

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

Report No.: PIDA1287

Project Name	Nigeria Partnership for Education Project (P143842)
Region	AFRICA
Country	Nigeria
Sector(s)	Primary education (78%), Public administration- Education (11%), Sub-national government administration (11%)
Theme(s)	Education for all (75%), Gender (25%)
Lending Instrument	Specific Investment Loan
Project ID	P143842
Borrower(s)	Federal Ministry of Finance
Implementing Agency	Universal Basic Education Commission, Federal Ministry of Education
Environmental Category	B-Partial Assessment
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Estimated Date of Appraisal Completion	24-Mar-2015
Estimated Date of First Grant Approval	30-Apr-2015
Appraisal Review Decision (from Decision Note)	

I. Project Context

Country Context

1. Nigeria has experienced strong economic growth in the last decade; however, the benefits of economic growth have been slow to reach many Nigerians. Since the return of democratic rule in 1999, the country, with an estimated population of 174 million, has undergone major reforms supporting the rebuilding of institutions and the development of a more robust economy. Nigeria's GDP grew at an average of 6 percent in the last eight years, driven by growth in the non-oil economy, mainly trade and services. Recently rebased GDP data indicates that the service sector contributes over 50 percent to GDP and is the fastest growing sector in the economy. The government still relies on crude oil as its main source of revenues and foreign exchange and although greater stability has been achieved through more conservative fiscal management, the recent downward trend in oil prices and challenges with meeting oil production targets have resulted in heightened fiscal and balance of payment pressures. In response, the Federal government has adopted a more conservative medium-term fiscal outlook, reducing the budget benchmark price by which oil revenues to federal, state and local government budgets are determined from \$77.5 per barrel in 2014 to \$52 per barrel in 2015. This is expected to result in downward reviews of budgets.

Inflation still remains in the single digits at 8 percent.

2. The recent period of economic growth did not result in an overall reduction of unemployment rates and improvement in socioeconomic outcomes. Although growth rates averaged 5 percent in the last couple of years, Nigeria is still making slow progress towards improvements in living standards. Progress towards the achievement of the Millennium Development Goals (MDGs) is slow and at its current pace, Nigeria is unlikely to meet the targets for eradicating extreme poverty and hunger and reducing child and maternal mortality. Based on official poverty numbers, progress was made in reducing absolute poverty between 2004 and 2010 but these gains were outstripped by population growth. Inequality is on the rise and there is widening income disparity between the Northern and Southern parts of the country. The rising North-South disparity is exacerbated by the conflict in the North which has curtailed business activities in the North and led to the loss of lives and property. Fiscal pressures have also emerged from the increase in illegal oil bunkering in the Niger Delta and the precipitous decline in oil prices in the last quarter of 2014, which has resulted in a decline in projected oil revenues.

3. Inequality is on the rise and there is widening income disparity between the Northern and Southern parts of the country. The rising North-South disparity is exacerbated by the conflict in the North which has curtailed business activities in the North and led to the loss of lives and property. Fiscal pressures have also emerged in view of the increase in illegal oil bunkering in the Niger Delta and the precipitous decline in oil prices in the last quarter of 2014, which has resulted in a decline in oil revenues. Existing data gathered from studies and household surveys, show that geographical inequalities explain a large part of the sluggish improvements in MDGs regardless of economic growth. In many instances, the North, in particular the North East region where security challenges have been greatest, records the lowest human development indices. As an example, huge disparities in education exist between the North and South. For example, primary net attendance rates vary from as low as 12.8 percent in Yobe to 85.6 percent in Ebonyi, according to the 2013 Nigeria Demographic Health Survey (NDHS). Since March 2014, many schools in the north eastern part of Nigeria increasingly became direct targets of violent conflict. This has led to closure of schools in some areas coupled with massive displacement of the rural population. According to Office for the Coordination of Humanitarian Affairs, nearly 650,000 people in the north east were internally displaced by July 2014.

