low even among those already in school; and literacy and numeracy are key life skills and required in gainful employment in particular. This Operation will incentivize and provide technical support to states to adopt intensive literacy programs.²⁴ These programs will focus on the early grades, ensuring availability of appropriately designed textbooks, and providing teacher training as well as coaching. Improving literacy requires interventions to focus on the early grades of primary education (grades 1–3) in students’ mother tongue or their language of immediate environment. Since the adoption of the intensive literacy program will require sustained implementation for at least three years, states are requested to build on ongoing interventions in literacy, including programs supported by development partners currently implemented in some states only, with valuable lessons and results. Literacy gains made in early grades should be maintained throughout basic education and beyond so the Operation measures literacy rates of the basic education age group of 5- to 15-year-olds in the three major Nigerian languages (Hausa, Igbo, and Yoruba) in addition to English. Also, with the likely intake of out-of-school overage children into primary grades 1-3, the wider age group is more appropriate.

31. Under Results Area 3, this Operation aims to increase accountability of federal and state actors for the UBE program effectiveness. This results area addresses one of the main program implementation bottlenecks, that is, lack of accountability for results due to unreliability of baseline information, inadequate reporting on program outputs at federal and state levels, and lack of monitoring of achievements and progress in terms of both access and quality of education. Accordingly, the Operation strengthens or leverages a whole range of accountability mechanisms that although established are not yet operationalized: (a) managerial accountability at federal and state levels through the completion and disclosure of strategic plans and annual progress reports by UBEC and SUBEBs, as well as the UBE program review; (b) political accountability at federal and state levels for resource allocation and progress on access and quality of education through the mainstreaming of data collection and use on inputs, outputs, and outcomes (learning achievements); (c) fiduciary accountability through financial auditing and procurement review; (d) social accountability through data validation by communities (through SBMCs) on school performance and public disclosure of this information; and (e) information for accountability by building the necessary evidence base for policy making and dialogue.

²⁴ An intensive literacy program is characterized by: (a) focus on the early grades; (b) adequate availability of language textbooks that have appropriate design; (c) adequate availability of teachers’ guides, training, and coaching; (d) adequate time spent by teachers and students on reading and literacy improvement; and (e) regular assessment of student progress. See further detail in annexes 1 and 4.

Table 4. UBE Program and PforR Program Boundary

	Government Program	Program Supported by PforR
Objectives	<ul style="list-style-type: none"> • Ensure unfettered access to free and compulsory nine years of formal basic education for children of school-going age • Reduce drastically the incidence of drop-out from the formal school system, through improved relevance, quality, and efficiency • Ensure the acquisition of appropriate levels of literacy, numeracy, manipulative, communicative, and life skills as well as the ethical, moral, and civic values needed for laying a solid foundation for life-long learning 	Increase equitable access and improve literacy for out-of-school children in focus states, and strengthen accountability for results, in basic education in Nigeria
Results Area 1: Increasing equitable access for out-of-school children in focus states <i>Activities and geographic scope</i>	<i>Supply-side interventions:</i> <ul style="list-style-type: none"> • Provision of infrastructure, such as classrooms, toilets, furniture, equipment • Provision of model schools • Provision of special education infrastructure <i>Demand-side interventions:</i> <ul style="list-style-type: none"> • Advocacy in states on the need to enroll children in basic education • Mentoring of SBMCs to enhance their role in attracting children to school <i>Nationwide</i>	<i>Possible supply-side interventions:</i> <ul style="list-style-type: none"> • Provision of infrastructure, such as classrooms, toilets, furniture, equipment • Provision of mobile classrooms • Reconstruction and rehabilitation of destroyed school infrastructure • Integration of core basic education subjects into non-formal education <i>Possible demand-side interventions:</i> <ul style="list-style-type: none"> • CCTs • School feeding <i>Focus states only</i>
Results Area 2: Improving literacy in focus states <i>Activities and geographic scope</i>	<ul style="list-style-type: none"> • Provision of core subject textbooks and reading materials • Provision of teachers' guides • In-service training for teachers and education managers <i>Nationwide</i>	Launch or roll-out of intensive primary 1-3 literacy programs, including <ul style="list-style-type: none"> • Provision of language textbooks • Provision of teachers' guides • Regular assessment of student progress • Regular coaching for teachers <i>Focus states only</i>
Results Area 3: Strengthening accountability for results <i>Activities and geographic scope</i>	<ul style="list-style-type: none"> • UBEC monitoring state implementation of UBE program • State submitting investment plans and progress reports for the release of the matching grant <i>Nationwide</i>	<ul style="list-style-type: none"> • Implementation of Annual School Census (ASC) and school-level data validation by communities • Preparation of state progress reports and plans on UBE program implementation • UBE program strategic plan reflecting annual progress reports and program evaluation findings <i>Nationwide</i>

32. Under the Disbursement Linked Indicator (DLI) matrix, two accountability mechanisms will be leveraged and further reinforced by the overall Results Area 3 PDO indicator. First, the Operation will support implementation of the ASC in all states, thereby ensuring the availability of key education system data. Second, the Operation will support

preparation and submission of annual progress reports and plans by all SUBEBs. These plans will be informed by baseline information provided by the ASC exercise, provide detail on resource allocation in alignment with state budgets, and lay out targeted objectives and performance indicators. In addition, the Operation will support UBEC in its mandate to report to the Federal Government on progress achieved under the UBE program, as it has not done so for a number of years. UBEC will use states' annual progress reports as inputs into its own progress report, as well as conduct a program evaluation in 2019. The Operation will support public disclosure of data and progress reports in compliance with the Freedom of Information Act. Beyond increased transparency, the progress reports and program evaluation will feed into UBEC strategic planning for future implementation of the UBE program. The aim is to use data on system attributes and the associated spending to plan and monitor achievements of the UBE program at federal and state levels in a transparent manner that improves intergovernmental coordination and the effectiveness of fiscal federalism for service delivery.

33. Under the Nigerian Constitution, basic education and its financing are the responsibility of the state and local governments, but the universalization of basic education and its financing, that is, the UBE program, are a federal responsibility. This PforR is using the federal UBE mandate to provide additional funds for those states that need it the most, that is, the ones with the highest numbers of out-of-school children, under Results Areas 1 and 2. These states include all 7 in the North West (Jigawa, Kaduna, Kano, Katsina, Kebbi, Sokoto, and Zamfara); all 6 in the North East (Adamawa, Bauchi, Borno, Gombe, Taraba, and Yobe); as well as Niger (North Central); Ebonyi (South East); Rivers (South South); and Oyo (South West)—resulting in 17 states in the Program boundary out of a total of 37. Table 5 provides the resulting share of the UBE Intervention Fund that falls within the Program boundary, that is, 47.6 percent.

34. Though the UBE program is guaranteed at least 2 percent of the Federal Government revenue annually, this means that its allocation varies from year to year and is pro-cyclical. In addition, state governments in Nigeria are heavily dependent on federal transfers, about 85 percent of which is oil revenue distributed from the Federation Account. Between March 2014 and December 2016, federal transfers to states declined by 33 percent. Overall government revenue has decreased from 10.5 percent of GDP in 2014 to 5.7 percent in 2016. Due to this sharp drop in revenue, most states have been accumulating salary and other contractual arrears. This Operation will, therefore, serve to mitigate the fiscal crunch states are currently experiencing—in addition to redirecting funds to the states with greatest need in terms of out-of-school rate. Projections using the medium-term expenditure framework (MTEF) of available funds for the UBE program over the lifetime of the Operation average US\$320 million annually for all states, resulting in a total of US\$1.60 billion over the five years of the Operation. Using a share of 47.6 percent of the UBE Intervention Fund, government financing under the Program amounts to a total of US\$760 million. This is leveraged by IDA's contribution of a total of US\$611 million, thus equating to an overall program envelope of US\$1.371 billion over the five-year period (see table 6).

Table 5. UBE Intervention Fund and PforR Program Boundary (percentage shares)

Fund	Share of Total UBE Intervention Fund	Expenditure Category	Share of UBE Intervention Fund for 17 Focus States under Results Areas 1 and 2	Share of UBE Intervention Fund for All States under Results Area 3	Total Share of UBE Intervention Fund in Program Boundary
Matching grants	50	capital investment	23.0		23.0
Instructional materials	15	goods	6.9		6.9
Educational imbalance	14	capital investment, goods	10.2		10.2
Teacher professional development	10	training	4.6		4.6
Good performance	5	capital investment			
Special education	2	capital investment, goods, training	0.9		0.9
UBE monitoring	2	salaries, operating costs		2.0	2.0
UBE implementation	2	salaries, operating costs			
Total	100		45.6	2.0	47.6

Note: The UBE implementation allocation of 2 percent is excluded as it covers only federal level UBEC salaries and overheads.

Table 6. Operation Cost and Financing (US\$, millions)

	Amount	% of Total
Total Operation cost	1,371	100
Total Program cost	1,338	98
IPF component	33	2
Total financing	1,371	100
Government	760	55
IDA	611	45
Financing gap	0	0

35. **Despite the focus on states with the highest out-of-school populations for Results Areas 1 and 2, the size of the challenge is such that this Operation cannot tackle it alone, and will build on ongoing World Bank interventions.** The 17 focus states are estimated to have around 11.7 million out-of-school children today (assuming constant rates of out-of-schooling since the 2015 NEDS). Over the lifetime of the Operation, the aim is to decrease the number of out-of-school children by 3.8 million children in these 17 states – on the assumption that the out-of-schooling rate can be reduced annually by 10–11 percent in each state. Bearing in mind that the annual population growth rate averages close to 3 percent, by 2022, 6.9 million children may still be out-of-school in the 17 focus states despite Operation interventions. At the same time, given the historically low education outcomes in the North West and North East, as well as the effects of the conflict on the North East in particular, there are ongoing World Bank operations in these zones (see table 7). These operations provide investments toward increasing girls’ enrollment, deploying female teachers in rural areas, and rebuilding school infrastructure destroyed by conflict, among other interventions, thus complementing the interventions incentivized under the proposed Operation. To ensure complementarity and avoid potential resource wastage, the state UBE plans under the present Operation will play a key role. These plans will lay out UBE program

interventions, BESDA interventions, as well as other relevant interventions, including the geographic scope, to avoid any overlap. This complementarity may reduce out-of-schooling in Nigeria at a faster rate than current projections would indicate. However, further interventions will still be necessary beyond the lifetime of the Operation for the number of out-of-school children in Nigeria to be dramatically reduced to the point of near UBE.

Table 7. Ongoing Complementary World Bank-supported Operations

Operation	Project Development Objective	Relevant Component(s)	Geographic Scope
State Education Program Investment Project (SEPIP, P122124)	To strengthen the educational system by supporting: (a) need-based teacher deployment; (b) school-level management and accountability; and (c) measurement of student learning in focus states.	TA to the North East states (US\$18.6 million); Improving Access to Quality Education and Learning Environment in North East states (US\$80.3 million)	All 6 North East states, that is, Adamawa, Bauchi, Borno, Gombe, Taraba, and Yobe
Nigeria Partnership for Education Project (Global Partnership for Education, P143842)	To improve access and quality of basic education in selected states, with particular attention to girls' participation.	Promoting School Effectiveness and Improved Learning Outcomes (US\$42 million); Increasing Access to Basic Education for Out-of-School Children with a Focus on Girls (US\$40 million); Strengthening Planning and Management Systems including Learning Assessment and Capacity Development (US\$18 million)	North West states of Jigawa, Kano, Kaduna, Katsina, and Sokoto
Multi-sectoral Crisis Recovery Project for Northeastern Nigeria (P157891)	To support the Government of Nigeria toward rehabilitating and improving critical service delivery infrastructure, improving the livelihood opportunities of conflict- and displacement-affected communities, and strengthening social cohesion in the states of Borno, Adamawa, and Yobe.	Infrastructure Rehabilitation and Service Delivery Restoration and Improvement (US\$150 million)—specifically in the education sector, reconstruction and repair of damaged school infrastructure such as classrooms, offices, fences, playground, latrines, labs, and other associated service delivery interventions.	North East states of Adamawa, Borno, and Yobe

36. Several development partners are active in basic education in Nigeria and have TA interventions under way that this Operation aims to leverage and expand on (see table 8). Under Results Area 2, this Operation will build on ongoing activities by USAID and the U.K. Department for International Development (DFID) in support of improved literacy and teaching quality. USAID has a five-year program, the Nigeria Northern Education Initiative, which supports Bauchi and Sokoto States in improving children's reading skills. DFID's TDP aims to improve the skills, including language teaching, of 66,000 teachers in six states (Jigawa, Kaduna, Kano, Katsina, Niger, and Zamfara) over 2013–2019. Currently, the TDP is operating in Jigawa, Katsina, and Zamfara States. USAID is also active in supporting Bauchi and Sokoto States in producing state education budgets—an experience that is feeding into the design of the required information under Results Area 3 on state public education spending. The United Nations Children's Fund (UNICEF), is providing TA to the FME to implement the ASC. This TA includes sharing good practice on school record keeping instead of the current approach that is based on enumerators who visit schools for the purpose of collecting data for the ASC. This Operation, will build on

UNICEF’s efforts with respect to the ASC. TA provided by development partners does not cover all the needs in the 17 focus states, so the Operation will expand the geographic coverage as well as range of activities.

Table 8. TA Provided by Other Education Sector Development Partners

Area	Activities	Development Partners
Institutional capacity	MSP (costing and results framework)	DFID
	UBEC institutional review	DFID/MacArthur Foundation
	State education sector plans	UNICEF
	Strengthening of the utilization rules of the UBE Intervention Fund matching grant	DFID
Budget management	FME Medium-term Sector Strategy	DFID
	State Education Accounts	USAID
M&E	National Education Data Survey	USAID
	ASC	UNICEF
Teacher effectiveness	Teacher training	French Government
	Teacher development	DFID/UNICEF
Social accountability	Operationalizing SBMCs	DFID/UNICEF/USAID

D. Disbursement-linked Indicators and Verification Protocols

Table 9. BESDA Disbursement-linked Indicators

DLI 1: Reduced number of out-of-school children in focus states, by gender
DLI 2: Schools adopting primary 1–3 intensive literacy programs in focus states
DLI 3: Improved literacy rates in focus states, by state
DLI 4: Total states implementing and publishing the Annual School Census (ASC), verified by SBMCs
DLI 5: Total states completing state basic education plan and progress report on UBE program implementation, approved by UBEC

37. **DLI 1 measures reduction in the numbers of out-of-school children in basic education (by gender)—the key outcome under Results Area 1.** DLI 1 is measured in absolute numbers of students, not enrollment rates, to take into account the differential sizes of school-age populations across states, where a 1 percent increase in enrollment rate for one state can mean a different number of students than a 1 percent increase in another state. In addition, the dialogue in the country is focused on numbers of out-of-school children—as opposed to rates of enrollment in basic education—and targets in general are defined in absolute terms. DLI 1 relies on a combination of two sources of data: the first is the annual NEDS,²⁵ which provides the out-of-schooling rate; and the second is the school-age population data based on projections by the NPC from the last census in 2006. Since the NPC has successfully implemented the NEDS in the past, and will be doing so again with the support of the TA component to provide quality assurance, additional verification for DLI 1 will not be necessary.

38. **It is important to incentivize not only increased attendance but retention of students, especially girls, in the basic education cycle.** DLI 1 is therefore structured to reward the reduction in out-of-school children in absolute numbers year on year. In other words, if a state achieves reduced numbers in 2018 and is rewarded for this reduction, it will only be rewarded in 2019 if

²⁵ Or a similar household survey acceptable to the World Bank.

there is a further reduction. If a large number of children enrolled in 2018 drop out of school, so that in 2019 the total number of out-of-school children is only slightly lower than what it was in 2018, then the state will receive less resources under the PforR. DLI 1 thus aims to incentivize not only increased attendance, but also retention of those who enroll. Moreover, in an effort to incentivize girls' access, the amount under the DLI is higher per girl than it is per boy attending.

39. **Finally, in order not to incentivize attendance increases that lead to congested classrooms and schools to the detriment of student learning, DLI 1 rewards are capped annually at a reduction of 250,000 in the number of out-of-school children by state.** This number corresponds to roughly a 20 percent reduction in the out-of-school rate of the largest focus state (Kano). This cap provides for increases in attendance while allowing states to undertake the necessary infrastructure and other learning input expansions that will ensure that attending students actually learn in school.

40. **DLI 2—schools adopting primary 1–3 intensive literacy programs—measures a key step toward DLI 3—improved literacy rates by state.** In other words, the ultimate result to be incentivized is an improvement in the literacy rate (DLI 3), but it is clear that this result will require several years of intervention and dedicated effort. To incentivize this effort, DLI 2 rewards the adoption of the intensive literacy programs. For purposes of verification of DLI 2, states will be required to maintain certain records that will be examined by an independent verification agent (IVA) (the National Bureau of Statistics [NBS]) through random spot checks, including (a) literacy program school report; (b) state literacy program report by cluster; (c) coaches' classroom observation records; and (d) records of language textbooks distribution to students. The literacy rate will be derived from the NEDS, so that there is a 2015 baseline by state, though the NEDS provides a low threshold in terms of literacy—the share of 5- to 15-year-olds who are able to read at least one of three words in either English or one of the three national languages of Nigeria.

41. **DLIs 4 and 5 represent the essential ingredients for strengthened accountability for results in basic education.** DLI 4—states implementing and publishing the ASC, including verification by SBMCs—will rely on an agreed uniform template for the ASC that is to be completed across states, combined with verification by the NBS as the IVA that will conduct spot checks at a sample of schools. DLI 5—states planning and reporting on UBE progress, including using public basic education spending data—will again rely on an agreed template with verification undertaken by an IVA from local academic or think-tank institutions.

E. Capacity Building and Institutional Strengthening

42. **The Program aims to support capacity building for Nigeria's education institutions with a focus on improving effectiveness in implementing the UBE program, including through coordinated strategic planning at federal and state levels.** A cross-cutting set of activities will be supported under the TA component to strengthen capacity of the Federal Government and state governments to (a) improve M&E systems and data utilization (including through external validation of data by IVAs responsible for verifying DLIs); (b) increase effectiveness and transparency in UBE program management (including focusing on results, fiduciary and process effectiveness, and information disclosure); and (c) strengthen intergovernmental coordination in areas of policy formulation, strategic planning, and monitoring of UBE program implementation. The TA component will also support the design and

implementation of the national learning assessment (NLA), a communication and outreach agenda, and includes a research agenda to inform UBE program implementation and provide the analytical underpinning for future initiatives focused on out-of-school children and improving the quality of basic education.

43. **The capacity-building and system-strengthening activities will include real-time technical support to education agencies implementing the Program at the federal and state levels.** This technical support includes capacity building of government employees responsible for coordination and implementation of the Operation, at both the federal and state levels. In addition, financial management and procurement capacity will be bolstered. Capacity-building activities are embedded in the TA component for environmental and social safeguards, including support to key sector institutions (FME, UBEC, SUBEBs) on environmental and social management.

44. **Capacity-building and system-strengthening activities will be provided to support all three results areas of the Program.** Under Results Area 1, activities will focus on supporting fielding of the NEDS and organizing peer learning events to promote knowledge sharing of innovative approaches to addressing out-of-school children across states. Under Results Area 2, the TA component includes capacity strengthening for states to (a) develop training programs; (b) prepare state literacy improvement plans; (c) implement intensive literacy improvement programs; and (d) design and hold peer learning events centered on successful implementation of intensive literacy programs. Under Results Area 3, capacity-strengthening activities will focus on supporting (a) the FME to reform its school census methods for school reporting, as well as aggregating and analyzing ASC data; (b) states in carrying out annual UBE implementation plans and progress reports; and (c) UBEC in conducting the UBE program evaluation.

III. PROGRAM IMPLEMENTATION

A. Institutional and Implementation Arrangements

45. **Successful implementation of the Operation will require improved federal-state-local-level communication, coordination, and collaboration.** While the FME has the mandate for policy formulation and coordination, UBEC is responsible for the implementation of the UBE program. BESDA is anchored in this existing structure with additional capacity provided by support teams (and partly financed by the TA component) in UBEC and SUBEBs. A National Policy and Monitoring Team (NPMT) will be appointed within the FME to oversee the Operation. An UBEC National Coordination Team (NCT) will guide implementation of the Operation with support from an UBEC Coordination Support Team (CST). These teams are similarly assembled at the state level between the SME, SUBEB, and LGEAs to perform the respective monitoring, reporting, and implementation functions. The implementation arrangements aim to catalyze system effectiveness through a clear delineation of roles and responsibilities, designated support teams (in UBEC and SUBEBs), and increased fora for engagement (for example, quarterly peer learning activities) across states.

46. **BESDA is a national Operation implemented at multiple levels to meet the demands of the structure of the UBE program.** Responsibility for management and funding of Results Areas 1 and 2 (DLIs 1–3) rests with the SUBEBs in each state. Under Results Area 3, SMEs will be responsible for publication of the ASC (DLI 4) with support from UBEC and SUBEBs. The

preparation of the annual state UBE plans is led by SUBEBs (DLI 5). Interagency coordination is strengthened by the technical group (TG) established among the SME and SUBEB teams to oversee program implementation at the state level. Implementation Support Teams set up within the SUBEBs will be responsible for day-to-day Program management at the state level.

47. **The fiduciary arrangements under the Operation will be based on country systems.** The existing systems of budget preparation and execution, accounting, internal controls, funds flow, financial reporting, external audit, and legislative oversight will be used for Program implementation. Financial management will be anchored in and managed within the Directorate of Finance and Accounts of UBEC and at the SUBEBs. UBEC has a Procurement Unit that manages all procurements, and the NCT will rely on this Procurement Unit to support Program implementation. Procurement at the state level will be carried out by the SUBEBs.

48. **The Federal Government has a number of well-defined policies, instruments, and laws that support environmental and social management and the environmental and social impact assessment processes.** Sectoral policies provide directives to integrate environmental and social considerations in the decision-making process to avoid or minimize impacts associated with Program implementation. The Federal Ministry of Environment (FMEnv) is mandated to coordinate environmental protection and natural resources conservation for sustainable development and will ensure that the program implementation conforms to the statutory guidelines. The Environmental and Social Systems Assessment (ESSA) identifies strengths, gaps, and opportunities in Nigeria's environmental and social management system with respect to effectively addressing the environmental and social risks associated with the Program. The analysis identified several main areas to improve environmental and social due diligence. These are reflected in the PAP to ensure that Program interventions are aligned with the Core Principles of the World Bank Policy for Program-for-Results Financing.

B. Results Monitoring and Evaluation

49. **The Program M&E arrangements will be coordinated by the UBEC CST.** The TA component of the Operation will support efforts toward improving existing databases, data collection processes, and the Program M&E system and its utilization. In particular, the TA component will fund annual implementation of the NEDS, or a similar household survey acceptable to the World Bank, for purposes of tracking attendance and literacy rates. Coordination across various levels of government and agencies will be required to collect, consolidate, and report on the data required for the Program results monitoring and supervision on a regular basis. To facilitate these processes, the CST will follow standardized reporting templates as will be specified in the Operation Implementation Manual (OIM) to ensure that Operation reports provide uniform progress updates on all indicators in the Results Framework and DLI matrix. The UBEC CST may also commission surveys or evaluations as needed to support the Program.

50. **M&E information will be triangulated based on administrative (primarily the ASC) and household survey data (primarily the NEDS), verified with the assistance of the IVAs according to agreed verification protocols.** The IVA for each DLI will assess the validity and completeness of relevant data demonstrating achievement of DLI targets, and the IVA's assessment will serve as a source and basis for disbursement authorization by the World Bank. Annex 3 describes the verification protocols for each DLI.

C. Disbursement Arrangements

51. **Triggered by the achievement of the disbursement-linked results (DLRs), the IDA credit proceeds will be disbursed to the Federal Government’s Special Fund Account, which serves as a subaccount of the Federal Treasury Single Account (TSA) held with the Central Bank of Nigeria (CBN).** Annex 3 shows the agreed list of DLIs and the proposed annual financial allocations across DLIs. The annual amounts are indicative estimates for each DLI and dependent on assumptions made for projected performance year on year. The disbursement will be made against actual results achieved. The allocations across DLIs will be reviewed and/or reallocated (as appropriate) during the course of implementation of the Program. Upon achieving DLRs, a withdrawal application (WA) will be submitted to the World Bank under the joint signature of the FME and UBEC, using the World Bank’s standard disbursement forms through the e-disbursement functionality in the World Bank’s Client Connection system. The WA will be accompanied by certified and cleared evidence from the World Bank task team that the related results were achieved. Disbursements to performing states will be made directly from the Special Fund Account, managed by the FME and UBEC, to the Special Fund Accounts of the respective SUBEBs held with a commercial bank managed by the SUBEBs and SMEs. To mitigate the risk of delay in the transfer of funds from the FME/UBEC to the SUBEBs, service standards will be established to ensure that states’ share of funds received in the TSA at the federal level (by virtue of their meeting the DLIs) is transferred to the states’ accounts within 21 days of receipt of the funds into the Special Fund Account held with the CBN. These service standards will be included as part of the OIM that is referenced in the Financing Agreement.

52. **Disbursement modalities for each DLI.** Details of agreed disbursement modalities for each DLI are provided in annex 3. Some DLIs are scalable, with funds being disbursed in proportion to achievement of the DLI. Where results are not achieved in any particular year, the allocated amount will be carried over to the subsequent year. Where results were partially achieved in any year, the principle of scalability shall apply—that is, the pro rata DLI value attributable to the result achieved shall be disbursed. However, where targeted results are surpassed in any one year, the principle of scalability shall also apply—that is, the full value of the DLI as well as the pro rata DLI value attributable to the surpassed result will be disbursed. Only for DLI 1 on reduction in number of out-of-school children, an annual limit per state of 250,000 children brought into basic education will hold, that is, a state cannot be rewarded for reducing out-of-school children by more than 250,000 in any given year. For the purpose of defining the estimated disbursement allocation on an annual basis, the assumption that all states will meet the target DLIs is considered appropriate; thus, the shortfalls in DLR achievements are projected to equate the over-performance in DLRs across states, on an average basis. Nonetheless, at the time of the Operation’s midterm review, reward amounts to states will be reassessed and realigned, if necessary, pending available Program resources.

53. **Advances.** The Program will provide an advance in 2017, as an enabling provision for Results Areas 1 and 2, of up to a ceiling of 15 percent of the Program credit amount upon effectiveness. The advance will be adjusted against disbursements due when the DLIs are achieved or in the later years of Program implementation. If the DLIs are not achieved as commensurate with the advance by the Operation’s closing date, the advance will be refunded to the World Bank.

54. **DLI verification protocols.** Verification protocols for each DLI are detailed in annex 3. DLIs will be verified by IVAs to be contracted by the FME and submitted to the World Bank as part of the supporting documentation to report achieved results (the report of the IVAs will be verified by the World Bank before confirming achieved results and as part of the approval process to disburse the Program funds). The World Bank will also review the evidence base for all DLIs during implementation.

55. **Disbursement arrangements for the TA component.** Disbursements under the TA component will be made primarily as reimbursements on the basis of unaudited interim financial reports (IFRs) to be submitted on a quarterly basis. The ceiling will be based on six-month forecast expenditures, and replenished quarterly for the same period. The World Bank will disburse the funds to a U.S. dollar Designated Account (DA) opened at the CBN. The DA will be co-managed by UBEC and the FME, which will, on the basis of approved and costed annual work plans (AWPs), disburse funds through the Naira draw-down account (also held with the CBN) directly for FME and UBEC activities, other service providers, and also as imprest advances to states (SUBEBs and SMEs) on a replenishment basis (see schematic diagram on funds flow arrangements under the Operation in annex 10) to finance eligible expenditures.

IV. ASSESSMENT SUMMARY

A. Technical Assessment

56. **The Program's strategic relevance lies in addressing the UBE program's interrelated constraints of lack of accountability for results; resource allocation to states untied to state needs and performance; and overreliance on supply-side interventions to promote access to basic education.** The Program is geared toward rewarding those states with the highest out-of-school populations for demonstrating outcomes in terms of increased equitable access and improved literacy. The Program also incentivizes data collection on key education system attributes and outcomes, use of data in institutionalizing need-based state plans, and in coordinated strategic planning across federal and state levels. Accountability will be strengthened at all levels through this Operation, including with improved reporting by UBEC and SUBEBs and with validation of school data by SBMCs. Implementation arrangements are also structured to foster interagency coordination at federal and state levels between the FME and UBEC.

57. **The Program is technically sound in that it incentivizes demand- and supply-side interventions to improve access to education; builds on tried and tested programs to improve literacy; and incentivizes data collection and utilization for purposes of improved accountability and better effectiveness.** The Program will work differently in different states, responding to the diverse situations on the ground, and will be based on states' own planning and homegrown solutions. At the same time, it will incentivize cross-cutting interventions that are key to overall system strengthening and increased effectiveness, such as the ASC. It also sets the foundations for system-wide quality improvement reform, which could be bolstered under future phases of the Government UBE program.

58. **The DLIs to be financed under BESDA have been selected in accordance with the national strategy and priorities under the targeted results areas.** The five DLIs will pivot the system toward greater emphasis on results and enhance evidence-based planning and management

of the UBE program. The rationale and justification for each of the DLIs is presented in annex 4 table 4.7.

59. **Beyond private returns to education, the economic rationale for public intervention in basic education under this Program is twofold: (a) the social benefits and externalities associated with education and (b) on redistributive and equity grounds.** With regard to social benefits and externalities resulting from education, the evidence on girls' education is particularly strong: better educated women enable better health care and education for their own children. By focusing on educating girls, this Program is not only increasing these girls' productivity, but also leading to higher personal incomes as well as healthier lives. In addition, by educating girls this Program is fostering a virtuous cycle leading to a next generation of healthier and better-educated children. Additionally, from a redistributive and socioeconomic equity point of view, by focusing on educating out-of-school children, this Program is focusing on poorer segments of the Nigerian society. Earlier sections have provided evidence that out-of-school children are disproportionately poor, and some may have become recently impoverished through the conflict in the North East. In addition, potential integration of core basic education subjects into the education of *almajiri* children, who also tend to be poor, would mean that this Program will further improve equitable provision of education services. Finally, this Program fosters a results orientation in the UBE program, thereby making a contribution to improving the efficiency of spending under this government program.

B. Fiduciary Assessment

60. **The Integrated Fiduciary Systems Assessment (IFSA) concludes that the Program's Integrated Fiduciary Systems have the capabilities to provide reasonable assurance that the financing proceeds will be used for intended purposes with the objective of supporting the achievement of the Program objectives.** Nevertheless, the assessment has found that there are a number of weaknesses and risks in the overall fiduciary systems of the Program, warranting the design of action plans to mitigate them. For the purpose of this Program, the key integrated fiduciary risks are the following: (a) the unaudited UBEC financial statements for the past four to five years; (b) weak internal controls in the SUBEBs that could create a fertile ground for fraud and corruption in budget execution, hence undermining the economy, efficiency, and effectiveness of spending; (c) weak procurement capacity at UBEC and SUBEBs to support the tenets of good procurement practices of transparency, competition, and value-for-value; (d) financial reporting that is not linked to reporting on physical outputs and other deliverables; and (e) weaknesses in compliance with the established legal and institutional framework for combating fraud and corruption at the program level, which could undermine the ability of the authorities to detect and address the occurrence of fraud and corruption risk in a timely and effective manner. These risks will need to be mitigated progressively during the implementation of this Program as articulated in the PAP. Hence, the overall Program integrated fiduciary risk is rated 'High'.

61. **There is a robust legal and regulatory framework in place in Nigeria on fraud and anticorruption.** The main piece of legislation is the Corrupt Practices and Other Related Offences Act, 2000. Nigeria has also ratified the United Nations Convention Against Corruption (UNCAC) in 2004. On transparency, Nigeria joined the Open Government Partnership (OGP) in May 2016. For the purpose of the World Bank Program supporting the UBE program, it is critical that an Anti-corruption Transparency Unit (ACTU) be established at UBEC as mandated by the law, and

capacitated in compliance with relevant regulations. When established, it is expected to handle allegations of corruption under the Program and assess the robustness of UBEC systems and report on the matter to the Independent Corrupt Practices and other Related Offences Commission (ICPC) so that it advises its management on remedies to identified weaknesses. Although there is little evidence that investigations into fraud and corrupt practices are systematically carried out by law enforcement agencies, the existing legal and institutional frameworks are robust enough to build on to effectively mitigate against fraud and corruption. To that effect, adequate provisions are incorporated into the PAP.

C. Environmental and Social Assessment

62. **The overall environmental impacts of the Program are likely positive, as this Program is not expected to involve any major civil works that will have significant adverse environmental impacts.** The civil works under the Program will likely focus on rehabilitation, renovation, and expansion of existing schools with limited cases of building new schools. These impacts are site specific and manageable provided that adequate measures are taken during the design, implementation, and operation phases of subprojects. Potential adverse environmental impacts associated with the Program include: (a) community and workers' health and safety risks; (b) water supply (including potable water) and gender-friendly sanitation/latrines facilities in schools; (c) indoor air quality; (d) safety (including absence of perimeter fence) and access for students in schools; (e) disaster/fire safety and emergency response arrangements; and (f) flooding and erosion, particularly in the southern states.

63. **The overall social impacts of the Program are likely positive, owing to the Program design to aim to improve access, equity, and quality of basic education in Nigeria.** The potential adverse social impacts of the Program are not expected to be significant. For example, the Program will not have a significant negative impact related to land acquisition or loss of access to natural resources. There are no indigenous peoples in the Program areas. However, it should be noted that the Program will operate in a country where the political and governance risks are generally high. Different parts of Nigeria are affected adversely by different types of conflicts that might flare up again and potentially affect Program implementation. Specifically, for this Program, there are the following key potential social risks:

- (a) Exclusion of vulnerable groups of children from education services.
- (b) Potential risks associated with land acquisition for school buildings.
- (c) Potential increased risk of violence against children (including emotional, physical, and sexual abuse) from other students, teachers, or older youth and internal clashes at school because of increased enrollment, social conflict, and so on.
- (d) Negative social impacts from ongoing insecurity in the North East conflict.

64. **Based on the ESSA for this Program, which has been prepared through a review of the available data, extensive consultations with stakeholders, and detailed analysis of the environmental and social effects of the Program and the institutional context, main areas for action have been identified to ensure that the Program interventions are aligned with the Core Principles of World Bank Policy for Program-for-Results Financing.** The consultations with different stakeholders undertaken for the preparation of the ESSA included federal, state, and

local government agencies, development/funding partners, civil society organizations (CSOs), and representatives of teachers, parents, community, and youth leaders. The task team also undertook some field visits, including to schools. Formal consultations were undertaken during appraisal with a large group of stakeholders, covering both the northern and southern states. The draft ESSA was shared with the FME and UBEC, publicly disclosed at the World Bank Infoshop on February 23, 2017, and at the same time shared with other stakeholders involved with environmental and social management issues in Nigeria before the formal consultation. The final report was publicly disclosed at the World Bank Infoshop on May 9, 2017, and will be also disclosed in-country at relevant government agencies. The key actions and measures identified in the ESSA have been included as part of the PAP for improved environmental and social due diligence in BESDA.

65. The TA component will use the IPF instrument to support a set of TA activities. Environmental and social impact under the TA component is negligible, and is addressed separately through the Integrated Safeguards Data Sheet.

66. Grievance Redress Mechanism. Communities and individuals who believe that they are adversely affected as a result of a World Bank supported PforR Program, as defined by the applicable policy and procedures, may submit complaints to the existing program grievance redress mechanism or the World Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent concerns. Affected communities and individuals may submit their complaint to the World Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of the World Bank non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate GRS, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

D. Risk Assessment

67. The overall risk of the proposed Operation is rated as Substantial.

68. Political, governance, and macroeconomic risks are rated high. The political and governance risks are high given the nature of Nigerian federalism, with great state autonomy, combined with concurrent and overlapping responsibilities for basic education between the Federal Government and state governments, as well as different entities at the state level. Since implementation and achievement of results will rely primarily on actions and implementation at the state, local, and school levels, yet the UBE program is a federal program, there is the potential risk that incentives will not reach the state and lower levels. The macroeconomic risk is also high given the magnitude of the fiscal crunch that affects the capacity of state governments to pay for salaries, as well as Nigeria's uncertain economic outlook in the short to medium term. In addition, different parts of Nigeria remain affected by different types of conflicts that might flare up again and potentially impact implementation severely. For the North East in particular, the situation remains fluid with varying reports on whether displaced populations are likely to return or remain in the large urban centers, such as Maiduguri in Borno.

69. **Risk mitigation measures in this regard include defining service standards in the OIM and PAP in relation to timeliness of payments from the Special Fund Account at the federal level to the states, with a view to incentivizing them more promptly for their achievements under the DLIs.** Other risk mitigation measures include clear definitions of roles and responsibilities for implementation coordination and M&E arrangements at the federal and state levels; and inclusion of a TA component, designed to enhance implementation, coordination, and M&E capacities at both federal and state levels.

70. **In a challenging operational environment where transition from conflict to peace remains fragile, concerted efforts across federal, state, and local actors will be necessary to minimize any negative impact on Program implementation in the North East.** The Program will support ongoing efforts and closely coordinate and communicate with agencies and civil society groups working in the conflict areas of the North East. The Program will consider third-party monitoring by civil society to confirm that environmental and social measures have been carried out, for example. The Program will coordinate closely with ongoing World Bank-financed projects and activities in the North East. At the Midterm Review (MTR), progress in implementation in conflict-affected areas will be assessed and any course adjustments put in place.

71. **Fiduciary risks are high.** The IFSA found that the Program's fiduciary systems have the capabilities to provide reasonable assurance that the financing proceeds will be used for intended purposes with the objective of supporting the achievement of the Program objectives. Nevertheless, the assessment has found that there are a number of weaknesses and risks in the overall fiduciary systems of the Program, warranting the design of action plans to mitigate them. The overall Program integrated fiduciary risk is rated High before these mitigating measures. Overall Program risk is expected to be reassessed during implementation based on progress in implementing agreed mitigation measures.

