

#EduSummitOslo

6-7 JULY 2015

# EDUCATION FOR DEVELOPMENT



## FINANCING EDUCATION IN NIGERIA

### OPPORTUNITIES FOR ACTION

Country Case Study for the Oslo Summit  
on Education for Development

Chinedum Nwoko

# ACKNOWLEDGEMENTS

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This country case study is one in a series of country reports prepared for the Oslo Summit on July 6-7, 2015. The Summit – hosted by the Government of Norway in cooperation with the UN Special Envoy for Global Education, Gordon Brown – will bring together partner and donor countries, multilateral organizations, civil society, the private sector, foundations and academia. It aims at mobilizing a strong and renewed political commitment to reach the 58 million children who are still being denied their right to education and to strengthen learning outcomes for children and youth. The Summit will bring forward success stories and best practices that can be taken to scale by bringing in new partners and mobilizing funding, as well as illustrate bottlenecks and how they may be overcome.

This report was written by Chinedum Nwoko.

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# ACRONYMS

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<b>AfDF</b> – African Development Fund	<b>NCNE</b> – National Commission for Nomadic Education
<b>CAF</b> – Country Assistance Framework	<b>NEMA</b> – National emergency Management Agency
<b>CBN</b> – Central Bank of Nigeria	<b>NEMIS</b> – National Education Management Information System
<b>CIDA</b> – Canadian International Development Agency	<b>NER</b> – Net Enrolment Ratio
<b>CPS</b> – Country Partnership Program	<b>NHDS</b> – National Demographic & Health Survey
<b>DAC</b> – Development Action Committee	<b>NMEC</b> – National Commission for Adult & Non-Formal Education
<b>DFID</b> – Department for International Development	<b>ODA</b> – Overseas Development Assistance
<b>DRF/MDG</b> – Debt Relief Fund/Millennium Development Goals	<b>OECD</b> – Organization for Economic Cooperation & Development
<b>EBF</b> – Extra budgetary fund	<b>OOS(C)</b> – Out of School (Children)
<b>EDOREN</b> – Education Data and Operational Research in Nigeria (DFID)	<b>OSGF</b> – Office of the Secretary to the Government of the Federation
<b>EFA</b> – Education for All	<b>SBMG</b> – School Based Management Committee
<b>ESSPIN</b> – Education Sector Support Program in Nigeria (DFID)	<b>SC(N)</b> – Supreme Court (of Nigeria)
<b>EU</b> – European Union	<b>SEB</b> – State Education Board
<b>FG</b> – Federal Government	<b>SG(s)</b> – state government(s)
<b>FMOE</b> – Federal Ministry of Education	<b>SLOGOR</b> – State and Local Governance Reform
<b>FY</b> – Fiscal Year	<b>SMOE</b> – State Ministry of Education
<b>GDP</b> – Gross Domestic Product	<b>SS</b> – senior secondary
<b>GER</b> – Gross Enrollment Ratio	<b>SSI</b> – Safe Schools Initiative
<b>GIZ</b> – The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the German company implementing official German international development assistance in Nigeria	<b>SUBEB</b> – State Universal Basic Education Board
<b>GMR</b> – Global Monitoring Report	<b>TETFund</b> – Tertiary Education Trust Fund
<b>GPE</b> – Global Partnership for Education	<b>UBE(C)</b> – Universal Basic Education (Commission)
<b>GPI</b> – Gender parity Index	<b>UIS</b> – UNESCO Institute for Statistics
<b>IDA</b> – International Development Association	<b>UN</b> – United Nations
<b>IFAD</b> – International Fund for Agricultural Development	<b>UNDP</b> – United Nations Development Program
<b>JS</b> – Junior Secondary	<b>UNESCO</b> – United Nations Educational, Scientific and Cultural Organization
<b>LG(s)</b> – local government(s)	<b>UNICEF</b> – United Nations Children’s Fund
<b>MDTF</b> – Multi Donor Trust Fund	<b>USAID</b> – United States Agency for International Development
	<b>WBG</b> – World Bank Group

## EXECUTIVE SUMMARY

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This study briefly reviews the state of education and education financing in Nigeria, including the quantity, efficiency, and effectiveness of resources from both domestic and external sources. This analysis is based on a desk review of international and domestic data, literature, and publications, as well as a number of interviews with federal and state government officials, and donor actors.

*I. State of education.* Despite many years of effort, the education system in Nigeria remains weak, especially in Northern Nigeria, although the poor quality of statistical data hampers a clear analysis of the numbers. Numerous government initiatives since the 1970s have achieved some gains, including the general increase in the gross enrollment ratio (GER) at the junior secondary school (JSS) level and an increase in both gross and net enrollment ratios for girls. Despite this progress, a large number of children remain out of school. The UIS-UNESCO data estimates 8.7 million primary children are out of school. However, the government has not yet recognized this number, citing lack of a proper study. Meanwhile, annual school census data in the populous northern Kano state conducted with the assistance of a UKAid program suggest that significant improvements have been made in access since 2011, but not necessarily quality. On the other hand, UNICEF and other data highlight a high number of displaced schoolchildren in the insurgency-affected northeastern states. For instance, the International Organization for Migration reports that 423,000 (28%) of the 1,491,706 persons in Adamawa, Bauchi, Borno, Gombe, Taraba, and Yobe states are of school age.

*II. Bottlenecks to progress.* These include demand, supply, governance, and accountability factors. The lack of clear delineation of intergovernmental roles is a major obstacle to progress. While officially mandated to oversee primary education, state governments (SGs) fail to allocate resources for this purpose, relying instead on local governments' (LGs) funds. Others include financial accountability issues, limited awareness of the link between education and economic opportunities, cultural barriers to western education, poor coordination among governments, and narrow impact of donor interventions due to ineffective coordination with government.

*III. State of financing.* Funding for basic education has come primarily from federal and local governments resources over the years; state governments have tended to prioritize tertiary education relying on local governments' resources for primary education. A general lack of accountability inherent in current practices leads to inefficiency in use of resources. Officials estimate that these challenges account for 40% - 45 % of allocated funds. Recurrent capital expenditure imbalances in budgetary allocations aggravate the challenges and stifle the provision of education infrastructure. The non-inclusion of performance conditions in the criteria for federal matching grants to state governments on basic education may lead to lack of incentives for performance and inefficiency.

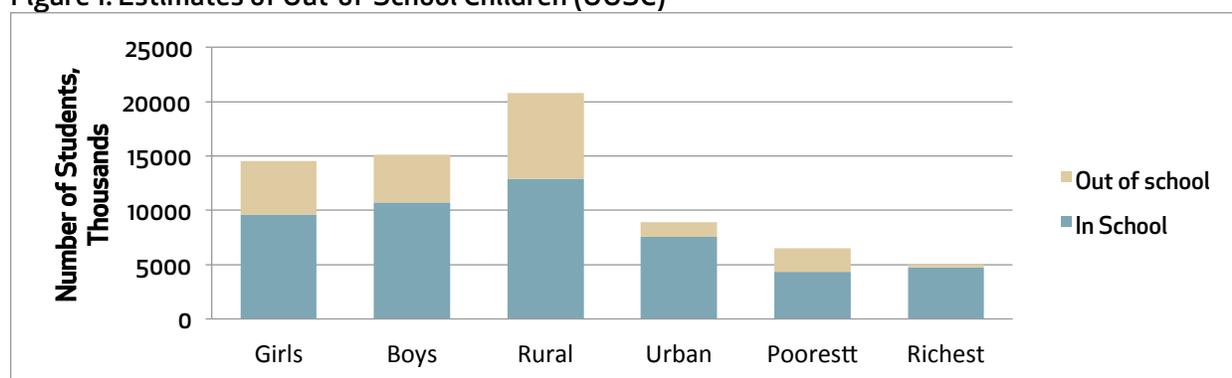
*IV. Opportunities for action.* State and non-state actors can improve their performances. Federal and state governments need to invest in creating a reliable and sustainable education database to improve planning and management. The federal government should also redesign its matching grants for basic education, making state governments' support for basic education a condition. Other conditions should include the release of funds in tranches to match achievement of preset access and quality targets and the provision of state governments' counterpart funding from their own resources. States that fail to meet standards over time should return their funding to the federal pool and receive a special assistance package for supervised capacity building. Finally, donor resources would best support capacity building to improve governance - especially in the creation of a reliable and sustainable database and in improving financial accountability, including routine tracking of expenditure.

# I. ASSESSMENT OF THE STATE OF EDUCATION

Since the 1970s, numerous federal and state government initiatives to widen access and improve the quality of education delivery have recorded gains in some aspects, including a general increase in gross enrollment ratio (GER) at the junior secondary school (JSS) level and both gross and net enrollment ratios (NER) for girls. The recent decrease in out of school children in Nigeria from 10.5 million to under 9 million by the UNESCO Institute of Statistics (UIS) could be a product of these interventions.<sup>1</sup>

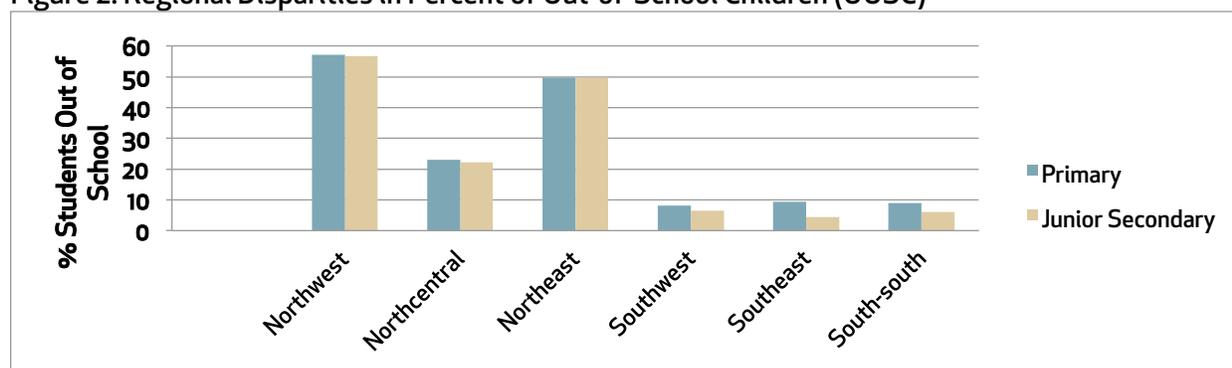
Despite this progress, however, Nigeria has the highest population of out of school children (OOSC) in the world. The estimated primary school aged population is 30 million, including 14.5 million girls (34% of which are out of school) and 15.1 million boys (29% of which are out of school). Most OOSC live in rural areas and come from poor households (*Figure 1*). Regional distribution of OOSC children is not even (*Figure 2*).