4. High population growth of three percent annually and a young demographic structure with 44 percent of the population under the age of 15 present additional challenges. Between 1990 and 2013, the population has almost doubled, from 96 million to 174 million. By 2050, the United Nations Department of Economics and Social Affairs projects that Nigeria would be the world's third most populous country, with 440 million people - higher than the projected figure for the United States, but with only a tenth of its territory. This population growth rate translates into about 11,000 babies born every day, overburdening the system to educate and improve the health of these children, as well as create jobs for poverty reduction.

5. Government has dedicated significant resources to improve human capital development in Nigeria with support from international development partners. Vision 20:2020 aims to place Nigeria among the top 20 global economies by 2020, an achievement that will require, amongst others, improvements to the education sector and strengthening of linkages with the labor market. Aside from budgetary spending through the education ministries and their agencies, the Federal Government has established a separate fund for MDGs managed by the Office of the Senior Special

Assistant to the President on MDGs. Savings from the reduction in the subsidy on petrol have also been utilized in creating the Subsidy Reinvestment and Empowerment Program (SURE-P), which includes a Technical and Vocational Education and Training component at the federal level. In addition, international organizations including DfID, USAID, JICA, the World Bank, and local Non-Governmental Organizations (NGOs) continue to support programs in all parts of the country, in particular, the Northern states where most of the poor, malnourished and out-of-school (OOS) children reside in Nigeria.

Sectoral and institutional Context

6. Nigeria's Education System. The Nigerian education system is a 6-3-3-4 system, where the first nine years of basic education comprises six years of primary and three years of junior secondary education; the next three years are senior secondary education; and the final four years are tertiary education. In addition, a one-year pre-primary year was recently announced by the Federal Ministry of Education (FMOE) as part of the effort to prepare children for school. The responsibility to provide the various levels of education is divided between the federal, state, and local governments as outlined in the Constitution, although some responsibilities are shared (concurrent), rather than exclusive. The primary body coordinating education is the National Council on Education, composed of the Federal Minister of Education and State Commissioners for Education plus the Federal Capital Territory (FCT) Education Secretary. The National Assembly and relevant State Assemblies are responsible for enacting laws outlining the responsibility of the political entities in the education sector. The budgets for Federal and State Education and other sectors are ratified by the State and National Houses of Assembly. The implementation of the FMOE's policies is carried out by 22 para-statals, which derive their authority from legislative acts. Some para-statals are financed by the Federal Government to run programs directly in support of the education sectors of the State and Local Governments (i.e., the Universal Basic Education Commission (UBEC) and the Tertiary Education Trust Fund (TETFund)). State education systems have State Ministries of Education (SMOEs) and State Universal Basic Education Boards (SUBEBs), along with a similar proliferation of implementing organizations. At the local level, local government education authorities (LGEAs) are the key players in education provision.

7. Financing of Education. The lack of information on state and local expenditures makes accurate estimates of total spending difficult and there are no plausible estimates of the total financial resources required to achieve universal basic education in Nigeria (Santcross et al 2009). A literature review on available estimates found that they range from around 1 percent of GDP up to 5 percent (Acosta, 2012) and even over 7 percent (FMOE, 2011; EDOREN, 2013). Even if for some states data might exist, the differences between states are so large that one cannot extrapolate from one state to another as within state differences are also large. Figures 1 and 2 below show some trends in education finance data. Federal capital expenditure demonstrates some growth. Total spending on education at the state level has generally increased for four of the project states since 2008.