72. **The risks associated with the technical design of the Operation as well as the institutional capacity for implementation and sustainability are rated Substantial.** This Operation represents the first PforR in the education sector in Nigeria, requiring a country- and system-wide results focus in the education sector that key actors are not familiar with to date. In addition, there is a substantial risk associated with potential overcrowding from large increases in access, dilution of quality, and low retention of students. The potential risk that the accuracy of NEDS data could be questioned by states could hamper recognition and reward of results. Donor-driven surveys and assessments have not been fully owned by government agencies in the past. Institutional capacity risks also are rated substantial given the multiple institutions involved, the lack of effective coordination between them, as well the very weak M&E systems currently in place. Lack of mutual accountability and shared interests in coordinating and collaborating at federal and state levels is further threatened by weak communication channels and feedback loops. The risk associated with sector strategies and policies is rated moderate given the long-standing existence of the UBE program, the recent official recommitment to the UBE program in the MSP, and the budgetary commitment to the UBE program in the MTEF.

73. **The Operation's design mitigates technical and implementation risks through strong stakeholder engagement at federal and state levels.** The design of the DLIs and their verification protocols benefited from effective stakeholder engagement at federal and state levels. Implementation arrangements are structured to foster coordination between the different entities

at federal as well as state levels, in addition to across the levels of government. The TA component additionally puts in place a peer learning and review mechanism where states can share experiences and innovative solutions with other states, thereby strengthening technical aspects of the Program.

E. Program Action Plan

74. **The technical assessment reveals a number of weaknesses in the UBE program implementation and institutional framework that the proposed Operation aims to address.** Some of the DLIs incentivize enhanced accountability for results, but for the Federal Government and the state governments to achieve targeted results a number of management and accountability tools need to be strengthened. Accordingly, the proposed PAP focuses on the following objectives:

- Improving fiduciary effectiveness and accountability;
- Promoting transparency and accountability; and
- Operationalizing citizen engagement, including on social and environmental safeguards.

75. **To strengthen fiduciary accountability and effectiveness, UBEC financial statements will be audited as mandated and UBEC will report on the physical outputs of the matching grant under the UBE Intervention Fund.** Audited financial statements for the latest two years (FY2015 and FY2016) will be publicly disclosed and the UBEC annual activity report will provide information on value for money. Procurement processes will also be improved through the preparation of procurement plans; the conduct of Procurement Post Review and implementation of its findings as mandated by the Public Procurement Act (PPA); and UBEC compliance with Open Contracting Standards and Guidelines (as prescribed by the Bureau of Public Procurement [BPP]). The Program will provide necessary capacity-building support to UBEC staff to carry out this statutory function. On transparency, UBEC will comply with the requirements of the Freedom of Information Act on proactive disclosure.

76. **To trigger any necessary midcourse corrections while strengthening accountability for results under the UBE program, UBEC will conduct a program evaluation, financed by the TA component, in FY2019.** UBEC will discuss with SUBEBs the findings of this midterm program evaluation, jointly committing to an action plan to address program implementation weaknesses and inefficiencies. The output of UBEC's program evaluation will also feed into the World Bank's MTR of the Program as a whole, which will in turn put in place any necessary adjustments to improve Program implementation for the remaining lifetime of the Operation.

77. **On social accountability, citizen feedback will be institutionalized through the strengthening of grievance redress and stakeholder consultation, particularly with regard to environmental and social issues.** UBEC will operationalize its fraud and corruption complaints and redress mechanism. On social and environmental safeguards, UBEC will be developing and mainstreaming environmental and social guidelines, annually monitoring progress on environmental and social issues, and regularly coordinating with agencies and civil society groups working in the conflict areas of the North East on environmental and social issues.

Annex 1: Detailed Program Description

1. **The PDO is to increase equitable access for out-of-school children and improve literacy in focus states, and strengthen accountability for results, in basic education in Nigeria.** The Operation is a hybrid PforR, consisting of two parts: the Program (US\$578 million) and a TA component (US\$33 million) which uses the IPF instrument. This annex provides details on the Program and details on the TA component are presented in annex 10.

2. **The UBE program, funded by the UBE Intervention Fund that is channeled through UBEC, represents the relevant government program.** Earlier sections have described the main objectives and some history of the UBE program. The UBE program has entailed different interventions over the years, although arguably these interventions have focused far more on alleviating supply-side than demand-side constraints, in particular by providing school infrastructure. In addition, interventions under the UBE program have not been sufficiently assessed for their efficacy in achieving the program's stated goals. Some of the main interventions supported by the UBE program (with financing from the UBE Intervention Fund) are described below.

3. **The *Almajiri* Education Program was a flagship program under the UBE program over the 2011–2015 period in addressing out-of-school children.** The *almajiri* are pre-adolescent to early-teen pupils who attend residential Islamic religious schools that have only one curriculum, the Qur'an. Various called Tsangaya schools, *almajiri* schools, or Makarantar Allo, these traditional Qur'anic schools are common and numerous throughout northern Nigeria. The schools are led by a Mallam or an Alamma who is responsible for the care of the students, often with assistance from other graduates of the same study group. The pupils are predominantly male, with many of them having been brought by their parents from other villages to the school. Urban spread, however, has made it possible to have many girls as pupils, although they rarely go beyond the elementary stage of schooling. These girls are students from the neighborhoods where the school is located and participate only as day students. Students are assessed on a continuum of learning and based on their mastery of the Qur'an, and *almajiri* schools are classified as informal schools that fall outside the mainstream conventional structure of education. The *Almajiri* Education Program therefore sought to establish integrated *almajiri* model schools that include formal basic education subjects in the curriculum. Close to 300 such schools were established and supplied with textbooks and teachers' guides (see table 1.1). Deployment of teachers to these schools posed a challenge, as did the non-integration of the existing instructors.

4. **Other flagship programs under the UBE program are the Girl-Child Education Program and the UBE Boy-Child Program.** In recognition of the need to increase female enrollment in basic education, the Girl-Child Education Program sought to establish all-girls' schools, with female teachers, and embarked on the construction of these schools. Regarding boys in the South East and South South regions in particular, the UBE Boy-Child Program sought to retain boys in basic education through the establishment of vocational basic education schools. As table 1.1 shows, the number of established schools was relatively small, that is, 67 for the all-girls' schools and 16 for the boys' vocational schools—with no data on actual enrollment in these schools.

5. **Though the UBE Intervention Fund allocates the majority of funds to promoting access to basic education through improved infrastructure, it also finances improved quality through allocations to TPD and provision of textbooks and learning materials.** Thus, the UBE Act recognizes the critical role of teachers in ensuring quality basic education through proper implementation of the curriculum. Quality education can only be attained with an adequate number of teachers committed to teaching and helping every student achieve the expected learning outcomes at each grade level. To support the capacity-building programs for teachers and school managers, the UBE Intervention Fund allocates 10 percent annually to TPD, shared equally among the 36 states and Abuja, and provided unconditionally. The funding can be used for in-service TDPs (covering both subject content and pedagogy) that are provided by the National Teaching Institute, National Institute of Education Planning and Administration, Faculties of Education, Colleges of Education, and other appropriate training providers. Table 1.1 shows that over 1 million teachers were trained during 2009–2014. Recognizing that accessing textbooks and other reading materials is key for learning achievement, the UBE program allocates 15 percent of the UBE Intervention Fund for the provision of these. The objective is to provide one textbook per student to enhance learning achievement, life skills, and instill a culture of reading. Core textbooks (4 in primary and 5 in junior secondary education) are included in this UBE subprogram, and funding is shared equally among the states. The textbook demand is determined by the State Commissioner for Education and SUBEB Executive Chair. Table 1.1 shows that over 126.5 million books were distributed to states during 2009–2014.

6. **The above-described UBE program activities fall under UBEC’s direct intervention projects, which are separate from the matching grant for basic education infrastructure, where states match the federal funding provided.** Though infrastructure already looms large in the direct intervention projects described, in fact the current UBE Intervention Fund allocation formula provides for fully 50 percent of the Fund for purposes of the matching grant for infrastructure. With respect to the matching grant, that is, 50 percent of the UBE Intervention Fund, available data report only on funds released and accessed by states (meaning states put up the counterpart funding) without reporting on actual construction completed or equipment purchased with the funds (see table 1.2).

7. **The Federal Government of Nigeria introduced the Federal Teachers’ Scheme (FTS) in 2006 with the aim of addressing the shortage of qualified teachers in basic education—a scheme outside the UBE program but of importance to the achievement of universal basic education.** The scheme was a two-year program, designed to cater to unemployed National Certificate of Education graduates, who are employed by the Federal Government and posted to states for a two-year period before formal absorption by the states. Funding for the scheme was outside the UBE Intervention Fund, though it was run by UBEC. The first batch of roughly 40,000—all primary teachers—graduated in 2008, of whom roughly 26,000 were retained by the states. UBEC enlisted 34,000 fresh participants in 2009, with only 7,600 primary and 1,800 junior secondary teachers being retained by the states due to fiscal constraints. By 2013, despite UBEC enlisting close to 24,000 teachers, only 2,500 primary and 700 junior secondary teachers were retained by the states. In the final 2013–2015 batch, UBEC recruited close to 16,000 participants, and the states retained 1,500 in primary and 300 in junior secondary schools.

Table 1.1. Summary of UBE Direct Intervention Projects as of March 31, 2016

State	Almajiri Model Schools					Vocational Schools (Boy Child)	Model Girls Secondary Schools (Girl Child)	E-libraries	Total -- All Projects	Renovation/ Rehabilitation Works in Schools		Teachers recruited to States & FCT (FTS) (2006-2015)	Teachers trained for States & FCT (2009-2014)	Textbooks Distributed to States (2009-2014)
	UBEC Model I	UBEC Model II	UBEC/ Tertiary Education Trust Fund	UBEC Support to Model III	Total					Number of Schools	Number of Classrooms			
Abia	-	-	-	1	1	1	-	2	4	6	36	3,500	25,626	2,635,411
Adamawa	4	1	2	4	11	-	1	5	17	-	-	4,072	27,632	3,277,001
Akwa Ibom	-	-	-	-	-	1	1	3	5	-	-	3,885	29,192	4,520,566
Anambra	-	-	-	1	1	1	-	3	5	8	48	1,753	26,793	4,111,548
Bauchi	5	2	2	4	13	-	5	3	21	10	60	2,148	23,042	1,519,702
Bayelsa	-	-	-	1	1	2	2	2	7	8	48	3,274	19,680	2,816,187
Benue	-	-	1	-	1	-	2	4	7	7	42	3,644	19,423	3,449,525
Borno	5	1	3	8	17	-	-	1	18	-	-	3,499	19,635	3,310,871
Cross River	-	-	-	-	-	1	2	1	4	2	12	3,472	34,756	2,529,792
Delta	-	-	-	1	1	2	1	2	6	5	30	3,281	23,979	2,834,198
Ebonyi	-	-	-	1	1	2	1	1	5	-	-	3,463	41,601	2,860,269
Edo	1	-	1	4	6	2	1	2	11	7	42	3,486	27,512	3,012,382
Ekiti	1	-	-	3	4	-	2	2	8	-	-	2,214	37,696	2,295,687
Enugu	-	-	-	3	3	-	-	3	6	2	12	3,437	23,791	2,549,276
Gombe	2	1	2	5	10	-	3	3	16	-	-	3,234	21,210	2,510,302
Imo	-	-	-	-	-	2	2	2	6	12	72	3,070	21,935	2,855,440
Jigawa	4	1	2	3	10	-	1	4	15	1	6	2,795	32,848	3,371,670
Kaduna	7	1	2	5	15	-	3	5	23	25	150	3,111	75,469	2,969,227
Kano	8	1	3	10	22	-	3	3	28	14	84	3,123	42,489	4,735,516
Katsina	7	1	2	18	28	-	4	4	36	33	198	3,039	25,529	7,653,597
Kebbi	3	1	2	5	11	-	2	4	17	1	6	2,640	20,649	6,519,854
Kogi	4	-	1	5	10	-	3	4	17	5	30	3,392	22,975	3,067,043
Kwara	5	-	2	4	11	-	1	3	15	3	18	3,490	32,943	5,540,435
Lagos	1	-	-	-	1	-	1	4	6	2	12	2,445	31,938	2,746,960
Nasarawa	3	2	1	3	9	-	4	5	18	9	54	3,236	26,761	1,652,254
Niger	4	2	2	2	10	-	3	6	19	3	18	3,653	34,480	2,609,351
Ogun	3	-	-	6	9	-	1	3	13	-	-	2,295	20,019	3,931,429
Ondo	2	-	-	1	3	-	1	3	7	1	6	3,433	22,519	2,305,874
Osun	4	-	-	7	11	-	1	3	15	4	24	3,368	23,493	4,736,950
Oyo	5	-	-	5	10	-	1	1	12	10	60	3,451	26,273	3,081,876
Plateau	1	-	-	9	10	-	4	4	18	22	132	3,329	42,193	4,656,191
Rivers	-	1	-	-	1	2	2	4	9	24	144	2,160	20,161	4,056,154
Sokoto	7	1	2	5	15	-	2	6	23	-	-	3,044	24,766	2,628,433
Taraba	2	-	1	3	6	-	2	3	11	3	18	3,247	19,857	4,121,502
Yobe	3	1	2	4	10	-	2	3	15	1	6	2,597	22,292	3,061,407
Zamfara	9	1	2	5	17	-	2	3	22	4	24	2,903	23,780	3,484,959
FCT Abuja	1	-	1	2	4	-	1	5	10	16	96	3,732	24,961	2,490,268
Total	101	18	36	138	293	16	67	119	495	248	1,488	115,915	1,039,898	126,509,107

Source: UBEC at <https://ubeconline.com/projects/SUMMARY%20OF%20FGN-UBE%20INTERVENTION%20PROJECTS%20AND%20FUNDS%20AS%20AT%2031ST%20MARCH%202016.pdf>

Table 1.2. Disbursements of Matching Grant to States from 2005–2016 as of March 31, 2017 (Naira)

State	2005-2006	2007-2008	2009-2010	2011-2012	2013-2014	2015	2016	TOTAL	Share of Allocation (%)
Abia	1,036,378,378	1,464,797,296	1,153,903,587	1,699,033,127	1,983,094,595	-	-	7,337,206,983	79.0
Adamawa	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	-	-	7,363,637,877	79.3
Akwa Ibom	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	-	-	7,363,637,877	79.3
Anambra	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	-	8,240,394,634	88.8
Bauchi	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	-	8,240,394,634	88.8
Bayelsa	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,030,797,297	-	-	6,411,340,580	69.1
Benue	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	-	8,240,394,634	88.8
Borno	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	1,042,027,027	9,282,421,661	100.0
Cross River	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	-	8,240,394,634	88.8
Delta	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	-	-	7,363,637,877	79.3
Ebonyi	1,036,378,378	1,464,797,296	1,153,903,587	1,607,392,801	-	-	-	5,262,472,063	56.7
Edo	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,506,945,938	-	-	6,887,489,220	74.2
Ekiti	1,036,378,378	1,464,797,296	1,153,903,587	1,724,936,714	1,983,094,595	816,113,157	-	8,179,223,728	88.1
Enugu	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	425,672,218	-	-	5,806,215,500	62.6
Gombe	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	-	8,240,394,634	88.8
Imo	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	-	8,240,394,634	88.8
Jigawa	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	-	8,240,394,634	88.8
Kaduna	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	-	8,240,394,634	88.8
Kano	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	-	8,240,394,634	88.8
Katsina	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	-	8,240,394,634	88.8
Kebbi	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	-	8,240,394,634	88.8
Kogi	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	-	-	7,363,637,877	79.3
Kwara	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	-	8,240,394,634	88.8
Lagos	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	-	8,240,394,634	88.8
Nasarawa	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	607,849,100	8,848,243,734	95.3
Niger	1,036,378,378	1,464,797,296	1,153,903,587	1,720,464,021	1,030,797,297	-	-	6,406,340,580	69.0
Ogun	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,030,797,297	-	-	6,411,340,580	69.1
Ondo	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	-	-	-	5,380,543,282	58.0
Osun	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	-	-	7,363,637,877	79.3
Oyo	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,030,797,297	-	-	6,411,340,580	69.1
Plateau	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	-	-	7,363,637,877	79.3
Rivers	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	1,042,027,027	9,282,421,661	100.0
Sokoto	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	-	8,240,394,634	88.8
Taraba	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	-	8,240,394,634	88.8
Yobe	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	241,430,214	-	7,605,068,091	81.9
Zamfara	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	801,437,910	-	8,165,075,787	88.0
FCT Abuja	1,036,378,378	1,464,797,296	1,153,903,587	1,725,464,021	1,983,094,595	876,756,757	-	8,240,394,634	88.8
Curriculum	-	1,312,500,000	-	-	-	-	-	1,312,500,000	100.0
Total	38,346,000,000	55,509,999,952	42,694,432,729	63,692,139,343	63,565,550,588	18,517,359,660	-	285,017,385,426	82.7

Source: UBEC at

<https://ubeconline.com/Pre/DISBURSEMENT%20MATCHING%20GRANT%20UPDATE%20AS%20AT%2031ST%20MARCH%202017.pdf>

8. **Another important Federal program outside the UBE program is the Home Grown School Feeding and Health Program (HGSFHP), which was rolled out in 2005, initially in 12 states and Abuja, with the expectation that states would add counterpart funding to the federal funding and sustain the HGSFHP after the eventual withdrawal of the federal funding.** The hope was that the HGSFHP would improve enrollment, retention, and completion of basic education in the pilot states. It quickly became clear that sizeable funds are required for this intervention, despite attempts to target poorer communities with low enrollment specifically and to use locally sourced food items. Thus, when the federal funding was discontinued in 2008, only Osun State and Abuja expressed interest in continuing with the HGSFHP.

9. **The Program will support the Nigerian Government’s commitment to UBE, enacted in the 2004 UBE Act, and reiterated by the FME in the MSP 2016–2019.** The Program will facilitate the achievement of UBE in the country with a main focus on enrolling out-of-school children and ensuring literacy in basic education in focus states to achieve equitable access and quality education for all children, regardless of gender, geographic location, and household income. The Program will also support the Federal Government’s renewed commitments to strengthen the institutional framework for providing basic education, including greater accountability and coordination across the three tiers of government. The Program has three results areas: (a) increasing equitable access for out-of-school children in focus states; (b) improving literacy in focus states; and (c) strengthening accountability for results.

Results Area 1: Increasing equitable access for out-of-school children in focus states (estimated cost US\$341.5 million)

10. **The main objective of this results area is to make progress toward UBE in Nigeria.** If the rate of out-of-school children is not decreased, then by 2022, it is estimated that over 15 million children (ages 5–15) could be out of school in Nigeria. Taking into account natural population growth, the challenge is to ensure that those states with the highest number of out-of-school children are supported with sufficient resources to address the issue. Under this results area, the Program aims at incentivizing and expediting targeted access interventions that will likely vary by state as individual states have differences in numbers and types of out-of-school children. The 17 focus states have the following key out-of-school populations:

- (a) Girls—who are either never enrolled in school or withdrawn early from school for early marriage, domestic chores, or hawking (petty trade) on behalf of their mother, among other reasons.
- (b) *Almajiri* children—who are pre-adolescent to early-teen pupils who attend residential Islamic religious schools, common throughout northern Nigeria, that have only one curriculum, the Qur’an, and are led by a teacher (Mallam) who is responsible for the care of the students. Pupils are predominantly male, with many of them having been brought by their parents from other villages to the school, but urban spread has made it possible to have girls as pupils, participating as day students and rarely going beyond the elementary stage of schooling. Students are assessed only on their mastery of the Qur’an, so the *almajiri* schools are classified as informal schools that fall outside the mainstream structure of education.
- (c) Children of nomadic pastoralists—whose itinerant lifestyle makes it difficult for them to participate in regular formal education.

- (d) Internally displaced children—given the recent conflict in the North East and the continued uncertain security situation in the region, many states (Borno in particular) have large numbers of internally displaced children in camps but predominantly residing with host communities. Even when these internally displaced return to their homes, they are likely to find that many of their schools are destroyed or damaged and their teachers absent or afraid to return to teaching, given the targeting of teachers and schools by the Boko Haram insurgency. These internally displaced are swelling the already large ranks of out-of-school children in the North East.

11. To achieve the result of decreasing the number out-of-school children (DLI 1), states will need to prepare a detailed budget and implementation plan that includes (a) basic data on existing schools, students, and teachers by location/LGA (using the ASC); (b) identification of main populations of out-of-school children, for example, girls, *almajiri*, nomadic, internally displaced, and/or simply poor children, by location/LGA; (c) specific annual targets for enrolling or integrating the target out-of-school groups into basic education by location/LGA; (d) specific demand-side or social mobilization programs by target group and by location/LGA; and (e) specific supply-side programs, for example, expansion of school facilities and teaching force, by target groups and by location/LGA. Therefore, the state UBE plan will include interventions under the government UBE program, BESDA, as well as other relevant donor projects to coordinate efforts.

12. **The Program will support a mix of supply- and demand-side initiatives that aim to address out-of-schooling in the focus states.** For girls, states may opt to build separate schools or additional classrooms for girls, or ensure that enough clean toilets are available at the school, or else provide CCTs to households to send their daughters to school (potentially for purchasing uniforms and textbooks), girls' scholarships, as well as school feeding. The latter is already ongoing in some states and states are reporting large increases in enrollment and retention of girls and boys as a result of the school feeding program. For *almajiri* children, states may build on the experience with integrating Islamiya schools—a reform that introduced basic education core subject into Islamiya schools, which are similar to *almajiri* schools in that they focus on Islamic religious teaching (but are day schools only). The introduction of the core subjects led to deployment of teachers by SUBEB, resulting in integrated Islamiya schools that are now considered part of formal basic education. For nomadic children, some states have experimented with providing mobile classrooms to the nomadic community, and then teachers are brought in to teach the nomadic children in these classrooms when the community settles for a relatively longer period in a particular location. For the internally displaced children, temporary tent classrooms have been used in camps, as well as double shifting in existing schools in host communities (which requires hiring additional teachers for the second shift). Once the internally displaced return to their homes in significant numbers, there will be need for large infrastructure investments as well as provision of psychosocial training and assistance both for teachers and students.

13. **Using size of out-of-school population as the primary criterion, 17 states are eligible for funds under Results Area 1 (and, therefore, also under Results Area 2).** Seven of these states are in the North West, six in the North East, and one in each of the other four Nigerian zones. Table 1.3 provides the expected reduction in basic education out-of-school children in each of these states over the lifetime of the Program, assuming a consistent 10–11 percent reduction in the out-of-schooling rate in each state every year. This assumption is clearly tenuous as not all states

will reduce their out-of-schooling rate at the same speed every year, and there may well be delayed or expedited implementation in some states versus others. Table 1.3 therefore serves mostly the purpose of providing an estimate of expected total reduction by state and by year during the BESDA. It is important to note here that even with the reduction in numbers of out-of-school children under the present Program, the size of the out-of-school population in the 17 states alone is expected to remain large—with around 6.9 million 5- to 15-year-olds in 2022. The issue of out-of-school children in Nigeria will, therefore, require concerted efforts over a longer period of time, and this Program can be considered a first phase for additional interventions, either targeting the same states or expanding the geographic scope or both.

14. **States are encouraged to prepare for reaching out to their out-of-school population for the coming 2017/2018 school year.** This preparation will start with states reviewing the baseline data on out-of-school children provided by the 2015 NEDS. States will use their total number of out-of-school children to estimate the number in each LGA by type, for example girls, nomadic, *almajiri*, internally displaced persons (IDPs), other. Next, states review their school data from the ASC with respect to the pupil/classroom and pupil/teacher ratios (by LGA) to identify LGAs and schools that can immediately enroll new students with their existing resources and schools that require additional teachers and infrastructure. The subsequent step is to set the target for enrolling additional students in the 2017/2018 school year by LGA and type of out-of-school children and prepare the necessary intervention to achieve these targets. If these steps are completed by focus states after January 1, 2017 and by Operation effectiveness, and pending verification by the IVA, then states will be rewarded for having achieved these prior results.

Table 1.3. Expected Reduction in Number of Out-of-school Children of Basic Education Age in Focus States (2018–2022)

Region	State	Reduction in Out-of-school Population					Total
		2018	2019	2020	2021	2022	
North East	Adamawa	19,387	17,720	16,196	14,803	13,529	81,634
North East	Bauchi	80,721	74,067	67,961	62,359	57,219	342,327
North East	Borno	96,208	88,277	81,000	74,323	68,196	408,003
North East	Gombe	35,940	32,925	30,164	27,634	25,317	151,980
North East	Taraba	23,126	21,137	19,319	17,658	16,139	97,379
North East	Yobe	51,194	47,010	43,169	39,641	36,402	217,417
North West	Jigawa	61,876	56,554	51,690	47,244	43,180	260,544
North West	Kaduna	58,511	53,520	48,955	44,779	40,960	246,726
North West	Kano	102,992	94,429	86,577	79,378	72,778	436,153
North West	Katsina	91,283	83,496	76,374	69,860	63,901	384,914
North West	Kebbi	65,087	59,582	54,542	49,929	45,706	274,844
North West	Sokoto	74,419	68,071	62,264	56,953	52,095	313,803
North West	Zamafara	63,628	58,292	53,403	48,924	44,821	269,067
North Central	Niger	40,199	36,885	33,844	31,054	28,495	170,477
South East	Ebonyi	4,297	3,925	3,584	3,274	2,990	18,070
South South	Rivers	8,659	7,945	7,290	6,689	6,138	36,722
South West	Oyo	21,351	19,591	17,976	16,494	15,135	90,548
	Total	898,878	823,426	754,310	690,996	632,999	3,800,609

Results Area 2: Improving literacy in focus states (estimated cost US\$180 million)

15. **This results area will strengthen the quality of teaching and learning in basic education and can contribute to improving the literacy rates among children in Nigeria.** In 2015, Nigeria’s overall literacy level for the 5–16 age group was only 48.5 percent. Literacy rates

varied significantly across geopolitical zones, urban and rural locations, and socioeconomic conditions. Seventeen states were found to have literacy rates below the national average, and these are the states that also have the highest incidence of out-of-school children.

16. The Program will incentivize and provide technical support to focus states to adopt and implement intensive literacy improvement programs. BESDA can build on existing initiatives supported by international development partners for literacy improvement. Specifically, currently Nigeria is implementing the following innovative literacy/reading improvement programs:

- Funded by the USAID, the Nigeria Northern Education Initiative (NEI+) five-year program is supporting participating states to improve children's reading skills. NEI+ is currently implemented in Bauchi and Sokoto States.
- Funded by the DFID, the TDP aims to improve the skills, including language teaching, of 66,000 teachers in six states (Jigawa, Kaduna, Kano, Katsina, Niger, and Zamfara). The program started in 2013 and will last until 2019. Currently, the TDP is operating in three states—Jigawa, Katsina and Zamfara. The TDP scope covers key subjects such as English, mathematics, and science. Recently, the TDP also developed teaching and learning tools for students and teachers in the Hausa language.

17. Reviews of ongoing literacy programs in Nigeria and international best practices suggest that BESDA literacy interventions should incorporate the following features:

- *Focus on the early grades:* Research shows that early grades are the best time for students to learn to read.
- *Adequate availability of language textbooks:* To learn to read letters, words, passages, and sentences, students need to have their eyes on the text. If three to four students share one textbook, they cannot see clearly.
- *Textbooks have appropriate design:* While spoken language learning is natural, reading starts with vision that helps decode sounds into letters/words/sentences. Textbooks for the 'learning to read' stage ought to facilitate efficient encoding/decoding of text.
- *Teachers' guides that are appropriate and teacher training that follows the textbook and teachers' guides:* Teachers' guides need to be structured according to the reading skill development in student textbooks.
- *Adequate time spent by teachers and students on reading/literacy improvement:* To overcome barriers of limited home learning environment, students need to spend more quality time learning to read at schools to attain automaticity.
- *Assessment of student progress done regularly and learning gaps identified and addressed in time:* Reading goals for each grade need to be clearly set and teachers need to be equipped with skills to conduct the assessment and use the assessment findings to adjust their teaching strategies to help students who lag behind.
- *Regular coaching, combining school-based and external support:* Teachers teaching early grade reading need constant support through coaching, including classroom observation and feedback.

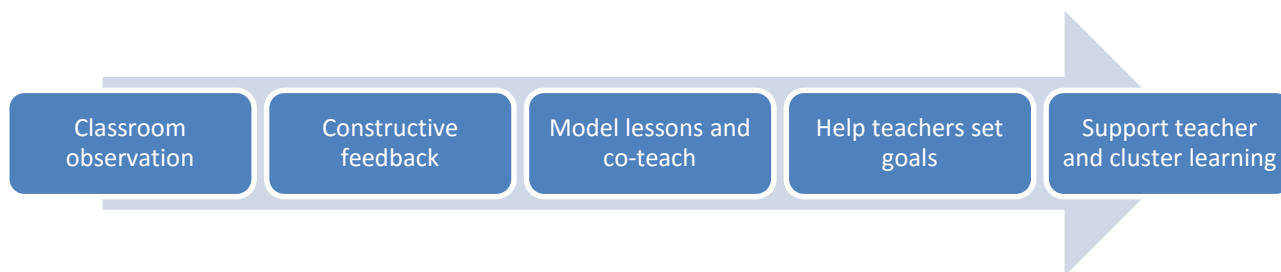
- *Ensuring a critical mass:* For reading/literacy improvement programs to achieve their goals, a critical mass of students, teachers, and schools need to participate for a sustained period.

18. **States would be supported to develop plans for implementing the selected literacy program.** The plan would include (a) selection of schools to participate in the program; (b) provision of pupil language textbooks and teachers’ guides; (c) training of teachers; and (d) mentoring and coaching teachers during implementation. Specifically:

- **Selection of schools:** Criteria for selecting schools shall, among others, include the following:
 - Rural schools;
 - Schools enrolling more primary 1–3 students than during the baseline year (2016/2017 school year); and
 - Schools with higher share of primary 1–3 language teachers who are not yet qualified.
- **Provision of pupil textbooks and teacher guides.** It is critical that all students participating in the program receive the grade language textbooks at the beginning of the school year. In the same manner, all teachers participating in the program shall receive the textbook, teachers’ guide, and teacher training manual before the school year starts. To ensure value for money, it may be efficient for states to identify the total number of books and teachers’ guides needed well in advance and UBEC will procure the textbooks and teachers’ guides in bulk.
- **Teacher training.** The training program shall ensure that participating teachers are able to implement the literacy program step by step for the school year. Training shall be provided to teachers before the school year starts and refresher training shall be provided during Term 2 and Term 3. The teacher training modality can follow that of UBEC’s TPD. There will be three levels of training. The first level is the **state master trainers**. Master trainers are experienced and skilled language educators and trainers who have had experience training trainers in early grade reading. They will be trained by key staff and experts in the BESDA Results Area 2 coordinating team. The second level is the **trainers of teachers (TOTs)/coaches**. The TOTs are chosen by the state/LGAs to lead the training of teachers at the cluster level in LGAs. They will train the teachers and provide coaching and follow-up support to the teachers after the face-to-face trainings. The third level is the **teachers and head teachers**. They will be trained at cluster center schools in the LGEAs. It is expected that the training of teachers in each cluster will follow the training manual very closely to ensure that the teachers know, understand, and can do the approaches as laid out in the teachers’ guides. The training will include a practicum where all trainers and teachers will practice lessons from the teacher’s guides with pupils. Each trainer will get a chance to practice in front of peers, receive constructive feedback, and further opportunities to improve. Trainers who are not performing well will be replaced. Teachers will carry out the practicum in their own schools near the cluster center where the training is being held.

- **Coaching.** An instructional coach is someone who helps teachers improve their teaching skills through a collaborative, constructive process. The coach will carry out structured classroom observations, develop a respectful and collaborative relationship with the teachers, provide constructive feedback to teachers, carry out spot checks of pupil performance, model good teaching practice, help teachers set goals for what they want to improve, support teachers to meet regularly in professional learning communities, and provide guidance on how to solve problems and share ideas.

Figure 1.1. Coaching Roles



19. **BESDA aims to reach up to 20,000 schools in the focus states, that is, approximately 50 percent of the number of primary schools in the focus states.** Since the literacy program needs to be implemented over three to four years, developing new language literacy programs is not feasible within the Operation time frame. States will therefore focus on existing literacy programs in the three major Nigerian languages. It is expected that with the adoption of an intensive literacy program for a sustained period, focus states will be able to improve their literacy rates. The NEDS in 2019 (at Program midterm) and 2022 (Program end) will measure the literacy rates using the same methodology as in NEDS 2015. Focus states that improve their literacy rates can therefore be identified and rewarded (DLI 3).

20. **States are encouraged to prepare for the adoption of the literacy program pending Operation effectiveness.** The preparation includes (a) selection of the literacy program that meets the criteria described above; (b) selection of schools meeting criteria described above; and (c) calculation of the number of participating grade 1–3 students and teachers to determine required textbooks and teachers’ guides. If this preparation takes place after January 1, 2017 and before Operation effectiveness and can be verified, states will be rewarded for having achieved these prior results.

Results Area 3: Strengthening accountability for results (estimated cost US\$56.5 million)

21. **The objective of this results area is to improve political, managerial, fiduciary, and social accountability for results, as well as the availability and use of basic education data on system attributes and learning outcomes, to improve effectiveness of the UBE program.** This results area will focus on strengthening the governance, management, and accountability mechanisms of basic education provision in the country, as lack of accountability for results is one of the most critical governance challenges that hampers the effective implementation of the UBE program. As such, all states will be incentivized to participate in three key interventions while supporting additional accountability mechanisms through TA. The Program interventions include (a) implementation and publication of the ASC validated by (SBMCs) (DLI 4) and (b) state planning on UBE program implementation, including the ASC, budget data, and progress reports

(DLI 5). At the federal level, it also strengthens strategic planning, supports UBE program review, and operationalizes annual reporting on progress made under the UBE program. The Results Area PDO will be measured by the UBE program strategic planning reflecting annual progress reports and program evaluation findings.

22. **Lack of accountability for results is one of the most critical governance challenges that hampers the implementation effectiveness of the UBE program.** Existing accountability mechanisms and legal requirements are not operationalized and need strengthening, to increase the accountability of the Nigerian Government, at federal and state levels, and its implementing agencies, UBEC at Federal and SUBEBs at state level, for results achieved under the UBE program in terms of increased access and quality of basic education. This strengthening would foster policy dialogue between stakeholders and coordination between the two tiers of government, as well as improve policy making. Accordingly, the Operation strengthens different types of accountability:

- Managerial accountability at federal and state levels through the completion and disclosure of strategic plans and annual progress reports by UBEC and SUBEBs;
- Political accountability at federal and state levels for resource allocation and progress on access and quality of education through the mainstreaming of data collection and use on inputs, outputs, and outcomes (learning achievements);
- Fiduciary accountability through financial auditing and procurement review;
- Social accountability through data validation by communities (through SBMCs) on school performance and the public disclosure of this information; and
- Information for accountability by building the necessary evidence base (baseline information, tracking of progress) for policy making and dialogue.

Annual School Census

23. **While having a National Education Management Information System (NEMIS) policy document issued in 2007, Nigeria has not been able to publish key education statistics regularly and in a comprehensive manner.** The ASC uses a unified questionnaire for data to be collected by every pre-primary, primary, junior secondary, and senior secondary school in the country. However, states that receive international development partners' support have more resources to conduct the ASC using external enumerators, compile into school/LGA/state database, and publish the ASC report on key education indicators such as student population, number of teachers, pupil/classroom ratio, and school facilities. In 2014/2015, only 10 states collected the ASC and published the ASC report. In 2015/2016, 18 states collected the ASC data and published the ASC report using the enumerator approach. The remaining states collected the data using reports provided by the LGEAs. The data have not been consolidated into a national school database and no national education statistical digest has been published.

24. **BESDA will incentivize the implementation of the ASC in every state and the publication of Nigeria's education statistical digest using the ASC data by the FME.** States shall collect the school data using the unified ASC questionnaire during the first week of the second term in the school year (February). Schools will fill in the questionnaire in duplicate carbon copies and one copy is submitted to the state EMIS team and one copy shall be retained at the school

level. The questionnaires submitted by schools will be compiled into a computerized database. The ASC database should cover (a) school unique EMIS code, name, location, and address; (b) school characteristics (types, levels of education offered, and organizational structure); (c) student enrollment (gender/special needs) by age/grade; repetition and dropout; (d) staff (teaching and administrative) characteristics by age, qualifications, and subjects taught; and (e) school facilities (classrooms and furniture, water, toilets, playground, library, science lab, and textbook availability).

25. **It is important that data accuracy is assured.** Training on how to fill in the questionnaire shall be provided to all schools. The ASC school record shall be signed by the school head and co-signed by the head of the SBMC. A sample accuracy spot check shall be conducted at the state and national levels. Schools/LGAs that provide inaccurate data will be notified for revision.

26. **States should analyze the ASC data collected to produce the state ASC annual report.** The report should present the number of schools reported and missing data (if any). The analysis should cover tabulation of the following essential indicators:

- Number of schools by their characteristics (government/non-government, levels of education provided, locations and LGAs);
- Student enrollment (government/non-government schools, levels of education, locations and LGAs, gender, and grades);
- Number of staff (teaching and non-teaching), their job/teaching assignment, training qualifications, years of experience, and professional development/short-term training received;
- School facilities (classroom, water source, toilets, playgrounds, library, science labs and their status, and textbook availability); and
- Trends of the above indicators, comparing the values of the current year with previous years.

27. **A national education statistical digest** will be compiled by the NEMIS and published on the FME website no later than six months from the time of data collection.

State basic education plan and progress report on UBE program implementation

28. **Accountability for delivery of basic education will be incentivized through the strengthened process of reporting and planning of the UBE program at the state level.** UBE is a shared responsibility of the three tiers of government in Nigeria and the successful implementation of the UBE program calls for intergovernmental coordination and policy alignment. Half of the UBE Intervention Fund managed by UBEC is transferred to the states under a matching grant mechanism and utilized by state governments to build and refurbish school facilities. To access the UBE matching grant, states have to submit to UBEC an investment plan and subsequently report on its implementation (they can only access the next installment after spending 70 percent of the previous one). The other half of the UBE Intervention Fund is directly spent and executed by UBEC, but on the condition that benefitting states also plan for its uptake.