**Figure 1. Estimates of Out-of-School Children (OOSC)**



Source: UNESCO, UIS.

**Figure 2. Regional Disparities in Percent of Out-of-School Children (OOSC)**



Source: FMOE: Nigeria EFA Report Review Report, 2000 – 2014, p. 65; UNICEF: “Global Out-of-School Children, Nigeria Country Study” Report, March 2012, pg. 16-17, 26.

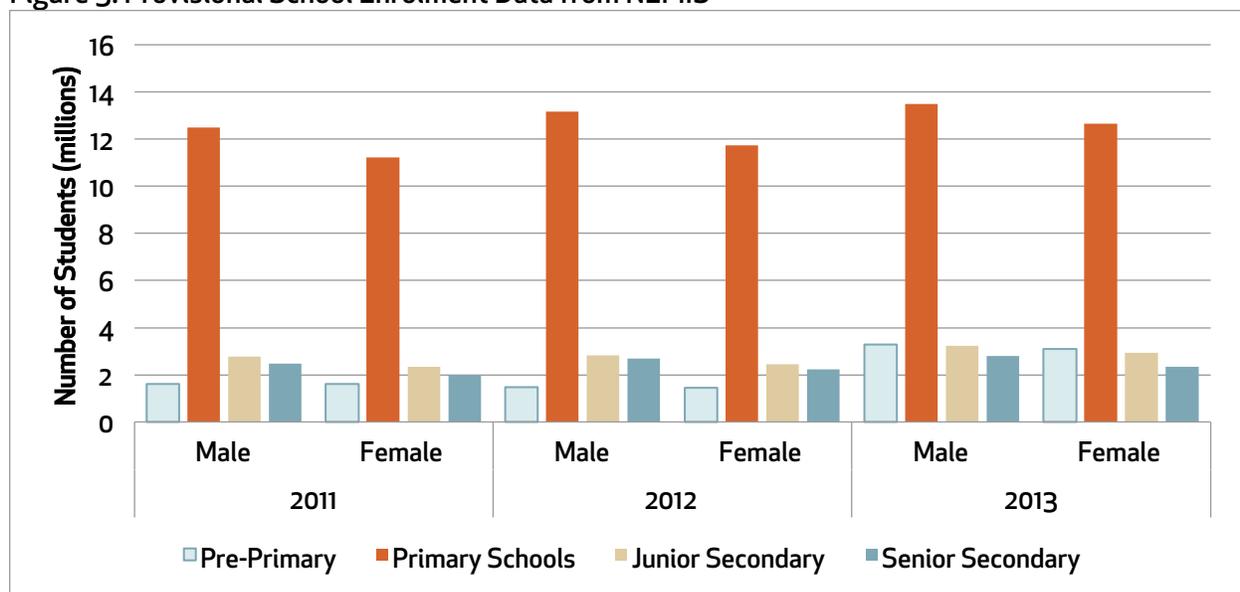
Estimates on school access vary widely - even among government sources. This is due to the lack of data on education. A 2012 UIS-UNESCO study using 2008 NHDS<sup>2</sup> data projected that 10.1 million primary age children were not in school in 2012. This number was later revised down to 9 million.<sup>3</sup> The 2009 Federal Ministry of Education (FMOE)<sup>4</sup> Roadmap put the figure at about 19.6 million, while the *Strategic Plan*<sup>5</sup> uses the figure 10.1 million.<sup>6</sup>

While differences exist in total numbers, there is wide agreement that the out of school problem is more severe in the northern part of the country and affects girls more heavily than boys. Late entry, retention, and completion issues are also more prevalent in the north. Ongoing armed insurgency in the

northeast has recently aggravated the problem. While the challenge of out of school children may be less acute in the south, boys (rather than girls) are more likely to be out of school or attend school late due to economic reasons in this region.

The most recent school enrollment statistics from the National Education Management Information System (NEMIS) shows that girls make up 48% of the nearly 39 million attending preprimary, primary, and junior secondary schools in 2013 (*Figure 3*). There may be some discrepancies in this data for two reasons. First, most of the data reported for states are carried over from previous years' data. Second, annual schools census data in states differ widely from the data reported by NEMIS. For example, Kano state reports an increase in school enrollment of more than one million between 2011 and 2014,<sup>7</sup> achieved through a program that includes the provision of free meals and school uniforms, the building of more classrooms, the recruitment of more teachers, and the improvement of teacher welfare. The DFID ESSPIN program has also supported Kano with technical assistance in planning, validation, quality assurance, and reporting. Despite this progress, however, Kano has not managed to achieve the same level of success with transition and retention, which remain problematic.

**Figure 3. Provisional School Enrolment Data from NEMIS**



*Source: Summarized from Provisional Data Provided by the National Education Management Information System.*

A recent official study summarizes the key challenges in education quality in Nigeria.<sup>8</sup> These include noncompliance with adopted benchmark qualifications for primary-school teachers, teacher absenteeism, large class sizes in many primary schools, vulnerability of children as victims of conflict, disability, HIV/AIDS, and the need for children to earn household income.

The April 2015 *Joint Donor Policy Note on Education* found that the majority of children in school are learning very little. "Even when children are in school a large proportion are not learning. Nearly half of all children who have completed primary school cannot read a complete sentence and more than two thirds of children in the north remain illiterate by the end of primary school. Every year, students perform poorly in the secondary school leaving exams."<sup>9</sup>

The Joint Donor Note cites the large number of pupils in classrooms and teacher problems as contributing to the poor quality of basic education. According to the Note, "In some areas there are already more than 300 pupils per class. Both trainee and practicing teachers do not receive the support

they need to build adequate competencies to ensure children learn. Evidence from teacher needs surveys across Nigeria demonstrate alarmingly low levels of pedagogical skill and subject content knowledge of primary school teachers."

Finally, the Note identified poor teacher training as contributing to the problem: "Colleges of Education often do not receive quality school leavers and the Colleges are not effectively structured and supervised to ensure adequate standards of teaching and learning for trainee teachers. Once in school, many teachers are not given adequate opportunities to develop their skills."

## II. KEY BOTTLENECKS

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Governance and capacity, supply side, and demand side issues hinder progress towards EFA goals.

### Governance and Capacity Issues

The main political economy challenges arise from lack of clarity in the delineation of intergovernmental roles, which often leads to duplication of functions. Lack of clarity allows states to treat funding of basic education as the responsibility of only the federal and local governments.<sup>10</sup> Further, the creation of multiple commissions to manage policies for attaining EFA goals – such as the Universal Basic Education Commission, National Commission for Adult & Non-Formal Education, and National Commission for Nomadic Education (UBEC, NMEC, and NCNE, respectively) - complicates coordination at the federal level.<sup>11</sup> States create similar structures, but add two other complications. First, different bodies control the primary section of basic education (called State Universal Basic Education Boards, or SUBEBs at the state level) and junior secondary section of basic education (called State Education Boards, or SEBs, at the state level).<sup>12</sup> Second, heads of SUBEBs are ‘executive chairpersons,’ reporting directly to the governors, as would commissioners. Thus, the primary section of universal basic education is outside the control of State MOEs (SMOE), complicating coordination.<sup>13</sup> A recent DFID sponsored study has identified other political economy challenges affecting the sector:<sup>14</sup>

- The dominant political position of the governor in control of policy, finance, and patronage;
- Politically driven decision-making;
- Determination of education spending primarily by the political interests of the state governor;
- Low capacity within state governments, especially in the planning departments;
- Limited involvement of civil society in policy and planning, which leads to a lack of downward accountability;
- Limited autonomy for local governments and entirely upward accountability to states.

Capacity shortages are endemic, which lead to widespread symptoms, notably: 1) ineffective planning; 2) inability to adhere to plans; 3) political override and unpredictability of (resource allocation) decisions; 4) weak procurement practices; and 5) inability to generate reliable data. Capacity shortages have a political economy dimension. The shortages create a professional vacuum, which allows political arbitrariness to thrive.

### Supply Side Issues<sup>15</sup>

First, dilapidated and inadequate school infrastructure creates a challenging atmosphere for learning. Buildings, furniture, toilets, and sanitation (including water) are lacking, and often inhibit students, especially girls, from attending school.<sup>16</sup> Kano state officials suggest that even some boys drop out due to the poor conditions.

Second, “teacher inadequacy and low quality undermine...the high quality of national school curriculum...translating into low levels of learning achievement.”<sup>17</sup> Despite recent increases, teacher gaps are in the several thousand, especially in the fundamental subjects of English language, mathematics, and language of the immediate environment.<sup>18</sup> The Federal MOE (FMOE) EFA report states that unfavorable gender parity ratios for teachers also creates difficulties in attracting and retaining girls in schools, especially in the culturally-sensitive north. UBEC has introduced a teacher development program to improve the quality of instruction, but some states criticize the use of a uniform agenda, claiming it fails to recognize local context and needs within the training (e.g., Lagos).