Figure 1: Federal Expenditure (capital from 2008-2013) on Education in Nigeria

Figure 2: Total Expenditure in Education by Selected States (capital and recurrent)

Source: Federal: budget office website for 2012-2014 " <http://www.budgetoffice.gov.ng>" and Central bank of Nigeria website for 2008-2011 <http://www.cenbank.org/>

8. Access to Schooling. Nigeria's Universal Primary Education policy, first implemented in 1976 and reinstated in 1999 and in 2004, mandates free, compulsory basic education, but progress has been slow. Trends in primary school gross attendance rates (GAR) and net attendance rates (NAR) show insignificant improvement between 1990 and 2010. Primary NAR increased by 7 percentage points, from 54 percent in 1990 to 61 percent in 2010. Primary school GAR, including the overage children, showed major improvement between 1999 and 2003 (from 76 to 91 percent) but then declined to 85 percent in 2008. While access to education has stagnated at the primary level, it has expanded substantially at the secondary and tertiary levels. Secondary school NAR almost tripled, from 20 percent in 1990 to 56 percent in 2010. Tertiary GAR increased about six-fold from 1.9 percent to 11.9 percent, setting Nigeria at a level twice as high as the average African country (6.8 percent) and comparable with the average South Asian country (15.3 percent). This could put pressure on the shares of overall resources available for pre-primary and primary as more resources are needed for tertiary education.

9. National primary level enrollment/attendance appears to have stagnated, although the figure masks significant differences among States. Recent analysis shows that deterioration in access to primary school in the South has largely offset improvements in the North, resulting in a stagnating national average. When disaggregating national progress by states, primary NARs increased significantly in the Northern states between 1999 and 2010. States with the largest gains are Jigawa and Kaduna (increased by 30 percentage points), Nassarawa and Plateau (by 19 percentage points) and Kebbi (17 percentage points). Kano, Sokoto and Katsina also made modest to substantial improvements. However, primary NARs in Southern and some middle belt states have deteriorated over the last decade, especially in Kwara, Ondo, Oyo, Benue, Delta, and Anambra. State level analysis and assessments will be required to better understand this trend.

10. Out of School Children (OOS). Despite progress over the last decade, the five north-western states identified for support from the Nigeria Partnership for Education Project (NIPEP) continue to contain most of the OOS children in absolute value in the country: Jigawa (61 percent), Kaduna (23 percent), Kano (40 percent), Katsina (56 percent) and Sokoto (65 percent). About one half of school-age children (ages 6-16) in these states remain out of school, compared to the national average of about one quarter. These OOS children are comprised of those who (i) never attended school; and (ii) are attending non-integrated religious schools that do not teach any formal academic subject such as mathematics, English, social studies or science. Children who never attended school account for between 64 and 76 percent of OOS girls and boys in the North-West. Also, it is likely that many children start school at an age much later than the official age 6, accounting for a large share of children currently out of school. However, even when over-aged children are accounted for, between 41 percent of boys aged 12-16 in the North-West and 60 percent of girls in the North-East and North-West still never attended school. This indicates that demand barriers (such as poverty) are hindering many children from entering school. The second biggest group of OOS children in the North is those attending non-integrated religious schools, about 18 percent of OOS boys and 27 percent of OOS girls in Nigeria, with the highest shares in the North-East and North-West, and predominantly girls. Dropout rates are only about 1 percent for primary-school-age children (ages 6-11) but increase to between 8-11 percent in the North for secondary-school-age children (ages 12-16). Automatic promotion policies rather than good system efficiency may explain this low drop-out rate. Poor learning outcomes and low transition rates to secondary school in part explain increased dropout rates at older ages.

11. Efficiency. In addition to large numbers of OOS children, the education system is relatively inefficient. While automatic promotion is a policy and promotion between grades is high, a large share of children start school late, drop out by the end of primary school and do not continue to secondary school. Only 43.8 percent of children in Nigeria start school at the official starting age six. Net intake rates to the first year of Primary school, Primary 1 are lowest in the North-East (30.3 percent) and the North-West—NIPEP states (28.7 percent). Average primary completion rate is about 73.4 percent for Nigeria and 54.6 percent for the North-West. However, only 70 percent of children who attended Primary 6 continue to attend secondary school. The North-East and North-West, again weigh down the national average with the lowest transition-to-secondary-school rates (61 percent). Within the NIPEP States of the North-West, Sokoto has the lowest internal efficiency, with only 17.4 percent net Primary 1 intake, 73.2 percent primary completion rate and 27.3 percent transition rate to secondary school.