29. **Planning requirements at state level for the implementation of the UBE program are weak, not complied with, or adequately enforced.** The UBEC template for states to submit investment plans for the utilization of the UBE matching grant is rudimentary and the approval process by UBEC is far from rigorous. Few states submit need-based and strategically focused plans. UBEC does not effectively monitor project implementation at state level beyond on-site inspection of physical outputs, let alone the effectiveness of the UBE Intervention Fund across its different component on education outcomes. To remedy this critical policy failure, UBEC intends to strengthen the implementation framework of the UBE program through adequate planning at state level and rigorous oversight at federal level.

30. **To strengthen the effectiveness of the UBE program, SUBEBs will be required to submit state plans at the beginning of each fiscal year.** Such plans will have to fulfill the following requirements:

- To be consistent with the state education sector plan;
- To be informed by baseline information contained in the state ASC;
- To be funded through federal, state, and local budget appropriations to basic education (over the time frame of the MTEF);
- To lay out quantitative objectives on access and quality of basic education, using information captured by the ASC and other official sources of information (such as household surveys);
- To be grounded on a sound planning methodology (including for project appraisal, selection, and prioritization); and
- To factor in feedback from stakeholders including SBMCs on school performance.

31. **States will be incentivized to prepare reports and incorporate baseline data into the planning process.** UBEC will review and consolidate the reports as well as approve the UBE funding plan proposed by the state. In this manner, this results area aims to strengthen intergovernmental coordination across the tiers for the betterment of UBE program results achievement. Specifically, states will report on (a) basic information on the education system; (b) expenditures on basic education by sources of funding and types of expenditures; and (c) UBE fund disbursement reports in the *base year*.

32. *Basic information on education* includes data by LGA on:

(a) Access

- Student enrollment (number, grade 1 intake, gross and net enrollment rates, progression and transition rates) by gender (from the ASC); and
- Estimated rates of out-of-schooling (from the NEDS and local studies).

(b) Quality

- Literacy rate (from the NEDS);
- Number of teachers/qualified teachers;
- Pupil/teacher ratio;

- Availability of instructional materials;
- Percentage of usable classrooms (in need of major repair, with insufficient seating, without backboard);
- Availability of toilets, including separate ones for girls; and
- Availability of health facility.

33. Reports on *expenditures for basic education* will include data (a) on types of expenditures (capital/recurrent); (b) by sources of funding (federal/state/LGA/donors); and (c) on the share of education spending in state public expenditures.

34. Reports on *expenditures under the UBE Intervention Fund* will include the following programs: (a) matching grants; (b) instructional materials; (c) educational imbalance; (d) TPD; (e) good performance; and (f) special education.

35. **Using the above baseline data, states will need to conduct forward planning with detailed budget plans for one year and estimates for the subsequent two years.** The yearly plan will need to cover: (a) target number of out-of-school children to be enrolled, by LGA (BESDA Results Area 1); (b) target number of schools adopting the intensive literacy programs (BESDA Results Area 2); and (c) other targets. The targets will need to be translated into specific programs of interventions, both demand- as well as supply-side interventions, with clear budget and expected sources of funding. The proposed budgets for these programs of interventions will be consolidated into the annual state basic education budget (by categories of expenditures and sources of funding). In particular, state *UBE Intervention Fund plan* needs to reflect the targets, the interventions, the expected outputs, implementation modality, and budgets.

36. **State plans are deemed satisfactory when they include the following essential components:** (a) baseline data on students, teachers, and schools from the ASC; (b) report on state UBE fund expenditures for base year; (c) targets for out-of-school children absorption by LGA; (d) targets for literacy program adoption by LGA; (e) programs of interventions (both demand- and supply-side), including World Bank and other donor-funded programs; and (f) UBE Intervention Fund annual plan with clear outputs, budget, timeline, and implementation modalities.

37. **States' plans will require UBEC's approval, which enables states to access the UBE Intervention Fund.** UBEC will need to consolidate state reports and plans and provide benchmarks on (a) completeness of base year reports; (b) adequate information on target out-of-school children enrollment and literacy program adoption; (c) adequate UBE funding plan that aligns targets, proposed programs of interventions, and budget; and (d) level of commitment to UBE (that is, share of education expenditures in total state public spending). UBEC will share the consolidated report and benchmarks with all focus states and publish this report on *UBEonline*.

Institutional and Implementation Arrangements

38. **While the FME has the mandate for policy formulation and coordination, UBEC is responsible for the implementation of the UBE program.** Successful implementation of the Operation will require improved federal-state-local-level communication, coordination, and collaboration. Shared responsibility among the three tiers of government (federal, state, and local)

for UBE has experienced major implementation challenges with inconsistent interagency and intergovernmental coordination, inefficient resource allocation, weak management, and limited reporting on results.²⁶ Focusing on results for service delivery and supporting the UBE program, the Program will be anchored in the UBEC structure with explicit coordination and collaboration with the FME and key education agencies (NTI, TRCN, Nigerian Education Research and Development Council [NERDC], and National Commission for Nomadic Education [NCNE]). To strengthen intergovernmental coordination, the Program will also leverage two existing policy-making institutions, the NCE and the National Economic Council. The Program will further strengthen the oversight of UBEC by its Governing Board, which comprises representatives from the key organizations involved in basic education.²⁷

39. The Program will be under the supervision of a National Program Steering Committee (NPSC) chaired by the Honorable Minister of Education (or Permanent Secretary), and including representation from the UBEC Governing Board; Ministries of Education, Finance (the International Economic Relations Department), and Budget and Planning; SMEs and SUBEBs; as well as CSOs. The NPSC will ensure intergovernmental coordination and policy alignment for the Program and will meet at least twice a year to oversee coordination, knowledge sharing, and monitoring of implementation. The NPSC is already operational and providing ongoing oversight to other World Bank projects/programs.

40. The Federal Ministry of Finance (FMF) will play a financial oversight role. Specifically, the FMF will ensure that public funds are used appropriately during implementation by (a) contracting the IVAs; (b) ensuring timely payments under the PforR are made to the states and other entities supporting BESDA (including IVAs); (c) ensuring timely financial audits of the UBE program; and (d) participating in Program monitoring, as required.

41. At the federal level, the FME and UBEC have constituted national teams to coordinate the Program in alignment with their specific roles for policy and monitoring and program coordination, respectively. An NPMT (including the Directors of Basic and Secondary Education; Quality Assurance; and Planning, Research, and Statistics), led by the Minister of Education, will be established within the FME to provide policy guidance for each of the results areas and in collaboration with UBEC, implementation of the NLA, collation and printing of the ASC, and management of the TA associated with supporting the achievement of these activities.

42. At UBEC, the overall leadership will be provided by the UBEC Executive Secretary with the National Program Coordinator heading the NCT. The NCT includes key Directors in UBEC, notably Social Mobilization; Quality Assurance; and Policy, Research, and Statistics. This coordination team oversees the implementation of all three Program results areas and most of the TA component. Additional capacity will be provided by a CST that would be responsible for day-

²⁶ The established institutional framework does not ensure effective policy making and implementation. Conflicts of jurisdiction between the three tiers of government undermine policy coordination. Accountability mechanisms along the service delivery chain are inadequate, and existing M&E systems are incomplete. Regulatory oversight and policy on non-state providers, including private and religious providers, are weak (World Bank. 2015. *Governance and Finance Analysis of Basic Education Sector in Nigeria*).

²⁷ FME; FMF; each of the six geo-political zones; Nigeria Union of Teachers; National Parents/Teachers' Association; women groups or societies; NTI; National Commission for Colleges of Education; National Commission for Mass Literacy; Adult and Non-Formal Education; NCNE; and NERDC.

to-day administration, monitoring, reporting, and liaison with the FME and state teams. The CST will include full-time and technically competent Federal Government staff and consultants as needed. Specific capacities identified include financial officer, procurement officer, M&E officer, safeguards specialist, policy research analysts, communications officer, and information technology specialist (funded by the TA component). Financial management will be assisted by the Financial Management Units located in the Accountant-General's Office. The CST will closely track progress and achievement of the Program and report semiannually to the NPSC. The NCT will propose yearly TA needs (financed under the TA component) to ensure real-time, needs-based support. This on-demand TA will be particularly important to remediate identified gaps as implementation progresses.

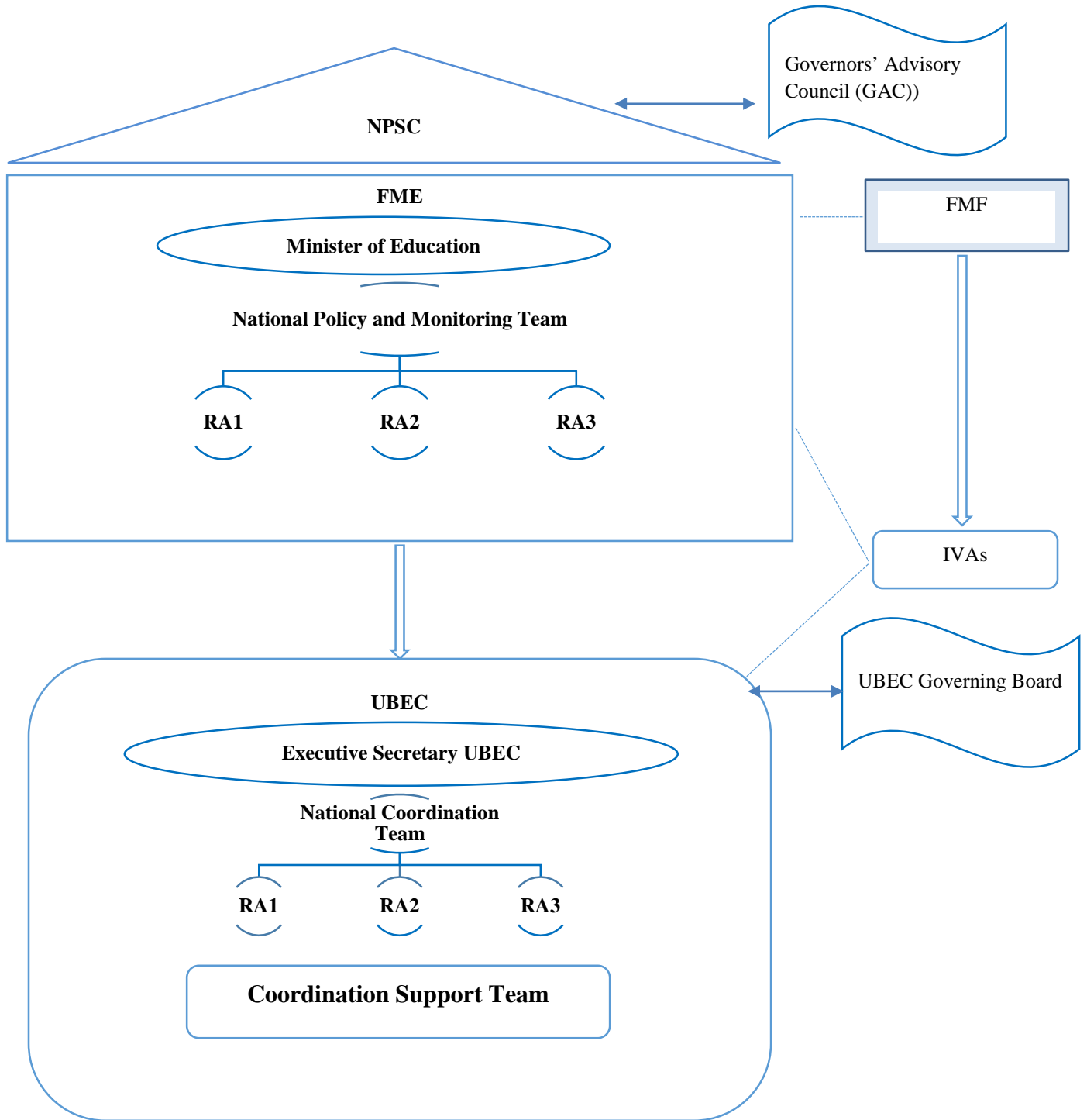
43. **At the state level, the Commissioner of Education will chair the State Policy and Monitoring Team based in the SME to provide support on ministry functions.** SUBEBs,²⁸ headed by the SUBEB Chairman, will oversee Program implementation at the state level, working jointly with the SME Policy and Monitoring Team and LGEAs, that is, a similar implementation arrangement to mirror the federal-level structure. States will receive support from the national teams and through TA to carry out the activities as specified in the OIM. To strengthen interagency coordination, a technical task force (TG) will be convened and comprise key staff from the SME and SUBEB to be responsible for reporting on Program implementation at the state level. While the State Policy and Monitoring Team at the SME will provide inputs on monitoring of all results areas, the team will play a particular leadership role with respect to ensuring achievement of DLI 4 (Annual School Census). SUBEB Implementation Teams will be assembled to manage the implementation for the results areas, in particular, DLIs 1–3 and DLI 5 (annual state UBE plans). Implementation Support Teams will be established to play a key implementation and monitoring role and ensure flow of information to and from the federal level.

44. **The achievement of results will require significant engagement of the Education Secretaries of the LGEAs as well as the Heads of Planning, School Services, Social Mobilization, and Personnel.** The SUBEB Implementation Team will convene monthly meetings with LGEA staff to ascertain status of interventions at the school level and data collection from schools. LGEAs will be responsible for supervising selection of schools for literacy intervention, facilitating cluster teacher training related to literacy interventions, ensuring textbook distribution, supporting SBMC engagement, and participating in annual state planning.

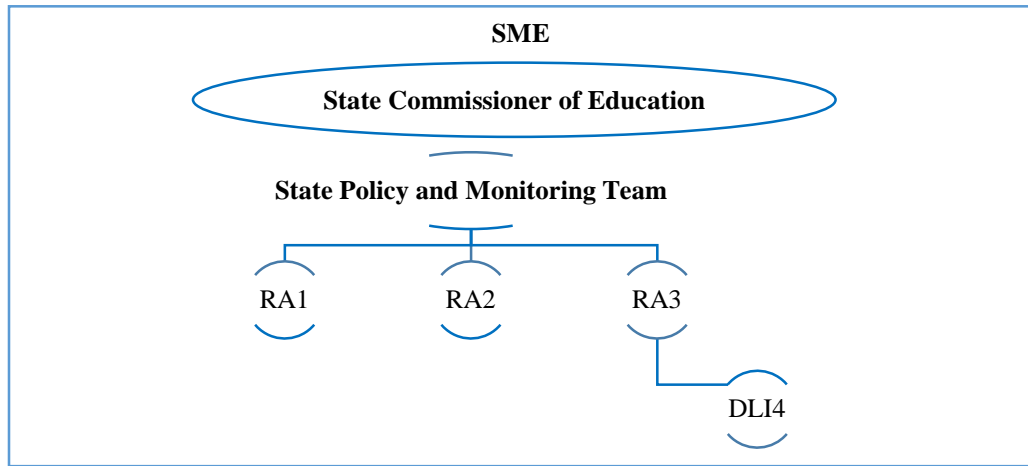
45. **The above arrangements have been defined to maximize existing roles and responsibilities within existing agencies and structures while encouraging better collaboration between UBEC and the FME as well as SUBEB and SME and LGEA.** The implementation arrangements aim to catalyze system effectiveness through a delineation of roles and responsibilities, designated support teams (in UBEC and SUBEBs), increased fora for engagement (for example, quarterly peer learning activities), and incentivized teamwork (collaboration to meet results under the DLIs). Therefore, the Program aims to strengthen mutual accountability among education actors at federal and state levels and ultimately have greater impact on achieving the objectives of the UBE program.

²⁸ Operational responsibility for basic education rests with SUBEBs. At the local level, the institutional framework is not clearly delineated since LGEAs—the local arm of SUBEBs—are in charge of basic education, whereas local governments are involved in the financing of teachers and other aspects of primary education.

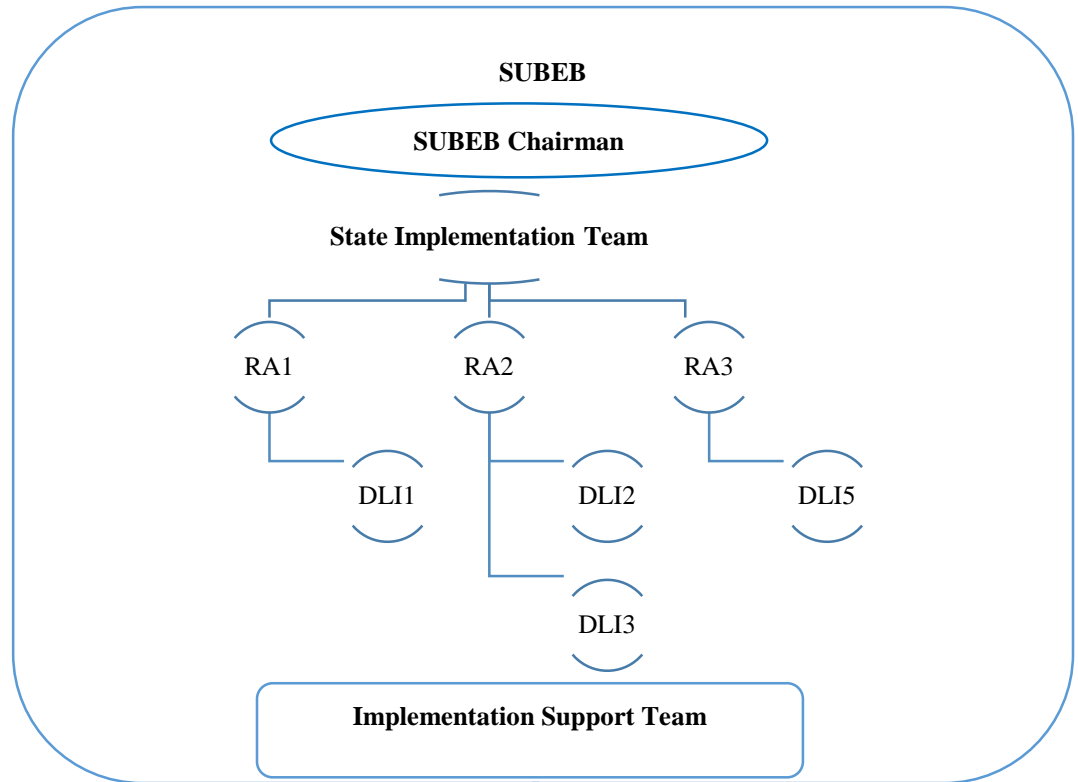
Figure 1.2. Implementation Arrangements for BESDA
Federal Level



State Level



Technical Group



LGEA

School

Table 1.4. BESDA Institutional Responsibilities

Implementation Responsibilities for BESDA	Federal	State	Local
<i>Results Area 1: Increasing equitable access for out-of-school children in focus states</i>			
DLI 1: Reduced number of out-of-school children in focus states, by gender	UBEC: Timely allocation of UBE Intervention Fund NBS: Population data NPC: NEDS implementation	SME: Mobilization of teachers SUBEB: Management of demand- and supply-side UBE access interventions	LGA: Payment to teachers LGEA: Identification of target groups
<i>Results Area 2: Improving literacy rates in focus states</i>			
DLI 2: Schools adopting primary 1–3 intensive literacy programs in focus states	UBEC: Technical guidance on selection of literacy program NPC: NEDS implementation NBS: IVA	SUBEB: Rollout of literacy program; procurement of textbooks; mentoring activities	LGEA: Identification of target schools; distribution of books; training of teachers; facilitation of mentor/coaching activities
DLI 3: Improved literacy rates in focus states, by state	FME: Contracting of the NEDS implementing agency NPC: NEDS implementation	SUBEB: Management of quality interventions	LGEA: Training for SBMCs
<i>Results Area 3: Strengthening accountability for results</i>			
DLI 4: Total states implementing and publishing the Annual School Census (ASC), verified by SBMCs	FME: Collation and publication of ASC statistical digest NBS: IVA	SME: Collection and compilation of ASC data and publication of state report	LGEA: Support to school heads and SBMCs in record keeping and completion of ASC questionnaires SBMC: ASC data validation
DLI 5: Total states completing state basic education plan and progress report on UBE program implementation, approved by UBEC	UBEC: Vetting of state plans to ensure alignment of operational plans with budgets, situation analysis, and data	SUBEB/SME: Developing plan based on progress report (ASC data, basic education expenditures, and UBE Intervention Fund expenditure) and plan (BESDA results area activities plus other access and quality programs)	LGEAs: School and community mapping
TA component	FME: Technical support for monitoring; research agenda UBEC: Technical support for coordination team functions; research agenda UBEC/FME: Design and implementation of NLA	SME: Technical support for monitoring SUBEB: Technical support for implementation team functions	n.a.
<i>TA related to Results Area 1</i>	FME: Hiring of NEDS implementation agency UBEC: Peer learning fora	SUBEB: Peer learning fora	n.a.
<i>TA related to Results Area 2</i>	UBEC: Literacy program design and training UBEC: Peer learning fora	SUBEB: Literacy program training	n.a.
<i>TA related to Results Area 3</i>	FME: ASC UBEC: State UBE plans UBEC: Peer learning fora	SME: ASC SUBEB: State UBE plans	n.a.

46. **The Program will also promote policy dialogue, peer learning, and exchange of experience across the states so as to foster emulation of good practices.** A Governors' Advisory Council will be established (to be convened by Program champions) to engage Governors within the National Governors' Forum on education policy discussions, share lessons learned from state experiences, and suggest solutions to challenges and bottlenecks in state implementation of the Program. The council will aim to meet at least twice a year to support interagency teamwork, champion the Program, align priorities, and suggest strategies to leverage Program outcomes. The NCT will organize periodic summits with focus states and with FME and FMF participation to share experiences, challenges, and implementation lessons. The regular meetings could also provide a forum for injecting new ideas and activities by organizing international TA, study tours, and peer learning.

47. **One of the key mechanisms to be introduced to strengthen information flows is the establishment of a virtual communications platform (possibly using WhatsApp software).** Such a real time information system will help encourage greater accountability among implementing agents while ensuring regular feedback between federal and state levels. In addition, the M&E team will work with the information technology specialist to create and manage a digital reporting portal where information can be uploaded using mobile phone technology and/or computer synchronizing to map interventions, update data collection, and better manage Program data for results framework monitoring. The platform could be expanded to include state school mapping, web-based meeting rooms, problem solving venues, and other data collection tools for more efficient monitoring and reporting. TA for such innovative monitoring tools would be made available under the TA component.

48. **BESDA includes a TA component that follows World Bank IPF procedures and supports the federal and state agencies to better deliver the results of the Program.** Activities will include support to strengthen implementation capacity of federal- and state-level agencies and provide support to state interventions to achieve the results areas of BESDA. The TA component will be implemented by the NCT at UBEC and the NPMT at the FME.

49. **To independently verify the results achieved and calculate how much should be paid to each state, IVAs will be contracted by the FMF with terms of reference approved by the World Bank.** The IVAs submit their reports to the FMF, FME, and UBEC. The IVA arrangements for each DLI are detailed in annex 3 on DLIs and verification protocols.

50. **Overall program monitoring will be the responsibility of the UBEC NCT and CST.** The NCT will present semiannual monitoring reports to Joint Review Missions (JRMs) established for the Program. Based on these reports and additional review work, each JRM will prepare detailed recommendations for Program improvement. The semiannual monitoring reports prepared by the NCT will also present analysis of key data drawn from the annual surveys. Templates for reporting will be included in the Program operational manual. It is expected that reports will go beyond simply reporting progress into summary analysis of achievements, challenges, and Program risks, with accompanying recommendations for consideration by the NPSC. In addition to this monitoring, impact evaluation studies will be commissioned (for example, intensive literacy program). The NEDS survey, NLA, and other evaluations of specific aspects of the Program also will be supported through the TA component.

Annex 2: Results Framework Matrix

Results Areas Supported by PforR	PDO/Outcome Indicators	Intermediate Results Indicators	DLI #	Unit of Measurement	Baseline 2016	End Target 2022
Results Area 1: Increasing equitable access for out-of-school children in focus states	PDO Indicator 1 Reduced number of out-of-school children in focus states, by gender (DLI1)	IR Indicator 1.1. Average pupil/class ratio, by state and urban/rural		Ratio	[tbd by Q3 2017 based on 2017 ASC]	2 percent reduction in state average ratio
		IR Indicator 1.2. Average pupil/latrine ratio, by state and urban/rural		Ratio	[tbd by Q3 2017 based on 2017 ASC]	2 percent reduction in state average ratio
			DLI 1	Number	0	3.8 million
Results Area 2: Improving literacy in focus states	PDO Indicator 2 Improved literacy rates in focus states, by state (DLI3)	IR Indicator 2.1. Schools adopting primary 1–3 intensive literacy programs in focus states	DLI 2	Number	0	20,000
			DLI 3	Percentage points	State baseline from 2015 NEDS	4 percentage points above state baseline ²⁹
		IR Indicator 2.2. Teachers trained (CRI)		Number	0	40,000
		IR Indicator 2.3. Students benefiting from direct interventions to enhance learning (CRI)		Number	0	3.6 million
Results Area 3: Strengthening accountability for results	PDO Indicator 3 Publicly disclosed UBE program strategic plan reflecting annual progress reports and program evaluation findings	IR indicator 3.1. System of national learning assessment developed and implemented		Yes/No	No	Yes (national)
		IR Indicator 3.2. Total states implementing and publishing the Annual School Census (ASC), verified by SBMCs	DLI 4	Number	17	36 + FCT
		IR Indicator 3.3. Total states completing state basic education plan and progress report on UBE program implementation, approved by UBEC	DLI 5	Number	0	36 + FCT
		IR Indicator 3.4. Publicly disclosed UBE program annual progress report		Yes/No	No	Yes
		IR Indicator 3.5. UBE program evaluation and report completed		Yes/No	No	Yes
					Yes/No	No

Note: n.a.=not applicable; tbd= to be determined; IR=Intermediate Result; CRI=Corporate Results Indicator

²⁹ 2020: two percentage points increase in state literacy rate above 2015 NEDS baseline; 2022: two percentage point increase above 2020 NEDS value

Indicator Description

Indicator Name	Description	Frequency	Data Source	Methodology for Data Collection	Responsibility for Data Collection	DLIs	
						Responsibility for Data Verification	Scalability of Disbursement (Yes/No)
PDO Indicator 1. Reduced number of out-of-school children in focus states, by gender	Total reduction in number of out-of-school children. Out-of-school children are defined as those who have not attended school at any point during the previous school year, based on the NEDS. The value is calculated as the difference between the numbers of out-of-school children in the current year subtracted from the previous year. The number of out-of-school children (disaggregated by gender) is the difference between the basic education age group and the number attending basic education. Attendance is measured using attendance rate of 5- to 15-year-olds from the NEDS multiplied by the population of 5- to 15-year-olds in the state.	Annual	NEDS National census/population data	Two sources: Household survey (NEDS) that provides attendance rate of basic education age group. Population projections for basic education age group based on 2006 census.	NPC NBS	NPC	Yes
IR Indicator 1.1. Average pupil-class ratio, by state and urban/rural	Average number of students per classroom, per state and by urban/rural location	Annual	ASC State plans UBEC consolidated reports	States collect information from the schools and aggregate at state level and report to UBEC	SUBEB UBEC	n.a. (not a DLI)	n.a. (not a DLI)
IR Indicator 1.2. Average pupil/latrine ratio, by state and urban/rural	Average number of latrines per student, per state and by urban/rural location	Annual	ASC State plans UBEC consolidated reports	States collect information from the schools and aggregate at state level and report to UBEC	SUBEB UBEC	n.a. (not a DLI)	n.a. (not a DLI)
PDO Indicator 2. Improved	Percentage of 5- to 15-year-olds who can read at least one of three words in English or one of three national	Twice during the Operation	NEDS	National household survey representative at	NPC	NPC	Yes

Indicator Name	Description	Frequency	Data Source	Methodology for Data Collection	Responsibility for Data Collection	DLIs	
						Responsibility for Data Verification	Scalability of Disbursement (Yes/No)
literacy rates in focus states, by state	languages of Nigeria (that is, Hausa, Yoruba, Igbo) on a presented flash card.	(once at midterm and once at end)		state level, (baseline is 2015 NEDS) that provides literacy rate of basic education age group.			
IR Indicator 2.1. Schools adopting primary 1–3 intensive literacy programs in focus states	Tracks progress in adoption and implementation of intensive literacy programs for primary 1–3 level in focus states. The criteria for an intensive literacy program include: (a) focus on early grades; (b) textbooks/learning materials for every student; (c) teachers training with teacher guides that follow textbooks; (d) teachers monitored and supported regularly; (e) regular assessment of student learning at school level; and (f) adequate time allocated for implementing reading program.	Annual	State progress reports; school administrative reports on students, teachers, and textbooks; and documentation and records of classroom observations of teachers and feedback from coaches.	States aggregate school level information based on: school administrative reports on students, teachers, and textbooks; and documentation and records of classroom observations of teachers and feedback from coaches.	FME UBEC SUBEB	NBS	Yes
IR Indicator 2.2. Teachers trained (CRI)	Tracks progress in the number of teachers trained with teacher guides that follow textbooks under the literacy program	Annual	State progress reports; school administrative reports on teachers	States aggregate teacher information across schools and submit to UBEC	UBEC	n.a. (not DLI)	n.a. (not DLI)
IR Indicator 2.3. Students benefiting from direct interventions to enhance learning (CRI)	Tracks progress in the number of students who benefit from the literacy program including receiving at least one textbook and being taught by a teacher trained under the literacy program	Annual	State progress reports; school administrative reports on students, teachers, and textbooks	States aggregate student information across schools and submit to UBEC	UBEC	n.a. (not a DLI)	n.a. (not a DLI)

Indicator Name	Description	Frequency	Data Source	Methodology for Data Collection	Responsibility for Data Collection	DLIs	
						Responsibility for Data Verification	Scalability of Disbursement (Yes/No)
PDO Indicator 3. Publicly disclosed UBE program strategic plan reflecting annual progress reports and program evaluation findings	UBEC publishes a strategic plan on its website in year 4. The strategic plan will reflect relevant findings from the annual progress reports and UBE program evaluation. The UBEC strategic plan will cover the main areas of (a) enrollment projections; (b) strategies for increased equitable access; (c) policies for teacher professional development and teaching quality improvement; (d) reform options for curriculum and student assessment; (e) sector financing strategy; (f) monitoring and evaluation mechanisms; and (g) future action plans with rough cost estimates and possible sources of financing.	Annual	UBEC	UBE program progress reports UBE program evaluation report	UBEC	n.a. (not a DLI)	n.a. (not a DLI)
IR Indicator 3.1. System of national learning assessment developed and implemented	Tracks progress in development and implementation of a system for NLA. This is a large-scale, low-stake nationally representative survey of student achievement to measure the level of learning at the end of primary and end of lower secondary in mathematics and reading; identify factors (home, school, and policy) that are associated with variation in learning; and make policy recommendations for improving learning	Annual	National report on student learning results	Review progress reports on NLA development and implementation	FME UBEC	n.a. (not a DLI)	n.a. (not a DLI)
IR Indicator 3.2. Total states implementing and publishing the Annual School Census	ASC conducted using single unified questionnaire (including school characteristics, student enrollment, staff, and facilities) and signed off both by school head and SBMC member who is non-school personnel (for example, a	Annual	State databases and accompanying published state reports	Schools submit ASC reports signed by the principal and an SBMC member who is not school staff such as a	FME SME	NBS	No

Indicator Name	Description	Frequency	Data Source	Methodology for Data Collection	Responsibility for Data Collection	DLIs	
						Responsibility for Data Verification	Scalability of Disbursement (Yes/No)
(ASC), verified by SBMCs	parent, community stakeholder, traditional ruler)			parent or community stakeholder. The school reports are then compiled by the state.			
IR Indicator 3.3. Total states completing state basic education plan and progress report on UBE program implementation, approved by UBEC	UBEC approves state plans and progress reports on UBE program implementation according to agreed template including (a) baseline data on students, teachers, and schools from the ASC; (b) report on state UBE Intervention Fund expenditures for base year; (c) targets for out-of-school children absorption by LGA; (d) targets for literacy program adoption by LGA; (e) demand- and supply-side programs of intervention; and (f) UBE Intervention Fund annual plan with clear outputs, budget, timeline and implementation modalities.	Annual	School record keeping system; EMIS/ASC; Human Resource Management system (such as the Integrated Personnel and Payroll System) or any other available teacher management system. Household surveys (such as the NEDS)	SUBEB completes plan according to agreed template using ASC, budget, and SBMC functionality data. SUBEB submits to UBEC and UBEC reviews and approves.	UBEC SUBEB	Academic or think-tank institution	No
IR Indicator 3.4. Publicly disclosed UBE program annual progress report	UBEC publishes UBE program progress report on website, using agreed template, annually by Q2, including (a) national report on UBE Intervention Fund expenditures for base year; (b) associated outputs and outcomes achieved; and (c) assessment against access and quality targets.	Annual	UBEC records; ASC; State progress reports	UBEC assesses progress on UBE program implementation based on UBEC records and state progress reports	UBEC	n.a. (not a DLI)	n.a. (not a DLI)
IR Indicator 3.5. UBE program	UBEC conducts UBE program evaluation and completes report in year 3 ³⁰	Once in year 3	UBEC progress reports; UBEC records;	Desk reviews	UBEC	n.a. (not a DLI)	n.a. (not a DLI)

³⁰ Year 0 refers to the year prior to Operation effectiveness; Year 1 spans July 1, 2017 – June 30, 2018; Year 2 spans July 1, 2018 – June 30, 2019; Year 3 spans July 1, 2019 – June 30, 2020; Year 4 spans July 1, 2020 – June 30, 2021; and Year 5 spans July 1, 2021 – June 30, 2022.

Indicator Name	Description	Frequency	Data Source	Methodology for Data Collection	Responsibility for Data Collection	DLIs	
						Responsibility for Data Verification	Scalability of Disbursement (Yes/No)
evaluation and report completed			ASC; State plans				

Annex 3: Disbursement-linked Indicators, Disbursement Arrangements, and Verification Protocols

Disbursement-linked Indicator Matrix

#	Total Financing Allocated to DLI	As Percentage of Total Financing Amount	DLI Baseline	Disbursement-linked Results with Indicative Timeline for DLI Achievement						
				Results to be Achieved 2017	Results to be Achieved 2018	Results to be Achieved 2019	Results to be Achieved 2020	Results to be Achieved 2021	Results to be Achieved 2022	
DLI 1. Reduced number of out-of-school children in focus states, by gender	US\$341.5 million	59%	Baselines are based on NEDS 2015: Adamawa 239,562; Bauchi 1,031,524; Borno 1,229,425; Gombe 453,030; Taraba 285,767; Yobe 658,770; Jigawa 764,586; Kaduna 727,766; Kano 1,307,106; Katsina 1,135,379; Kebbi 814,945; Sokoto 925,621; Zamfara 802,049; Niger 513,693; Ebonyi 52,759; Oyo 272,847; Rivers 110,654	Mapping completed of out-of-school children by LGA and type of population (girls, <i>almajiri</i> children, nomadic children, IDPs, other); Target set for reduction in number of out-of-school children by LGA using ASC data and out-of-school children mapping	Decrease in the number of out-of-school children relative to previous year Minimum: One focus state decreases number of out-of-school children by 1,000 children in one year	Decrease in the number of out-of-school children relative to previous year Minimum: One focus state decreases number of out-of-school children by 1,000 children in one year	Decrease in the number of out-of-school children relative to previous year Minimum: One focus state decreases number of out-of-school children by 1,000 children in one year	Decrease in the number of out-of-school children relative to previous year Minimum: One focus state decreases number of out-of-school children by 1,000 children in one year	Decrease in the number of out-of-school children relative to previous year Minimum: One focus state decreases number of out-of-school children by 1,000 children in one year	Decrease in the number of out-of-school children relative to previous year Minimum: One focus state decreases number of out-of-school children by 1,000 children in one year
Allocated amount:				US\$2 million per focus state	US\$100 per female and US\$80 per male child attending school	US\$100 per female and US\$80 per male child attending school	US\$100 per female and US\$80 per male child attending school	US\$100 per female and US\$80 per male child attending school	US\$100 per female and US\$80 per male child attending school	US\$100 per female and US\$80 per male child attending school
DLI 2. Schools adopting primary 1–3 intensive literacy	US\$120 million	21%	0	States' selected literacy program approved, selection of participating schools by LGA	Number of students and teachers participating in intensive literacy	Number of students and teachers participating in intensive literacy	Number of students and teachers participating in intensive literacy	Number of states with more than 50% of primary schools	n.a.	