Third, the continuing insurgency in the northeast creates insecurity that keeps children out of school. Insurgents have destroyed a large number of schools, massacred and abducted many schoolchildren,

and displaced many communities that now live in IDP camps. The *Safe Schools Initiative* is trying to ameliorate the situation by seeking to teach displaced people at their locations and making schools more secure. However, restoring confidence to pre-insurgency levels is a medium- to long-term goal, requiring much work and investment.

### **Demand Side Issues**

Poverty and cultural barriers (such as child labor and early marriage) are key demand side issues affecting progress.<sup>19</sup> A recent analysis estimates that children from the lowest wealth quintile (42-48%) are nearly three times more likely to be out of school than children from the fourth quintile (16-21%). This affects girls more than boys, although the gap is slowly closing. The amount of children out of school is higher in the north than in the south.<sup>20</sup> One reason is that public school pupils still spend an estimated average of \$200 USD purchasing books and uniforms, despite the free universal basic education.<sup>21</sup> It is more challenging for students in the poorer north to meet these costs.

Child labor, non-adoption of the Child Rights Act (in the north), early marriage, and insufficient female teachers (especially in the north) who could be community role models to girls are further barriers. Girls from poorer homes help to generate income for their families, thereby reducing enrolment and retention GPI.<sup>22</sup>

### III. CURRENT STATE OF FINANCING

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This section uses available federal and state government data to review domestic and external financing for education, examining both quantity and quality. It pays particular attention to the funding of basic education. It has three main messages. First, more resources could be available for basic education if state governments contributed, rather than leaving it to federal and local governments. Second, current levels of funding would achieve better results if governance and accountability issues were addressed. Third, an increase in donor coordination would allow more resources to be channeled to areas most in need, and thus have a greater impact.

#### A. Domestic Financing

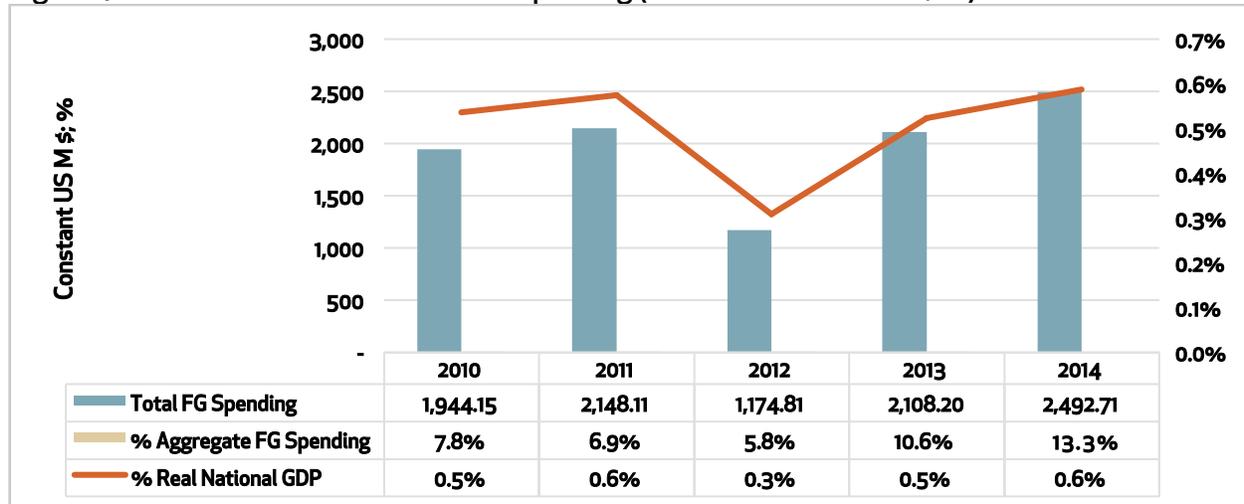
Education is a concurrent responsibility of both the federal and state governments under the constitution. There are four main sources of public funding for the public (nonfederal) education sector: direct allocations from the federal government (through the Universal Basic Education Intervention Fund and the Education Trust Fund), state governments, local governments, and private individuals and organizations, including nongovernmental organizations and international donors in some states. There is a huge lack of information on state and local expenditures for education, which makes accurate estimates of total spending difficult.

#### Federal Contribution Education Spending

The federal government (FG) makes nationwide policies and runs secondary (both junior and senior) and post-secondary institutions, including universities, polytechnics, and colleges.<sup>23</sup> The FG funds these through annual budgetary allocations and several targeted interventions funds, including the Tertiary Education Trust Fund (TETFund), debt relief grant (DRG/MDGs), and constituency projects of federal legislators. These funds also benefit state government schools. In addition, the FG funds the construction of several Almajiri (Tsangaya) schools and participates in nomadic education and adult education campaigns. The FG's main intervention instrument in basic education is through a special Universal Basic Education (UBE) Fund, which makes matching grants to state governments.

FG education spending averaged nearly \$2 USD billion annually between 2010 and 2014, which amounts to 7.8% of aggregate FG spending<sup>24</sup> or 0.5% of real GDP (Figure 4). Spending started above this \$2 billion average and rose steadily each year, except in 2012, when it dipped sharply to less than \$1.2 USD billion. The sharp fall in 2012 was not specific to the education sector; all government functions were affected due to the implementation of the FG's fiscal consolidation regime aimed to streamline spending and eliminate waste. The reduction was reflected in education's share of aggregate spending and GDP, which dipped significantly in 2012, but picked up thereafter.

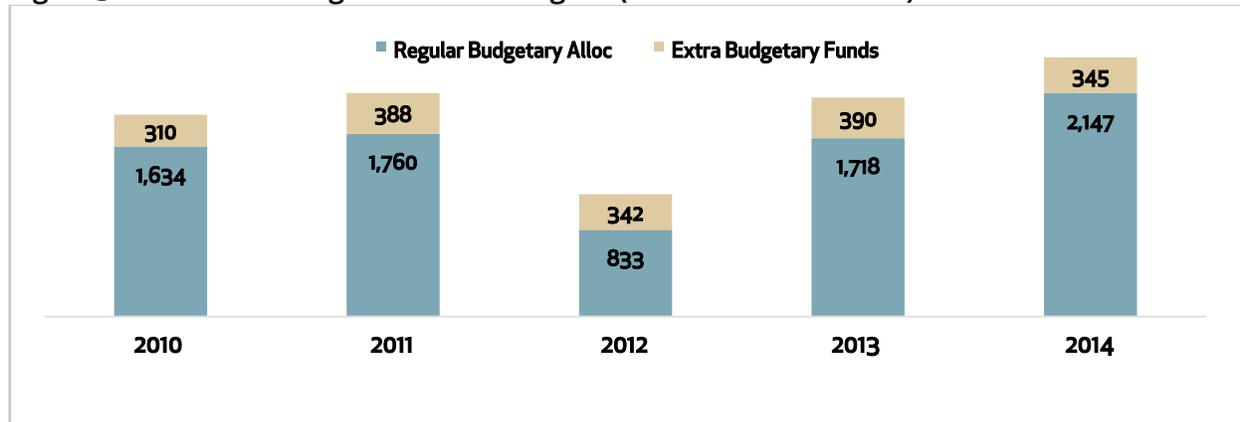
Figure 4. Federal Government Education Spending (Constant USD Millions, %)



Source: All 2014, UBEC, TETFund, DRG/MDG information from FMOE Annual Report 2014; other data from Audited FGN Financial Statements (2010 - 2013), courtesy (OAGF); analysis by author.

FG education spending has both budgetary and extra budgetary elements<sup>25</sup> (Figure 5). Budgetary allocations account for an average of 82% per annum of FG education spending, and are mainly to the Federal Ministry of Education (FMOE) and its agencies. Extra-budgetary funds represent the remaining 18% and often accrue for education through certain dedicated funds outside FMOE’s control (such as the Debt Relief Fund (DRF)/MDG and legislators’ constituency projects).<sup>26</sup> The two most prominent extra budgetary funds in education are the UBE Fund and the Tertiary Education Trust Fund (TETFund), with UBE being the larger.

Figure 5. Federal Financing for Education Nigeria (Constant USD Millions)

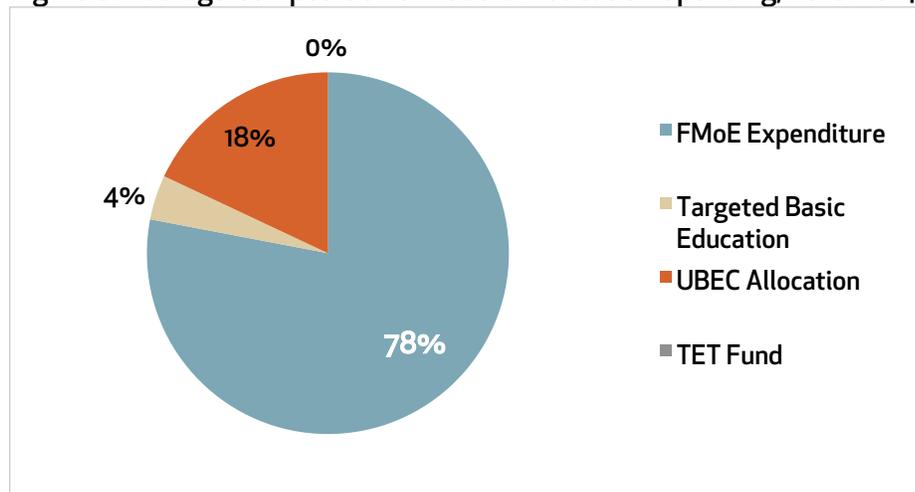


Source: All 2014, UBEC, TETFund, DRG/MDG information from FMOE Annual Report 2014; other data from Audited FGN Financial Statements (2010 - 2013), courtesy (OAGF); analysis by author.