12. Learning outcomes are poor. At the national level, 60 and 44 percent of students, after completing Primary 4 and Primary 6 respectively, cannot read a complete sentence in English. This is mainly owing to: (a) poor content knowledge by teacher; (b) low proficiency in language of instruction by teacher; (c) lack of quality instructional materials; (d) teacher absenteeism; (e) lack of classroom space; and (f) direct and indirect costs of schooling e.g., transport cost, and family loss of income from children attending school. About 10 percent cannot add numbers at the end of primary school. Poor learning outcomes are most severe in the North. More than two-thirds of students in the North remain illiterate after completing primary school (Primary 6), as compared to about 18-28 percent of students in the South. Eighty-seven percent and 95 percent of grade-six students in Jigawa and Sokoto cannot read a complete sentence in Hausa, their first spoken language. The statistics are slightly better but still poor in Kaduna (60 percent), Kano (61 percent) and Katsina (76 percent). The results of the Early Grade Reading Assessment (EGRA) conducted by USAID's Northern Education Initiative project in Bauchi and Sokoto in 2011 and 2013 reveal that more than 95 percent of pupils in Primary 1 and 3 have not acquired sufficient foundational skills necessary to read Hausa fluently, with no change between 2011 and 2013. A Monitoring Learning Achievement (MLA) survey conducted by DfID-ESSPIN (Education Sector Support Programme in Nigeria) in 2010, confirmed poor English literacy and numeracy skills of Primary 2 and 4 students in Jigawa, Kaduna and Kano.

Challenges in the Education Sector and Consideration of Interventions.

13. Key challenges in basic education in Nigeria include insufficient supply of classrooms and infrastructure amenities, low levels of learning outcomes, high enrolments that may overcrowd classrooms, and inefficient utilization of resources. The main obstacles to access include poverty, gender bias, interpretations of religion, and inadequate supply. Specific interventions targeting community, school and classroom level outcomes are important in addressing these challenges and the NIPEP project will support such initiatives in the five selected states.

14. Poverty has been consistently found to be the dominant factor that prevents many children from starting school on time or even attending school. Cost is often the top reason reported by households for why children are not sent to school or sent overage (National Population Commission and RTI International-2011). Despite a national policy, totally free basic education is not a reality in Nigeria as families still have to bear associate costs of schooling. Total education expenditure, including uniforms, textbooks, transportation and all other related costs for primary school, for an average child from the poorest quintile accounts for one-fifth of per capita income.

The ratio increases to one half per capita income for a child enrolled in junior secondary school.

15. **Girls' Access.** Poverty has a particularly invidious effect on girls' enrolment. A large number of OOS children are girls: 65.3 percent of girls in NIPEP states have never attended school or are enrolled in non-integrated religious schools (33.2 percent). Primary 1 net intake rates are lowest in the NIPEP states at an average of 28.7 percent compared with national average of 43.8 percent and the largest share of these children are girls. Interpretations of religious teachings and gender preferences are major barriers for children to attend formal school. Lincove (2009) found girls' schooling depends on family income to a greater extent than boys' schooling does, with an income elasticity of 9 compared to 6.4 for boys. This implies that when parents face budget constraints, girls are less likely than their male siblings to attend school. Their education is also hindered by the need to attend to household chores such as providing care for infant siblings or work on a farm, but is encouraged by having male school-age siblings (Lincove 2009). The importance of Islam also has a significant effect on attendance in a formal or integrated religious school, which is in part explained by the demand for religious schooling. NIPEP seeks to influence access, retention and learning in public schools and integrated Islamiyya schools (schools that have curricula, structures and accept to integrate teaching of elements of basic education (literacy and numeracy), in particularly the core subjects (Hausa, English, Mathematics, Social Studies and Basic Sciences). Most Integrated Islamiyya Schools are registered with SUBEB and benefit from public funding.