#	Total Financing Allocated to DLI	As Percentage of Total Financing Amount	DLI Baseline	Disbursement-linked Results with Indicative Timeline for DLI Achievement					
				Results to be Achieved 2017	Results to be Achieved 2018	Results to be Achieved 2019	Results to be Achieved 2020	Results to be Achieved 2021	Results to be Achieved 2022
programs in focus states				completed and quantity of student textbooks and teachers' guides determined for procurement and distribution	programs in primary 1	programs in primary 1 and 2	program in primary 1, 2, and 3	adopting intensive literacy programs in primary 1, 2 and 3	
Allocated amount:				US\$1 million per focus state	US\$5 per participating student and US\$300 per participating teacher	US\$5 per participating student and US\$300 per participating teacher	US\$5 per participating student and US\$300 per participating teacher	States with more than 50% of primary schools adopting intensive literacy programs in primary 1–3 receive US\$ 300,000 per state	
DLI 3. Improved literacy rates in focus states, by state	US\$60 million	10%	Baselines are based on 2015 NEDS for focus states: Adamawa 36.2; Bauchi 23.5; Borno 27.1; Gombe 34.0; Taraba 19.7; Yobe 27.5; Jigawa 17.0; Kaduna 44.2; Kano 28.5; Katsina 23.1; Kebbi 31.6; Sokoto 21.8; Zamfara 18.7; Niger 36.3; Ebonyi	n.a.	n.a.	n.a.	Two percentage point increase in state literacy rate above 2015 NEDS baseline	n.a.	Two percentage point increase in state literacy rate above year 3 NEDS value

#	Total Financing Allocated to DLI	As Percentage of Total Financing Amount	DLI Baseline	Disbursement-linked Results with Indicative Timeline for DLI Achievement					
				Results to be Achieved 2017	Results to be Achieved 2018	Results to be Achieved 2019	Results to be Achieved 2020	Results to be Achieved 2021	Results to be Achieved 2022
			48.3; Rivers 85.8; Oyo 60.9						
Allocated amount:				n.a.	n.a.	n.a.	US\$1 million per 2 percentage point increase in state literacy rate from baseline, starting at a minimum increase of 2 percentage points	n.a.	US\$1 million per 2 percentage point increase in state literacy rate from year 3, starting at a minimum increase of 2 percentage points
DLI 4. Total states implementing and publishing the Annual School Census (ASC), verified by SBMCs	US\$21 million	4%	17	0	36 states and FCT publish ASC	36 states and FCT publish ASC States with at least 10% of schools verified by SBMCs greater than the percentage in year 1 receive bonus	36 states and FCT publish ASC States with at least 10% of schools verified by SBMCs greater than the percentage in year 2 receive bonus	36 states and FCT publish ASC States with at least 10% of schools verified by SBMCs greater than the percentage in year 3 receive bonus	36 states and FCT publish ASC States with at least 10% of schools verified by SBMCs greater than the percentage in year 4 receive bonus
Allocated amount:				n.a.	US\$30 per school US\$100,000 per state	US\$30 per school US\$10,000 per state	US\$30 per school US\$10,000 per state	US\$30 per school US\$10,000 per state	US\$30 per school US\$10,000 per state
DLI 5. Total states	US\$35.5 million	6%	0	n.a.	UBEC approves	UBEC approves	UBEC approves	UBEC approves	UBEC approves

#	Total Financing Allocated to DLI	As Percentage of Total Financing Amount	DLI Baseline	Disbursement-linked Results with Indicative Timeline for DLI Achievement					
				Results to be Achieved 2017	Results to be Achieved 2018	Results to be Achieved 2019	Results to be Achieved 2020	Results to be Achieved 2021	Results to be Achieved 2022
completing state basic education plan and progress report on UBE program implementation, approved by UBEC					states' annual plans and progress reports using the agreed template, including available data from ASC, budget data, and data on SBMC functionality, by Q1	states' annual plans and progress reports using the agreed template, including data from ASC, budget data, and data on SBMC functionality, by Q1	states' annual plans and progress reports using the agreed template, including data from ASC, budget data, and data on SBMC functionality, by Q1	states' annual plans and progress reports using the agreed template, including data from ASC, budget data, and data on SBMC functionality, by Q1	states' annual plans and progress reports using the agreed template, including data from ASC, budget data, and data on SBMC functionality, by Q1
Allocated amount:				n.a.	US\$300,000 per state	US\$210,000 per state	US\$150,000 per state	US\$150,000 per state	US\$150,000 per state
Total Financing Allocated:	US\$578 million								

DLI Verification Protocol Table

#	DLR	Definition/ Description of Achievement	Scalability of Disbursements (Yes/No)	Protocol to Evaluate Achievement of the DLI and Data/Result Verification		
				Data Source/Agency	Verification Entity	Procedure
DLI 1. Reduced number of out-of-school children in focus states, by gender	Year 0: Mapping completed of out-of-school children by LGA and type of population (girls, <i>almajiri</i> children, nomadic children, IDPs, other); Target set for reduction in number of out-of-school children by LGA using ASC data and out-of-school children mapping	The mapping of out-of-school children is completed. The mapping will be done by LGA and include breakdowns according to population type including but not limited to: girls, <i>almajiri</i> children, nomadic children, IDPs, other. The states set targets for reduction in the number of out-of-school children by LGA based on ASC data and the out-of-school children mapping.	No	LGAs States	Academic or think-tank institution	IVA will review the out-of-school children mapping to ensure it meets the requirements of providing data by LGA on all identified groups: girls, <i>almajiri</i> children, nomadic children, IDPs and others. IVA will review the targets for the reduction in out-of-school children submitted by states to ensure they are based on results of the ASC and out-of-school children mapping.
	Year 1: Decrease in the number of out-of-school children relative to NEDS 2015 baseline	States demonstrate decrease in out-of-school children year-on-year. The value for year 1 is the number of out-of-school children at baseline (NEDS 2015) minus the number of out-of-school children in year 1 (disaggregated by gender).	Yes	NPC NBS	NPC	World Bank reviews report submitted by NPC documenting the findings of the private firm providing TA to NPC. This report verifies data quality, including visits to households on a random sample basis as necessary to conduct spot checks.
	Year 2: Decrease in the number of out of school children relative to previous year	States demonstrate decrease in out of school children year-on-year. The value for year 2 is the number of out-of-school children in year 1 minus the number of out-of-school children in year 2 (disaggregated by gender).	Yes	National household survey representative at state level, acceptable to the World Bank Population projections for basic education	NPC	World Bank reviews report submitted by NPC documenting the findings of the private firm providing TA to NPC. This report verifies data quality, including visits to households on a random sample basis as necessary to conduct spot checks.

#	DLR	Definition/ Description of Achievement	Scalability of Disbursements (Yes/No)	Protocol to Evaluate Achievement of the DLI and Data/Result Verification		
				Data Source/Agency	Verification Entity	Procedure
				age group based on 2006 census NPC NBS		
	Year 3: Decrease in the number of out of school children relative to previous year	States demonstrate decrease in out of school children year-on-year. The value for year 3 is the number of out-of-school children in year 2 minus the number of out-of-school children in year 3 (disaggregated by gender).	Yes	National household survey representative at state level, acceptable to the World Bank Population projections for basic education age group based on 2006 census NPC NBS	NPC	World Bank reviews report submitted by NPC documenting the findings of the private firm providing TA to NPC. This report verifies data quality, including visits to households on a random sample basis as necessary to conduct spot checks.
	Year 4: Decrease in the number of out of school children relative to previous year	States demonstrate decrease in out of school children year-on-year. The value for year 4 is the number of out-of-school children in year 3 minus the number of out-of-school children in year 4 (disaggregated by gender).	Yes	National household survey representative at state level, acceptable to the World Bank Population projections for basic education age group based on 2006 census NPC	NPC	World Bank reviews report submitted by NPC documenting the findings of the private firm providing TA to NPC. This report verifies data quality, including visits to households on a random sample basis as necessary to conduct spot checks.

#	DLR	Definition/ Description of Achievement	Scalability of Disbursements (Yes/No)	Protocol to Evaluate Achievement of the DLI and Data/Result Verification		
				Data Source/Agency	Verification Entity	Procedure
				NBS		
	Year 5: Decrease in the number of out of school children relative to previous year	States demonstrate decrease in out of school children year-on-year. The value for year 5 is the number of out-of-school children in year 4 minus the number of out-of-school children in year 5 (disaggregated by gender).	Yes	National household survey representative at state level, acceptable to the World Bank Population projections for basic education age group based on 2006 census NPC NBS	NPC	World Bank reviews report submitted by NPC documenting the findings of the private firm providing TA to NPC. This report verifies data quality, including visits to households on a random sample basis as necessary to conduct spot checks.
DLI 2. Schools adopting primary 1–3 intensive literacy programs in focus states	Year 0: States' selected literacy program approved, selection of participating schools by LGA completed and quantity of student textbooks and teachers' guides determined for procurement and distribution	States' selected literacy programs are approved; LGA's selection of participating schools is completed; the quantity of student textbooks and teacher guides are determined for procurement and distribution	No	State	Academic or think-tank institution	World Bank reviews IVA's brief on their assessment of the literacy programs selected, participating schools identified, and quantity of student textbooks and teachers' guides determined for procurement and distribution
	Year 1: Students and teachers participating in intensive literacy program in primary 1	Participating student is defined as: student participating in an intensive literacy program as per school records Participating teacher is defined as: teacher that is participating in the program, that has been trained, and has had their	Yes	State and UBEC progress reports; school reports and records of classroom observations and feedback from coaches	NBS	World Bank reviews IVA's report and supporting documents, based on the IVA's review of state and school records and coach feedback; and verification of reports through sample random visits

#	DLR	Definition/ Description of Achievement	Scalability of Disbursements (Yes/No)	Protocol to Evaluate Achievement of the DLI and Data/Result Verification		
				Data Source/Agency	Verification Entity	Procedure
		teaching observed at least twice by a coach with one observation conducted in the last term of the school year (but coaches themselves are not counted)				to schools and interviews with coaches
	Year 2: Students and teachers participating in intensive literacy program in primary 1 and 2	Participating student is defined as: student participating in an intensive literacy program as per school records Participating teacher is defined as: teacher that is participating in the program, that has been trained, and has had their teaching observed at least twice by a coach with one observation conducted in the last term of the school year (but coaches themselves are not counted)	Yes	State and UBEC progress reports; school reports and records of classroom observations and feedback from coaches	NBS	World Bank reviews IVA's report and supporting documents, based on the IVA's review of state and school records and coach feedback; and verification of reports through sample random visits to schools and interviews with coaches
	Year 3: Students and teachers participating in intensive literacy program in primary 1–3	Participating student is defined as: student participating in an intensive literacy program as per school records Participating teacher is defined as: teacher that is participating in the program, that has been trained, and has had their teaching observed at least twice by a coach with one observation conducted in the last term of the school year (but coaches themselves are not counted)	Yes	State and UBEC progress reports; school reports and records of classroom observations and feedback from coaches	NBS	World Bank reviews IVA's report and supporting documents, based on the IVA's review of state and school records and coach feedback; and verification of reports through sample random visits to schools and interviews with coaches
	Year 4: States with more than 50% of primary schools participating in	States provide evidence that more than 50% of their primary schools have adopted the	Yes	State and UBEC progress reports; school reports	NBS	World Bank reviews IVA's report and supporting documents, based on the

#	DLR	Definition/ Description of Achievement	Scalability of Disbursements (Yes/No)	Protocol to Evaluate Achievement of the DLI and Data/Result Verification		
				Data Source/Agency	Verification Entity	Procedure
	intensive literacy programs in primary 1–3	<p>intensive literacy program for grades primary 1–3 including meeting the following criteria:</p> <p>Participating student is defined as: student participating in an intensive literacy program as per school records</p> <p>Participating teacher is defined as: teacher that is participating in the program, that has been trained, and has had their teaching observed at least twice by a coach with one observation conducted in the last term of the school year (but coaches themselves are not counted)</p>		and records of classroom observations and feedback from coaches		IVA’s review of state and school records and coach feedback; and verification of reports through sample random visits to schools and interviews with coaches
DLI 3. Improved literacy rates in focus states, by state	Year 3: Improved literacy rates in focus states as measured by percentage point increase above baseline	Change in state literacy rate is calculated as the difference between the literacy rate reported for the state in NEDS in year 3 and the value reported in NEDS in 2015.	Yes	National household survey representative at state level, acceptable to the World Bank NEDS/ NPC	NPC	World Bank reviews report submitted by NPC documenting the findings of the private firm providing TA to NPC. This report verifies data quality, including visits to households on a random sample basis as necessary to conduct spot checks.
	Year 5: Improved literacy rates in focus states as measured by percentage point increase above baseline	Change in state literacy rate is calculated as the difference between the literacy rate reported for the state in NEDS in year 5 and the value reported in NEDS in year 3.	Yes	National household survey representative at state level, acceptable to the World Bank NEDS/NPC	NPC	World Bank reviews report submitted by NPC documenting the findings of the private firm providing TA to NPC. This report verifies data quality, including visits to households on a random sample basis as necessary to conduct spot checks.

#	DLR	Definition/ Description of Achievement	Scalability of Disbursements (Yes/No)	Protocol to Evaluate Achievement of the DLI and Data/Result Verification		
				Data Source/Agency	Verification Entity	Procedure
DLI 4. Total states implementing and publishing the Annual School Census (ASC), verified by SBMCs	Year 1: States and FCT implement and publish ASC	Data submitted in Excel/Access format annually and reports published by state, based on school reports verified by school heads in 100% of reports No target because Year 1 is the baseline	Yes	Data sources: ASC reports by schools FME NEMIS Agencies: SME (EMIS Unit) FME	NBS	World Bank reviews IVA's report on achievement of DLR which will be based on: review of completeness of data; confirmation of publication of report; and random spot checks at schools verifying school reports and interviews with authorizing SBMCs, as needed
	Year 2: States and FCT implement and publish ASC, with at least 10% of school reports verified by SBMCs greater than the percentage in year 1	Data submitted in Excel/Access format annually and reports published by state, based on school reports verified by school heads in 100% of reports States with at least 10% of schools verified by SBMCs greater than the percentage in year 1 receive bonus	Yes	Data sources: ASC reports by schools FME NEMIS Agencies: SME (EMIS Unit) FME	NBS	World Bank reviews IVA's report on achievement of DLR which will be based on: review of completeness of data; confirmation of publication of report; and random spot checks at schools verifying school reports and interviews with authorizing SBMCs, as needed
	Year 3: States and FCT implement and publish ASC, with at least 10% of school reports verified by SBMCs, greater than the percentage in year 2	Data submitted in Excel/Access format annually and reports published by state, based on school reports verified by school heads in 100% of reports States with at least 10% of schools verified by SBMCs greater than the percentage in year 2 receive bonus	Yes	Data sources: ASC reports by schools FME NEMIS Agencies: SME (EMIS Unit) FME	NBS	World Bank reviews IVA's report on achievement of DLR which will be based on: review of completeness of data; confirmation of publication of report; and random spot checks at schools verifying school reports and interviews with authorizing SBMCs, as needed
	Year 4: States and FCT implement and publish ASC, with at least 10% of	Data submitted in Excel/Access format annually and reports published by state, based on	Yes	Data sources: ASC reports by schools	NBS	World Bank reviews IVA's report on achievement of DLRs which will be based

#	DLR	Definition/ Description of Achievement	Scalability of Disbursements (Yes/No)	Protocol to Evaluate Achievement of the DLI and Data/Result Verification		
				Data Source/Agency	Verification Entity	Procedure
	school reports verified by SBMCs, greater than the percentage in year 3	school reports verified by school heads in 100% of reports States with at least 10% of schools verified by SBMCs greater than the percentage in year 3 receive bonus		FME NEMIS Agencies: SME (EMIS Unit) FME		on: review of completeness of data; confirmation of publication of report; and random spot checks at schools verifying school reports and interviews with authorizing SBMCs, as needed
	Year 5: States and FCT implement and publish ASC, with at least 10% of school reports verified by SBMCs greater than the percentage in year 4	Data submitted in Excel/Access format annually and reports published by state, based on school reports verified by school heads in 100% of reports States with at least 10% of schools verified by SBMCs greater than the percentage in year 4 receive bonus	Yes	Data sources: ASC reports by schools FME NEMIS Agencies: SME (EMIS Unit) FME	NBS	World Bank reviews IVA report on achievement of DLR which will be based on: review of completeness of data; confirmation of publication of report; and random spot checks at schools verifying school reports and interviews with authorizing SBMCs, as needed
DLI 5. Total states completing state basic education plan and progress report on UBE program implementation, approved by UBEC	Year 1: UBEC approves state plans and progress reports on UBE program implementation according to agreed template including (a) baseline data on students, teachers, and schools from the ASC; (b) report on state UBE Intervention Fund expenditures for base year; (c) targets for out-of-school children absorption by LGA; (d) targets for literacy program adoption by LGA; (e) demand- and	DLR is achieved if UBEC approves the states' annual plans and progress reports using the agreed template—including available data from ASC, budget data, and data on SBMC functionality—by Q1	Yes	Data sources: SUBEB/UBEC	Academic or think-tank institution	World Bank will review IVA's assessment of the annual state plans submitted to UBEC for completion and quality based on a review of submitted state operational plans and reports

#	DLR	Definition/ Description of Achievement	Scalability of Disbursements (Yes/No)	Protocol to Evaluate Achievement of the DLI and Data/Result Verification		
				Data Source/Agency	Verification Entity	Procedure
	supply-side programs of intervention; and (f) UBE Intervention Fund annual plan.					
	Year 2: UBEC approves state plans and progress reports on UBE program implementation according to agreed template including (a) baseline data on students, teachers, and schools from the ASC; (b) report on state UBE Intervention Fund expenditures for base year; (c) targets for out-of-school children absorption by LGA; (d) targets for literacy program adoption by LGA; (e) demand- and supply-side programs of intervention; and (f) UBE Intervention Fund annual plan.	DLR is achieved if UBEC approves the states' annual plans and progress reports using the agreed template—including available data from ASC, budget data, and data on SBMC functionality—by Q1	Yes	SUBEB/UBEC	Academic or think-tank institution	World Bank will review IVA's assessment of the annual state plans submitted to UBEC for completion and quality based on a review of submitted state operational plans and reports
	Year 3: UBEC approves state plans and progress reports on UBE program implementation according to agreed template including (a) baseline data on students, teachers, and schools from the ASC; (b) report on state UBE Intervention Fund expenditures for base year;	DLR is achieved if UBEC approves the states' annual plans and progress reports using the agreed template—including available data from ASC, budget data, and data on SBMC functionality—by Q1	Yes	SUBEB/UBEC	Academic or think-tank institution	World Bank will review IVA's assessment of the annual state plans submitted to UBEC for completion and quality based on a review of submitted state operational plans and reports

#	DLR	Definition/ Description of Achievement	Scalability of Disbursements (Yes/No)	Protocol to Evaluate Achievement of the DLI and Data/Result Verification		
				Data Source/Agency	Verification Entity	Procedure
	(c) targets for out-of-school children absorption by LGA; (d) targets for literacy program adoption by LGA; (e) demand- and supply-side programs of intervention; and (f) UBE Intervention Fund annual plan.					
	Year 4: UBEC approves state plans and progress reports on UBE program implementation according to agreed template including (a) baseline data on students, teachers, and schools from the ASC; (b) report on state UBE Intervention Fund expenditures for base year; (c) targets for out-of-school children absorption by LGA; (d) targets for literacy program adoption by LGA; (e) demand- and supply-side programs of intervention; and (f) UBE Intervention Fund annual plan.	DLR is achieved if UBEC approves the states' annual plans and progress reports using the agreed template—including available data from ASC, budget data, and data on SBMC functionality—by Q1	Yes	SUBEB/UBEC	Academic or think-tank institution	World Bank will review IVA's assessment of the annual state plans submitted to UBEC for completion and quality based on a review of submitted state operational plans and reports
	Year 5: UBEC approves state plans and progress reports on UBE program implementation according to agreed template including (a) baseline data on students, teachers, and	DLR is achieved if UBEC approves the states' annual plans and progress reports using the agreed template—including available data from ASC, budget data, and data on SBMC functionality—by Q1	Yes	SUBEB/UBEC	Academic or think-tank institution	World Bank will review IVA's assessment of the annual state plans submitted to UBEC for completion and quality based on a review of submitted state operational plans and reports

#	DLR	Definition/ Description of Achievement	Scalability of Disbursements (Yes/No)	Protocol to Evaluate Achievement of the DLI and Data/Result Verification		
				Data Source/Agency	Verification Entity	Procedure
	schools from the ASC; (b) report on state UBE Intervention Fund expenditures for base year; (c) targets for out-of-school children absorption by LGA; (d) targets for literacy program adoption by LGA; (e) demand- and supply-side programs of intervention; and (f) UBE Intervention Fund annual plan.					

Bank Disbursement Table

#	DLI	Bank Financing Allocated to the DLI (US\$, millions)	Of which Financing Available for Prior Results (US\$, millions)	Deadline for DLI Achievement	Minimum DLI Value to be Achieved to Trigger Disbursements of Bank Financing	Maximum DLI Value(s) Expected to be Achieved for Bank Disbursements Purposes (US\$, millions)	Determination of Financing Amount to be Disbursed Against Achieved and Verified DLI Value(s)
1	Reduced number of out-of-school children in focus states, by gender	341.5	34	October 31, 2022	One focus state decreases number of out-of-school children by 1,000 children in one year US\$100 per female and US\$80 per male attending school	Maximum value is not to exceed 250,000 children per state per year	Scalable per state up to 250,000 children per state per year Year 0: US\$34 million Year 1: US\$34.3 million Year 2: US\$68.3 million Year 3: US\$68.3 million Year 4: US\$68.3 million Year 5: US\$68.3 million (Financing amounts are indicative; disbursement will be on actual performance)
2	Schools adopting primary 1–3 intensive literacy programs in focus states	120	17	October 31, 2022	In year 0, states select participating schools and identify which intensive literacy programs they will adopt; master trainers are trained; student textbooks are procured 10% of schools in focus states adopt intensive literacy program in primary 1 in year 1; primary 1–2 in year 2; primary 1–3 in year 3 One state has more than 50% primary schools adopting intensive	No maximum	If at least 10% of total schools in focus states adopt intensive literacy programs in each year, payments will be made as follows: US\$5 for every student and US\$300 for every teacher participating in primary 1 in 2018, primary 1 and 2 in 2019, and primary 1–3 in 2020. In addition, US \$300,000 will be paid per state with more than 50% primary schools adopting intensive literacy programs in primary 1–3 in 2021 Year 0: US\$28 million

#	DLI	Bank Financing Allocated to the DLI (US\$, millions)	Of which Financing Available for Prior Results (US\$, millions)	Deadline for DLI Achievement	Minimum DLI Value to be Achieved to Trigger Disbursements of Bank Financing	Maximum DLI Value(s) Expected to be Achieved for Bank Disbursements Purposes (US\$, millions)	Determination of Financing Amount to be Disbursed Against Achieved and Verified DLI Value(s)
					literacy programs in primary 1–3 in year 4		Year 1: US\$15 million Year 2: US\$17 million Year 3: US\$19 million Year 4: US\$20 million Year 5: US\$21 million (Financing amounts are indicative; disbursement will be on actual performance)
3	Improved literacy rates in focus states, by state	60	0	October 31, 2022	In year 3, one state achieves 2 percentage point increase above baseline 2015 NEDS result In year 5, one state achieves 2 percentage point increase above year 3 increase	No maximum	Upon achievement of improved literacy rates, payments will be calculated according to each two percentage point increase per state: US\$1 million per state having improved literacy rate by 2 percentage points US\$2 million per state having improved literacy rate by 4 percentage points Year 3: US\$25 million Year 5: US\$35 million (Financing amounts are indicative; disbursement will be on actual performance)
4	Total states implementing and publishing the ASC, verified by SBMCs	21	0	October 31, 2022	One state submits and publishes data that are verified by SBMCs in Excel/Access format in	No maximum	Upon submitting the data verified by SBMCs, US\$30 per school and bonus of US\$10,000 per state if share of school data verified by SBMCs

#	DLI	Bank Financing Allocated to the DLI (US\$, millions)	Of which Financing Available for Prior Results (US\$, millions)	Deadline for DLI Achievement	Minimum DLI Value to be Achieved to Trigger Disbursements of Bank Financing	Maximum DLI Value(s) Expected to be Achieved for Bank Disbursements Purposes (US\$, millions)	Determination of Financing Amount to be Disbursed Against Achieved and Verified DLI Value(s)
					one year and receives US\$100,000		increases by at least 10% relative to previous year Year 1: US\$4.2 million Year 2: US\$4.2 million Year 3: US\$4.2 million Year 4: US\$4.2 million Year 5: US\$4.2 million (Financing amounts are indicative; disbursement will be based on actual performance)
5	Total states completing state basic education plan and progress report on UBE program implementation, approved by UBEC	35.5	0	October 31, 2022	UBEC approves one state's submitted annual plan/report on UBE program implementation and receives US\$300,000 in year 1; US\$210,000 in year 2; and US\$150,000 in years 3, 4, and 5.	35.5	Upon UBEC's approval of states' submission of annual plans and reports on UBE program implementation, US\$300,000 per state in year 1; US\$210,000 per state in year 2; and US\$150,000 per state in years 3, 4, and 5. Year 1: US\$11.1 million Year 2: US\$7.8 million Year 3: US\$5.6 million Year 4: US\$5.6 million Year 5: US\$ 5.6 million (Financing amounts are indicative; disbursement will be on actual performance)

Annex 4: Technical Assessment

I. Program Strategic Relevance and Technical Soundness

A. Strategic Relevance

1. **This Program aims to support the UBE program’s goals of equitable and inclusive quality education by relaxing key binding constraints the UBE program has suffered from since its launch in 1999.** The UBE program has taken different forms since its launch in 1999, and its current implementation relies on the UBE Intervention Fund allocation formula and the resulting categories of activities. Consequently, UBE program interventions in support of increasing access to basic education are overwhelmingly supply-driven—largely providing school infrastructure and furniture. This is even the case when the UBE program is aiming to increase enrollment of specific out-of-school population groups, such as *almajiri* students or girls. The UBE program interventions in support of improving quality of education consist of teacher in-service training and provision of textbooks and learning materials. While these are important inputs for basic education, they are arguably diffuse and do not target a fundamental shortcoming of the system, which is its inability to impart basic literacy and numeracy skills to students. The large majority of UBE program funds are currently allocated on an equal basis across states, regardless of state needs or performance. Fifty percent of the UBE Intervention Fund is so-called direct interventions where UBEC administers the funds and interventions that are carried out at the state level, and the great majority of funds are allocated equally across states. The other 50 percent of the UBE Intervention Fund is used for infrastructure matching grants, again allocated equally across states, but where different states have accessed the matching grant to different degrees because of the counterpart funding requirement and likely other state-specific considerations. Perhaps the greatest shortcoming of the present UBE program is lack of monitoring of access and quality results achieved through its interventions—partially through the unavailability of key system data. In addition, key federal and state actors are not held accountable for results and have little incentive to coordinate efforts and interventions.

2. **Therefore, the strategic relevance of the Program lies in relaxing the UBE program’s interrelated constraints of lack of accountability for results; an approach to resource allocation to states that is untied to states’ needs and performance; and an overreliance on supply-side interventions to promote access to basic education (see table 4.1).** The Program is geared toward rewarding those states with the highest out-of-school rates for demonstrating outcomes in terms of increased equitable access and improved literacy—by lifting demand- and supply-side constraints, as relevant. The Program also incentivizes data collection on key education system attributes and outcomes, use of these data in institutionalizing need-based state plans, and in coordinated strategic planning across federal and state levels. Accountability is strengthened at all levels, including reporting by UBEC and SUBEBs, as well as validation of school data by SBMCs. Implementation arrangements are structured to foster interagency coordination at federal and state levels between the FME and UBEC.

Table 4.1. UBE Program Binding Constraints and Operation Remedies

Binding Constraint	Operation Remedies
1. Lack of accountability for results for federal and state actors	<ul style="list-style-type: none"> • Tracking of progress on education outputs and outcomes (DLIs 1, 2, 3, 4, and 5) • Mainstreaming of baseline information (DLI 4, TA component) • Strengthening of interagency coordination at federal and state levels between line ministry and executive agency (under Program implementation arrangement) • Institutionalizing coordinated strategic planning at federal and state level (DLI 5) • Fostering interstate and intergovernmental policy dialogue and peer learning (through Program implementation arrangement) • UBE program progress report and evaluation (PAP) • Strengthening of school-level social accountability (DLI 4 on data validation by SBMCs)
2. Resource allocation to states untied to need or performance	<ul style="list-style-type: none"> • Performance-based allocation under the DLI matrix • Institutionalizing need-based strategic planning at state level (DLI 5) • Targeting of states with largest out-of-school population (Program design)
3. Overreliance on supply-side interventions to increase access to basic education	<ul style="list-style-type: none"> • Incentivizing homegrown solutions to enrolling out-of-school children – whether demand- or supply-side interventions (DLI 1) • Institutionalizing need-based strategic planning at state level (DLI 5)

B. Technical Soundness

Results Area 1: Increasing equitable access for out-of-school children in focus states

3. **Using population projections from the NBS and states’ out-of-schooling rates from the 2015 NEDS, more than 15 million children ages 5–15 are expected to be out of school in 2022.** This reflects Nigeria’s average population growth rate of 2.7 percent per year and the fact that the country’s fertility rate remains amongst one of the highest in the developing world. In other words, to decrease rates of out-of-schooling, states must not only absorb the existing stock of out-of-school children but also be able to provide schooling to the growing number of school-age children each year.

4. **Using size of out-of-school population as the main criterion, 17 states are eligible for funds under Results Area 1 (and, therefore, also under Results Area 2).** Six of these states are in the North East, seven in the North West, and one in each of the four other Nigerian zones. Table 4.2 provides the expected reduction in basic education out-of-school children in each of these states over the lifetime of the Program, assuming a consistent 10 percent reduction in the out-of-schooling rate in each state every year. This assumption is clearly tenuous as not all states will reduce their out-of-schooling rate at the same speed every year, and there may well be delayed or expedited implementation in some states versus others. Table 4.2 therefore serves mostly the purpose of providing an estimate of expected total reduction by state and by year during the BESDA. It is important to note here that even with the reduction in numbers of out-of-school children under the present Program, the size of the out-of-school population in the 17 states alone is expected to remain large—with around 6.9 million 5- to 15-year-olds in 2022. The issue of out-of-school children in Nigeria will, therefore, require concerted efforts over a longer period of time,

and this Program can be considered a first phase for additional interventions, either targeting the same states or expanding the geographic scope or both.

Table 4.2. Reduction in Number of Basic Education Out-of-school Children in Focus States (2018–2022)

Region	State	Reduction in Out-of-school Population					Total
		2018	2019	2020	2021	2022	
North East	Adamawa	19,387	17,720	16,196	14,803	13,529	81,634
North East	Bauchi	80,721	74,067	67,961	62,359	57,219	342,327
North East	Borno	96,208	88,277	81,000	74,323	68,196	408,003
North East	Gombe	35,940	32,925	30,164	27,634	25,317	151,980
North East	Taraba	23,126	21,137	19,319	17,658	16,139	97,379
North East	Yobe	51,194	47,010	43,169	39,641	36,402	217,417
North West	Jigawa	61,876	56,554	51,690	47,244	43,180	260,544
North West	Kaduna	58,511	53,520	48,955	44,779	40,960	246,726
North West	Kano	102,992	94,429	86,577	79,378	72,778	436,153
North West	Katsina	91,283	83,496	76,374	69,860	63,901	384,914
North West	Kebbi	65,087	59,582	54,542	49,929	45,706	274,844
North West	Sokoto	74,419	68,071	62,264	56,953	52,095	313,803
North West	Zamafara	63,628	58,292	53,403	48,924	44,821	269,067
North Central	Niger	40,199	36,885	33,844	31,054	28,495	170,477
South East	Ebonyi	4,297	3,925	3,584	3,274	2,990	18,070
South South	Rivers	8,659	7,945	7,290	6,689	6,138	36,722
South West	Oyo	21,351	19,591	17,976	16,494	15,135	90,548
	Total	898,878	823,426	754,310	690,996	632,999	3,800,609

5. **Under Results Area 1, the Program aims to incentivize states to implement homegrown solutions to reducing the number of out-of-school children that span demand- as well as supply-side interventions.** Several key out-of-school population groups are identified in annex 1—including girls, *almajiri* children, children of nomadic pastoralists, as well as internally displaced children. Rates of out-of-schooling are also generally higher among rural populations and the poor. There are some interventions currently under way in Nigeria that could be expanded or informed by international best practice to improve their implementation and results. Past experiences also provide valuable lessons and can be reintroduced through the availability of BESDA funds. The menu of possible interventions under this results area includes school feeding, CCTs, integration of core basic education subjects into religious education, as well as expansion of schooling infrastructure. This proposed menu of interventions is indicative and not exhaustive and states will be guided under the Program in identifying their needs as well as possible solutions.

6. **School feeding programs can help get children into school and keep them there, increasing enrollment and reducing absenteeism, and once the children are in the classroom, these programs can contribute to their learning, through avoiding hunger and enhancing cognitive abilities.**³¹ Recent research shows that the most sustainable programs are those that are designed and implemented together by the education, health, and agriculture sectors. Countries are moving toward local sourcing and production of food, and greater recognition of the role of smallholder farmers in food production, 80 percent of whom are women globally. Similar to the Nigeria HGSFP, there are other national school feeding programs that are increasingly embedded in national policy on poverty elimination, social protection, education, and nutrition. However,

³¹ Drake, Lesley, Alice Woolnough, Carmen Burbano, and Donald Bundy (editors). 2016. *Global School Feeding Sourcebook: Lessons from 14 Countries*. New Jersey: Imperial College Press.

despite the ubiquity of school feeding programs, there is a surprising lack of information on their impact, as few impact evaluations have been undertaken, and even fewer that could be described as having used a controlled or systematic trial design. In Nigeria itself, Osun State has a long-running school feeding program that is considered good practice, particularly with regard to the engagement in program monitoring from different stakeholders at many levels, which has provided a strong platform for improved transparency and accountability.

7. **In addition to school feeding, several states are piloting CCT schemes in an effort to increase enrollment of girls in particular.** A large body of rigorous evidence from CCT programs implemented around the world over the last 15 years demonstrates that financial incentives can play an important role in bringing girls to school and keeping them in school. For example, Bangladesh pioneered CCTs to make school affordable for girls and indirectly reduce instances of child marriage. In Nigeria, Kano State piloted a CCT program targeting approximately 12,000 enrolled or recently dropped out girls in grades 4, 5, and 6 from 300 randomly selected primary schools. This was in response to the 2009 Kano school census that showed that though there were 520,000 female students in primary school, only 93,000 female students continued on to junior secondary school. The CCT pilot in Kano incorporated an impact evaluation using a randomized-control design. The CCT program was found to lead to a 35 percent increase in the transition of girls to higher grades after just one payment. Though the program was temporarily suspended and no CCT payments were made for a year, the original cohort of beneficiary girls continued to show high transition rates—double the rates found in the control group. The CCT program was also found to have small positive impact on student attendance, and to lead to improvement in the average student performance in math and English. Despite these successes, the Kano CCT program was discontinued for lack of funding, and its achievements were hampered by the delays and uncertainties during implementation.

8. **The right learning environment is important for all students and for girls in particular, and the UBE Intervention Fund dedicates a substantial share of resources to infrastructure and equipment.** Location and accessibility of schools can play a significant role in children's ability to go to school. The distance between home and school is a greater problem for girls, especially in rural areas, where secondary schools are more likely to be distant from small villages. Parents are often reluctant to let girls walk long distances to school due to safety concerns. Building schools closer to villages or providing affordable, safe public transportation have been successful interventions to encourage girls' attendance. In the province of Balochistan in Pakistan, the government constructed 200 community schools in areas without any girls' schools within a 2 km radius. New school construction, which included boundary walls, positively affected female enrollment. Young girls may also forego education because schools lack girl-appropriate facilities such as separate latrines. In Kano State in Nigeria, girls' access to junior secondary school was expanded through upgrading of single sex girls' schools and providing separate toilet facilities for girls at coeducational schools. More generally in terms of the availability of appropriate school facilities and space for both boys and girls in Nigeria, table 4.3 provides data on key system attributes in eight states in Nigeria that completed the 2015/2016 ASC. Table 4.3 shows that, on average, school size in these states is relatively small at around 300, with the exception of Katsina, where school size is closer to 700. Katsina also stands out in having a relatively high pupil/teacher ratio of 76, whereas the other states range from 30–50 pupils per teacher. It is important to note that despite the focus on infrastructure in the UBE Intervention Fund, the pupil/classroom ratio is

high across all eight states, and again particularly high in Katsina at 114. There is, therefore, clearly still an infrastructure constraint in these eight states.

Table 4.3. Public Primary School Key Indicators, Select States

Region	State	School Size	Pupil/Teacher Ratio	Pupil/Classroom Ratio
North East	Bauchi	299	49	81
North East	Gombe	311	32	71
North West	Katsina	662	76	114
North West	Kebbi	274	35	72
North Central	Niger	203	29	57
North West	Sokoto	324	46	86
North East	Taraba	252	34	67
North West	Zamfara	302	51	85

Source: 2015/2016 ASC.

9. **For *almajiri* children, a program was funded by DFID in Kano, Kaduna, and Jigawa in the North West to integrate modern secular education with traditional Islamic education.** This resulted in an integrated curriculum that was recognized and supported by the state government. DFID found that the biggest challenge to integrating secular subjects in the curriculum of Islamic schools was to overcome ideological resistance from the teachers and religious leaders. In northern Nigeria, modern schools have long been associated with colonial rule and an alien religion and thus viewed as tools of westernization. However, once the first barrier of ideological resistance was overcome, and schools became open to teaching of secular subjects, DFID found that the state simply does not have the resources to provide secular subject teachers for these schools. In addition, SUBEBs were unable to supervise all the Islamic schools because to address their unique needs, SUBEBs would have to fundamentally reorient their approach/model to engage with non-formal education institutions. SUBEBs argued that this would distract their attention from secular public schools and potentially clash with SUBEBs' mandate as determined at the federal level. Building on this DFID experience, this PforR will incentivize states to perhaps revise their SUBEB's approach to Islamic non-formal schools, as well as potentially offering training to existing Islamic school teachers in formal subjects, in particular language instruction.

10. **In addition to the above efforts, a range of interventions are under way which target nomadic pastoralist and internally displaced children, though on a relatively small scale.** For nomadic children, SUBEBs provide teachers to them if they spend a significant amount of time in one location, but the school infrastructure is often lacking. For the internally displaced, development partners have sought to provide non-formal literacy and numeracy programs to populations both inside camps as well as those living with host communities. There is now some collective experience in this regard that can be built on to further roll out such interventions. In addition, there will be a need for reconstruction and rehabilitation of school infrastructure once the internally displaced return to their homes. Other demand-side interventions, such as psychosocial training for teachers and students, are already foreseen under various development partner programs, including the World Bank, but might require additional funds for rollout.

Results Area 2: Improving literacy in focus states

11. **In fostering increased attendance in basic education, this Operation must additionally promote improved literacy so as to counteract overcrowded classrooms and schools that lead to no learning for students.** Consequently, BESDA will incentivize and provide technical support to states that are eligible under Results Area 1 to additionally adopt intensive literacy improvement program under Results Area 2. In this regard, BESDA can build on existing initiatives supported by international development partners for literacy improvement. Specifically, currently Nigeria is implementing the following innovative literacy/reading improvement programs:

- Funded by the USAID, the **NEI+** five-year program is supporting participating states to improve children’s reading skills. NEI+ is currently implemented in Bauchi and Sokoto States. These states have been focusing the reading program in LGAs with highest number of out-of-school children, specifically girls. By incorporating early grade reading instruction concepts, techniques, practice, and materials into teacher training programs, teachers will be equipped with a full set of instructional skills that will have a direct and positive impact on their students’ reading proficiency.
- Funded by DFID, the **TDP** aims to improve the skills—including language teaching—of 66,000 teachers in six states (Jigawa, Kaduna, Kano, Katsina, Niger, and Zamfara). The program started in 2013 and will last until 2019. Currently, TDP is operating in three states—Jigawa, Katsina, and Zamfara. The TDP’s scope covers key subjects such as English, mathematics, and science. Recently, the TDP also developed teaching and learning tools for students and teachers in Hausa.