The FMOE controlled 95% of budgetary allocations, which translates to 78% of total education spending at the federal level (see Figure 6, below). Targeted non-FMOE spending was 5% of budgetary expenditures (4% total education spending). UBEC receipts averaged \$350 USD million between 2010 and 2014, but annual figures oscillated with FG earnings.<sup>27</sup> TETFund is a dedicated fund for public (federal and state) tertiary institutions, financed by 2% prior tax on the profits of non-oil companies with over 100 personnel. Its share in total federal education funding is relatively small, averaging 0.3% in the period. Although budgetary spending appears prominent at 82%, it falls short of international good practice standards, which recommend minimal use of extra-budgetary funds to reduce

associated fiscal risks.<sup>28</sup> The 18% EBF level suggests lack of capacity in the FMOE to deliver results or a desire to confer political patronage, both of which are symptoms of weak governance.

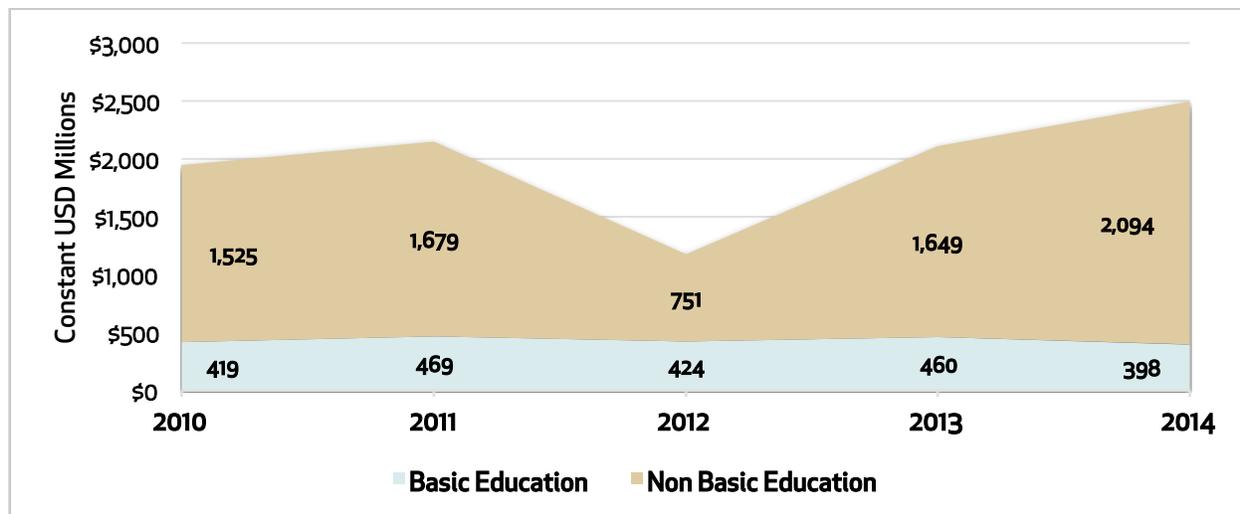
**Figure 6. Average Composition of Federal Education Spending, 2010-2014**



Source: All 2014, UBEC, TETFund, DRG/MDG information from FMOE Annual Report 2014; other data from Audited FGN Financial Statements (2010 - 2013), courtesy (OAGF); analysis by author.

Basic education spending averaged 23% of FG education spending between 2010-14 counting UBEC allocations, DRF/MDGs, and constituency projects, but excluding embedded spending on the JS section of FG secondary (unity) schools. Figure 7 plots the annual trend.

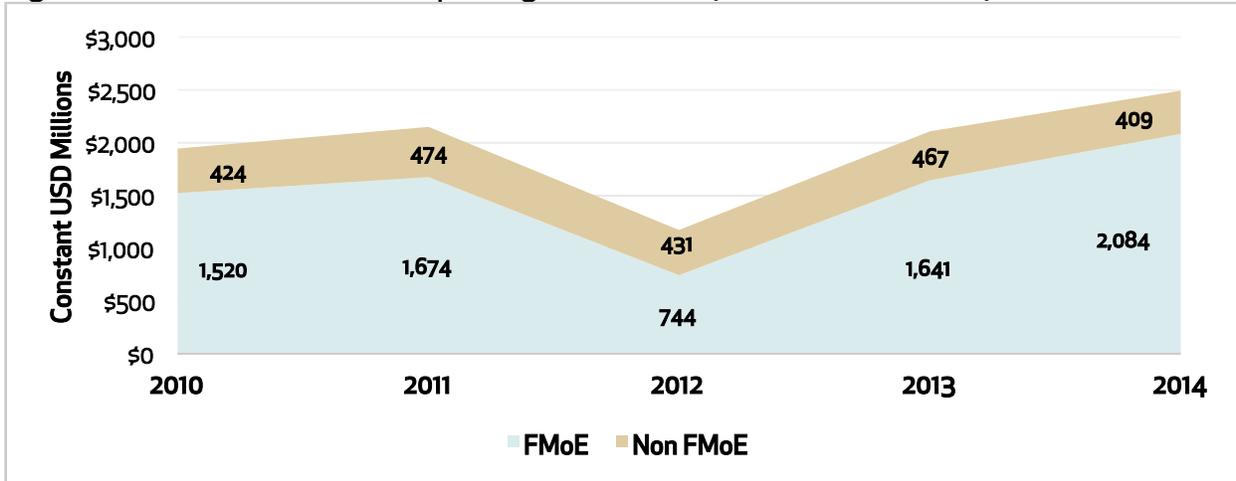
**Figure 7. Federal Spending on Basic vs. Non Basic Education (Constant USD Million)**



Source: All 2014, UBEC, TETFund, DRG/MDG information from FMOE Annual Report 2014; other data from Audited FGN Financial Statements (2010 - 2013), courtesy (OAGF); analysis by author.

Figure 8 (below) tracks federal vs. non-federal spending. The proportion of federal funding may seem small; however, basic education is a subnational government responsibility rather than a federal one as per Nigeria's fiscal federalism arrangements.

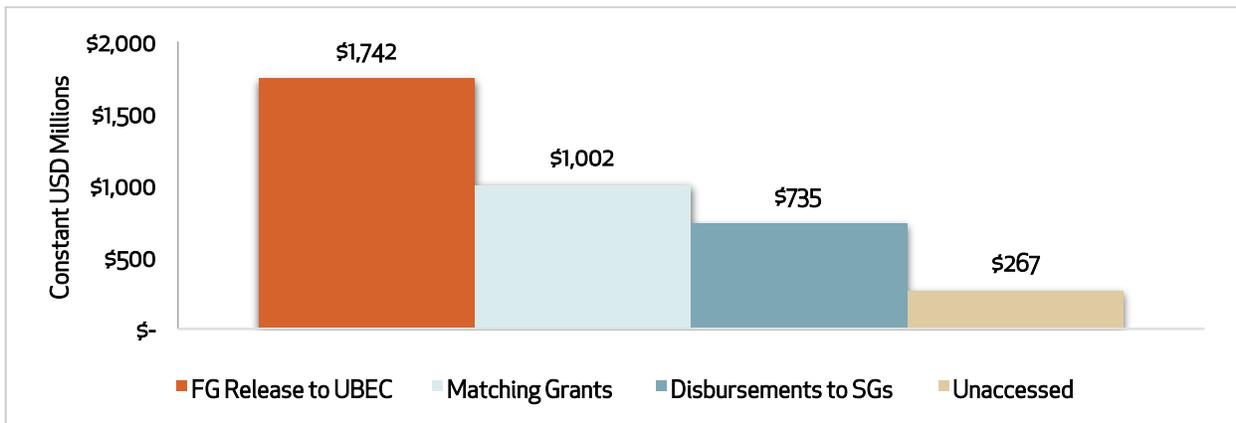
**Figure 8. Federal vs. Non-Federal Spending on Education (Constant USD Million)**



Source: All 2014, UBEC, TETFund, DRG/MDG information from FMOE Annual Report 2014; other data from Audited FGN Financial Statements (2010 - 2013), courtesy (OAGF); analysis by author.

The UBE Fund is the principal FG intervention instrument in basic education. Releases to the Fund amounted to more than \$1.7 USD (2010 constant) billion total between 2010 and 2014 (Figure 9). UBEC expends a large proportion of its resources as matching grants to state governments (SGs) to support basic education. Actual disbursement to individual SGs depends on whether they have met (nonperformance-related) conditions. States are not always able to access these funds timeously, but allocated funds remain in tact until conditions are met. Failure to meet conditions has resulted in the underutilization of funds; unaccessed matching grants at the end of 2014 amounted to \$266 USD million or 27% of allocations. UBEC also spends some of its funds directly supplying textbooks and other learning aids, retraining teachers, and monitoring.

**Figure 9. Statutory Releases to UBEC & Allocations to SGs, Disbursements, & Unaccessed, 2014**

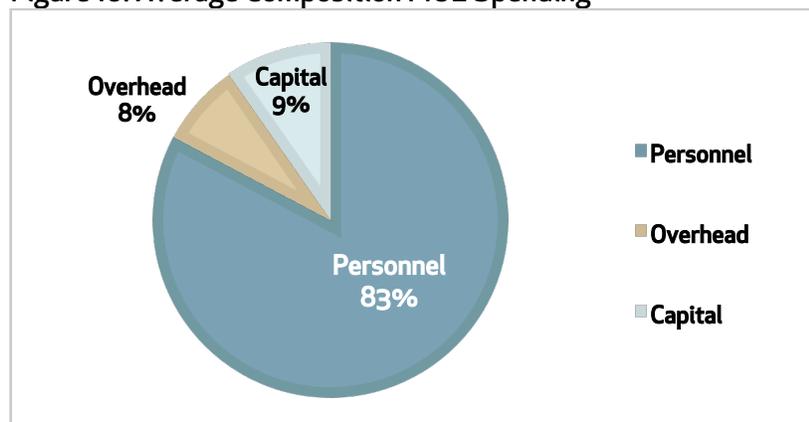


Source: All 2014, UBEC, TETFund, DRG/MDG information from FMOE Annual Report 2014; other data from Audited FGN Financial Statements (2010 - 2013), courtesy (OAGF); analysis by author.