16. **Muslim girls in Northern Nigeria** face additional barriers, including early marriage, pregnancy, child labor and increasing security challenges. According to the 2011 Nigeria Multiple Indicator Cluster Survey (MICS) Main Report, 30 to 39.5 percent of girls in the North-East and North-West get married before the age 15. Since most of them start school late, they are also likely to leave school for early marriage before completing primary school. In addition, the high opportunity cost of schooling for many girls in poor families also leads to early dropout. Girls' schooling is further threatened by recent political insecurity (insurgent activity) and direct attacks including abduction of girls in the North-East states of Emergency (Borno, Yobe, Adamawa) where the kidnapping of the Chibok girls took place. While these kinds of attacks have not occurred in the NIPEP states, girls' security and child protection more broadly are issues within the Nigerian context. Perceived poor security for girls in the North is a barrier to their attendance in basic education (Tolulope 2012).

17. **Pre-primary Education and Early Learning Opportunities.** Currently the National Policy for Integrated Early Childhood Development (IECD) supports the need for provision of care for children from birth to 5 years. Despite the overwhelming global evidence that pre-primary education prepares children to enroll and continue in primary education and the Federal Government's decision to mandate one year of pre-primary, children in the NIPEP states have little or no access to pre-primary education. The average pre-primary education net enrollment rate among children aged 4-5 is only 7 percent in the North-West. For example, in Sokoto, only one out of every one hundred children receives pre-primary schooling. While poverty and socio-cultural barriers reduce demand for schooling, insufficient investment in early childhood education (ECD), inexperienced teachers, inadequate teaching and learning materials and weak governance and institutions reduce learning outcomes. Little funding, poorly trained teachers, limited infrastructure and lack of quality assurance in pre-primary education centers cause a severe undersupply of pre-primary education and as a result children are not well prepared to succeed in primary school.

18. **Teacher Quality.** There is a dearth of qualified (those having the minimum National Certificate of Education (NCE) qualification) teachers in some areas of Nigeria, and even some qualified teachers do not have adequate professional knowledge and competency to teach. Some of the issues related to poor teacher quality, especially in the northern states in Nigeria, include low quality of entrants to pre-service education, outdated and heavily theoretical pre-service training, inadequate in-service training, lack of qualified and experienced teachers, and lack of fit between teacher education and the curriculum taught in school. In addition to general lack of quality teacher training and follow up support, teachers who received in-service training are not often taught child-centered, gender-responsive methods, or provided with specific techniques to improve student learning, e.g. in reading and techniques to deal with large class sizes. NIPEP states have the highest percentage of unqualified primary school teachers in the country. A detailed assessment of ECD teachers found that most of the preschool teachers do not have basic teaching qualifications.

19. **Teaching and Learning Materials.** Textbooks and materials for teaching and learning activities are scarce for teachers and for students. In particular, there is a lack of materials in national languages that are suitable for early grade reading instruction. On average, about 5-6 students have to share a textbook for a subject. Textbooks in languages other than English are even more limited; about 90 and 95 percent of students taught in Hausa and Yoruba do not have a textbook. The shortage of textbooks is acutely observed in the NIPEP project states.

II. Proposed Development Objectives

The PDO is to improve access and quality of basic education in selected States, with particular attention to girls' participation.

III. Project Description

Component Name

Promoting School Effectiveness and Improved Learning Outcomes

Comments (optional)

This component is designed to provide school grants for student and school materials and costs of teacher development in primary and pre-primary schools. The objective of this component is to improve the effectiveness of schools in enabling pupils to enroll and stay in school. This is to be achieved by promoting school-level resourcing, decision making and accountability with increased resources for primary and pre-primary education and focusing on initiatives that target improved teaching and learning in reading, literacy and numeracy. This component will have three sub-components: (a)- School Improvement Grants to Primary Schools ; (b) School Improvement Grants to Pre-Primary Schools (estimated total cost) and; (c) Support to Teacher Professional Development.