12. **Under this Operation, states will be encouraged to scale up existing literacy improvement programs in their state or adopt them.** The Operation will provide guidance to states to enable them to select the most appropriate program. It is important to note that the choice of program should ensure the following essential characteristics of intensive literacy improvement interventions. The existing programs described above have these characteristics or can fill any gaps with additional resources:

- **Focus on the early grade:** Research shows that the best time for students to learn to read is in the early grades. The ultimate goal of reading is comprehension, the ability to understand and get meaning from text. With limited fluency, the process of decoding text drains attention and insufficient attention is available for constructing the meaning of the text. There is strong correlation between individuals’ capacity to read and their highest level of education attainment. International assessments show that learning deficits in early years accumulate and low performers will not be able to catch up later in life.
- **Ensure adequate availability of language textbooks:** To learn to read letters, words, passages, and sentences, students need to have their eyes on the text. If three to four students share one textbook, they cannot see clearly. They often can only copy from teachers writing on the blackboard, in many instances copying wrongly. It is therefore of utmost importance that each student has one language textbook as sharing textbooks means that students will not have a chance to look at the text long enough to decode and understand it and do not have sufficient time to practice independent reading.

- **Provide appropriately designed textbooks:** While spoken language learning is natural, reading starts with vision that helps decode sounds into letters/words/sentences. Textbooks for the ‘learning to read’ stage ought to facilitate efficient encoding/decoding of text.
- **Provide appropriate teachers’ guides and training which follow both the textbooks and teachers’ guides:** Teachers’ guides need to be structured according to the reading skill development in student textbooks. A training program for teachers needs to take into account the fact that teachers may be inadequately trained in the first place and face cognitive overload having to teach large classes of children from disadvantaged backgrounds. To increase the probability of teachers carrying out the expected activities, it is advisable to plan the training program centrally and prepare ‘scripted lessons’ for early grade language teachers. Teachers need to learn to perform the tasks fluently so that they can apply these tasks when they return to class. Teachers can be trained to use various types of questions to motivate and assess student reading comprehension, including (a) factual questions; (b) inferential questions (answers must be sought from multiple places in the text, need to be able to read between the lines); and (c) critical questions (answers not found in the text, need to be able to read beyond the lines).
- **Adequate time spent by teachers and students on reading/literacy improvement:** To overcome barriers of a limited home learning environment in terms of availability of educational resources, students need to spend more quality time learning to read at schools to attain automaticity. Without explicit instruction, books, and practice, reading speed does not increase.
- **Assessment of student progress is done regularly and learning gaps are identified and addressed on time:** Reading goals for each grade need to be clearly set and teachers need to be equipped with skills to conduct the assessment. The assessment should measure letter sound recognition, decoding, fluency and accuracy. Assessments can be done at the classroom by the teachers (for example, asking student to read aloud letters, words, sentences, passages) and by the school (for example, reading and writing tests).
- **Coaching is regular, combining school-based and external support:** Coaching is a professional development process supporting teachers to implement the intensive reading program in their classes by (a) modelling good teaching practices; (b) observing teachers’ lessons; and (c) providing feedback to help teachers master the new practices. Teachers teaching early grade reading need constant support through coaching.
- **Ensuring a critical mass:** Finally, for reading/literacy improvement programs to achieve their goals, a critical mass of students, teachers, and schools needs to participate for a sustained period. When a school adopts the program, it is important that all primary 1–3 students and language teachers take part, although the program can be introduced one grade every year. School-wide implementation helps increase the efficiency of implementation (reducing the need for cascade training for teacher; building a community of practice for sharing knowledge and experience; and increasing schools’ monitoring and professional development capacity). At the state

level, at least 50 percent of primary schools shall adopt the intensive reading/literacy programs by the final year of BESDA.

13. **The interventions to improve literacy can build on ongoing UBE program interventions in textbook provision and teacher training.** It is critical that all students participating in the literacy program receive the grade language textbooks at the beginning of the school year. In the same manner, all teachers participating in the program shall receive the textbook, teachers' guide, and teacher training manual before the school year starts. To ensure value for money, it may be efficient for states to identify the total number of books/teachers' guides needed well in advance and UBEC will procure the textbooks/teachers' guides in bulk. Similarly, the training program shall ensure that participating teachers are able to implement the literacy program step by step for the school year. Training shall be provided to teachers before the school year starts and refresher training shall be provided during Term 2 and Term 3. The teacher training modality can follow UBEC's current approach.

Results Area 3: Strengthening accountability for results

14. **Lack of accountability for results is one of the most critical governance challenges that hampers the implementation effectiveness of the UBE program.** Existing accountability mechanisms and legal requirements are not operationalized and need strengthening, to increase the accountability of the Nigerian Government, at federal and state levels, and its implementing agencies, UBEC at federal and SUBEBs at state level, for results achieved under the UBE program in terms of increased access and quality of basic education. This strengthening will foster policy dialogue between stakeholders and coordination between the two tiers of government, as well as improve policy making. Accordingly, the Operation strengthens different types of accountability:

- Managerial accountability at federal and state levels through the completion and disclosure of strategic plans and annual progress reports by UBEC and SUBEBs;
- Political accountability at federal and state levels for resource allocation and progress on access and quality of education through the mainstreaming of data collection and use on inputs, outputs, and outcomes (learning achievements);
- Fiduciary accountability through financial auditing and procurement review;
- Social accountability through data validation by communities (through SBMCs) on school performance and the public disclosure of this information; and
- Information for accountability by building the necessary evidence base (baseline information, tracking of progress) for policy making and dialogue.

15. **On information for accountability, the objective of this results area is to improve the availability of basic education data on system attributes and outcomes and make use of these data in improving planning and reporting by state and federal levels toward improved effectiveness of UBE program implementation.** To achieve this objective, the Program will focus on incentivizing (a) a system of NLA under the TA component; (b) implementation and publication of the ASC; (c) state reporting and planning for UBE program implementation; and (d) consolidated strategic planning by UBEC using progress report and midterm program evaluation findings.

16. **Nigeria has a latent NLA system.** The national Monitoring Learning Achievement (MLA) experience in Nigeria has been less than desirable, characterized by inconsistency in its conduct, inadequate stakeholder buy-in, ineffective dissemination, and ineffective utilization of results/outcomes to inform and drive improvements in education provision. Although the national MLA has been designated as a statutory responsibility of the Department for Educational Planning, Research, and Development of the FME, the exercise is far from being institutionalized. The four-year cycle for the conduct of MLAs has not been maintained. Two MLAs were conducted in 2003 and 2011 with long delays in report production and poor dissemination. During the same period, UBEC conducted separate learning assessments in 2003, 2006, and 2011. In addition, over the years, federal and state education ministries, departments, and agencies (MDAs) and international development partners have carried out variants of the MLA in the form of learning assessments specific to their programs to meet M&E needs and other requirements. Most of these exercises do not relate to or build on each other. This uncoordinated and fragmented approach without a national benchmark of learning outcomes is a serious limitation to the credibility of program-specific variants of the MLA and their use. Their significance and contributions to systemic national tracking of learning outcomes, sector performance evaluation, and development of national strategies for improving education provision will continue to be very minimal.

17. **It is critical that Nigeria develop a robust and integrated NLA system that can build the evidence base on system learning outcomes and inform the policy development for improving the country's quality of education.** An NLA policy framework was drafted in 2016 and it includes important parameters such as the rationale for the NLA system; NLA objectives; grades/subjects to be assessed; and frequency of assessments. However, the draft has not (a) specified the level of representativeness (sampling); (b) the framework for the policy analysis using the data collected; and (c) the reporting and dissemination protocol. Furthermore, for the NLA policy to be implemented successfully a clear budget line for the activity also needs to be specified. Finally, the draft proposes that the NLA will be housed at the FME, yet UBEC has the mandate for quality assurance in basic education. Hence, it is critical to delineate the NLA responsibilities in basic education to create synergy and coherence and to avoid overlap (for example, both the FME and UBEC conducted parallel learning assessments in primary education in 2003 and 2011). Consequently, the Operation will support the development and institutionalization of the Nigerian NLA system. This is a large-scale, low-stake, nationally representative survey of student achievement to measure the level of learning at a certain grade; identify factors (home, school, and policy) that associate with variation in learning; and make policy recommendations for improving learning. The NLA can also help Nigeria measure in a comparable manner the country's progress toward Sustainable Development Goal 4.1 that aims to improve the proportion of children and young people in (a) grades 2 and 3; (b) at the end of primary education; and (c) at the end of lower secondary education achieving minimum proficiency levels in mathematics and reading.

18. **Assessing learning outcomes must go hand in hand with a clear understanding of the system's key indicators related to infrastructure, human resources, and student body.** While having a NEMIS policy document issued in 2007, Nigeria has not been able to publish key education statistics regularly and in a comprehensive manner. The ASC is intended to provide accurate, timely, and reliable data that will guide policy makers to ensure efficient and effective planning, decision making, and monitoring of the performance of the education sector. While it is run by the FME, states are expected to pay for its implementation. The ASC uses a unified

questionnaire for data collection on every pre-primary, primary, junior secondary, and senior secondary school in the country. However, states that receive international development partner support have more resources to conduct the ASC using external enumerators, compile data into a school/LGA/state database, and publish the ASC report on key education indicators such as student population, number of teachers, pupil/classroom ratio, and school facilities. In 2014/2015, only 11 states collected the ASC and published the ASC report. In 2015/2016, 18 states collected the ASC and published the ASC report using the enumerator approach. The remaining states collected the data using reports provided by the LGEAs. The data have not been consolidated into a national school database and no national education statistical abstracts have been published using these data.

19. The Operation will therefore incentivize states to undertake the ASC annually, conduct appropriate data verification, and report on the findings. States will collect the school data using the unified ASC questionnaire and compile the data into a computerized database. States will also analyze the data and publish the state ASC report, presenting key education indicators and their trends compared to previous years. Though currently ASC data are collected by enumerators deployed to schools, UNICEF is working with the FME and states to put in place school record keeping that would feed into the ASC as well as provide data to the school itself. When the ASC is collected through school reporting, it is important that data accuracy is assured. Training on how to fill in the questionnaire needs to be provided to all schools. The ASC school report shall be signed by the school head and co-signed by the head of the SBMC. A sample accuracy spot check shall be conducted at the state and national levels. Schools/LGAs that provide inaccurate data will be notified for revision. States will analyze the school ASC data collected to produce the state ASC annual report. The report should present the number of schools reporting and missing data (if any).

20. UBE is a shared responsibility of the three tiers of government in Nigeria and the successful implementation of the UBE program calls for intergovernmental coordination and policy alignment. Half of the UBE Intervention Fund managed by UBEC is transferred to the states under a matching grant mechanism and utilized by state governments to build and refurbish school facilities. To access the UBE matching grant, states have to submit to UBEC an investment plan and subsequently report on its implementation. The other half of the UBE Intervention Fund is directly spent and executed by UBEC but on the condition that benefitting states also plan for its uptake.

21. Planning requirements at state level for the implementation of the UBE program require strengthening and increased commitment by state and federal actors. The UBEC template for states to submit investment plans for the utilization of the UBE matching grant is not sufficiently comprehensive, which in turn means that plans' approval process by UBEC is not sufficiently strategic. Very few states submit need-based and strategically focused plans. UBEC limits its monitoring of project implementation at state level to on-site inspection of physical outputs. Therefore, UBEC intends to strengthen the implementation framework of the UBE program through adequate planning at state level and rigorous oversight at federal level. SUBEBs will be required to submit state plans at the beginning of each fiscal year. Such plans will fulfill the following requirements:

- To be consistent with the state education sector plan;

- To be informed by baseline information contained in the state ASC;
- To be funded through federal, state and local budget appropriations to basic education (over the time frame of the MTEF);
- To lay out quantitative objectives on access and quality of basic education, using information captured by the ASC and other official sources of information (such as household surveys);
- To be grounded on a sound planning methodology (including for project appraisal, selection, and prioritization); and
- To factor in feedback from stakeholders including SBMCs on school performance.

22. **For lack of adequate M&E of the UBE program outputs and outcomes, executive agencies in charge cannot be held accountable for their effectiveness in program implementation.** Although UBEC is legally mandated to “monitor federal inputs into the implementation of basic education” and “present periodic progress reports on the implementation of the UBE to the President through the Minister,” it only reports on financials, activities, and deliverables under its direct interventions. Under the matching grant mechanism, UBEC can only transfer funds to the states when “satisfied that the earlier disbursements have been applied in accordance with the provisions of this Act.” For that purpose, UBEC first approves action plans submitted by state governments, and monitors the implementation of projects to ensure compliance with rules and regulations by SUBEBs. At state level, SUBEBs are required to track fund utilization and monitor project implementation to ensure value for money. However, this monitoring mechanism over the utilization by SUBEBs of the matching grant is in need of reform. A recent joint report by UBEC and the National Planning Commission on the uptake of the UBE matching grant observes that:

- Information on key outputs and outcomes to monitor and evaluate are not available: UBEC only records states’ planned outputs (projects) in the form of annual action plans, but it has no records of actual state-level outputs.
- UBEC has no clear set of agreed output and outcome indicators.

23. **Fiscal accountability on expenditure effectiveness also requires strengthening.** There is no validated consolidated information on public expenditure allocated to and effectively spent on basic education in Nigeria, which prevents an informed evaluation of financial resource mobilization. There is no information either on the effectiveness of allocated resources under the UBE program for the achievement of its objectives. The UBE Intervention Fund is not captured into the Medium-term Sector Strategy of the FME and the execution rate of the UBE Intervention Fund is not reported on in the federal budget execution audit report or under the M&E system for capital expenditure run by the Federal Ministry of Budget and Planning. Accordingly, the Operation will incentivize:

- Reporting on value for money both at federal and state levels through joint strategic planning; and
- Review of the allocative efficiency (across economic categories of expenditure and across the states as a result of the distribution formula) of the UBE Intervention Fund.

24. **Social accountability has been institutionalized at school level for the implementation of the UBE program but is yet to be fully operationalized.** In 2005, the National Council of Education decided that an SBMC should be established in every primary and secondary school across the country and UBEC issued guidelines in 2011 to frame the organization, role, and activities of SBMCs. Subsequently, most states issued policies and guidelines with UBEC and donor TA, including from DFID under the Education Sector Support Programme in Nigeria (ESSPIN). By 2012, all Nigerian states had adopted a regulatory framework for SBMCs in alignment with federal guidelines. However, SBMCs are yet to become functional in many instances. For that purpose, the FME is drafting a national school-based management policy to “provide communities with capacity and mechanisms to demand accountability and transparency from duty bearers (including school managers, LGEAs, SUBEBs, SMEs and FME)” and “a legal framework for involving all stakeholders, including the local communities, to participate in the planning, monitoring, and evaluation of educational outcomes at the school level.” For that purpose, UBEC guidelines for the Development of School-Based Management System in Nigeria mandates SBMCs to:

- “Set goals and targets for their schools and define strategies for achieving the goals toward improving the learning outcome of learners;”
- “Report the progress and challenges confronting the school, and submit an annual report (progress and financial) to LGEAs, SUBEBs, SMEs, and FME as appropriate;”
- “Ensure effective utilization of school resources on planned projects and activities” and that “financial information is posted on the school notice board.”

Under this regulatory framework, states are also required to “establish communication channels and flow between SBMCs, schools, communities, government (FME, SMEs, SUBEBs/LGEAs) and other stakeholders.” The Operation operationalizes SBMCs for data validation (ASC) on school performance. It also incentivizes the reporting by the states of SBMCs’ functionality.

C. Institutional Arrangements

25. **The overall institutional framework of basic education has been designed to achieve a number of objectives for effective policy implementation.** Its objectives are to (a) institutionalize the separation of policy making vested with line ministries from policy implementation vested with executive agencies; (b) structure horizontal and vertical intergovernmental coordination and policy harmonization; and (c) ensure the representation and participation of stakeholders in policy implementation across the three tiers of Government. However, it has faced challenges to (a) ensure the accountability and oversight of established executive agencies (UBEC and SUBEBs); (b) tally the functions of established executive agencies with the whole array of stated policy objectives, including the oversight of private schools; and (c) effectively associate local governments with policy implementation.³²

26. **UBEC has adequate capacity for Program implementation** (which is confirmed by its capacity to provide oversight to the IDA-funded SEPIP (P122124) and Global Partnership for Education-funded Nigeria Partnership for Education Project (P143842), which is supervised by the World Bank). It is managed by an Executive Secretary and has 8 Directors and around 150

³² World Bank. 2015. *Governance and Finance Analysis of Basic Education in Nigeria*.

staff. It also receives 2 percent of the UBE Intervention Fund to cover its operating expenses. UBEC's management is keen to improve its monitoring and reporting on the effectiveness of UBE program implementation. UBEC is at a disadvantage when it comes to monitoring funds utilization at state level, primarily for lack of a proper planning framework for resource utilization at state level. The Program will help remedy these institutional weaknesses by strengthening (a) the monitoring of UBE program implementation and (b) the intergovernmental strategic planning framework for basic education.

27. UBEC's Governing Board was disbanded in 2015 after the national elections (as was the case for all federal parastatals). Its recent appointment (April 2017) will strengthen UBEC decision making including on politically sensitive dimensions such as the allocation formula of the UBE Intervention Fund. The membership of the Governing Board (which includes representatives of the FME, Teachers' Union, parents/teachers associations, women's groups, and of a range of other parastatals, such as the NTI; National Commission for Colleges of Education; National Commission for Mass Literacy, Adult, and Non-Formal Education; NERDC; and NCNE) ensures a fair level of stakeholders' representation, making its role all the more important for decision making and oversight. The Governing Board capacity will be built through a partnership established between UBEC and the Bureau of Public Service Reforms (BPSR) with support from the World Bank and DFID.

28. To strengthen the institutional effectiveness for Program implementation, an institutional assessment of UBEC by the BPSR³³ has been initiated to determine areas for improvement of its effectiveness in discharging its mandate. Funding for the assessment is provided by DFID through a trust fund managed by the World Bank. The institutional assessment covers the following dimensions: (a) UBEC institutional environment, for example, legal framework, external oversight by the FME, and external auditing by the Auditor-General of the Federation; compliance with government budget management rules; interagency coordination—horizontal and vertical; (b) UBEC corporate governance (including governance of the Governing Board and senior management team; quality of internal fiduciary systems and controls [internal audit and anticorruption]); quality of reporting on results; information disclosure); and (c) UBEC institutional capacity and performance (for example, business processes, financial management, risk management). On completion of the institutional assessment, the BPSR will continue its support to UBEC as it implements the assessment's remediation action plan.

29. At state level, Program implementation is vested with SUBEBs, which are operating through a network of local branches, LGEAs. Overall, SUBEBs employ around 80,000 staff across the country. They have the capacity for Program implementation (at least comparatively to SMEs) while also focusing insufficiently on accounting for results. LGEAs are also not accountable to local governments or to SMEs, which oversee schools through a parallel network of field offices. The Program will strengthen institutional capacity for both planning and M&E at the state level by incentivizing the development of state UBE program plans based on a standardized template and to be submitted to a strengthened review process by UBEC, and the mainstreaming of data collection through the ASC, to be externally validated by SBMCs.

³³ The BPSR is a Federal Government agency tasked with promoting governance reforms. For its institutional assessments, it is using a [methodology](#) that the World Bank has contributed to and which is already used successfully for a range of public entities.

30. **Under the Operation, the effectiveness of the institutional framework is further strengthened by the TA component to improve interagency and intergovernmental policy alignment and coordination as well as M&E capacity.** At policy level, the NPSC, to be chaired by the Minister of Education (or the Permanent Secretary on delegation) with UBEC as the Secretariat, and including representation from UBEC and the Ministries of Education, Finance, and Budget and National Planning, as well as the Vice-Presidency,³⁴ SMEs, SUBEBs, and CSOs, will ensure horizontal and vertical coordination. At the federal level, a CST established to strengthen UBEC coordination will work closely with the Policy and Monitoring Team at the FME to foster interagency coordination in overseeing the Program. At the state level, Program implementation is supported through SME and SUBEB teams collaborating through a joint TG. M&E capacity is strengthened both at federal and state levels by incentivizing the mainstreaming of ASC across the states, and supporting the annual fielding of the National Education Data Survey and the conduct of the NLA. By incentivizing the validation of data collection at state level by SBMCs, the Program strengthens community-based monitoring of service providers' performance.

II. Description and Assessment of Program Expenditure Framework

31. **The financial sustainability and funding predictability of the UBE program are legally secured at federal level by the UBE Act thanks to the earmarking of at least 2 percent of the consolidated revenue of the federal budget.** In the appropriation act, the financing of the UBE program at federal level is clearly identified by a single budget line in the category of statutory transfers (that is, separate from the budget of the FME). During budget execution, funds are released to the extent that projected revenue effectively accrues to the budget. This funding mechanism shelters the UBE program against poor budget performance, including historically low execution rate of capital expenditure. As table 4.4 shows, the UBE Intervention Fund allocation has been on the order of current US\$300–450 million, or US\$230–480 million in 2005 U.S. dollars, over the years since 2005. Budget execution data for 2016 are not yet available so only approved budget amounts are provided. Projections using the MTEF of available funds for the UBE program over the lifetime of the Operation average US\$320 million annually, which will result in a total of US\$1.6 billion over the period 2018–2022 (see table 4.5).

32. **At state level, the financing of the counterpart funding required for states to access the UBE matching grant (that is, half of the UBE Intervention Fund earmarked for the construction and refurbishment of school facilities) is also legally secured.** For example, in Edo State, the law mandates the state government to “contribute not less than 50 percent of the total cost of projects as its commitment in the execution of the projects under the UBE scheme in order to qualify for the Federal Government block grant.” Fiscal transfers under the UBE program are also appropriated in state budgets and clearly identified. As table 1.2 in annex 1 shows, disbursements of matching grants to states as of March 31, 2017, amount to 82.7 percent of total allocations since 2005. However, this reflects the fact that state matching grants are almost fully disbursed through 2014, while 22 states have accessed their 2015 matching grant allocation, and only three states accessed the 2016 allocation as of March 31, 2017.

³⁴ The Vice-Presidency manages two relevant programs for basic education: (a) the national HGSFP and (b) the recruitment of graduates as temporary teachers under N-Power.

Table 4.4. UBE Intervention Fund Allocation (2005–August 2016)

Year	Current U.S. Dollars	2005 U.S. Dollars
2005	295,053,207	295,053,207
2006	295,053,207	295,053,207
2007	454,340,601	483,294,215
2008	454,340,601	483,294,215
2009	285,390,816	247,929,649
2010	285,390,816	247,929,649
2011	410,084,511	342,340,932
2012	410,084,511	342,340,932
2013	464,595,718	382,318,205
2014	464,595,718	382,318,205
2015	337,143,126	227,686,618
2016 approved budget	391,421,320	258,224,817

Source: <https://ubeonline.com/Pre/releases%20UPDATE%20AS%20AT%2010TH%20AUGUST%202016.pdf>

Table 4.5. Projected UBE Intervention Fund Allocation (2016–2022)

	Naira	Naira/U.S. Dollars Exchange Rate	U.S. Dollars
2016 approved budget	77,110,000,000	197	391,421,320
2017 proposed budget	83,518,764,939	305	273,832,016
2018 projected budget	93,281,395,523	305	305,840,641
2019 projected budget	108,885,950,729	305	357,003,117
2020 estimated budget	95,228,703,730	305	312,225,258
2021 estimated budget	95,228,703,730	305	312,225,258
2022 estimated budget	95,228,703,730	305	312,225,258
Total 2018-2022 budget	487,853,457,443		1,599,519,533

Source: MTEF

33. **UBE Intervention Fund resources for 2016 show only a 14.6 percent utilization rate for the year (see table 4.6).** The table first shows that roughly 71 percent of the UBE Intervention Fund is for capital expenditures, followed by 27 percent on goods and services, and 2 percent on personnel. Several 2016 Intervention Fund allocations, including for instructional materials, TPD, and special education did not disburse in 2016 at all—with states accessing instead 2014 and 2015 allocations in 2016. States only accessed 4.3 percent of matching grants, reflecting the fact that only three states accessed the 2016 allocation, as described above. Apart from personnel expenditures, which were fully disbursed in 2016, the two 2016 Intervention Fund allocations that disbursed in 2016 were the ‘educational imbalance’ and ‘UBE monitoring’ allocations. The first represents spending on construction and rehabilitation of schools; *almajiri* education projects; girl-child projects; as well as boy-child projects. The second represents spending on special programs in addition to monitoring interventions, such as advocacy visits to states and quality assurance practices in basic education institutions. In other words, the spending in 2016 reflects a focus on interventions addressing out-of-school children as well as quality of education.

Table 4.6. UBE Intervention Fund Utilization, 2016

Fund	Statutory Releases (Naira)	Utilization (Naira)	Achievement (%)
Matching grants	38,555,000,000	1,649,876,128	4.3
Instructional materials	11,566,500,000	-	0.0
Educational imbalance	10,795,400,000	7,228,649,644	67.0
Teacher professional	7,711,000,000	-	0.0
Good performance	3,855,500,000	-	0.0
Special education	1,542,200,000	-	0.0
UBE monitoring	1,542,200,000	872,027,751	56.5
UBE implementation	1,542,200,000	1,542,184,336	100.0
Total	77,110,000,000	11,292,737,859	14.6

Source: UBEC. January 2017. *2016 Budget Performance as at 31st December 2016*, presented to the Senate Committee on Education (Basic and Secondary).

34. **Budget execution under the UBE program remains opaque for lack of adequate auditing of financial statements.** The execution of the budget line earmarked in the federal budget for the financing of the UBE program is not adequately captured by the audit report on budget execution: being categorized as a statutory transfer, its disbursement is deemed completed when the funds are released to UBEC. UBEC’s own financial statements are supposed to be annually audited by a private auditor under the supervision of the Auditor-General of the Federation, but no such financial audit has been conducted in the past four years. In principle, the jurisdiction of the Auditor-General of the Federation extends to the use of the matching grant by the states, but there is no evidence that it has conducted such financial audits.

35. **For lack of program evaluation and adequate monitoring of outputs and outcomes, the efficiency of UBE program expenditure has not been assessed so far.** Although UBEC is legally mandated to “monitor federal inputs into the implementation of basic education” and “present periodic progress reports on the implementation of UBE to the President through the Minister,” it only reports on financials, activities, and deliverables under its direct interventions (that is, to the exclusion of the matching grant).

36. **The efficiency of expenditure under the UBE program is also undermined by the lack of overall fiscal accountability and transparency on public expenditure in basic education.** There is no verified consolidated information on public expenditure allocated to and effectively spent on basic education in Nigeria, which prevents an informed evaluation of financial resource mobilization. Consolidated budget information will require the harmonization of charts of accounts used across levels of government, the functional reclassification of budget expenditure, and systematic and audited reporting on budget execution. For lack of such standardized budget

information, it is practically impossible to assess the effectiveness of financial resources allocation in basic education.

III. Program Results Framework and M&E

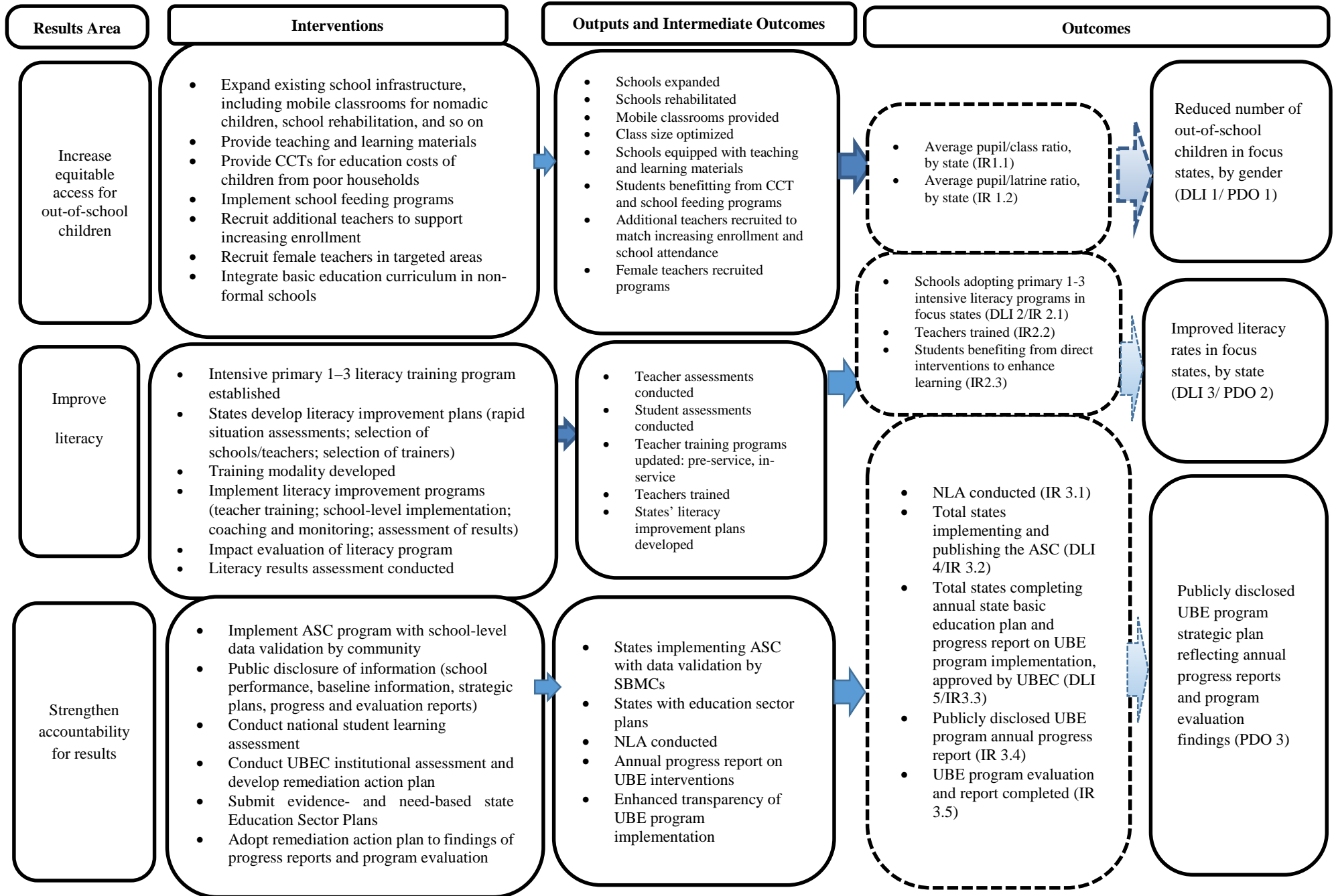
37. **The BESDA Program Results Framework is based on the key processes, outputs, IRs, and PDO outcomes reflecting the three results areas of the Program.** The indicators follow the standard criteria of being ‘SMART’ (specific, measurable, actionable, realistic, and time-bound). The BESDA Program’s PDO and results areas are fully aligned with the MSP’s areas of concentration—access, quality, and system strengthening—and UBE program objectives. The first results area focuses on improving access for out-of-school children and reducing the number of out-of-school children in focus states. The second results area supports system-level improvements to improve literacy. The third results area encompasses interventions to strengthen accountability for results, including the availability and use of basic education data and associated public expenditures for planning and reporting. Each of the results areas has a corresponding PDO indicator that is expected to be achieved through a comprehensive and interlinked set of interventions. Based on the Results Framework, the DLIs were identified for disbursement of BESDA funds.

A. Disbursement-linked Indicators

38. **Program DLIs include a mix of IRs and outcomes that are a part of the results chain (figure 4.1).** The results chain presents the Program logic, illustrating how activities supported by the Program are expected to contribute to achievement of outcomes. To achieve increased access for out-of-school children, potential interventions supported by the Program include the construction and expansion of schools, training and recruitment of teachers, CCTs, school feeding programs, and the integration of non-formal schools into the system through the introduction of basic education core subjects into their curricula. Support for intensive literacy programs is expected to contribute to improved literacy rates in focus states. Efforts to strengthen accountability for results nationally revolve around interventions to enhance transparency through increased availability of improved quality data for planning and reporting. Enhanced transparency and reporting are critical steps along the continuum of accountability for results.

39. **The disbursement-linked rewards to be financed under BESDA have been selected in accordance with the national strategy and priorities to ignite intense efforts to enroll out-of-school children in basic education, improve literacy rates in focus states, and strengthen accountability for education results.** The five DLIs that cover the five-year period will pivot the system to put greater emphasis on results and enhance evidence-based planning and management of the UBE program. DLI 1 measures reduced number of out-of-school children in focus states by gender—the key outcome under Results Area 1 on increasing equitable access for out-of-school children. DLI 2—schools adopting primary 1–3 intensive literacy programs—measures a key step in the process toward achievement of DLI 3—improved literacy rates, by state—which is the outcome for Results Area 2. The remaining DLIs represent together the essential ingredients for strengthened accountability for results in basic education in Nigeria, as emphasized by Results Area 3. DLI 4 measures implementation and publication of the ASC validated by SBMCs; and DLI 5 measures annual state plans and progress reports on UBE program implementation, including ASC data, budget data and information on SBMCs submitted on time.

Figure 4.1. Results Chain



B. Data Sources for Disbursement-Linked Indicators

40. **Data sources vary in terms of quality, rigor, and risk.** An important strength of the Results Framework and DLI matrix is that many of the indicators are designed to leverage and build existing country systems.

41. **Results Area 1.** The first DLI is based on the NEDS conducted by the NPC. The NEDS is a household survey which provides information on education of children ages 5–15 and is representative at the state level. The NPC of Nigeria was established by the Federal Government in 1988. It has the statutory powers to collect, analyze, and disseminate demographic data in the country. It is also mandated to undertake demographic sample surveys; compile, collate, and publish migration and civil registration statistics as well as monitor the country's Population Policy. The NPC has received technical support for the NEDS survey from USAID. In addition, there are several donors supporting the improvement of data collection and general M&E for basic education, including UNICEF (ASC) and USAID (literacy assessment). In close collaboration with these donors, the program will work to support the enhancement of the NEDS to ensure that the questionnaire is further improved to adhere to international standards for basic education, especially regarding the wording of questions related to out-of-school children and literacy. Further, the M&E members of the NPMT will work closely with the NPC to ensure that appropriate sampling is conducted to have representative data for the Program.

42. **Results Area 2.** For purposes of verification of DLI 2, states will be required to maintain records on all aspects of the adoption of the intensive literary program, including in-service teacher training on literacy; evidence of the distribution of books to children and instructional handbooks to teachers (for example, photos of students holding up their books in which they have written); classroom observations of teachers' performance in applying the techniques for literacy by mentors; coaches and quality assurance officers; and timetables of teachers teaching. DLI 3 will use the NEDS as the data source for literacy rates of children ages 5–15. The NEDS is based on a simple methodology of presenting children with flash cards to assess whether they can read one of three words in English or one of the three official languages (that is, Hausa, Yoruba, and Igbo).

43. **Results Area 3.** DLI 4 will rely on data collected by the schools and submitted to the state EMIS team to be consolidated, aggregated, and analyzed in a computerized database. Data collection will use a single ASC template to be completed by school heads who have been trained on how to fill out the form. The form will be signed by the school head as well as a non-school member of the related SBMC to assure data quality. NEMIS will consolidate the state data and the information will be published on the FME website within six months of data collection. Finally, DLI 5 will rely on an agreed unified template which will capture planning and reporting at state levels on UBE program implementation, using data from the ASC, budget data, as well as data on SBMC functionality. The M&E member of the NPMT will need to coordinate across various data sources to collect the necessary data for Program monitoring across the three results areas.

44. **UBEC has the mandate to monitor and evaluate the outcomes of federal-level inputs into basic education and implementation of the UBE Intervention Fund including developing a database for basic education and conducting research.** The current M&E system is implemented by the FME, UBEC, SUBEB, LGEA, and SBMCs. Although, UBEC took over the responsibility of M&E of UBE in 2012 in an effort toward improving data quality, interagency

coordination has not improved. For instance, duplicate efforts exist by the FME and UBE in both conducting NLAs. Redundant efforts also revolve around the national ASC and UBEC's quality assurance processes and personnel audits. UBEC together with SUBEBS and LGEAs survey schools and conduct site visits to assess the quality of schools, teaching performance, and community satisfaction with schools and teachers through dialogue with parents and SBMCs. In this exercise they collect information on enrollment, teachers, and Parent Teachers Association (PTA) involvement. In addition, they conduct a personnel audit which captures information duplicating the ASC.

45. **Taking into consideration the key constraints and gaps in the current M&E system, BESDA will support the strengthening of data collection and utilization in key areas of the Program results chain.** Key DLIs have been identified to incentivize improvements in data collection. This will include (a) administration of the ASC based on a uniform template verified by SBMCs and its timely publication on the FME website and (b) production of UBEC-approved annual state plans on basic education expenditures and progress reports on implementation of UBE program activities by states to enhance the data available to assess the efficiency of financing for basic education. In addition, TA will be provided to support design and implementation jointly by UBEC and the FME of an NLA, as well as implementation of the Program M&E system.

C. Managing Risks and Improving Capacity

46. **A potential risk that may hamper disbursement under Results Area 1 is the timeliness of the NEDS survey, which will be conducted annually for the first time.** Another potential issue is the capacity of the NPC to conduct the NEDS on a yearly basis without the support of international consultants, as previously used in 2015. These risks will be mitigated by providing technical support through local private consultants or academic institutions. Once the importance of the NEDS results for disbursement becomes clear it will shift from a low stakes survey to become a high stakes survey. While this may produce incentives to alter households' responses to the NEDS in terms of inflating the number of children in school, practically, it would be difficult to influence all respondents given the sheer size of the survey and the nature of random sampling.