Recurrent costs constitute a very high proportion of FMOE spending at an average of 91%, with 83% going to personnel costs and 8% to overheads (Figure 10, below). Capital spending was only 9%. Personnel spending is comprised of the wages of bureaucrats, tertiary and secondary institutions, and agencies. However, concerns remain over personnel costs, with tertiary institutions reluctant to join the new IPPIS that would facilitate wage controls. Overhead in the FG do not include Operations and Management (O&M), but only administrative costs. Rather, capital spending embeds O&M costs,

workshops, meetings, M&E, purchase, and rehabilitation of small office equipment such as computers, etc. Thus, FMOE expenditure includes little costs of infrastructure.

Figure 10. Average Composition MOE Spending



Source: All 2014, UBEC, TETFund, DRG/MDG information from FMOE Annual Report 2014; other data from Audited FGN Financial Statements (2010 - 2013), courtesy (OAGF); analysis by author.

### State Governments' Education Spending

State governments (SGs) spend few resources on primary education, preferring instead to concentrate on tertiary (Table 1). In fact, 40% of state-run education institutions are at the tertiary level.<sup>29</sup> While official data show that SGs fund a large share of primary and secondary institutions, this is misleading, especially in regard to primary schools. Rather, SGs take their contributions for primary education from local government funds.

Table 1. Providers of Education Services in Nigeria

Providers of Education Services in Nigeria (as of May 2015)							
Institutions of Higher Learning							
	Federal	State	Private	Total	% Federal	% States	% Private
Universities*	40	39	59	138	29%	28%	43%
Polytechnics**	24	38	25	87	28%	44%	29%
Colleges of Agriculture**	17	19	0	36	47%	53%	0%
Monotechnics**	23	2	2	27	85%	7%	7%
Colleges of Health Technology**	9	40	1	50	18%	80%	2%
VEI/IEIs**	0	0	120	120	0%	0%	100%
Technical Colleges**	19	110	3	132	14%	83%	2%
Colleges of Education <sup>‡</sup>	23	0	14	37	62%	0%	38%
<b>Total Tertiary Institutions</b>	<b>155</b>	<b>248</b>	<b>224</b>	<b>627</b>	<b>25%</b>	<b>40%</b>	<b>36%</b>
Secondary Schools							
Senior Secondary <sup>§</sup>	104	9,881	11,025	21,010	0.5%	47.0%	52.5%
Basic Education Institutions							
Junior Secondary <sup>§</sup>	104	21,548	10,376	32,028	0.3%	67.3%	32.4%
Primary <sup>§</sup>		60,064	32,584	92,648	0.0%	64.8%	35.2%
Pre-Primary <sup>§</sup>		29,864	18,897	48,761	0.0%	61.2%	38.8%

\*Source: National Universities Commission (NUC) website

\*\*Source: National Board for Technical Education (NBTE) website

t Source: National Commission for Colleges of Education (NCCE)

§ Source: State government and private school data from NEMIS, Provisional NEMIS data for 2012/13 – grossly understated as data from a sample of states (Kano and Lagos, for instance); Federal JSS and SSS data from 2014 FMOE Report.

Overall, states spend very few resources on basic education. Recent data from a sample of four states reveals that their average spending on basic education was only 0.6% (Table 2), which mainly serves to cover junior secondary schooling overhead. This suggests that states do not prioritize primary education as their expenditure responsibility, despite a 2002 Supreme Court decision (see next section). Data from the same four states<sup>30</sup> also shows that state education spending has been increasing, but the bulk of it is recurrent and prioritizes tertiary education. The capital component of the growing education spending is less than 20%, except in Yobe state with an average of 45% capital expenditure. Thus, state governments also prioritize recurrent education spending, which is subject to the same abuses identified at the federal level (see above).

**Table 2. Summary of Select SGs' Recent Spending on Education**

	States' Spending on Education (Constant USD M)				Average % Perf (Kano, Lagos, Yobe)	
	Kano	Lagos	Yobe	Anambra	Education % of Avg Exp	Primary % of Educ
2010	\$92.32	\$215.78		\$17.22	11.17%	0
2011	\$92.69	\$216.55	\$50.15	\$34.32	14.85%	0
2012	\$147.94	\$255.94	\$52.66		17.54%	0.89%
2013	\$152.98	\$300.13	\$57.26		17.29%	1.25%
Average Spending	\$121.48	\$247.10	\$53.35	\$25.77	15.68%	0.57%
Average CAPEX	19.59%	16.25%	45%	14%		

Sources: Compiled from audited Financial statements of the SGs for the relevant years.

### Local Governments' Education Spending

The role of local governments (LGs) in education is "participation in...the provision and maintenance of primary, adult, and vocational education."<sup>31</sup> A 2002 Supreme Court decision interpreted this to mean that primary education is a state responsibility in which local governments *may* participate. In practice, states use *federal* allocations to local governments to pay for primary school teachers' salaries, and use *local* government funds to pay their counterpart contributions to UBEC grants. In addition, local governments contribute to the funding of state universities, especially in the northern states. Consequently, LGs make a huge contribution to education financing in Nigeria, but it is difficult to determine the level due to non-publication of LGs' financial statements.<sup>32</sup>

### Private Sector (including Non-State) Contribution

The private sector plays a key role in providing education services at all levels, accounting for more than one third of educational institutions.<sup>33</sup> Private institutions do not receive official funding support; their main source of finance is the fees they charge. Therefore, households' contributions to education financing are significant. The US Embassy in Nigeria estimates private secondary schools fees cost an average \$1000 to \$2000 USD per annum. "These schools have smaller classes (approximately ten to fifteen students per class), modern equipment and a better environment. Teachers in these institutions all possess at least a Bachelors in a specific course area and... [attend] workshops or short term programs on a regular basis."<sup>34</sup>

However, even free public schools carry costs, estimated to be around \$200 USD for books, uniforms, and other levies. Children from poor households cannot afford this. However, UBEC and some states are responding to this by providing free books, writing materials, uniforms, and desks (e.g., Imo and Kano). In addition, Kano provides one free meal per day in the lower classes of its primary schools.

### Summary of Issues in Domestic Financing of Basic Education in Nigeria

Overall, three broad issues affect domestic financing of basic education in Nigeria, which were discussed above and highlighted here.

- Potential funding gap due to SGs' failure to share in funding basic education;
- Financial governance and accountability challenges creating perception of misuse, of 40%–45% of resources, including institutional failures that allow imbalance in recurrent capital spending, misclassification of O&M as capital expenditure, and accounting for expenditure with only receipts and no evidence of performance;
- Failure to make performance outcomes conditional for federal matching grants to states on basic education, thereby lacking performance incentives and potentially creating an entitlement mentality.

### B. External Financing

This section briefly examines the size and division of ODA to the education sector, the major bilateral and multilateral donors, and coordination among donors.

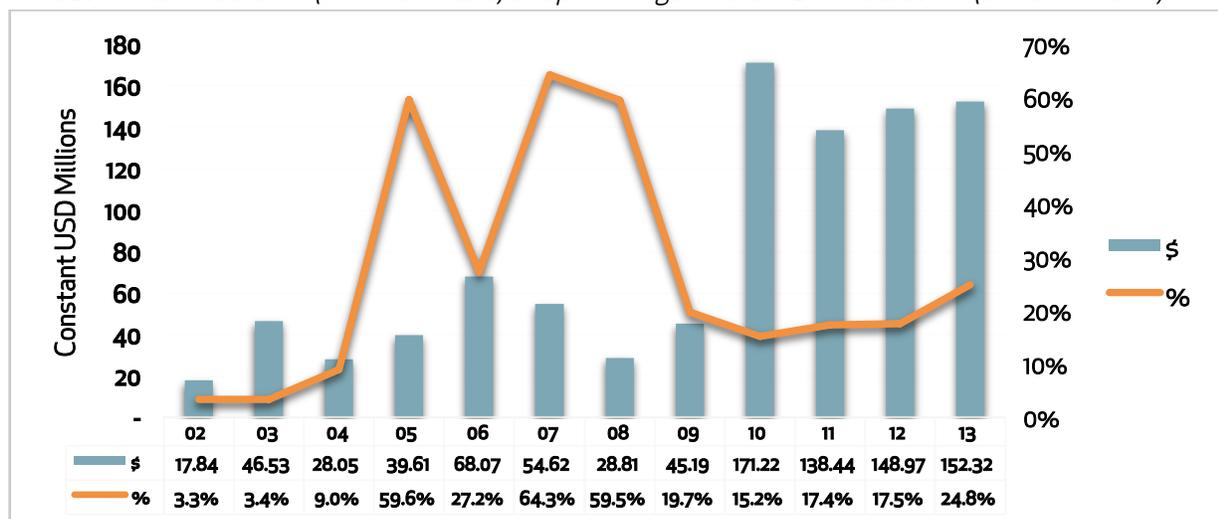
#### Size & Composition

Sector allocable ODA to education was initially low and unstable, but leaped almost four times in 2010 to \$171 USD million. Although aid flow did not sustain this momentum, it did not fall to its pre-2010 levels; education ODA was \$152 USD million in 2013 (*Figure 11*). The sharp rise in 2010 coincided with the outset of displacement of pupils in the northeast due to insurgency, suggesting that donors were likely responding to the situation.