Component Name

Increasing Access to Basic Education for Out-of-School Children with a Focus on Girls

Comments (optional)

The objective of this component is to support the inclusion of girls in basic education and promote gender equality. In addition, training will be provided to strengthen SBMCs. This component will have 3 sub-components: (a) Girls' Access to Primary Education; (b) Scholarships for Female Teachers and ; (c) Community Mobilization and SBMC Training.

Component Name

Strengthening Planning and Management Systems including learning assessment and capacity development

Comments (optional)

The objective of this component is to provide effective coordination, monitoring and supervision, technical support and capacity building at state and federal levels. The two sub components will provide necessary resources for technical assistance, independent third party monitoring, operational costs, training, policy research, learning assessments and funding for SUBEB-LGEA monitoring activities. The two sub-components are: (a) Management and Implementation Support and ; (b) Monitoring, Evaluation and Learning Assessment.

IV. Financing (in USD Million)

Total Project Cost:	100.00	Total Bank Financing:	0.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
Borrower			0.00
Education for All Supervising Entity			100.00
Total			100.00

V. Implementation

Relationship to CAS

20. NIPEP would support the Government of Nigeria and State-level education programs in the five selected states covering basic education, contributing to Nigeria's long-term objective of human capital development for sustaining economic growth and poverty reduction. The Project objective is consistent with the objectives of the FY2014-17 Country Partnership Strategy (CPS), and is fully aligned with the goals of Nigeria's development agenda, Vision 20:2020, and its medium-term strategy for realizing that vision, the Transformation Agenda 2011-2015. Specifically, the project focuses on the need to improve Nigerian livelihoods through improving the quality of social service delivery at the state level to promote social inclusion with gender equity and conflict sensitivity. The NIPEP objective in the five northern states of Jigawa, Kaduna, Kano, Katsina, and Sokoto is well aligned with the State specific Education Sector Plans (and recently updated three-year rolling operational plans), Medium-Term Sector Strategy (MTSS) for 2015-17, and the overarching Federal strategy 2011-2015.

21. Selected States. The proposed project will support the Federal and selected State governments in line with the principles of the CPS, including: (i) strong government ownership and commitment at national and state levels evidenced by ESP and MTSSs; (ii) states with weak basic education indicators; (iii) state willingness to access, effectively and efficiently use its UBEC funds to achieve tangible results; and (iv) FMOE commitment through UBEC to sustain and scale up the project activities in the participating states after the project completion. In addition, the selection of states represents strategic alignment with IDPs' activities in the education sector.

22. Alignment with GPE Principles. This will be the first grant application for Nigeria to the GPE. The size, federal nature and decentralization policies of Nigeria present a significant challenge to how GPE support can impact educational outcomes. Therefore, the design of the project aims to strategically align funding around critical issues of OOS children, girls' participation in basic education and improving learning outcomes, all important GPE objectives. The project

complements ongoing activities and new commitments of the key education development partners in Nigeria. For example, all states have had school grants programs and these will be scaled up under NIPEP. The designation of IDPs leadership in each State (DfID for Kaduna, Kano, Jigawa; USAID for Sokoto and UNICEF for Katsina) furthers the objectives of the GPE global strategy to align support and more importantly, to improve cooperation and harmonization of activities in the sector.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	x	
Natural Habitats OP/BP 4.04		x
Forests OP/BP 4.36		x
Pest Management OP 4.09		x
Physical Cultural Resources OP/BP 4.11		x
Indigenous Peoples OP/BP 4.10		x
Involuntary Resettlement OP/BP 4.12		x
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50		x
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)

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