47. **Another possible risk is potential discrepancies between the NEDS findings and other national surveys coming out in 2017 and 2018, including the Multiple Indicator Cluster Survey and the National Living Standards Survey.** Differences could be due to different survey dates, or slight variations in the wording of questions to households. The risk of the NEDS lacking credibility in the face of contradicting information will be mitigated through the use of robust TA that provides credible quality assurance on survey implementation. These additional efforts include conventional survey methods such as routine monitoring of interviews by team supervisors during data collection, but also technological innovations allowing automated data quality checks based on anomalies flagged in the system.

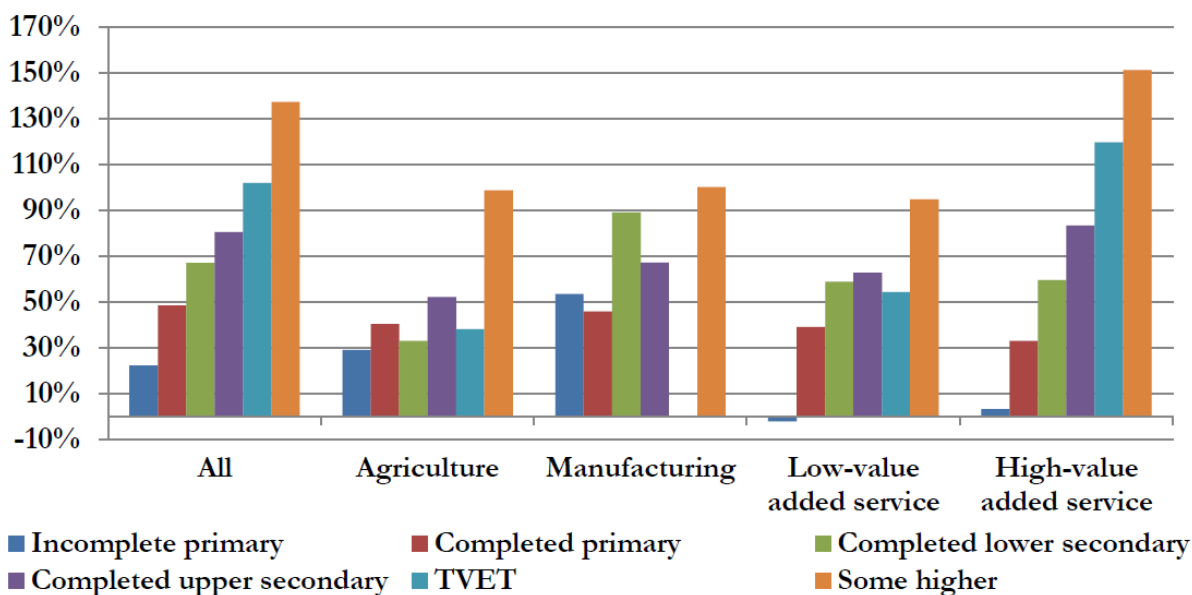
48. **The risk of redundant efforts and poor quality and inconsistent data resulting from a lack of coordination across the FME, UBEC, and SUBEBs will need to be addressed to develop a NEMIS which consolidates national- and state-level representative data from the ASC on schools, teachers, students, learning outcomes, education budget resources, and expenditures.** The Program will leverage the existing Steering Committee, peer learning, and technical working groups to facilitate opportunities for communication and cooperation between

the FME and UBEC in delineation of tasks. Other risks associated with generating timely data for DLI reporting will be mitigated by technical support provided by the World Bank and other development partners as needed to improve instruments and processes for data collection, analysis, reporting, and dissemination.

IV. Program Economic Evaluation

49. **In Nigeria, any additional year spent in school matters: even having an incomplete primary education means having a total monthly income 22 percent higher than people who never attended school (figure 4.2).**³⁵ Returns of secondary, TVET, and tertiary education are high. People with complete upper secondary education or TVET can expect to earn more than 80 percent and 100 percent more, respectively, than people who never attended school. The highest return is for people with tertiary education (130 percent). The education premium in earnings increases as the level of education increases; the premium is manifested prominently in the services sector with high-value-added services like banking and ICT services, and lowest in the agriculture sector—although the premium is still high even there.

Figure 4.2. Private Returns to Education in Nigeria, by Economic Sector (2013)



Source: World Bank. 2015. *Nigeria: Skills for Competitiveness and Employability*, Figure 1.1.

50. **Beyond private returns to education, the economic rationale for public intervention in basic education under this Program is twofold: (a) the social benefits and externalities associated with education and (b) on redistributive and equity grounds.** With regard to social benefits and externalities resulting from education, the evidence on girls' education is particularly strong: better-educated women enable better health care and education for their own children. In other words, by focusing on educating girls, this Program is not only increasing these girls' productivity, but leading to higher personal incomes as well as healthier lives. In addition, by

³⁵ World Bank. 2015. *Nigeria: Skills for Competitiveness and Employability*.

educating girls, this Program is fostering a virtuous cycle leading to a next generation of healthier and better-educated children.

51. **Additionally, from a redistributive and socioeconomic equity point of view, by focusing on educating out-of-school children, this Program is focusing on poorer segments of the Nigerian society.** Evidence has been provided in earlier sections to the effect that out-of-school children are disproportionately poor, as well as being perhaps those who became recently impoverished through the conflict in the North East. In addition, potential integration of core basic education subjects into the education of *almajiri* children, who also tend to be poor, would mean that this Program would be further improving equitable provision of education services.

52. **Increased access to education alone is not enough, as a better quality of education implies a stronger impact of education on personal productivity, and thereby on national economic growth.** Therefore, student learning, as opposed to simply student enrollment, is key to garner the economic benefits of education investments. Teacher quality, in turn, is a key driver in achieving student learning.³⁶ It is true that students' family background (parent education, socioeconomic status, and conditions at home such as access to books) is the strongest predictor of students' learning outcomes. But once children get to school, no single factor is as critical as the quality of teachers. Research in the United States on the 'value added' of individual teachers over the course of a single school year has shown that students with a weak teacher may master 50 percent or less of the grade curriculum; students with a good teacher advance by one year; and students with great teachers advance 1.5 grade levels or more. Therefore, by enhancing teachers' skills under the intensive literacy programs, this Program is making an important contribution toward student learning and thereby increasing the economic impact of the Program.

53. **Finally, this Program fosters a results orientation of the UBE program, thereby contributing to improving the efficiency of spending under the Government program.** Given the commitment of Nigeria to achieving UBE and the continued substantial financing of the UBE program, increased availability of data on outputs and outcomes, coupled with associated public spending, will lead to a better understanding of the efficiency of spending and potential reorientation to a more productive allocation of the UBE Intervention Fund further down the line.

³⁶ This section draws extensively on Bruns, Barbara, and Javier Luque. 2014. *Great Teachers: How to Raise Student Learning in Latin America and the Caribbean*. World Bank.

Annex 5: Fiduciary Systems Assessment

I. Introduction

1. As part of the Program preparation, the IFSA of the Program was carried out, consistent with OP/BP 9.0 and in accordance with the World Bank Guidance Notes for ‘Program-for-Results Financing’. The objective of the assessment was to examine whether Program systems provide reasonable assurance that the financing proceeds will be used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability. The financial management systems were assessed to gauge the extent to which the planning, budgeting, accounting, controls, funds flow, financial reporting, and auditing systems and practices provide a reasonable assurance on the appropriate use of Program funds and safeguarding of its assets. Equally, the Program procurement systems have also been assessed to establish the extent to which the planning, bidding, evaluation, contract award, and contract administration arrangements and practices provide a reasonable assurance in support of achievement of the Program results. In addition, the assessment considered how Program governance systems manage the risks of fraud and corruption and how such risks will be mitigated. This part of the IFSA is focused on the Program results component while annex 10 defines the financial management, disbursement, and procurement arrangements for the TA component of the hybrid Operation.

2. The IFSA was conducted through a methodical review of systems and practices at the federal and state levels, involving on-site assessments at UBEC and in a sample number of SUBEBs. Review of the diagnostic work earlier carried out at the federal and states’ levels was equally done to supplement the on-site assessments. The analysis took cognizance of the Public Expenditure and Financial Accountability (PEFA)/Public Expenditure Management and Financial Accountability Review (PEMFAR) work carried out in 25 out of 36 states and on the Federal Government, and the Programmatic Integrated Fiduciary Assessment of Nigerian States (PIFANS) (2015) carried out in six states, the diagnostics on Governance, Accountability and Finance Analysis of the Basic Education Sector in Nigeria (2015), ESSPIN - Universal Basic Education Commission Financial Systems Review (2010), the Performance Audit Report of the Auditor-General for the Federation on FTS by UBEC and its impact on MDG2 (2016). The team also reviewed the lessons learned in implementation of the recent collaboration between the Nigerian Government and the World Bank using results-based financing in the education sector—SEPIP (P122124)—and identified the need to strengthen the predictability and timeliness of resource transfers to program delivery agencies as well as the timely completion of the independent verification process as key weaknesses to be managed under this operation. All these will be mitigated as (a) the introduction of service standards in the OIM will be instructive to allow for predictable and timely resource transfers and (b) the appointment of IVAs within three months of effectiveness is now included in the PAP.

3. The conclusion of the IFSA is that the Program systems meet the requirements of OP/BP 9.00 and are adequate for achievement of the Program objectives. The IFSA has identified certain risks and measures to mitigate such risks. The risks mitigation measures will be managed through methodical implementation of the PAP. The overall program integrated fiduciary risk (financial management, procurement, and governance) is rated ‘High’ as a result of critical weaknesses in financial reporting, auditing, procurement, and governance systems and practices. The key

mitigation measures arising from the identified risks, that are largely inherent in UBEC and SUBEBs in particular, are contained in the PAP.

A. Program Design and Expenditure Framework

4. The design of the Program benefits from the already established policy framework and governing principles of the FME for the UBE program, funded by the UBE Intervention Fund that is channeled through UBEC. The Program will aim to support and improve the UBE program, by building on ongoing interventions, while simultaneously incentivizing for enhanced accountability in the results areas. The Program itself is fully aligned to the MSP 2016–2019 which was adopted by the NCE on September 29, 2016.

5. The expenditures under the UBE Intervention Fund, corresponding to the budget of UBEC, as well as targeted expenditures from the funds provided by the World Bank as leveraged resources that will be used to provide ‘transfers’ to performing states, constitute the Program expenditure framework.

Table 5.1. Summary of the Program Expenditure Framework

Funds Source	Amount (in US\$ million)					Total
	2018	2019	2020	2021	2022	
Government	146	170	149	149	149	760
IDA	123	109	131	106	141	611
Total	268	279	280	255	290	1,371

6. Below is the translated version of the total summary expenditure framework of the program (government and IDA) according to economic classification of expenditures: Personnel cost (compensation of employees); Goods and Services (overheads); and Capital (investments) that are financed under the supported program boundary.

Table 5.2. Program Expenditure Framework, by Expenditure Category (2018–2022)

	Amount (in US\$ million)					Total
	2018	2019	2020	2021	2022	
Capital	141	141	141	141	141	705
Goods and service	128	128	128	128	128	639
Personnel	5	5	5	5	5	27
Total	274	274	274	274	274	1,371

7. In other words, out of IDA’s share of expenditures under the entire program (being US\$611 million) the estimated amount, according to the economic classification of expenditures, is derived as follows: 27 percent to Capital (US\$165 million); 71 percent to Goods and Services (US\$434 million); and 2 percent to Personnel costs (US\$12 million) as depicted in table 5.3.

Table 5.3. Program Expenditure Framework, by Funds Source and Expenditure Category

Fund Source	Total	Capital	Goods & Services	Personnel
Government	760	540	205	15
IDA	611	165	434	12
Total	1,371	705	639	27

8. The UBE Act mandates the co-funding of basic education by the Federal Government and state governments. Earmarked fiscal resources from the UBE program are routed through the executive agencies at federal and state levels, and UBEC and SUBEBs are jointly vested with the fiduciary responsibility for their adequate use. All 36 states and FCT of the Federation benefit from the initiative and all indeed do make provisions for expending on public education interventions. In effect, the UBE program therefore leverages states' own efforts in delivery of basic education services. **For the purpose of this Program, the scope of the expenditure Program is roughly half the UBE program of expenditures that this World Bank Operation supports.**

9. With regard to the funds flow under the UBEC program financed through statutory transfers from the Federal Government's budget, it is noteworthy to state that the execution of these transfers as well as the transactions of the expenditures related thereto is conducted using government-owned systems of budgeting, disbursements, accounting, and financial reporting within the context of UBEC's enabling legislation.

II. Program Financial Management Systems

10. The financial management arrangements under the Program will be carried out using country systems which are, generally, in reasonably good operating order. The existing systems of budgetary planning, budget preparation, budget execution, accounting, internal controls, funds flow, financial reporting, external audit, and legislative oversight will continue to be adopted for Program implementation.

A. Institutional and Legal Framework - Financial Management Arrangements

11. The key institution for PFM in the Federal Government and state governments is the federal or states' Ministries of Finance and their respective agencies. Other players include the Ministry of Budget and National Planning, the National Assembly, and the Office of the Auditor-General for the Federation.

12. In Nigeria, the enabling institutional and legal framework for financial management is contained in the (a) Constitution (Sections 80–89)—accounts, audit, and investigations; (b) Finance (Control & Management) Act 1958—the organic public finance management law; (c) Fiscal Responsibility Act (FRA) 2007, aiming to instil discipline into fiscal planning and management; (d) federal PPA 2007, and PPAs at states' level that mirror the federal PPA—regulating public procurement for federal and states' government funds; (e) Audit Act 1957; and (f) Freedom of Information (FoI) Act 2011—aiming to improve transparency and public accountability by providing for public access to non-sensitive official data. *Along with the subsidiary legislations, regulations, and operational and financial directives which dictate the day-to-day basis for the management and oversight of public finances (notwithstanding the long overdue organic public finance legislation and the audit law), it is concluded that the legal framework is in place and acceptable to the World Bank.*

13. As a sectoral program of intervention, the Program's financial management coordination will be anchored in and managed within the Directorate of Finance and Accounts of UBEC and at the SUBEBs, with primary overall responsibility vested in UBEC. In general, the Accountants-

General of the Federation and the states as well as the Budget Directorates play a significant part in the overall management and control of public finances—in this context, releasing the budget for the statutory transfers to UBEC and transferring the funds to the UBEC account. The federal and states' Ministries of Education have an overall policy-making responsibility for the sector as a whole.

B. Planning and Budgeting

14. The Federal Government and 14 states have fully transitioned to a new budget and account classification system that is Government Finance Statistics 2001 compliant, as a result of Federation Account Allocation Committee directive to harmonize classification methodologies across the federation. Ten other states are currently gearing themselves to also migrate from their legacy system of classification to the new standard, and these are being supported under the World Bank as well as European Union (EU) trust-funded operations. Improvements in the linkage of budgets to sector strategies are being recorded across a few states—essentially 6 out of the 21 states being supported by World Bank and EU trust-funded operations out of the 36 states—although there remains the question of reliability of these linkages in the absence of realistic costing of the strategies that feed into the budget.

15. The UBE Act prescribes the allocation of at least 2 percent of the Federal Government's consolidated revenue to basic education. The budget for UBEC constitutes part of the overall education sector budget. Existing budgetary planning and budget preparation system entails the determination of the budget years' service delivery framework through sector plans and preparation of financial estimates therefore, based on the budget ceilings provided by the Ministry of Budget and National Planning. While in general the draft MDA budgets are delivered from MDAs to the Budget Directorate (at federal) or Ministries (in states) well before the commencement of the fiscal year, the federal budget (not the states) approval by the legislature has been traditionally marred by delays, year on year. Following legislative approval of the federal annual budget appropriations, the Office of the Accountant-General of the Federation (OAGF) transfers 100 percent of the appropriated statutory funds to UBEC on a monthly basis. At the level of the states, program implementation could well be impaired as a result of the inability or willingness of the states to budget their matching contributions to the grants that UBEC will provide. The budgetary system at state level is broadly characterized by deteriorating budget credibility as a result of expenditure budget 'padding' in the absence of realistic estimation of revenues. The exercise of discretions by State Governors on fiscal matters in the absence of well-functioning fiscal policy management strategies has limited the usefulness of budgets as instruments of policy intent. The disbursement rate of the UBE Intervention Fund has therefore decreased dramatically and the matching grant intended to fund the construction and refurbishment of school facilities has been accessed by a declining number of states. The ability of UBEC to comprehensively deliver on its mandate is therefore being impaired.

C. Payments and Flow of Funds

16. The Federal Government transacts its budgetary spending through a system of a TSA held with the CBN. At present, all budgetary resources are processed through the government integrated financial management information system (IFMIS). This is a significant improvement from the erstwhile status quo when cash was being indiscriminately moved from the CRF held with the

CBN to nominated commercial bank accounts of agencies, thus undermining the good principles of an effective and efficient cash management system. UBEC, as with other subvented government agencies that receive statutory transfers through the budget, is excluded from the IFMIS. The OAGF, through the IFMIS though, makes approved budget transfers to UBEC's subaccount in the TSA held with the CBN and from which UBEC accesses through a uniform electronic payment platform (REMITA) to finance its own budgetary expenditures.

17. At the level of the states, the control in funds flow is exercised through the Ministries of Finance and, by extension, the Offices of the states' Accountants-General, after the budget release to MDAs is made through the Budget Office. Generally, most states do not maintain a TSA system. However, they do maintain a cash management system based on a strictly cash budgeting arrangement. Their CRFs are held across a number of selected commercial banks within their respective states and the daily status of cash balances in individual accounts is monitored. Expenditures undergo a process of validation at the MDA level as well as at the states' Accountants-General Offices, and pre-payment audits are undertaken on every expenditure transaction before payment is authorized. Apart from a few states that operate a mixture of electronic cash transfers and check system (under a cashless economy policy), most of the states execute their payments by check or even cash. The latter constitutes areas of risk of fraud and corruption. Recently, in July 2016, all 36 state governments have subscribed to the 22 Point Fiscal Sustainability Strategy and Plan that seeks to support states in reversing their current fiscal management weaknesses, including transitioning to TSA arrangements.

18. To mitigate the risk of delay in the transfer of Program funds from IDA to the states, service standards will be established (to be included in the OIM) to ensure, among other things, that funds are transferred to the eligible states' accounts within 21 days of receipt of withdrawn Program results component funds into the Special Fund Account held with the CBN.

D. Accounting and Financial Reporting

19. The federation has adopted the International Public Sector Accounting Standards (IPSAS) cash basis of accounting and financial reporting as of fiscal year 2014, although a majority of states is still lagging behind in implementation. In addition, the federation has adopted the new chart of accounts and budget classification system that is GFS 2001 compliant (although implementation still remains uneven across states, with the Federal Government and only 14 other states having commenced implementation). In effect, Nigeria is moving progressively toward complying with international standards on accounting and financial reporting as well as on use of a classification methodology (for budgeting, budget execution, accounting, and reporting) that conforms to international best practice. Implementation challenges remain, but these are being monitored and managed under the auspices of the Federal Account Allocation Committee.

20. Accounting for and reporting on financial transactions in UBEC and SUBEBs is fully manual. Notwithstanding the inherent weaknesses in using non-ICT-based systems in the accounting of multiplicity of transactions—ranging from errors in postings, delays in the preparation of financial statements, and the absence of audit trails—the system of accounting and financial reporting at UBEC is generally performed at acceptable levels, save for the delays in consolidation due to information limitations on SUBEBs' activities. The commission is endowed with adequately qualified and experienced staff in financial management. For the purpose of the

program, the entity financial statements of UBEC will include the transactions in the Special Fund Account and the TA component supported by the World Bank. The requirement for SUBEBs to render monthly financial returns to UBEC is not being fulfilled on time. Currently, a large number of the SUBEBs are in default of about two years, on average, in the submission of their financial returns. As reflected in the PAP, UBEC's financial management system will be computerized to allow for timely and accurate accounting and reporting under an improved control environment. With respect to SUBEBs, capacity enhancement programs shall be provided through UBEC to allow for timely and reliable reporting. A simplified but comprehensive reporting template will be designed by UBEC and shared with all SUBEBs, and financial returns will be submitted monthly to UBEC for aggregation and consolidation in UBEC's overall reporting.

E. Internal Controls and Internal Audit

21. The **internal control** over expenditures is one of the key areas of risk for the Program. Evidence from the reports of the quarterly financial monitoring of SUBEBs being jointly conducted by staff of the Finance and Accounts Department and Internal Audit Unit of UBEC indicates weak internal controls. Issues flagged in the financial monitoring reports include unretired advances, ineligible expenditures, borrowings from the UBE Intervention Fund, investing of the UBE Intervention Fund in interest yielding securities, inadequate documentation for incurred expenditures, and non-remittance of financial returns by SUBEBs. Operational expenses are therefore a central concern in this Program. Internal controls over operating expenses will also require strengthening under the Program; the PAP therefore includes the institution of an enhanced accountability framework over operating expenditures.

22. The **internal audit** process is largely focused on pre-payment audits, while lacking in oversight as a support function to internal management. Leakages remain in the expenditure management system due to dearth of risk-based internal audit and control processes, and lack of focus on systemic issues. A key challenge will be how to divorce the internal audit function from involvement in the expenditure processing cycle and accord independence to the role the internal auditors play. This is an institutional issue cutting across the Federation but UBEC, through the UBE program, will address the shortcoming, on a pilot basis, by ensuring that an internal auditor is assigned to carry out ex post systemic and risk-based audits, and thus enable the internal audit function to operate independent of the expenditure processing cycle.

F. Oversight - Program Audit

23. In general, the Auditor-General of the Federation as well as the states' Auditors-General conduct the independent audits of public finances in their respective jurisdictions. UBEC is statutorily to be audited by private sector auditors. However, the constitutional responsibility is vested in the Auditor-General of the Federation to review the audit report and submit the report to the National Assembly. The financial statements of UBEC have not been audited for the past four to five years in violation of the legal requirement.

24. With respect to the Federal Government, external audit (according to PEFA 2013) covers at least 50 percent of total expenditures of the Federal Government, including the education sector. The submission of the audit report (as well as the financial statements upon receipt of the draft accounts from the Accountant General of the Federation) to the legislature has been achieved

within four months of the end of the period covered. Although the accounts for 2015 are yet to be audited due to delay in the Accountant General of the Federation's closing the books on time, there are clear prospects that the audit report submission to the legislature will resume timeliness. The quality of audit has begun to be improved, especially with the implementation of key reforms supported under the World Bank-financed Economic Reform and Governance Project, and there is a progressive transition to International Organization of Supreme Audit Institutions standards of auditing. Notwithstanding, audit follow-up at the level of the legislature has continued to remain weak.

25. Noting the Program boundary of the Operation, the annual audited financial statements of UBEC, as an entity, inclusive of the transactions in the Special Fund Account (Program results component) and the TA component account will be considered as constituting the basis for the annual financial assurance required by the World Bank. The audited financial statements shall be submitted to the World Bank within nine months of the end of the government fiscal year. Nevertheless, since UBEC's financial audits are in arrears for about four years already, such audits will be accomplished and reported on within 12 months of effectiveness of the Program. The TA component could finance the cost of the audits in the absence of availability of adequate resources from UBEC's own funds. UBEC's financial audits will be carried out by UBEC entity auditors who are private sector auditors.

26. The states Auditors-General also conduct the audits of the financial statements of their respective states and render them to the states' assemblies. PEFA reports of states indicate that, in general, the audited financial statements and their related reports are submitted to the legislature within 12 and 15 months of end of each fiscal year, although a few states do render these accounts within 6 months of fiscal year-end. The quality of these audits remained, though, uneven across states. Under the Program, the states' Auditors-General will audit their respective SUBEBs and the audit reports will be reviewed during the Program's implementation support missions.

G. Disbursements from the World Bank

27. The IDA credit proceeds of the Program results component, in the equivalent sum of US\$578 million, will be disbursed to the Federal Government's Special Fund Account, which serves as a subaccount of the TSA held with the CBN—triggered by the achievement of the DLI-related results for the Program. Upon achieving DLI-related results, a WA will be submitted to the World Bank under the joint signature of the FME and UBEC, using the World Bank's standard disbursement forms through the e-disbursement functionality in the World Bank's Client Connection system. The WA will be accompanied by certified and cleared evidence from the World Bank task team that the related results were achieved. Disbursements to performing states will be made directly from the Special Fund Account, co-managed by the FME/UBEC, to the Special Fund Accounts of the respective SUBEBs held with a commercial bank managed by the SUBEBs and SMEs. To mitigate the risk of delay in the transfer of funds from the UBEC/FME to the SUBEBs, it is reiterated that service standards will be established to ensure that states' share of funds received in the TSA at the federal level (by virtue of their meeting the DLIs) are transferred to the states' accounts within 21 days of receipt of the funds into the primary Special Fund Account held with the CBN. The Program funds flow for the Program results component is provided in schematic form in figure 5.1.

28. As earlier highlighted, disbursement arrangements will allow disbursement of ‘advances’ to a tune of 15 percent of the total Program amount with a view to facilitating acceleration and drive to achieving the results for one or several DLIs designed for achievement in a future year. Any advances provided shall be recovered when the related DLIs remain unmet at a subsequent disbursement period until the DLIs are met during the life of the Program.

29. The principle for disbursements against DLIs adopted by the Program implementation will be as follows. For any DLI not met at the evaluation date in any single year, the price allocated to that DLI will remain undisbursed (or recovered from the next cycle of disbursements until the DLI is met at a future date during the life of the Program). DLI results will, largely, be subject to scalability and, as a result, disbursements will follow the same mechanism.

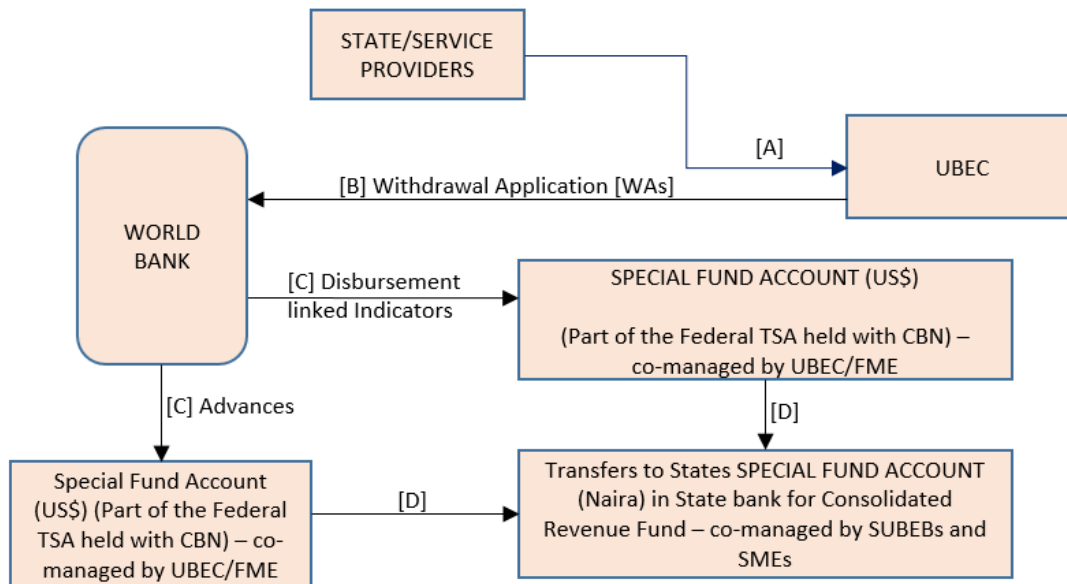
H. Program Financial Management Risk

30. In spite of the existence of a robust financial management information system at the Federal Government level for budget management, accounting for and reporting on transactions at UBEC is done using manual accounting systems with its associated inherent weaknesses, especially with the lack of automation of financial records and the delays by SUBEBs in submitting their financial returns. *This remains a cardinal risk to the Program.*

31. Given the weak internal controls as highlighted above, the reinforcement of internal controls through the introduction of a methodical internal audit function within the education sector (essentially the FME and UBEC) shall be implemented. Currently, the role of internal audits at both the federal and states levels is limited to conducting ‘pre-payment audits’. This functioning mandate comes from the local laws and does imply that internal auditors who should be independent, consistent with the International Institute of Internal Auditors’ standards, are directly involved in the expenditure processing cycle—a factor that undermines the independence and integrity of internal auditors. As part of the PAP, the Accountant-General of the Federation will assign separate internal auditors to UBEC to carry out ex-post audits that will focus on systemic issues and risk and thus mitigate the effects of possible collusion between the pre-payment audit teams (as mandated by law) and those with spending authority under the Program. *This is another critical area of risk to the achievement of the Program objectives.* Reports of the ex-post internal auditors shall be submitted to the Permanent Secretaries of the Ministries of Education, the Accountant General, the Auditor General, and the Executive Secretary of UBEC, and shared with the World Bank on quarterly basis.

32. The draft financial statements of UBEC, including the Program results component expenditures and TA component, shall be prepared within three months of the end of the fiscal year and submitted to the private external auditors. In addition to meeting the DLIs, one of the criteria to be established is for ensuring that the overall program expenditures (actual) at program closure is more than or equal to the Program withdrawals (disbursements) from IDA. Any over-withdrawals will need to be recovered from/refunded by the Federal Government. This will ensure that the results achieved have a relationship with financial resources deployed.

Figure 5.1. Program Results Component Funds Flow – Schematic Diagram



Note:

[A]: States and other beneficiaries submit evidence of performance against criteria verified by the IVA to UBEC.

[B]: Upon verification and assessment against criteria, FME/UBEC submit WA to the World Bank for disbursement.

[C] DLIs: For DLIs (including for prior results), the World Bank disburses to FME/UBEC’s Special Fund Account held with the CBN for subsequent payment to beneficiary states under the Program.

[C] Advances: For advances under the Program, the World Bank disburses to FME/UBEC’s Special Fund Account held with the CBN for subsequent payment to beneficiary states.

[D]: From the Special Fund Accounts, FME/UBEC transfer to qualifying states. Transfers to states will be accomplished within 21 days of receipt of disbursements from the World Bank.

It is to be noted that 2 separate Special Fund Accounts (one for the Program DLIs and the other for advances) will be maintained at the CBN.

33. Finally, the external audit of the Program expenditures will be critical to providing the requisite assurance that the Program resources were appropriately used with the requisite economy, efficiency, and effectiveness toward achieving the Program goals. To this end, and with a view to managing the risks to program outcomes on time, the private external auditor will carry out (a) the audit of the backlog of UBEC’s financial statements and submit a copy to the World Bank; (b) subsequent audits of the financial statements of UBEC, inclusive of transactions in the Special Fund Account and the TA component; and (c) delivery of the audit report to UBEC and the Auditor-General of the Federation as well as submission of a copy to the World Bank within nine months of the end of each fiscal year. *Late submission of the audited financial audit reports of UBEC including the Program as a whole is one of the identified risks to be managed.*

34. Overall, notwithstanding the established deficiencies in financial management at the sector level (drilled down from the conclusions of the PEFAs/PEMFARs and the sector analytical underpins), there is reasonable assurance that the established systems will be adequate, especially when the mitigating factors as highlighted in the PAP are adopted and implemented.

III. Program Procurement Systems

A. Assessment of Procurement Framework

35. Nigeria's procurement environment is largely premised on the progress achieved in implementing a procurement reform program based on the recommendations of the 2000 Country Procurement Assessment Review. With the enactment of a PPA in June 2007, the enabling legal framework aimed at establishing transparent, fair, and cost-effective use of public funds has been in place. The provisions in the act are consistent with the principles of the United Nations Commission on International Trade Law Model Law, and are applicable to all procurement categories (suppliers, contractors, consultants).

36. Following the enactment of the Procurement Act, a regulatory agency, the BPP, was established. The Government has also prepared relevant implementation tools, including regulations, Standard Bidding Documents (SBDs), and manuals. In addition, a procurement professional cadre has been created at the federal level and in some states. A complaints and appeals mechanism has been established in accordance with the provisions of the act to enhance transparency and accountability. The gains of the procurement reform at the federal level have extended to the 36 states of Nigeria. Presently, 24 states have passed their respective procurement laws while other states have draft procurement bills under consideration.

37. Notwithstanding the above successes, there are still inherent weaknesses in the public procurement system in Nigeria. In 2012/2013, the World Bank conducted a Procurement Value Chain Analysis which identified the following weaknesses at the federal level: delay in budget approval; late release of budgeted funds; lack of budget-linked procurement planning; failure of full compliance with the use of SBDs; poor bid evaluation reports; delays in contract award approvals; weak procurement and performance monitoring; poor record keeping, fraud and corruption; and lack of effective enforcement of sanctions as provided for in the law.

38. **At the states' level**, procurement law has been enacted in 24 states while the remaining states have draft bills at various stages of consideration; procurement regulatory agencies have been established in 18 states. The PIFANS for Lagos, Ondo, Edo, Delta, Rivers, and Bayelsa also identified the procurement weaknesses in the states. In addition, PIFANS highlighted the (a) need for the states to develop and deploy necessary procurement tools, including regulations, manuals, and SBDs; (b) need to professionalize the procurement function; (c) need for publication of contract award to enhance transparency and demand for accountability; and (d) need for the establishment of complaints and appeals mechanism.

B. Overview of Procurement Performance in UBEC

39. **Scope of the review.** This assessment covers the enabling legal framework; the organizational aspects; procurement processes; record keeping and document management system; staffing capacity; quality and procurement planning; development of the procurement documents; bids/proposals submission; evaluation of the proposals and contract award; and application and appropriateness of the laws, rules, and regulations applicable to UBEC in the implementation of the Program. To this end, the review also covered a sample representative of SUBEBs.

40. **Institutional arrangements and staffing.** UBEC has a Procurement Unit with six procurement staff, including the head of the unit, and an Assistant Director who reports directly to the Executive Secretary of UBEC. The unit carries out three types of procurements: (a) textbooks and education materials for states under the intervention program; (b) construction and rehabilitation of facilities under the Imbalance Fund; and (c) construction and rehabilitation of facilities under constituency funds. UBEC buys text books directly from publishers of the four major subjects: English; mathematics; basic science; and social studies. The same publishers have been supplying these textbooks since 2009 and SUBEBs also buy from the same publishers for uniformity and quality standards in education delivery. The procurement staffing capacity is inadequate to undertake all the required procurement work, and the procurement unit suffers from regular depletion of its experienced staff arising from staff rotation among MDAs in the public service. For the current staff to perform optimally, more training will be required and provided through the TA component of the Program. The program will finance procurement training for the procurement staff of UBEC and SUBEBs in the procurement of goods and works as well as contract management and Procurement Consultants will be engaged to assist UBEC and SUBEBs in building the capacity of the procurement staff on the job and assist the procurement officers in carrying out their procurement responsibilities. There will also be TA for building the capacity of the SUBEBs for electronic filing and improved records management.

41. **Procurement management.** There are a number of problems associated with procurement management at UBEC. These include (a) lack of competition in the purchase of textbooks as the same suppliers have been engaged since 2009; (b) price differences between the textbooks procured from the same suppliers by UBEC at the federal level and by SUBEBs; (c) weak procurement capacity; and (d) inadequate storage facilities for procurement documents. At SUBEBs' level, there are several issues with procurement of construction/rehabilitation works at the state level: (a) the bidding documents are not standard, thus not complying with the federal PPA 2007 or the state Public Procurement Law where such laws exist; (b) capacity for procurement of works is particularly weak; as a result, the laid down procedures in the bidding document are not complied with at different stages of the procurement process; and (c) contract management is also weak and procurement staff are not involved in contract management of construction/rehabilitation works.

42. The overriding causes of weak procurement management in UBEC and SUBEBs are the following: weak institutional oversight and lack of ACTUs in UBEC, in particular, to repress corrupt practices. As part of the measures to mitigate the effects of these lapses, UBEC will be supported in its efforts to use framework agreements for procurement of text books that will allow all SUBEBs to take advantage of lower prices that accrues from the economics of scale of combining all requests from the respective SUBEBs and eliminate annual practice of going through the yearly procurement process. Framework agreements will be advantageous as the books will be procured from the publishers of established textbooks for the four basic subjects. At the most, the premium for delivery to restive locations such as the North East and South South will have been factored in and negotiated with the publishers up front and delays in delivery will be minimized; the Program will also assist UBEC to engage consultants to conduct Procurement Post Review of the SUBEBs' procurement activities on a rotational basis where respective SUBEBs will be covered in different years of the program. The weaknesses highlighted in the Procurement Post Reviews will be used to prepare preventive and/or remedial actions for SUBEBs not reviewed in a given period. The procurement reviews will be covered as part of the TA and included in the

PAP; clarify the institutional responsibilities for oversight and coordination across the entire program; and position an ACTU function within UBEC. In addition, mainstreaming open contracting across UBE interventions (an action in the PAP) will support the performance review of all the major stages of procurement from procurement planning to contract implementation, including for construction and rehabilitation. It is clarified here that the Program results component will use country procurement systems.

43. The profile of the procurable items in the program include textbooks and educational materials and construction and rehabilitation of classrooms and other school infrastructures such as libraries, clinics, and toilets. These structures are usually prototype designs of three-room classrooms, four classrooms with teachers' room and store, classrooms with library, and small infirmaries to serve as school clinics. The construction costs of these structures are fairly uniform across the country except for expected increases that can be attributed to the risk of restiveness in the South South and the North East of the country. The Program does not envisage the procurement of high-value contracts that will warrant World Bank review. The average cost of construction of the biggest school facilities (Junior Girls Model School) does not exceed US\$700,000 while the procurement of classroom furniture for the respective schools does not exceed US\$500,000. At the SUBEB level, it is common practice for like items to be grouped together and procurement using open competitive method such as National Competitive Bidding.

44. **Funding.** UBEC receives full releases of its statutory budgetary resources; as such, there are no issues with payments for duly executed contracts. Funds are released as matching grants to states' contributions to SUBEBs' operations.

45. **Stock control.** The Stores Unit in UBEC has four full-time staff. There is no documented procedure to guide the operation of the stores and no documented procedures are in place for dealing with the disposal of obsolete goods and stores. Record keeping is inadequate, and the asset register is not updated regularly. As part of the OIM, the control processes for better stock management will be included and the internal audit function will regularly review these to ensure compliance.