**Figure 11. ODA Flow to the Education (sector allocable), 2002-13**

\$ - ODA flow to total education (sector allocable)

% - ODA to basic education (sector allocable) as a percentage of total ODA to education (sector allocable)



Source: OECD-DAC; analysis by author.

When ODA used by the education sector that has not been earmarked for a specific level of education is taken into account, total ODA to basic education rises. Table 3 tracks total ODA used for basic and non-basic education taking into account both sector and nonsector allocable totals from 2010-13.

**Table 3. ODA Flows to Basic and Non-Basic Education (sector and non-sector allocable), Constant USD Million 2013**

	Year			
	2010	2011	2012	2013
<i>Education, Level Unspecified</i>	97.48	61.84	48.94	45.42
Basic	74.70	54.98	50.59	60.55
Non-basic	96.5	83.5	98.4	91.8
<b>TOTAL<sup>35</sup></b>	171.22	138.44	148.97	152.32

Source: OECD Credit Reporting System.

As with sector allocable aid, sector and nonsector ODA to basic education grew in 2010 and remained high through 2013. However, the basic education proportion of total ODA has decreased steadily since then (*Table 4, below*). Moreover, basic education's share of total education ODA between 2010 and 2013 was below the recommended international standard of 50%, raising issues of about priorities and effectiveness of spending.

**Table 4. Share by Sub-Sector in Total Education (sector and non-sector allocable)**

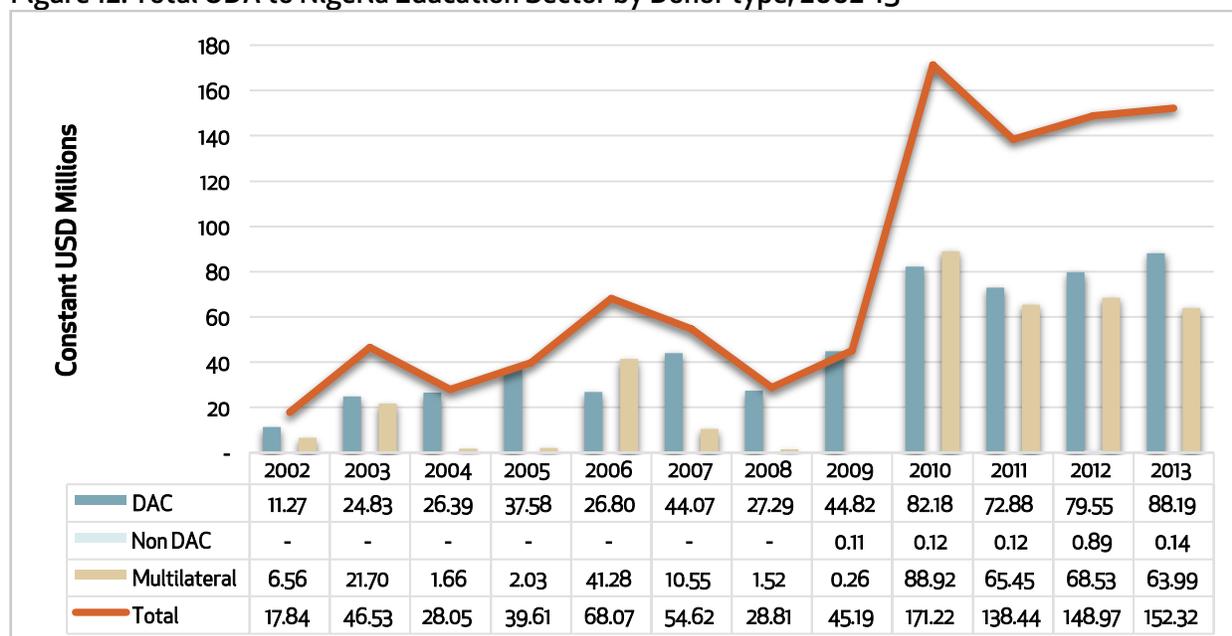
	Year			
	2010	2011	2012	2013
<b>TOTALS<sup>36</sup></b>				
Basic	43.6%	39.7%	34.0%	39.8%
Secondary	24.0%	22.1%	25.7%	33.9%
Post Secondary	32.4%	38.2%	40.3%	26.3%

Source: OECD Credit Reporting System.

### Major Donors and Effectiveness of Aid

Bilateral aid dominates ODA to education, with nearly all of it from DAC countries. DAC contribution averaged 69% of total education ODA from 2002 to 2013; non-DAC contribution was very small, at less than 1%. The UAE was the only non-DAC contributor (although Kuwait recently donated \$80 USD million to the Safe Schools Initiative Fund launched by the UN). The UK is the largest donor with an average annual contribution of \$24.60 USD million during the period; US (\$7.66 USD million), Germany (\$5.37 USD million), France (\$3.17 USD million), and Japan (\$2.77 USD million) follow in that order. Others are mostly small contributors. The contributors usually design their own programs, consulting each other and the government in the process. Donors directly implement their programs through alternative, non-government channels. Bilateral funds are rarely channeled through local financial and procurement processes<sup>37</sup> due to concerns of possible misuse and the domestic policies of the donor countries.

Figure 12. Total ODA to Nigeria Education Sector by Donor type, 2002-13



Source: OECD-DAC.

Multilateral assistance accounted for 31% of ODA between 2002 to 2013. The World Bank Group IDA credits were the highest component of both multilateral and all education ODA, averaging \$44.85 USD million annually during the period. Other multilateral donors are UNICEF (\$1.97 USD million), AfDF (\$1.81 USD million), UNDP (\$0.34 USD million), and EU Institutions, (\$0.02 USD million). IDA and AfDF assistance does not mix with budgetary funds,<sup>38</sup> but disburses through parallel project accounts separately created for the purpose. Government officials run these accounts, but follow specially-designed accounting and procurement procedures. Design of the projects is usually in consultation with the government. Some of the projects are infrastructure related at the non-basic education level. Other multilateral donors directly implement their programs.

### Coordination among Donors and with Governments

International development partners in education have recently increased their coordination and cooperation. First, development partners (DPs) consult with each other and with the government when designing their individual programs. Second, they have revived their monthly donor coordination meetings (chaired by DFID and UNICEF) after a hiatus,<sup>39</sup> even meeting sometimes twice monthly, if necessary. Third, the Local Education Group (LEG), chaired by the FMOE, provides another platform for donors to meet. Fourth, donors are also cooperating through the GPE and SSI programs (described below) by supporting the government's successful application for \$100 USD million and the cooperation of five key donors to implement the program. Fifth, donors recently prepared a *Joint Donor Policy Note on Education* in April 2015 to brief the new FG and express their desire to assist. Despite this progress, donor coordination in Nigeria is not as effective as it could be; the Joint Donor Policy Note illustrates the problem, as discussed further below.

Broader donor coordination is more effective under the Country Assistance Framework (CAF) tool. The CAF is the common strategic approach of Nigeria's development partners in support of the government's development plans. CAF partners include the WBG, DFID, USAID, JICA, GIZ, IFAD, CIDA, and KOICA. The CAF framework allows various thematic donor groups to meet around a common agenda and resolve issues. In addition, the WBG and DFID have been cooperating since 2004 around a common agenda, including joint financing of projects. Recently, the EU and the WBG also began

cooperating in a common governance program, State and Local Governance Program (SLOGOR). Such arrangement has not existed in education until the SSI and the GPE.

The Safe Schools Initiative (SSI) is a joint response to the “children and schools affected by insurgency in the North Eastern States of Nigeria.” The insurgency led to the closure of all schools in Borno State from March 14, 2014, keeping “roughly 253,000 children...out of school in [the] 2013-14 School Year.”<sup>40</sup> In addition, Adamawa, Yobe and Borno states reported 338 schools destroyed, at least 196 teachers and over 314 learners killed, and more than 276 learners abducted by the end of 2014.<sup>41</sup> An April 2015 report states that 422,899 or 28% of the 1,491,706 displaced persons in Adamawa, Bauchi, Borno, Gombe, Taraba, and Yobe are of school age.<sup>42</sup> The government established a national Safe Schools Fund “to accommodate capitalization from the Federal Government, Private Sector, and grants from donors.” The partners in the SSI are “Nigerian government, the UN Special Envoy for Global Education, Gordon Brown, the Nigerian Global Business Coalition for Education, and private sector leaders,”<sup>43</sup> and the initiative was launched in May 2014.

Complementing the SSI is the “Nigeria Safe Schools Initiative Multi-Donor Trust Fund (Nigeria SSI MDTF) also for donors for matching co-financing and implementation of activities pertaining to the Initiative.” The SSI is piloting in Adamawa, Borno, and Yobe states in three areas: “transfer of secondary students to other states, support to education in IDP camps, and piloting of safe schools models including community mobilization.” UNICEF (supported with funds from Norway), DFID, and GIZ have respectively selected and are implementing one each of the three items of the SSI. Coordinating is done through a high-level steering committee of government and donors (headed by the Federal Minister of Finance) and a technical committee also headed by government (National Emergency Management Agency, or NEMA). Donor members of the coordination bodies are the WBG, AfDB, DFID, GIZ, UNICEF, and USAID.

The Global Partnership for Education (GPE) is also helping to coordinate donors. The GPE is a three-year (2015-2018) IDA grant of \$100 USD million to the FGN to improve access and quality of basic education in northern states, “with particular attention to girls’ participation.”<sup>44</sup> The grant will directly benefit pupils attending government funded basic education and integrated Islamiyya schools and teachers working in government schools who will receive training and support. The project will also indirectly benefit public officers at all levels of government active in delivering education and School-Based Management Committees (SBMCs) and their communities. The GPE achieves coordination by getting donor partners to support and supervise GPE funded activities in their localities of operation. Thus, DFID provides technical assistance in Jigawa, Kaduna, and Kano; UNICEF in Katsina; and USAID in Sokoto.

### **Joint Donor Policy Note on Education<sup>45</sup>**

The recently issued *Joint Donor Policy Note on Education* demonstrates the factors behind the lack of effectiveness of donor intervention in Nigeria, such as lack of synergy between donors and government as well as among donors. The Policy Note analyzes some of the issues with basic education, prescribes key actions, theorizes how Nigeria can move forward, and decides how development partners can support. However, some prescriptions do not recognize the constraints of Nigeria’s brand of fiscal federalism and the political economy forces at play.<sup>46</sup> Experience shows that this will not be easy.

An example is the prescription, “Federal and State Governments to champion decentralized funding for schools so that schools, communities and local government can prioritize investments and make schools better places for both girls and boys to learn.”<sup>47</sup> This suggestion is not new, but has not been successful, because the FG has not been able to design and deploy workable nationwide governance and decentralization systems with appropriate incentives to get SGs to comply. Donor coordination and intervention would be more effective if it offers help to the FG in designing and deploying such “decentralized funding” identified as crucial.

Finally, the last section of the Policy Note on, "How Development Partners Can Support," is not in line with the Paris Declaration on Aid Effectiveness (2005) and the follow up in Accra (2007). Donors tend to make autonomous decisions about where they would like to invest funds, rather than support Nigeria's identification of its most pressing challenges and its contextualized, local approach to addressing these challenges. In essence, donors are not currently assisting the country where it needs the most help, but where they prefer. This contributes to the ineffectiveness of donor coordination and interventions. The example of Rwanda, detailed below, provides some lessons for Nigeria.

### **The Rwandan Example of Aid Coordination**

Rwanda presents a good model of donor coordination and intervention. In Rwanda, donors decide their areas of intervention in conjunction with the government, which restricts them to no more than three sectors of the economy. Donors who prefer already-crowded sectors must be willing to redirect funds to areas of greater need if they wish to operate in the country. This lead some donors to focus on assisting Rwanda in building the renowned planning, governance, and monitoring systems in place today.

Moreover, donor resources complement government funding. The restriction of donors to few sectors ensures that they do not spread their scarce resources too thin, but instead concentrate and deploy them in a coordinated manner. The government and donors also cooperatively decide in which regions of the country donors can operate. This enables the government to realign its own resources to areas and sectors with greater need so that it does not repeat the activities.

Donor programs and projects should fit into the government's development frameworks at both national and local levels, for which donors helped the government to develop the capacity to prepare. Donors who commit funds to projects not approved by the national or local authorities will not be able to bring in personnel to execute those projects because the government's approval is a condition for issuance of visa. Donor projects are subject to the same the performance contract and assessments as the government. Finally, donors sit in various decision-making bodies at the levels they operate.

## IV. OPPORTUNITIES FOR ACTION

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Perhaps the most important element of Nigeria's success is not "more money," but rather "more results." The findings below list some critical factors and suggestions for action.

### Summary of Key Findings

Nigeria's governments at all levels have and are implementing numerous initiatives to widen access to and improve the quality of basic education, resulting in some successes, including the following:

- General increase in GER at the JSS level and GER and NER for girls;
- Improved funding, with federal government contributing an average of \$2 USD billion in constant terms to basic education to fund infrastructural development, supply of textbooks, improving teacher performance, and local governments' funds paying primary schools teachers and running costs;
- Substantial investment in production of qualified teachers by both the federal and state governments through the establishment of numerous Colleges of Education;
- Ongoing efforts to improve nationwide statistics for planning through an IT-based data reporting process, currently being piloted.

However, huge challenges remain resulting in not meeting EFA targets. For instance, between 16% and 18% of global out of school children are in Nigeria, teacher inadequacy and poor quality continue, and GPI for both pupils and teachers is less than 0.5. These phenomena occur with serious regional imbalances. Issues of late attendance, retention, completion, and GPI index are more acute in the north than in the south. Ongoing armed insurgency in some parts of the north has led to widespread displacement of school pupils and teachers, and has recently aggravated these imbalances. Below is a summary of factors that have led to the poor performance in achieving EFA targets.

- **Educational planning has a low priority in management, accentuated by lack of reliable statistics, including population data.** Securing regional cooperation in data management and cooperative planning is difficult.
- **Financial governance structures are weak, which leads to a lack of transparency and accountability.** Office overheads consume the larger proportion of resources at the expense of operations and management. Mechanisms for tracking resources to operational (classroom) are needed in order to strengthen capacity for planning and financial management.
- **State governments (SGs) devote few resources to basic education, instead prioritizing higher education.** SGs tend to rely on local governments (LGs) to fund primary education, despite the 2002 Supreme Court ruling. The current practice of using LGs' resources to meet SGs' counterpart contribution for UBE matching grants may be creating a funding gap.
- **Monitoring and Evaluation are needed to ensure resources are allocated on a needs basis.** Performance targets that include active results monitoring could strengthen planning, political commitment, and capacity. Although the National Planning Commission is currently finalizing a new M&E Framework for the country, its willing adoption by state governments is questionable, given the history of past attempts at intergovernmental coordination.
- **The current design and process of donor interventions affect their ability to make impact.** Rwanda presents a model of donor intervention, with each donor targeting a few areas of intervention, donor resources complementing government funding, donor projects strictly fitting into the government's development framework, and projects subjected to the same performance assessments as the government's.

## Recommendations for Achieving Greater Effectiveness in Education Financing

All levels of Nigerian government must take the lead in making education finance work; international donors need only play the supportive role of investing their resources in strengthening systems.

### 1. State Governments need to show commitment to basic education by contributing to its funding, rather than relying on local governments contributions.

State contribution, in addition to current levels of federal and local contributions will greatly reduce basic education funding gaps. SGs could find funds by realigning education priorities in favor of basic education, instead of tertiary. The FG could provide incentives for SGs to contribute to basic education by making small changes to its conditions on matching grants to SGs on basic education (see below).

The FG should add performance and reporting targets to its matching grants on basic education to provide the necessary incentive for goal pursuit. Enforcement is key, achievable through forfeiture of grants for noncompliance or non-performance. Moreover, the publication of regular reports is a powerful, albeit unintended, motivating incentive, as they have a proven track record in similar countries (e.g., Rwanda). The FG only needs to amend and enforce the UBEC Act 2004 along the following actions to achieve these:

- **Set conditions based on performance**, such as carefully designed and verifiable access and quality key performance indicators (KPIs).
- **Graduate KPIs targets**, so that achievement of a certain target leads to aspirations for a higher one. UBEC disbursements should also be in tranches, corresponding to levels of KPI.
- **Unaccessed grants to individual SGs need not accumulate indefinitely**; loss of unaccessed funds to the common pool for not meeting targets or for 'sharp practices' would be a powerful performance incentive.<sup>48</sup> SGs that consistently miss targets should undergo a special supervised capacity development program tailored to the capacity problem.
- **SGs that fail to fulfill their constitutional role of funding primary education should not be able to receive funds from the federal government**. Withholding funds will place pressure on SGs through the Nigeria Governors Forum peer review mechanism.
- **Design templates for the collecting and reporting of data** so that statistics across states may be consistent and accurate.<sup>49</sup>

### 2. Both federal and state governments would benefit from a performance-based M&E system that will routinize the collection and reporting of reliable education data.

The ongoing FG investment in provision of infrastructure for data collection could serve as the springboard. Support of development partners will be very helpful. The GPE, UNICEF, and DFID are supporting the establishment and capacity building of EMIS systems in some states. However, a coordinated and integrated national system would be more beneficial.

### 3. Clarification of roles and improvements in governance systems could increase efficiency and effectiveness.

The emergent system should employ competency-based hiring, with a special focus on skills in planning, financial management, and data collection. The installation of a routine expenditure tracking system to verify and report use of funds would also help increase accountability and transparency in spending. Assistance of international development partners would also help fill funding gaps.

### 4. Increased coordination and planning among donors could bring about greater effectiveness.

This includes increased coordination with government as well as a clear prioritization of sector needs. In order to make a sustainable impact, donor resources should focus on strengthening *systems*, rather than operations. Nigerian governments can mobilize and deploy more resources than donors may be willing to bring in. If taken in conjunction with the previous recommendations, donor resources channeled through improved Nigerian systems may be highly effective.

## REFERENCES

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I have incorporated ideas and information from many people and materials in a manner impossible of proper acknowledgment. Below is a non-exhaustive list of people that must pardon me for not referencing their contributions properly.

1. FMOE – Daniel Chike Uwaezuoke (Director Basic & Secondary Education), Mrs E. B. Omotowa (Director, Education Planning, Research & Development (EPR&D) Mrs. O. A Ariba (DD, Basic Education), Mrs. R. I. Gold Idehen (DD, Secondary Education), Kalu Kalu-Obasi (National Coordinator, EFA), Matthews Nganjiozor, Head, Statistics and NEMIS
2. The World Bank Group (WBG) – Dr. Tunde Adekola
3. UNICEF Nigeria – Eva Ahlen, Chief, Basic Education Section
4. Lagos SUBEB – Gbolahon Khadijat Daodu (Mrs.), Executive Chairman
5. Kano state – Danjuma Mahmoud (Accountant General of the State), Basiru M. Lawan, (Director, Final Accounts, Ministry of Finance), Danlami Garba (Director, Planning, Research, & Statistics, SMOE, Kano)
6. USAID Nigeria – Timothy Curtin (Deputy Team Leader, Education), Adamu Igoche (Deputy Team Leader, Peace & Democracy Governance Team), Olawale M. Samuel (Program Manager – Education)
7. JICA Nigeria – Emiko Mikami (Project Formulation Advisor), Doris N. Elekwachi (Programme Officer)
8. Royal Norwegian Embassy, Abuja – Vibeke G. Soegaard, Counsellor, Deputy Head of Mission), Tor Olivind Tanum (Counsellor)
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13. Mrs Ifeoma R. Ezedebego, Planning Office, Anambra State Ministry of Budget & Economic Planning, Awka
14. Dr. Rosemary Nwangwu – Education Specialist & Consultant, Abuja

## ENDNOTES

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<sup>1</sup> <http://www.uis.unesco.org/LAYOUTS/UNESCO/oosci-data-tool/index-en.html#en/cover>

<sup>2</sup> National Demographic & Health Survey.