46. **Record keeping.** At UBEC, for each contract, there is a specific file for procurement and contract management that ensures an audit trail and lends to easy auditing. Each file individually describes the entire history of the procurement process—from invitation for bids up to contract award. The Procurement Unit implements a manual filing system and all procurement files are kept in metallic locked cabinets in the offices of the procurement staff. The procurement information can be located and this is protected from unauthorized access. More sensitive documents such as the financial proposals, original bids that are being evaluated, and so on are kept in a secured safe, accessible only to the procurement staff. This practice fulfills the legal requirements of the PPA. At the SUBEB level, record keeping is manual and very poor. As indicated above, there will be TA for building the capacity of SUBEBs for electronic filing and improved records management.

47. **Open contracting.** UBEC has piloted open contracting for its procurement under its direct intervention. The National Action Plan of the Nigerian Government on open government mentions that UBEC is among the first public institutions to pilot the initiative. SUBEBs have yet to be part of the pilot but are progressively expected to. Under the open government initiative, the Nigerian

Government is committed to mainstream compliance with open contracting international standards and the BPP is elaborating a framework to that effect. When fully in place, UBEC is expected to comply with open contracting guidelines, for its direct interventions, and to promote compliance with open contracting standards at state level for the utilization of the matching grant.

IV. Assessment of Fraud & Corruption Risks and Mitigation

48. Consistent with OP/BP 9.0, and as part of the IFSA, an assessment was carried out on the existing institutional and oversight systems and practices in Nigeria pertaining to ‘Governance and Anticorruption’ and their applicability to the proposed UBE Program. The assessment examined the proposed design and implementation of the Program using the governance framework principles of transparency, accountability, and participation and whether the existing institutions and processes were able to meet requirements of the *Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing (February 1, 2012)*. As part of the assessment, the institutions participating in the implementation of the Program and their interlinkages were examined to draw conclusions on the impact of their governance structure and practices on the objectives of the Program, and how they may well interfere with the effective and efficient service delivery activities foreseen under the Program across different layers of government in Nigeria. Specifically, the assessment examined the extent to which fraud and corruption can surface during implementation, and how these can be mitigated under viable action plans and other mitigating factors. It appears that the program is exposed to three main risks of fraud and corruption: (a) fraudulent or corrupt procurement transactions; (b) diversion of funds; and (c) potential administrative and bureaucratic delays in transferring states’ share of funds received in the TSA at the federal level.

49. The assessment methodology applied benefitted from dialogue carried out with responsible stakeholder institutions and agencies including the ICPC, Economic and Financial Crimes Commission (EFCC), and the sector-specific anticorruption units that are all central to the determination of policy, regulatory, and/or operational ‘fraud and anticorruption’ aspects in government. In UBEC, an Anti-Corruption Committee is just being constituted. Specific reference to the laws and regulations governing fraud and corruption was made to identify the adequacy of these enabling legislations to, at least in principle, serve as instruments of deterrents against governance malpractices. This assessment resulted in the identification of measures and actions in the PAP that could together support the mitigation framework for improved outcomes during Program implementation.

50. For lack of an objective indicator of corruption, one usually refers to perception of corruption: in this regard, Nigeria fares poorly despite recent progress. Under Transparency International Corruption Perception Index, Nigeria was deemed the most corrupt country in 1997 and ranked 136 in 2015 among 168 countries, after having reached its best ranking in 2008 (121 out of 180 countries). Endemic petty corruption affects citizens directly and prevents the most destitute to access public service in general and education in particular; according to a recent survey, nearly half of the respondents claim that they have to pay a bribe to secure admission to

school for their children.³⁷ This defies the policy objective of granting every child free and compulsory basic education.

51. Other forms of corruption affect the quality of education as well as access and equity, such as the diversion or misuse of public funds, examination malpractice, and so on. It is reported that “once they have graduated, students face pressures to pay teachers and administrators to sign “clearance” forms, without which schools will not release official results, thereby suspending any future educational options.” It has also been observed that some “teachers choose to be entrepreneurial in schools. Some accept bribes to help students cheat on exams. Other abuses of power come in the form of using student labor to create goods that teachers then sell, or forcing students to attend and pay for additional tutoring.”³⁸ Political patronage also seems to negatively impact the implementation of basic education at the local level: it may result in the recruitment of unqualified teachers; it may also reflect in the inexplicably high proportion of non-teaching staff in public pre-primary, primary, and junior secondary schools in certain states. Whereas the national average hovers around 11 percent of total education staff, this proportion climbs as high as 70 percent in certain states, according to the national personnel audit of 2010.

52. Although such symptoms of corruption may result in public distrust of public institutions, it does not say much about the effectiveness of the country’s anticorruption institutions and systems.

53. In this regard, a recent draft assessment of public service reforms³⁹ offers an informed and candid diagnostic of anticorruption reforms at the federal level: in essence, it concludes that although the legal and institutional anticorruption frameworks have been significantly strengthened since the end of the military regime, they remain relatively ineffective. But it still highlights tangible achievements at the institutional (for example, National Financial Integrity Unit) and sectoral level (for example, on money laundering, pensions, fertilizers). A recent peer review of the implementation of the UNCAC in Nigeria confirms that its legal and institutional anticorruption framework is robust enough.⁴⁰

54. A core reform pursuit of the new administration falls in the governance arena—strengthening its response to public corruption. A lot is being achieved as the legacy of impunity is being progressively reversed. On transparency, Nigeria joined the OGP in May 2016. Some of the accountability institutions are increasingly asserting themselves and are now considered critical change agents for governance reforms.

55. **The anticorruption legal framework in Nigeria.** The anticorruption legal framework rests essentially on the criminal justice system and more specifically on the Corrupt Practices and Other Related Offences Act, 2000, as well as on the UNCAC, ratified in 2004. Additional pieces of legislation address conflict of interest, promote transparency (asset disclosure and freedom of

³⁷ ActionAID, *Poverty and Corruption in Nigeria*, 2015.

³⁸ Smith, D.J., 2007. *A Culture of Corruption. Everyday Deception and Popular Discontent in Nigeria*. Princeton University Press.

³⁹ Bureau of Public Service Reforms, 2015, *Compendium of Key Public Service Reforms. What is Working and What is Not?*

⁴⁰ UNCAC, Implementation Review Group, 2014, *Review of the Implementation of the United Nation Convention Against Corruption in Nigeria*.

information), and strengthen the governance of extractive industries (Nigeria Extractive Industries Transparency Initiative Act). Legal provisions relevant to the education sector defined in Corrupt Practices Act as criminally punishable corrupt practices include:

“Any public officer who uses his office or position to gratify or confer any corrupt or unfair advantage upon himself or any relation or associate of the public officer or any other public officer shall be guilty of an offence and shall on conviction be liable to imprisonment for five (5) years without option of fine.”

56. This provision extends to sheer solicitation by a public officer of any undue advantage for providing assistance of using one’s influence, as well as to attempted (but not actual) corrupt practices as well as to corrupt practices on behalf of third parties.

57. The Nigerian criminal law also sanctions *“any person who, being employed in the public service, takes, or accepts from any person, for the performance of his duty as such officer, any reward beyond his proper pay and emoluments, or any promise of such reward.”* The law punishes both active and passive corruption, that is, both public officials and the private parties to the transaction—with the definition of public officers under the Corrupt Practices Act extending to all elected and non-elected officials, at federal, state, and local levels, in public administrations or state-owned enterprises.”

58. With regard to **public procurement**, the Corrupt Practices Act specifies:

“Any public servant who, without lawful authority or reasonable excuse, solicits or accepts any advantage as an inducement to or reward for or otherwise on account of his giving assistance or using influence in, having assistance or used influence in the promotion, execution, or procuring of

- (a) Any contract with a public body for the performance of any work, the providing of any service, the doing of anything or the supplying of any article, material or substance; or*
- (b) any sub-contract to perform any work, provide any article, materials or substance required to be performed provided, done or supplied under any contract with a public body; or*
- (c) the payment of the price, consideration or other moneys stipulated or otherwise provided for in any such contract or sub- contract as aforesaid;*

shall be guilty of an offence.”⁴¹

59. The Corrupt Practices Act sanctions **conflicts of interests** of public officers in charge of financial transactions:

“Any person who, being employed in the public service, knowingly acquires or holds, directly or indirectly, otherwise than as a member of a registered joint stock company consisting of

⁴¹ Under the Corrupt Practices Act, also qualify as criminal offences 1) the award or signing of contracts without budget provision, approval and cash backing and 2) the transfer and payment of any sum allocated to a particular project or service to another one.

more than twenty (20) persons, a private interest in any contract, agreement or investment emanating from or connected with the department or office in which he is employed or which is made on account of the public service, is guilty of an offence, and shall on conviction be liable to imprisonment for seven (7) years.”

60. Public officers are also criminally liable for not reporting any unduly offered, promised, or granted gratification. Private individuals who have been solicited to pay a bribe to a public officer are also criminally liable for not reporting it to the ICPC or the police.

61. **Asset disclosure.** All public officers are constitutionally mandated to declare to the Code of Conduct Bureau their assets and liabilities on assumption and term of office, and every four years for permanent employees. Failure of declaration of assets may entail removal from office, disqualification from holding any public office, and forfeiture to the state of any property acquired through abuse of office or dishonestly.

62. Nigeria is a party to the **UNCAC** since it signed and ratified it in 2004, that is, after its Corrupt Practices Act was enacted. As such, it is submitting itself to implementation self-assessment⁴² and peer review. A second peer review is ongoing.

63. **The anticorruption institutional framework.** The Nigerian anticorruption institutional framework comprises multiple agencies at the federal level, loosely coordinated by the President’s office (within the interagency task team on anticorruption).⁴³ But the weakest level rests at the departmental and agency levels, with ACTUs to be established in each and every ministry, department, and agency and which are the most relevant for the purpose of assessment under the program. The anticorruption nodal agency in Nigeria is not the EFCC but the ICPC. But a recently established Technical Unit on Governance and Anti-Corruption Reforms (TUGAR) is an important addition for corruption risk assessment.

64. **The ICPC.** Established in 2000 by the Corrupt Practices Act, the **ICPC** has both a repressive and preventive role. It has a membership of 12 seasoned professionals (two from each of the six geopolitical regions of Nigeria) and a chairman (who has to be a magistrate)—all nominated by the President and confirmed by the Senate. Legal provisions ensure the independence and probity of the commission. For the past three years, the ICPC has refocused on the prevention of corruption in three areas of service delivery: health, education, and water supply. In those sectors, it has recently published a report on corruption risk assessment in cooperation with TUGAR and the BPP. Its recommendations will be applicable to the implementation of this Program. Allegations of corruption can be conveyed to it by email or by phone and are also conveyed to it indirectly through websites such as [BribeNigeria](#) or [Egunje](#) (which publish statistics

⁴² See the [2013 self-assessment report](#).

⁴³ The IATT comprises of representatives of the Office of the Attorney General of the Federation and Ministry of Justice, the Ministry of Foreign Affairs, the Federal Ministry of Finance, the Economic and Financial Crimes Commission, the Nigerian Financial Intelligence Unit, the Independent Corrupt Practices and Other Related Offences Commission, the Code of Conduct Bureau, the Public Complaints Commission, the Nigerian Extractive Industry Transparency Initiative, the Technical Unit on Governance and Anti-Corruption Reforms, the Nigerian Police Force, the Federal Inland Revenue Service, the Office of the Auditor General, the Corporate Affairs Commission, the Central Bank of Nigeria, the National Drug Law Enforcement Agency, the Bureau of Public Service Reforms, the Budget Office of the Federation.

on the geographical and sectoral distribution of gathered allegations) run by nongovernmental organizations (NGOs).

65. **The EFCC.** The EFCC (created in 2004) is the nodal agency for anti-money laundering, financing terrorism and other economic and financial crimes. Its role is complementary to that of the ICPC but it is not the most important anticorruption agency for the purpose of this Program (neither is the **National Financial Integrity Unit** which gathers intelligence on suspicious financial transactions), even though the EFCC mandate overlaps somewhat with that of the ICPC.

66. Other agencies also contributing to anticorruption such as the **Public Complaints Commission** (established in 1975); the **Code of Conduct Bureau** (created in 1990) essentially ensuring compliance by public officers of their legal obligations in the performance of their functions (including on asset disclosure); and TUGAR (created in 2008), mandated to collect data, monitor and evaluate governance and anticorruption initiatives across the three tiers of government, conduct corruption risk assessments and provide policy advice on anticorruption.

67. **ACTUs within federal MDAs.** ACTUs are the nodal anticorruption agency at the departmental level. Their creation has been decided by the Head of Services on recommendation from the ICPC. They are responsible for the prevention of corruption and preliminary investigations. They are partly independent from the chief executive officer of department (Permanent Secretary): their chairman is appointed by the Head of Services and cleared by the ICPC; they report on their investigations to the ICPC (with copy for information to the Permanent Secretary). But their budget is still allocated by the ministerial department they belong to, thus impairing their financial independence. The ICPC is reviewing the budget issue of ACTUs while arguing that they should not be conducting full-scale investigations by themselves but only collecting intelligence to be conveyed to the ICPC, sole agency in charge of criminal investigations.

68. The role of ACTUs is to serve as the main link between ministries and government agencies on the one hand and the commission on the other. For the **repression** of corruption, ACTUs “receive oral and/or written reports of conspiracy to commit/attempt to commit an offence of corruption and submit both their initial report and their comments to the Secretary of the Commission with copies to the Permanent Secretary/Chief Executive within thirty (30) working days.” As regards **prevention**, ACTUs “examine the practices, systems and procedures in the MDAs and where in the opinion of the Unit, such practices, systems or procedures aid or facilitate fraud or corruption, they submit a detailed report with recommendations to the Secretary of the Commission [ICPC] for appropriate action with copies to the Permanent Secretary/Chief Executive” of the relevant ministry or agency. Their role extends to training and sensitization of department staff and counterparts (for example, visitors) on corruption.

69. For the purpose of the World Bank Program supporting the UBE program, **it is critical that an ACTU be established at UBEC as mandated by the law, in compliance with relevant regulations.** When established, it is expected to handle allegations of corruption under the program and assess the robustness of UBEC systems and report on the matter to ICPC so that it advises its management on remedies to identified weaknesses.

70. **Anticorruption institutional framework at the state level.** The Corrupt Practices Act applies to any state-level or local-level government employee and grants the ICPC jurisdiction over all of them. For the purpose of this Program, TUGAR, the ICPC, and BPP identify significant risks of corruption at state level under the UBE program:⁴⁴

- “The absence of automation poses a corruption risk. Without the benefit of reliable data and a proper tracking of Basic Education indices there is a possibility of manipulation of data and resources by SUBEBs.”
- Access by states to the matching grant “invariably creates a monitoring challenge for UBEC and room for misapplication of the funds by the states. There is no record of penalties for misapplication of funds [which] worsens the risk of misapplication of funds.”
- “The UBEC Act clearly places the responsibility for the administration and disbursement of funds on the SUBEBs. This creates a risk of ineffectiveness of UBEC in some states which are unable or unwilling to provide the necessary framework for carrying out their responsibility under the Act. States employ several gimmicks including claiming projects undertaken by other partners, as theirs. This gives room for the misappropriation of counterpart funding when received.”

71. By law, “Universal basic education is free and covers books, instructional material, classrooms, furniture and free lunch. In practice however, parents or guardians are required to provide other payments which are levies rather than fees. These levies are unregulated and vary from school to school. Also pupils/students through their PTAs contribute resources toward providing infrastructure such as additional blocks of classrooms. This acts as a disincentive to student enrollment and attendance thereby defeating the purpose of the Act. There is sometimes no proper accounting for some of these levies. There are also allegations of conflict of interest among officers of those committees and associations, who sometimes either serve as the contractors for the projects or have vested interests in the appointment of such contractors.”

72. **Operationalization of the anticorruption systems in the World Bank Program.** Based on these findings of this assessment, it seems that to best mitigate the risks of corruption under the program, two mitigating measures are called for:

- (a) The creation of an ACTU at UBEC in compliance with regulatory requirements (that is, instructions from the Head of Services Office)⁴⁵ and a review by the ACTU of UBEC systems to be submitted to the ICPC and resulting in recommendations to mitigate identified vulnerabilities. Such recommendations will have to be addressed by UBEC.
- (b) The strengthening of grievance redress mechanisms at the federal, state, and school levels, to handle allegations of corruption by contractors, staff, and pupils/parents.

73. Beyond those specific provisions on anticorruption, other systemic reforms should also contribute to mitigate the risk of corruption. The TUGAR, ICPC, and BPP risk assessment highlights the need to:

⁴⁴ Report on the Pilot Corruption Risk Assessment in Selected MDG-Related MDAs of Water Resources, Health and Education Sectors, 2015.

⁴⁵ Circular No. OHCSF/MSO/192/94 of 02/10/01

- Strengthen financial management at state level;
- Ensure transparency of procurement process at state level;
- Introduce “automated synchronization of data collection and retention between SUBEBs and UBEC;”
- Strengthen project monitoring and register assets: “An automated monitoring system such as an electronic checklist of all projects being carried out in the state and such projects being tied to financial sources and project delivery milestones would reduce the risk of duplication.”
- Disclose audit reports and information on “budget, cost, deliverables and timelines;” and
- Adopt zero-based budgeting.

74. These recommendations should be given full consideration and acted upon collectively by UBEC and its state-level counterparts.

V. Program Integrated Fiduciary Risk Assessment

75. The integrated assessment concludes that the UBE Program Integrated Fiduciary Systems have the capabilities to provide reasonable assurance that the financing proceeds under the Program will be used, generally, for intended purposes. The assessment noted the existence of significant gaps and weaknesses in these systems which will need to be addressed in the PAP as part of Program implementation. There are opportunities to be harnessed, based on prevailing legal framework on anticorruption that the Program can take advantage of. With the existing gaps, the overall risks of the Program for an integrated fiduciary perspective is ‘**high**’, thus affecting the expected results against the program objectives. However, based on the findings of the assessment, a PAP has been developed, and whose implementation will support the mitigation of the identified risks during the life of the Program. Monitoring the implementation of the PAP and refining the operational modalities as and when required will be critical to managing the risks during program life.

VI. Program Action Plan

76. The PAP (see annex 8) covers the entire spectrum of the integrated fiduciary areas requiring management, monitoring, and control under the Program during the period 2018–2022. At quarterly intervals, a monitoring report on the status of implementation of the actions will need to be provided by the FME/UBEC for discussion, and strategic and technical directions and guidance provided.

VII. Implementation Support

77. The Nigeria country office has a team of integrated fiduciary staff—Procurement, Financial Management, and Governance—that will, as part of the program task team, monitor the implementation of the Program’s integrated fiduciary aspects, and in particular, the status of implementation of the ‘action plan’. This will be carried out not only half-yearly during implementation support missions, but also between missions, at least for the first year of Program implementation. The team will provide hands-on support to the UBEC teams dealing with procurement, financial management, and to the ACTU as well as to other organs (like Servicom) supporting the mitigation of fraud and corruption. In carrying out its implementation support, the World Bank team will also review the Program’s financial reports and their conformance with applicable standards.

Annex 6: Summary Environmental and Social Systems Assessment

I. Background

1. The Government of Nigeria's BESDA Operation is being supported under the World Bank's PforR financing instrument along with a TA component which uses the IPF modality. The PDO of the PforR is to increase equitable access and improve literacy for out-of-school children in focus states, and strengthen accountability for results, in basic education. The Operation, which amounts to US\$611 million, builds on the ongoing interventions under the country's UBE program. The MSP 2016–2019, adopted by the NCE on September 29, 2016, is a strategic document and represents a recommitment to the UBE goal in Nigeria while the primary vehicle for ensuring UBE remains the UBE program as implemented by the UBEC.

2. The ESSA for BESDA examines Nigeria's existing environmental and social management system that is the legal, regulatory, and institutional framework guiding the PforR Program; defines measures to strengthen the system; and integrates these measures into the overall UBEC program. The ESSA is undertaken to ensure consistency with six 'Core Principles' outlined in paragraph 8 of the World Bank Policy for Program-for-Results Financing to effectively manage Program risks and promote sustainable development.

II. Potential Environmental and Social Effects of BESDA

3. This Program is not expected to involve any major civil works that will have significant adverse environmental impacts. The civil works under the Program will focus on rehabilitation, renovation, and expansion of existing schools with limited cases of building new schools. These impacts are site specific and manageable provided that adequate measures are taken during the design, implementation, and operation phases of subprojects. However, if these physical works are not implemented on time and in an environmentally sustainable manner, the Program could have potentially adverse environmental impacts associated with health and safety concerns of workers, students, teachers, and the community. For example, the possible increase of enrollment under the Program could overwhelm the capacity of existing school resources, which would potentially lead to even less conducive learning conditions. The potential environmental impacts may include:

- (a) **Community and workers health and safety risks associated with the construction/rehabilitation work**, such as pollution of air from dust generated by excavation, inappropriate storage of construction materials and debris, water and soil; noise and vibration generated by construction equipment; solid wastes; communicable disease; traffic safety; lack of and/or inconsistent use of personal protective equipment; and use of hazardous building materials, such as asbestos containing materials and chemical hazardous paints used in the school buildings;
- (b) **Inadequate water supply (including potable water) and gender-friendly sanitation/latrines facilities in schools**, which are not only a health hazard, but also affect school attendance, retention, and educational performance. Inadequate water supply and sanitation facilities in schools in Nigeria has been a persistent problem over decades contributing to poor learning environment, absenteeism, underperformance, and higher dropout rates, in particular for girls; after reaching

puberty, girls in particular are less likely to attend school regularly if toilet and hygiene facilities are inadequate or non-existent;

- (c) **Poor indoor air quality** and insufficient ventilation in classrooms resulting from construction materials or furnishings can give off vapors and odors, increased dust and combustion fumes, and cause ventilation problems; civil works such as changes in floor plans, renovations, and replacement of building components like carpeting, roofing materials, or heating and ventilation equipment can all affect the air quality inside the school;
- (d) **Inadequate facilities for safety (including perimeter fence) and access for students with disabilities** in schools;
- (e) **Disaster/fire safety and weak emergency response arrangements** such as area signage and muster point, especially if the schools are located in sensitive areas prone to natural hazards; and
- (f) **Flooding and erosion are clear environmental risks in the southern states**; schools in states such as Rivers and Ebonyi are particularly vulnerable to flooding and erosion.

4. The overall social impacts of the Program are likely positive, owing to the program being designed to improve access, equity, and quality of basic education in Nigeria. The potential adverse social impacts of the Program are not expected to be significant. For example, the Program will not have significant adverse impacts related to land acquisition or loss of access to natural resources. There are no indigenous peoples in the Program areas. However, it should be noted that the Program will operate in a country where the political and governance risks are generally high. Since independence in 1960, Nigeria's history has been turbulent, punctuated by periods of urban riots and sociopolitical confrontation. Different parts of Nigeria remain adversely affected by different types of conflicts that might flare up again and potentially affect the implementation of the Program. Specific to this Program, the ESSA has identified the following types of key potential social risks: (a) existing social risks that the Program will aim to address; (b) social risks that may potentially be exacerbated by the Program; and (c) social risks that may hinder the implementation of the Program.

(a) Existing social risks that the Program will aim to address

- i) **Exclusion of vulnerable groups of children from education services.** Children do not go to school in Nigeria for a wide range of demand- and supply-side reasons that vary by state and geographic location. On the demand side, household poverty prevents children from enrolling in schools as families face many indirect costs, including the opportunity cost of child work. On the supply side, classrooms can be overcrowded and ill-equipped. Unless the wide range of these complex issues are addressed successfully by the government programs to be supported under the Program, vulnerable social groups of out-of-school children will remain excluded or further left out from the education services. The vulnerable groups of children will include:
 - **Girl children**, who constitute the majority of out-of-school children in Nigeria, who are either never enrolled in schools or withdrawn from schools for a wide range of reasons such as early marriages, domestic chores, hawking, and so on.

During consultations, stakeholders emphasized the importance of the sensitization activities for parents and communities, which will be one of the key activities to be supported under the Program.

- **Children of nomadic pastoralists, farmers, and fishermen**, who are among the most educationally disadvantaged in the country with very high out-of-school and literacy rates. Nomadic schools have minimal permanent structures, and most learning takes place outdoors. Additional accommodation is needed. The Program will support the flexible nomadic education program which provides qualitative, functional, and inclusive basic education for the children of pastoral nomads and migrant farmers and fishermen outside the regular formal education systems.
- **Children with disabilities**, who have various forms of disabilities, including physical disabilities, hearing or visual impairment, and mental and learning disabilities. The National Policy on Inclusive Education is intended to address the challenges associated with the inclusion of Nigerian children with disabilities and unmet learning needs into the school system.
- **Almajiri children**, who are often boys from poorer households and attend religious, informal residential schools that have only one curriculum, the Qur'an, which date back to pre-colonial days in the northern states. *Almajiri* schools are classified as informal schools that fall outside the mainstream conventional structure of education. They constitute a significant percentage of out-of-school children in the country. The Program will support initiatives such as integration of core subjects into Quranic education, provision of special *almajiri* schools, provision of free meals and uniforms to the children, and provision of instructional materials and grants to Mallams. Addressing *almajiri* children's education will likely require concerted efforts with community leaders to address concerns on the nature of the education provided in addition to provisions of any necessary infrastructure.
- **Boy children**, who drop out in the South East and South South zones, and the so-called "area boys" (loosely organized gangs of mostly male street children and teenagers) in the South West. The FME set up a Ministerial Technical Committee in 2012 to prepare and implement the plan to address the out-of-school boy child syndrome in the South. The Program will support initiatives such as the UBE Boy-Child Program to retain boys in basic education through the establishment of vocational basic education schools in which the curriculum is skill-based where the beneficiaries acquire technical, vocational, and entrepreneurship trades within the framework of basic education.
- **Orphans**,⁴⁶ whose parents are lost due to AIDS and any other causes. UNICEF reported 10 million Nigerian orphans due to all causes in 2013, with 2.3 million orphans due to AIDS. They are easily exploited and less likely to attend schools. The stigma and discrimination attached to AIDS culturally are transferred to orphans whose parents died of AIDS, hence they are excluded from their

⁴⁶ Nigerian Constitution defines an orphan as a child (0-17 years) who has lost one or both parents.

communities. They lack access to education, healthcare, and other social services. There are various national policies and programs to address the needs of orphans, such as counselling, care, and reduction of stigma and discrimination.

- **Unaccompanied/displaced children** whose parents are missing due to the North East conflict and who have lost access to education service. Under the Safe School Initiative, some children in the conflict states have been transferred to safe, expanded boarding schools outside the conflict zones and in neighboring states (in agreement with their parents/guardians). The safety of schools is also being enhanced with perimeter fencing and other measures, including deploying school marshals. In addition to address the needs of traumatized children, accommodation of the inflow of large number of IDP children into neighboring states requires a concerted effort and coordination among stakeholders.

(b) Social risks that may potentially be exacerbated by the Program

- i) **Potential risks associated with land acquisition for school buildings.** The rehabilitation, renovation, and expansion of existing schools and limited cases of building new schools to be supported under the Program may require minor land acquisition. The nature of compensation and impact mitigation under the national Land Use Act is limited when viewed from the perspective of international best practice. If compulsory land acquisition is allowed for the Program, it could increase potential risk of inappropriate involuntary resettlement. To minimize this risk, the Program will prepare environmental and social guidelines to clarify that it does not support activities that lead to involuntary resettlement and economic displacement, including for squatters. The guidelines will also clarify that, where land acquisition is inevitable, the land shall be obtained through well-documented voluntary land donation from the community; public vacant land with no claims or encroachers; or a well-documented willing seller-willing buyer system.
- ii) **Potential increased risk of violence against children⁴⁷ and internal clashes at school.** During the consultations conducted for the present ESSA, some stakeholders raised concerns about potential cases of violence against children (including emotional, physical, and sexual abuse) from other students, teachers, or older youth either at school or during commuting if school attendance is expanded without effectively addressing such risks. Other stakeholders raised similar concerns in badly managed boarding schools. While not much is known about violence against children at schools, these perceived risks could also affect parents' decisions to send their children to school. The Program will aim to address such risks through mainstreaming well-defined functional grievance redress and other legal systems and providing related capacity building to stakeholders. Teacher and SBMC training programs to be

⁴⁷ According to a national survey on violence against children in Nigeria conducted by UNICEF in 2014, before the age of 18 years, approximately 6 out of every 10 children experience some form of violence in the home, neighborhood or other places. Perpetrators include their parents, relatives, peers, community members, authority figures and strangers. Over half had their first experience of violence between the age of 6 and 11. Half of all children experience physical violence. One in four girls and one in ten boys experience sexual violence. One in six girls and one in five boys experience emotional violence. For more information, see UNICEF. *Violence Against Children in Nigeria: Findings from a National Survey 2014 Summary Report*.

supported under the Program will also help mitigate these risks.

(c) Social risks that may hinder the implementation of the Program

- i) **Negative social impacts from ongoing insecurity in the North East conflict.** Nigeria is facing a range of complex conflict and security challenges, although the incidence and causes of violence differ significantly among Nigeria's 36 states. Among these conflicts, the conflict in the North East requires particular attention as it has caused significant impacts on education service delivery in the affected states. Schools have been partly transformed into shelters for IDPs. During ESSA consultations, stakeholders pointed out that lack of education and exploitation of excluded vulnerable groups of children is one of the root causes of the ongoing conflict in the North East. The benefit of addressing the exclusion of vulnerable children in the North East will outweigh the risk of operating in such a challenging environment. In a challenging operational environment where transition from conflict to peace remains fragile, a concerted effort across federal, state, and local actors will be necessary to minimize the negative impacts on the Program implementation in the North East states. The Program will aim to support such ongoing efforts and closely coordinate and communicate with agencies and civil society groups working in the conflict areas of the North East. The Program will consider possible third-party monitoring by civil society to confirm that environmental and social measures have been carried out. The Program will also closely coordinate with ongoing World Bank-financed projects and activities in the North East.

III. Government Environmental and Social Management Systems

5. The Government of Nigeria has a number of well-defined policies, instruments, and laws which support environmental and social management and the environmental and social impact assessment processes. There are a number of sectoral policies which provide directives to integrate environmental and social considerations in the decision-making process to avoid or minimize impacts associated with program implementation.

6. The FMEnv is mandated to coordinate environmental protection and natural resource conservation for sustainable development. The FMEnv has developed statutory documents to aid in the monitoring, control, and abatement of industrial waste. These guidelines stipulate standards for industrial effluent, gaseous emissions, and hazardous wastes. The FMEnv will ensure that the Program implementation conforms to the statutory guidelines. The National Environmental Standards and Regulations Enforcement Agency is mandated to ensure compliance with environmental standards, guidelines, and regulations. The State Ministries of Environment (SMEnvs) are concurrently charged with establishing guidelines and standards for the management and monitoring of the environment in the Nigerian states. Furthermore, the SMEnv is responsible for managing environmental problems caused by or arising within the Program areas including waste management and environmental guidance.

IV. Operational Performance and Institutional Capacity Assessment in Managing Environmental and Social Impacts

7. Based on a review of the available data and detailed analysis of the environmental and social effects of the Program and the institutional context, the main findings in the ESSA are summarized as follows, organized by each of the six Core Principles outlined in the World Bank Policy and Directive for Program-for-Results Financing:

(a) Core Principle 1: Environmental Sustainability

System Strengths

- There exist well-defined legal/regulatory systems for safeguarding the environment.
- The FME and states have experience in integrating rules and procedures for environmental and social management in individual projects.
- EIA capacity training for the FME has been conducted under World Bank and other donors' existing programs.

Gaps

- Key challenges include multiple regulations; weak enforcement; overstretched regulatory authorities; and weak monitoring and implementation.
- There is need to mainstream community involvement.

(b) Core Principle 2: Natural Habitats and Physical Cultural Resources

- The Program will pose no risks to natural habitats and physical cultural resources, though a 'chance finds' procedure will be included in the environmental guidance for the Program, in case physical cultural resources are found.

(c) Core Principle 3: Public and Worker Safety

System Strengths

- There are national policies and guidelines addressing public and worker safety, including environmental pollution control; labor laws; occupational health and safety regulations; and standards for workplace environmental emissions and discharges.

Gaps

- General lack of awareness on public health and safety issues is a key concern. In particular, most debris handlers are unaware of the potential risks involved in handling wastes resulting from demolition of and rehabilitation of existing school buildings. Workers often do not have adequate personal protection equipment. Even in situations where personal protection equipment is provided, workers seldom use these in a consistent manner.
- Implementation capacities need to be strengthened for relevant authorities' staff.

(d) Core Principle 4: Land Acquisition

System Strengths

- Currently, the land required for school buildings in Nigeria is obtained through voluntary land donation from the community; willing seller-willing buyer system; or land acquired by the state.
- Functioning laws and practice governing land administration exist for voluntary land donation and willing seller-willing buyer system.

Gaps

- While the Land Use Act of 1978 governs all land in Nigeria, the nature of compensation and impact mitigation under the act is limited when viewed from the perspective of international best practice.
- There is a long history of public distrust of government compulsory acquisition, and poor track record in terms of compensation and land governance.

(e) Core Principle 5: Vulnerable Groups

System Strengths

- Commitment is strong at the federal, state, and local levels to reduce inequity in education and improve access to education services by vulnerable groups of children.
- There are various flagship UBE programs and other interventions to address vulnerable groups of children.

Gaps

- UBEC program implementation has been hindered by poor project supervision, poor funding, and lack of capacity, and in some cases, lack of commitment from state governments and insufficient community involvement.
- The complex institutional framework comprising federal, state, and local governments has hampered coordination.
- Accountability mechanisms along the service delivery chain are inadequate. Existing M&E systems are incomplete and unreliable.

(f) Core Principle 6: Social Conflict

System Strengths

- There is a state of emergency in Adamawa, Borno, and Yobe in the North East of the country. National Emergency Management Agency (NEMA), in coordination with State Emergency Management Agencies (SEMAs), is responsible for providing a range of relief support to affected communities.
- There is also an ongoing World Bank-financed project, Multi-sectoral Recovery Project for Northeastern Nigeria, which supports the education sector in the reconstruction and repair of damaged school infrastructure such as classrooms, fences, and other associated service delivery interventions.

- Public schools are managed by school principals and head teachers, assisted by SBMCs; this can help alleviate/address violence against children and internal clashes.

Gaps

- The delivery of education services could be challenging in those states where a state of emergency exists. It may also be difficult to confirm if results have been achieved.
- Accountability mechanisms along the service delivery chain are inadequate, and institutionalized social accountability mechanisms, such as SBMCs, are not yet fully operational. The grievance redress systems are not well defined in all areas and may not be fully functional.

V. Proposed Program Action Plan for Environmental and Social Performance

8. The ESSA presented above identifies strengths, gaps, and opportunities in Nigeria’s environmental and social management system with respect to effectively addressing the environmental and social risks associated with the Program. This section translates these gaps and opportunities into a viable strategy to strengthen and monitor environmental and social management capacity and performance at the national and local levels during Program implementation. The analysis identified the following main areas for action to ensure that the Program interventions are aligned with the Core Principles of World Bank Policy for Program-for-Results Financing. These could be further refined during implementation, as required. The ESSA therefore identifies the following key measures to be taken as part of the PAP for improved environmental and social due diligence in the BESDA:

- (a) Prepare and mainstream environmental and social guidelines based on national and state laws and regulations as well as good international practice on the following environmental and social issues:
 - (i) Land acquisition (the Program will not support activities that lead to involuntary resettlement and economic displacement, including for squatters. Where land acquisition is inevitable, the land shall be obtained through well-documented voluntary land donation from the community; public vacant land with no claims or encroachers; or a well-documented willing seller-willing buyer system.);
 - (ii) Grievance redress mechanisms for key stakeholders, including teachers, children, and their communities; and
 - (iii) Measures for environmental and social management, building codes, debris management protocols, work and safety standards, security measures, and a ‘chance finds’ procedure for physical cultural resources.
- (b) Regularly coordinate and communicate with agencies and civil society groups working in the conflict areas of the North East on environmental and social issues. Possible third-party monitoring by civil society to confirm that environmental and social measures have been carried out; and
- (c) Conduct annual monitoring of progress on environmental and social issues, including mitigation measures for handling social risks.

VI. Stakeholder Consultations and Disclosure

9. **Consultation event for preparing ESSA (January 2017).** For the preparation of this ESSA, World Bank specialists undertook a series of meetings and consultations with different stakeholders, including federal, state, and local government agencies, development/funding partners, CSOs, and representatives of teachers, parents, community, and youth leaders. The specialists also followed up with some field work, including visits to schools in Kaduna and Gombe. The outcomes of the consultations have been incorporated into the ESSA and the proposed PAP. Main issues discussed in the consultations and incorporated into the ESSA include:

- (a) The importance of acknowledging **socioeconomic and cultural challenges and opportunities for different types of out-of-school children**, including girls; *almajiri* children; children with disabilities; children of nomadic/migrant people; and unaccompanied/displaced children;
- (b) The importance of including **sensitization** activities in the Program for parents and community members on the value of education, in particular for girls;
- (c) The recognition of the impact of **North East conflict**, and addressing school safety and IDP children;
- (d) The need for **better staffing, budget, and capacity building of teachers**, including female teachers in rural schools;
- (e) Risk management associated with **land acquisition** for schools;
- (f) The need for better community involvement in **school governance** and mainstreaming of grievance redress mechanism;
- (g) Consideration of **worker and community health and safety** issues in construction/rehabilitation of school infrastructure under the Program;
- (h) Addressing physical aspects of schools, such as **water supply, latrines, electricity, and furniture**; and
- (i) Enhanced **data collection and M&E** system.