<sup>3</sup> See UNICEF: “*Global Out-of-School Children, Nigeria Country Study*” Report, March 2012, p. xii.

<sup>4</sup> Federal Ministry of Education.

<sup>5</sup> See UNICEF March 2012, op. cit., p. 11.

<sup>6</sup> FMoE: 4-Year Strategic Plan for the Development of the Education Sector 2011 – 2015, p. 21.

<sup>7</sup> See Kano State Annual School Census Report, 2013 – 2014; the DFID-ESSPIN program that supports these annual census exercises confirm the accuracy of the data, with the processing involving physical head count, rather than estimates. ESSPIN has supported similar school census exercises since 2010 in the five other states in which out operates, namely Enugu, Jigawa, Kaduna, Kwara and Lagos.

<sup>8</sup> FMoE: Nigeria EFA Review Report (2000 – 2014), p. 119.

<sup>9</sup> See Education Donor Coordination Group: *Nigeria: Basic Education*, April 22, 2015; contact: [lbrannelly@dfid.gov.uk](mailto:lbrannelly@dfid.gov.uk), submitted to the new federal government that took office in May 2015.

<sup>10</sup> SGs use LGs’ resources to meet their counterpart obligations for accessing federal matching grants, pay primary school teachers, and pay other costs of basic schools or, at least, primary schools. SGs’ base their stance on the Local Government Decree of 1976, which “assigned formal responsibility for providing and maintaining primary education to LGs, subject to necessary assistance from the states.” However, the situation changed in the 1999 constitution, which “... envisages that, in the primary and secondary education sub-sectors, the Federal Government’s main role is to determine national policy, set standards (including curriculum) and monitor performance, while the States design, develop and deliver the services” (FMoE, Education Sector Status Report, May, 2003, p. 24). The Supreme Court interpreted the constitutional provisions as follows, “In so far as primary education is concerned, a local government council only participates with the State Government in its provision and maintenance. The function obviously remains with the State Government” (See, the Supreme Court of Nigeria Judgement on April 5, 2002 in *Attorney General of the Federation vs. Attorney General of Abia and 35 ors*, <http://www.waado.org/nigerdelta/essays/resourcecontrol/SupremeCourt.html>). News reports suggest that the 19 northern SGs’ agreed in a Y2000 education summit with then VP of the country to devote at least, 25% of their budget to education in order to bridge the education gap with southern states, but they failed to honor that agreement (<http://thenews-chronicle.com/obj-responsible-for-woes-in-nigerias-oil-sector-atiku/>, accessed on Sunday, May 31, 2015, at 6:17 AM (Abuja).

<sup>11</sup> Universal Basic Education Commission, National Commission for Adult & Non-Formal Education, and National Commission for Nomadic Education.

<sup>12</sup> State Education Boards.

<sup>13</sup> FMoE, Nigeria EFA Review Report, 2000 – 2014, p. 55.

<sup>14</sup> See, Sara Humphreys (with Lee Crawford), “*Review of the Literature on Basic Education in Nigeria - Issues of Access, Quality, Equity, and Impact*”, A DFID funded Study, June 2014.

<sup>15</sup> See FMoE, EFA Review Report, pp. 37; 54 – 57.

<sup>16</sup> See FMoE, EFA Review Report, pp. 10, 11; Lagos State officials corroborated this in an interview for this report.

<sup>17</sup> See the EFA Review Report (the quality of the curriculum is contentious, though); this report similarly criticizes the prescription of a unified national curriculum for basic and secondary education, because, it ‘places a burden of passivity on states, who no longer bother to localize curriculum.’”

<sup>18</sup> EFA Review Report, p. 102; p. vii.

<sup>19</sup> EFA Review Report, p. 102; p. vii.

<sup>20</sup> “Inequalities In Access to Schooling – What Are the Trends in Nigeria?”, EDOREN Working Paper, September 2014, <https://edorennigeria.wordpress.com/inequalities-in-access-to-schooling/>.

<sup>21</sup> See a US Embassy in Nigeria post at [http://nigeria.usembassy.gov/nigeria\\_education\\_profile.html](http://nigeria.usembassy.gov/nigeria_education_profile.html).

<sup>22</sup> EFA Review Report, p. 102; p. vii.

<sup>23</sup> See the 1999 Constitution of the Federal Republic of Nigeria, as amended to date, Schedule 2, paras. 27- 28.

<sup>24</sup> Aggregate FGN, not national spending.

<sup>25</sup> This is only one of several possible ways of analysing federal education spending.

<sup>26</sup> Constituency projects are expenditure appropriated to projects of interest to legislators in their respective constituencies.

<sup>27</sup> Note: UBEC allocations comprise 2 %of FG share of federation revenues accruing directly to the Fund. The allocations rose steadily in nominal terms up to 2013, only dipping in 2014 due to the poor performance of oil

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revenues in the second half of the year. The dwindling allocations are due to the twin effects of deflating the allocations to 2010 real (constant) values and applying the official CBN \$/₦ exchange rate, which disfavored the Naira over the years.

<sup>28</sup> For example, see PI-7 of the PEFA PFM Performance Measurement, 2011; managing more than 2 % of public funds outside the budget cannot attract an “A” rating, while above 10 % attract the lowest rating of “D.”

<sup>29</sup> Statistics on tertiary institutions is relatively reliable, but basic and secondary data are mostly out of date.

<sup>30</sup> Kano, Lagos, Yobe, and Anambra. Kano and Lagos are the most populous states in the country. Kano and Yobe are in the north of the country, usually associated with much of the problem in low performance in access and quality. Yobe in one of the three northeast states, most affected with the current armed insurgency and displacement of persons and pupils.

<sup>31</sup> 1999 Constitution of the Federal Republic of Nigeria, as amended to date, Schedule 2, Paragraph 2(a).

<sup>32</sup> Limited data on LGs’ spending is available, but the limited time for this study does not permit their analysis.

<sup>33</sup> Available official data grossly misrepresents private basic and secondary schools count, because of lack of update; for instance, scoping studies reveal existence of at least 18,000 private basic and secondary schools in Lagos state alone. A sizeable number of private schools also exist in the FCT. Enrollment figures would have provided a more accurate picture of the contribution of private school providers, but data is not available.

<sup>34</sup> From [http://nigeria.usembassy.gov/nigeria\\_education\\_profile.html](http://nigeria.usembassy.gov/nigeria_education_profile.html), sourced on Sunday, May 31, 2015, 6:38 PM, Abuja time.

<sup>35</sup> Totals were calculated using the following formulas: 1) Total Basic = Basic Education + 50% Education Level Unspecified + 10% General Budget Support; 2) Total Secondary = Secondary Education + 25% Education Level Unspecified + 5% General Budget Support; 3) Total Post-Secondary = Post-Secondary Education + 25% Education Level Unspecified + 5% General Budget Support.

<sup>36</sup> Totals were calculated using the following formulas: 1) Total Basic = Basic Education + 50% Education Level Unspecified + 10% General Budget Support; 2) Total Secondary = Secondary Education + 25% Education Level Unspecified + 5% General Budget Support; 3) Total Post-Secondary = Post-Secondary Education + 25% Education Level Unspecified + 5% General Budget Support.

<sup>37</sup> Some JICA infrastructure assistance programs are the only known exceptions.

<sup>38</sup> Except when they are direct budget support, of which there was none during the period.

<sup>39</sup> The words of a major international donor.

<sup>40</sup> UNICEF Safe School Initiative (SSI): Briefing Notes.

<sup>41</sup> UNICEF Safe School Initiative (SSI): Briefing Notes.

<sup>42</sup> See <http://nigeria.iom.int/over-14-million-now-displaced-six-states-northeast-nigeria>.

<sup>43</sup> UNICEF, Safe School Initiative (SSI): Briefing Notes.

<sup>44</sup> See WBG: “International Development Association Project Appraisal Document on A Proposed Global Partnership for Education Grant in the Amount Of US \$100 Million To The Federal Republic Of Nigeria For A Nigeria Partnership For Education ,Project, April 30, 2015.

<sup>45</sup> See Education Donor Coordination Group: *Nigeria: Basic Education*, April 22, 2015; contact: [lbrannelly@dfid.gov.uk](mailto:lbrannelly@dfid.gov.uk).

<sup>46</sup> See the Education Donor Coordination Group: *Nigeria: Basic Education*, April 22, 2015; cited above.

<sup>47</sup> See the Education Donor Coordination Group: *Nigeria: Basic Education*, April 22, 2015; cited above.

<sup>48</sup> Unconditional disbursement and indefinite accumulation of funds for nonperforming SGs creates the wrong mentality of entitlement to the funds. SGs have no such entitlement to UBEC funds, which are federal funds, intended to achieve the goal of universal basic education. Besides, indefinite accumulation of funds for nonperforming SGs is a serious performance disincentive. It ties down resources needed elsewhere. It is also a strong impetus for waste. For instance, releasing years of accumulated funds en-bloc to a system that lacks the capacity to utilize one year’s allocation creates a sudden ‘resource glut’ and wasteful ‘mis-procurements.’

<sup>49</sup> The current resistance by SGs to use federal data reporting systems is due the misconception of ‘entitlement’ to UBEC funds. In all federal systems with a matching grant regime, access to the funds depends on meeting preset conditions that invariably include reporting data to the donor in a particular manner.

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