10. **Consultation event for finalizing ESSA (February–April 2017).** Further consultations were undertaken during and after appraisal, which consisted of a formal consultation with a large group of stakeholders along with field-level meetings in selected states (Kaduna, Kano, Sokoto, Adamawa, and Borno). The inputs were considered and incorporated into the final ESSA. Main issues discussed in the visited states include:

- (a) The importance of including **sensitization** activities in the Program for parents and community members on the value of basic education;
- (b) The importance of **integrating the basic education curriculum in *almajiri* schools**;
- (c) The need for provision of facilities, such as shades and plumbing for **non-integrated *almajiri* schools**;
- (d) The need for **more instructional materials** in core basic education subjects;
- (e) The need for **trained teachers in core basic subjects**;

- (f) The need for more funds to pay for **food and lodging in under-enrolled *almajiri* schools** where school facilities could accommodate significantly more pupils;
- (g) Addressing **road safety for school children** by putting in place appropriate road signs, speed bumps, and speed breakers;
- (h) Ensuring social inclusion especially for integration of **children with special needs** and other vulnerable children;
- (i) The need for a strict code of conduct for teachers and construction workers to protect children from **violence and child labor**;
- (j) Ensuring adequate **security and psychosocial support** for children particularly in the North East;
- (k) The key challenge for IDP children in Borno (North East) is to overcome the trauma/fear and lack of trust with regard to security; IDPs prefer to remain in host communities, which makes **facilities in host communities overstretched**; to address the pressure on facilities in host communities, Borno State is providing mobile schools, additional furniture, and learning centers; to address trauma, some psychosocial training has been provided but more needs to be done;
- (l) The challenge for **school safety** in Borno is the lack of school fencing; there are ongoing efforts to set up fences with barbwire, community policing, and put in place a system for notifying authorities;
- (m) A positive aspect of **IDP camps** in Borno is that many of the children are attending school for the first time—either because it is set up in IDP camps or because they are influenced positively by their peers in host communities; some IDPs have better access to schooling now, with most of them being concentrated in a small number of urban areas; a similar positive phenomenon has been observed in terms of vaccination of IDP children in Borno since the Boko Haram insurgency; and
- (n) The need to put in place a '**sick bay**' (**clinic**) **in school** with intensive referral to hospitals.

11. **Document dissemination and public disclosure.** The draft ESSA was shared with the FME and UBEC, and publicly disclosed at the World Bank Infoshop on February 23, 2017, and at the same time shared with other stakeholders involved with environmental and social management issues in Nigeria before the formal consultation. The final report was publicly disclosed at the World Bank Infoshop on May 9, 2017, and will be also disclosed in-country at relevant government agencies.

Annex 7: Systematic Operations Risk Rating (SORT)

NIGERIA: Better Education Service Delivery for All

Program-for-Results Operation

Stage: Board Approval

Systematic Operations Risk-Rating Tool (SORT)	
Risk Category	Rating (H, S, M, L)
1. Political and Governance	H
2. Macroeconomic	H
3. Sector Strategies and Policies	M
4. Technical Design of Project or Program	S
5. Institutional Capacity for Implementation and Sustainability	S
6. Fiduciary	H
7. Environment and Social	M
8. Stakeholders	M
9. Other	
OVERALL	S

The overall risk is Substantial because of the national scope in bringing all children to school, the fiscal crisis that has limited government expenditures, and the challenges with respect to data collection, institutional capacity, and nature of Nigerian federalism. It is the first time a PforR is being implemented in the education sector in Nigeria.

Annex 8: Program Action Plan

1. **The technical assessment reveals a number of weaknesses in the UBE program implementation and institutional framework that the PforR aims to address.** Part of the DLIs incentivize enhanced accountability for results but for the Federal Government and the state governments to achieve targeted results a number of management and accountability tools need to be strengthened. Accordingly, the proposed PAP focuses on the following objectives:

- Improving fiduciary effectiveness and accountability;
- Promoting transparency and accountability; and
- Operationalizing citizens' engagement, including on social and environmental safeguards.

2. **To strengthen fiduciary accountability and effectiveness, UBEC financial statements will be audited as mandated and UBEC will report on the physical outputs of the matching grant under the UBE Intervention Fund.** Audited financial statements for the latest two years (FY2015 and FY 2016) will be publicly disclosed and the UBEC annual activity report will provide information on value for money. Procurement processes will also be improved through the preparation of procurement plans; the conduct of independent procurement reviews as mandated by the PPA; and UBEC compliance with Open Contracting Standards and Guidelines (as prescribed by the BPP) will be facilitated. The Operation will provide necessary capacity-building support to UBEC staff to carry out this statutory function. On transparency, UBEC will comply with the requirements of the Freedom of Information Act on proactive disclosure.

3. **To trigger any necessary midcourse corrections while strengthening accountability for results under the UBE program, UBEC will conduct a midterm program evaluation, financed by the TA component, in FY2019.** UBEC will discuss with SUBEBs the findings of this midterm program evaluation, jointly committing to an action plan to address program implementation weaknesses and inefficiencies. The output of UBEC's midterm program evaluation will also feed into the World Bank's MTR of the Program as a whole, which will in turn put in place any necessary adjustments to improve Program implementation for the remaining lifetime of the Operation.

4. **On social accountability, citizen feedback will be institutionalized through the strengthening of grievance redress and stakeholders' consultation, particularly with regard to environmental and social issues.** UBEC will operationalize its fraud and corruption complaints and redress mechanism. On social and environmental safeguards, UBEC will be developing and mainstreaming environmental and social guidelines, annually monitoring progress on environmental and social issues, and regularly coordinating with agencies and civil society groups working in the conflict areas of the North East on environmental and social issues.

Table 8.1. Matrix of Actions

Action Description	Due Date	Responsible Party	Completion Measurement
1. UBEC will assign at least one internal auditor to conduct ex-post systemic and risk-based audits of the Program and report quarterly to the UBEC Executive Secretary and the FME Permanent Secretary	Commencing within 3 months of effectiveness	FME/UBEC	Quarterly internal audit reports
2. Computerize UBEC's accounting system	Within 9 months of effectiveness	UBEC	Financial statements generated from the computerized system
3. Progressively clear backlog of UBEC's unaudited financial statements	Within 12 months of effectiveness	UBEC	Audited financial statements of respective years
4. Conduct Post-Procurement Review of SUBEBs on rotational basis	Annually	UBEC	Post-Procurement Review Report
5. Mainstream open contracting across UBE interventions	Within 6 months of issuance by the BPP of open contracting guidelines	UBEC	Compliance with BPP guidelines to be verified by BPP
6. Establish framework agreement for procurement of textbooks	Within 12 months of effectiveness	UBEC and SUBEBs	Framework contract signed and executed
7. Operationalize fraud and corruption/complaints redress mechanism	Within 12 months of effectiveness	UBEC	Documented policy and procedures, with assigned responsibilities and oversight. Validation by ICPC on anticorruption and Servicom office on grievance redress
8. Apply service standards for submission of WAs and timely transfer of states' share of financing proceeds to states through Government processes for results achieved by the states under DLIs	With respect to the WA: within 7 days of World Bank's clearance of the IVA verification of results With respect to transfer of funds to beneficiary states for DLI achievement: within 21 days of receipt of funds from the World Bank into the Special	FME/UBEC	With respect to the WA: World Bank receives WA co-signed by FME/UBEC With respect to transfer of funds to beneficiary states for DLI achievement: funds received in State Special Fund Accounts (SUBEB/SME)

Action Description	Due Date	Responsible Party	Completion Measurement
	Fund Account with the CBN		
<p>9. Prepare and mainstream environmental and social guidelines based on national and state laws and regulations as well as good international practice on the following environmental and social issues:</p> <p>(a) Land acquisition (The Program will not support activities that lead to involuntary resettlement and economic displacement, including for squatters. Where land acquisition is inevitable, the land shall be obtained through (i) well-documented voluntary land donation from the community; (ii) public vacant land with no claims or encroachers; or (iii) a well-documented willing seller-willing buyer system);</p> <p>(b) Grievance redress mechanisms for key stakeholders including teachers, children, and their communities; and</p> <p>(c) Measures for environmental and social management, building codes, debris management protocols, work and safety standards, security measures, and a ‘chance finds’ procedure for physical cultural resources.</p>	Before physical works are started or land is obtained under the Program	UBEC	Completed guideline disseminated to stakeholders, training provided, and the guidelines operationalized
<p>10. Regularly coordinate and communicate with agencies and civil society groups working in the conflict areas of the North East on environmental and social issues. Possible third party monitoring by civil society to confirm that environmental and social measures have been carried out.</p>	Ongoing	UBEC	Coordination mechanism established and operationalized (Regular meeting held and minutes recorded)
<p>11. Conduct annual monitoring of progress on environmental and social issues</p>	Within 12 months of end of each fiscal year	UBEC	To be incorporated into UBE annual progress report. Completed report with recommendations about environmental and social issues, including the progress of the implementation of actions indicated in the PAP on environmental and social issues. Follow-up measures to the

Action Description	Due Date	Responsible Party	Completion Measurement
			recommendations taken in the following fiscal year.
12. Establish a communication plan for stakeholder engagement and comply with requirements on proactive information disclosure from the Freedom of Information Act	Within 3 months of effectiveness and updated every fiscal year	UBEC	Plan to inform stakeholders on BESDA Program and the results achieved Compliance with Freedom of Information Act to be monitored by Ministry of Justice
13. Conduct UBE program evaluation through independent consultancy	2019	UBEC	UBE program evaluation report submitted to FME and UBEC Board, and shared with the World Bank

Annex 9: Implementation Support Plan

1. The strategy for implementation support is based on the assessed risks of the Program (as delineated in the SORT) as well as the assessed capacity of the client agencies responsible for delivering results under the operation. The strategy embraces the principle of on-demand and flexible implementation support to address challenges as they arise. In addition, frequent supervision and consistent collaboration with government, development partners, and beneficiaries will be strengthened by regular communication with all actors directly involved in the Program, constant information exchange, and adequate flexibility to accommodate the specificities of the Program.

2. Implementation support will include: (a) JRMs (more frequent in first two years); (b) quarterly technical meetings and field visits between the formal JRMs; (c) on-demand external technical expertise; (d) virtual communications platform; (e) CST reporting; and (f) audit and FM reporting.

Implementation Support Plan

3. The World Bank will provide timely support to the BESDA results areas and TA component as well as guidance to the relevant agencies regarding technical, fiduciary, social, and environmental issues. Implementation support and field visits will be carried out as required, and will focus on:

- (a) **Technical inputs.** The World Bank will make available several education staff/consultants for all formal JRMs as well as on-demand technical requests throughout the life of the Program. The first year or two will include intensive support for the rollout of the literacy program as well as the accountability/systems activities. In addition, the World Bank will sponsor quarterly video conference technical reviews to address implementation issues related to the three results areas.
- (b) **Fiduciary requirements and inputs.** The NCT will be responsible for the implementation of the Operation. Appraisal assessments have highlighted the need for significant training for program agencies in project management, FM, procurement, and M&E. Supervision of financial management and procurement arrangements will be carried out as required as part of the Program supervision plan and support will be provided on a timely basis to respond to Program needs.
- (c) **Safeguards.** The World Bank will monitor compliance with the ESSA during JRMs, and technical guidance will be provided accordingly, including training on environmental and social management.

4. The main focus of implementation support is summarized below:

Table 9.1. Task Team Skills Requirements

Time	Focus	Skills Needed	Resource Estimate
<i>First twelve months</i>	Technical support for literacy program; technical support for governance, management, and accountability mechanisms; technical support for monitoring system (surveys); procurement training and supervision; FM training and supervision; environmental and social monitoring and reporting; institutional arrangement and Program supervision coordination	Technical (literacy, teacher training, teacher evaluation); audit; M&E; procurement; financial management; institutional; environmental and social	Education Specialists: 20 weeks Literacy Specialist: 5 weeks Governance Specialist: 5 weeks Survey Specialist: 4 weeks Operations Specialist: 10 weeks M&E Specialist: 5 weeks Procurement Specialist: 4 weeks FM Specialist: 4 weeks Environmental Specialist: 2 weeks Social Specialist: 2 weeks ICT specialist: 2 weeks Co-Task Team Leaders: 16 weeks
<i>12–48 months</i>	Technical support for results areas; procurement management; FM and disbursement; environmental and social monitoring and reporting; Program supervision, monitoring, and reporting	Technical; M&E; procurement; financial management; institutional; environmental and social	Education Specialist: 5 weeks Literacy Specialist: 5 weeks Governance Specialist: 5 weeks M&E Specialist: 4 weeks Procurement Specialist: 4 weeks FM Specialist: 4 weeks Environmental Specialist: 1 week Social Specialist: 1 week Co-Task Team Leaders: 12 weeks

Table 9.2. Task Team Time Commitment

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Education Specialist	10 weeks	Field trips as required	Country based
Education Specialist	10 weeks	Field trips as required	Country based
Governance Specialist	5 weeks	Field trips as required	Country based
Literacy Specialist	4 weeks	Two	External
Operations Specialist	10 weeks	Field trips as required	HQ based
Survey Specialist	4 weeks	Two	Externally based
M&E Specialist	5 weeks	Field trips as required	HQ and Country office based
Procurement Specialist	4 weeks	Field trips as required	Country office based
Social Specialist	2 weeks	Field trips as required	HQ based
ICT Specialist	2 weeks	Two	External
Environment Specialist	2 weeks annually	Field trips as required	Country office based
FM Specialist	4 weeks annually	Field trips as required	Country office based
Co-Task Team Leaders	16 weeks first year, then 12 weeks annually in the following years	Field trips as required	HQ and Country office based

Annex 10: Technical Assistance Component

1. A TA component will use the IPF instrument to support a set of TA and capacity-building activities in the amount of US\$33 million equivalent. The TA component will complement and support the Program in the three results areas: (a) increasing equitable access for out-of-school children; (b) improving literacy; and (c) strengthening accountability for results. A cross-cutting set of activities under the TA component will also aim to strengthen capacity of Federal Government and state governments to (a) improve M&E systems and data utilization (including hiring the IVA responsible for verifying Program results and DLIs); (b) increase effectiveness and transparency in Program management (including focusing on results and budgeting); and (c) strengthen intergovernmental coordination in areas of policy formulation, strategic planning, and Program implementation. The TA component would also include support to design and implementation of an NLA; a research agenda to inform the current Program and provide the analytical underpinning for future initiatives focused on out-of-school children and improving the quality of basic education; as well as a communication and outreach agenda. The financial management and disbursement arrangements (budgeting, funds flow, accounting, internal control, financial reporting, and required financial assurances) as well as for procurement under the TA component are spelled out in the main Program Appraisal Document (PAD) as well as below. In addition, as part of the New Procurement Framework (NPF), the Government (UBEC/FME), with guidance from the World Bank, has prepared a Program Procurement Strategy for Development (PPSD) to support the implementation of the procurement plan before negotiations.

2. BESDA is anchored in the existing organizational structures within FME and UBEC at the Federal level and SMEs and SUBEBs at the State level. This annex seeks to identify TA and capacity- strengthening activities and their related estimated costs to be financed under the TA component of the Operation.

Table 10.1. TA Areas, Activities, and Funds Requirements

Areas	Tentative Funds Requirement	Outline of Activities
Program Support at Federal Level		
<i>Support to the NPMT within FME</i>	US\$500,000	<p>The NPMT would receive capacity strengthening/training for the following roles performed by Government-designated staff and consultants, as needed (total amount covers both capacity strengthening/training and hiring of consultants, as needed):</p> <ul style="list-style-type: none"> • <i>M&E</i>: to support the BESDA implementation according to the Program results framework and the development of a results dashboard • <i>IT Support</i>: IT support for the BESDA Program
<i>Support to the NCT within UBEC</i>	US\$1,500,000	<p>The NCT would receive capacity strengthening for the following roles performed by Government-designated staff and consultants, as needed (note that one person may perform more than one role and the total amount covers both capacity strengthening/training and hiring of consultants, as needed):</p>

Areas	Tentative Funds Requirement	Outline of Activities
		<ul style="list-style-type: none"> • <i>National Program Coordinator</i>: responsible for overall intergovernmental coordination and heading the day-to-day operations of the NCT under the overall leadership of the UBEC Executive Secretary • <i>M&E</i>: support for consolidation and publication of states' annual progress reports on UBE program results • <i>Financial Management</i>: tracking and consolidating fund flows under the Operation, supporting the preparation of basic education consolidated budget execution/expenditure reports at federal and state levels, supporting internal audits • <i>Procurement</i>: responsible for supporting the preparation of procurement plans for BESDA-related activities, capacity building on procurement procedures and contract management, training of procurement staff on electronic filing of procurement documents, procurement of goods and works and contract management • <i>Communication</i>: responsible for media, communication, and stakeholder engagement • <i>Governance</i>: responsible for grievance redress, responsible for formal policy and procedural guidance prepared and approved as applicable to the Program • <i>Safeguards</i>: responsible for environmental and social safeguards and grievance redress • <i>Policy Research</i>: responsible for guiding the research agenda • <i>IT Support</i>: IT support for Program implementation
Program Support at State Level		
Direct support to State Policy and Monitoring Teams within SMEs and State Implementation Teams within SUBEBs on BESDA Program implementation	US\$7,000,000	<ul style="list-style-type: none"> • TA and capacity building for activities to be identified during the implementation of the Program, including additional support for lagging states
TA and Capacity Building for Results Areas		
<i>Results Area 1</i> : Increasing equitable access for out-of-school children in focus states		
NEDS	US\$7,000,000 (for surveys) and US\$3,000,000 (for TA)	<ul style="list-style-type: none"> • Revise NEDS questionnaire • Conduct five rounds of surveys (once per year of implementation), including data collection, data entry and cleaning, data analysis, report writing, dissemination
Peer learning	US\$200,000	<ul style="list-style-type: none"> • Peer learning events for SUBEBs/SMEs organized in collaboration with key education agencies (NTI, TRCN, NERDC, and NCNE) to promote

Areas	Tentative Funds Requirement	Outline of Activities
		knowledge sharing of innovative approaches to address out-of-school children, especially in lagging states
Results Area 2: Improving literacy in focus states		
Support for intensive literacy programs	US\$2,000,000	<ul style="list-style-type: none"> • Support the implementation of training programs • Support for the provision of materials • Development of training modality • Selection and training of master trainers • Support states in preparation of state literacy improvement plans (rapid situation assessments; selection of schools/teachers; selection of trainers) • Support states in implementing literacy improvement programs (teacher training; school-level implementation; coaching and monitoring; assessment of progress) • Support results assessment (consolidating state progress and result reports) and dissemination
Peer learning	US\$200,000	<ul style="list-style-type: none"> • Peer learning from states that have already implemented successful intensive literacy programs and support to lagging states organized in collaboration with key education agencies (NTI, TRCN, NERDC, and NCNE)
Results Area 3: Strengthening accountability for results		
Support for NLA with the following characteristics: (a) representative at national and state levels; (b) developed and analyzed using item-response theory, and (c) identifies factors that explain the variation in learning	US\$4,000,000	<ul style="list-style-type: none"> • Support the analysis of National Learning Assessment for Basic Education (NALABE) 2017 results and formulation of policy recommendations • Support NLA policy framework development (stakeholder engagement, objectives, grades/subjects to be assessed, level of representativeness, frequency of assessments, institutional setup and budget, testing and data collection instruments, policy questions to be answered using the analysis, reporting and dissemination) • Implementation of a new round of NLA within the implementation timeframe of the Program • Support NLA implementation: sampling, test development, questionnaires (students, teachers, school heads) development, data entry and cleaning, data analysis, report writing, publication/dissemination
Support for ASC	US\$1,000,000	<ul style="list-style-type: none"> • Support FME to adopt a school report census methodology • Support for data aggregation and analysis, reporting writing, and publication

Areas	Tentative Funds Requirement	Outline of Activities
Procurement review	US\$300,000	<ul style="list-style-type: none"> Independent procurement review at UBEC and SUBEBs
Support for policy analysis and strategic planning	US\$1,000,000	<ul style="list-style-type: none"> Support FME and UBEC on (a) functional review in the areas of planning and policy analysis and (b) capacity strengthening for strategic planning and policy analysis based on review findings
Peer learning for state plans	US\$200,000	<ul style="list-style-type: none"> Peer learning for SUBEBs and SMEs on state planning organized in collaboration with key education agencies (NTI, TRCN, NERDC, and NCNE)
UBE program evaluation	US\$500,000	<ul style="list-style-type: none"> Review of the UBE Intervention Fund and overall Program to define any course-correction needs that would also feed into the World Bank's MTR
Strengthening PFM	US\$1,000,000	<ul style="list-style-type: none"> Support for UBEC/SUBEB financial audits for the past two years to provide a baseline for fiduciary assurance; financial audits for the first two years of Program implementation Support for computerization of UBEC's accounting system (including business process design, off-the-shelf/customized product, infrastructure—network and desktops, implementation and training)
Research Agenda		
Research to support Program implementation and future initiatives focusing on out-of-school children in Nigeria	US\$1,500,000	<ul style="list-style-type: none"> Support Program implementation through a research agenda managed by NCT with a particular focus on states with high numbers of out-of-school children. The research agenda will likely include at least one impact evaluation on literacy in selected states. A few other topics may include: improving the relevance of basic education for agricultural productivity and other labor market needs.
Independent Verification		
Independent verification agent	US\$1,500,000 (for intensive literacy programs, school census and state plans IVA - DLI 2, DLI 4, and DLI 5)	<ul style="list-style-type: none"> Provide an independent, credible, and coherent analysis of state and Federal Government performance and disbursements under BESDA using agreed upon data sources and disbursement calculations as per those specified in the PAD.
Communication		
Program communication	US\$600,000	<ul style="list-style-type: none"> Support for zonal workshops, media events, maintenance of Program website, sensitization campaigns, and award ceremonies managed by NCT.
Total	US\$33,000,000	

Technical Assistance Component

Financial Management, Disbursement, and Procurement Arrangements

Financial management and disbursement arrangements

3. **General.** The FM arrangement for the IPF (TA) component will be the responsibility of UBEC. For the IPF (TA) component, the World Bank will disburse the funds to a U.S. dollar DA opened at the CBN. The DA will be co-managed by UBEC and FME, which will, on the basis of approved and costed AWP, disburse funds through the Naira draw-down account (also held with the CBN) directly for FME and UBEC activities, other service providers, and also as imprest advances to states (SUBEBs and SMEs) on replenishment basis (see schematic diagram on funds flow arrangements under the Operation) to finance eligible expenditures. Disbursements under the TA component will be made primarily as reimbursements on the basis of unaudited IFRs to be submitted on a quarterly basis. The DA ceiling will be based on six-month forecast expenditures, and replenished quarterly for the same period. The detailed assessment and related arrangements are below:

4. **Planning and budgeting.** On an annual basis, the accountant designated by UBEC, Finance and Accounting Department for the TA component in consultation with key members of the NCT will prepare the budget for the fiscal year based on the approved AWP of service providers. The annual budget will be submitted to the World Bank at least two months before the beginning of the Program fiscal year.

5. **Funds flow.** The World Bank will disburse the funds for the TA component into a U.S. dollar DA opened at the CBN. The DA will be co-managed by UBEC and FME. A Naira draw-down account will be established, co-managed by the same group of signatories, and from which Naira payments will be made to SUBEBs, SMEs, and other service providers. The payments from the Naira draw-down account to the SUBEBs and SMEs will be on a revolving imprest cash advance basis, based on the six months forecast of expenditures linked to the approved work plans. These advances will be replenished quarterly, based on forecasts for the subsequent six months. Eligible expenditures for UBEC and FME as well as for service providers will be made directly from the Naira draw-down account as and when those expenditures are incurred (not as imprest advances). Replenishment of the U.S. dollar DA will be on the basis of unaudited IFRs prepared by UBEC and submitted quarterly to the World Bank.

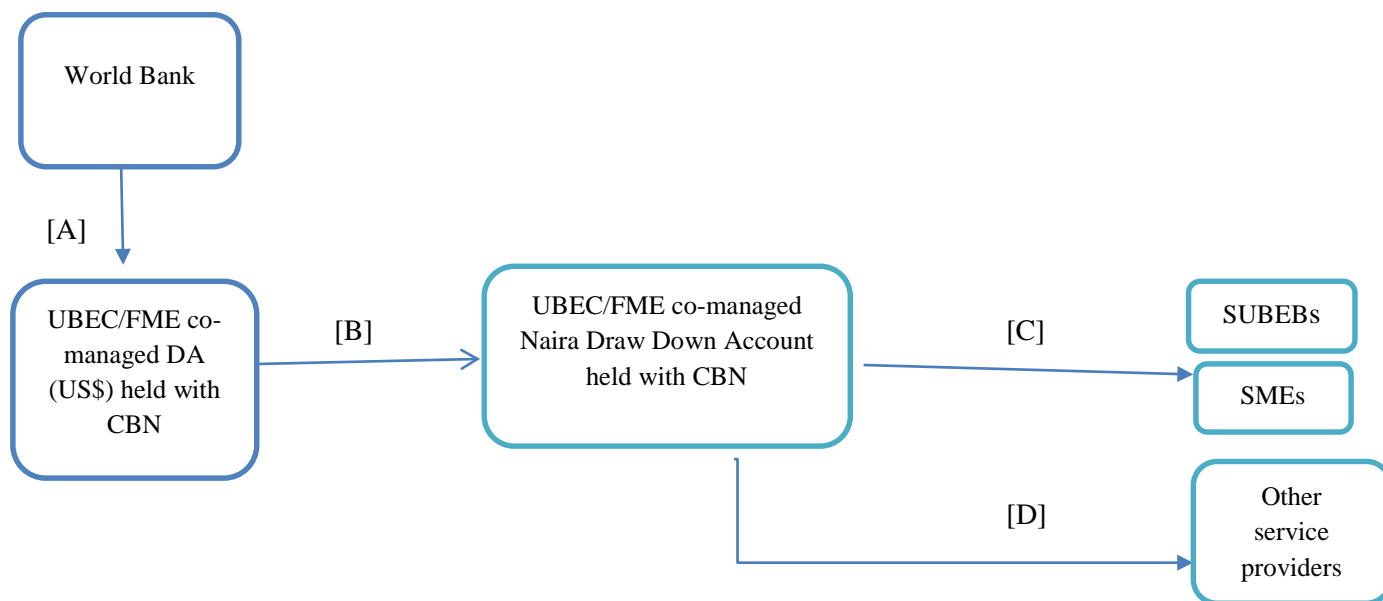
6. **Accounting and financial reporting.** IDA funds will be accounted for by UBEC on a cash basis, using their new computerized accounting system. The annual financial statements will be prepared in accordance with the relevant IPSAS. Calendar semester unaudited IFRs will be prepared by UBEC and submitted to IDA within 45 days of the end of each fiscal calendar semester.

7. **Internal controls.** An internal auditor from the UBEC Internal Audit Unit will be designated for the TA component. The internal auditor will prepare quarterly Internal Audit Reports and will submit the reports to IDA within 45 days of each fiscal calendar quarter. Additional controls in the form of an enhanced accountability framework will be implemented (see below) to mitigate the risk of misuse of funds for expenditures (especially travel, workshops, study

tours, and so on). The World Bank’s generic Financial Procedures Manual will be adapted for the accounting and control procedures to be implemented by UBEC.

8. **External audit.** The annual financial statements will be audited by an independent external auditor appointed on the basis of terms of reference acceptable to IDA. The annual audited financial statements of UBEC as an entity, inclusive of the transactions in the Special Fund Account and the TA component account, will be considered as constituting the basis for the annual financial assurance required by the World Bank, and the audited financial statements shall be submitted to the World Bank within nine months of the end of the Government fiscal year.

Figure 10.1. TA Funds Flow - Schematic Diagram



Note: [A]: Based on WA submitted by UBEC/FME (forecast of expenditures for six months as per the AWP), World Bank transfers TA funds to the DA co-managed by UBEC/FME held with the CBN.

[B]: Based on the forecast of expenditure requirements by SUBEBs, SMEs, the Naira equivalent is transferred from the US\$ account to the Naira draw-down account that is also co-managed by UBEC/FME at CBN.

[C]: UBEC/FME transfer the 6-months forecast expenditures to SUBEBs/SMEs as revolving imprest cash advance transfers for eligible expenditures, and replenish quarterly.

[D]: Direct expenditures to other service providers – UBEC/FME – including to NPC and other IVA

9. **Disbursements.** A flexible disbursement ceiling will be applicable. The ceiling will be derived from approved AWP and budget and will be equivalent to six-months expenditure forecast. The ceiling will be reviewed annually and revised based on expenditure forecasts.

10. **Disbursement categories.** Table 10.2 sets out the amount allocated to a single disbursement category for financing out of the proceeds of the credit in respect of the TA component:

Table 10.2. Allocation of Credit Proceeds to be Financed for Eligible Expenditures

Categories	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
1. Goods, consulting and non-consulting services, training, operating costs	24,100,000	100%
Total amount	24,100,000	

11. **Financial Management Action Plan.** Actions to be taken for the project to further strengthen its financial management system are listed in table 10.3.

Table 10.3. Financial Management Action Plan

Action	Date due by	Responsible
Train designated UBEC staff on World Bank FM and disbursement procedures	At effectiveness	UBEC

12. **Financial Management Implementation Support Plan.** FM supervision will be consistent with a risk-based approach. The supervision intensity is based initially on the assessed FM risk rating and subsequently on the updated FM risk rating during implementation. Given the High risk rating, on-site supervision will be carried out at least twice a year. On-site review will cover all aspects of FM, including internal control systems, the overall fiduciary control environment, and tracing transactions from the bidding process to disbursements as well as IFR review. Additional supervision activities will include desk review of calendar semester IFRs, quarterly internal audit reports, audited Annual Financial Statements, and management letters.

Procurement arrangements

13. Procurement for the TA component will be carried out at the Federal level by UBEC/FME and at state level by the SUBEBs/SMEs. The NCT is proposed to be established in UBEC, to enhance its capacity, and to support various functions including procurement. UBEC and the SUBEBs will ensure that procurement under the TA component is carried out as per the following agreed procedures and processes.

14. Procurement for the TA Component will be carried out in accordance with ‘The World Bank Regulations for IPF Borrowers - Procurement in Investment Project Financing for Goods, Works, Non-Consulting and Consulting Services’, dated July 2016 and the provisions stipulated in the Financing Agreement.

15. **Procurement Risk Assessment.** The Procurement Risk Assessment and Management System (PRAMS) has been carried out at UBEC and three SUBEBs (Ebonyi, Adamawa, and Nasarawa). Based on the assessment, the procurement risk at UBEC and Nasarawa State is rated Substantial, while at Adamawa and Ebonyi, it is rated High. The states where intensive reviews were carried out are a fair representation of prevailing conditions and circumstances in most of the other states. The main mitigation measure is to strengthen the procurement units at UBEC and SUBEBs through training of staff and the help of consultants, as needed. After implementing the

mitigation measures, the risk ratings should improve to manageable levels. The conclusion therefore is that the procurement risk remains High.

16. **PPSD.** In accordance with the NPF, a PPSD (simple form) has been prepared for the TA component of this Operation. The PPSD includes (a) project overview; (b) operating context and Borrower capacity; (c) market research and analysis; (d) risk management; (e) procurement arrangements; and (f) contract management. The PPSD finds that implementing agency follows the national procurement system as in the PPA and regulations and guidelines issued by the BPP. Procurement processes in UBEC have been largely competitive and transparent, with bidding opportunities and contract awards are published in the national newspapers and tender journals as required under the national procedure. The agency has previously satisfactorily implemented two projects funded by the World Bank. The procurement unit has two experienced senior procurement officers, while three other procurement officers who were posted to the unit recently require procurement training to enhance their performance. Goods to be procured under the TA component will be standard off-the-shelf office equipment and consulting services will be mainly training, verification, and so on. The project will therefore use national procurement procedures. Though Nigeria has experienced significant exchange rate swings recently, under the Operation, foreign bidders/consultants will be allowed to submit their proposals and can request payment in three convertible foreign currencies.

17. The market sounding and analysis confirms that UBEC has had a well-developed collaborative relationship with individual consultants and training institutions; therefore, it is expected that sufficient competition will be achieved during project implementation. There are good local and international training institutions with demonstrable specific experiences that can be engaged to provide capacity building for federal and state entities under the Operation. The agency will apply selection methods for the selection of consultants as indicated in the 18 months procurement plan. Operations Procurement Review Committee review packages are not envisaged during project implementation as procurement activities under the TA are simple and straightforward. The PPSD was finalized and agreed with the borrower at negotiations.

18. **Procurement plan.** For contracts to be financed by the TA, different procurement methods or consultant selection methods, the need for prequalification, estimated costs, prior review requirements, and time frame are agreed between the borrower and the World Bank in the procurement plan. UBEC has prepared a procurement plan for the initial 18 months of implementation, and this is acceptable to the World Bank. The procurement plan will be updated at least annually or as required to reflect the actual project needs during implementation.

Procurement Activities

19. **Consultancies.** Most of the procurement activities envisaged will be limited to consultancy services as listed in this annex as reflected in the PPSD. Consulting firms will be selected through Quality and Cost-Based Selection (QCBS), Quality Based Selection (QBS), Selection Based on Consultants Qualification (CQS), Least-Cost Selection (LCS), Fixed Budget Selection (FBS), Single-Source Selection, and Individual Consultants (IC). Short lists of consultants for services estimated to cost less than US\$300,000 per contract may be composed entirely of national consultants in accordance with the provisions of the Section VII, paragraph 7.1 of the World Bank Regulations for IPF Borrowers dated July 2016. All contracts estimated to cost more than

US\$300,000 will be subject to prior review by the World Bank. The World Bank's Standard Request for Proposal and Evaluation Reports will be used for consulting contracts above US\$300,000.

20. **Goods.** Procurement under the project may include IT equipment (for example, computers, printers, and servers), software, office equipment, and so on. UBEC and any other procuring entity under the project shall use standard procurement documents as agreed by the World Bank for all procurements under the TA component.

21. **Procurement performance and staffing.** Staffing capacity for the PforR program management will be anchored at UBEC with support from the NCT. The NCT will have its designated procurement staff, but will depend on the Procurement Unit at UBEC and SUBEBs to carry out the procurement process. UBEC has a Procurement Unit with six procurement staff, including the head of the unit, an Assistant Director who reports directly to the Executive Secretary of UBEC. The unit carries out two types of procurements: (a) textbooks and education materials for states; and (b) construction and rehabilitation of facilities. The procurement staffing capacity needs to be strengthened to undertake all the required procurement work. For the current staff to perform optimally, more training will be required and provided using funds from this TA component of the Program. The training for the procurement staff of UBEC and SUBEBs would be in procurement of goods and works as well as contract management. Also, procurement consultants may be engaged, as needed, to assist UBEC and the SUBEBs in building the capacity of the procurement staff on the job and assist the procurement officers in carrying out their procurement responsibilities. There will also be TA for building the capacity of the SUBEBs for electronic filing and improved records management. Mitigation measures to address the identified weaknesses are as presented in the PAP.

22. **Disclosure of procurement information.** Disclosure of the procurement plan and all procurements shall be made in accordance with the provision of the above World Bank Procurement Regulations.

23. **Complaint handling mechanism.** On receipt of complaints, UBEC/SUBEBs will take immediate action to acknowledge the complaint and redress within a reasonable time frame. Complaints that are not satisfactorily addressed at the UBEC/SUBEBs level will be referred to the procurement regulatory body (Federal BPP) for decision. If the regulatory body also fails to satisfy both parties, the dissenting party is free to appeal to the Courts for final decision. The complaints handling procedures are well presented in the PPA 2007.

24. **Prior review by the World Bank.** As per the agreed thresholds specified in the procurement plan, some procurements activities may be prior reviewed by the World Bank. Contracts not covered under prior review will be subject to post review during implementation support missions and/or special post review missions. The prior review thresholds for consulting services is presented in table 10.4 and factored in the procurement plan in this annex.

**Table 10.4. Selection Subject to Prior Review by the World Bank and Thresholds -
Consultancy Services**

S/N	Selection Method	Prior Review Threshold (US\$)	Comments
1	Competitive Methods (Firms)	>300,000	All
2	Single Source (Firms)	All	All
3	Individual	>100,000	All

Enhanced Accountability Framework for Technical Assistance Component

25. An enhanced accountability framework is being put in place for the TA component of the Program so as to provide increased assurance that funds are used for the intended purposes with economy and efficiency and attain value for money.

26. The focused objective of the framework, applicable under the TA component, is to provide guidelines on minimum requirements to be complied with regarding soft expenditures (workshops, training, and related activities) that, from a systemic perspective, constitute areas of abuse during Program implementation.

27. The key guidelines whose compliance will be closely monitored during Program implementation are as follows:

- At the beginning of each fiscal year, a separate capacity-building summary plan (workshops, training, travels, and so on) shall be developed and shared with the World Bank team leader for review as part of the AWP.
 - All workshops, training, travels, whether local or international, would require prior clearance from the World Bank’s team leader before they are undertaken. The request for clearance should, at a minimum, include the following: A demonstrated link between the rationale for the workshop, training, travel, and so on, and the Development Objective of the Program shall be established;
 - The AWP under which the activity falls shall be identified;
 - For training, the number of trainees, their function, and mode of selection will be defined. This should also include the number of times during the past 18 months that listed trainees had benefitted from training;
 - Number of years before retirement from service of each of the proposed trainees;
 - The process used for selection of training provider, and if foreign training, rationale for not proposing local training to be provided;
 - Training/workshop prospectus and reference to the beneficial outcome of the training to be provided;
 - Provision of the detailed cost of the event: if local training/workshop/sensitization, the following additional information would need to be provided, that is (a) venue for the event; (b) how venue was or is proposed to be selected; and (c) venue rental, refreshments/lunches, per diem, transport cost (air or land travel cost per trainee);

- No residential local training program will be allowed where the venue of the training is in the locality of the trainees; the preferred choice of locality should be the location of the majority of officials to be trained.

28. Only on the basis of these above submissions and the World Bank team leader's prior clearance will the said expenditures be committed and become eligible for financing under the TA component of the Program.

- The NCT will ensure a formal process of accountability is instituted on such expenditure activities, including:
 - Submission of training/workshop report by the trainee;
 - Certificate of attendance from the training institution/provider;
 - Relevant travel certifications such as air tickets, boarding passes for air travel, hotel bills, and so on;
 - Consistent with the Government's cashless policy, travel air tickets shall be procured directly from the airline through electronic payment or cheque (no cash payments shall be allowed); and
 - Similar practice shall also be applied in the payment to vendors and tuition fees to training providers.
- Reduced amount of per diem will be paid where training/workshop organizers provide meals and accommodation. Cash advance granted to staff must be retired by concerned staff within the two weeks of completion of training/workshop/travel and before any new advance is granted. Where retirement of an advance is past due, an automatic payroll deduction of the unretired amount should be effected. To keep track of cash advances disbursed, an Advances Register shall be maintained as a control measure.
- The internal auditors shall include in their work program periodic random audits of travel advances and retirements thereof, as well as a review of the trainings/workshops conducted. A report of this review shall be provided to the NCT/UBEC management as well as to the World Bank.

